

Chairman's Pen



My dear fellow exporters,

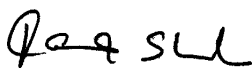
The Hon'ble Prime Minister Dr. Manmohan Singh had convened a meeting with the leading exporters on 24th January in New Delhi in a bid to give new thrust to exports and expand trade. The meeting was attended by the Finance Minister Shri P. Chidambaram, Commerce & Industry Minister Shri Kamal Nath and other senior officials from Prime Minister's Office, Finance Ministry, Commerce Ministry, Planning Commission and DGFT. In the meeting, it has been decided that Finance Minister and Commerce Minister will meet the exporting community once in every six months to resolve the problems faced by exporters.

During the meeting, presentations were made by various exporters and in my presentation I talked about the set target of US\$ 18.3 billion of engineering exports for 2005-06, performance on engineering sector during April to October in the current fiscal, growth potential of engineering sector, issue of 80HHC, Service Tax on Commission payments to Foreign Agents by Indian exporters, Service Tax on exporters participating in foreign fairs and exhibitions, Fringe Benefit Tax and State Level Taxes and Levies. I also elaborated the concept of Engineering Process Outsourcing and all the above mentioned issues were discussed in details. I also brought to the notice of the Prime Minister that exports is an engine for employment generation and economic growth and it should not be treated as a duct for revenue loss.

To achieve a quantum jump in exports, I have suggested the Government for continuation of DEPB Scheme for at least two more years, withdrawal of Fringe Benefit Tax, withdrawal of Service Tax on various services, refund of State Level Taxes and Levies; arrangement for refund of VAT to the exporters on a regular basis, a single scheme merging the existing Duty Exemption Schemes, and incentives for EPOs in line with BPOs and KPOs.

Council's 17-Member Delegation from various sectors will be visiting USA and Canada from 6th to 14th February. In USA, the Delegation will have business meetings in Houston, Atlanta, and Chicago while in Canada they will meet entrepreneurs in Montreal and Toronto. USA is the biggest buyer of Indian engineering products with nearly 15.5% engineering goods from India reaching to the US market. Though Canada still does not appear in the top 20 buying destinations for Indian engineering products, exports of Indian engineering products to Canada is gradually rising. I am sure that interaction between Indian delegates and buyers from USA and Canada will bring them closer and help in establishing stronger trade ties to further enhance Indian engineering exports.

Yours sincerely,


(RAKESH SHAH)