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Ref.No.MAIT/PY/2207

September 21, 2020

Shri Ajay Kumar Srivastava  
Additional Director General - Logistics & IT  
Directorate General of Foreign Trade

**Subject: Representation to consider swift implementation and enhancement of Safeguard Duty on imports of Single Mode Optical Fibre (Customs Tariff 9001 10 00) into India, as recommended by DGTR**

Respected Sir,

***Greetings from MAIT!***

This refers to the 'Final Findings' Notification published in the Gazette of India by Ministry of Commerce and Industry, Department of Commerce, Directorate General of Trade Remedies (DGTR) on 21<sup>st</sup> August 2020, Case No.(SG) 05/2019 concerning Safeguard investigation concerning imports of "Single Mode Optical Fibre" into India issued under File No. 22/5/2019-DGTR (copy attached for reference).

In this connection, we wish to make the following additional representations on behalf of the domestic Optical Fibre industry highlighting their apprehensions: -

While India aspires to be the world's most competitive and significant global hub for electronics products manufacturing including Optical Fibre, it cannot let domestic industry get run over by predatory dumping from elsewhere. The domestic industry continues to suffer as a result of imports originating from several countries, especially China. This increased volume has forced the domestic market to respond and resulted in price declines to the tune of approx. 20 % in 2019 and another 35% decline in 2020, besides underutilization of capacities and as a consequence, suffering significant losses. While unfair imports are no longer surging, they are still a significant factor weighing on the domestic industry. Therefore, it is highly imperative to expedite the implementation of Safeguard Duty against such predatory imports in the interest of domestic industry.

Further, the Hon'ble Prime Minister has recently given clarion call for 'Atmanirbhar Bharat' with a vision to connect 6,00,000 villages in next 1000 days with Optical Fibre. In support of this highly motivating vision, India has an opportunity to realise its goals to be a leader in mobile and broadband telecommunications. To ensure that the domestic Optical Fibre and Cable manufacturing industry is able to serve India's wider vision, it is imperative for the Government of India to support the domestic players against excessive imports through the application of the

enhanced safeguard measures. The demand for Optical Fibre in India should be met only through indigenous sources and should not be dependent on other countries.

One additional concern of domestic Optical Fibre industry is that India has a Free Trade Agreement with Indonesia, and Chinese companies may be taking this route to circumvent imposition of such duties. It may be noted that five Indonesian companies are interested parties in the DGTR investigation and it is highly likely that some of these could be Chinese companies having their base in Indonesia. Therefore, it is necessary to delve deeper into this issue in totality instead of directly applying the 3% waiver rule for developing countries.

In view of the above, we humbly request to address our concerns as under, which are summed up for your ready reference:

- (i) **To kindly expedite the implementation of Safeguard Duty on imports of Single Mode Optical Fibre to provide much needed support and relief to the Indian industry. We request you to release the Safeguard Duty without any more loss of time.**
- (ii) **To review / consider enhancement in Safeguard Duty on imports of Single Mode Optical Fibre, especially from China from the currently recommended 10% at least to 25%; and**
- (iii) **To also consider imports of Single Mode Optical Fibre originating from Indonesia (albeit a developing country) under the levy of Safeguard Duty owing to the possibilities of Chinese manufacturers routing their exports from there in order to circumvent the Safeguard Duty.**

We believe that taking these steps will encourage accelerating domestic Optical Fibre and Cable deployment and protect the domestic Optical Fibre and Cable industry. It would boost the growth of the Optical Fibre industry, reducing time and costs for rolling out India's fibre networks. Further, this will also help telecom companies to plan a phased transition from 2G/3G/4G to next-gen 5G technologies, thereby enabling the Government to transform India into a digitally powered economy and society.

Thanking you in anticipation,

With regards,



George Paul  
Chief Executive Officer