

Panel Meetings

IMPORTANT POINTS DISCUSSED AT THE AUTOMOBILE COMPONENTS SPARE PARTS ACCESSORIES ETC. PANEL MEETING HELD ON 28TH AUGUST, 2009

- **Members were briefed about the steps taken by EEPC India for enhancing exports from the auto components sector**

Panel Convenor informed the members that as automobiles and auto components sectors have been identified as sectors with high export growth potential, Council has decided to commission a study on the potential of the automobiles and auto components sectors for the period 2010-11 to 2014-15.

Panel Convenor further mentioned that council has taken various steps to enhance export like to carry on an internal survey amongst all its members with the objective to ascertain the impact of global recession on exports; to ascertain any special boost in terms of policy support required by the sectors; to have inputs from the members as to which exhibitions EEPC should consider for the coming years for the sectors.

Panel Convenor informed members that EEPC India was approached by the Government of India to suggest tariff lines in the auto sector which need to be protected for NAMA Negotiations. A detailed analysis was made, and it was suggested that no auto components should be allowed for tariff elimination, to protect the interest of the auto components industry, primarily keeping in view its labour intensity.

- **Members suggested on participation in Promotional Programmes of EEPC INDIA for the year 2010-11 and 2011-12**

Panel Convenor mentioned that the meeting was called to understand and discuss the ways and means to increase exports of auto components from India. One of the members mentioned that efforts should be made to tap virgin markets. Another member mentioned that in order to overcome recession, we must develop new products and new markets for which Council must provide importers details.

Mrs. Mridul Jain, Director, Department of Commerce, Ministry of Commerce & Industry, Government of India informed that DNB is providing the details of source of product procurement and destination. Council may take the benefit from DNB.

One of the members was of the opinion that auto sector is very important for the country and giving major boost to employment in the country. Govt. must give special focus to this industry. Another member appreciated the efforts of EEPC in promoting exports but Auto parts and components being highly specialized industry, EEPC must participate in specialized fairs. Shri R Maitra, Executive Director informed that Auto parts specific exhibitions are listed in the agenda and members may suggest their preferences.

Members have suggested following exhibitions to be included for the following years.

Automechanika Trade Fair Calendar

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| • Auto + Automechanika St. Petersburg | Oct. 28 - Nov. 1, 2009 |
| • Automechanika Middle East, Dubai | May 25-27, 2010 |
| • PAACE Automechanika Mexico | July 14-16, 2010 |
| • Automechanika, Frankfurt am Main | Sept. 14-19, 2010 |
| • Automechanika Istanbul | April 2011 |
| • Automechanika South Africa, Johannesburg | March 9-12, 2011 |
| • Automechanika Malaysia, Kuala Lumpur | March 2011 |
| • Automechanika Canada, Toronto | June 2011 |
| • Automechanika Thailand, Bangkok | March 2012 |

Latin America

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| • Automec Pesados & Commercial, Sao Paulo, Brazil | 27 April - 01 May 2010 |
| • 26th International Automobile Show (Finished Products) | 28 Oct-07 Nov. 2010 |

North America

- AAPEX Auto, Las Vegas, USA 4-6, November 2009
November 2010

Europe

- EQUIP Auto, Paris Nord, France October 2011
- Paris Motor Show, Paris, France 2-7 October 2010

Members were requested to take benefit of EEPC platform as not only members can participate in the exhibitions at the subsidized rates but also VISA problems are effectively resolved.

Important Points Discussed at the Sanitary Castings Panel Meeting held on 14th September, 2009

- **Discussions on Foreign Trade Policy 2009-2014** : The members welcomed the increase in the incentive available under the Focus Product Scheme (FPS) from 1.25% -2%.
The members welcomed the addition of 26 new markets under Focus Market Scheme (FMS), along with the raise in incentive available under FMS from 2.5% to 3%.
- **The other points that were discussed and acclaimed by the members included**
 - Market Linked Focus Product Scheme (MLFPS)
 - Common simplified application form introduced for (FPS),(FMS) & (MLFPS)
 - Higher allocation for Market Development Assistance (MDA) and Market Access Initiative (MAI)
 - Interest subvention of 2% for pre-shipment credit for 7 specified sectors has been extended till 31.3.2010 in the Budget 2009-10.
- **Floor Prices** : It was decided that a meeting will be called on **October 15, 2009 at 3 pm** to discuss on the Floor Prices for USA and Middle East

Important Points Discussed at the Sanitary Castings Panel Meeting held on 15th October, 2009

- **Discussion on Floor Prices for USA**
Considering the recent rise in the prices of Pig Iron and Coal along with the appreciation of the Rupee against the USD, the Floor price for C.I. Sanitary Casting for Export to USA from India were decided as :
31.0 cents per lb. FOB for (Public Works Castings) &
33.0 cents per lb. FOB for (Non-Public Works Castings)
- **Discussion regarding Floor prices for Middle East**
The floor prices for exports to Middle east, the members decided to increase the price by US\$ 30 i.e. US\$ 630.00 FOB Net per MT Indian Ports, with effect from 15th November, 2009.
- **Reintroduction of Floor Prices for exports to Saudi Arabia**
Some members raised the issue that there should be Floor Prices for export of Sanitary castings to Saudi Arabia, to which it was decided to call a meeting specifically to discuss if Floor Prices should be imposed on the exports to Saudi Arabia.
- **Kolkata Port Issues**
The problems being faced at the Kolkata ports due to equipment breakdown and congestion was brought up to which Shri. B.N. Agarwal, Regional Chairman, EEPC India, ER informed the members that a meeting was held at Kolkata Port Trust on Oct 12,2009 with Mr. A Mazumdar, the Acting Chairman of KPT.
However in that meeting only the problems of the importers were highlighted and the port authorities denied the fact that the exporters were facing problems too.

Important Points Discussed at the Pumps - All Types Panel held on 6th October, 2009

- **To set up India Pavilion and field Trade Delegation as detailed below and include them in the calendar of events for the year 2010-11 :**
 - (i) India Pavilion at Pumps, Valves & Motor Technology Exhibition at Kuala Lumpur, Malaysia during 8th to 10th June 2010;
Or
Pumps 2010 – Exhibition at Moscow during 26th to 29th September 2010;
And
 - (ii) Trade Delegation for Pumps & Allied Items to Malaysia, Indonesia, Thailand;
Or
Trade Delegation for Pumps & Allied Items Johannesburg and Durban.

Important Points Discussed at the Fabricated Steel Structures incl. Transmission Line Towers Panel held on 29th October, 2009

- It was decided that export growth for this panel for 2010-11 should be 10% over the previous year's export figure and accordingly, export target for this panel be fixed.
- It was decided that existing floor prices for fencing materials such as tension bars, gate rods, drop rods and truss rods for exports to North America should not be revised right now.
- It was decided that the Council should consider its participation in few international exhibitions such as FABTECH (Nov 13 to 16, 2010 in Chicago) and Fencetech and organising delegation to MERCOSUR/ASEAN countries for increasing export of the products covered by the panel under MDA/MAI Scheme of Government of India.
- It was decided that the Council should approach Government for enhancing DEPB rates by at least 5% over the existing rates.
- It was decided that the Council should take-up the issue about rate of interest on export finance which should be Libor plus 1% on FOB value.

Important Points Discussed at the Instruments all type Panel held on 29th October, 2009

- Most of the members present in the meeting were of the view that Govt. should provide some incentive/relief as the global melt down has severely effected the export of the panel.

Important Points Discussed at the Ferro Alloys Panel held on 23rd November, 2009

- **Problem with the DGFT**
Some of the members expressed that they were facing clearance issues at the office of the DGFT - a merchant exporter had to produce a BRC and the EPCG licence number on the Shipping Bill. The said member was not a direct exporter hence it was not possible for the company to produce BRC. It was pointed out that ARE -1 is accepted by the Excise but the DGFT officials do not accept these papers. The member was asked to send a representation to EEPC Secretariat for taking it up with relevant authorities.
- **Problem with VAT refund**
Most of the members complained of pending claims. Besides, the claims of EOU units were also pending.
- **To list Ferro Manganese Slag under free item instead of restricted item under heading 2620 1900**
Most of the members requested that DGFT should be requested to list Ferro Manganese Slag under Free Item instead of Restricted Item under Heading 2620 1900, for production of Ferro Alloys.
- **Refund of Electric Duty**
Electricity Duty should be refundable for exports and EEPC should make a representation to club it with GST refund either at State or Centre level.

- **Pilferage**

The members complained that though their containers were reaching in proper condition to the export destination but the received quantity was lesser than what was sent. The members felt that there was pilferage happening en route to port. The members facing such problem were requested to send a representation to EEPC India to enable them to take it up with the relevant authorities.

Important Points Discussed at the Project Exports Panel held on 27th November, 2009

- Initiating discussion on the export performance of the current fiscal, the Panel Convenor stated that between April to October 2009-10, engineering exports amounted to Rs 18 billion in comparison to Rs 25 billion in the same period in 2008-09, reflecting a decline of 26%. However, Project exports have grown from Rs 184.9 billion in 2006-07 to Rs 326.83 billion in 2007-08 to Rs 335.26 in 2008-09
- **Presentation by Mr. S Sonowal, Resident Director, Exim Bank**
Shri Sonowal made a detailed presentation about the activities and assistance offered by Exim Bank to the exporting communities for augmenting project exports from the country.
- **Presentation by Shri P P Banerjee, Manager, ECGC**
Mr P P Banerjee made a detailed presentation about the ECGC, its activities and special schemes providing lending banks coverage & protection from certain type of risks arising while extending credit in the course of exports. ECGC also provides export credit guarantees to Banks & FI's to enable exporters obtain better facilities from them. ECGC also provides cover for Buyers Credit/ Line of Credit to Banks/ FIs.