

## FIEO panel suggests removing trade bottlenecks



**LEFT:** From right, Mr Ajay Sahai, Director General & CEO addressing the meeting. On his right are, Mr Rafeeqe Ahmed, President, FIEO; Mr Khalid Khan, Member, FIEO Managing Committee and Convenor, FIEO Committee on Trade Policy/WTO and Regional Trade Agreements; and Mr Navratan Samdria, Past President, FIEO. **RIGHT:** A view of the participants.

FIEO has formed various committees in order to promote and facilitate export promotion from the country. One such panel is the Committee on Trade Policy/WTO and Regional Trade Agreements. Mr Khalid Khan, Managing Committee Member, FIEO, has been nominated as the convener of the committee. The Federation organized a meeting of Northern Region-based member exporters of the committee on June 5, 2012 in New Delhi, to discuss the supplement of the Foreign Trade Policy 2012-13. President FIEO, Mr M Rafeeqe Ahmed was also present in the meeting. The following suggestions were made:

1. The procedure for the Post Export EPCG Scheme should be simple so that it adds to the export promotion and reduction in transaction cost.
2. 16 Green Products for which export obligation has been reduced to 75% of the normal export obligation should be included in the Focus Product Scheme also to give a boost to the export of these products.
3. Agri Infrastructure Incentive Scrip should be fully transferable to make it usable. The items of import under the scheme such as cold storage units, pack houses and 14 components thereof, refrigeration vans/containers etc. have very long life. An exporter may not require importing the above on frequent basis. These Scrips become unusable because of this factor. Moreover, Merchant Status Holder exporters dealing in agri. commodities do not require to import cold storage and other items as listed above. Transferability of the Scrip would be beneficial to such exporters.
4. The scope of utilization of 10% value of the SHIS Scrip should be widened to include "input" in addition to the components. Further, import of components/parts should be allowed upto 100% of the value of SHIS scrip.
5. Use of DA terms not to be encouraged for export of carpets / handicrafts; exporters who have offices / warehouses overseas or who are Status Holders should be exempted from the clause of DA terms.
6. Due to classification mismatch exporters are denied their legitimate benefit. This should be rectified on top priority basis in order to help the exporters.
7. The process-based drawback should be allowed under all chapters. The factories remove goods as per their registration of their product with the respective Excise Departments. If the process related drawback is permitted in all chapters, it would make life simple for everyone.
8. Some Customs Houses arbitrarily take ARE value of the goods for the purpose of Duty Drawback as against the FOB value. This causes hardships to the exporters and need the immediate attention of the authorities so that the problem is resolved.
9. The eligibility with regard to cash transaction, TDS, MSME etc. were fixed many years back

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which are now not in sync with the current situation. The criterion should be revised based on the present scenario.

10. The benefits of Focus Product Scheme be made available to all capital goods, irrespective of chapter heading, and cover all items falling under chapters 84 and 85 of Customs Tariff.

11. At times there is difficulty with customs for further registration of import items. Therefore, in such cases, RA and DGFT should forward the list of import items to customs for registration/import so that inputs covered under the AAA are quickly imported, used in the resultant export product. Further, online filling up import/export products be initiated at the earliest.

12. It is suggested that wherever remittance has been realized, chartered engineer's certificate is furnished to RA, and the condition of value addition is fulfilled, RA should redeem such authorizations without seeking other document / data, under self-declaration by the applicant firm. This should be made applicable atleast to manufacturer-exporters and Status Holders. ■