

**GOVERNMENT OF INDIA  
COMMERCE AND INDUSTRY  
LOK SABHA**

UNSTARRED QUESTION NO:7375  
ANSWERED ON:12.05.2000  
COMPUTER HARDWARE MANUFACTURING SECTOR  
SU THIRUNAVUKKARASAR

**Will the Minister of COMMERCE AND INDUSTRY be pleased to state:**

- (a) whether the Government intend to give a boost to computer hardware manufacturing sector in the country;
- (b) if so, the target set for export by the Government; and
- (c) the details of the incentives the Government propose to give to the hardware manufacturers in the light of competition they face already from some of the Asian countries?

**Answer**

MINISTER OF COMMERCE & INDUSTRY (SHRI MORASOLI MARAN)

- a) Yes, Sir.
- b) The target set for export of electronics hardware including computer hardware is US \$ 624 Million for the year 1999-2000.
- c) In order to give boost to the hardware exports the Government has allowed the following schemes/incentives:-
- Simplification of export policies to encourage production for exports like extending the facility of import of capital goods under the EPCG Scheme on payment of 5% Customs duty. No additional Customs duty/countervailing duty @ 10% is required to be paid.
  - Providing various incentives for export oriented units, which include duty free imports of capital goods, raw materials, components and other inputs, tax holidays against export and access to the domestic market. Such units can be setup under any of the schemes viz. Electronics Hardware Technology Park (EHTP), Export Processing Zone (EPZ) and 100% Export Oriented Units (EOU). The EHTP scheme has been designed to meet the specific requirement of a globally-oriented electronics hardware sector.
  - Simplification of export related procedure/documentation like permitting foreign investment upto 100% in units setup solely for exports on automatic route, permitting a number of operations on the basis of self certification, as per Chapter-IX of Handbook of Procedure (Volume-I), 1997-2002, simplification of sub-contracting of production process in DTA for EHTP units, making eligible EHTP units and manufacturers-importers of electronic hardware goods having investment of Rs.3 crores and above for fast track clearance of goods imported by them.
  - Providing Duty Exemption Entitlement Certificate/Duty Entitlement Pass Book /Duty Free Replenishment Certificate Schemes for making available all inputs at international rates, reimbursement of duties paid, reimbursement of duty free imported material used in the export product respectively.
  - Providing a weighted reduction of 125% on the sums paid to any University, College or any Institution or a Scientific Research Association for the purposes of scientific, social or statistical research in order to induce more investment for R&D activities etc.