

## Chairman's Pen



*My dear fellow exporters,*

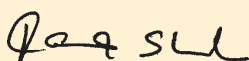
*This week the Department of Commerce announced a long standing demand of the Council and the foreign trade community, though it would another couple of months for the measure to be come effective. The Council has been stressing for a while that with the development in E-technology in the IT world, exporters should be required a single bank account for getting duty drawback credits and other transactions. While the Government had accepted this suggestion, there was no formal communication from the side Government thus far. On January 16, 2008, the Department of Commerce, Ministry of Commerce & Industry, GOI announced through a Press Release that they are facilitating a project entitled "eTrade" among all trade regulatory and facilitating agencies like Customs, Directorate General of Foreign Trade (DGFT), Sea Ports, airports, CONCOR, Banks etc., to provide 24 x 7 electronic delivery of efficient service to Exporters/Importers.*

*The Press Release noted that currently, Exporters/Importers have to maintain multiple bank accounts at their Head Offices/Ports, Airports etc., to handle their export-import transactions. It has now been decided that all Exporters/Importers would need to maintain only one core-banking enabled bank account at national level for transactions with any of the stakeholders for trade. This would include Customs, DGFT, Ports, airports, Banks etc. All the concerned Government agencies have been advised to facilitate e-payment using single core-banking enabled bank account of Exporters/Importers in the country. Exporters/Importers would declare to all the agencies their one bank account in any core-banking enabled branch anywhere in India for all payments/receipts, including Drawback. This would come into effect throughout India from 01.04.2008.*

*This is, indeed, a major step forward in lowering transaction costs and an important trade facilitation measure. The Council would only urge that the time schedule be adhered by all concerned since there is not much time left linking the computers of all the stakeholders. Further, an operative notification is also required from the Department of Revenue, Ministry of Finance and it is hoped that unlike some recent experiences, there would be no delay and the time line would be adhered.*

*The Council recently did a National Survey on Exports which looked at the impact of Rupee appreciation. One of the key findings of our Survey was that Rupee appreciation in India was turning out to be boon for the Chinese economy in the engineering sector. On January 19, 2008, Dr. Surjit Bhalla, an eminent Economist has written an interesting article in the Business Standard pointing out this very fact that our National Export Survey had drawn attention to.*

*Yours sincerely,*



(RAKESH SHAH)