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May 12, 2020

Shri C K Mishra
Secretary
Ministry of Environment, Forests & Climate Change

Subject: - Request for discussion on e-waste collection targets for Fiscal Year 2020-21 in wake of the uncertainties around the economic pickup on account of the COVID-19 Pandemic

Respected Sir,

Greetings from MAIT!

Through this letter, we draw your attention to a major challenge posed by the uncertainty of the economic scenario and in turn the impact on the ability of Industry to harness the required eWaste tonnage for the fiscal year 2020-21.

Kindly allow us to enumerate the difficulties industry is facing due to the Covid-19 pandemic related disruptions: -

1. International Data Corporation (IDC) has **forecasted a decline in ICT spending on hardware, software, and IT services** from +5.1% (as on January) to (-2.7)% a degrowth of 7.8%.
2. Trends also indicate that **Hardware spending in general is always identified for rapid spending cuts** during any economic crisis, as a means for enterprises to quickly protect short-term profitability. The IDC forecasts a steep decline in the Growth % for IT Devices from +0.9% to (-8.8) % YoY, a degrowth of 9.7%. These are still preliminary assessments on an expectation that the lockdown will be lifted by April 21st. The full magnitude of the business impact of the pandemic on the Electronics industry is yet to be assessed.
3. Enterprises and SMEs are postponing avoidable new capital expenditure in line with declining revenues, profits, market valuations and employee headcounts.
4. The GDP growth is expected to come down to as low as 1.5% and there is evidence of all-round job losses, constriction of liquidity and conservation of cash.
5. Among consumers, there is a marked shift in disposal patterns. Consumers are delaying New ICT purchase on account of the overhanging threat of losing jobs, declining domestic incomes and overall financial insecurity.
6. Similarly, in a situation of starved resources, the bulk consumers which includes the Government and who as a category, a major source of e-waste generation, are in all likelihood will defer their hardware refresh programs.
7. In the ITES sector, we are seeing Electronic devices getting re-allocated to their employees to enable 'work from home,' which were otherwise destined for disposal.

8. The overall impact of the above is the huge uncertainty that faces the Industry on availability of eWaste in face of a cumulative collection target of all producers registered under the E-waste (Management) Rules, 2016 at over 200,000 metric tonnes for 2020-21 as per CPCB website.

As of date, it is evident that one quarter of Economic activity has been lost. It is also clear that the world is going into cycles of peaks and troughs of disruption on account of the Pandemic.

In face of such turbulent and uncertain times, the Industry has entered into the new financial year with an upward revised target of 40% for the fiscal year 2020-21 under the mandatory compliance obligation.

In view of the above, the Industry requests that the applicability of the e-waste collection targets for the fiscal year 2020-21 under the EPR Rules 2016 be suspended temporarily till there is a clearer picture of the economy for FY 20-21.

It is expected that by the end of Q2 we will have a clearer picture of the Economic situation in the country and MAIT will request for a second Industry interaction in September-end to review the status.

Through this letter, **we seek a meeting with yourself to discuss the above and an immediate temporary suspension of the applicability of the eWaste collection target for the FY 20-21 till the end of September 2020.**

Looking forward to your positive consideration of our request

With regards,



George Paul
Chief Executive Officer

CC: Ms. Geeta Menon, Jt. Secretary, Ministry of Environment, Forests & Climate Change