

Chairman's Pen



My dear fellow exporters,

In its mid term review of monetary policy, the Reserve Bank of India has liberalized foreign exchange management norms for importers and exporters which is a very positive step. Another very forward looking measure is allowing all exporters to retain 100% of their earnings in Exchange Earner's Foreign Currency (EEFC) accounts. Foreign exchange earners will now not be forced to repatriate money to India which will help them in handling exchange rate fluctuations.

We have drawn the attention of Ministry of Commerce regarding hardship faced by engineering exporters due to delay in refund of VAT. In a letter written to Shri G. K. Pillai, Commerce Secretary, I have highlighted the problems faced by exporters due to delay in refund and fund crunch as considerable amount of money is blocked. We have requested the ministry to take up the matter with the appropriate authority for resolving the issue.

We have again made a representation Waiver of Service Tax on Inland Haulage and Terminal Handling Charges at the overseas destinations, which includes Emergency Fuel Surcharge. In our letter to the Ministry of Commerce, we have requested Commerce Secretary Shri G. K. Pillai to take up the matter with the Finance Department for waiver of this Service Tax in the best interest of export promotion.

In its endeavour to enhance engineering exports from India to the Focus country of Africa, EEPC took a 15-Member Multi-Product Delegation to South Africa, Botswana, Mozambique and Namibia. The members met several representatives of business community in all these countries and have received enquiries worth US\$ 8,50,000/-. The items which drew maximum interests of buyers were in the sectors of distribution and power transformers, electrical goods, steel welding electrodes, tractors, pump sets, diesel engines, hand tools and steel based components.

Friends, our preparations for INDEE – Cairo are on full swing. More than 110 member-firms have already booked space in the exhibition and many more have expressed keen interest on participating in the event. The exhibition will be coinciding with MACTECH '2006 which is a leading exhibition in the Middle East and North Africa region. Overall, INDEE in Cairo is definitely going to provide newer opportunities to Indian engineering exporters to penetrate into the North African region.

I extend my hearty greetings to all on the auspicious occasion of Prakash Parva – Guru Nanak Jayanti. May the festival brings joy, peace and harmony into your lives.

Yours sincerely,


(RAKESH SHAH)