



PHD House, 4th Floor, Ramakrishna Dalmia Wing
4/2, Siri Institutional Area, August Kranti Marg, New Delhi – 110016, India
Tel#: (+91-11) 2685 5487 • Fax#: (+91-11) 2685 1321
E-mail: ceo@mait.com • Website: <http://www.mait.com>

Ref.No.MAIT/PY/2132

June 23, 2020

Dr. Guruprasad Mohapatra
Secretary
DPIIT

Subject: Study on India's import to boost Optical Fibre manufacturing in India

Respected Sir,

Greetings from **MAIT**, the apex body of the Electronic Hardware Manufacturing in India!

This bears reference to the Study on India's import by TFP Division, DPIIT dated 17th June 2020 where DPIIT has raised concerns that some of the current FTAs as signed by India are creating a disadvantage for Indian manufacturing industry. In this regard, products (at the HS code 8-digit level) facing import surge particularly through the FTA route need to be identified. At the same time, other details like the preferential rates under the FTA, domestic production capacity, the possibility of an inverted duty structure case, etc. are required.

As per the inputs shared by optical fibre industry, the optical fibres bundles and cables under the 8 digit HS code **90011000** is being imported on the preferential duty rates applicable under the FTAs/PTAs, to name a few are SAFTA, CEPA India-Japan, ISFTA Indo-Sri Lanka FTA, CEPA, etc. where the installed capacity of domestic production is of 75 million km per year, however, the actual domestic production is not more than 25 million km.

All the data inputs have been provided in the enclosed **DPIIT Revised Format – Inputs on Optical Fibre Industry** for your kind perusal.

Requesting for necessary safeguard duty be levied

Looking forward to building an "Atmanirbhar Bharat".

With regards,

George Paul
Chief Executive Officer

CC: Shri Saurabh Gaur, Jt. Secretary, Ministry of Electronics & IT
CC: Shri S K Marwaha, Sr. Director, Ministry of Electronics & IT

Format for providing Information**I. Domestic Capacity and Inverted Duty**

Sl. No.	Tariff line/Product at the HS-8 digit level)	Tariff line Description	Import Value of intermediate goods/ raw materials used in the production (in million US\$)	Existing FTAs/PTAs (Preferential Rates may be mentioned)							Nature of Product (Raw material /Finished products	Domestic Production Installed Capacity (in million tonnes)	Actual Domestic Production (in million tonnes)	Inverted duty structure Issue (if any)#
				S A F T A	CECA India-Singapore	CEPA India-Japan	CEPA India-Korea	A S E A N	ISFTA Indo-Sri Lanka FTA	A P T A				
1	90011000	Optical fibres, optical fibres bundles and cables	Not Available	5 %	0%	0.9%	0%	0 %	5%	-	Raw Material for Optical Fibre Cable	75 Million KM per year	~ 25 Million FKM	-

II. In addition to the above information, it is requested to highlight issues related to competition faced by domestic manufacturer owing to ‘Cheaper Import’[@],

Sl. No.	Imported Tariff line/Product at the HS-8 digit level)	Tariff line Description	Nature of the Product (intermediate/finished goods)	Price of Product in the domestic market (in US\$ per unit)	World Price of the Product (in US\$ per unit)	If Imported under any FTA/PTA (yes/no)	IF yes mention the name of FTA/PTA and the preference duty
1	90011000	Optical fibres, optical fibres bundles and cables	Raw Material for Optical Fibre Cable	\$3.5 - \$4.0	\$3.5 - \$4.5 (Excluding China where its domestic price is ~ \$3.0 -3.5)	Yes	Under CEPA

III. Suggestions/Comments to curb Import Surge:

Sl. No.	Imported Tariff line (HS code 8 digit)	Tariff line Description	Import Growth (%) (2014-15 to 2018-19)	Any Suggestions to curb import surge (Anti-dumping duty/Countervailing duty/ safeguard measures/ Quality Control Measures/ Any Non-tariff Measures)
1	90011000	Optical fibres, optical fibres bundles and cables	~ 550	Safeguard Duty measures already initiated.

Note:

SAFTA:The South Asian Free Trade Area (SAFTA) is the free trade arrangement of the South Asian Association for Regional Cooperation (SAARC). Members of the FTA are; Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka.

APTA: The Asia Pacific Trade Agreement (APTA) is a preferential trading arrangement designed to liberalise and expand trade in goods progressively in the Economic and Social Commission for Asia and Pacific (ESCAP) region. Agreement so far has been implemented by India, Bangladesh, Republic of Korea, Sri Lanka & China.

#Inverted Duty Structure Issue: If under any FTA/PTA the preferential rate on the Finished Product is lower than the intermediate/raw material, the issue may be reported in the column

@Cheaper Imports indicates that price of the product under consideration (PUC) in the domestic market is much higher as opposed to its price in the world market. This price arbitrage leads to import of the PUC from the world market. The import source may be a FTA/PTA partner. In that case preferential duty (or zero duty) rate is applicable leading to further cheaper price. The domestic manufacturers of the PUC in this case, face stiff competition from the world market. This in turn also cripples the domestic installed production capacity. However, if the PUC is an intermediate/ raw material then cheaper import will actually improve India's export competitiveness, provided there is no domestic production capacity of the same PUC.