

India, Bangladesh sort out issues to ease trade



LEFT: Ms Abida Islam, Dy. High Commissioner of Bangladesh, Kolkata (centre) addressing the gathering. On her right are Mr Ramesh Kumar Agarwal, Regional Chairman, FIEO(ER); & Mrs Debdatta Nandwani, Dy. Director General, FIEO(ER). On her left are Dr Omar Faruque, First Secretary (Commercial), Dy. High Commission for Bangladesh; and Mr Pravin Saraf, Managing Committee Member of FIEO. RIGHT: One of the exporter raising a point at the meeting.

FIEO organized an interactive session on with Ms Abida Islam, Deputy High Commissioner of Bangladesh in Kolkata on June 19, 2012. She was accompanied by Dr Mohammed Omar Faruque, First Secretary. Approximately 65 prominent member exporters of FIEO from various industries such as agricultural products, glass, readymade garments and cotton participated in the interaction. Members of the press were also present.

Initiating the session, Mrs Deb-

datta Nandwani, Deputy Director General FIEO (Eastern Region) provided a brief profile of Mrs Islam. She also welcomed Dr Faruque and commended the First Secretary for his valuable service provided to Indian exporters in facilitating bilateral trade.

Delivering his address, Mr Ramesh Kumar Agarwal, Regional Chairman, FIEO (Eastern Region) said trade relations between India and Bangladesh are poised to grow to new heights with the recently concluded agree-

ments allowing duty free imports of all items except 25 from Bangladesh and the extension of \$1 billion line of credit to Bangladesh for improvement of railways, dredging projects and purchase of buses. He further pointed out that improvement in trade facilitation measures such as banking system, removal of issuance of Certificate of Record Findings on residual products by Bangladesh governments, providing linkages with North Eastern states through Bangladesh and issuance of long-term



FRENCH, SPANISH LANGUAGE CLASSES FOR EXPORTERS

FIEO is organizing language courses in French and Spanish languages at New Delhi to equip exporters with sufficient understanding of these languages to communicate with foreign buyers.

The classes will be held from 5:30 PM to 7:30 PM on Friday, Saturday and Sunday for six to eight weeks at the Federation's head office at Niryat Bhawan, Rao Tularam Marg, New Delhi, 110057.

Course Fee: Rs 7500 plus service tax 12.36%.

Payment should be made by cheque/DD in favour of the Federation of Indian Export Organisations, payable at New Delhi.

Please send your expression of interest to join the course, specifying the language you would like to enroll for. Your application should reach us latest by July 25, 2012.

Seats are limited and will be offered on a first-come, first-served basis reckoned from the date and time of payment to FIEO. The Federation reserves the right of selection of participants.

visas for Indian businessmen will lead to further improvement of bilateral trade between both the nations.

Addressing the gathering, Mrs Islam welcomed FIEO's initiative in providing her an opportunity to interact with Indian exporters. She said Bangladesh has achieved an average growth rate of 6% in the previous years and in the five year plan for 2011-16 it has targeted a growth rate of 8%. The focus of the five year plan is education, productivity in agriculture, ship breaking, sugar, tea, leather and ship building. Bangladesh's attractive and liberal investment policy with an unrestricted exit policy invites investment in ceramics, IT and ship building industries. India's quota for readymade garments has been increased from 8 to 10 million pieces which also makes it an attractive proposition for the Bangladesh RMG industry.

In his address, Dr Faruque stated that while infrastructure along the border stations in Bangladesh has improved, the Indian Border Customs Stations have yet to improve. He also said though improvement and setting up of 7 ICPs and 8 LCS was promised by India, the projects have yet to take off. Further, it was also stated that the non-payment issues are existing on both sides of the border and need to be settled urgently. There are also delays in Customs clearances when the EDI system is down and the Indian Customs does not have another option for clearance of goods entering India. He stated that feedback has been received that Indian Customs has been charging duty on dutyfree items and test reports take 20-30 days to be cleared. The recent ban on cotton and import of jute products into India has caused major hurdles for Bangladesh businessmen.

At the interactive session, various issues pertaining to bilateral trade were discussed as below:

Issue: Pre-inspection of engineer-

ing goods which are factory sealed and an ARE-1 is issued by Central Excise in India should be exempt since it is not necessary for double checking of goods which are already sealed. This results in delay at the border since the inspection is done at the border.

Reply: Since this is as per policy of the National Board of Revenue, we shall take up the issue with them and get back to the exporter.

Issue: A notification has been issued by the department concerned in the Bangladesh Government that yarn meant for weaving industry should be imported from Chattagram instead of through Benapole. This is unnecessary, adding to transportation costs. This is to request that the same be withdrawn since all other yarn is allowed to be imported from Benapole.

Issue: There is a directive from the National Board of Revenue that all yarn is to quoted on C&F basis and the insurance is to be borne by the exporter. This is requested to be withdrawn and insurance also to be added to the quotes.

Issue: Bangladesh payments are often delayed by more than 120 days which often holds up revenue which is not warranted. It is requested that the L/c be honoured on time.

Issue: There have been instances where payments have been refused on the grounds of non receipt of goods despite the Bangladesh Customs seal and stamp on the documents.

Issue: Goods are rejected on various grounds and they need to be re-imported into India for correction. However, the norms for re-export of rejected good from Bangladesh are so rigid that it is very difficult for the goods to be re exported. By the time the procedure is complete, it is found that the goods are auctioned. This is to request that the norms be relaxed.

Reply: Specific issues may be put

up for following up with the concerned authorities.

Issue: Sometimes the importer denies that the goods have been received which makes it difficult for the exporters to realize their amounts. It is requested that the invoices are received through Indian Customs, and Bangladesh Customs after certifying the same, forward the same to Indian exporters through Indian Customs.

Issue: Certification of price by SGS is based on their information sourced from various newspapers like The Economic Times and the average prices provided by commodity boards like the Spices Board as well as leading sites such as MCX. When the prices of commodities fluctuate, these fluctuations are not reflected and the SGS certifies the higher price sourced some time back. This hurts the importer since higher import duty has to be paid for goods which are exported at a lower cost. For example if the price of a product previously was US\$100 and it falls to US\$60, it is but logical that the Bangladesh importer sources it at US\$60. But the SGS certifies the same to be US\$100 which results in duty being paid by the importer at US\$100 for a product costing US\$60. It is requested that the Bangladesh authorities may please look into the same and provide necessary directives accordingly.

Reply: These points mainly pertain to non-payments against L/c, certification by SGS and Customs issues. We shall try and resolve as many issues as possible since it hampers bilateral trade and the businesses on both sides.

Issue: Difficulties faced in opening of L/c with the Mercantile Bank Bangladesh.

Reply: If the specific case is forwarded to us, it will be looked into.

Issue: There has been a system of 100% checking of all exports of pens at the border a process which is unwarranted even after certification

of products by SGS.

Reply: The specific documents and by whom the checking has been done may be forwarded to enable the Bangladesh Dy High Commission to follow up.

Issue: While exporting raw cotton to Bangladesh on the Benapole side, it has been found that cotton in small batches gets peeled away from the packaging as a result of which the net weight showing on the Benapole side

inevitably is lower and the exporter has to pay the penalty for short shipment for every consignment.

Reply: This is a case for Land Port Authority which is newly formed and where manpower and infrastructure is less. The issue shall be sorted but some time should be allowed for correction.

Issue: There have been instances where the Customs certification on the bill of entry on the Bangladesh

side is stated to be false on the pretext that the concerned officer was transferred or not present.

Reply: With regard to Customs issues, it is requested that the issues be put up at the Joint Customs Working Group meeting where these issues are put up and discussed.

The interactive meeting ended with a vote of thanks delivered by Mr Prakash Thaker, Managing Committee Member, FIEO. ■

India-Pak trade on right track but more sectors need to be opened

FIEO organized an interactive session with Mr Naeem Anwar, Minister (Trade), High Commission of Pakistan, with the objective to apprise Indian entrepreneurs about various opportunities available in Pakistan so as to further enhance trade and investment. The meeting was held on June 14, 2012 at New Delhi.

Mr Ajay Sahai, Director General & CEO, in his opening remarks said the initiatives taken by both Governments to increase bilateral trade, particularly MFN status given to India and shifting from positive list to negative list, are highly commendable which would definitely help the businessman community from both sides to boost bilateral trade.

Mr Sahai mentioned that India will be able to diversify its export basket to Pakistan and supply several products directly that are currently being routed through other countries. On the other hand, Pakistan would also be benefitted as it shall be able to source the same products at a reduced price by negating the burden of trans-shipment.

Mr Anwar mentioned that people have lots of apprehensions of doing business with Pakistan however the reality is a lot different. He said there is great potential for North-North trade due to close connectivity. Some of the sectors in which India has export strength are energy producing equipments, gems and jewellery, petrochemicals, IT and related services. He apprised the exporters that to boost Indo-Pakistan trade relations, Pakistan has issued a negative list of 1209 items which is further expected to be phased out by December 31, 2012 with certain conditions. With the release of this negative list India now has the option to export around 6000 items to Pakistan.

Some of the issues which need immediate attention for facilitating trade are liberal visa and investment policies, setting up of bank branches, opening of lab testing facilities in India, particularly for facilitating trade through the Wagah border. Some of the potential items of exports to Pakistan are traditional medicines, paper and jute products.

Mr Vinod K. Ladia, Chairman, SRTEPC, in his concluding remarks, informed that five years back most of the trade from



Mr Ajay Sahai, Director General & CEO, FIEO (2nd from left) addressing the meeting. On his left are Mr Naeem Anwar, Minister (Trade), High Commission of Pakistan; Mr. Vinod K Ladia, Chairman, SRTEPC. At extreme left is Mr Sunil Agnihotri, Jt. Dy. Director General, FIEO.



A view of the participants.

India to Pakistan was routed through Dubai and Singapore. He said both countries need to open up as there is lot of scope of enhancement of trade. He further suggested having more business interactions with the businessmen of both countries through trade delegations and participation in exhibitions. He further suggested opening of State Bank of India in Pakistan and similarly State Bank of Pakistan in India for facilitating trade.