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February 16, 2023

Shri Anant Swarup, IRPS Joint Secretary Ministry of Commerce

Subject: Exports related concerns of Electronics & Telecom Industry

Respected Sir,

Greetings from MAIT!

First and foremost, we sincerely thank you for inviting MAIT to join the meeting held on February 9, 2023, which was Chaired by Secretary-Commerce to have a discussion on Ease in Exports w.r.t. any concerns faced by the industry in doing exports vis-à-vis ports clearances.

As discussed during the meeting, we had reached out to our members in the electronics & telecom H/w domain for the enablement required by them to boost exports.

The industry has requested the following interventions for your kind consideration which shall help in boosting exports in electronics and telecom sector:

- 1. Separate earmarked area and Window for speedy clearances of products which are covered under 84, 85 & 90 Chapters as the electronics products fall under this category.
- Waiver of physical examination of cargo, as most of the products are covered under vacuum sealing and once they are opened for inspection, it will impact product shelf life and causes delay in shipment.
- 3. Used Capital exports need to be cleared on fast-track mechanism based on the onsite Chartered Engineer Reports or Photograph provided with self-undertaking given by exporter.
- 4. 24/7 exports assessment / clearance required or at least 7 days examination and clearance for sea shipment.

Besides, we would also like to bring forth the issue faced by our member company, namely Vivo Mobiles which faced a peculiar challenge where in the month of November 2022, DRI had indicted their exports consignment of 26,840 phones and 100% physical inspection was carried out that resulted in inordinate delay and, therefore, loss of export orders. In addition, a significantly higher number of handsets were taken by DRI as samples, which are in their custody till date. The matter was raised with the concerned authorities and a partial relief was accorded wherein 100% physical inspection has been done away.

However, as of February 2023, Customs is still opening Two (2) handsets from each pallet, which is not a normal standard practice. This is resulting in the affected company losing exports orders as customers/importers do not want opened boxes.

We have also been informed by the affected company that they have lost significant exports orders due to the opening of boxes for checking IMEIs. We would also like to bring to your kind attention that matching of IMEIs has no relevance for exports (kindly refer to DoT Letter No. 13-15/2021-UDS dated December 2, 2022, as enclosed where DoT has clarified that the requirement of registration of IMEIs of mobile phones being manufactured in the country for export is kept in abeyance till further orders).

However, the practice of opening the boxes is still continuing. This is a forex loss for the country, and a missed opportunity to grow exports.

In view of this, we request your kind intervention on the issues highlighted as above. We are sanguine that the above requests shall merit your kind consideration.

Look forward to your positive consideration and support.

Warm regards,

Col. AA Jafri, Retd. Director General

CC: Shri Sunil Barthwal, IAS, Secretary, Ministry of Commerce & Industry