Review of IT Products

What is the issue?

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- Indian government has initiated a review of the all IT products.
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- This will have serious implications for China.
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What is the current move?

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- The government has put on notice all electronics and IT hardware manufacturers, who have been selling products in India without testing and certifications.
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- This includes Samsung, Apple and the Indian manufacturer Micromax.
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- They have to file reports confirming their compliance with government laid standards.
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- This might also call for stringent compliance, audits and regulations in the near future.
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- Chinese Companies like Xiaomi, Gionee, Oppo and Vivo, hold a combined market share of 54%, as of June 2017.
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- So this will greatly affect them.
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What could’ve triggered such action?

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- **Data Security -** The prevalence of Chinese products in the hardware and telecom market has genuine data security implications.
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- These products are also under the scanner in countries like Australia, the UK and the US.
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- India has already elevated its efforts towards a Data Protection Framework..
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- **Trade Imbalance –** There is a trade imbalance between India and China, which has already swelled to $ 51 billion.
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- Electronics and IT products are a key constituent of Chinese exports to India, estimated to be around $ 22 billion.
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- The current move may also be seen in the context of the government's push for 'Make in India'.
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- If the review unveils any irregularities in compliance or reveals any security breach on the part of the foreign producers, this could pave the way for Indian manufacturers to increase their domestic market share.
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- **Doklam -** It is also seen as the fallout of the Doklam standoff.
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- With a slowing economy, which fundamentally is export driven, China cannot afford any such adverse impact on its electronics manufacturing industry.
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- In this case, India has essentially opened a whole new front in the stand-off.
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- Given the genuine security concerns, India's action can stand up to WTO's scrutiny and it can even call for imposing penalties for non-compliance.
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Source: IDSA

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