

ELCINA ELECTRONIC INDUSTRIES ASSOCIATION OF INDIA
(Formerly Electronic Component Industries Association)

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Press Release

Much Awaited Anti-Dumping Duty for level playing field to CPT Industry

With no restriction on imports and most electronic hardware and components brought under zero customs duty, the local industry has been working under immense cost pressures and fighting heavy odds. This is equally true of the Colour Picture Tube (CPT) industry which attracts 10% import duty but is allowed for import at zero duty under the Thai FTA.

The indigenous CPT industry has been the victim of aggressive dumping from China and other Asian countries, as a result of which it has been seriously damaged and two of the four manufacturers, Hotline and BPL Display Devices – have been forced to shut down operations. The remaining two, Samtel and JCT, have been suffering due to imports at unrealistically low prices. Further, during the past decade, the domestic CPT industry invested heavily and had increased its annual capacity to over 20 million pieces. With two units shut down, this has been reduced to about 15 million. This is still sufficient to meet domestic demand.

This industry, with its high value addition and huge investment, has been the mainstay of the electronic component sector and is now in serious danger of extinction.

The issue of unfair practices and dumping of CPTs has been studied in depth by the Designated Authority on Anti-Dumping in the Ministry of Commerce and as per their preliminary findings released on 7th May, there is conclusive evidence about unfair pricing of imports and damage to domestic industry. According to the preliminary findings notified by the Designated Authority on Anti Dumping in the Ministry of Commerce, imports of picture tubes increased from under 2 million in 2004-05 to over 5.3 million in period July 06 - June 07, the period under investigation. The preliminary findings also establish that the picture tube prices declined by about 30-35% in the more popular 14” and 21” sizes. Based on this evidence, the Anti Dumping Authority has imposed a reasonable duty taking into account the interests of the CPT manufacturers as well as the TV Manufacturers, keeping the impact on the price of finished TVs at a minimum.

Commenting on the impact of this Duty on the cost of TVs, Mr Rajoo Goel, Secretary General, ELCINA Electronic Industries Association of India claimed that “ increase in cost of CPTs and TVs would be marginal. At worst, CPT costs would increase by approximately 2.8% on 14” Tubes, 1.5% on 21” Tubes and 14.5% on 29” Tubes. This could result in a small increase in cost of Finished Colour TVs by <2 - 3% respectively” he maintained.

Mr A.G.Rohira, President, ELCINA commented that “India is the only country in which demand for CPTs is growing. Survival of CPT industry is vital for expansion of electronics hardware in India as this would encourage investments in new technologies such as LCD and Plasma, opening up opportunities for servicing the global market. If CPT was allowed to perish, it may close the doors for opportunities in this industry for all times to come”. Further, Mr Rohira highlighted the significant surge in imports after the investigations were taken up by the

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Designated Authority and stated that “the imports increased very significantly to about 1.4 million pieces in the month of March 2008 alone, in anticipation of imposition of the Duty”.

Mr Vinod Sharma, Chairman of the Policy Committee of ELCINA stated that “this is an extremely fair and long overdue measure taken by the government in the interest of the domestic industry and will enable survival of the display industry in India”. Mr Sharma also questioned the efficacy of the anti dumping mechanism and stated that “Incidence of dumping rather increases upon initiation of investigations in anticipation of increase in cost, and the dumping shifts to newer sources even before anti dumping duties become effective”.

According to ELCINA, the dumping in the case of picture tubes has already shifted to Indonesia to a significant extent. There was a need to have a re-think on these circumvention tactics used after imposition of anti dumping duties. A similar case where dumping had shifted to newer sources was that of Compact Disc Recordable (CDR).

ELCINA sincerely feels that the anti-dumping duty, while saving local manufacturers from complete annihilation, will lead to only marginal increase in the prices of Colour Television sets.



Rajoo Goel
Secretary General

4th August, 2008

For favour of publication in your esteemed publication