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EEPC hails Annual Supplement to Foreign Trade Policy 2004-09

On the occasion of the release of the Annual Supplement 2006 to the Foreign Trade Policy 2004-09, Shri Rakesh Shah, Chairman, EEPC complimented the Hon'ble Commerce and Industries Minister Shri Kamal Nath, on outstanding trade-performance achieved by India during the past two years which were facilitated due to the policy initiatives undertaken by the Department of Commerce, under Shri Nath's leadership. It is heartening to note that Indian merchandise exports have crossed 100 billion US dollar, registering an annual growth of 25 percent. Engineering sector has contributed its might to this end and the sector is set to cross its target of achieving 18.3 billion US dollar exports for the year 2005-06.

Shri Shah appreciated the forward looking and focused policy initiatives taken by the Hon'ble Minister which shall not only boost India's exports but also provide the necessary fillip to the employment generation in the country. In particular Shri Shah lauded the trade facilitation measures, for instance, the decision to pay interest for delayed payment of refunds, as it would cut needless delays and make the authorities more accountable. Likewise the EDI initiatives undertaken would remove the transaction costs involved, to relief of the exporting community.

Shri Shah pointed out that the extension of DEPB Scheme by one year just before the release of the supplement itself gave immense relief to the exporters as the scheme was widely benefiting the exporting community. He appreciated that the Government of India's decision to factor in the un-rebated service taxes and fringe benefit tax in various duties-neutralizations scheme and hoped that the details thereof would be announced soon.

Shri Shah welcomed the introduction of product and market focus schemes, namely 'Focus product' and 'Focus market', which would redress the inherent cost disadvantages and provide the competitive edge to Indian exporters. He was happy to note that scrip and the items to be imported under it would be freely transferable and the duty credit so obtained would also be used to import capital goods. He, however, expressed his concerns about the 'Focus product scheme; as it did not mention engineering products despite the fact that a large share of engineering exports from India comes from the SMEs sector and generate ample employment for our countrymen, being labour intensive in nature. In this regard, he referred to the RIS report, released by the Hon'ble Commerce & Industries Minister, on this occasion, by pointing out that the RIS report also, inter-alia, mentioned automobiles and auto components as employment intensive sector.

However, he thanked the Hon'ble Minister for permitting import of new vehicles by auto-components manufacturers for 'research and development' purpose without homologation requirement. This would give a further fillip to the exports of auto components from India.

Shri Shah welcomed the merger of Advance licence and DFRC Schemes in the shape of 'Duty free import authorization scheme', as the transferability allowed under the scheme would make it more user-friendly, specially for the engineering sector. He also appreciated the initiatives taken under the policy regarding "Serve from India" scheme, grant of benefits under the DEPB Scheme for supply to the SEZ Units etc.