

**ELCINA ELECTRONIC INDUSTRIES ASSOCIATION OF INDIA**

(Formerly Electronic Component Industries Association)

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**Press Release****ELCINA Welcomes Excise Relief**

4% across-the-board excise relief to manufacturing has been hailed by the Electronic Industries Association of India. ELCINA says this push to the industry as part of a fiscal package to spur demand will have a salutary effect. The Prime Minister's initiative, the industry feels, is well-timed.

In a Press Release, the ELCINA Secretary General, Mr. Rajoo Goel says that excise duty reduction will be instrumental in bringing down prices of electronics equipment, components and their inputs and consumers generally will benefit from cheaper TVs, Computers and other electronic goods. This shall stimulate sagging local demand and provide support to industry at a time when the export markets are declining. No doubt, the lowering of excise will mean loss of revenue to the government, but ELCINA strongly feels that this loss will be more than offset by the growing demand, providing a general boost to the economy and check the loss of employment opportunities.

ELCINA has also recommended some long pending critical measures to put the electronics hardware industry on track. These include a number of non tariff and market access issues such as EMC and Safety Regulation and Regulation on Hazardous Material (RoHS) which has allowed import of sub-standard components and products while impeding export of Indian products to developed markets. ELCINA has also been pressing for Hardware Manufacturing Zones for electronics where special common facilities such as power, logistics, training and testing infrastructure are provided to enhance competitiveness and reduce cost.

The ELCINA President, Mr AG Rohira, welcomed the slew of measures like interest subsidy to exporters and refund of terminal excise duty to them, which will arrest the downturn to exports in the wake of global meltdown. Congratulating the government for the positive steps, Mr Rohira commented that *"coupled with the measures taken by the Reserve Bank of India to lower repo and reverse repo rates to take care of liquidity concerns, the fiscal package will serve to lift the spirits of the industry. He further added that reduction of VAT on Consumer Electronics from 12.5 to 4% is a highly desirable step which the state governments must take to expand the market and reduce the cost of these products making them affordable for the masses of our country."*



Rajoo Goel  
Secretary General

December 11, 2008

***For favour of release in your esteemed publication***