

MOST IMMEDIATE

F. No.01/36/218/23/AM-18/TC 753 to 773
MINISTRY OF COMMERCE AND INDUSTRY
DEPARTMENT OF COMMERCE
DIRECTORATE GENERAL OF FOREIGN TRADE
(General Administration Section)

Room No.204-A, H-Wing
Udyog Bhawan, New Delhi-110011
Dated: 26.2.2019

OFFICE MEMORANDUM

Subject: Minutes of the 3rd meeting of the Board of Trade chaired by Hon'ble Minister of Commerce and Industry held on 15.2.2019 at Vigyan Bhawan, New Delhi.

The undersigned is directed to forward herewith a copy of minutes of the 3rd Board of Trade meeting held on 15.2.2019 under the Chairmanship of Hon'ble Minister of Commerce & Industry.

2. It is requested to furnish comments/views of the concerned Ministry/Departments on the issues raised by the participant in the said meeting by **8th March, 2019** for the preparation of the Action Taken Report.



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1. Secretary, Department of Commerce
2. Secretary, Department of Revenue
3. Secretary, Ministry of External Affairs
4. Secretary, Ministry of Textiles
5. Secretary, Ministry of Shipping
6. Secretary, Deptt. of Industrial Policy and Promotion
7. Secretary, Ministry of Civil Aviation
8. Secretary, Ministry of Agriculture, Cooperation and Farmers Welfare
9. Secretary, Ministry of Health & Family Welfare
10. Secretary, Ministry of Chemicals & Petro-Chemicals
11. Secretary, Ministry of Defence Production
12. Secretary, Ministry of Road Transport & Highways
13. Secretary, Department of Posts
14. Deputy Governor, RBI
15. Chairman, Railways Board
16. Chairman, National Highways Authority of India
17. CMD, ECGC
18. MD, EXIM Bank
19. CMD, SBI
20. MD, Container Corporation of India Ltd.
21. Chairman, Central Board of Indirect Taxes and Customs

Minutes of the 3rd meeting of the Board of Trade chaired by Hon'ble Minister of Commerce and Industries Shri Suresh Prabhu held on 15.2.2019 at Vigyan Bhawan, New Delhi

Shri Suresh Prabhu, Minister for Commerce and Industry chaired the 3rd meeting of Board of Trade (BOT) on 15.02.2019 at Vigyan Bhawan. The meeting was attended by Secretaries and other senior officials of key line ministries including, Commerce and Industry, External Affairs, Chemicals & Petro-Chemicals, Posts, CBIC, EXIM, ECGC, all major trade and industry bodies, Export Promotion Councils and industrialists. List of Participants is at Annexure A.

Commerce and Industry Minister launched a new Mobile Application (DGFT App) to provide easy access to provisions of Foreign Trade Policy, Handbook of Procedures, various DGFT applications and trade related updates, including Customs through searchable interface. Hon'ble Minister also launched a new e-learning MOOC initiative under the 'Niryat Bandhu' scheme of DGFT to train, mentor and hand-hold potential exporters on international trade. This course is designed on the 'anytime anywhere' concept and on successful competition, a Certificate in Export Import Management under Niryat Bandhu Scheme will be awarded to participants.

Addressing the delegates, the Hon'ble CIM mentioned that the Indian growth model involves private sector as a major player and therefore the Board Of Trade provides a significant platform for the industry leaders to contribute towards conceptualizing, framing and implementation of action plan for boosting trade and exports from India. He mentioned that India aims towards an economy of USD 5 trillion, with 20% contribution from the manufacturing sector. This would require the industry to not only make suggestions but also contribute towards implementation of strategic decisions to boost manufacturing and exports. He mentioned that services would form the second pillar of our strategy and accordingly 12 champion sectors have been identified for this purpose. He mentioned that Rs 500 crore has been earmarked for boosting exports sector. Further, he added that agriculture forms the third pillar of our economic growth which aims at doubling the farmer's income under the recently launched Agricultural Export Policy with active participation of states.

He mentioned that a detailed Export Strategy has been formulated in consultation with the all the states, export promotion councils, industry and line Ministries which is already under implementation. The export strategy envisages district wise growth, focussed on potential products of a district, with an aim at additional 3 to 4 per cent growth to achieve double digit GDP growth.

He informed that the Government is working on an integrated logistics strategy, to promote ease of doing business and reduce transaction cost, for which a portal would be launched shortly. Simultaneously, an online portal for exporters is under formulation for integrated paperless transactions with DGFT and Customs. He also informed that efforts are being made to identify all regulations which form barrier to industry and trade so as to remove them which would facilitate private sector.

In his opening address, the Commerce Secretary Mr. Anup Wadhawan welcomed the delegates to the Board of Trade and mentioned that India's exports have faced a very challenging period in recent years, on account of developments arising from the global financial crisis of 2008-09, which accentuated after 2013-14, when the world economy, including China experienced a major trade slowdown. Thus, after achieving a turnaround from the initial shock and reaching a peak export figure of US\$ 314.4 billion in 2013-14, our exports came under immense pressure again in the post 2013-14 period due to accentuation of the global economic / financial crisis in the second phase when countries like China also got adversely affected. However, since then concerted efforts through improved logistics, trade facilitation, increased digitization to reduce human interface and increase transparency, implementation of GST, capacity building through skilling etc., the government has been able to arrest the downturn affecting India. As a result, barring a few stray months, our merchandise exports have been growing on a secular basis since 2016-17 for almost three years and are likely to reach a new peak in 2018-19.

He highlighted the detailed export promotion strategy, which has been prepared by Department of Commerce and is under implementation in consultation with and with the support of wide-ranging stakeholders, including Export Promotion Councils, exporters, financial institutions etc. However, he cautioned the industry on the recurrence of global slowdown and urged the industry for stronger efforts to ensure the growth momentum to reach the peak this year and also try and target export figure of USD 350 bn.

Shri Ramesh Abhishek Secretary, DPIIT stated that DPIIT is responsible for E-commerce also, a Group of Secretaries is looking into how export can be increased through E-commerce. He also highlighted that DIPP had participated in one of the leather and footwear Expo in China and the Government would encourage such participation and interactions with the councils to carry on such activities in future. Secretary (DPIIT) suggested that it would be a good idea to work with platforms like PayPal, if they could build upon discounting facilities, and the exporters could explore such initiatives.

DGFT, Shri Alok Chaturvedi, made a detailed presentation explaining the present trade scenario, existing export promotion schemes, and measures taken since last Board of Trade Meeting in consultation with various stakeholders including exporters and industry association to address the issues of exporters. Few notable measures taken since last BoT meetings are as follows:

- Interest Equalization rate increased from 3% to 5% w.e.f. 2nd November, 2018 for exports being made by MSME sector.
- From 2nd January 2019, merchant exporters have been included under the Interest Equalisation Scheme @ 3% subvention.
- In January, 2019, Pre-Import condition on advance authorization licenses to avail exemption of IGST was removed and exemption of Integrated Tax and Compensation Cess extended to deemed supplies
- Exemption granted on 3% IGST on gold sourced by exporters from nominated agency w.e.f.1.1.2019 to help Gems and Jewellery sector by freeing blocked capital.
- Freight subsidy for exports of agricultural and marine products
- In the Mid-Term Review, MEIS rates increased by 2% for MSMEs / labour intensive industries involving an additional outlay of Rs.7310 crore per annum.
- SEIS (Service Export from India Scheme) incentive rate was increased by 2% for all notified services amounting to Rs. 1140 crore of additional reward per annum.
- MEIS allocation enhanced from 21000 Crores in 2014-15 to 39000 Crores in 2018-19.
- GST exemption was restored in October 2017 under the Advance Authorization Scheme, Export Promotion Capital Goods Scheme and 100% Export Oriented Unit for sourcing inputs from abroad without payment of IGST
- GST refunds were expedited through several rounds of Refund Fortnight.
- The validity period of the Duty Credit Scrips was increased from 18 months to 24 months to enhance their utility in the GST framework.
 - The upper limit of FOB value of goods for exports through courier or foreign post office for obtaining benefits enhanced from Rs. 25,000 to Rs. 5,00,000 in July 2018

- The restriction that benefits would be granted to e-commerce exports only from 3 airports has been removed in July 2018.
- Exports of Religious Gold idols of 22k and above allowed by modifying restriction on export of gold articles of more than 22 carats.
- Exports of Gold findings of 3k and above allowed.
- Engaging states for promotion of India's trade: Through coordination with States, State Export Promotion Committees and State specific Export Promotion Strategies are in place.
- Additional Towns of Export Excellence: Bhadohi (UP) and Panipat (Haryana) announced for carpets and related products.
- Exports of all agricultural commodities (except mustard oil) made "free" without any restrictions. Earlier, export of pulses and edible oils were prohibited.
- Export incentives under MEIS increased in respect of certain agricultural items:
 - Non Basmati: 5% for four months in Nov 2018
 - Milk products: 10% increased to 20% in September 2018
 - Onions: 5% for six months in July 2018; enhanced on 28.12.2018 to 10% for exports up to 30th June 2019
 - De-oiled soya cake: 7% enhanced in July 2018 to 10%
- New Agricultural Export Policy issued and initial outreach with States done.

He emphasised that Government is committed to end to end IT enablement and make all processes completely paperless. In this regard, Department of Commerce has approved a project for the revamp of entire IT system of DGFT. He stated that however, in the meanwhile, DGFT has taken many measures to bring ease of doing business with DGFT like:

- Same day issue of IEC (Importer Exporter Code) online.
- Auto approval of MEIS scripts within 24 hours
- Contact@DGFT grievance redressal service for Exporters/Importers
- Redemption of Export Obligation of Exporters expedited through a drive. Consequently over 13000 Advance Authorisation and 9500 EPCG cases have been redeemed.

- Revamp of DGFT's IT System initiated to make all DGFT processes paperless and provide end-to-end IT enablement for all services

DGFT highlighted that due to these initiatives of the Government, India has jumped to 80th place in 2018 from 146th place in "Trading across Borders Ranking" as released by the World Bank.

The representatives of industry, while welcoming steps taken by the Government proposed many constructive measures to boost exports. The issues/suggestions put forth by the members of Board of Trade are as under:

1. President, FIEO Shri G.K.Gupta :

- A new Incentive scheme may be introduced for branded exports-both at country level and Company level
- Budget for MAI and TIES may be increased significantly for promoting trade in new countries
- The scheme for sales to foreign tourist must be started immediately for handicrafts and textiles items. Foreign tourist sale for allowed 20-25 years back. Now if a person is making counter sale to foreign tourist he must get MEIS and GST refund.
- Interest Equalization Scheme must be introduced for every sector at least for all agricultural commodities.
- FIEO must continue to be recognized as EPC for service exports other than the 13 services earmarked for SEPC.
- E-wallet facility may be provided from 01.04.2019.
- ITC refund mechanism may be made completely online to save time and cost.
- Pre import condition should be resolved and uniformity in views is expected from the RAs of DGFT.
- MEIS benefits should be granted as per the Trade Circular released by DGFT to similarly placed exporters and lastly
- ECGC may be requested to pursue a liberal view while processing and sanctioning claims of exporters and DGFT may a proposal/policy accordingly.

2. Special invitee Shri Onkar Kanwar, CMD, Appollo Tyres:

- He pointed out that India does not have export culture and our production basis are very low MSME has tremendous challenge and they should get bank guarantee.

- India's trade with South East Asia is 5% and our world trade is 1.7%. We need to focus on trade in SE Asia and support small and medium scale companies, which are our backbone and resolve their difficulty in obtaining bank loans/credit or insurance.
- India should expand the base and sign a comprehensive trade pact with EU.

3. Shri Sanjay Budhia, Chairman, CII:

- He pointed out that cost of credit in India is 6% whereas in China the same is at 3% and requested that interest subvention scheme be also introduced for the MSME Sector and there should be no differentiation between SME and MSME and an uniform lower rate should be applicable across all sectors.
- He also pointed out that US GSP Scheme is beneficial for both the parties and India should ensure that such schemes are continued.
- He also raised the issue of availability of Steel at affordable prices for the domestic sector as Steel manufacturers in India charge more from the domestic consumers than while exporting and this has a adverse impact on the engineering sector.
- He also requested for strengthening the domestic shipping industry as foreign shipping agencies charge heavily for even miscellaneous things which adds up the cost of the Indian Importers/Exporters.

4. Shri Saroj Poddar, Poddar Heritage

- In his opinion, the Government should step in for servicing costs of interest and other such charges and Government should step in with long term funding through Exim Bank.
- He also proposed that import of Urea should be made "Free" to make it cheaper for the farmers.

5. Shri Pradeep S. Mehta, Chairman, CUTS

- Trade agreements and how we can push forward to create more market opportunities for the country.
- He observed that Indian Foreign Mission are not active as they are expected to be and they should ensure our commercial and diplomatic presence and the scale should be rached up.
- India should be taking product specific NTMs and tariff measures and negotiate on them directly.
- He indicated that there is a lack of convergence between the trade and the industrial policy and we need industrial policy to support the export policy.

- He further stated that we need an initiative driven by the Ministry of Finance for export oriented FDI and we need a revamped SEZ policy.
- He pointed out that in terms of WTO reforms, India needs to take vigorous steps to resuscitate and reinvigorate WTO for developing countries.

6. Shri Ajay Sahai, DG, FIEO

- Tax deduction on R&D may be exempted and should be innovative friendly and tax deduction may be enhanced to encourage innovation.
- India's export to Africa has declined due to insistence on realization on third party payments as per RBI regulation where the exporters have to declare who the importer is while exporting which is not exporter friendly and though the trade understand the RBI concerns for KYC exporters comes to know of the importer only when the payment is realized RBI may be asked to change the format wherein the details of the third party exporters has to be submitted up front.
- In no circumstance should an export consignment be withheld until and unless there is an intelligence report requiring for such measures.

7. Shri Rahul Gupta, Chairman, EPCES:

- SEZ are an exciting story but the annual turnover ratio in the SEZ should be scaled up to 2% to 3%. The request is to allow SEZ facilities to the DTA manufacturers which will lead to utilization of scale and assets.
- For the SEZ, a trade credit mechanism, wherein the Central regulator has some subset of trade credit and which does not get covered by the general regulation of credit, and it should be carved out as a niche for the SEZs .
- Reverse charge mechanism has been brought in prior to September, 2019. SEZ under section 16(3) can procure as if they are in DTA. However, as purchases from the unregistered sources get covered by the Reverse charge mechanism they sought some clarification/relief in this regard.
- All FTA Nations are given some duty benefits, some sort of relaxation should also be given for the clearances to the DTA from the SEZ units which will have cascading effect and would help SEZs to reach economics of scale.
- A request was also made to allow unit transfer/sale in SEZ as investors in SEZ may like to delink their units and achieve liquidity in the process.

8. Shri Vijay Kalantri, President, AIAI

- He requested for relaxing of the NPA norms for MSME sector.
- The government should make the renewal of licenses an automatic process, until something adverse is not noticed.

- India should concentrate on Africa and as EXIM Bank rates were hiked, Government should ensure that these are implemented immediately.
- Government should also consider providing bigger credit line to Exim Bank. In Africa, JICA is willing to finance projects based on the skill and resources of the Indian companies and the Government should carry this suggestion forward.
- He also suggested that we should encourage the SEZ based on the Vietnam model. To this the Commerce Secretary pointed out that the specifics should be shared as to what is it in the Vietnam's SEZs that are finding favour. President, AIAI promised to share the details in a separate note.

9. Shri V. Padmanabhan, President, Seafood Export Association

- Grant of agricultural status to fisheries both cultured and non-cultured.
- Inclusion of the fisheries sector in the interest subvention scheme as it is labour intensive sector employing 10 million people;
- India should contest in WTO, the unfair anti-dumping margin calculations by the US authorities on Indian exports

10. Ms Sangeeta Godbole , DG, SEPC

- She highlighted that SEIS which is given on a net foreign exchange basis is only 10% of the total budget for MEIS and there is a need to enhance the SEIS budget to promote services exports.
- All services should be kept under one council as in many instances the same company provides a lot of allied services in the same sector.

11. Shri Vivek Nair, Chairman, SEPC

- Service exports are growing at 14% and overall it is 38% of foreign earnings and of this, hotels and tourism sectors are the largest components and there has been a setback in the last few years particularly after the GST has been implemented as threshold room rent over 7500/- incurs a 28% GST. The Chairman suggested that those paying in foreign exchange they should be given exemption from paying GST.
- Further, while the tourism industry employs 53 Million people the earnings are only while the tourist are only 9 Million and the aim to increase it to 19 Million in the next 7 years. Accordingly, there is a need of 125 thousand Crores [at an average of 1 Crore per room] only for the hotel industry and for that request has been made to Government to grant them infrastructure status. The previous Government had granted them the infrastructure status, however, with RBI objection and subsequent withdrawn 300 hotels are turned into NPAs as they

could not repay the loans within 5 years and if the infrastructure status is given the loan can be repaid over a longer period of time.

12. Ms Sumeeti Toteja, Director, FSSAI

- For easing of exports it is in the process of harmonization of Indian standards with the international Codex standards.

13. Shri Ravi Sehgal, Chairman, EEPC

- The prime Steel exporters have dropped their exports as there is a net price advantage of 20-25% in the domestic sector. They need to be pushed to export. 5-10 billion dollars can increase immediately from the export of this item and there are many such items. For e.g Hot rolled coil shipped last year was 36,000MT .This year the figure stands at 6,000MT only. There is enough scope to increase such exports.
- He pointed out that the MSMEs are another effected lot which is suffering due to higher domestic prices and which leads to loss of 2-3 billion dollars .
- He pointed out that India has become a net importer of Copper and government should put all its efforts in re-opening the Copper plant at Thoothukudi. Zinc is another area which needs attention.
- MSME sector needs a clear cut definition. All Engineering units are in the MSME Sector and need to upgrade their facilities and invest money. However, the moment they do so, they come out of the MSME definition and then all the other things like interest charges and costs go up. So the units don't scale up leading to resultant inefficiencies and loss of growth in exports. MSMEs should be defined on the basis of turnover, as approved by the Cabinet.
- Chairma,EEPC also pointed out the problems with EDBMS and requested that matter may be taken up with SBI .
- He also wanted adequate and timely MAI support for participation.
- EEPC also highlighted the requirement of timely refund of funds which have been utilized for defending anti-dumping cases.

14. Shri Pramod Kumar Agarwal, Chairman, GJEPC

- He raised the issue of IGST levied on consignments returning from foreign exhibition and that they are waiting for the Circular clarifying the issue.
- GJEPC also requested for interest subvention of 3% of merchant exporters to for this sector, which presently they are not.
- GJEPC mentioned that while there is a policy and procedure laid down that for the exported material they are to get a replenishment, duty free, on the equal

value. The problem has arisen in the transitional regime, from excise to IGST refunds and which is pending for over a year. DGFT indicated that a change in policy has been proposed and Customs are looking at it.

- Chairman, GJEPC further raised the issue of banks not providing bank guarantee on IGST as per the Circular for the export of Gold and they want to include Silver and Platinum within the ambit of the same Circular.
- He also raised the issue of foreign tourist sale. As the duty is very high on Gold items, plus GST discourages the foreign tourist from buying Indian articles as there is no mechanism for the refund of duty, while the neighbouring countries provide such a facility.

15. Shri P.R Aqeel, Chairman, Council for Leather Exports

- Government should consider levying only 12% GST on footwears as it is one of the most commonly used items.
- He also requested that the leather garment industry rates may be hiked from 3% to 5% under the DFIA scheme.
- Further, under the MAI scheme provision is only for promotional events 3 times or 2 times in a year. This restricts undertaking promotional events in a new country because presence is required for atleast 5 years in that country before any impact is made. Accordingly, he requested for having a relook at the scheme.
- He also requested that India should initiate a FTA with Britain as it has a lot of affinity and leather and footwear business has a large presence in that country.
- He also sought help from the Commerce Ministry for suitable policies so that they can participate in Trade fairs across the world under the Make in India scheme and considering that 92% of the leather industry is under MSME sector, it could carve out a bigger market share in the world trade. Shri Ramesh Abhishek, Secretary, DIPP requested them to provide details of programs/Trade fairs for the next 3 years so that he could approve their participation and promote the leather industry under the Make in India scheme.

16. Shri Nikhil Saini, Director [Policy], Express Council of India

- He requested that there should not be any restriction on exports through express/courier mode. He requested for removal of commodity restrictions through express mode and implementation of single window clearance in courier mode, which would help the health and diagnostic services.

17. Shri Karunakar. S. Shetty, President, BCBA

- While parking plazas were created in Nhava Sheva but there is no examination of the goods there and goods are moved to CFS which increases the dwell time and transaction costs. The request accordingly is to carry out examination in the parking plazas created.
- The other request is for DGFT to make a system which accepts amendment of shipping bills or accept certificates issued by Customs for getting the MEIS license.
- Further, while Customs is working 24x7 other PGAs are not available 24x7 and if they can work 24x7, it will boost exports.

18. Shri Sagar Mehta, Chairman, EPCH

- He requested for enhancing the MEIS limit for the handicraft sector and propose that the MEIS benefits should be granted as per the export performance of the EPCs.
- Since they promote reverse buyer seller meet and as per the prevailing provisions of the MAI scheme, cost of air tickets hotel accommodation are not reimbursed for the traditional markets such as EU, America, Japan and their request is that MAI benefits be granted for participants from these countries as well.
- Further, he pointed out that exporters exporting to Iran are facing problems and no EBRC is being released to the exporters in absence of which the exporter is unable to claim the MEIS and other benefits.
- Due to introduction of GST the duty drawback rates on handicraft items have been reduced by 50 to 70%. To compensate the loss, the handicraft sector may be included in the ROSL scheme and 2 to 4% may be refunded.
- He also pointed out that members from Agra are facing difficulties in obtaining MEIS benefits with reference to specific codes namely 6802 21 90 and 6815 99 90 as there are certain ambiguities. Customs is denying MEIS benefits of 7% on 6815 99 90 and insisting on putting 6802 21 90 on the shipping bills.

19. Shri Sanjay Shah, Chairman, IOPEPC

- The agricultural sector April-December, 2018 exports are down by 30% and because of MSP India is out priced on international market by 20-25%. Partially, the balance gap can be met through MEIS. Since, our purchase prices are higher than our sale price ITC credit is not available for such items.
- Chapter 12 is also outside the 416 items which have been identified by the RBI Circular on interest equalization scheme.
- He requested that opening of containers from agricultural sector must be completely done away with.

- On the issue of approval of units, as there is a system of self certification by NPPO of Peanut exporting units and APEDA; the process is cumbersome time consuming and costly.
- He also raised the issue of technical barriers being raised by countries and stressed on the point that the Commerce Ministry should have a team which can find out technical barriers for their products in our country for a tradeoff between the importing and exporting country.
- Further, he also stressed the continuous need for bringing our products within various FTAs so that duty disadvantage for our products is set off.

20. V.S Sohney, Chairman, SAARCCI

- He highlighted that support systems like MSP are making our products uncompetitive in the world market and said that we should be focusing on food to fork policies and focus on nearby markets to unleash the potential of exports where the price is not a great issue like Saudi Arabia and Gulf.
- He suggested that we should consider collaborating with countries like South Africa which have very advanced industries of food processing and investments can be explored in horticulture and fruits.
- He also requested to make MEIS more consistent as 2 -3 years back some policy was in place but some products could not be renewed for 2 months in April and May and then when MEIS was renotified in June; exporters who had exported during these two months could not get the benefits.
- He raised the issue of tremendous potential of trade with Iran and then Turkmenistan and Uzbekistan which are all land locked countries but have got natural resources and offer tremendous scope for trade. However, for these countries the transit point is Bandar Abbas and Indian banks as soon as they see Bandar Abbas in the documents, they back off from supporting such transactions.
- Chairman, accordingly requested to promote transit trade coming from Turkemistan or Uzbekistan in non US \$ currency, on the lines of Asian Clearing Unit. He stressed on the point that we can't leave Iran or the neighbouring landlocked countries, because they have huge potential and we must leverage our buying position to promote exports of India in these countries.
- He also spoke of Cluster approach in promoting e – commerce. We have clusters in Northern India where Phulkari or zari work is being done and then there are clusters where banarasi sarees are being weaved. There is a golden opportunity to link them on e – commerce platform promoting the various skill sets in Indians.

21. Shri A. Sakthivel, Acting Chairman (AEPC)

- Major foreign apparel brands are facing various challenges and our main constraint is duty free status enjoyed by our competing countries. As a case in point he pointed out that when GST was introduced, Apparel sector saw duty drawback rates and ROSL being reduced from 11.5% to 3.15% which is a big blow for the apparel exporters and they are not able to compete in the world market. After GST, apparel exports are coming down.
- He also highlighted the reduction in allocation in MEIS Scheme for the apparel sector which was 20 crores in 2014 and now has been reduced to 6 crores.
- He suggested that the sector needs to look for new markets and looks for support from the Commerce Ministry. They have fixed a target of 34 billion exports by 2023 (up from 17 billion) but needs the support in
 - (i) setting up a smart factory with 4. 0 technology;
 - (ii) Capacity building;
 - (iii) Strategy to enhance women employment in apparel sector;
 - (iv) Product development through HS Code wise strategy.
- He urged that Interest Equalisation Scheme should be considered across the board for all exporters and not limited to 10 crores of investment.
- He also urged for extension of terminal date of registration of new workmen beyond 31.03.2019.
- In States there should be some policy for the promotion of apparel export industry. Land and factory sheds should be given on lease basis, like plug and play basis. Power subsidy should be given to the exporters and in the same way freight subsidy should also be given to the exporters and ESI with full support.

22. Ajay Kadakia, Chairman (CHEMEXIL)

- As far as Iran is concerned, any chemicals which are exported to Iran, have to get a certificate from CHEMEXIL that the end use of the product is not for any sanctioned sector and the commodity is not in the sanctioned list. Practically it is not possible for council to certify that the end use of the product is not for any sanctioned sector, as basic chemicals have multiple applications and the council has no control as to where the Iranian buyer will actually use the item. The UCO bank must accept the End Use Certificate by Iranian buyers which can be arranged by Indian exporter while finalizing the order.
- While Ministry is considering Bangladesh and Afghanistan and all such countries for granting MEIS benefits, Chemical industry faces a serious disadvantage against China, in Pakistan, in Indonesia, in Thailand and even in Turkey which are major export market. They requested the Government to look into the issue.

- Merchant Exporter has been allowed consideration for the enhanced interest equalization scheme, but unfortunately for CHEMEXIL, whatever HS codes are been considered for the scheme out of that only a few are coming under the ambit of CHEMEXIL. Their request is to consider granting benefits to items of Chapter 29, 32 and 33 also.

Responses and Comments of senior GOI officials :

1. Shri P.K.Das Chairman, CBIC

- Chairman, CBIC informed that CBIC has put in place a transparent trust based and ruled based digitised system which has resulted in reduction in time and transaction cost. CBIC has introduced lots of initiatives like direct port delivery in case of import and direct port entries in case of exports.
- CBIC has also introduced number of trust based initiatives like e – sanchit, which is paperless documentation or RFID based e – sealing. A Risk Management System has been initiated wherein based on the risk profiling only limited number of consignments are picked up for assessment. From 2011, self – assessment has been introduced. Wherein one can file documents from the comfort of their home on the ICEGATE, which has been upgraded with an investment of more than 2000 crores.
- Chairman, CBIC informed that CBIC is trying to put in place a mechanism where the Original Country of Origin Certificate can be obtained from the other Country.
- He informed that If consignments are not cleared by customs at any port , then the aggrieved party should approach the Chief Commissioners and if still aggrieved they can directly approach the Chairman, CBIC.
- He also informed that I GST refund problems are now a thing of the past as 96% of the claims have been refunded. It is all system driven. If the requisite 3 documents are filed in system, the refund is done within 5 days.
- Chairman also informed that Section 65 of Customs Act has been changed which has provided an enabling environment for exporters and importers to manufacture in India. This particular single change allows a single point approval without geographical limitation, whereby an unit can be set up, capital goods and equipments can be imported duty free for manufacture or any other operation, even GST paid consignments, utilize it for manufacturing and pay duties once the goods are being cleared.
- Chairman, also announced that Customs is coming up with “Turant Customs” as an initiative to improve the Ease of Doing Business rankings.
- Chairman, CBIC pointed out that a large number of initiatives have been taken to facilitate trade between India and Bangladesh, one of them being CTES (Cargo

Tracking Electronic System) where there will be no checking at the borders and only the seals will be checked.

- He also mentioned about the AEO Certification programme wherein the importer /exporter not only gets benefit within the country but also abroad based on Mutual Recognition Treaty and implored the EPCs to encourage their members to opt for AEO scheme as this would enable them to get benefits in DGFT and other Ministries Chairman CBIC also informed that about 80000 Crores have been sanctioned as GST refund for 400 commodities and 74 services.

2. Shri. R.Raghvendra Rao, Secretary, Chemicals and Petrochemicals

- He highlighted that China factor is a major concern as they have huge production capacities and the Government support exporters in exporting their products. To counter this demands are for increasing the duty drawback rates and MEIS rates which the Commerce Ministry can look at.
- His opinion was that there are countries in Africa and CIS where new markets can be created and EPCs may create a new cell within their organization to look out for new markets.
- On the suggestion that environmental clearances can be fast tracked he has suggested that the issue could be taken up with the environment Ministry and for strengthening laboratories and testing facilities in the country is a area which must be looked into.
- Secretary, Chemicals and Petrochemicals also wanted to know whether the MEIS benefits are being extended to merchant exporters as request have been made for extending the facility to them.
- He also highlighted that there has been request for extending TUFS for fibre and filament yarns and which may be considered.

3. Shri. A.N.Nanda , Secretary post

- In his observation stated that they are opening up post offices for exporters SME and this would be increased by 200 points.
- He also informed that for e-commerce they have launched a portal and very soon would have a mobile friendly app for e-commerce.
- He also informed that weight restriction on postal exports which is currently at 35 Kgs is being increased and plans are afoot to launch premium services of EMS.

4. Shri. David Rasuinha, Exim Bank

- On the Iran issue UCO Bank is already handling exports to Iran under the Rupee payment arrangement and EXIM bank is working with UCO Bank to conduct

series of events across the country to explain the process of Rupee payment mechanism.

5. Shri. Manoj K Bharti, Additional Secretary, MEA

- Indian Missions abroad can be seen as Indian Economic Missions abroad and the staff is trained for handling issues on economy trade investment Commerce. He informed that for a last couple of years MEA is having annual HOM Seminars for economic and commercial feedback and he indicated that anyone could send their comments/requests to economic diplomacy and States Division which would take care of the concerns raised.
- Indian embassies have been provided with specific funds to help business activities and also market access funds apart from State facilitation fund to help Indian businesses. He invited Indian business to make first point of call at the Indian embassy whenever they are abroad on a business.

6. Shri. M.Senthil Nathan ECGC

- He assured that all claims will be cleared by ECGC and in most of the cases the procedural lapses are condoned most liberally and only if there are lapses which impact the insurance act are withheld. Further, to ensure that all claims are handled effectively they have opened centralized claim processing centres in the 5 regions and where in the claims are processed by authorized officers and if a claim cannot be paid it is handled by a DGM level officer who gives a fair and adequate hearing to the exporter.
- He informed about the Grievance handling mechanism wherein claims can be filed by the exporters if their requests are not handled effectively. It was also pointed out that in the insurance industry it is only the ECGC which conducts 400 meetings every year to explain their policies.

7. Shri Bhupinder Bhalla, Joint Secretary, DOC

- Responding to issue of Steel prices, he briefed that the matter is being looked into by the Committee.
- On the issue relating to Iran as raised in the meeting the same would be taken up with UCO Bank.

8. Shri Sudanshu pandey, Additional Secretary, DOC

- He pointed out that whenever exporters face any barriers, they should email the same to the TPD and the Territorial Division which would look into the issue.
- On the GST refund, especially for MSMEs, DoC in collaboration with Ministry of Corporate Affairs will be launching a scheme of GST Tax assistants and 1.5

Commerce graduates under the Champions Services Programme, will file returns for MSMEs in specific clusters.

- Further, under the Champion Services Scheme out of 5000 crores, 3600 crores have already been recommended for the 6 sectors by the Screening Committee and another 1000 crores is mandated for the IT Sector. So he requested all the export promotion councils in the service industry to pursue the line Ministries for seeking approval of the Niti Ayog.

Concluding the meeting, Commerce Secretary thanked the Hon'ble Commerce and Industries Minister and the Board of Trade members for such a meaningful and fruitful discussion. He assured that all the suggestions have been noted and they will be pursued/ acted upon within a reasonable period.