

## Chairman's Pen



My dear fellow exporters,

Friends, that the Union Budget for the next fiscal year is a couple of days away is evident from the pre-budget initiatives that the Government is already announcing. Of recent vintage is the Cabinet decision to phase out Central Sales Tax by reducing it to 3 per cent from 4 per cent with effect from April 1, 2007. This apart, there have been a series of fiscal and monetary measures to control inflation about which I have already communicated to you. The Budget proposals for 2007/08 have considerable relevance for engineering exports growth. We earnestly hope that the Budget will contain policies that have the potential to push our exports further.

Your Council, through various forums had also taken up the issue of dispensing with physical verification of DEPB at EDI ports notwithstanding Public Notice No. 57(RE-2005)/2004-09 dated 6.10.2005. The Government has now responded with Circular No. 11/2007-Customs dated 13.02.2007 stating that a procedure for online transmission of shipping bills to DGFT as well as DEPBs from DGFT has been put in place. However, till the procedure gets stabilized, as a purely temporary measure, it has been decided that the importers would be required to produce hard copies of the DEPBs issued by DGFT to the designated officer at the respective Custom House. It seems that this temporary measure has been adopted largely on account of the complaints that EEPC has been putting before the authorities that shipping bills are not getting reflected online resulting in companies not being able to claim DEPB benefits.

I must also draw your attention to the need for you all to keep the EEPC Secretariat abreast of the all the problems being faced at your end. The Government, from time to time, seeks our views on a host of issues and it is critical that your Council puts your difficulties and viewpoints across. You must also be aware that India is negotiating a number of bilateral and regional trade agreements with both developing and developed countries and seeks the views of the Council for incorporating them in the negotiations with their counterparts. Moreover, the Doha round of trade negotiations is back on track and liberalization of the trade in industrial goods is an important part of the negotiations. I would, therefore, urge you to send us your comments on these issues to us, especially with regard to opportunities and challenges all of you face in exporting your products to different regions of the globe.

In addition, the SCOPE-shipping and SCOPE-Air meetings will be held shortly and the Ministry of Commerce has sought the view of your Council in matters pertaining to port/shipping issues, Customs issues, containerization issues, Air cargo issues, courier related issues as well as EDI issues. Please let us have your comments on these issues to enable us to make a constructive representation on your behalf to the Government. Let me end by, once again, seeking your participation for our annual event at Hannover in April 2007. The Fair is an excellent platform to showcase your products and strengthen your initiatives in the European market.

Yours sincerely,



(RAKESH SHAH)