

## WEEKLY TRADE UPDATE

### Foreign Trade Update

#### **A. Cabinet approves Production Linked Incentive Scheme for Large Scale Electronics Manufacturing**

The Production Incentive Scheme for Large Scale Electronics Manufacturing has been now approved by the Cabinet. This is in view of the fact that the production of mobile phones in the country has gone up significantly from around INR 18,900 crore (USD 3 Billion) in 2014-15 to INR 1,70,000 crore (USD 24 Billion) in 2018-19 and the domestic demand is almost completely being met out of domestic production. By integrating “Assemble in India for the world” into “Make in India”, India can further significantly increase manufacturing output.

The following are the details of the Scheme:

- The Scheme proposes production linked incentives to boost domestic manufacturing and attract large investments in mobile phone manufacturing and specified electronic components including Assembly, Testing, Marking and Packaging (ATMP) units.
- The Scheme shall extend an incentive of 4% to 6% on incremental sales (over base year) of goods manufactured in India and covered under target segments, to eligible companies, for a period of five (5) years subsequent to the base year as defined.
- The proposed Scheme is likely to benefit 5-6 major global players and few domestic champions, in the field of mobile manufacturing and Specified Electronics Components and bring in large scale electronics manufacturing in India.
- The total cost of the proposed Scheme is approximately INR 40,995 crore (Rupees Forty Thousand Nine Hundred and Ninety-Five Crore Only) which includes an incentive outlay of approximately INR 40,951 crore (Rupees Forty Thousand Nine Hundred and Fifty-one Crore Only) and administrative expenses to the tune of INR 44 crore (Rupees Forty-Four Crore Only).
- The Scheme will result in a direct employment generation potential of over 2,00,000 jobs over 5 years. Indirect employment will be about 3 times of direct employment as per industry estimates. Thus, total employment potential of the Scheme is approximately 8,00,000.

#### **B. DGFT Help desk operationalized for Covid-19 related import/ export issues**

A Helpdesk has been operationalized by DGFT for export/import related issues being faced in light of the Covid-19 situation. All issues related to Department of Commerce/DGFT may be forwarded in the proforma spreadsheet specified for this purpose. The filled proforma may be sent to [dgftedi@nic.in](mailto:dgftedi@nic.in). In addition to the aforementioned sheet, exporters/importers may directly flag their issues through Contact@DGFT Platform ([http://rla.dgft.gov.in:8100/CRS\\_NEW/](http://rla.dgft.gov.in:8100/CRS_NEW/)), where a ticket may be raised here with Concerned office : DGFT(HQ) and Subject: COVID-19 or by calling at the toll free number (1800-111-550).



### **C. Retrospective Issuances of Certificate of Origins under India's Trade Agreements**

On account of lockdown/ curfew in India due to the Covid-19 pandemic, the Indian agencies authorized to issue certificates of origins under India's free trade agreements, comprehensive economic partnership agreements and preferential trade agreements are temporarily closed.

Therefore, in view of these exceptional circumstances, vide Trade Notice 50/ 2019-2020 dated March 28, 2020, the Government of India has declared that the certificates will be issued retrospectively once the agencies open the office. India has also requested the customs authorities and other competent authorities in the countries with whom India has a trading agreement to allow eligible imports under preferences on a retrospective basis subject to the subsequent production of certificates of origin by the Indian exporters.

India has also agreed to honour similarly its imports under the trade agreements, provided a notification or a formal request is issued by the concerned authorities in this regard.

### **Trade Remedy Measures Update**

The Directorate General of Trade Remedies (**DGTR**), Ministry of Commerce and Industry has recently issued the following Final Finding concerning trade remedy measures.

- **March 26, 2020-** Final Findings have been issued in the sunset review of the anti-dumping investigation concerning imports of "Electronic Calculators" originating in or exported from China PR.

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