

Chairman's Pen

My dear fellow exporters,

The superlative performance of engineering export growth of 109% in the month of April 2011 over the period April 2010 has been possible due to the DEPB Scheme which is the backbone of this huge growth of engineering exports. If the Government does not extend the DEPB Scheme beyond June 30, 2011, it is expected that the growth of engineering exports will fall considerably.

Member exporters have intimated that they have already started withholding their export orders from July 2011 and unless the DEPB Scheme is extended, they will not be undertaking those export orders. EEPC India had already carried out a detailed analysis pertaining to how the DEPB Scheme has benefited the engineering exporters and has conveyed the same to the Government. The Council had also done a detailed survey of its leading exporters and the results show expectation of considerable drop in engineering exports if the DEPB Scheme is withdrawn. These details have been forwarded to the Department by your Council.

In its representation, EEPC India has "stated that the discontinuation of DEPB Scheme was linked to introduction of GST in the country. However, as the GST is unlikely to be introduced before June 2012, the major reason for discontinuation of DEPB does not hold valid in today's scenario. Also despite the fact that exports have increased by over 37% in 2010-11, the international trading scenario in the present fiscal year is likely to be less robust compared to the last fiscal when most Governments around the world were into an expansionary mode to reverse global recession.

The DGFT also provided a range of export benefits in terms of Focus Product Scheme and Market Linked Focus Product Scheme, which are similar to the DEPB Scheme, for reviving India's exports".

In view of the above, the EEPC India urgently requested the Government that DEPB Scheme should be continued for the whole of Policy period 2009-14. In case, this is not agreed, at least the continuation of DEPB Scheme should be linked to introduction of GST in the country.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Aman Chadha'. The signature is fluid and cursive.

(AMAN CHADHA)