

August 23, 2010

To:

All Members of EEPC INDIA

Sub: Comments of EEPC India Chairman on Amendments to FTP announced by the GOI on 23.08.2010

We are sending herewith comments of Shri Aman Chadha, Chairman, EEPC India on the Foreign Trade Policy Amendments announced by the Hon'ble Union Minister of Commerce and Industry, Shri Anand Sharma on 23rd August, 2010. The detailed circular would be sent to the members shortly.

With kind regards,

Yours sincerely,

(B. SARKAR)

ADDL. EXECUTIVE DIRECTOR & SECRETARY

Encl.: Attached below



Comments of Shri Aman Chadha, Chairman, EEPC India Post Announcement of FTP Amendments 2010-11 on 23rd August 2010

EEPC India Chairman welcomed the Foreign Trade Policy Amendments: says Focus Market Scheme should have been strengthened further

The EEPC India Chairman, Mr Aman Chadha welcomed the Annual Supplement to the Foreign Trade Policy announced by the Hon'ble Shri Anand Sharma, Union Commerce & Industry Minister today.

He thanked the Commerce & Industry Minister for according importance to the engineering sector since according to EEPC India estimates, out of the total outgo of Rs 1050 crores, a very substantial amount will be benefiting the engineering sector. This is heartily welcomed by engineering industry given that it accounts for one fifth of India's total exports, Mr Chadha observed.

Mr. Chadha particularly welcomed the following:

- (i) Extension of DEPB Scheme till June 30, 2011
- (ii) Extension of Zero Duty EPCG scheme and 1% SHIS scheme till March 31, 2012
- (iii) Introduction of 2% Bonus Incentive Scheme for some engineering sectors like Bicycle parts and grinding media balls
- (iv) Inclusion of New Engineering sectors like pipes & tubes, electric generating sets, cast iron products, ferro alloys in FPS
- (v) Conversion of MLFPS to FPS for certain engineering products like machine tools, transmission towers, etc
- (vi) Increasing the flexibility of high value EPCG Authorisation for annual requirement; and
- (vii) Extension of Interest Subvention Scheme to Engineering Sector

Mr Chadha felt that it would have been better if the FMS scheme too was strengthened by inclusion of additional countries, such as, South Africa, Russia, Tanzania, Brazil, etc. This would have helped our exporters to diversify into these growing markets much faster.

Further, there is need to reduce transaction costs by clarifying TDS on Foreign Agency Commission and streamlining the exports of exempted category of goods. These procedural clarifications would help to enhance our exports combined with the measures announced by the Hon'ble Minister, Mr Chadha commented.