

## Chairman's Pen



*My dear fellow exporters,*

*I write to draw your attention to a couple of developments that has significant importance for our members. The Government is reported to be considering roll back of certain export benefits such as interest subvention of 2% as well as enhancement of DEPB and Drawback rates that were brought about last year in the wake of the sharp Rupee appreciation from October 2008. The Government feels that with the Rupee depreciating against the US Dollar now, there is no further need for the benefit that was given at a time when the Rupee had appreciated.*

*The Council has conveyed to the Government that the interest subvention scheme should be carried forward till December 2008, in view of the fact that exporters are already into forward contracts for six months and hence will not be able to get the benefit of the Rupee appreciation till the end of this year.*

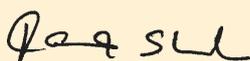
*The Council has also pointed out that in view of the sharp escalation in steel and other engineering raw material prices, the value caps for both DEPB and Drawback rate need to be enhanced while the escalation in freight cost in the last two months faced by the engineering exporters need to be built into DEPB and Drawback rates for the current fiscal year.*

*This apart, the Council has also requested to lower transaction cost of doing exports and in particular has suggested that the Service Tax refund exemption should be replaced by an exemption system to lower transaction cost for both exporters and importers.*

*I would like to draw your kind attention for two other issues for which we seek your views and comments. The first issue deals with the revision in EU GSP Scheme, which has been circulated to all members by the Council. It seems to us that the processing requirement in certain tariff lines has been enhanced and we would urge your comments in this regard.*

*We would also request for your suggestion for taking up issues with regard to the SCOPE Air and Port issues and this has also been circulated for the comments of the members.*

*Yours sincerely,*



(RAKESH SHAH)