

Chairman's Pen

My dear fellow exporters,

The Union Commerce and Industry Minister Shri Kamal Nath presented on February 26, 2009 the Trade Facilitation Measures which is an interim policy measures before the new Government takes office after the General Election. The Trade Facilitation Measures has by and large ignored the contribution made by the engineering sectors in India during the last five years. Further, these measures were a case of missed opportunity as it did not try to provide support measures to certain labour intensive engineering sectors such as bicycle and hand tools, which have witnessed considerable export slump in the current economic crisis.

There were some positive steps though The EEPC INDIA welcomed the step to allow Duty credit scrips under Chapter 3 and under DEPB scheme to be issued without waiting for realization of export proceeds. This is, indeed, a significant step and directly improves the cash flow position of the exporters. Similarly, the changes made with respect to the Advance Authorization Scheme and the EPCG scheme is also well intentioned and the need of the hour. The Export obligation period against advance authorizations has now been extended upto 36 months in view of the present global economic slowdown. Under EPCG scheme, in case of decline in exports of a product(s) by more than 5%, the export obligation for all exporters of that product(s) will be reduced proportionately and this provision has been extended for the year 2009-10, for exports during 2008-09. EEPC INDIA thanks the Commerce Minister for these measures.

While the measures are interim in nature, I hoped that the Committee of Secretaries will come out with their suggestions at the earliest to ensure that procedural problems can be resolved at the earliest. In totality, while it is true that the Commerce Minister did not have much room to play with, perhaps some effort could have been made to encourage the engineering companies by accepting EEPC INDIA's proposal of bringing the engineering sector under the Interest Subvention Scheme.

Yours sincerely,

(AMAN CHADHA)