India assuages US' concerns on import monitoring system for PCs

THE RATIONALE. Says move is to address national security concerns, not to curb trade

Amiti Sen
New Delhi

India has informed the US that the import monitoring system put in place for certain IT hardware items, including laptops, tablets and PCs, was aimed at ensuring supply chain resilience and addressing national security concerns.

New Delhi has assured Washington that, as of date, it had no intention of expanding the list of items on which the curbs apply, and there was no proposal for carrying out an initial monitoring phase for the measure, in replies to questions posed by the US at the WTO Committee on Import Licensing last week.

"The present system has been put in place to manage and monitor import of specified IT hardware goods to ensure supply chain resilience and address national security concerns," India said in response to the US' question — on what objective India hoped to achieve through the import licensing requirements.

DESI PUSH. India shifted to a new 'import management system' for shipments of IT hardware from October 1, 2023 REUTERS

SHIFT TO NEW SYSTEM

Since October 1, 2023, India shifted to a new 'import management system' for monitoring shipments of electronics such as laptops, tablets and PCs. Under the system, instead of being allowed to freely import the items, importers have to apply for import authorisations but the licencing procedure is automatic and fast. Also there are no curbs on the quantity of imports. The authorisations are valid up to September 30, 2024.

To a question on whether India intended to expand the use of import licencing beyond the listed products, it replied, "As of date, India has no plans to expand the use of import management system beyond the listed products."

Stating that it understood that India was considering carrying out an initial monitoring phase for this measure, the US asked India to explain the time-frame for the monitoring phase, and whether India would delay full implementation of the measure during this time. To this, India replied that there was no such proposal as on date.

Earlier, the government had indicated that the import authorisation system would address India's security concerns, especially those related to imports from China, as well as boost local manufacturing, which was already being incentivised by the PLI scheme. A large part of the $7-8 billion of laptops, tablets, and computers imported annually into the country are sourced from China.

Since a number of US-based companies, including Dell, HP and Apple, have a considerable presence in India, the US government has been in touch with the Indian government soon after the initial notification on imposing import restrictions on IT hardware products was issued in August 2023.