

From Chairman's Pen



3rd November, 2004

My dear fellow exporters,

As you know, in my earlier column I had mentioned about the action initiated by the EEPC to remove the congestion at JNPT Port including NSICT, which has caused serious problems for the export cargo within the stipulated time schedule. A meeting under the chairmanship of Mr. G. K. Pillai, Additional Secretary of Ministry of Commerce took place on 20th October, 2004 where more than 30 officials from various ports, Ministry of Shipping, CWC, CONCOR, Railway Board, ICD, NISAA and representatives from a few selected Export Promotion Council were present. The matter was given serious consideration for clearing the backlogs at the above port and if need be strict remedial action would be taken. The decisions taken at the meeting are –

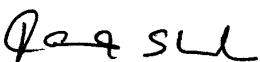
- To clear congestion at CFS an increased amount of Rs. 5,000/- per day will be charged instead of Rs. 500/- from the 16th day onwards.
- In regard to the containers lying for clearance, the CBEC would issue a notice to such importers on the 25th day to clear the containers by the 30th day, failing which such containers will be auctioned.
- One gate at the port would be earmarked for all the CFS stuffed containers and would be open for 24 hours.
- From 15th November 2004 onwards, CONCOR will start a Special Rake to Mumbai port on weekly basis to clear the backlogs and thereafter, 2nd Rake can be started if one Rake is found inadequate.
- Since the capacity of the JNPT/NSICT has reached to its peak, the exporters from Northern Region should be advised/encouraged to divert their consignments to other ports like Kandla, Mundra, Visakhapatnam etc. till the 3rd terminal comes up and becomes operational at JNPT.
- Councils were advised to get in touch with CONCOR and obtain competitive rates for transporting the consignments from ICD Tuglakabad/Ludhiana to such other ports and circulate the same amongst the member exporters.
- Besides, it was also decided that importers will be allowed to take the delivery of the consignments in part and need not pay import duty for the balance consignment, if received by another Ship, as a total import duty is already paid on the arrival of first part of the consignment.

Similar congestion has been reported to have taken place in Kandla Port which is being seriously looked into by the Council to sort out the problems and I have already instructed the Council's Secretariat to get in touch with the concerned authority in this regard on an immediate basis.

By now you may be aware that RBI has announced the Mid-Term Review of its Annual Policy Statement for the year 2004-2005 where relaxations have been given in many cases such as liberalization of procedure relating to trade credits, relaxation of time limit for export realization as well as relaxation of booking of forward contracts. I welcome such announcements by the RBI that would benefit the exporting community. Further, I also compliment RBI for enhancing the composite loan limit for SSI entrepreneurs from Rs. 50 lakhs to Rs. 1 crore.

I, however, feel that RBI should announce post-shipment credit interest rate for shipments made on 12 months credit which is not stipulated. RBI has stipulated interest rates for post-shipment for 90 days and 180 days credit and the banks are free to charge interest for credit beyond 180 days which is really a matter of great concern.

Yours sincerely,



(RAKESH SHAH)