



India Engineering Center (IEC) at Chicago, USA

About IEC

In order to provide a platform to its member exporters in competing with their counterparts from the other countries, Council has decided to launch India Engineering Center (IEC) - a multi purpose outlet of Indian engineering exporters in Chicago (USA) under MAI Scheme of the Ministry of Commerce, Government of India. In the modern world reaching out one's merchandise to buyers doorstep is one of the customer oriented marketing techniques. Buyers do not keep a long inventory and are used to getting supplies of their requirement on a very short notice. Besides, often emerges a spot demand for a product in the market all of a sudden for which buyers are prepared to offer good prices, but in such cases, if the products are stored near the market place, it is then that one can take advantage of the market situation. India, a country geographically far away from its biggest market i.e. USA and Europe, Indian firms are at a disadvantage to make the best use of the market potential. Because of the long distance and long voyage time, buyers in USA and Europe are skeptical in placing orders on Indian firms, even if the goods may be otherwise acceptable to them. Besides, not only long shipping time, but also non-availability of shipping space on a short notice from Indian ports to ports in USA and Europe, Customs formalities, and the like are regular problem areas which make it difficult for Indian firms to keep their delivery schedule with their buyers.

Keeping the above scenario in view, Council has set up IEC in Chicago, USA for the benefit of its member exporters, which will be having following facilities to the participating companies :

- A. Showroom Facility for Display of Product Samples
- B. Warehousing Facility for Storing the Goods
- C. Distribution Center
- D. Marketing Support

A. Showroom

"Seeing is believing" is a well-known phrase. International exhibitions are one of the prime places for generation of business in the modern world. More than one third of the total business world-wide is transacted through International exhibitions. A physical exposure of merchandise to the buyer builds a bond of confidence and buyer can satisfy himself on the front of quality and specifications of the goods he is going to purchase.

Showroom of IEC will be an exhibition of goods of participating companies all the year round. This will facilitate the Indian company to invite their buyer in the US to the Showroom to look and satisfy himself on the various aspects connected with quality and specifications of the goods.

The Showroom will be located at :

Kensington Commons I
1601 Feehanville Road
Mount Prospect, Chicago
Illinois 60601, USA

The organizations like Kalyani Forge, Tata Motors, Aquasub Engineering, El Forge, Snowtech Exports, Wings Automobiles etc. have already shown interest to participate in this initiative.

Thrust Product Sectors

After an in-depth market research, the following have been identified as Thrust Product Sectors for "India Engineering Center" :

- ◆ Auto Components
- ◆ Castings
- ◆ Forgings
- ◆ Fittings & Flanges
- ◆ Industrial Fasteners including Precision Components
- ◆ Pumps & Compressors
- ◆ Scientific & Surgical Instruments including Measuring & Control
- ◆ Hand Tools
- ◆ S. S. Utensils

The other engineering products having potential in USA may also send in their application for participation. However, the Screening Committee will take final decision in this regard.

B. Warehouse

Council has also entered into an Agreement with Schenker, USA for providing warehousing facility to members of IEC. In the modern marketing, where buyers do not keep a long inventory and need supplies on a very short notice, warehousing assumes greater importance. Similar facilities are being used by our competitors from South Korea, Taiwan, Hong Kong, China etc.

EEPC member willing to avail the warehousing facility created by the Council at the premises of Schenker at Chicago will be required to pay charges as per **Annexure-I**.

Exporters/participants will be required to ship their respective goods on CIF, Chicago basis in containers to the EEPC Warehouse and declare the shipments on GR Forms in the usual manner except that the exporter/participant will furnish an undertaking to realize the export proceeds within stipulated period as per RBI Guidelines. The GR Forms should bear at the top a notation as "**Export to EEPC's Warehouse at Chicago**".



EEPC INDIA

Title of the goods will remain in the name of the company. EEPC will be the notifying agency only.

LCL (Less than container load) shipments are acceptable, but the warehousing company has to collect the consignments from the shipping company's terminal. The container handling charges of the shipping company to bring the container to their terminal and destuffing will be apportioned to the cargo in the container. These charges plus transport to the warehouse by Schenker will be additional in the case of LCL.

The exporter will consign the goods on his account on stock transfer basis with the name of the warehousing company mentioned in the documents.

Instructions regarding Consignee and marking on the cases will be informed to beneficiary companies.

C. Distribution Centre

Facilities of the Schenker will not only be used for storing the goods, but also as a distribution center for supplies of the goods as per the instructions of participating companies. The prompt distributions with the local presence of good will uplift the confidence of the buyers in Indian products.

D. Marketing Support

The Council will organize regular visits of US buyers, from the matching sectors of IEC participants, to the Showroom to convince them about sourcing their requirements from Indian companies. Council will also organize Buyer-Seller Meets of Showroom participants and their counterparts from US Representatives of participating Indian companies will be free to join the BSM. These activities will further enhance the marketability of the products of participants of IEC.

(i) Participation in Trade Fairs

Council will shortlist Trade Fairs in US for the product groups of IEC participants. Council will organize an Information Booth in these Fairs to popularize "India Engineering Center" as source of supply and also supply competence of participating companies. Companies desirous of participating in these Trade Fairs will be provided with display space at subsidized rates.

(ii) Publicity through Print Media

In order to popularize India Engineering Center, Council will use the channel of print media, i.e. important newspapers, product specific magazines, mass mailing campaign, etc. Participants of IEC will also be entitled to release their customized advertisements, which Council will arrange at a subsidized rate. Exact amount payable will be communicated to the interested companies.

(iii) Realisation of Sales Proceeds

Realisation of sales proceeds from importing company will be the sole responsibility of the Exporter and EEPC or Warehousing Company will not be responsible for the same under any circumstances.

(iv) Visa for USA

Council will suitably recommend to the Embassy of USA in India for issuance of Visa to the representative of participating companies of India Engineering Center.

Charges & General Terms & Conditions

Companies participating in Showroom will be required to pay to EEPC the following charges :

Membership Charges for participation in the Project (One Time) (Refundable)	: Rs. 30,000/-
Rent per month for a Standard Display Window of 1m x 1m (Non SSI Units)	: Rs. 8,000/-
Rent per month for a Standard Display Window of 1m x 1m (SSI Units)	: Rs. 6,500/-

Payments to be made by Cheque/DD in favour of "Engineering Export Promotion Council" payable at New Delhi.

The total area reserved for SSI's in Display-cum-Showroom facility will be 40% of the total area available, and will be allotted on the recommendation of the screening Committee.

Council will provide standard display windows. Expenses on customizing display window will have to be borne by the participants and the cost will be made known to them after getting their requirements.

Standard display window will contain :

- Area of 1 mtr. x 1 mtr.
- Fascia of the company
- One podium for display of products
- One catalogue holder
- One spot light

Depending on the product, instead of podium, pegboards or other type of platform will be made available. However, at the time of registration, participants will have to declare a list of products to be displayed in the window. Changes of product in the window is permissible within this declared list. Any extra cost on window dressing will have to be borne by the participants.

The participating company will sign an agreement with EEPC and give an undertaking to EEPC to be a Showroom/Warehouse participant. Format of the Agreement will be sent to interested companies in due course.

If a participant of Warehouse is not participating in Showroom, then a refundable membership fee of Rs. 30,000/- is still required to be deposited with the Council.

The rates mentioned above are for minimum 1m x 1m display window and are for a minimum 1-year period. However, the booking can also be made for a six-month period. In case of withdrawal of booking after six months, it would attract Rs. 5000/- deduction from the refundable deposit of Rs. 30,000/- on account of administrative charges.

**Additional Charges to be paid to EEPC on account of Warehousing at Chicago**

1. All Expenses at India Stage activities will be paid directly by participants.
2. All Destination Handling charges, Special Projects, Palletizing, Sorting Charges etc. to be paid to EEPC on monthly/quarterly basis are given below (*Annexure-I*) :

Annexure I

<i>S. No.</i>	<i>Head of Expenditure</i>	<i>Charges per month per 20 ft. container = 22cbm goods Gr.Wt of 18 MT.</i>	<i>Charges per month per cbm/pallet of 1m x 1m x 1m = 818 Kgs.</i>
1.	Destination Handling		
a.	Duties & Taxes	As per outlay	
b.	US Import Security Fee per Bill of Lading	\$ 45.00	
c.	Customs Clearance	\$ 100 upto 3 line items (HTS codes), \$ 3.00 per line thereafter	
d.	Transportation of the Container from Port/ICD to Schenker Warehouse	\$ 292 per container incl. Fuel surcharge (based on 2 hrs. live unload or \$ 75/hr thereafter)	
e.	Customs Examination Fee (if required)	As per outlay	
f.	De-stuffing of Containers	\$ 325.00	
g.	Merchandise Processing Fee	\$ 73.70	
h.	Receiving & Storage of Pallets	\$ 176.00	\$ 8.00
i.	Account Management Fee per container to cover all aspects of Inventory Control, Delivery, Dispatching of material to buyer, Customer Service, etc.	\$ 25.00	
j.	Insurance for Warehousing, Transit Insurance from ICD to Schenker Warehouse, Container Yard Insurance	\$ 120.00	\$ 5.50
k.	Local Transit i.e. from Schenker Warehouse to Buyers' Door	As per actuals	As per actuals
l.	Local Transit Insurance i.e. from Schenker Warehouse to Buyers' Door	\$ 0.10 per \$100 in value	\$ 0.10 per \$100 in value
m.	Local Invoicing - 1 invoice per pallet - 2 line item	\$ 13.00	
2.	Special Projects, Palletizing, Sorting Charges		
a.	Picking per carton	\$ 2.00	
b.	Picking per item	\$ 0.80	
c.	Shrink Wrapping per pallet	\$ 8.00	
d.	Labeling per label	\$ 0.55	
e.	Palletizing per pallet	\$ 8.00	

IEC
INDIA ENGINEERING CENTRE, CHICAGO, USA
 (Organised by : Engineering Export Promotion Council)

Application Form

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 & Designation of Chief Executive					
Name & Designation of Contact Executive					
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)	<input type="radio"/> SSI	<input type="radio"/> Non-SSI	<input type="radio"/> Merchant	<input type="radio"/> Export House	
Participation in Showroom	Yes/No	Items on Display			
Participation in Warehouse	Yes/No	Likely space per month in container/cbm		Likely transactions per month	

Signature with Office Seal

1. Details of Demand Draft :

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

Interested members are requested to submit the above form duly filled *latest by 8th April, 2005* to *Shri C. S. Shukla, Executive Director, Engineering Export Promotion Council, Vandhna (4th Floor), 11 Tolstoy Marg, New Delhi 110 001, Tel. : 91-11-23711124/23711125, Fax : 91-11-23310920, E-mail : eepcto@eepc.gov.in/csshukla@eepc.gov.in*