

# IEWO

ENGINEERING EXPORT

BULLETIN



EEPC INDIA



WEEKLY CIRCULATION

VOL. 8 ISSUE NO. 12 MARCH 22, 2006

## Highlights

### Afro-India Reverse BSM - 2006

Council is going to hold a Reverse Buyer Seller Meet between Indian exporters and importers of African countries at Chennai, Mumbai and New Delhi from 28th to 30th March, 2006. Members are requested to enlist their participation within 23rd March, 2006.

### Indo-ASEAN Reverse BSM - 2006

Council is going to hold a Reverse Buyer Seller Meet between Indian exporters and importers of ASEAN countries at Mumbai and New Delhi from 29th & 30th March, 2006. Members are requested to enlist their participation within 23rd March, 2006.

### Automechanika 2006, Frankfurt, Germany

EEPC is organising India's participation in Automechanika 2006, Frankfurt, Germany to be held on September 12-17, 2006. Members may avail the opportunity by booking the stall or by displaying their product catalogues.



*His Excellency the Governor of Karnataka, Shri T. N. Chaturvedi is in conversation with Shri Rakesh Shah, National Chairman, EEPC on the occasion of Award Presentation Function of EEPC Southern Region on 1st March, 2006 in Bangalore.*

## Contents

<b>Chairman's Pen</b>	3
<b>Council's Activities</b>	
– Afro-India Reverse BSM - 2006	4
– Indo-ASEAN Reverse BSM - 2006	7
<b>OVERSEAS SECTION</b>	
• <b>Overseas Market Information</b>	
– Council's Activities	
– India Pavilion in Automechanika 2006	10
– A General Guide to Industrial Subcontracting in Europe	11
• <b>Global Business Opportunities</b>	
– Tender Information	15
– Trade Enquiries	17
– Exhibitions and Trade Fairs	21
<b>DOMESTIC SECTION</b>	
• Public Notice	22
• Important decisions of various Panel Meetings	24
• Forex News and Forex Rates	25
• Miscellaneous	26



Visit our Website at [www.eepcindia.org](http://www.eepcindia.org)



EEPC INDIA

## ADVERTISEMENT TARIFF FOR ENGINEERING EXPORT INFO BULLETIN

As you are aware, Council has been bringing out the weekly bulletin, since its inception so as to provide necessary feedback to the members relating to various important information such as, tenders and enquiries, commercial report from the Indian Missions, Government Policies, Public Notices, Market Information, latest developments taking place in various countries etc. This publication has become popular amongst the exporting community because of its news value and we are also receiving valued opinion from our members as to how to improve its news value and make the publication more informative. Presently, copies are distributed amongst 12,000 plus members and many more are also subscribing to this publication.

This publication could be used as a very strong media by which you can reach 12,000 plus members all over India comprising corporate houses, large, medium and small scale entrepreneurs and publicise your activities and products manufactured. In order to facilitate our members to have the fullest benefit of this media, we have contemplated to accept advertisements at a very reasonable cost. The advertisement must necessarily relate to engineering products and services only. The size of the ad and tariff are given below for your kind information. Please note that we will accept prepaid black & white advertisement only.

<b>Mechanical Data</b>	: Back Cover	19.5 cm x 18.5 cm
	Third Cover	23 cm x 18.5 cm
	Full Page	23 cm x 18.5 cm
	Half Page	11.5 cm x 18.5 cm

<b>Advertisement Tariff</b>	: Back Cover	Rs. 12,500/-
	Third Cover	Rs. 11,000/-
	Full Page	Rs. 10,000/-
	Half Page	Rs. 6,000/-

*A Special Discount of 10% will be available to an advertiser for 3 consecutive insertions.*

We hope, you will definitely avail of this opportunity. You are, therefore, requested to send your ad material (artwork or CD/Floppy in TIFF/JPEG format suitable for the above size) along with a draft payable in favour of Engineering Export Promotion Council, Kolkata for the requisite amount towards the cost of ad. Please note that the authority reserves the right to reject or cancel your ad. Also, please note that your ad material along with draft must reach the Head Office, Kolkata (Attn. : Shri R. Maitra, Addl. Executive Director & Secretary) at least two weeks before the ad schedule.

## Chairman's Pen



*My dear fellow exporters,*

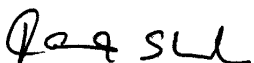
*I had the opportunity to share my view point in the last meeting of the Board of Trade in New Delhi on 14th March, 2006. The Commerce Ministry has sent the proposals to the Cabinet Committee on Economic Affairs for extension of DEPB Scheme for one more year and introduction of the alternate scheme with an overlapping period of six months. The Target Plus Scheme is slated to go. I took up other issues very strongly namely (i) Service Tax on export related services, (ii) 80HHC Amendment and (iii) Transaction Cost amongst other issues.*

*You are aware that your Council is now fully geared up to launch extensive Promotional Activities in India and abroad to increase country's share in export of engineering goods and services to a newer height. It is against this backdrop, EEPC is organizing an interactive meeting with Indian Commercial Representatives of seven CIS countries viz. Azerbaijan, Armenia (Georgia), Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan on March 23, 2006 in Kolkata. The Commercial representatives will share their views about potential of exports and current situation in respective countries. Senior government officials from Ministry of Commerce will also address the meeting.*

*As CIS region offers tremendous potential for trade with India particularly in the engineering sector, I am sure, this meet will offer our participating members a unique opportunity to interact with the Commercial Representatives to expedite and explore business opportunities in these countries.*

*The Golden Jubilee of the EEPC Western Region will be celebrated coinciding with the Annual Regional Award Presentation Function on March 25, 2006 in Mumbai where the Hon'ble Union Minister of State for Commerce & Industry Shri Jairam Ramesh has kindly consented to give away the Awards to the meritorious exporters of engineering products and services of the Western Region for their outstanding export performance for the year 2003-04.*

*Yours sincerely,*

  
(RAKESH SHAH)



## **AFRO-INDIA REVERSE BUYER SELLER MEET - 2006**

***A PLATFORM FOR BUILDING BUSINESS CONTACTS WITH 40 LEADING BUSINESSMEN  
VIZ. IMPORTERS, BUYERS, DEALERS, DISTRIBUTORS AND WHOLESALERS OF  
ENGINEERING PRODUCTS THROUGH ONE-TO-ONE BUYER SELLER MEET***

<b>Chennai</b>	<b>Mumbai</b>	<b>New Delhi</b>
<b>28th March, 2006 (Tuesday) Hotel Taj Coromandal</b>	<b>29th March, 2006 (Wednesday) Hotel Leela Kempinski</b>	<b>30th March, 2006 (Thursday) Hotel Ashoka</b>

Leading buyers and prospective trade partners from African countries will attend One-to-One business discussions and negotiations for engineering products and services.

Members are cordially invited to enlist participation at the Business Meet.

<b>Participation Fee (for one centre only)</b>
<b>Rs. 15,000/- for 1st participant of a firm Rs. 7,500/- for subsequent participant will include Background Material Lunch for Conference days. Last date of participation : 23rd March, 2006</b>

For further details & enlistment, please contact :

**Shri C. S. Shukla**

*Executive Director*

**Engineering Export Promotion Council**

Vandhna (4th Floor)

11 Tolstoy Marg, New Delhi - 110 001

Tel. : 91-11-23711124/25, 23353353

Fax : 91-11-23310920

E-mail : eepcto@eepc.gov.in / csshukla@eepc.gov.in

Website : <http://www.eepcindia.org>

**Note : Council reserves the right to accept or reject participation of an Indian company.**



## **AFRO-INDIA REVERSE BUYER SELLER MEET - 2006**

### **Preamble**

Africa, a 54 nation continent with a population of 700 million offers wide diversity in terms of opportunities in areas such as natural & mineral wealth, phosphate, oil & gas, food processing machinery, textile machinery, leather processing machinery, pharmaceutical & pharmaceutical machinery and mining.

Export of Indian engineering goods from India to Africa has reached a level of US\$ 1689 million in 2004-05 against a value of US\$ 684 million during 2000-01 thereby showing a growth of nearly 150% in a span of five years.

Keeping in view the growing trade prospects in Africa Region and genuine interest on the part of the African buyers to further contact Indian exporters of engineering goods, Council has decided to hold a Reverse Buyer-Seller Meet between Indian exporters and importers of Africa region in March 2006 at Chennai, Mumbai and Delhi. For this Reverse Buyer-Seller Meet the Council is expected to receive 40 buyers from Africa region.

### **Objectives**

- To provide an opportunity to prospective importers in Africa region to interact with Indian counterparts about their requirements.
- To provide an opportunity to Indian exporters to adjudge the acceptability of their products in African market and also the likely intake by the market, so that they are in a position to plan their strategy accordingly.

Depending on your choices, meetings will be fixed with African counterparts. Each exporter will be provided with minimum of 3 meetings. Each meeting will be of 20 to 30 minutes duration. Final match making will be done keeping in view the areas of matching interest of both sides and choices thereof. Council will, thereafter draw up time schedule for interaction between overseas delegates and Indian participants.

The participation fee (for one centre only) has been fixed as follows :

Rs. 15,000/- for 1st participant of a firm;

Rs. 7,500/- for subsequent participants of the firm.

The participation charges will partially cover the expenses on account of portfolio bag containing background papers and profiles of overseas delegates and lunches on Conference days. This will also cover expenses on overseas delegates.

### **Product Sector**

Chemical Plant & Machinery Equipment and Parts, Industrial Machinery and Parts, Earthmoving and Mining Machinery and Parts, Complete Vehicles, Two/Three Wheelers, Tractor and Agricultural Equipment and Parts, Electric Power Equipment and Parts, Transmission Line Tower and Accessories, Auto Parts, Bicycle and Parts, Hand, Small & Cutting Tools, IC Engines & Parts, Industrial Fasteners, Wire Ropes, Builders Hardware, Industrial Castings, Sanitary Castings, Forgings, Aluminium Products, Electric Appliances and Manufactures, SS Utensils, Scientific & Surgical Instruments, Ferro Alloys, Primary Iron & Steel etc.

**Council will reserve the right to accept or reject participation of any Indian company.**

**The last date for enlistment of participation is 23rd March, 2006.**

**Note :** Since Afro-India Reverse BSM and Indo-ASEAN Reverse BSM are being organized on same day at same venue, Firms interested to participate in both the events, have to depute separate person for each events and the participation fees will be Rs. 25,000/- only. Any subsequent participation would be Rs. 7,500/- per participant.



**AFRO-INDIA REVERSE BUYER SELLER MEET - 2006**

*(Organised by : Engineering Export Promotion Council)*

**28-30 March, 2006**

Please tick choice of venue below :

<b>Chennai</b>	<b>Mumbai</b>	<b>New Delhi</b>
<b>28th March, 2006 (Tuesday)</b> <b>Hotel Taj Coromandal</b>	<b>29th March, 2006 (Wednesday)</b> <b>Hotel Leela Kempinski</b>	<b>30th March, 2006 (Thursday)</b> <b>Hotel Ashoka</b>

**INDIAN DELEGATE'S PROFILE**

Name of the Company (In BLOCK Letters)			
Address (In BLOCK Letters)			
	City		Pin Code
Phone (with STD Code)		Fax No.	
E-mail Address		Website Address	
Name(s) of the Executive(s) with Designation(s) attending the Conference	1. 2.	3. 4.	
Items Manufactured/Exported (HS Codes if possible)			
Industrial Application			
Foreign Collaborations if any, please specify			
Annual Turnover in US\$		Annual Export in US\$	
Countries of Export			
International Accreditations (ISO, QS, etc.)			
Nature of Business (Please tick mark)	<p style="text-align: center;">Manufacturer</p> <input type="radio"/> SSI <input type="radio"/> Non-SSI <input type="radio"/> Merchant <input type="radio"/> Export House		
Area of specific interest for this BSM			

**Signature with Office Seal**

**N.B. : Following should be sent with this Form :**

- Two passport size colour photographs of each participant with their names at the back of the photographs.**
- Demand Draft for requisite participation amount, in favour of ENGINEERING EXPORT PROMOTION COUNCIL, payable at New Delhi.**

## **INDO-ASEAN REVERSE BUYER SELLER MEET - 2006**

***A PLATFORM FOR BUILDING BUSINESS CONTACTS WITH 40 LEADING BUSINESSMEN  
VIZ. IMPORTERS, BUYERS, DEALERS, DISTRIBUTORS AND WHOLESALERS OF  
ENGINEERING PRODUCTS THROUGH ONE-TO-ONE BUYER SELLER MEET***

<b>Mumbai</b>	<b>New Delhi</b>
<b>29th March, 2006 (Wednesday) Hotel Leela Kempinski</b>	<b>30th March, 2006 (Thursday) Hotel Ashoka</b>

Leading buyers and prospective trade partners from ASEAN countries will attend One-to-One business discussions and negotiations for engineering products and services.

Members are cordially invited to enlist participation at the Business Meet.

<b>Participation Fee (for one centre only)</b>
<b>Rs. 15,000/- for 1st participant of a firm Rs. 7,500/- for subsequent participant will include Background Material Lunch for Conference days. Last date of participation : 23rd March, 2006</b>

For further details & enlistment, please contact :

**Shri C. S. Shukla**

*Executive Director*

**Engineering Export Promotion Council**

Vandhna (4th Floor)

11 Tolstoy Marg, New Delhi - 110 001

Tel. : 91-11-23711124/25, 23353353

Fax : 91-11-23310920

E-mail : [eepto@eepc.gov.in](mailto:eepto@eepc.gov.in) / [csshukla@eepc.gov.in](mailto:csshukla@eepc.gov.in)

Website : <http://www.eepcindia.org>

**Note : Council reserves the right to accept or reject participation of an Indian company.**

## **INDO-ASEAN REVERSE BUYER SELLER MEET - 2006**

### **Preamble**

India's trade with the ASEAN Region date back years immemorial. This Region attaches lot of importance for being one of the major trading partners. India's exports to ASEAN Region have grown from US\$ 2.5 billion in 1997-98 to US\$ 8.1 billion in 2004-05. In the engineering sector India's exports have grown from US\$ 443.31 million in 1999-2000 to US\$ 1593.00 million in 2004-05 showing a growth of 259.34% in a span of five years. However if we compare India's engineering exports to ASEAN Region vis-à-vis their global imports, it comes to only 1% approximately. This shows that still much potential exists there. It will therefore, be a right time for Indian engineering industry to show their capabilities in order to get a substantial share of the ASEAN market.

Keeping in view the growing trade prospects in ASEAN Region and genuine interest on the part of the ASEAN buyers to further contact Indian exporters of engineering goods, Council has decided to hold a Buyer-Seller Meet between Indian exporters and importers of ASEAN Region in March 2006 at Mumbai and New Delhi. For this Buyer-Seller Meet the Council is expected to receive 40 buyers from ASEAN Region – Singapore, Malaysia, Indonesia, Thailand, Philippines, Myanmar, Vietnam etc.

### **Objectives**

1. To provide an opportunity to prospective importers in ASEAN Region to interact with Indian counterparts about their requirements.
2. To provide an opportunity to Indian exporters to adjudge the acceptability of their products in ASEAN market and also the likely intake by the market, so that they are in a position to plan their strategy accordingly.

Depending on your choices, meetings will be fixed with ASEAN counterparts. Each exporter will be provided with minimum of 3 meetings. Each meeting will be of 20 to 30 minutes duration. Final match making will be done keeping in view the areas of matching interest of both sides and choices thereof. Council will, thereafter draw up time schedule for interaction between overseas delegates and Indian participants. Meeting schedule of each Indian Company will be forwarded to them in advance.

The participation fee (for one centre only) has been fixed as follows :

Rs. 15,000/- for 1st participant of a firm;

Rs. 7,500/- for subsequent participants of the firm.

The participation charges will partially cover the expenses on account of portfolio bag containing background papers and profiles of overseas delegates and lunches on Conference days. This will also cover expenses on overseas delegates.

### **Product Sector**

Product sectors identified as having potential for the BSM include Textile and Jute Mill Machinery, Boilers and Parts, Chemical Plants, Food Processing Machinery and Parts, Heating and Cooling Equipment, Cranes, Lifts, Winches etc., Construction Machinery, Tractors and Agricultural Equipment, Industrial Machinery, Electric Power Equipment and Parts, Transmission Lines and Accessories, Complete Vehicles, 2/3-Wheelers, Machine Tools, Steel Pipes and Tubes, Ferrous Hollowware, Steel Wire, Sanitary Castings, Industrial Castings, Forgings, Ferro alloys, Bright Bars, S. S. Utensils, Primary Iron and Steel, Prime Aluminium, Aluminium Products, Other Non-ferrous Metals, Auto Parts, Bicycle Parts, Hand Tools, Cutting Tools, IC Engines and Parts, Mechanical Pumps, Scientific and Surgical Instruments etc.

**Council will reserve the right to accept or reject participation of any Indian company.**

**The last date for enlistment of participation is 23rd March, 2006.**

**Note :** Since Afro-India Reverse BSM and Indo-ASEAN Reverse BSM are being organized on same day at same venue, Firms interested to participate in both the events, have to depute separate person for each event and the participation fees will be Rs. 25,000/- only. Any subsequent participation would be Rs. 7,500/- per participant.



**INDO-ASEAN REVERSE BUYER SELLER MEET - 2006**

(Organised by : Engineering Export Promotion Council)

29-30 March, 2006

Please tick choice of venue below :

<b>Mumbai</b>	<b>New Delhi</b>
29th March, 2006 (Wednesday) Hotel Leela Kempinski	30th March, 2006 (Thursday) Hotel Ashoka

**INDIAN DELEGATE'S PROFILE**

Name of the Company (In BLOCK Letters)			
Address (In BLOCK Letters)			
	City		Pin Code
Phone (with STD Code)		Fax No.	
E-mail Address		Website Address	
Name(s) of the Executive(s) with Designation(s) attending the Conference	1.		3.
	2.		4.
Items Manufactured/Exported (HS Codes if possible)			
Industrial Application			
Foreign Collaborations if any, please specify			
Annual Turnover in US\$		Annual Export in US\$	
Countries of Export			
International Accreditations (ISO, QS, etc.)			
Nature of Business (Please tick mark)	<p style="text-align: center;">Manufacturer</p> <input type="radio"/> SSI <input type="radio"/> Non-SSI <input type="radio"/> Merchant <input type="radio"/> Export House		
Area of specific interest for this BSM			

Signature with Office Seal

**N.B. :** Following should be sent with this Form :

1. Two passport size colour photographs of each participant with their names at the back of the photographs.
2. Demand Draft for requisite participation amount, in favour of ENGINEERING EXPORT PROMOTION COUNCIL, payable at New Delhi.

## **India Pavilion in Automechanika 2006 Frankfurt, Germany (12 - 17 September, 2006)**

**Automechanika** is the Leading International Trade Fair for the Automotive Industry. This Fair is the international meeting point for the automobile industry, automotive parts, components and systems, electronics, supply and maintenance equipment. This is the Show where the global automotive industry seeks information about the latest technology and concepts for success in the competitive environment of the future. Automechanika's international significance - all in almost 80% of exhibitors and 40% of visitors originate from other countries - provides interesting opportunities for the global industry.

The Council has decided to organize an India Pavilion of 56 sq. meters at this Mega Show in Frankfurt. Due to very limited space availability, it will not be possible for us to accommodate all requests received for participation in this Fair.

### **Participation Charges**

For Exhibition : Rs. 2,36,250/- for Fully Built-up Booth of 10.5 sq. meters.

Rs. 1,96,875/- for Fully Built-up Booth of 8.75 sq. meters.

For Catalogue Show : Rs. 10,000/-

(Maximum 25 copies of the product catalogues will be permissible)

In case you are interested in taking advantage of this initiative, please rush your confirmation along with participation charges at the following address. It may kindly be noted that in view of limited space allocation by Messe Frankfurt, applications will be entertained on first-come-first-serve basis.

**Shri C. S. Shukla**

*Executive Director*

**Engineering Export Promotion Council**

Vandhna (4th Floor)

11, Tolstoy Marg

New Delhi - 110 001

Tel. : 91-11-23711124/25

Fax : 91-11-23310920

E-mail : eepcto@eepc.gov.in

### **EEPCs RECENT PUBLICATIONS**

- Indian Engineering Expertise
- Indian Engineering Products – Stainless Steel Houseware & Kitchenware
- Indian Engineering Products – Forgings
- Indian Engineering Products – Industrial Castings
- Indian Engineering Products – Earthmoving Machinery



## A General Guide to Industrial Subcontracting in Europe

### Introduction

#### Definition of industrial subcontracting

What is industrial subcontracting? It can be defined as a transaction by which one enterprise, called the “subcontractor” is commissioned by another enterprise, called the “main contractor”, to provide the latter with goods or services that he will use for his own commercial purposes, often, but not always, by incorporating these goods or services into a whole. It is possible to distinguish between :

- (a) volume subcontracting, when an enterprise commissions a subcontractor because, while technically able to carry out the operation, it is overloaded and has to obtain additional capacity from another source, and
- (b) specialist subcontracting, when the main contractor obtains goods or services which he does not produce or is not able to produce himself.

These two categories can be further subdivided depending on whether the subcontractor simply carries out a manufacturing operation or whether he also designs and plans the project under an agreement setting out the main contractor’s requirements.

A supplementary distinction can be made between :

- subcontracting agreements relating to products, where the subcontractor manufactures only a component forming part of a product or range of products sold by the main contractor;
- subcontracting agreements relating to equipment, where the subcontractor manufactures one or more components of the main contractor’s production equipment;
- subcontracting agreements relating to services, where the subcontractor supplies the main contractor with services essential for the main contractor’s work, but separate from his main business (for instance the supply of accounting, research or maintenance services).

While this guide focuses on subcontracting agreements for products, many of the comments made also apply to other types of subcontracting agreements.

Subcontracting agreements may also specify that the main contractor will supply materials to the subcontractor and that the latter will simply process them, complete them or use them in one way or another. In such cases, subcontracting agreements relate more to the supply of services than to the supply of products.

#### Technical and legal specifications

If the contractual relationship is to be successful, the rights and obligations of each of the parties must be defined as clearly as possible when the contract is concluded. For this purpose, parties should ensure that their agreements are concluded in writing.

This written document will include, on the one hand, the technical specifications of the contract. These may, where appropriate, be contained in plans, documents and detailed drawings annexed to the actual contract.

The technical specifications of the work that the subcontractor is commissioned to undertake for the main contractor form the core of any industrial subcontracting agreement. The main contractor should specify his requirements in as much detail as possible to the subcontractor, and in particular their relationship with other elements or parts of the finished product, especially when the parties are entering into a business relationship for the first time. The main contractor must, for this purpose, supply detailed plans and specifications which precisely define the product to be manufactured, produced or processed, setting out, for instance, requirements in respect of tolerances, dimensions, compositions, areas, etc. The agreement should specify, where necessary, what tolerances and variations are admissible for dimensions and quantities as well as levels of quality, degrees, properties or other aspects of the materials to be used.

On the other hand, the parties should not neglect the legal terms governing the subcontracting agreement. This guide is intended to draw subcontractors’ attention to the main legal questions that arise during the formulation of a subcontracting agreement. This should improve their position, in particular during negotiations.

#### Preliminary agreements

Industrial subcontracting agreements do not necessarily relate to the supply by the subcontractor of goods and services that are in keeping with the technical requirements imposed at the outset by the main contractor. In advanced technological sectors, in particular, the main contractor will often be calling upon the subcontractor’s expertise and experience. The main contractor may invite the subcontractor to enter into a preliminary or a development agreement under which the subcontractor will undertake research to ascertain whether the main contractor’s requirements can be satisfied and, if so, under what conditions and using what specifications. It is only when this preliminary agreement, also known as a development agreement, reaches a successful conclusion that it is possible satisfactorily to conclude the actual subcontracting agreement.

The conclusion of the actual subcontracting agreement will be preceded by negotiations, or possibly by the conclusion of preliminary research agreements.



EEPC INDIA



After initial discussion of the main contractor's requirements, the subcontractor may be able, because of his specialist knowledge, to make useful suggestions. He may recommend, for instance, that certain research work is undertaken under contract before the actual subcontracting agreement is signed. Research work of this kind has the advantage of providing the subcontractor with a preliminary period during which he is able to decide whether it is feasible for him to meet the main contractor's requirements or whether, for whatever reason, he considers that he cannot or should not accept the contract. Research work, especially in sophisticated sectors such as electronics, often highlights secondary features of the product to be subcontracted of which the main contractor himself was not aware. In some cases, the outcome of the research agreement is that the initial proposals are abandoned or substantially amended in the light of prior or preliminary experience. In parallel, it may be that the subcontractor is given responsibility for designing a component. In this case, the agreement should clearly specify this task.

Research work often includes the manufacture of one or several model components or prototypes. This may have substantial advantages for both parties. There is an actual product in this case which expresses, in a three-dimensional way, the technical consensus of the parties about dimensions, surface finish, etc., and both parties can refer to it in the event of a dispute. It is essential to establish a procedure for the "acceptance" of such model components or prototypes by the main contractor and to incorporate their exact proportions and specifications into the written documents approved for the purposes of the subcontracting agreement. Despite his natural desire to obtain the final contract, the subcontractor should also ensure that he is appropriately paid for the research contract. This payment should normally cover his actual costs plus a reasonable profit margin.

### Establishing "optimum worth"

At the research contract stage, the parties should jointly endeavour to establish the "optimum worth" of the product. In other words, a compromise has to be found between the final retail price of the finished product and the product's ability to meet the main contractor's actual requirements of use. A compromise of this type cannot, as a general rule, be reached without a list of criteria indicating the advantages and drawbacks of any particular solution. In this respect, the subcontractor may well be more aware of the implications of the various options than the main contractor himself. Evaluating "optimum worth" therefore makes it possible to obtain a more satisfactory result than a contract concluded in haste under the pressure of both parties. A lack of mutual understanding of the main contractor's requirements or of the subcontractor's actual capacity may give rise to practical problems and lead to conflicts and defective output. It is also crucial that the parties ensure at this stage that confidentiality agreements have been concluded before any technical information is disclosed in order to prevent, if a contract is not concluded, the disclosure of expertise or the use of intellectual property rights from prejudicing their future strategy or their commercial position.

### Supply of materials

Once technical problems have been resolved or if research work is unnecessary, the subcontractor should examine how the materials that he requires are to be supplied. In many cases, the subcontractor may himself supply all the materials but the main contractor may also supply these materials at his own expense. It will always be necessary to set up systems to check the quality and suitability of materials before they are used. If, as is often the case, the subcontractor is responsible for supplying the materials to be used, it may be that the main contractor indicates a preference for specific sources of supply (in the case, for instance, of precious metals subject to very strict conditions such as titanium or magnesium). If the main contractor provides part or all of the materials, the parties should settle questions relating to the ownership of residues or waste and a monitoring system should be set up in order to prevent disputes at a later stage.

The parties should in particular decide in advance what is to become of materials left over at the end of the contract, especially when they are not suitable for use under other contracts. It may be envisaged to give the main contractor formal notice that he must buy these materials back from the subcontractor at their cost price at least.

### Liability for design

Whatever agreement is reached as regards materials, however, final liability for the design of the product normally lies with the main contractor. Only the latter is aware of the criteria applicable, irrespective of whether the product is known or whether it can be substantially improved or developed. The subcontractor's specialist knowledge may help him to draw the main contractor's attention to any risks or problems and he may be able to propose modifications so that these can be avoided as far as possible.

The subcontractor should normally, however, limit himself to giving an opinion and should not go beyond this by accepting partial or total liability for the design of the product, unless the subcontracting agreement makes express provision for the recognition of such liability.

The subcontractor's proposals and advice obviously cannot contain any errors and must be accompanied by the necessary reservations if they relate to technical problems which have not been adequately examined or whose implications have not been fully established. The subcontractor's obligations should normally be limited to providing what the technical specifications require, without guaranteeing a specific additional result. The subcontractor should also avoid issuing or accepting specifications worded in vague terms such as "of good quality". These notions are not sufficiently precise, largely because most subcontracted products have to be a compromise between cost requirements and the requirements of the product or range of products of which they form components or sub-assemblies. The quality of a product often relates to a combination of mechanical, electrical and other properties; simple expressions of a non-technical nature cannot take appropriate account of these.



### Changes to specifications

It is important for the parties to lay down methods for any changes that may be made to the specifications during the term of the subcontracting agreement. Minor changes are often made to specifications in the light of practical experience or for a whole range of other reasons. A procedure ensuring that any costs incurred in this way are borne by the main contractor needs to be established and the conditions under which changes are to be implemented need to be specified. In the electronics sector, for instance, a distinction is often made between retrofit, rework or phase in changes. A retrofit change is the most fundamental alteration that is admissible, given that it applies to all the articles which are still under the supervision of the subcontractor, including articles that are awaiting delivery and have already left the production line. In contrast, a rework change is of a forward nature : some products that have already been manufactured can be delivered but beyond a certain date any product delivered must be in keeping with the new specification. Lastly, a phase in change is the most gradual modification, since changes can be made to the production process in a way that entails as little disruption as possible. The changes required do not always relate, however, to product specifications but merely to the documents required or to the checks to be carried out for the purposes of quality control. In all cases, the subcontracting agreement should specify how these changes are to be made and by whom the costs are to be borne.

### Tools

The subcontracting agreement may specify that the subcontractor is to produce components or articles using his own equipment, without having to purchase new equipment such as machine tools. In this case, the subcontractor will merely have to bear his normal fixed and variable costs; these may also relate to the materials to be processed during the term of the contract. The same applies when the contract specifies the performance of relatively simple operations on materials supplied by the main contractor such as machining, polishing or other operations to process raw materials or semi-finished products.

Larger-scale subcontracting agreements, however, often long term, generally make provision for investment by the subcontractor in machines and tools. This equipment may include casts, patterns, moulds, dies, plates and tools of different types, including very complex and very costly machine tools. In this respect, one of the main decisions that the subcontractor will have to make is whether he will himself invest the necessary capital either from his own resources or by contracting a loan so that he is fully equipped to perform the contract, or whether he will allow the main contractor to cover part or all of the costs. Using his own tools gives the subcontractor a great deal of flexibility when the initial contract expires. He will be able to use the equipment, without breaching the contract, for other purposes, even during the term of the contract, provided that the constraints imposed

by delivery and production programmes are respected. This is in particular possible when using numerically controlled machine tools operating on a 24-hour basis. A drawback of this option is, however, that the enterprise has to make a substantial initial investment in equipment which is adapted at this stage to the requirements of the initial contract and whose use in other sectors or for other customers will be uncertain, with the risk that the subcontractor fails to recoup the investment before the initial contract expires.

The term "tools" covers a whole range of equipment. In the context of industrial subcontracting, there are two main types of tool :

- (a) standard tools, i.e. those whose use is not just limited to the performance of a particular order and,
- (b) tools intended for a particular order, often manufactured under the main contractor's industrial property rights and making use of his expertise.

The main contractor will often bear the cost of tools in the following cases :

- the total expenditure on tools would be a substantial burden on the subcontractor's resources, which may well be limited;
- commercial and contractual relationships between the parties are well established;
- adapting new tools to specific manufacturing processes would require a long and potentially costly period of development and refinement;
- it is traditionally considered, in the sector in question, that the main contractor is responsible for supplying tools;
- the tools are specifically designed to meet the main contractor's needs and specifications and cannot be readily used for other purposes;
- the main contractor prefers to retain control of the tools so that he can remove them at a later stage if, for whatever reason, he has to terminate the contract binding him to the initial subcontractor.

If the main contractor is paying for the tools, the subcontractor should ensure that the contract specifies the mandatory payment dates. In addition, the subcontractor should always ascertain whether or not he is responsible for ensuring that the tools supplied by the main contractor conform to the latter's drawings and specifications, as this task is generally conferred upon the subcontractor only at the express request of the main contractor.

The costs of tools are more likely to be borne by the subcontractor in the following cases :

- the subcontractor does not consider that the tools represent a particular burden on his financial resources;



- his relations with the main contractor are neither well-established nor long term;
- the tools may be readily used for other contracts;
- this is a new industrial sector where such tools have yet to enter established practice.

It may of course be that expenditure on tools is split between the parties. In this case, the main contractor often pays the percentage of the total costs represented by expenditure on the design and manufacture of the tools. The subcontractor then pays the balance represented by the costs of testing of the tools in the production process and their refinement. In the case of "shared costs", it is crucial for the methods by which the contract can be assigned to be specified in detail in the contract.

If the subcontractor is paying for the tools, he will undoubtedly also be responsible for ordering and commissioning them and ensuring that they are appropriate for the manufacture of the subcontracted products. The costs of commissioning and adapting the operation of the tools to the operations set out in the contract should be taken into account when calculating the agreed price for the contract. The subcontractor should obviously carry out this research in close cooperation with the main contractor in order to ensure that technical specifications are respected and to avoid any subsequent disputes about methods of using the tools. As soon as the tools are commissioned, their value will be depreciated in the same way as any other equipment, at a rate corresponding to their predicted useful service life. When deciding on their options as regards tools, the parties should also bear in mind aspects of taxation that may have an impact on their final choice.

### Maintenance

Once the contract has come into effect and delivery of the components manufactured using the equipment has started, the tools will require regular maintenance. In general, the proprietor of the machinery is liable for this expenditure. In any case, the cost of maintenance needs to be taken into account when evaluating the price for the articles to be supplied. As the subcontractor is supervising the equipment, however, he will be responsible for maintaining it in an operative state, whether the expenditure is borne by him or by the main contractor. In some subcontracting contracts, machinery is not used on a continuous basis, for instance when the contract makes provision for large deliveries only at certain periods or during certain seasons of the year. It is fairly common in this case for subcontractors to lease tools to the main contractor, if the latter can use them for other purposes. Conversely, the main contractor may also allow the subcontractor to use the machinery himself, if the subcontractor can use it for other purposes.

### Repairs

The tools purchased should not be expected to remain operative throughout the term of the contract, especially in the case of a long-term contract for a high volume of production. It will not only be necessary to carry out repairs, but undoubtedly also to replace tools if machines, dies, plates and other components wear out. It is therefore in the subcontractor's interest to specify methods for the partial or full replacement of the initial equipment in the contract. The replacement should normally take place on the same basis as the initial investment. The main contractor will, however, be less inclined to bear the full cost of the equipment if the need for replacement has not been specified during the initial negotiations. The subcontractor should in all cases ensure that he knows who owns the tools and if he himself has intellectual property rights that must be protected by contract. He should also make sure that the contract specifies who bears the risks of accidental loss or damage due to circumstances attributable to the subcontractor.

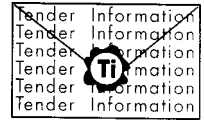
### What happens to equipment at the end of the contract ?

Once the contract has reached completion, the equipment generally remains the property of the person who has paid for it, although the main contractor often has an option to purchase the tools from the subcontractor. Even if the subcontractor has borne all or part of the costs, any sums already disbursed by the subcontractor may be reimbursed, less any amount for depreciation of the value of the equipment that the subcontractor has already recouped as an element of the cost of the articles supplied to the main contractor. If the main contractor, an automobile manufacturer for instance, is using the "double source of supply" principle, it may be that he wishes to install his equipment on another site and will undoubtedly take up this option if he has not paid for the initial equipment because he may wish to prevent the subcontractor from using the equipment subsequently, for instance on behalf of one of his competitors. For this reason, the subcontractor should decide, during negotiation of the initial contract, whether he is willing to offer such an option to the main contractor when the practical effect of this option will be to prevent him from undertaking work for other enterprises.

If, however, the subcontractor is authorised to retain the tools after expiry of the contract, the main contractor may impose some restrictions on their use. In any event, the main contractor may impose a positive obligation on the subcontractor to keep the tools for a period of three to five or even ten years, in order to produce the quantity of spare parts required for the manufactured products finally sold by the main contractor. The availability of spare parts is always a major problem for main contractors making substantial use of subcontractors.

*(Source : EEPC Duesseldorf Office)*

**Tender Information**



**Egypt**

(EEPC Ref. No. DB-1471)

Project : East Delta Agriculture Services Project  
Credit No. 3002-EGT; Project ID No. P049166  
Credit from IDA

Issued by : Ministry of Agriculture and Land Reclamation  
EDASP Project Management Unit  
Agricultural Reclamation Building, Floor 15  
Nadi Al Seid St. Dokki, Giza, Cairo, Egypt  
Attn. : Yousri Abdel-Rahman Ewais  
Executive Director  
Tel/Fax : (1-202) 337-3514  
E-mail : edasp-2005@hotmail.com

For : Supply and installation of works for the rehabilitation and replacement of water supply networks at South Husseniya area and water supply works for EL-Selah & EL-Cab trunk lines.

Tender cost : Non-refundable fee of £E 500 or its equivalent.

Bid security : £E 120,000 to be increased 10% of the bid price in case of awarding.

Bid deadline : **03.04.2006**

DB Ref. No. WB935-675/06, on line version dated 10.03.2006

**Gambia**

(EEPC Ref. No. DB-1472)

Project : Integrated Coastal and Marine Biodiversity Management Project  
Project ID No. P064891 (Grant)  
Grant from IDA

Issued by : Project Coordinator  
Integrated Coastal & Marine Biodiversity Management Project  
Department of Parks & Wildlife Management  
Abuko Nature Reserve, Abuko, Gambia  
Tel. : (220) 437-6972/3, 437-5888  
Fax : (220) 439-2179  
E-mail : wildlife@gamtel.gm

For : Supply of vehicles, motorcycles & bicycles (with quantities indicated) :

*Lot 1 :*

- 4 WD pick-ups double cabin with air conditioner; quantity : three (3)
- Station Wagon vehicle with air conditioner; quantity : one (1)
- Motorcycles; quantity : three (3)

*Lot 2 :*

- Bicycles; quantity : five (5)

Tender cost : Non-refundable fee of D 2,000 (two thousand dalais)

Bid security : Not less than D 20,000 of the bidder's bid price or an equivalent amount in a freely convertible currency.

Bid deadline : **03.04.2006**

DB Ref. No. WB929-675/06, on line version dated 10.03.2006

**Nepal**

(EEPC Ref. No. DB-1470)

Project : Rural Access Improvement and Decentralization Project  
IDA Grant No. H171 - NP; Project ID No. P083923  
Grant from IDA

Issued by : Ministry of Local Development  
Department of Local Infrastructure  
Development and Agricultural Roads  
Rural Access Improvement and Decentralization Project  
Jawalakhel, Kathmandu, Nepal  
Attn. : Mr. K. P. Gupta  
Procurement Engineer  
Tel/Fax : (977-1) 554-6268  
E-mail : raidppcu@dolidar.gov.np

For : Supply and delivery of Hard Top 4WD motor vehicles.

Tender cost : Non-refundable fee of NRs. 4,000

Bid security : NRs. 978,000

Bid deadline : **07.04.2006**

DB Ref. No. WB884-675/06, on line version dated 10.03.2006

*(Source : UN Development Business Edition on line version dated 10th March, 2006)*

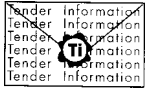
**Egypt**

**Environmental Equipment**

Issued by : Egyptian Holding Company for Airports & Air Navigation  
Room 201, Second Floor  
Airport Road  
Cairo, Egypt  
Tel. : (202) 6960690  
E-mail : magda.moussa\_pmu@ehcaan.com



EEPC INDIA



Tender No. : 2/GOODS/WB/ICB/2006

For : Supply and installation, in two lots, of environmental equipment as part of an airport development project.

Financed by the World Bank.

Bid bonds : \$ 20,000 and \$ 10,000. Details on payment of £E 1,200 or \$ 210.

Closing date : 17.04.2006

**Iran**

**Harbour Cranes**

Issued by : Ports & Shipping Organisation  
Director General of Equipment Supply & Maintenance, Fifth Floor  
South Didar Street, Haghani Highway  
Vanak Square, Tehran, Iran  
Website : www.iranets.com

Tender No. : 84/HE698

For : Supply and delivery of 35-tonne and 60-tonne mobile harbour cranes, respectively, for Abadan and Noshahr ports.

Bid bond : IR 710 million, \$ 79,000 or Eur 66,000.

Details available until 9 April, on payment of IR 200,000.

Closing date : 14.05.2006

**Iraq**

**Medical Equipment**

Issued by : Health Ministry  
F J Al-Zubaidi, Project Management Team  
Room 1, First Floor  
Bab al-Madham, Baghdad, Iraq  
E-mail : ehrp\_pmt@yahoo.com

Tender No. : EHRP.MEDEQ.ICB 02/2006/001

For : Supply of medical equipment as part of an emergency health rehabilitation project.

Financed by the World Bank. Details on payment of ID 150,000 to Account No. 01-51-0=0009442, Rafidain Bank, Amman branch, or \$ 100 to Account No. 524, Al-Rasheed Bank, Medical Compound, Specialised Surgeries Hospital, First Floor, Medical City Office 532, Bab al-Madham, Baghdad, Tel. : (9641) 4158256.

Closing date : 17.04.2006

**Oman**

**Primary Substation**

Issued by : Tender Board  
P.O. Box 787, PC 133  
Al-Khuwair, Oman  
Tel. : (96824) 602073  
Fax : (96824) 602063

Tender No. : 18/2006

For : Supply and installation of a primary substation at Sip in the North Batinah region for the Housing, Electricity & Water Ministry.

Details available on payment of RO 315.

Closing date : 17.04.2006

(Source : MEED, Vol. 50, No. 9 dated 03 - 09 March, 2006)

**Syria**

**Br. 3/10961.** Requirement : Executional study for modernization and renewing of Al-Kamishli – Al-Yaroubeyah railway line. File No. 14/2006. Bid bond Euro 35,000. Performance bond 10%. Booklet obtained from Syrian Railways, Aleppo, Fax : 021-2225697. Deadline 26.04.2006

**Br. 2/10965.** Requirement : Drilling, exploring, coring with drilling capacity 300 m.d. Bid bond US\$ 20,000. Performance bond 10%. Booklet obtained from Gen. Est. of Geology & Mineral Resources, Damascus, Fax : 011-4423684. Deadline 20.04.2006

**Br. 5/10965.**

Requirement : One vertical machining machine. File No. 404/90. Bid bond Euro 5,800. Booklet obtained at SP. 500 from Industrial Est. of Defence, Damascus. Deadline 26.04.2006

Requirement : Under wing refueling nozzle (coupling) needed for aircraft refueling units. File No. 10. Bid bond US\$ 15,000. Performance bond 10%. Booklet obtained at US\$ 50 from Syrian Co. for the Storage and Distribution of Petroleum Products (Mahrukati), Damascus, Fax : 011-4445796. Deadline 12.04.2006

Requirement : Repowering of 30 Diesel electric locomotives type TE 114-S. File No. 11/2006. Bid bond Euro 500,000. Performance bond 10%. Booklet obtained from Syrian Railways Aleppo, Fax : 021-2225697. Deadline 24.04.2006

For further details please contact :

Shri A. K. Ghosh  
Second Secretary (C&I)  
Embassy of India  
P.O. Box 685  
Damascus, Syria  
Tel. : 00963-11-3347351/52  
Fax : 00963-11-3345711  
E-mail : comsyria@cyberia.net.lb  
indemcom@scs-net.org

(Source : Embassy of India, Damascus)



**Trade Enquiries**



**Bangladesh**

(Source : Direct from the party)

Name of the Company	Addresses	Contact Person/Tel./Fax/E-mail	Items interested
Euro Stitch (Pvt.) Limited	Export & Import Division 17, New Eskaton Road (5th Floor) Dhaka Bangladesh	Attn. : Mr. Badroddoza Tel. : 88-02-9353620, 9353583 Fax : 88-02-9357880 E-mail : eurostitchb@yahoo.com	Alloy wheel rims. They want detail with rate/price quotation for the following sizes : 13, 14, 15, 16, 17, 18 (8 & 10 hole for all sizes).

**Ethiopia**

(Source : Direct from the party)

Gelilla Industrial Engg. PLC	Mekelle City Ethiopia	Attn. : Mr. Gebrehiwot Gebregziabher Abera Manager and Owner Tel. : 251-34-441 3018/440 9172 Mob : 251-91-430 0486/470 0042 Fax : 251-34-441 3019 E-mail : Mekellechamber@ethionet.et	Agricultural equipment.
Mr. Haji Mehammed Abdela Managing Director and Owner	Mekelle City Ethiopia	Mob : 251-91-470 1328 Fax : 251-34-440 8914 E-mail : Mekellechamber@ethionet.et	Spare parts and vehicle accessories.
Kangaroo Industrial Engg. and Saffron Agricultural Farm PLC	Mekelle City Ethiopia	Attn. : Mr. Gezahegn Zemariam Managing Director & Owner Tel. : 251-34-440 6378 Mob : 251-91-470 1384 Fax : 251-34-440 8914 E-mail : Mekellechamber@ethionet.et	Industrial machineries and agricultural machinery & equipment, submersible pumps.

**France**

(Source : EEPC Duesseldorf Office)

Pub Fiction	23 rue des Mathurins 75008 Paris France	Attn. : Hervé Landry Tel. : +33680667476 E-mail : herve@pubfiction.net	Vase for champagne bottle as per following details : Short description of the vase : Upstanding folder-shaped vase Opening on top-middle-part. Height : 32 cm, Diameter : 15 cm Brass plate, thickness : 15/10° (silversmith quality) Folding, cutting by hand. Opening part shaped by hammer, edging, polishing. The bottle has to fit inside the folder. Shiny gold plated coating and white gold-plating are required on the vase. <i>(Photographs can be obtained from any of the EEPC Offices in India)</i>
SFEH	3, av. Wilson F-75116, Paris France	Attn. : Mrs. Maria da Silva Tel. : +33 1 45 05 28 77 Fax : +33 1 45 05 15 33 E-mail : m.dasilva@sfeh.com	Medical equipment, radiology, lab equipment.



## Spain

(Source : EEPC Duesseldorf Office)

Name of the Company	Addresses	Contact Person/Tel./Fax/E-mail	Items interested
Saycalsa	Poligono Industrial Agurain S/N 01200 Salvatierra Spain	Attn. : Mr. Imanol Plazaola Tel. : +34 945 180000 Fax : +34 945 300153 E-mail : compras@saycalsa.com	Steel buttwelding fittings, fasteners. Quantity/annual requirements : Steel buttwelding fittings = 1200 tone/s year Fasteners = 450 tones/year Specifications : Steel buttwelding fittings = EN 10253-1 (European Standard) Fasteners = DIN 931, DIN 934, DIN 125, DIN 975 (Standards).

## Syria

(Source : Direct from the party)

Alkarim For Trade and Industry	P.O. Box 5797 Damascus Syria	Attn. : Mr. Jamal Abdulkarim Tel. : 00963-11-3316 100/3316 341 Fax : 00963-11-3322 264 E-mail : jamal-a@abdulkarimgroup.com Website : www.abdulkarimgroup.com	Equipment for recycling used oils with a capacity of 6000 – 9000 tons per year.
-----------------------------------	------------------------------------	---	---

## UK

(Source : EEPC Duesseldorf Office)

Hyderco UK Ltd.	Churchill House Stirling Way Borehamwood Hertfordshire WD6 2HP UK	Attn. : Mr. Ndukwe Akwiwu Tel. : +44 20 8736 0090 Fax : +44 20 8736 0091	They are interested for technical partner that has the expertise to rehabilitate and run railway workshops and they are also interested to contact the Indian companies who provides dredging services with expertise in providing hydraulic sandfill and land reclamation services.
-----------------	---	--	---

## Egypt

(Source : Direct from the party)

M/s. Condition Company, 9, Emad El Din, Cairo, Egypt, Tel. : +202 590 6796/591 6128, Fax : +202 592 0683, E-mail : condico@hotmail.com, (Attn. : Mr. Mohamed Ashour, President) are interested to import equipment for poultry slaughter houses, details are as follows :

### Killing/Eviscerating Area

#### 1. Overhead Conveyor 6" SS inclusive :

- Calibrated 1" link chain
- Stainless Steel Trolleys
- Pipe Track 1¼" Stainless Steel
- Suspension set for 1 ¼" SS (meters)
- Includes Overhead Conveyor Chain Joint Links, Suspension Pipe, Suspension Shoes and Brackets
- Tensioner 180-480 SS
- Stainless Steel Spindle for tension adjustment
- Stainless Steel Bend 90 degrees 1¼" pipe
- Stainless Steel Vertical "S" bend for 1¼" pipe
- Stainless Steel Link Chain for defeathering line
- Joins Shackles with each other between shackle and drop rod
- Stainless Steel Shackle Guide Bar at hang on position
- Including Stainless Support
- 10 mm, Round Bar
- Drive, Gear Box, 0.75-90/120
- Stainless Steel Constructed Motor Mounting and Belt Adjustment Unit
- Separate Gear Box Belt Driven from Motor

- Motor Power 0.75 kW
  - Stainless Steel Constructed Shackle Designed for Killing Lines
  - Stainless Steel Constructed Rod for Defeathering and/or Eviscerating Lines.
- #### 2. Water Stunner
- Automatic Water Bath Stunner with a Polyester Cabinet which is mounted on a height adjustable Stainless Steel Frame
  - Stainless Steel Shackle Guiding and Contact Plate
  - Water Level Control by Probes, which are connected to the Control Box
  - Stainless Steel Control Box for Remote Installation on wall
  - Adjustable Stunning Voltage
  - Voltage Indicator
  - 220 Volt Connection needed.
- #### 3. Bleeding Trough
- Stainless Steel Bleeding Trough with Infeed and Outgoing Openings for Conveyor Line
  - Height Adjustable Frame for Trough Installation in a Slight Angle
  - Drain positioned at one side of the Trough.
- #### 4. Scalding
- Stainless Steel Scalding Section suitable for 2 passes



- Water Agitation System by means of an Impellor driven by an Electric Motor, which is fixed between the passes
  - Automatic Water Level Control by Floating Valve
  - Stainless Steel Heat Exchangers for Hot Water or Low Pressure Steam (2-3 atm) Indirect Heating
  - Water Drain on one side
  - Temperature probe and fresh water inlet on opposite sides of the section
  - Motor Power : 2.2 kW
  - Stainless Steel inlet and outlet section for 2 passes Scalders
  - Stainless Steel return section for 2 passes Scalders
  - Water Level Unit with Float Valve
  - Temperature Control Box for Scalders
  - Including Temperature Probe
  - Digital Display and Settings
  - Remote Installation
  - Temperature Alarm
  - Automatic Valve Control.
5. *Picking Machine*
- Stainless Steel Picking Machine with two opposed Picking Cabinets of which one has a door mechanism for easy access and maintenance
  - Each side has two picking rows with 12 Counter Rotating Discs, each Disc has 6 Rubber Picking Fingers Fitted
  - Each row is individual driven by two Electric Motors
  - Including Shackle Guiding and Water Pipes, Synthetic Feather Flaps on both sides of the Machine
  - Height, Distance and Angle Adjustment
  - Motor Power : 4 x 2.2 KW
  - Water Consumption : approx. 0.6 m<sup>3</sup>/Hr
  - Water Connection : 2 x 3/8".
6. *Scrub Washer*
- Stainless Steel Suspended Finished with two opposed Picking Cabinets
  - Horizontally placed Picking Shafts with Long Flail Rubber Fingers
  - Machine is adjustable in height, distance and angle
  - Motor Power : 2 x 0.37 kW
  - Water Consumption : approx. 0.5 M<sup>3</sup>/Hr.
7. *Eviscerating Trough*
- Stainless Steel Constructed Eviscerating Trough suitable for two lines
  - Including Giblet Channels, Water Taps and Funnels
  - Water Consumption : approx. 0.5 M<sup>3</sup>/Hr
  - Stainless Steel Constructed Eviscerating Trough suitable for two lines.
8. *Semi Auto Vent Cutter*
- Manual operated Vent Cutter for all types of Poultry
  - Rotating Cylinder Blade operates on air
  - Vacuum Suction after cutting of the rosebud
  - Automatic Cleaning with water after each operation
  - Complete with Balancer, Hoses and Water Separator
  - Water Consumption : 0.05 M<sup>3</sup>/Hr
  - Vacuum Consumption : 180 cu. ins/min
  - Air Consumption : 10 cu. ins/min.
9. *Pneumatic Cutter*
- Air Operated Neck and/or Hock Cutter.
10. *Lung Gun*
- Stainless Steel and Nylon Constructed Hand Tool for lung removal
  - Special Design to close off vacuum if not in use.

11. *Hock Cutter*

- Stainless Steel 180 degrees Model Leg Cutter, Nylon Cutting Ring
- Fully Adjustable Circular Blade
- Machine is driven by the Overhead Conveyor
- Suitable for Floor Installation
- Motor Power : 1.5 kW.

**Total amount for Killing/Eviscerating Area**

**Chilling Area**

12. *Spiral Chiller*

- Stainless Steel Constructed Spiral type Chiller
- One Continuous Spiral
- Including Inlet Section and Unloader Section
- Water level control by Float Valve
- Air Manifold on both sides for Air Agitation
- Motor Power : 3.3 kW.

*Air Blower for Spiral Chiller*

- 3.3 kW Air Blower for Agitation in Spiral Chiller
- One Air Blower needed for approx. every 6.000 mm. chilling length
- Usually Installed above the Chiller.

**Total amount for Chilling Area**

**Drip Line**

13. *Overhead Conveyor 8" P*

- Calibrated 1" Link Chain
- Plastic Trolleys
- Plastic Wheels with Stainless Steel Bearings
- Trolleys suitable for 1/4" Pipe Track
- Pipe Track 1/4" Stainless Steel
- Includes Overhead Conveyor Chain Joint Links, Suspension Pipe, Suspension Shoes and Brackets
- Stainless Steel bend 180 degrees 1/4" Pipe Wheel diameter 480 mm.
- Stainless Steel bend 90 degrees, 1/4" Pipe Wheel diameter 280 mm
- Stainless Steel Line Tension Unit 180 degrees, 1/4" Pipe Wheel diameter 480 mm
- Stainless Steel Vertical "S" bend for 1/4" Pipe
- Down part has Strip Welded on top for Wheel Guiding
- Up part has top Guide Welded for Wheel Guiding
- Stainless Steel Shackle Guide Bar at hang on position
- Including Stainless Support
- Drive, Gear Box, 0.75-90/120
- Stainless Steel Constructed Motor Mounting and Belt Adjustment Unit
- Separate Gear Box Belt driven from Motor
- Motor Power : 0.75 KW
- Stainless Steel Constructed Shackle
- Suitable for Drip Lines and/or Air Chilling Conveyors
- Bird hangs by one leg if used as a two Birds Shackle
- Both Legs hang in Shackle when used as a Single Bird Shackle.

14. *Rehang Table*

- Stainless Steel Constructed Table with height adjustable legs
- Stainless Steel Perforated Top.

15. *Unloader Drip Shackles*

- Stainless Steel Constructed Unloading Device for Drip Line Shackles.



EEPC INDIA

Total amount for Drip Line

Weighing/Packing Area.

16. Table 2 – 1000 SS

- Stainless Steel Constructed Table with height adjustable legs
- Stainless Steel Top
- Length : 2.000 mm.
- Width : 1.000 mm.
- Height : 800 mm.
- Weight : 65 kilos.

17. Table 2 – 1000 P

- Stainless Steel Constructed Table with height adjustable legs
- Nylon Constructed Top
- Length : 2.000 mm.
- Width : 1.000 mm.
- Height : 800 mm.
- Weight : 70 kilos.

18. Packing Horn

- Stainless Steel Constructed Packing Chute
- Spring Loaded Horn with Rod and Bracket for Mounting
- Length : 350 mm.
- Width : 240 mm.
- Height : 420 mm.
- Weight : 4 kilos

19. Tape Sealer

- Manual Operated Bag Sealing Device
- Heavy Duty Construction, including Mounting Clamp for fixed position

- With Bag Flap Cutting Blade
- Length : 180 mm.
- Width : 80 mm.
- Height : 160 mm.
- Weight : 0.7 kilos.

Total amount for Weighing/Packing Area.

Offal Handling System

20. Vacuum Pump

- Liquid Ring Vacuum Pump
- Casing in Cast Iron, Impeller in Bronze and Shaft in Stainless Steel
- Unit is suitable for Dry Offal System with a maximum of 4 Collecting Hoppers and one Discharge Tank
- Water Separator 46 litres
- Motor Power : 11 kW.

21. Vacuum Tank

- Mild Steel Constructed Vacuum Buffer Tank on a Frame
- Top Cover can be opened for cleaning purposes
- Including 3 x 1 1/4" Connections for Vacuum in and out and emptying
- Tank Contents : 180 litres.

22. Vacuum Tank

- Mild Steel Constructed Vacuum Reservoir on a Frame
- Including Connections 2 x 90 mm. -1 x 50 mm. and 1 x 4"
- Tank Contents : 800 litres.

Total amount for Offal Handling System.

Germany

(Source : EEPC Duesseldorf Office)

M/s. Drucklufttechnik GmbH CompAir, Argenthalerstr. 11, D-55469 Simmern/Hunsrück, Germany, Tel. : +49 (0) 6761 832 191, Fax : +49 (0) 6761 832 400, E-mail : thomas.blank@compair.com, Website : www.compair.com, (Attn. : Mr.Thomas Blank, Strategic Purchasing) are interested to import Electric motors 60 HZ for the compressor industry (Voltage : 200/230/460 V) as per their drawings. The identity number of parts given in the drawing are reproduced below :

Identity-No. 100003189	: Annual demand	Identity-No. 100003185	: Annual demand
E-Motor/EPAct_7.5 kw/IP55/3600rpm/60 Hz	15 pieces	E-Motor/EPAct_22 kW/IP55/3600rpm/60 Hz	50 pieces
Identity-No. 100003188	: Annual demand	Annual requirements of motors is about 6 mio Euro.	
E-Motor/EPAct_11 kw/IP55/3600rpm/60 Hz	50 pieces	Quotation required for above requirement based on delivery to the place of destination, DDU Simmern/HunsruECK.	
Identity-No. 100003187	: Annual demand	<i>Drawings can be obtained from any of the EEPC Offices in India.</i>	
E-Motor/EPAct_15 kW/IP55/3600rpm/60 Hz	15 pieces		
Identity-No. 100003186	: Annual demand		
E-Motor/EPAct_18.5 kW/IP55/3600rpm/60 Hz	60 pieces		

Pakistan

(Source : Direct from the party)

M/s. Steam Masters, 416, Awami Street, Samundri Road, Faisalabad, Pakistan, Tel. : 0092-41-8722430, 8716158, Fax : 0092-41-8722556, E-mail : steammasters@gmail.com, (Attn.: Mr. Muhammad Younas, Chief Executive) has decided to market Indian as well as Chinese steam boilers. They offer their best services for the sole distribution in Pakistan to market products on country basis. They need the following two steam boilers :

<b>A</b>		<b>B</b>	
Type	: Water Tube	Type	: Water Tube
Fuel	: Solid Fuel (Bigas fired))	Fuel	: Solid Fuel (Bigas fired)
Efficiency	: 80%	Efficiency	: 80%
Capacity	: 150 Tons/Hr	Capacity	: 30 Tons/Hr.
Pressure	: 28 Bar	Pressure	: 28 Bar
Accessories	: Complete with all accessories on turnkey basis,	Accessories	: Complete with all accessories on turnkey basis.

Interested member-exporters, are requested to contact the above firm directly.

**Exhibitions and Trade Fairs**



**Indonesia**

**Machine Tool & Manufacturing Indonesia - Surabaya 2006**

The 2nd International Machine Tool, Metalworking, Welding, Manufacturing Machinery and Equipment Exhibition

Date : 7-10 June, 2006

Venue : Surabaya Convention Hall

AJBS Pasaraya, Surabaya, Indonesia

Organiser : International Expo Management Pte. Ltd.  
 47, Scotts Road, #05-02 Goldbell Towers  
 Singapore 228 233  
 Attn. : Ms. Carolyn Lee, Project Manager  
 Tel. : +65 6736 1221, Fax : +65 6736 1771  
 E-mail : carolyn@iemallworld.com

(Source : EEPC Singapore Office)

**Advertisement**



**wire**  
Düsseldorf

24th - 28th April 2006  
Dusseldorf, Germany



**Tube**  
Düsseldorf

## Visit International Wire and Cable Trade Fair

## International Tube and Pipe Trade Fair

### With SOTC Trade Fair Tours


**Exhibitor Profile**

- Raw materials, tubes and accessories
- Tube manufacturing machinery
- Used machinery
- Process technology tools and auxiliaries
- Measuring and control technology
- Test engineering
- Specialist areas
- Trade with tubes of all kinds

**Exhibitor Profile**

- Wire manufacturing and finishing machinery
- Process technology tools
- Auxiliary process technology materials
- Materials, special wires and cables
- Measuring and control technology
- Test engineering
- Specialist areas


**Also Visit**



24 - 28 April 2006  
Hannover, Germany  
**Get The New Technology First**

26 - 28 April 2006  
Messe Karlsruhe, Germany  
**12th International Trade Fair for Used Machinery and Equipment**

Toll Free No: 1800 - 223344

 [Tradefairs@kuoniindia.com](mailto:Tradefairs@kuoniindia.com)
 [www.sotctradefairtours.com](http://www.sotctradefairtours.com)



The Kuoni Travel Group



**SOTC**  
**TRADE FAIR**  
**TOURS**

The smartest way to visit Trade Fairs

**Public Notice**



**Government of India  
Ministry of Finance  
Department of Revenue  
Central Board of Excise & Customs  
New Delhi**

**Notification No. 27/2006-Customs**

Dated 14th March, 2006

S. O. 324 (E). - In exercise of the powers conferred by sub-section (2) of section 74 of the Customs Act, 1962 (52 of 1962), the Central Government, being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue) No.19-Customs, dated the 6th February, 1965, S.O. 426, dated the 6th February, 1965, namely :-

In the said notification, for the Table, the following Table shall be substituted, namely :-

**Table**

<i>Sl. No.</i>	<i>Length of period between the date of clearance for home consumption and the date when the goods are placed under Customs control for export</i>	<i>Percentage of import duty to be paid as Drawback</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>
1.	Not more than three months	95%
2.	More than three months but not more than six months	85%
3.	More than six months but not more than nine months	75%
4.	More than nine months but not more than twelve months	70%
5.	More than twelve months but not more than fifteen months	65%
6.	More than fifteen months but not more than eighteen months	60%
7.	More than eighteen months but not more than twenty-one months	55%
8.	More than twenty-one months but not more than twenty-four months	50%

9.	More than twenty-four months but not more than twenty-seven months	45%
10.	More than twenty-seven months but not more than thirty months	40%
11.	More than thirty months but not more than thirty-three months	35%
12.	More than thirty-three months but not more than thirty-six months	30%
13.	More than thirty-six months	NIL

*Sd/-*

(DR. M. SUBRAMANYAM)

Deputy Secretary to the Government of India

[F. No. 609/13/2005-DBK]

Note : The principal Notification No. 19-Customs dated the 6th February, 1965, was published vide number S. O. 426, dated the 6th February, 1965, and was last amended by Notification No. 45-Customs, dated the 2nd May, 1970, published vide number S. O. 1542, dated the 2nd May, 1970.

**Government of India  
Ministry of Commerce & Industry  
Department of Commerce  
Directorate General of Foreign Trade  
New Delhi**

**Public Notice No. 92(RE-2005)/2004-2009**

Dated 9th March, 2006

S. O. (E) - In exercise of powers conferred under paragraph 2.4 of the Foreign Trade Policy, 2004-2009 and paragraph 1.1 of the Handbook of Procedures (Vol. I), 2004-2009, the Director General of Foreign Trade hereby makes the following amendment in the Appendix 39 of Handbook of Procedures (Vol. I), notified vide Public Notice No. 61(RE-05)/2004-2009 dated 13.10.2005 :

“Column 5 (ii) and Note 2” of the above Appendix stand deleted with immediate effect.

*Sd/-*

(K. T. CHACKO)

Director General of Foreign Trade

(File No. 01/91/171/38/AM06/PC-III)

**Government of India  
Ministry of Finance  
Department of Revenue  
Central Board of Excise & Customs  
New Delhi**

**Government of India  
Ministry of Finance  
Department of Revenue  
Central Board of Excise & Customs  
New Delhi**

**Notification No. 16/2006-NT-Customs**

Dated 23rd February, 2006

In exercise of the powers conferred by sub-clause (i) of clause (a) of sub-section (3) of section 14 of the Customs Act, 1962 (52 of 1962) and in supersession of the Notification of the Government of India in the Ministry of Finance (Department of Revenue) No. 5/2006-NT-Customs, dated the 25th January, 2006 [S.O.92 (E) dated the 25th January, 2006], the Board hereby determines for the purposes of said section, relating to **imported goods**, that the rate of exchange of conversion of each of the foreign currency specified in column (2) of each of *Schedule I* and *Schedule II* appended hereto into Indian currency or *vice versa* shall, with effect from the **1st March, 2006**, be the rate mentioned against it in the corresponding entry in column (3) thereof.

**SCHEDULE - I**

<i>S. No.</i>	<i>Foreign Currency</i>	<i>Rate of exchange of one unit of foreign currency equivalent to Indian rupees</i>
(1)	(2)	(3)
1.	Australian Dollar	33.15
2.	Canadian Dollar	39.00
3.	Danish Kroner	7.15
4.	EURO	53.35
5.	Hong Kong Dollar	5.75
6.	Norwegian Kroner	6.65
7.	Pound Sterling	78.15
8.	Swedish Kroner	5.70
9.	Swiss Franc	34.20
10.	Singapore Dollar	27.45
11.	US Dollar	44.65

**SCHEDULE - II**

<i>S. No.</i>	<i>Foreign Currency</i>	<i>Rate of exchange of 100 units of foreign currency equivalent to Indian rupees</i>
(1)	(2)	(3)
1.	Japanese Yen	37.75

Sd/-  
(S. P. RAO)

Under Secretary to the Government of India  
(F. No. 468/4/2006-Cus.V)

**Notification No. 17/2006-NT-Customs**

Dated 23rd February, 2006

In exercise of the powers conferred by sub-clause (i) of clause (a) of sub-section (3) of section 14 of the Customs Act, 1962 (52 of 1962) and in supersession of the Notification of the Government of India in the Ministry of Finance (Department of Revenue) No. 6/2006-NT-Customs, dated the 25th January, 2006 [S.O.91 (E) dated the 25th January, 2006], the Board hereby determines for the purposes of said section relating, to **export goods**, that the rate of exchange of conversion of each of the foreign currency specified in column (2) of each of *Schedule I* and *Schedule II* appended hereto into Indian currency or *vice versa* shall, with effect from the **1st March, 2006**, be the rate mentioned against it in the corresponding entry in column (3) thereof.

**SCHEDULE - I**

<i>S. No.</i>	<i>Foreign Currency</i>	<i>Rate of exchange of one unit of foreign currency equivalent to Indian rupees</i>
(1)	(2)	(3)
1.	Australian Dollar	32.55
2.	Canadian Dollar	38.50
3.	Danish Kroner	7.05
4.	EURO	52.70
5.	Hong Kong Dollar	5.70
6.	Norwegian Kroner	6.55
7.	Pound Sterling	77.20
8.	Swedish Kroner	5.60
9.	Swiss Franc	33.80
10.	Singapore Dollar	27.15
11.	US Dollar	44.50

**SCHEDULE - II**

<i>S. No.</i>	<i>Foreign Currency</i>	<i>Rate of exchange of 100 units of foreign currency equivalent to Indian rupees</i>
(1)	(2)	(3)
1.	Japanese Yen	37.30

Sd/-  
(S. P. RAO)

Under Secretary to the Government of India  
(F. No. 468/4/2006-Cus.V)

## Panel Meeting

### IMPORTANT DECISIONS OF VARIOUS PANEL MEETINGS

#### **Important Points Discussed at the Free Trade Zone & 100% Export Oriented Units Panel held on December 09, 2005 in Mumbai**

A meeting of the Free Trade Zone & 100% Export Oriented Units was held on 9th December, 2005 at the Committee Room of EEPC's Mumbai Office in which following matters were discussed :

- Foreign Trade Policy and Pre-Budget issues for the year 2006-07;
- Revision in the Guidelines on Marketing Development Assistance (MDA);
- Promotional activities planned for the year 2005-06 and 2006-07 including Hannover Fair 2006;
- Issues relating to Free Trade Zone & 100% Export Oriented Units.
- Hosting of Home Page Providing Hyperlinking+ Services on Council's Website etc.

#### **Important Points Discussed at the Construction and Earth-moving Machinery including Cranes, Hoists, Mining Equipments and Tractors for Construction and Earthmoving purpose Panel held on December 12, 2005 in New Delhi**

- It was decided that Non-Refund of VAT be taken up with the highest authority in the Ministry of Finance and also the Empowered Committee on VAT, as sizeable amount of exporters' is blocked.

#### **Important Points Discussed at the Projects Export Panel held on December 16, 2005 in Kolkata**

- VAT Refund Mechanism should be put in place immediately as significant funds of exporters are being blocked;
- Members suggested that the Council should organize an INDEE in Bangladesh to promote of export of Technical Services and Projects.

#### **Important Points Discussed at the Internal Combustion Engines, Compressors & Parts thereof Panel held on January 7, 2006 at Rajkot**

##### **• Review of Export Performance**

The members expressed their concern over the declining trend of export performance in the category of Stationery Agricultural Engines and Compressors. It was proposed that special attention should be given for promoting export of Stationery Agricultural Engines which used to be one of the leading product in this Panel.

While commending on export performance the members suggested that representative data should be collected from all concerned for facilitating amendment of entries regarding SION, fixation of rate for DEPB, Drawback, etc. For that it

was proposed that a specialist may be appointed as a consultant, the cost of which may be borne by the participating members of the Panel proportionate to their export turnover.

It was also proposed that since I.C. Engine Panel involves multi-various types of engine, special focus and attention must be given for attending the problems of Stationary Agricultural Engines and Components manufacturers.

##### **• Report on Delegation to Ghana, Togo, Senegal & Mali**

Shri Khalid Khan, Convenor of the Panel, who happened to be the leader of the delegation, briefed the members present about the delegation. He stated that the delegation was a success though not in terms of orders booked, but in terms promotion of the products in new & unexplored markets.

##### **• Amendment of Sec 80HHC of the I. Tax Act**

Members deliberated on this issue in great detail and it was finally proposed that members would wait for the verdict in the writs to be filed at Hon'ble Kolkata High Court in this regard and take a decision accordingly. It was also suggested that legal opinion may be obtained regarding jurisdiction of Hon'ble Kolkata and other High Courts on 80HHC matters on companies situated all over India. Further, the Panel Convener was requested to take up with the I. Tax Authorities for extension of abeyance from 31st December, 2005 to 31st March, 2006.

##### **• Promotional Activities for 2006-07**

Members were requested to give their suggestion for single product trade delegations, desk studies and market research reports etc.

Members deliberated on the subject for a long time and after a detailed discussion it was finally decided that members would join the Multi-product Trade Delegation to be organized by the Council in 2006-07.

The proposed destinations were as follows :

*1st option :*

(a) Central African Republic, (b) Cameroon, (c) Congo (Kinshasa) and (d) Gabon.

*2nd option :*

(a) Algeria, (b) Tunisia, (c) Mauritania and (d) Libya.

#### **Important Points Discussed at the Sanitary Castings Panel held on January 16th and 23rd, 2006 in Kolkata**

- Floor Prices for export of CI Castings to USA and Gulf countries (except Saudi Arabia) were revised.
- Amendment of Section 80HHC by Taxation Laws (Amendment) Act 2005 imposition of Penalty/Recovery of Taxes in regard to profits on sale of DEPB Credits was discussed and the affected members were advised to take legal advice.





EEPC INDIA

## Domestic Information

- It has been decided that members of the Panel who have contributed towards the fund created for Promotion and Development of Sanitary Castings would participate in Hannover Fair 2006 by way of a 9 sq. mtrs. booth for Catalogue Display. Booth cost would be made from the funds collected.
- Product Catalogue for Sanitary Castings has been finalized and is under printing. The Catalogue would be launched during Hannover Fair 2006.
- It was decided that Sanitary Castings exported from India should have a LOGO to depict that the product is Made in India. It has also been decided to consult SGS, BSI, Bureau Veritas and UL for their views on the above.

### Important Points Discussed at the Electric and Home Appliances, Fans, Sewing Machines, Dry Batteries, Torch Lights and other Electrical Manufactures - N.O.S. Panel held on January 18, 2006 in New Delhi

- Members were of the view that due to non-attractive/non-competitive DEPB rate prevailing in India i.e. 3% as compared to China where it is more than 12%, there was a negative growth (26%) in export of Fan.

### Important Points Discussed at the Motor Vehicles, excluding Two/Three Wheelers Panel Meeting held on January 24, 2006 in New Delhi

- The Panel Convener reiterated that a Committee be formed to prepare a white paper for submission to the Government highlighting the following issues to ensure that the efforts of the exporters are not hampered.
  - Creation of competitors in movements of export cargoes;
  - Transaction cost due to imposition of VAT;
  - Infrastructure facilities at Indian Ports;
  - Export Incentives.
- The Panel Convener requested the members to send their suggestions to undertake promotional activities under EEPC for increasing the export performance of the products of the Panel.



## Forex News

Following the dollar bearishness globally, the spot rupee opened and closed at 44.40/41 to a dollar.

The premium on six-month and one-year dollars closed at 2.35 per cent and 1.94 per cent respectively.

(Source : Business Standard, Kolkata dated 17th March, 2006)



## Forex Rates

Currency	T.T. Buying	T.T. Selling
Australian Dollar	32.4525	32.9450
British Pound	77.0375	77.8925
Canadian Dollar	38.1750	38.7525
Danish Krone	7.1200	7.2300
Euro	53.1675	53.7575
Hong Kong Dollar	5.6750	5.7625
Japanese Yen	37.5200	38.0900
New Zealand Dollar	28.3175	28.7475
Singapore Dollar	27.2325	27.6475
Swedish Krona	5.6675	5.7550
Swiss Franc	33.9950	34.5100
UAE Dirham	11.9950	12.1775
U. S. Dollar	44.2325	44.5700

(Source : The Economic Times, Kolkata dated 17th March, 2006)



## EEPC Official conferred Ph.D. Degree

*Shri Neeraj Varshney, Officer on Special Duty, EEPC has been conferred Ph.D. for his work on 'Application of Anti-dumping Measures under the WTO Regime'. Reproduced below the Abstract of the Topic submitted by Shri Varshney :*

### Abstract

#### Topic : 'Application of Anti-dumping Measures under the WTO Regime'

The WTO is an organisation for liberalizing trade. It embodies a system of rules dedicated to open, fair and undistorted competition. The rules on non-discrimination – MFN and National treatment – are designed to secure fair conditions of trade and so are the rules on 'Anti-dumping Measures'.

The concept of 'Anti-dumping' found its place in international trade around the beginning of the 20th century, even though 'Dumping' was known in medieval times and has been documented by Adam Smith in 1776. Although the anti-dumping measures are about a century old, but in many Member countries of the WTO, such as India, these are relatively of recent origin.

Broadly stating, 'Dumping' is a situation of international price discrimination. Neither Article VI of GATT 1994 nor the Agreement on Implementation of Article VI of the General Agreement on Tariff and Trade 1994 (popularly known and hereinafter referred to as the Anti-dumping Agreement), however, disapproves of dumping per se. 'Dumping' is to be condemned only if it causes or threatens to cause material injury to a domestic industry in the importing country or materially retards the establishment of a domestic industry. But determining, whether or not to impose anti-dumping measures, is never so simple and more often than not involves a series of complex analytical steps.

Article VI of GATT, 1947 dealt with Anti-dumping and Countervailing Duties. (the present study only deals with the anti-dumping measures). Article VI provided that the anti-dumping measures may only be taken in case the products have been introduced in the commerce of the importing country at less than the normal value and that it has caused injury to the domestic industry. This discipline on anti-dumping measures was sought to be improved during the Kennedy Round Negotiations (1964-67), which fructified in the form of Anti-dumping Code of 1967, which was later on improved during the Tokyo Round Negotiations (1973-1979), in the form of 1979 Code.

Anti-dumping measures were again put on the agenda of the Uruguay Round Negotiating Group on Multinational Trade

Negotiations (MTN) Agreements and Arrangements. A number of countries tabled proposals to improve the GATT Anti-dumping Code and were subject to lengthy and difficult discussions in Geneva. The result was an 'Agreement on Implementation of Article VI of GATT 1994' (Anti-dumping Agreement) concluded on 13 December, 1993 which is essentially a compromise between the conflicting demands presented by two major groups of countries in course of the negotiations : on the one hand, the US and the European Community (EC) and on the other hand, Japan and most of the newly industrialized countries (NICs), like South Korea, Taiwan, Hong Kong.

With the advent of WTO, many Members of the WTO have put the anti-dumping provisions in their Statute books. Although there have been quite a few WTO Panel and Appellate Body decisions on the anti-dumping matters yet the perusal of Members papers floated within the WTO forum itself indicates that the ambiguities and complexities involved in understanding this important subject need to be appreciated and resolved, especially in relation to its impact on the state of 'domestic industry' and the market-access to the exporters. The indiscriminate use of this vital measure in international trade, denies the greater market access achieved by Members through painstaking negotiations over the years.

The Anti-dumping Agreement has asymmetries and gaps in its text, which are on account of a consensus because of the existence of divergent national interests. This resultant lack of clarity has also enabled the Members to include subtle variations in their national anti-dumping legislations and has led to different interpretations, understanding and applications by the WTO Members.

The indiscriminate use of this instrument has caused a concern amongst the Members. Infact this sentiment has been the guiding principle of current negotiations on the subject, which are underway as per the mandate of Doha Ministerial Conference of the WTO (2001).

This subject has assumed great importance and has lots of implications, as anti-dumping measures are becoming rampant and are important tools in the area of international trade. In the past 10 years,<sup>1</sup> 2517 anti-dumping investigations were initiated and 1567 anti-dumping measures were taken. The increasing recourse, by the traditional and non-traditional users of anti-dumping instrument, has been the matter of concern because of likely trade distorting effects these measures cause in case of

<sup>1</sup>From 1.1.1995 to 30.6.2004, Source : WTO Secretariat Report.



misuse. This contemporary area of international trade is the subject matter of the present study.

The study has been conducted to understand and appreciate the application of anti-dumping measures under the WTO regime. It seeks to address the concerns reflected by the Members and as well as by various stakeholders from time to time. The study notes that over the years, the rules governing anti-dumping measures have been refined and additional rules developed. However, the essence of these rules is that they all restrict the freedom of the importing country to take recourse to this trade protective measure.

Apart from the application of anti-dumping measure, it needs to be appreciated that the very initiation of anti-dumping measures causes a trade-chilling impact, despite the fact that ultimately no anti-dumping measure may be imposed.

The study aims to provide an appreciation of the complex provisions of the Anti-dumping Agreement. It examines and evaluates the spread of the anti-dumping measures essentially from a legal prospective. This has been done with the help of the decisions of various WTO Panel and Appellate Body reports and as well as the perusal of the practices and decisions of the national courts of some of the principal users of this instrument. In the process, the concerns reflected in the papers floated by the Members during the negotiations and as well as issues raised by various stakeholders have sought to be addressed.

The study undertakes an analysis of various submissions made by Members from time to time to the 'Negotiating Group on Rules' of the WTO and the practices of principle users of the anti-dumping instrument. It is based on both the primary sources and the secondary sources. The primary sources include the GATT and WTO Agreements; relevant Acts of the principal users of the anti-dumping instrument, WTO annual reports, reports of the WTO's Committee on anti-dumping practices, reports of the expert committees constituted by GATT and WTO, various submissions made by Members from time to time on the subject to the 'Negotiating Group on Rules' of the WTO.

The secondary sources include practices of some of the principal Members using the instrument like EU, USA and India etc, Panel and Appellate Body reports of the WTO DSB. Decisions of the Central Excise and Service Tax Appellate Tribunal (CESTAT), High Courts of India and Supreme Court of India, important decisions from other Members' national courts on anti-dumping measures, Analytical writings of different legal academia, books, national and international journals and information available on the Internet.

This study deals with the observations, problems and possible solutions to the issues raised in respect of anti-dumping measures. The study observes that while it is essential to protect the domestic industry from undesirable trade practice of dumping,

but it is also important to restrict the trade distortion caused by indiscriminate use of these measures as any trade protection law should separate and distinguish between trade distorting practices from normal price behaviour and competitive advantage of the exporting firms.

The study suggests certain changes in the Anti-dumping Agreement to bring in rationality and attempts to reduce its ambiguities, in order to prevent trade restricting practices under the garb of trade protective actions, which is also in line with the Doha Ministerial mandate.

The study is timely as it is considered that time is ripe to attempt and resolve these in-built asymmetries and discretionary elements in the Anti-dumping Agreement. The study recommends certain changes in the Anti-dumping Agreement in order to clarify and improve the disciplines under the Anti-dumping Agreement, while simultaneously preserving the basic concepts and effectiveness of the Agreement.

It is hoped that the suggestions made in study will be helpful in attempting a revised framework of law to adequately meet the challenge of removing the trade-distorting effect of the anti-dumping measures. It may also enable the national authorities to make their legislation compatible with the WTO Agreement. Besides, it is hoped that the study would also be useful to the producers, exporters, importers and other interested parties as well as to the students and the practitioners of this important trade-protection instrument.



*Shri Neeraj Varshney, Officer on Special Duty, EEPC is being conferred Ph.D. degree in the Convocation of Delhi University held on 25th February, 2006.*

Postal address

*If undelivered, please return to :* Engineering Export Promotion Council, Vanijya Bhavan (1st Floor)  
International Trade Facilitation Centre, 1/1 Wood Street, Kolkata 700 016

## OFFICE BEARERS OF THE COUNCIL

### CHAIRMAN

**Rakesh Shah**

Phone : Off : 91-33-22872511/22876640/  
22874447/22804929

Res : 91-33-24071637/1638/24689706

Fax : Off : 91-33-22875104/22870780

Res : 91-33-24456925

E-mail: rakesh@niphindia.com  
nipha@niphindia.com

### VICE CHAIRMEN

**V. S. Anand**

#### Indore

Phone : Off : 91-731-2412821/2410568

Res : 91-731-2561085/2565421

Fax : 91-731-2411988

E-mail: aiil@sancharnet.in

#### Mumbai

Phone : Off : 91-22-23828972

Res : 91-22-26498515

Fax : 91-22-23854038

**Mahesh K. Desai**

Phone : Off : 91-40-27615131/27617098

Res : 91-40-27765793

Fax : 91-40-27614376

E-mail: hyd1\_meera@sancharnet.in

### REGIONAL CHAIRMEN

#### Eastern Region

**R. P. Sehgal**

Phone : Off : 91-33-22472256/22478229

Res : 91-33-22407094

Fax : 91-33-22479938

E-mail: carcast@vsnl.net

#### Northern Region

**S. C. Ralhan**

Phone : Off : 91-161-2673805/806/2670219

Res : 91-161-2670129/2672542

Fax : 91-161-2671049/2676817

E-mail: srtools@jla.vsnl.net.in

#### Southern Region

**B. Chandrasekharan**

Phone : Off : 91-80-26570711/12

91-80-26570718 (D)

Res : 91-80-26764665

Fax : 91-80-26570713/14

E-mail: kwkpv@blr.vsnl.net.in

#### Western Region

**Kuldip Singh Chadha**

Phone : Off : 91-22-56355155/6/7

56355869 (D)

Res : 91-22-23516865/23514408

Fax : 91-22-23854428

E-mail: chadha@nikkobearings.com

## EEPC OFFICES IN INDIA AND ABROAD

C. S. Shukla, *Executive Director*

Engineering Export Promotion Council  
Vandhna (4th Floor), 11 Tolstoy Marg  
New Delhi 110 001

Tel. : 91-11-23353353, 23711124/25

Fax : 91-11-23310920

E-mail : eepcto@eepec.gov.in

URL : www.eepecindia.org

## HEAD OFFICE

R. Maitra, *Addl. Executive Director & Secretary*

Engineering Export Promotion Council  
Vanijya Bhavan (1st Floor)

International Trade Facilitation Centre

1/1 Wood Street, Kolkata 700 016

Tel. : 91-33-22890651/52

Fax : 91-33-22890654

E-mail : eepcho@eth.net

URL : www.eepecindia.org

## TERRITORIAL DIVISION

V. K. Duggal, *Director (Overseas)*

Vandhna (4th Floor), 11 Tolstoy Marg  
New Delhi 110 001

Tel. : 91-11-23353353, 23711124/25

Fax : 91-11-23310920

E-mail : eepcto@eepec.gov.in

## REGIONAL OFFICES

### Chennai

M. Ganesan, *Regional Director*

Greems Dugar (3rd Floor)

149 Greems Road

Chennai 600 006

Tel. : 91-44-28295501, 28295502

Fax : 91-44-28290495

E-mail : eepcchen@md4.vsnl.net.in

### Kolkata

Rana Roy, *Director (Policy)*

Vanijya Bhavan (2nd Floor)

International Trade Facilitation Centre

1/1, Wood Street, Kolkata 700 016

Tel. : 91-33-22890673/74

Fax : 91-33-22890687

E-mail : eepcrokol@vsnl.net

### Mumbai

Bhaskar Sarkar, *Director (Budget & Finance)*

Centre 1, 12th Floor, World Trade Centre

Cuffe Parade, Mumbai 400 005

Tel. : 91-22-22186655/56/60

Fax : 91-22-22180119

E-mail : eepcmum@bom2.vsnl.net.in

eepcmum@vsnl.com

### New Delhi

Rajat Srivastava, *Regional Director*

Surya Kiran (4th Floor)

19 Kasturba Gandhi Marg, New Delhi 110 001

Tel. : 91-11-23314171/74

Fax : 91-11-23317795

E-mail : eepc@spectranet.com

## SUB-REGIONAL OFFICES

### Bangalore

C. H. Nadiger, *Asst. Director*

Vinayaka Complex (2nd Floor)

44/45, Residency Road Cross

Bangalore 560 025

Tel. : 91-80-25581396/25588669

Fax : 91-80-25586914

E-mail : eepcsrob@vsnl.net

### Hyderabad

J. V. Raja Gopal Rao, *Asst. Director*

'Soham Mansion' (1st Floor)

No. 5-4-187/3 & 4/4, M. G. Road

Secunderabad 500 003, Tel. : 91-40-27536704

Telefax : 91-40-27536705

E-mail : eepchyd@eth.net

### Jalandhar

Opinder Singh, *Asst. Director*

Plot Comm. 1, Focal Point, Jalandhar 144004

Tel. : 181-2602264, Fax : 91-181-2601124

E-mail : eepcjal@jla.vsnl.net.in

## FOREIGN OFFICES

### Germany

Arvind Singh, *Resident Director*

Indische Technische Handelsberatung

Immermannstr. 59, D-40210 Duesseldorf

Tel. : 49-211-1795327/1795417

Fax : 49-211-3558063

E-mail : eepc@eepc-europe.net

### Singapore

D. D. Roy, *Resident Director*

No. 3, Shenton Way, #07-02 Shenton House

Singapore 068805, Tel. : 65-62279282/83

Fax : 65-62279284

E-mail : enexprco@singnet.com.sg

### South Africa

M. K. Sharma, *Resident Director*

3/28, 158 Jan Smuts, 9 Walters Avenue

Rosebank, Johannesburg-2196, South Africa

Tel. : 27-11-8802973, Fax : 27-11-3274000

E-mail : eepcindia@telkomsa.net

### U.S.A.

Shrikar Dole, *Chief Operating Officer*

India Engineering Center

1601 Feehanville Drive, Suite # 200 Kensington

Business Center

Mount Prospect, IL, 60056, USA

Tel. : 1-847-297-8500 (2 lines)

Fax : 1-847-297-8502

E-mail : eepchicago@sbcglobal.net