



ICEA Welcome Government's Decision To Roll Back Import Duty on Open Cells

- **Duty roll back on Open Cells is an important step by the Government**
- **A boost to the domestic manufacturing of LED and LCD Televisions in the country**

New Delhi, 18th September 2019 – The India Cellular and Electronics Association (ICEA), the apex industry body representing the electronics industry in India has welcomed the decision of the Government to roll back import duty on Open Cells used for manufacture of LED and LCD Televisions.

“ICEA has always been at the forefront in advocating special regulatory efforts to try and address disabilities suffered by the domestic LED/ LCD TV industry so that the larger objectives behind “Make in India” can be achieved. It has always been ICEA’s official position that appropriate regulatory interventions must be initiated to try and dissuade imports of LED/ LCD TVs at all cost and these products must be Made in India. Value addition and generation of jobs remain to be the prime focus of the Government and that of ICEA”, **said Mr. Pankaj Mohindroo, Chairman, India Cellular & Electronics Association (ICEA).**

Mr. Pankaj Mohindroo further added said, “the rampant smuggling and misdeclaration of Open cell as tempered glass to under value imports was coming in the way of organized manufacturing. There is no incentive now to mis-declare Open cell which is now at zero duty for manufacture of TVs. This change in duty structure will also make imports competitive since zero duty from ASEAN under FTA was in competition with the general duty of 5%. ICEA had brought to the notice of the Government that the official imports were lower than the actual consumption in India. Reform will lead to arrest of the grey market and push to organised manufacturing”.

The ICEA Chairman urged the Government to follow up with reduction in GST to 18% from 28% for the entire category of TV industry, besides the fact that Communication and Entertainment is an essential service, the high rate is leading to rampant evasion of duty by non-declaration as well as mis-declaration of value in the domestic trade.

Mr. Mohindroo highlighted that, “the competitiveness of the domestic manufacturing industry suffered of late due to 5% import duty levied on import of Open Cells which are used for manufacture of LCD/ LED TVs. With the BoM (Bill of Material) share of Open Cells is approx. 60 – 70% of the total cost of finished LED/ LCD TVs it was hardly competitive for domestic manufacturers to continue assembling/ manufacturing activity.

In fact, significant manufacturing capacities have been lost in recent past leading to loss of jobs and value creation.”

It may be noted that India’s largest TV manufacturer had exited India in October 2018 after the 5% duty on Open Cells was imposed.

“ICEA has also been working with the Government to formulate various measures to curb imports of finished goods which are majorly being brought into India from one particular country under the garb of FTA and questionable claims regarding fulfillment of Value Addition norms which may not be the reality on ground. We will continue our focus to support establishment of a sizable electronics hardware manufacturing HUB in India specially relating to various electronics items other than mobile handset ecosystem which is undoubtedly a US\$210 Billion opportunity as per NPE 2019 by 2025. Mr Mohindroo also said that the import of duty-free television sets from ASEAN countries especially Vietnam needs a review so that India too gains from the Agreement. He requested both the Commerce and Finance Ministries to move forward the review of ASEAN FTA announced by the Government recently”, **Mr. Mohindroo added.**

About ICEA: ICEA is the body of Mobile Handsets and the Electronics industry which comprises of manufacturers, brand owners, technology providers, VAS application and solution providers, distributors and retail chains of mobile handsets and electronics. ICEA is now committed to carrying forward its mission of building Indian manufacturing and design in verticals other than mobile handsets while consolidating the gains made in the mobile handset and components industry.

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