

Chairman's Pen



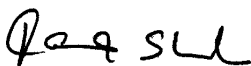
My dear fellow exporters,

We have taken up the issue of Service Tax on Inland Haulage and Terminal Handling Charges overseas with the Ministry of Commerce. In a communication to Shri Kamal Nath, Hon'ble Minister of Commerce & Industry we have noted that levying of such taxes is counter productive to the efforts of making our products price competitive in the international market. We have also mentioned that levy of Service Tax including Education Cess on such services is not logically acceptable as it contravenes Government's stand that taxes and duties are not to be exported.

The Government, through a written communication has instructed all agencies including private concerns to take the approval of the Ministry of External Affairs before inviting any foreign delegation – whether political of business – to the country. Government or private organizations have also been advised against directly entertaining any invitation for sending delegations to a foreign country. The decision may have a long term implications on the entire exporting community in its efforts to enhance interaction with foreign buyers and explore new markets. Your Council is making suitable representation to resolve this issue.

India's merchandise exports in June have registered a growth of over 25% to US\$ 9.96 billion. In keeping with the export trends, the commerce and industry ministry has upped its estimate of exports in the current fiscal to US\$ 126 billion from US\$ 120 billion set in April this year. Shri Kamal Nath, Hon'ble Minister of Commerce & Industry has expressed confidence in achieving this figure, representing doubling of exports within just three years. This reflects the growing competitiveness of Indian enterprises, especially manufacturing which accounts for 75% of the exports, added. According to the Ministry, engineering products have made substantial contribution in this export growth and I hope that all the engineering products exporters will contribute once again to reach newer heights.

Yours sincerely,


(RAKESH SHAH)