

Ethiopian Ambassador assures trade facilitation to Indian companies

In order to improve and smoothen trade relations between Indian and Ethiopia, the Ambassador of Ethiopia to India, Mrs Gennet Zewide, called on FIEO on January 6, 2012 at Niryat Bhawan, New Delhi.

Mrs Zewide held discussions with Mr Ajay Sahai, Director General and CEO, and representatives of Indian companies who were facing problem with regard to doing business in Ethiopia, for resolving the issues.

The senior representatives of M/s Cobra Instalaciones y Servicios (India) Pvt Ltd, M/s National Electrical Equipment Corporation and M/s Good Luck steel Tubes Limited were present during the meeting.

The Indian companies briefed about the issues with regard to the supplies of transformers made to Ethiopian Electric Power Corporation (EEPCO). Mrs Zewide assured them that the issue would be taken up with



Mr Ajay Sahai, Director General & CEO, FIEO welcoming H E Mrs Gennet Zewide, Ambassador of Ethiopia to India.

the Ethiopian counterparts for an early and amicable solution.

Mr Sahai appreciated the pragmatic approach of the Ethiopian Ambassador and assured all

co-operation from FIEO for promoting bilateral trade relations between the two countries. Further to the meeting, the Indian companies were invited for discussions in Ethiopia on January 23, 2012. ■

Online refunds of tax paid on 18 services

The Central Board of Excise and Customs (CBEC) issued a notification (No. 52/2011-Service Tax, 30 December, 2011) to provide average rates of service tax refund, ranging from 0.03% to 0.20% of the freight-on-board value of exports. This average rate of refund is in respect of 18 services used beyond the factory gate like those provided by an insurer, transporters from inland container depots to ports and by ports among others.

As in the case of payment of duty drawback, the service tax refund will be enabled by the Indian customs electronic data interchange (EDI) system resulting in the amounts getting directly credited into the exporters' bank accounts within a few days of

confirmation of export without additional export documentation.

The idea was first floated by FIEO to the committee that was formed under the Minister of State for Commerce and Industry Mr Jyotiraditya Scindia in December 2009 with the aim of reducing the transaction cost by 10% of the export value.

Currently, the duty drawback is directly credited to the accounts exporters maintain at customs houses, but exporters have to file claims separately to get service tax refunds. This leads to severe delays in refund and loss of time, as it entails a plethora of complex paperwork.