

Action taken on issues/suggestions put forth by the members of BoT in meeting held on 12th September 2019

S. No	Issues/ Suggestions	Comments
1.	FIEO -Enhanced direct tax exemption for R & D sector plug and play facility.	CBDT
2	Effective use of trade measures to protect domestic industry.	<p>AS(SK)/DGTR DGTR has been using trade remedial measures to effectively protect the domestic industry. A statement on the details of final findings, cases initiated and provisional findings issued in AD, CVD and Safeguards cases in recent years is attached. The main points are summarized here:</p> <p>Final Findings – In recent years the number of final findings issued in the case of Anti-Dumping (AD), CVD and Safeguards has increased.</p> <ul style="list-style-type: none">• From 29 final findings in AD cases in 2016-17, the number had risen to 57 in 2017-18 and 50 in 2018-19. In 2019-20, upto 31st October, 2019, 12 final findings in AD cases have been issued.• The number of final findings in CVD cases have increased progressively from 1 in 2017-18 to 2 in 2018-19 and 3 in 2019-20, upto 31st October, 2019. <p>Initiations</p> <ul style="list-style-type: none">• The number of AD cases initiated during 2019-20, upto 31st October, 2019, is 24, as opposed to 24 during the full financial year of 2018-19.• During 2018-19, 5 CVD cases had been initiated. Upto 31st October, 2019 of the current financial year, 4 CVD cases have been initiated.• Two global safeguard cases have been initiated during the current financial year, as opposed to none in 2018-19.• In addition, for the first time 2 bilateral safeguard cases have been initiated.

		<p>Provisional Findings</p> <ul style="list-style-type: none"> • The number of provisional findings in AD cases till 31st October, 2019 are 3, as against none in the previous financial year. • One provisional findings in the case of bilateral safeguards has been issued.
3	Higher marketing support under the MAI scheme.	<p>JS, MAI, DoC</p> <p>There have been funding constraints, restricting enhancement in the support under the MAI. EFC had approved financial outlay of Rs. 980 crore for the MAI Scheme for a period of three years (2017-18, 2018-199 and 2019-20). However, there is a shortfall of Rs. 196.75 crore in the actual allocation. Further, the gap between the assistance sought by EPCs/ Trade Bodies and the assistance approved to them is growing. Department of Commerce has been requesting for additional fund for the Scheme. However, considering the budgetary constraints, it may be difficult to enhance support under the Scheme.</p>
4	Litigations related to pre-import condition under AA scheme for a certain period in 2017 and the issue of 'risky exporters' Flexibility under the Advance authorization scheme by doing away with restrictive import conditions.	<p>ADG(VK), DGFT</p> <p>Litigation related to pre-import condition under AA Scheme – The provision of pre-import condition with retrospective effect has not been agree to by DoR. A DO letter in the matter has been written by Commerce Secretary to Revenue Secretary on 30-10-2019. DoR has recently filed SLP© No. 025771 on 26-10-2019 in the case of M/s. Maxim tubes co. pvt. Ltd and the matter is sub judice.</p>
5	Need to examine the EOU scheme and the concept of deemed exports and explore means to boost GI products. To explore the option of an amnesty scheme like that being implemented by CBIC-DoR under the Foreign Trade Policy was also made.	<p>APEDA/DC(Handicraft)/ADG(VK)/ADG(SS)/DPIIT</p> <p>ADGFT(VK) – The demand of the industry to explore the option of an amnesty scheme – the matter is under examination and the actions/details in this regard cannot be shared at this time.</p>

6.	EETPC- Issue related to the definition of MSME which is currently based on capital was highlighted for re-examination.	Secy(AKP), (MSME) The Micro, Small and Medium Enterprises Development (Amendment) Bill, 2018, is deemed to have lapsed on dissolution of the sixteenth Lok Sabha on 25.05.2019. The ministry is in the process of redrafting the cabinet note to change the criterion of classification of Micro, Small and Medium Enterprises from 'investment in Plant & Machinery/ equipment' to 'Turn over, basis.
7	Need to have a mechanism for re-imburement of legal expenses under MAI which the industry incurs on anti-dumping investigations.	JS, MAI, DoC Views of EP (Engg) Division, DoC have been sought on the proposals received from EETPC regarding reimbursement of legal expenses on anti-dumping investigations, for talking a decision on them as per draft guidelines, as per precedent.
8.	FIEO - Need to sensitize the District collector for export growth and exhort him to take steps to bring in investment in the district.	
9	Dues of exporters should be paid timely and that due to the delays Rs 25,000 cr of IGST refund is held up at present.	CBEC The figure of the pending IGST refunds mentioned in the issue is not correct. As per report given by DG (Systems) as on 14-10-2019, the total IGST refunds pending with CBIC is Rs. 2016 crore. Moreover, the IGST refund claims which are correct in all aspects and where other requirements like GSTR 1, GSTR 3B and EGM are complete, these claims are being processed in automated manner in less than 5 days of filing all relevant details.
10	CAPEXIL - Need to bring investments into SEZs and the issues related to accounting of IGST refund / credit for the SEZ units should be clarified to the industry. A demand was also raised that EOUs/ SEZs should be allowed to serve the "domestic"	AS(BBS), SEZ, DoC Investments in SEZs are mainly private investment driven. Issue related to accounting of IGST refund/ credit for the SEZ units pertains to DoR. For the issue allowing SEZs/EOUs to serve the Domestic Industry, without any limitations is related to 'Reverse Jobwork' which is currently permitted with some conditions of export outside the country by the SEZ unit. Demand of industry to allow them to do jobwork for DTA without restriction has been referred to DoR on several occasion.

	industry, without any limitations.	
11.	<p>IOPEPC - That groundnut should be included under the ambit of IOPEPC, so that exports of groundnuts can be encouraged by them. Higher support under MEIS for groundnuts was another demand of the EPC.</p>	<p>JS(DNM)/JS(KC) EP Agri, DoC EP, Agri – The issue related to inclusion of Groundnut under the ambit of IOPEPC was examined in this Department in consultation with the stakeholders and it was decided that transfer of groundnut from the ambit of APEDA to IOPEPC is not warranted as of now. As far as higher support under MEIS for groundnut is concerned, the subject matter is in the domain of DGFT.</p>
12	Competitive disadvantage being faced by oilseeds exporters due to FTAs among trading nations and importing countries was also brought to the notice of the Board by the IOPEPC.	<p>AS(SP), DoC It is informed that there is no significant competitive disadvantage being faced by exporters due to FTAs among trading nations and importing countries as intimated by IOPEPC.</p>
13	ASSOCHAM - Optical fibres are being dumped from China, which need to be looked into and industry requires some relief.	<p>AS(SK), DGTR A Safeguard Investigation concerning imports of Single Mode Optical Fibre has been initiated by DGTR on 23rd September, 2019.</p>
14.	Plastic Export Promotion Council Demanded that PVC resin imports for PVC scraps should be allowed and that BIS marking on finished good should be required and not on the raw material for plastics sector.	<p>JS(SM) Matter already taken up with Ministry of Environment and Forests vide letter No.5/3/2018-EP (CAP) dated 20.12.2018 mentioning the non hazardous aspect of the PVC scrap. Also, the issue was raised and discussed in the meeting held on 25.06.2019 under the chairmanship of Hon'ble MoS and RoD of the said meeting has been shared with concerned authority for action therein seeking action taken report and further vide reminder dated 05.08.2019 & 23.09.2019. Response from MoEF&CC is awaited.</p>

		Request of Plexconcil has been taken up with Bureau of Indian Standards vide letter No. 7/1/2017-EP (CAP) dated 05.12.2019.
15.	SEPC - Issue of restriction of number of tours under MAI scheme	JS, MAI, DoC The under of participations by an exporter has been restricted with a view to ensure that the benefits under the Scheme are not cornered by a few and that more and more exporters are covered under the Scheme.
16.	CLE - For review of FTA involving Vietnam for leather imports and that duty for imports of footwear from Vietnam and China may be increased.	AS(SP), DoC The request of seeking tariff elimination on certain finished leather and footwear products from Vietnam under India-ASEAN FTA will be considered during FTA review. The issue for increase in duty for imports of footwear from Vietnam and China has been taken up with Department of Revenue.
17	Decrease GST on footwear from 18 to 12%.	CBEC The request for reduction of GST rates on footwear with sale value exceeding Rs. 1000 was examined by the GST Council in 37 th meeting held on 20 th September, 2019 and Council did not recommend any change in GST rates for footwear.
18	GJEPC -The issue of IGST refund for sale to Foreign Tourists.	CBEC The preparation of a concept note on the subject of refund to international tourists is under process. Meeting with various stakeholders like GSTN, DG Systems and Airport Authorities (Delhi) have taken place recently to discuss various policy points on tourist refunds.
19.	Need for support on colored gemstones	EA(RD), G&J, DoC
20	EPC for SEZ and EOUs - EOU should be made at par with SEZ and Income tax benefit should be extended.	AS(BBS), SEZ, DoC/ Addl.DG(RPG) Addl.DG(RPG) In this regard it is submitted that Both the schemes are quite different. SEZs are administered under SEZ Act, 2005 whereas EOU scheme is covered under Foreign Trade Policy 2015-20. Units in SEZ are located in a custom bonded area within specified Zones whereas EOU units can be set up at any prescribed places as declared. Supplies made from DTA to SEZ are considered as "Exports", whereas supplies made from DTA to EOU are treated as "Deemed Export". Both SEZs and EOUs are allowed to procure/import duty free inputs for exports. As regards the issue of providing income tax benefits to EOUs, this falls under the purview of DOR.

21	New Transport Marketing Assistance Scheme may be extended to focus products instead of agri products only.	JS(KC), DoC/ Addl.DG(RPG) Addl.DG(RPG) In this regard it is stated that the scheme 'Transport and Marketing Assistance (TMA) for Specified Agriculture Products' is notified by DoC vide Notification no. 17/3/2018-EP (Agri.IV) dated 27.2.2019. Hence inputs may be taken from DoC. DGFT handles the implementation part only.
22	Need for online GST refund.	CBEC The completely electronic integrated refund module, along with the functionality for single disbursement, has been deployed with effect from 26-9-2019.
23	Brihan Mumbai Customs House Agents Association - That the shipping act/ regulations may be examined for standardization of charges. They also requested that Partner Government Agencies (PGAs) should have offices near the ports.	Shipping
24.	Sh. Bhargava - Need for an economic Research and Analysis Wing which could help study sectoral trade trends for use by DGFT & DGTR for decision making including imposition of tariff and non tariff barriers etc.	EA(RD)/EA(AS) It is stated that an Import Monitoring cell was created in the Department of Commerce on 16.09.2019 and a data analysis cell has been created in DGTR on 05.03.2019
25	Initiation of suo motu investigations for unorganized sector like MSMEs also needs to be explored by the Government.	AS(SK), DGTR <ul style="list-style-type: none"> In the past few months, DGTR has monitored the quantities imported and has examined the necessity/feasibility of initiating <i>suo moto</i> investigations in various sectors, especially if the products are manufactured by MSMEs. These products include Toys, Sanitary Napkins and Diapers, Agabattis, Footwear with Outer Soles of Rubber, Plastics, Leather or Composition Leather and Uppers of Textile

		<p>Materials, Home appliances, Bicycles, Master Batches, Compatible Toners, Hydrazine Hydrate, PU Leather, footwear component, etc.</p> <ul style="list-style-type: none"> On most of these products, officers of DGTR have had detailed discussions with the domestic industry, relevant associations and Administrative Departments. Some more meetings of some products are lined up. DGTR has been providing continuous guidance and support to applicants from MSMEs. In this context, a Trade Notice dated 23rd September, 2019 regarding setting up of a Helpdesk & Facilitation Centre by DGTR. The functions of the Centre include <i>inter alia</i> the following: <ul style="list-style-type: none"> Dissemination of information to Domestic Industry regarding Trade Remedies; Handholding domestic industry, especially MSMEs, in filing fully documented trade remedial petitions; Guiding MSMEs to remove 'data gaps'; Dissemination information about Non-Tariff Measures; Providing information about time-lines for completion of various procedures and for disposal of cases; and Guiding Indian exporters facing trade remedial investigations in other countries.
26.	DPIIT - States should adopt the Public Procurement (Preference to Make in India) Order 2017 and provide preference for products and services 'Made in India'.	
27.	Tamil Nadu - The industry demand that the Sunset clause for SEZ may be extended to 3 more years.	AS(BBS), SEZ, DoC The subject matter pertains to DoR/ has been taken up with DoR.
28	Special package for Automobile sector, which is	Heavy Industry

<p>a predominant sector in Tamil Nadu should be announced.</p>	<ol style="list-style-type: none"> 1. In this regard it is stated that Department of Heavy Industry (DHI) does not formulate any state specific packages for any sector including automobile sector. However, keeping in view growth of auto industry in Tamil Nadu, DHI under the umbrella of NATRIP has set up Global Automotive Research Centre (GARC) at Orgadam near Chennai with an investment of approximately 1000 Crore, in order to provide state of the art homologation and testing services for the automotive industry. The Centre provides certification testing and R&D support to automotive vehicle and component manufacturers. GARC has been recognized as one of the certification agency under Sec 126 of CMVR by the M/o Road Transport and Highways. 2. DHI has also extended support to R&D projects and establishment of Centre for Battery Engineering and Electric Vehicle (C-BEEV) at IIT Chennai in the state of Tamil Nadu, which is primarily for promotion of Electric vehicles in the country. 3. In order to give a push to clean mobility in public transportation, DHI has approved the sanction of 525 electric buses for Tamil Nadu state for intra-city and intercity operation under FAME India scheme Phase II. 4. Further, following recent announcements made by the Government will provide impetus to the local manufacturing and will also benefit to automotive industry in Tamil Nadu: <ul style="list-style-type: none"> • Corporate Tax reduction (over 70 per cent of the companies engaged in the auto component manufacturing are SMEs and will gain from the measure). • Reduction of GST rate on EV from 12% to 5%, on charger and charging station for EV from 18% to 5%, GST exemption on hiring of e-buses by local authorities • Additional Income Tax deduction of rupees 1.5 lakh on interest paid on loans for purchase of EVs • Enhancement of duty on select items such as oil & air filters, glass, lighting, vehicular locks, horns, sound signal equipment, wind screen wipers, catalytic converters etc. • Lifting of Ban on purchase of new vehicles for replacing all old vehicles for Govt Dept. • Additional 15% depreciation (over & above existing depreciation) on all vehicles from now till 31st March 2020. • GST rate reduction for 10-13 seaters vehicles falling in tariff line 8702, of length <4 m and engine capacity <1200 CC for petrol and <1500 CC for diesel.
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		<ul style="list-style-type: none"> • Linking of repo rate to interest rates charged for vehicle purchase.
29	It was stated that the FTA with the EU may also be fast tracked.	<p>JS(NMT), Europe, DoC</p> <p>The 2005 EU-India Summit launched a High Level Trade Group(HLTG) and mandated it to be explore ways and means to deepen and widen the bilateral trade and investment relationship. On recommendations of the HLTG, Indian and EU began negotiations on a Broad-based Bilateral Trade and Investment Agreement (BTIA) so as to diversify and boost bilateral trade in 2007.</p> <p>16 rounds of negotiations were held till 2013. In addition to this a number of inter-sessionals and DVCs have been held. There were no agreement reached in India-EUBTIA despite 16 rounds of negotiations as due to some outstanding issues, EU withdrew from the negotiations.</p> <p>Efforts have been initiated however since 2016, to discuss the sensitivities of both the sides and to engage constructively for re-initiation of the negotiations and 8 stock taking meetings at the level of Chief Negotiators have been since then.</p>
30	Gujarat - Sector wise analysis for anti-dumping investigations is required to protect domestic industry.	<p>AS(SK), DGTR</p> <p>As per the request of DGTR dated 16th May, 2018, Centre for WTO Studies is carrying out impact assessment studies for various sectors. Their reports dated 13th November, 2018 and 7th June, 2019 on import trend analysis of Anti-Dumping Duty (ADD) imposed on Chemicals and Allied Products and the Steel sector have already been received and their reports on impact assessment on domestic industry and the user industry are awaited.</p>
31.	Karnataka - Issue of Gherkin Exporters that Indian exporters are facing imposition of higher import duties in destination countries.	<p>JS(DNM)/JS(KC)EP, Agri, DoC</p> <p>EP, Agri - USA, which is the largest market for gherkins, has recently withdrawn GSP and an import duty of 9.6% will be applicable for import from India. Gherkins exporters have requested for higher incentives to offset the higher duty rates. In view of MEIS being discontinued, providing incentives in form of refund of duties/ takes is being examined by APEDA in consultation with DGFT.</p>
32	Sectors from Karnataka such as Toys and Fruits and Flowers also need support.	<p>JS(DNM)/JS(KC)EP, Agri, DoC</p> <p>EP, Agri – APEDA is taking all possible steps to promote exports of fruits and flowers from Karnataka.</p>

33	Sunset clause for SEZ needs to be reviewed to support industry.	AS(BBS), SEZ, DoC The subject matter pertains to DoR/ has been taken up with DoR.
34	Need for US consulate in Bengaluru.	MEA It is informed that during Prime Minister's visit to US in June, 2016, India and US committed to open additional Consulates in each other's country. It was agreed that Indian will open a new Consulate in Seattle and the United States will open a new Consulate at a mutually agreed location in India. Given its strong economic and social link with the US, Bengaluru will also be considered as a possible location for the new US Consulate. However, the decision in this regard would rest with the US side.
35.	Andhra Pradesh -Specific intervention for textile mills and spinning mills is required and the high cost of land for making warehousing facilities needs to be addressed suitably. It was mentioned that lack of skilled workforce is a critical issue and pro-active steps are needed in this direction.	Secy, Textile In this regard, it is stated that for skill development in textiles sector, a target of 12000 persons was allocated to the state Government of Andhra Pradesh, through the Directorate of Handloom & Textiles. An MoU was signed on 14 th August 2019 between the State Government and the Ministry of Textiles. However, further proposal regarding earmarking of training centres and formation of batches is yet to be received from the State Government.
36	Mechanism to provide livelihood guarantee for persons in marine sector exports, which is prone to seasonal risks due to weather and seasonality in demand, may be considered.	Chairman, MPEDA
37	UP - To re-examine the decision of DGFT to close the RA Moradabad.	JDG(AG), DGFT The merger of RA, Moradabad with CLA, Delhi has been done on various grounds. Many IT initiatives have been taken in DGFT in the interest of exporters, to enable online

		<p>submission and processing of applications and subsequent issue of approvals/licences/scrips etc., to minimize the need for physical interaction in a brick and mortar environment. All the key functions for which exporters had to interact with DGRT officers in their offices, have been automated in the last 2 years. Accordingly, comprehensive workload assessment was undertaken and reorganization of field offices was undertaken. Moradabad being low workload RA is merged with CLA, Delhi. In Moradabad RA Jurisdiction, 271 IECs, 2165 MEIS scrips, 37 Advance Authorisation and 22 EPCG authorizations have been issued online to exporters from April, 2019 to August, 2019 without any requirement of physical interaction with RA office. Thus, exporters are not required to visit RA Office for these purposes. Officers under-utilised in field office due to lack of workload, have been deployed in other offices like the Directorate General of Trade Remedies, Delhi to safeguard very critical interests of domestic industry against unfair trade practices by our trading partners, by way of dumping, circumvention etc. There is no proposal to re-examine the decision of DGFT to merge RA Moradabad with CLA, New Delhi.</p>
38.	<p>Arunachal Pradesh- Requesting Bhutanese government for construction of Road between Bhutan border to the nearest town so that the border trade originating from Tawang can be made hassle free.</p>	<p>AS(BSB), DoC Embassy of India, Thimphu has been requested to take up this issue with the Bhutanese Government and further development / update in the matter may be intimated to this Department at the earliest.</p>
39	<p>Manipur - E- visa facility at Myanmar border which needs to be expanded to multiple locations to increase Indo- Myanmar border trade.</p>	<p>DoC</p>
40.	<p>Jammu & Kashmir - support to sell the stocks in India support livelihood.</p>	

	The existing Lab needs up gradation in terms of capacity. It was also mentioned that state invites IT/ITes industry also to invest in the state.	
41.	Andaman & Nicobar islands - There is a need of more customs clearance facilities in its ports.	Shipping/CBEC The issue is being examined. However, it would be helpful if the nature of facilities required were specified.
42	FIEO – An online view facility for pending IGST refunds as is being provided at the ICEGATE portal for drawback disbursements may be made operational by the ICEGATE/Customs.	CBEC Already a facility to track the refund status and errors pertaining to shipping bills is available on the ICEGATE website. Para 2 (viii) of the Circular 5/2018-Customs dated 23-2-2018 may be referred.
43.	ASSOCHAM has been requested to provide data/information related to utilization of FTAs imports from countries such as Vietnam to examine the possibility of circumvention of rules of origin etc.	AS(SP) TPD, DoC ASSOCHAM has been requested to provide the requisite information.
44.	States to consider appointing an Additional Chief Secretary level officer to look after trade facilitation and for promotion of exports. The reporting and tasks for the	JS(AG), States Cell, DoC A draft letter from the Commerce Secretary to the Chief Secretaries of all States/UTs for appointing Additional Chief Secretaries of States/UTs as Trade Facilitation Commissioner is under consideration.

	officer may also be determined.	
45.	The concept of a model industrial conclave with all facilities under one roof may be piloted by the States and inputs shared for scaling up the model. A system needs to be made where all facilities such as water charges, electricity, testing, common effluent treatment are available at a fair price on a long term basis.	<p>Secy, DPIIT</p> <p>NICDIT has been set up as an apex body for coordinated and unified development of all the industrial corridors. Delhi Mumbai Industrial Corridor (DMIC) project is being implemented in phases. As part of Phase -1, eight Investment Regions are being taken up in addition to some projects demonstrating cutting edge technologies.</p> <p>Delhi Mumbai Industrial Corridor Development Corporation Ltd. (DMICDC) was set up for project development, coordination and implementation of the project. Each industrial city/node in the industrial Corridors is envisaged to be implemented by a SPV in the form of a company set under the companies Act, as a joint venture between Gol, represented through NICDIT, and the respective State Government. The node/City level/project SPVs have been incorporated at the following locations and land disposal policies have been finalized. The Implementation related activities have been initiated and construction works are going on in full swing at (i) Activation area in Dholera Special Investment Region in Gujarat (22.5 sqkms); (ii) Shendra – Bidkin Industrial Area in Maharashtra (18.55 sqkms); (iii) Integrated Industrial Township Project at Greater Noida in Uttar Pradesh (747.5 acres); and (iv) Integrated Township Project ‘Vikram Udyogpuri’ near Ujjain in Madhya Pradesh (1100 acres). Trunk infrastructure development and construction works are under implementation & the process of allotment of land had already been initiated. A total of 67 plots have been allotted with anchor investors Like HYOSUNG (South Korea), TATA Chemicals (India), HAIER (China) etc. Total investment committed by allotment of plots is Rs.10,060 crore.</p> <p>The Government of India subsequently planned five more Industrial Corridors, namely. These are Amritsar Kolkata Industrial Corridor (AKIC); Visakhapatnam Chennai Industrial Corridor (VCIC); Bengaluru Mumbai Industrial Corridor (BMIC); Chennai Bengaluru Industrial Corridor (CBIC) and Kochi Coimbatore Industrial Corridor (KBIC) (as an extension of CBIC). Krishnapatnam, Andhra Pradesh (Phase -1 as 2500 acres) and Tumakuru, Karnataka (phase-1 as 1736 acres) as part of Chennai Bengaluru Industrial Corridor (CBIC) Project; and Raghunathpur, West Bengal (2483 acres) as part of Amritsar Kolkata Industrial Corridor (AKIC) Project nodes/ cities/ Integrated Manufacturing Clusters (IMC) are being developed.</p>

46.	For speedier resolution of the concerns raised by the States, the officials from the Ministry of Commerce & Industry would be undertaking visits to States and if need be, hold video conferences at an early date.	<p>States Cell DoC/DPIIT</p> <p>States Cell - Led by the Commerce Secretary and jointly chaired by the Chief Secretary of the State, a team of senior officials is convening regular meetings from Department of Commerce, DGFT, export promotion bodies etc. to discuss export facilitation measures and to sensitize the States on the need to promote trade related infrastructure. The export performance of the States including the top commodities of exports are also discussed. In the meetings local customs officials and other local representatives of the central bodies are also present. As part of this, Commerce Secretary has convened 28 such joint meetings in Madhya Pradesh, Maharashtra, Tamil Nadu (3), Gujarat (2), Rajasthan, Andhra Pradesh & Telangana (2), Karnataka, Chhattisgarh, Odisha, Uttar Pradesh (2), West Bengal, Kerala, Himachal Pradesh, Haryana, Punjab (2), Goa, Assam (2) & Meghalaya (2), Uttarakhand and Manipur since 2014. Apart from the above, a combined meeting of all the North Easter States was also convened.</p> <p>A draft letter from the Commerce Secretary to the Chief Secretaries of all States/UTs for setting up a mechanism for periodic video conferences with the States on mutually agreed dates/time to ensure quick and timely resolution of export import related issues, is also under consideration.</p> <p>Further, with the intention of mainstreaming states in our export endeavors, the Department had requested all the States/UTs to appoint one of the Senior Secretaries as Export Commissioner who would review and coordinate all export related efforts by different agencies of the State/UT Government. Accordingly, 26 States and 02 UTs have since nominated Export Commissioners for this purpose. Additional Secretary/Joint Secretary level officers from the Department of Commerce have also been appointed as Nodal officers for States/UTs for institutionalizing a mechanism for continuous and effective coordination and communication with the States/UTs.</p>
47.	EPCs need to highlight the tariff and non tariff barriers faced by them in export markets to enable concerned territorial divisions in DoC to take up all such issues in the bilateral talks. Also the	<p>All EPCs</p> <p>EEPC has done as per the format prescribed by DoC.</p> <p>SHEFEXIL</p> <p>1. <u>Market access issue in ASEAN countries:</u> Tariff Disadvantage (TD) in ASEAN countries.</p>

<p>unfair practices of dumping, surge in imports etc may be reported by the EPCs so that suitable remedy under the DGTR can be initiated.</p>	<p>2. <u>Market access issue in China</u>: No inclusion of Guar Meal (HS code 11061010) in the related primary list of items allowed to be imported by Chinese Ministry of Agriculture from India.</p> <p>Zero duty market access given by China to Pakistan for Guar Gum Treated and Pulverized (ITC HS code 13023230).</p> <p>3. <u>Market access issue in Russia</u>: Additional duty imposed by Russia on Indian guar gum.</p> <p>GJEPC has provided the information related to FTAs, NTBs & Tariffs.</p> <p>CEPA South Korea – Gold and Silver Jewellery related</p> <p>Preferential rate is NIL with CTH condition which is feasible to achieve in case of gold jewellery and could result in surge of imports of finished gold jewellery products from South Korea. Hence, it should be essentially changed to CTS+35%.</p> <p>Preferential rate is NIL with CTH condition which is feasible to achieve in case of silver jewellery and could result in surge of imports of finished silver jewellery products from South Korea. Hence, it should be essentially changed to CTS+35%.</p> <p>Thailand Trade Agreement (EHS) – Gold jewellery related</p> <p>Preferential rate is Nil with CTH+20% RVC which is is feasible to achieve in case of gold jewellery and could result in surge of imports of finished gold jewellery products from South Korea. Hence, it should be essentially changed to CTS+35%.</p> <p>Due to above issues, Inverted duty structure Issue exists in case of gold jewellery w.r.t South Korea CEPA & Thailand (EHS) and in case of silver jewellery w.r.t South Korea CEPA.</p> <p>India Mercosur PTA related –</p> <p>India Mercosur PTA does not seem to be much beneficial and requires a revision because :</p> <ul style="list-style-type: none"> G&J products which are included in the offer list for Margin of Preference (MoP) advantage are not majorly exported from India including raw platinum/platinum products; raw silver/silver products etc. to Brazil which is a key member country of the Mercosur group .
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		<ul style="list-style-type: none"> • While, the products which are exported from India to Brazil including polished diamonds, articles of jewellery, imitation jewellery, precious and semi-precious stones and natural/cultured pearls/products are not included in the respective list. Furthermore, silver and gold jewellery products are not included in the offer list. <p>APTA</p> <ul style="list-style-type: none"> • Concessions which are being provided by the different APTA members for gem and jewellery products are not exported from India and • The G&J products which are majorly exported from India are not receiving any MoP benefit from the APTA members • If in any case, MoP concessions are provided on certain major G&J export products that are with stringent conditions to be eligible for availing the benefits, thus if no use. • Thus, overall APTA has not been observed beneficial due to misalignment of concessions provided and G&J products exported which might be possible in case of any sectors also. <p>NTBs</p> <p>UAE</p> <ul style="list-style-type: none"> • After the implementation of VAT in UAE, exporters are not allowed to give bifurcation of invoice value necessitating them to maintain a different invoicing system especially for the UAE country adding cost and operational difficulties for the exporters. For instance if the exporters provide some financial benefit to the importer in UAE in terms of trade discount/short payment etc. exporters are required only to mention one Net amount of the transaction on the invoice. This is implemented to avoid VAT related amounting complications for CHA in the country. • UAE does not allow nickel based imitation jewellery in the country which is not feasible as this is a basic substance which is used in producing various imitation jewellery products. So the exporters are seeking the way out for enhancing exports of imitation jewellery to UAE in terms of either suggesting new substance which can be used in manufacturing of such products. • Paste report for every export transaction of imitation jewellery product is required to be submitted to UAE which is a cumbersome process. Furthermore, cost of obtaining one report is Rs. 10,000/- is also on the higher side for the imitation jewellery exporters usually operate at a small scale. • Furthermore, UAE even requires SASO certificate (Saudi Arabian Standards Organization) for every consignment which involves financial cost of Rs. 1 lakh – 1.5 lakh per consignment. Since, the consignment usually remains of 15-20 lakhs therefore cost of obtaining SASO certificate is an expensive transaction for Indian exporters of imitation jewellery.
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		<p>Thailand and other countries where CEPA certificate is required</p> <p>In order to take advantage of trade agreement with Thailand , Indian exporters are required to take CEPA certificate from the CEPA authorities which is a cumbersome process and thus exporters are forced to depend on the agents to avoid such complicated procedures. The same is happening wherever such certification is required.</p> <p>Japan - IJCEPA</p> <p>Under the Comprehensive Economic Partnership Agreement between Republic on India & Japan (IJCEPA), the G&J exporters from India are facing difficulties in getting GSP Certificate issued</p> <p>exporters are facing difficulty in providing evidences for purchase of raw material from first source due to the very fact that the business practice followed in gems & jewellery industry is such that the person importing raw material is not the producer of the final goods and the raw material change hands many times before being exported as finished goods.</p> <p>The requirement of submitting bill of entry in case of imported raw material is creating difficulty for exporters of jewellery in obtaining GSP certificate under IJCEPA even after achieving required minimum value addition.</p> <p>Wishlist</p> <ul style="list-style-type: none"> ✓ Alternate substance to the use of Nickle should be identified. ✓ Cost of obtaining paste report should be reduced for imitation jewellers ✓ As earlier, SASO certificate requirement should not be there while exporting to UAE ✓ Exporters should be allowed to mention complete details on the invoice so as to reduce the requirement of maintaining separate invoicing system for UAE country. ✓ Obtaining certificate from CEPA authorities should be streamlined. In this direction AEO implementation for CPD exporters would be a welcome step. <p>Tariffs</p> <p>LAC Region - Brazil</p> <p>Import tariff applicable on all G&J products for India in key importing LAC countries of G&J is high ranging from 10% to 35% which can be persuaded to reduce.</p>
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Importers	Product Description	Tariff rates Applicable for India (MFN Rates)
Brazil	Silver Jewellery	18%
	Imitation jewellery	18%
	Cut and Polished Diamonds	10%
	Gold Jewellery	18%
Argentina	Imitation Jewellery	18% to 35%

EU Region

Eventual graduation of jewellery products from EU GSP Scheme

This is w.r.t EU Regulation 330/2016 dated 8 March 2016; gem and jewellery products have been graduated from the EU GSP Scheme for the period from 1 January 2017 to 31 December 2019 resulting in removal of duty of benefits of around 2 to 2.5% for European importers and making Indian jewellery products relatively expensive.

CIS Region – Russia

Duty Structure pertaining to Gem and Jewellery products in Russia has been observed relatively more than the tariffs prevailing in India. The total tariff applicable in Russia on polished diamonds, coloured gem stones, gold jewellery and silver jewellery is ranging from 30% to 35% vis-à-vis 7.75% to 23% in India.

Reason of re-routing of CPD exports to Russia through Armenia is that tariff on import of cut and polished diamonds in Armenia is 3% vis-à-vis 10% in Russia. This restrains direct supplies of CPD from India to Russian Market.

ASEAN- No tariff barriers/Inverted Duty structure explained above

SAARC - The trade agreements with the specified countries do not offer any significant preferential benefits for G&J products and if there are any preferential benefit that is with ROO conditions which are not feasible to achieve, thereby such preferential benefits become irrelevant.

Key tariff and Non tariff Barriers for Oilseed and Oils Export Sector

Negotiating duty free access for Indian oilseeds exported to China:

India is one of the most cost-efficient exporters of oilseeds in world markets. The country has also great potential to export vegetable oils like peanut oil and sesame seed oil. India has established its position as one of the largest exporter of Sesame seed and groundnuts.

China is one of the key markets for Sesame seed. Over past few years China's imports have accounted for about 40 – 45 percent of the global trade. Despite India being the largest exporter of Sesame seed and Groundnut, its share in China is less than 10% of China's imports. This can be attributed to the fact that China imposes 8% (under APTA) and 15% import duty on Indian Sesame seed and Groundnut respectively.

The competitive edge of Indian oilseeds and vegetable oils gets blunted due to the zero duty access provided by China to the competing African countries.

We had requested for NIL or lower rate of duty when APTA negotiations are resumed. We would like to highlight that India should not miss the opportunity for negotiating better access with lower duty for oilseeds and oils under RCEP.

Issue on Technical Barriers to Trade with Eurasian Economic Union

Eurasian Economic Union has introduced requirement of additional declaration (stating that Peanuts and Sesame seed are produced in region that free from *Striga* spp., *Callosobruchus* spp., *Caulophilus latinasus*, *Trogoderma granarium*) in the phytosanitary certificate (PSC) for export to Eurasian Economic Union.

As the seeds of *Striga* are very tiny (dust like) and can spread readily via wind and water, and in soil via animal vectors it may not be technically sound to issue a

declaration to the effect that the consignments of groundnut/sesame seeds being shipped from India for export were produced in 'areas' which is free from Striga.

Rather, a declaration in the phytosanitary certificate that the "Consignment" is free from Striga spp., Callosobruchusspp, Caulophiluslatinasus, Trogodermagranariumstrigga would be a technically sound proposition.

Ministry of Agriculture has proposed the following wordings:

"Regulated Products are produced in pest free sites of Production according to the unified requirements adopted by the Council decision Eurasian Economic Union of 30th Nov.,2016 No.157"

Keeping above in view, the matter should be taken up with Russia to delete the word "area" in the declaration and instead the wording should be changed to "Groundnut and Sesame Consignment is free from striggasp---".

Because of this requirement of additional declaration, the exports of oilseeds to Russia have virtually come to a halt.

It is of utmost importance that the Eurasian Economic Council should be asked to accept declaration that the goods being shipped are free from strigga and other related organisms as proposed above.

Pest Risk Analysis (PRA) for all agricultural products with importing countries:

Under the WTO Agreement on Sanitary and Phytosanitary (SPS) it is necessary that Pest Risk Analysis (PRA) is carried out between the exporting and importing country. For many products, India has not established PRA with multiple countries. For example, for exports of Corn and Sorghum to China, India does not have Pest Risk Analysis (PRA) in place, because of which these products cannot be exported to

China. This has resulted in India not being able to capture huge opportunities created by the vacuum caused due to trade war between USA and China.

Therefore, it is of utmost important that efforts should be undertaken to establish PRA for all agriculture products with the importing countries.

• **Introduction of system of equivalence amongst all the countries when consignments are tested before shipments by NABL accredited laboratories in the exporting countries:**

When the consignments before shipments are tested in NABL accredited laboratories in the exporting countries, the test report should be accepted by the importing countries. The NABL accreditation is internationally recognised and their results should be accepted by the importing countries and an equivalent status should be granted. This will facilitate the global trade and reduce the transaction costs substantially.

• **Issue related to EU**

a) The Rapid alerts are issued even after a lapse of six months to two years from the date of import. This is totally unreasonable as the exporter can hardly be held responsible for goods which have been in the EU for such a length of time under storage conditions over which exporters have no control.

b) When the goods are reprocessed in EU and ultimately consignment is cleared for use in EU after testing then no Rapid Alerts should be issued. The Rapid Alerts not only tarnish image of the country but has a direct bearing on exporters as on the basis of number of Rapid alerts only EU decides the level of inspection on the consignments entering EU ports.

There are many instances where Indian goods meant for direct human consumption did not meet the prescribed Total aflatoxin level of 4 ppb, which were sent for reprocessing by importer. The subsequent testing is carried out for reprocessed Indian groundnuts. In case the reprocessed groundnuts meet the

quality requirement, the goods are permitted for release in the EU market. In case the reprocessed groundnuts do not meet prescribed standards, they are released for crushing purpose or are sent back to India.

- c)** Right to exporters for 2nd test has been requested for long but still not granted: The procedure for testing of Groundnuts for direct human consumption and Groundnuts to be subjected to sorting or other physical treatment or further processing are as per EC regulation No. 178/2010. Groundnuts as bird feed are tested as per EC regulation No. 152/2009 for EU member states except UK. The Groundnuts as bird feed for UK are tested as per Feeding Stuffs (England) UK, Regulations 2010.

As per the above mentioned EC Regulations, all types of groundnuts are tested by the Port Health Authority of related port in EU. In case of variation between reports of EU and Indian labs, the EU Regulation does not have any provision by which an Indian exporter can seek second test. In case the groundnuts shipped by Indian exporter fails the test, only the importer can seek second testing in the EU.

EU has so far not granted any right to exporters to go for second test of the consignment in case of controversy in the first test. To give fair deal to exporters, India has been urging EU to consider request for grant of right to the Indian exporters for second analysis by suitably amending the regulation.

The right of second test to be carried out at the authorised lab in EU should also be given to the exporter, at par with the importer.

In case of **sesame seed**, at present there is no right given to exporter or the importer to go for 2nd test of the consignment in case of controversy in the 1st test. EU should provide right to the exporter and the importer at origin for the 2nd test.

- d)** EU has fixed maximum aflatoxin levels for peanuts which are extremely low. It has been mentioned that these are based on food safety concerns. However,

		<p>repeated requests by India to provide a copy of EFSA findings which is the basis for such low limits have not been answered. It is pertinent to note that EU has the lowest aflatoxin level in the world for peanuts. The aflatoxin levels for other nut products were revised several years back but for peanuts, India's request continues to be ignored without giving any basis.</p> <p>Major groundnut producing countries like Argentina, China, USA, etc have set limit for the presence of aflatoxin at 20 ppb for human consumption.</p> <p>We have recommended that aflatoxin limit for imports into EU should be relaxed from 4 ppb currently to 10 ppb for ready-to-eat peanuts (for direct human consumption) and we have also initiated necessary steps for setting up these limits in Codex Alimentarius.</p>
48	<p>Administrative Ministries/Departments were urged to provide their inputs on a paper prepared by DoC on the surge in imports in the past five years.</p>	<p>EA(AS), DoC</p> <p>It is stated that the Department of Commerce had circulated a Position paper on 30-7-2019 to 18 line Ministries/Departments on the “structure of India’s import basket” and subsequently also organized sector specific consultations on trade. Following these initiatives, inputs/ suggestions/ comments on the issue of import have been received from 14th Ministries/ Departments as on 24th December 2019, vis - Ministry of Coal, Department of Fertilizers, Department of Food & Public Distribution, Department of Industry Policy & Promotion, Ministry of New and Renewable Energy, Department of Telecommunications, Ministry of Shipping, Ministry of Textiles, Ministry of Health and Family Welfare , Ministry of Electronics and Information Technology, Department of Agriculture cooperation and Farmers Welfare, Department of Heavy Industry, Department of Chemical & Petro-chemical and Ministry of Steel. Subsequent reminders were issued on 2nd September, 7th October and 17th December 2019 and responses are awaited.</p>
49.	<p>State Governments need to be sensitized on the importance of stakeholder consultations through forums like BoT. Letter from</p>	<p>DGFT</p>

	CIM to be sent to State Governments for sending official representatives at a senior level where Ministers are not able to attend.	
50.	Customs to create an Online view facility for pending IGST refunds as is being provided at the ICEGATE portal for drawback disburse.	CBEC Already a facility to track the refund status and errors pertaining to shipping bills is available on the ICEGATE website. Para 2 (viii) of the Circular 5/2018-Customs dated 23-2-2018 may be referred.
51.	Customs may consider having a senior JS level officer as a Trade Facilitation Officer, who can serve as the direct point of contact for the Export Promotion Councils.	CBEC Shri R.C. Sankhla, Principal Additional Director General in the Directorate General of Export Promotion, CBIC has been designated as the Trade Facilitation Officer for the purpose of direct point of contact for Export Promotion Councils.
52.	EPCs may ensure robust information gathering to ensure effective Implementation of Scheme for Remission of Duties or Taxes on Exported Products which is being prepared by the Ministry of Commerce.	ADG(KCR),DGFT/All EPCs ADG(KCR) – All EPCs have been requested to send detailed inputs for fixation of RODTEP. The format have also been shared with them. SHEFEXIL SHEFEXIL has already conducted study to identify the embedded taxes in export products falling under the domain of council. In this regard, report is already forwarded to DGFT for consideration/appropriate actions vide OM No. K-15021/2/2019-EP-CAP dated 25.02.2019.
53.	Issues raised by State Governments to be taken up for suitable resolution. Wherever required, the issues may be taken up	JS(AG), States Cell, DoC States Cell - Led by the Commerce Secretary and jointly chaired by the Chief Secretary of the State, a team of senior officials is convening regular meetings from Department of Commerce, DGFT, export promotion bodies etc. to discuss export facilitation measures and to sensitize the States on the need to promote trade related infrastructure. The

<p>with concerned Ministries/Departments and State Govts. informed.</p>	<p>export performance of the States including the top commodities of exports are also discussed. In the meetings local customs officials and other local representatives of the central bodies are also present. As part of this, Commerce Secretary has convened 28 such joint meetings in Madhya Pradesh, Maharashtra, Tamil Nadu (3), Gujarat (2), Rajasthan, Andhra Pradesh & Telangana (2), Karnataka, Chhattisgarh, Odisha, Uttar Pradesh (2), West Bengal, Kerala, Himachal Pradesh, Haryana, Punjab (2), Goa, Assam (2) & Meghalaya (2), Uttarakhand and Manipur since 2014. Apart from the above, a combined meeting of all the North Easter States was also convened.</p> <p>A draft letter from the Commerce Secretary to the Chief Secretaries of all States/UTs for setting up a mechanism for periodic video conferences with the States on mutually agreed dates/time to ensure quick and timely resolution of export import related issues, is also under consideration.</p> <p>Further, with the intention of mainstreaming states in our export endeavors, the Department had requested all the States/UTs to appoint one of the Senior Secretaries as Export Commissioner who would review and coordinate all export related efforts by different agencies of the State/UT Government. Accordingly, 26 States and 02 UTs have since nominated Export Commissioners for this purpose. Additional Secretary/Joint Secretary level officers from the Department of Commerce have also been appointed as Nodal officers for States/UTs for institutionalizing a mechanism for continuous and effective coordination and communication with the States/UTs.</p>
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