

PRESS RELEASE

Importance of IT Compliance for Manufacturers

– New US Laws Aim to Prevent Unfair Competition –

Usage of IT in manufacturing is increasing by leaps and bounds and is playing a central role in driving efficiency, productivity and competitiveness. But as is seen, usage of IT is not necessarily well managed or regulated within companies, who are typically focussed on product lines, leading to the issues of non-compliance and unfair competition market conditions. In an effort to create level playing field between competing manufacturers globally, some of the US States has passed a new unfair competition law which allow only those manufacturers to export and sell, either directly or indirectly through third parties, their products and articles, if they can provide proof of using IT, i.e. genuine hardware & licensed software, for their business.

The new UCA unfair competition laws, passed in two states currently, apply to all manufacturers who sell products in these US States, irrespective of the jurisdiction, and aims at preventing unfair competition between IT compliant manufacturers versus the non-compliant competing ones, who use il IT, knowingly or unknowingly. These laws attempt to address the issue of one manufacturer gaining an unfair competitive/cost advantage by keeping their IT investments low, and gives the right to take action only to the injured manufactured, besides the state.

Since IT compliance is also a subject matter of Indian laws (Copyrights), these new unfair competition laws present a compelling opportunity for the Indian manufacturing sectors to take IT compliance as a serious management activity and gain market share from other non-compliant competitors. At the national level, India has a potential to grow manufacturing and exports business at the cost of those countries, where respect for IT compliance is low.

The manufacturing industry needs to see these developments on a positive note, and think of this as an opportunity of improving US exports market share by being compliant on IT, as against those who are not. IT is a critical enabler for every aspect of manufacturing and there is no doubt that usage of genuine software and hardware has its own benefits and advantages. And manufacturing being a highly responsible activity, being IT Compliant is the need of the hour, to stay competitive”

“With Government’s focus on making India a manufacturing and exports power house, it is the need of the hour to pursue compliance on IT on a committed note to have uninterrupted access to US markets, greater market share, and healthy business relations. The manufacturing industry should adopt responsible and legitimate IT usage and management practices and promote healthy competitive market practices at the global scale.”

Apex Cluster is organizing a series of education and awareness programme for manufacturers and exporters in major manufacturing cities of India in association with local chambers and industry associations. These programmes will throw light on new unfair competition laws of US which applies to the manufacturers and exporters, who are exporting products and articles to US.