

Important Notice

IMPORTANT DECISIONS OF THE VARIOUS PANEL MEETINGS

Important Points discussed at the Steel Pipes, Tubes and Fittings thereof Panel meeting held on March 12, 2007 in Chennai

- The salient features of the VAT systems introduced by the Government of Tamil Nadu which came into effect from 1st January, 2007. The Panel has fixed the target of US\$ 1250 million for 2007-08, US\$ 1425 million for 2008-09 and US\$ 1650 million for 2009-10.

Important Points discussed at the Construction and Earthmoving Machinery incl. cranes, hoists, mining equipments and tractors for construction and earthmoving Panel meeting held on March 20, 2007 in Kolkata

- Buyers in the developed markets such as the United States are not favouring LCs any more as they want the business to be done on DA/DP basis to curtail transaction cost. As a result, the exporters are not being able to take the pre-shipment ECGC cover as LCs are a must in those cases. It was decided that the Council will take up the issue with ECGC as they are now issuing tailor-made policies.

Important Points discussed at the Pumps - all types Panel meeting held on April 04, 2007 in Bangalore

- It was decided to put up India Pavilion in the next Pumps Systems Asia exhibition during the next financial year 2008-09 to be held in Singapore.
- It was decided to bring out product catalogue for the Pumps sector.
- The Panel has fixed the target for the Pumps – all types Panel as follows :
 1. 2007-08 : Rs. 1400 crores
 2. 2008-09 : Rs. 2000 crores
 3. 2009-10 : Rs. 2600 crores

Important Points discussed at the Ferro Alloys Panel meeting held on April 13, 2007 in Kolkata

- Members pointed out that Antidumping case in Europe was going on against China & Kazakhstan. After the case the Europe market will look at India and it was decided that Council could have either a BSM in Europe or invite buyers from Europe and have reverse BSM in India for Ferro Alloys Products.
- Regarding the radiation problems the National Chairman informed the members that the US Trade Policy Forum was aware of the problem regarding detection of contamination in a few containers of castings and fencing materials being exported from India to United States. The US Customs have clarified that the third party inspection certificates are not being accepted in view of the fact that two Indian companies, were black listed, despite the fact that their consignment carried a third party certificate. The US Customs have also clarified that there is zero tolerance limit for such a contamination. He also advised the companies to have their containers tested personally for contamination before sending it to US because the cost of containers coming back from US would be very high.
- DEPB Scheme has been extended for one more year till May 2008, but it was decided that members should submit Duty Drawback data in prescribed format.



- Since the Ferro Alloys industry had to pay huge power cost, the Industry was becoming incompetent in the Global market, the members requested EEPC to write to the Government to include Ferro Alloys product in the Focus Product Scheme so that the exporters could be entitled for Duty Credit scrip equivalent to 2.5% of FOB value of export.

Important Points discussed at the Sanitary Castings Panel meeting held on April 25, 2007 in Kolkata

- It was agreed that floor prices should increase by 2 cents per £. FOB for export of C. I. Castings to USA and floor prices should increase by US\$ 40 for export of C. I. Castings to Middle East and Gulf Countries (except Saudi Arabia) effective from 14th May, 2007.

Important Points discussed at the Hand Tools Panel meeting held on April 27, 2007 in Jalandhar

- The dollar depreciation and raw materials price hike has compelled the Hand Tools Industry to increase the prices by at least 15% and all members were requested to circulate the information to their buyers through a common letter advising about reason of Price Hike. Government may be urged to control the raw material prices.
 - The labour problem due to shortage of labour needs to be tackled by the Industry itself. As there is shifting of the same worker at higher wages in the same city, exporters are unable to re-schedule their production due to labour problem. Industry urged not to offer higher wages due to temporary shortages of labour.
 - Electricity Department has started levying power cuts and situation seems to be worsening in the coming months of June and July. There is no provision for enhancing the power production and exporters find it difficult to run their units on generators, as the cost of production is far more than power supply by PSEB.
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