Basic Chemicals, Cosmetics &
Dyes Export Promotion Council
(Set - up by the Ministry of Commerce & Industry Government of India)

CHEMEXCIL NEWS

Issue April - May 2019

CHINA INTERDYE 2019

Inauguration of the India Pavilion at the China Interdye Exhibition 2019 held from 10-12th April 2019 at Shanghai by the hands of Shri Anil Kumar Rai, Hon'ble Consul General of India, Shanghai, Mr Li Lingshen, Vice chairman of China National Textile And Apparel Council, Mr. Shi Xianping President of China Dyestuff Industry Association, Shri Ajay Kadakia – Chairman, Shri Satish Wagh – Past Chairman of CHEMEXCIL, Shri Bhupendra Patel – Gujarat Regional Chairman CHEMEXCIL and Executive Director, CHEMEXCIL & SHEFEXILand other VIPs

CHINA INTERDYE 2019

Shri Anil Kumar Rai, Hon'ble Consul General of India, Shanghai visiting the India Pavilion at China Interdye Exhibition 2019 alongwith Chairman, Immediate Past Chairman and Executive Director, CHEMEXCIL

Shri Anil Kumar Rai, Hon'ble Consul General of India, Shanghai, Shri Ajay Kadakia, Chairman, CHEMEXCIL alonwith other dignitaries from India and China at CHEMEXCIL stall

View of Indian Pavilion at the China Interdye Exhibition 2019 held from 10-12th April 2019 at Shanghai

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Editorial

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Chairman's Desk

Dear Member-exporters,

"KUDOS to the first Hon. Prime Minister of India Shri Narendra Modi on the wonderful and unprecedented electoral victory of BJP and allies. We keenly and enthusiastically look forward to working with him in the areas of trade, progress and prosperity in India.

I congratulate our Hon. Shri. Piyush Goyal, Minister of Commerce and Industry and Railways on his appointment to this position.

In line with the above, we are extremely pleased to bring you the bi-monthly issue of the CHEMEXCIL Bulletin for the month of April-May- 2019.

As you all might be aware, for ease of carrying out business measure, O/o Directorate General of Foreign Trade, New Delhi has issued Trade Notice on below important issues.

1. Regarding discontinuation of issue of physical copy of MEIS/SEIS scrips for EDI ports with effect from 10.04.2019. Accordingly CBIC has also issued circular regarding phasing out of physical copies of Merchandise Exports from India Scheme (MEIS)/ Services Exports from India Scheme (SEIS) Scrips issued with EDI port as port of registration.
2. Launch of an Online Module for Filing & Tracking Quality Complaints/Trade Disputes relating to International Trade.
3. Regarding Non-requirement of submission of Hard copy of application at RAs for issue of Advance Authorisation (AA) & EPCG Authorisation
4. Three months' time window for applying for MEIS for Shipping bills with HS Codes which were harmonized and notified under MEIS Appendix 3B, Table 2 after a delay.

5. Regarding discontinuing submission of physical copy of RCMCs with effect from 01.07.2019 while filling application for incentives/entitlements under FTP.

Further, it is pertinent to mention here that the import of technical pesticides from un-registered sources has been an issue highlighted time and again and quite frequently by agrochemical exporters. The Council has also put forth this issue regularly before EP-CAP Section, Department of Commerce for taking it further with the concerned ministry.

Taking cognizance of the same, we have received communication from EP-CAP Section, DoC who have been informed by the Under Secretary, Department of Agriculture & Cooperation and Farmers Welfare, Ministry of Agriculture and Farmers Welfare, GOI that the Registration Committee, constituted under Section 5 of the Insecticides Act, 1968, in its 390th meeting held on 19/07/2018, has allowed and permitted the applicant/applicants to import the pesticide (either technical grade or any type of formulation) exclusively for export purpose and certificate of registration will be issued within 5 working days subject to conditions.

CBIC has introduced a simplified Auto Registration for IEC holders at ICEGATE the detailed circular is already shared by our office and is also uploaded on our website.

As you might be aware, Government had notified a Self-Ratification scheme for Advance Authorization for Authorized Economic Operators (AEOs) in the interest of ease of doing business. The scheme allows Advance Authorizations to be taken on self-declaration and self-ratification basis for cases where Standard Input Output Norms (SION) is not notified, without the need of going through the process of norms fixation/ratification by the concerned Norms Committee (NCs). Trade and Industry is being encouraged to avail this scheme by becoming AEOs. However, it is observed that in-spite of more than 3500 AEO already registered with CBIC, there are comparatively very few AEOs, who are using this scheme to get their advance authorizations. In view of above, AEOs who are users of duty exemption scheme, are urged to make full use of Self Ratification Scheme in order to reduce transaction time and costs.

CHEMEXCIL Participated in below trade promotional events.

1. Participation in 19th China Interdye Exhibition 2019 show for Dyes and Dye Intermediates, Pigments and Textile Chemical industry which was held at Shanghai World Expo Exhibition & Convention Centre (SWEECC), Shanghai, CHINA from 10th -12th April 2019. The India pavilion was inaugurated by His Excellency Mr Anil Kumar Rai, Hon'ble Consul General of India to Shanghai along with Mr Li Lingshen, Vice chairman of China National Textile And Apparel Council, Mr. Shi Xianping President of China Dyestuff Industry Association. He also visited India Pavilion and interacted with Indian exhibitors. Altogether 98 member-companies of CHEMEXCIL and 11 member-companies of SHEFEXIL participated in this event, which was a grand success.

2. Participation in Beautyworld Middle East 2019 Exhibition was a three day event held from 15th to 17th April 2019 at Dubai International Convention Centre, Total 9 chemexcil exhibitors had showcased their products under the umbrella of CHEMEXCIL. The Indian Pavilion was graced by H.E Shri Vipul, Consul General of India, UAE who interacted with the stall holders in the Indian Pavilion to understand about their activities in the MEA region.

3. Participation in Koreachem 2019, CHEMEXCIL participated with 19 member-companies in KOREA CHEM 2019 under the umbrella of India Pavilion. Shri Satish Sivan, Deputy Chief of Mission, Embassy of India, Seoul, Republic of Korea inaugurated the India Pavilion on April 16, 2019 at Hall 5, KINTEX 1, Seoul, Republic of Korea. Shri Satish Sivan, Deputy Chief of Mission, Embassy of India, Seoul, Republic of Korea interacted with exhibitors and understood their trade concerns.

We also organized below capacity building initiatives across our regions viz.

a) Chemexcil Bengaluru Regional Office organized a Workshop on "GST Audits & Annual Return" and Inauguration Ceremony at the Royal Orchid Hotel, on 07th May 2019, followed by Networking Lunch

b) Chemexcil along with Sustainability Support Services Pvt. Ltd (SSS) organized workshop on Korean Chemical Regulation (K-REACH) in Mumbai especially for Chemexcil member-exporters on 27.05.2019 followed by lunch

c) We also organized an Interactive session for MSME exporters on "The Invoice Finance Advantage: Collateral-Free Trade Finance made Easy by Drip Capital" in association with M/s. Drip Capital Services India LLP at Hotel Crowne Plaza, Ahmedabad on 28th May 2019, to appraise the exporters about export factoring/ finance products and services that can be helpful to grow their business without extending their security as collateral while availing export financing once the goods are exported. This event was also supported by "The Gujarat Dyestuffs Manufacturers' Association (GDMA)".

I have pleasure to inform you that Chemexcil will be organizing its 47th Export award function in Mumbai very soon. Chemexcil Export Awards pay tribute to the achievements and contributions export companies have made to the Indian economy. The awards celebrate export excellence through leadership and innovation. I request my fellow members to touch base with Chemexcil secretariat for the same.

Friends, the DGCI&S trade data pertaining to items under Chemexcil's purview is a concern. I am happy to state that we have crossed our export target this year registering growth of 20%. The exports from April-2018-March-2019 is USD 19 Billion.

Chemical Exports for April, 2019-20 were valued at USD 1.792 billion as compared to period April- 2018 -19 was USD 1.550 Billion registering a growth of 15.58 percent. Chemical Imports for the month of April-2019 were valued at USD 2.044 billion representing a growth of 0.5 percent as compared to last year. For the period April-2018 imports was USD 2.034 billion.

I sincerely hope and trust that you would find this Chemexcil News bulletin informative and useful and an eye opener for all of us. The Secretariat looks forward to receiving your valuable feedback and suggestions which will certainly help us to improve this bulletin still further."

Ajay Kadakia

Chairman Chemexcil

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Withdrawal of GSP by USA

Sudhakar Kasture
Director,
EXIM Institute

Ministry of Commerce has issued a press release on 01.06.2019, which reads as under:-

Quote

Ministry of Commerce & Industry Withdrawal of India's GSP benefits by USA
Posted On: 01 JUN 2019 1:33PM

by PIB Delhi

The United States of America (USA) has w.e.f. 5 June 2019 withdrawn India's GSP benefits. These are unilateral, non-reciprocal and non-discriminatory benefits extended by some developed countries to developing countries. India as part of our bilateral trade discussions, had offered resolution on significant US requests in an effort to find a mutually acceptable way forward. It is unfortunate that this did not find acceptance by the US. India, like the US and other nations shall always uphold its national interest in these matters. We have significant development imperatives and concerns and our people also aspire for better standards of living. This will remain the guiding factor in the Government's approach.

In any relationship, in particular in the area of economic ties, there are ongoing issues which get resolved mutually from time to time. We view this issue as a part of this regular process and will continue to build on our strong ties with the US, both economic and people-to-people. We are confident that the two Nations will continue to work together intensively for further growing these ties in a mutually beneficial manner.

Unquote

From the language of the press release it appears that, in spite of our efforts to find a mutually acceptable way, we have not yielded the desired outcome. There could be many reasons including the protectionist policies of the USA.

Having said this, decision of USA is going to impact the trade sentiment in general. On one hand we are trying to get more market access and opportunities arising out of undeclared trade war between USA & China and on the other side, there is further possibility of changing rules and criteria for H1B visa's for Indians. Even if there is possibility of capturing some market share in China, it is not very easy as products have to be cost competitive.

The action of USA has some background. USA & other 39 countries are opposing various subsidies & incentives granted by India & panel has been constituted in WTO under the provisions of Anti-subsidy and Countervailing Measures. India is also facing a challenge by countries such as Australia, Guatemala, Costa Rica, Thailand, the EU and Brazil at the WTO for its sugar and sugarcane subsidies. Brazil has requested for a consultation and the rest of the countries have requested to join on the ground that their substantial interest lies in the consultation soon to begin at the WTO. Paraguay, Thailand, Pakistan, Canada and New Zealand are also amongst the countries which have raised their concerns. The subject of agricultural subsidies is very delicate and the negotiations have been far more protectionist in this area. Under these circumstances it would be difficult to protect schemes like MEIS and our government is fully aware of it.

What happens on withdrawal of GSP benefits on Chemical exporters?

Reaction of importer:-

- Importer can demand price reduction
- Importer may reduce quantum of order
- Importer can switch over to other sources (probably from LDC or other developing nations who are eligible for GSP benefits)

Indian Exporter will be forced to

- Reduce the price to retain customer
- Find new markets if the export orders are reduced in volume and value
- Find out new business model to remain competitive

What is the remedy?

The final solution to all these problems is moving away from "so called incentives" and concentrating on schemes like Refund of Central and State Levis, which are WTO compatible.

Industry needs to take very serious view of these challenges and must concentrate on realistic measures.

Make Foreign (Videshi) Trade Policy SWADESHI

S N Panigrahi
Consultant & Author

India Traditionally a Trade Deficit Country. India's Exports in 2018-19 stood at $331 billion, while Imports soared high of $507.44 billion, taking India's trade deficit to reach a record high of $176 billion. India's GDP reaching Rs 170.95 trillion (US$ 2.47 trillion) in 2017-18*, and Rs 190.54 trillion (US$ 2.76 trillion) in 2018-19. The Trade gap is primarily attributed to un-avoidable Oil Imports. However various other factors are also contributing to the trade deficit, like continued encouragement to Imports in the name of Promotion of Exports.

Falls Placed "Import led Export Growth" Philosophy:

All the Export Promotion Schemes of Foreign Trade Policy are designed with theme of "**Import led Export Growth**". **With this falls placed hypothesis more and more Imports are encouraged with liberally imposed export obligation**. **As a net the benefits are imaginary but puncturing huge hole into the Exchequer and also killing the Domestic Industry.**

For Example, under Advance Authorization Scheme, a Duty Neutralization Scheme under Chapter 4 of Foreign Trade Policy, Duty Free Imports are allowed as per SION (Standard Input Output Norms) (a Very Liberally worked out Norm which allows Excesses Inputs to benefit the Exporters with Assumed (hiked) wastes and losses), with meager Value Addition, in general in most of the cases it is 15% only.

However, if we look into revenue loss in terms of Customs Duty Exemptions including IGST, Anti-Dumping Duty and Safeguard Duty and many other benefits like MEIS incentive and EPCG Scheme benefit under Chapter 3 & 5 respectively of Foreign Trade Policy; Pre & Post Shipment Finance with interest subvention, the trading off benefits of Exports goes to negative figures.

Moreover, the holder of Advance Authorization is allowed to import required inputs like Raw Materials, Consumables & Packing Materials in advance and then after coolly, calmly and casually allowed to Export within 18 months period with still one more option to get extension of 6 months on payment of 2% fee on the balance export obligation. Exporters, generally taking this liberty, import the required inputs much in advance by enjoying the duty exemption and use such inputs for domestic sale (though strictly such diversion is not allowed as per FTP) or even dispose it off in the domestic market and latter discharge export obligation leisurely at the trailing end of the obligation period.

If we look into Employment angle also **with such very little value addition and domestic content no much manufacturing activity taking place, therefore can't expect much employment generation too.** Mostly it is like a trading activity of Buying (Importing) and Selling (Exporting) with margin of 15-20%.

Much worst in case of much hyped and fancied, the so called Chinese Model of SEZ Policy (which is proving to be a land grabbing policy) through which huge imports are taking place with ambitious and aspirational expectations of spiral up export growth but ambiguous and abstruse trending outcome proves otherwise. The SEZ policy envisages **Positive Value Addition only**, not even 15%, thereby proving as **import hub** only.

Suggestion: Focus on Domestic Content & Value Addition

To improve the domestic content in our exports, **Value Addition** in case of Advance Authorization must be increased to **Minimum 25% from present 15%.**

The **Obligation Period for Exports for Advance Authorization must be Restricted to 6 months** only which is very reasonable to curb misuse of the provision instead of 18 months at present.

In case of SEZ, the **Domestic Content must be Minimum 25% and at least 15-20% of the SEZ area be mandatorily earmarked to MSMEs.** This will promote in true sense Sustainable Exports, Employment Creation through Strengthening MSMEs, thereby justifying the benefits, exemptions, incentives extended to these units.

Encourage Indigenous Sourcing in Place of Imports:

As discussed the Advance Authorization Scheme and EPCG Scheme are primarily focused and tilted heavily towards Imports by Exempting of Customs Duties. Though indigenous procurement is allowed in the policy instead of imports, the Procedures are very cumbersome and time consuming. The Authorization holder has to apply separately for Invalidation for Imports and on the basis of invalidation letter he may source from the domestic suppliers. The Domestic Supplier on the strengths of Invalidation Letter may apply for Advance Authorization.

In case of Domestic Sourcing, **GST as normally applicable shall be paid first** and then after may claim as **deemed export refund.** All these Procedures are very Cumbersome, Time Consuming and involving cost.

Because of the hassles and cost disadvantage in comply with procedures, exporters are generally **avoiding to source from domestic suppliers even though those items with comparable quality and price are available in the domestic market.**

Therefore, it is essential in the true national sprite and in public interest to encourage and promote Indian industry by putting them in the same platform compared to imports. **It is wrong in the policy provisions to spend (waste) huge amounts from national exchequer for promoting import of foreign products in to the Indian market in the name of export promotions**. To make the schemes truly national (**SWADESHI**) following suggestions are made:

Suggestion: Make Foreign (Videshi) Trade Policy SWADESHI

Since application and issuance of Advance Authorization and EPCG scheme are made online, provision shall be made for the authorization holder to opt anytime for Domestic Procurement by self-declaring and invalidating imports online. This way it provides greater flexibility and easiness to procure from domestic sources.

As an incentive for Domestic Procurement, a 10% concession shall be provided in fulfilling Export Obligation under Advance Authorization and EPCG scheme.

Further GST exemption may be allowed for Domestic Sourcing (Deemed Exports) as against present practice of first pay GST and then claim refund which is time consuming and involving cost.

These proposals shall make the Advance Authorization and EPCG schemes more attractive as it will open up yet another option of Domestic Sourcing to the certificate holder in addition to import route. This is especially beneficial for those who have no interests in imports for one reason or the other. The need for import thus shall be over shadowed by the provision to procure indigenous inputs and capital goods which turns to be attractive. This will also encourage domestic procurement as an alternative to imports, thereby make the scheme more "SWADESHI".

Stop Import of Secondhand Machinery under EPCG Scheme

With Flip-Flop Policy on Import of Secondhand Machinery under EPCG Scheme, wisdom of policy makers shifted the stand to continue to allow secondhand goods, making India a dumping ground defeating the objective of the Scheme to Support in Modernizing Indian Manufacturing Sector for Promoting Exports.

Suggestion : Import of Secondhand Goods under EPCG Scheme should not be allowed.

Exports Oriented Economic Policy

Foreign Trade promotes economic growth of a country as "**an engine of growth**". We should lay stress on export promotion in our strategy of development for accelerating economic growth.

The **Concept of Comparative Cost Advantage Model** is fast fading out its relevance as the Comparative Cost Advantage has **dynamic shifts** based various factors such Disruptive Technologies & Technological Advancements, Govt. Policies & Incentives, Infrastructural Development, Resources Availability, Allocation or Depletion, Transmission of Technical know- how, Investments, Specialized & Focused Skill Training for promotion of Business etc. Therefore, Competitive Advantage can be Created, Nurtured, Harnessed and Fostered through right policy frame work like developing Industrial Clusters initiatives, SME Clusters, Towns of Excellence, SEZs etc.

Suggestion : Industry / Sector Specific Export Policies are need to be Implemented

We should shift from our policy of Exporting of Surplus, to Manufacturing, Generating & Creating Exclusively for Exports. In this direction **Agriculture Export Policy, 2018** is a noteworthy measure and many such **Industry / Sector Specific Export Policies are need to be implemented.**

The Objective of Agriculture Export Policy, 2018 is to **Double Agricultural Exports from present ~US$ 30+ Billion to ~US$ 60+ Billion by 2022 and reach US$ 100 Billion in the next few years thereafter, with a Stable Trade Policy regime.**

The Policy has Strategic & Operational framework and addresses agricultural value chain and highlighted certain structural changes that were required to boost agricultural exports on Sustainable and Stable manner including infrastructure & logistics, Reforming Mandi operations, involvement of State Govt. in Promotion of Exports.

Export Promotion Council Established for MSME Sector

Ministry of Micro, Small and Medium Enterprises (MSME) has recently established an Export Promotion Cell with an aim to create a sustainable ecosystem for entire MSME development.The benefits likely to accrue to the MSMEs are:

i. Evaluate readiness of MSMEs to export their products and services

ii. Recognize areas where improvements are required in order to be able to export effectively and efficiently

iii. Integration of MSME into global value chain.

MSME DC has established an Export Promotion Cell in every MSME DI centers. The cell aims to create a sustainable ecosystem for micro, small and medium enterprises (MSMEs). Benefits of the Promotion Cell MSMEs are the pillars of the Indian economy. The promotion cell aims to create a sustainable ecosystem for MSMEs.

The Promotion cell will aid the MSME sector in the following ways:

- Integration of MSMEs into the global value chain.
- Evaluation of readiness of MSMEs to export their products and services.
- Recognition of areas where improvements are required in order to be able to export effectively and efficiently

Suggestion : Integrate & Synchronize Departmental Functions

It's is a welcome measure to promote MSME Sector. However, the Need of the hour is to integrate many disintegrated departments and councils – Synchronize their varied functions as at present many of the councils & departments are functioning in silos

Since at present no accurate, reliable and authentic data is available regarding MSME – the Levels of Investment, Employment, Turnover, Exports etc. **Therefore, it is suggested to integrate Udyog Aadhar with PAN.** Since PAN is linked with all types of business transactions related to Bank, GST, Customs, DGFT etc, data linkage will easy and reliable.

Policy to Check Flooding of Cheap Imports

The policy of Controlled Import to Check Flooding of Cheap Imports from China may be placed in view of

India's increasing Trade deficit and possible threat to Domestic Industry. Unscrupulous Under Valuation and Wrong Classification to minimize Customs Duty impact is also widely rambling practice specially in case of Import from China which need to be Curbed

Suggestion: IT enabled Trade Intelligence

With better IT enabled Trade Intelligence, Volume & Price, Product -Country & Entry Level Commercial Data & Information with reliable, current and updated data may be gathered and sharing such data to all customs stations to curb valuation related tax evasion, detect cases of smuggling, trade-based money laundering and financial frauds.

It will also prevent **Circular Trade** (Export to Countries with whom we have Trade Agreements and Grab all the Export Incentives & Benefits and again Import the same Item with Concessional or Fully Exempted Duty benefit under the Trade Agreement) to some extent.

Timely initiating and imposition of Anti-Dumping, Safeguard measures and also adopting other Non-Tariff and Contingent Trade Protective measures may be opted to act gain wrong trade practices and to provide proper protection to the Domestic Industry.

Free Trade Agreements : Increased Economic Growth

India has negotiated many bi-lateral and multi-lateral trade agreements with several countries and trade groupings. FTAs are instrumental in creating seamless trade blocs that can aid trade and economic growth. However, India's exports to FTA countries have not shown positive signals and statistics reveals that India's trade deficit with these partner countries deepened rather boosted exports. For example, India's trade deficit with Asean (Association of Southeast Asian Nations), South Korea and Japan has doubled to $24 billion in FY2017 from $15 billion in FY2011 (with the signing of the respective FTAs) and $5 billion in FY06. Also there are issues related to duty inversion.

Lack of information on FTAs, low margins of preference, delays and administrative costs associated with rules of origin, non-tariff measures, flouting of rules of origin are major reasons for such low performance.

Suggestion : Selective Review of Trade Agreements & Tighten Rules of Origin

India should review its existing FTAs in terms of benefits to various stakeholders like industry and consumers, trade complementarities and changing trade patterns in the past decade. Negotiating bilateral FTAs with countries where trade complementarities and margin of preference is high may benefit India in the long run.

Circumvention of rules of origin should be strictly dealt with by the authorities at the same time measures must be taken to reduce compliance cost and administrative delays

Duty Credit Scrip :

Under Chapter 3, there are two types of Incentive Schemes ie MEIS & SEIS. Under these schemes Duty Credit Scrips are issued to exporters based on certain percentage of FOB value. These Scrips can be used to upset Customs Duty on any eligible Imports. In case the Exporters do not want for any reason to utilize on actual basis, then an option is provided to Transfer (Sell) the Scrips on discount.

Suggestion: Allow Refund Instead of Transferability

Since transferability of Duty Credit Scrip encourages non-export-importers to snatch a major junk of benefits from the real exporters, this practice should not be allowed. Duty Credit to encourage export of specified products and to select markets, as a matter of principle of objectivity, should be passed on to the exporters only on exclusive basis. By making the Duty Credit Scrip non-transferable the issues regarding sale proceeds and litigations in respect of exemptions of income tax etc. also shall not arise. The Duty Credit shall be allowed to utilize for import of inputs or goods including capital goods on "Actual User" condition by the holder of the scrip (actual exporter), and in case the credit remained un-utilized, the same **shall be allowed refund, within 15 days of the claim**. When refund is allowed the need for transferability does not arise which is a major dispute in WTO.

WTO-compliant Schemes to Promote

Existing MEIS Scheme under Chapter 3 of FTP is under scanner as US has challenged India's export subsidy schemes at WTO on the grounds of its incompatibility with multilateral rules. It may face exit any time. New scheme on production-based support and refund of all un-rebated central and state taxes and levies scheme are under consideration for replace of existing MEIS scheme.

The new scheme will be on the nature of refund of all un-rebated central and state taxes and levies scheme on inputs consumed in exports in all sectors. The major un-rebated levies are state value added tax/ central excise duty on fuel used in transportation, captive power and farm sector, mandi tax, duty on electricity, stamp duty on export documents, purchases from unregistered dealers, embedded central goods and services tax (CGST) and compensation cess, coal used in production of electricity.

Suggestion : Align Export Promotion Schemes with WTO Norms

India will need to restructure its export promotion schemes by making them aligned with WTO Norms. Otherwise such schemes become counter effective as the Importing Countries may impose anti subsidiary duty as per WTO Agreement on Subsidies and Countervailing Measures (ASCM)

New Govt. is now Formed. New Foreign Trade Policy is due Next Year. The above suggestions may be Considered in New Foreign Trade Policy which is now under Draft stage.

Disclaimer : The views and opinions; thoughts and assumptions; analysis and conclusions expressed in this article are those of the authors and do not necessarily reflect any legal standing.

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CHEMEXCIL SMS Alert service Form

1. Name of the Company:
2. Name of the applicant:
3. IEC Number
4. Chemexcil Membership Number
5. RCMC Number
6. Correspondence address.
7. Mobile Number

I undertake to abide by all terms and conditions for SMS alert facility as may be prescribed from time to time by Chemexcil.

Date Place Signature

FOR OFFICE USE **RCMC No.**

The aforementioned standing instruction/ details have been logged and maintained in the system after verification of company and mobile number in use

Date Name of Concern officer Signature of Authorized person.

Please mail above filled form at membership@chemexcil.gov.in

Chemexcil Activities

1. CHEMEXCIL'S PARTICIPATION IN CHINA INTERDYE 2019 EXHIBITION

Indian and Chinese dignitaries at the Indian Pavilion of the China Interdye Exhibition 2019 held from 10-12th April 2019 at Shanghai

The 19th China Interdye Exhibition 2019 was a premier show for Dyes and Dye Intermediates, Pigments and Textile Chemical industry which was held at Shanghai World Expo Exhibition & Convention Centre (SWEECC), Shanghai, CHINA from 10th -12th April 2019.

It is an annual exhibition organized jointly by the China Dyestuff Industry Association, China Dyeing and Printing Association and China Council for the Promotion of International Trade, Shanghai Sub-Council. The co-organiser of this exhibition was Shanghai International Exhibition Service Co., Ltd. It was held concurrently with 2019 China International Digital Textile Printing and Dyeing Automatics Exhibition to create a one-stop sourcing platform for textile printing and dyeing Industry.

The profile of exhibits included **Dyestuffs, Whitening agents, Intermediates, Auxiliaries, Pigments, Textile Chemicals and Instruments & equipment's.** The exhibition occupied an area of 40,000-square meter and was held in two Halls namely Hall 1 & 2 of SWEECC.

CHEMEXCIL along with SHEFEXIL had organised an India Pavilion which was spread over an area of 1795 sq m in the Hall 1 with 98 member-companies of CHEMEXCIL and 11 member-companies of SHEFEXIL participated in it. The India pavilion was inaugurated by Mr Anil Kumar Rai, Hon'ble Consul General of India to Shanghai along with Mr Li Lingshen, Vice chairman of China National Textile And Apparel Council, Mr. Shi Xianping President of China Dyestuff Industry Association, Shri Ajay Kadakia – Chairman, Shri Satish Wagh – Past Chairman of CHEMEXCIL, Shri Bhupendra Patel – Gujarat Regional Chairman CHEMEXCIL and Executive Director, CHEMEXCIL & SHEFEXIL. After the inauguration, all the dignitaries visited the India Pavilion and interacted with the exhibitors.

The show was attended by more than 650 domestic and overseas exhibitors from 17 countries and visitors from 40 different Countries and regions. More than 8000 exhibitor representatives attended the exhibition. 16,683 visitors (60,438 arrival times) from 59 countries and regions came to visit the exhibition. India Pavilion was the largest at this show. Along with the exhibition, 13 high-quality seminars and professional events were also organised with more than 4200 industry insiders participated in it. The exhibition provided an excellent opportunity to the Indian manufacturers/ exporters to showcase their products and interact with the prospective buyers of the dyes and dyestuff industry on a common platform for expansion of their business in the International marketplace.

2. CHEMEXCIL'S PARTICIPATION IN BEAUTYWORLD MIDDLE EAST 2019 EXHIBITION

H.E Shri Vipul, Consul General of India, UAE being welcomed inside the Indian Pavilion by CHEMEXCIL / ITPO officers

The **Beautyworld Middle East 2019 Exhibition** was a three day event held from 15th to 17th April 2019 at Dubai International Convention Centre (Formerly Dubai World Trade Centre), Dubai, UAE and organised by the Messe Frankfurt Middle East GmbH.

As the largest International Trade fair for beauty products, Hair, Fragrances in the Mid-East & Africa (MEA), this exhibition attracts around **37,000 trade visitors** and beauty professionals from **143 countries** across the world. The show provides the participants an opportunity to tap the lucrative beauty and personal care market in MEA which is currently around USD 34.9 Bn (2019) and expected to touch USD 43.4 Bn in 2022 at a CAGR of 7.5%.

The 2019 edition of the show featured **1790 exhibitors** from **66 countries** spread overs a sprawling area of **60,000 sqm**.

The show also had excellent international presence of **25 country pavilions** including India, China, Thailand, Morocco, Turkey, USA, Pakistan, Korea, France, Brazil etc.

In order to promote exports of Cosmetics and Toiletries from India and also to assist our members to explore the market potential in GCC countries, **CHEMEXCIL** along-with **Indian Trade Promotion Organisation (ITPO)** had organised an India Pavilion by booking a space of 174 sq.m in **Trade Centre Arena** at Sheikh Saeed Hall which is reserved for International Pavilions. There were total 20 stalls in the Indian Pavilion, out of which **9 exhibitors** had showcased their products under the umbrella of CHEMEXCIL.

The Indian Pavilion was also graced by **H.E Shri Vipul, Consul General of India, UAE who interacted with the stall holders in the Indian Pavilion to understand about their activities in the MEA region.**

Chemexcil stall holders were also pleased to interact with Shri Vipul and briefed him about their products, current exports to MEA etc.

The India pavilion attracted good visitor interest from Local buyers and also global business professionals/ dealers/ buyers etc from countries such as Saudi Arabia, Turkey, Jordan, Egypt, Pakistan, Nigeria etc. Indian exhibitors networked with them for tapping future business opportunities. As per feed-back received, some of the stall holders in Indian pavilion received around 150 visitors during the show.

Chemexcil's stall inside the Indian Pavilion was also visited by several local and overseas Buyers/ consultants/ service providers etc who were provided leaflets and information about the exhibitors in the Indian Pavilion and also about the activities of the council.

3. CHEMEXCIL'S PARTICIPATION IN KOREA CHEM 2019 AT SEOUL, KOREA RP.

Inauguration of "India Pavilion" during Korea Chem 2019 Exhibition by Shri Satish Sivan, Deputy Chief of Mission, Embassy of India, Seoul, Republic of Korea along with Shri Prafulla Walhe, Deputy Director, CHEMEXCIL and other dignitaries on April 16, 2019 at Hall 5, KINTEX 1, Seoul, Republic of Korea

KOREA CHEM 2019 is the leading chemical industry exhibition in Korea Rp. which was held from 16-18 April, 2019 at Hall 5, KINTEX 1, (Korea International Exhibition Center), Seoul, Korea Rp.

CHEMEXCIL has participated with 19 member-companies of CHEMEXCIL in the exhibition under the umbrella of Inida Pavilion. ***Shri Satish Sivan, Deputy Chief of Mission, Embassy of India, Seoul, Republic of Korea*** *along with* ***Shri Prafulla Walhe, Deputy Director, CHEMEXCIL*** *and other dignitaries on April 16, 2019 at Hall 5, KINTEX 1, Seoul, Republic of Korea*

With showing the chemical processing & equipment and fine chemicals, KOREA CHEM was an opportunity for the Indian Exporters to initiate or expand market share in Korea as well as Asia-Pacific Region and positioning one's brand, promoting new products & technology and building new partnerships in the industry!

Korea Chem 2019 was the response to the recognition of huge investing opportunities in Chemicals, Dye Intermediates, Cosmetics, Essential Oils & Fine Chemical industries. The tradeshow aimed to provide a useful commercial platform for exhibitors and visitors from all related fields to cooperate and build up a firm position for their business in the growing market of Republic of Korea.

Korea Chem 2019 was targeted to attract those in exports of Cosmetics, Essential Oils, Fine Chemicals, Dye Intermediates, etc.

The exhibition showed a mixed response from the exhibitors as the event mainly had a focus on Exporters from Cosmetics, Essential Oil & Fine Chemicals industry.

Korea Rp. also has a huge potential for Textile & Leather Dyes as well as Personal and health care products.

4. CHEMEXCIL WORKSHOP ON GST AUDITS & ANNUAL RETURN AT BENGALURU

Shri Ajay Kadakia Chairman Chemexcil felicitating Shri Bose K Nair, Vice President, World Trade Centre

Chemexcil Bengaluru Regional Office organized a Workshop on "GST Audits & Annual Return" and Inauguration Ceremony at the Royal Orchid Hotel, on 07th May 2019, followed by Networking Lunch.

The Chief Guest of the Seminar was Shri J V Patil, Addl. DGFT, Bengaluru, while Shri Bose K Nair, Vice President, World Trade Centre, Shri Yashpal Singh, Officer, ECGC., Shri Madhukar N Hiregage was the Key Speaker for GST Audit and Annual Return.

The Seminar started with welcoming of the Guests & Dignitaries and greeting them on behalf of Chemexcil. Shri Ajay Kadakia, Chemexcil Chairman, in his welcome address, also spoke about Chemexcil and its activities, specifically about the kind of initiatives taken to promote exports, like the Exhibitions, BSM & RBSMs, various Seminars, etc. He also gave information about the different representations that the Council has made to the government to ensure that the exporter members benefit on the Ease of Doing Business, and the impediments to export are removed.

Since there were concerns amongst the members about e-way bill system, to guide the exporters regarding the **procedure and process** The Goods and Service Tax GST is a significant taxation reform in India which is set to create a single unified Indian market. GST is a comprehensive tax levy on manufacture, sale and consumption of goods and services at a national level. International experience suggests that GST would improve tax collections in a seamless manner. Importantly, GST is expected to eliminate the litigations arising out of the predicament of dual levies of VAT and Service tax, , the council had organized an interactive meeting with expert Shri **Madhukar N Hiregange CA, from Hiregange Associates** a Versatile Practitioner, Strategist, Consultant, Energetic Coach, Learning Enabler, & Public Speaker who made a presentation on the subject and also addressed queries

The topics covered follows:

Legal provisions relating to GST Annual Return, Who has to furnish? What is the due date? What are the contents of Annual Return? Other related provisions.

Legal provisions relating to GST Audits. Who has to furnish GST Audits? What is the due date? What are the contents of Audit Report? Other Related provisions Impact of errors and omissions on Annual Return and Audits. How to correct and/or amend errors and omissions. Discussion on important aspects such as – Related party transactions, Transactions relating to Fixed Assets, Input Tax Credits, Records and documents to be maintained, Reverse Charge Implications, Treatment of advances, Proposed Return Filing process, Recent amendments in GST Law,sensitize them to avoid hassles while applying for the refund and take appropriate measures to rectify the errors

After a brief interactive session, the Seminar concluded with Regional Chairman Shri S.G. Bharadi, Executive Director-Chemexcil proposing a Vote of Thanks, and thanking the guests for sparing time, and thanking Shri J.V. Patil, Addl DGFT, Bangalore in spite of his busy Schedule came for Inauguration Ceremony of Regional Office Bangalore. And its officials for supporting the Workshop.

Total about 38 exporter members and Media 5 attended the event.

5. WORKSHOP ON KOREAN CHEMICAL REGULATION (K-REACH) IN MUMBAI

From left Mr. Shrirang Bhoot CTO, NSSS Pvt. Limited, Mr Shisher Kumra, Executive Director, Sustainability Support Services (Europe) AB, Sweden Mr. Ajay Kadakia, Chairman, Chemexcil, Mr. S.G. Bharadi Executive Director, Chemexcil,

Recently, Korea REACH has been a cause of serious concern for the member exporters who are into export of chemicals to South Korea.

In this regard, **"M/s. Sustainability Support Services Pvt. Ltd (SSS) along with Chemexcil"** organized workshop on Korean Chemical Regulation (K-REACH) in Mumbai especially for Chemexcil member-exporters on 27.05.2019 at Junior Ballroom', JW MARRIOTT MUMBAI SAHAR, IA Project Road, Chhatrapati Shivaji International Airport, Andheri East | Mumbai 400099, India

The objective of this workshop was to create awareness on the Act on the Registration and Evaluation of Chemicals (known as Korea REACH) which was passed in the plenary session of the National Assembly in South Korea on April 30, 2013 and came into effect on 01.01.2015 with order No 15844, Ministry of Environment. There have been major amendments in this regulation that came into force from 1st January, 2019 and this has implications on existing or intending Indian exporters to South Korea. Such as requirements for 'Pre-notification' to be completed before June 2019. There are also obligations relating to classification and safety datasheet of substances according to K-REACH Form No.25/26.

Mr. Shrirang Bhoot and Mr. Shisher Kumra from SSS, Sweden presented on the developments of Korea REACH and also had discussions.

Mr Shisher Kumra, Executive Director, Sustainability Support Services (Europe) AB, Sweden, welcomed the participants and thanked them for providing an opportunity to SSS to showcase their K-REACH services.

Shri Ajay Kadakia, Chairman, Chemexcil briefed members about the revised MAI guidelines of Ministry of Commerce and Industry on statutory compliances reimbursement, he also requested members to give correct information to only representative appointed by members for their statuary compliances in order to avoid any dispute.

Mr. Shrirang Bhoot CTO, SSS explained in detail about the revised Korea REACH regulation, update on EU REACH regulation, evaluation process, SME, Substance, Dossier, etc.

Mr Shisher Kumra, Executive Director, Sustainability Support Services (Europe) AB, Sweden, presented on roles and responsibilities of non-Korean exporter with in the K-REACH regulation, update on Brexit its implications and draft Indian Chemical Policy.

The interactive session was attended by around **80 members-exporters** of Chemexcil**.** The participants interacted with above experts and where satisfied with the responses.

The session ended with thanks, followed by Hi-Tea.

6. CHEMEXCIL BANGLORE NEW OFFICE INAUGURATION DATED 7TH MAY, 2019

Ajay Kadakia, Chairman, Chemexcil and Shri J.V. Patil, Addl, DGFT, Bangalore.

Chemexcil new office Inauguration Shri S.G. Bharadi, Executive Director, Chemexcil and Shri Bose K Nair, Vice President, World Trade Centre during lightning of lamp

7. INTERACTIVE SESSION FOR MSME EXPORTERS ON "THE INVOICE FINANCE ADVANTAGE: COLLATERAL-FREE TRADE FINANCE MADE EASY BY DRIP CAPITAL" AT AHMEDABAD

Shri Ajay Kadakia, Chairman- Chemexcil addressing the gathering during the event

Availability of export finance has been a concern for MSME exporters as it impacts their competitiveness and ability to grow export business.

In this regard, the council had organised an Interactive session for MSME exporters on ***"The Invoice Finance Advantage: Collateral-Free Trade Finance made Easy by Drip Capital"*** in association with ***M/s. Drip Capital Services India LLP*** to appraise the exporters about export factoring/finance products and services that can be helpful to grow their business without extending their security as collateral while availing export financing once the goods are exported. This event was also supported by "***The Gujarat Dyestuffs Manufacturers' Association (GDMA)".***

M/s. Drip Capital (www.dripcapital.com) is a trade finance company headquartered in California, USA backed by the world's largest VC investors and offers finance to Indian exporters selling to buyers in North America, Europe, Middle East and Asia Pacific**.**

The session was graced by following:

- **COA/ Council Representatives**

1. *Shri Ajay Kadakia, Chairman- Chemexcil*
2. *Shri Bhupendra Patel- Regional Chairman - Western Region & Member - Dyes & Dye Intermediates Panel*
3. *Shri S.G Bharadi* **–***ED, Chemexcil*
4. *Shri Deepak Gupta, Deputy Director- Chemexcil*
5. *RO Ahmedabad Staff*

- **Local Associations/ Industry Participants**

1. *Shri Shankarbhai R Patel, Chairman, The Green Environment Services Co-Op, Soc.Ltd,*
2. *Shri. Yogesh Parikh, President- GDMA*
3. *Other office bearers of local associations*
4. *Member-exporters (70 nos)*

- **From M/s. Drip Capital Services LLP**

1. *Shri Ishan Dadhich, Regional Sales Lead (West)*
2. *Ms. Rashmi Rajwani, Event Manager*

Highlights

Shri Ajay Kadakia- Chairman_ welcomed the dignitaries on the dais and the participants to the interactive session. He briefed on the various steps undertaken recently by the Government to help MSME's. However, he acknowledged the liquidity problem faced by MSME's post export shipment and hoped that the services offered by M/s. Drip Capital could be helpful for growing their business without extending security as collateral while availing export financing once the goods are exported. He also updated the participants about chemexcil's export performance in 2018-19 and other export promotion activities.

Shri Ishan Dadhich, Regional Sales Lead (West) of Drip Capital made a presentation on export factoring/ finance and interacted with the participants.

Shri Dadhich is a computer science graduate with MBA in Strategy and marketing from Christ University. He manages business for Drip Capital in the West and East region and is responsible for the growth in the region. Prior to joining Drip Shri Dadhich, had set up the start-up and Smb space for LinkedIn in India.

Shri Dadhich explained that their **export finance/ factoring** product includes the purchase, funding, management and collection of short-term export receivables, based on goods exported to existing foreign buyers. He further added that export **factoring method** has several benefits like increased sales in foreign markets by offering competitive terms of sale, protection against credit losses, accelerated cash flow, no requirement of providing/pledging additional asset/ collateral, boost in working capital etc.

In order to appraise exporter members about this product and the process and modalities involved in availing easy export finance, **Shri Dadhich** covered following points:

- ***Working capital issues faced by SME Exporters***
- ***Overview of Export Finance/ Factoring concept***
- ***Key offering and benefits to exporters***
- ***Eligibility criteria, excluded countries etc***
- ***Customer on-boarding, Process for procuring Export Finance***
- ***Limit Set up, Interest cost, overdue interest charges***
- ***Q& A Session***

The interactive session was attended by **70 participants.**

The participants interacted with the professional faculty and where satisfied with the responses.

The session ended with ***Vote of thanks*** by **Shri Bhupendra Patel- Regional Chairman- Western Region**, followed by Hi-Tea.

Glimpses of Interactive session on "The Invoice Finance Advantage: Collateral-Free Trade Finance made Easy by Drip Capital", Ahmedabad

Shri Ajay Kadakia, Chairman- Chemexcil welcoming Shri Shankarbhai R Patel, Chairman, The Green Environment Services Co-Op,Soc.Ltd during Interactive session on "The Invoice Finance Advantage: Collateral-Free Trade Finance made Easy by Drip Capital" on 28/05/2019 at Hotel Crowne Plaza, Ahmedabad

Shri Ishan Dadhich, Regional Sales Lead (West) of M/s. Drip Capital Services India LLP being welcomed by Shri Ajay Kadakia, Chairman- Chemexcil during Interactive session on "The Invoice Finance Advantage: Collateral-Free Trade Finance made Easy by Drip Capital" on 28/05/2019 at Hotel Crowne Plaza, Ahmedabad

Chairman-Chemexcil, Regional Chairman (Guajarat), ED Chemexcil with other dignitaries during the event

Shri Dadhich- Drip Capital interacting with the participants during Interactive session on "The Invoice Finance Advantage: Collateral-Free Trade Finance made Easy by Drip Capital" on 28/05/2019 at Hotel Crowne Plaza, Ahmedabad

NEWS ARTICLES

1. Tax refund in the works for exports to US

The government is considering a scheme to refund taxes imposed on India's exports to the US that will suffer loss of competitiveness once the concessional duties enjoyed under the Generalised System of Preferences (GSP) are withdrawn.

A Rebate of State Levies (ROSL) kind of scheme, which would refund unrebated taxes

that are included in the price of goods, would incentivise exporters and ensure India's shipments do not drop. The unrebated taxes would be refunded through the drawback route. "Leather, textiles, some lines of organic chemicals, and nuclear reactors and boilers are some sectors that are likely to face a disadvantage. The government may consider ROSL for these sectors," an official in the know of the development said.

While most Indian exports are incentivised through the Merchandise Exports from India Scheme, the programme has been disputed by the US for violating the World Trade Organization (WTO) rules. ROSL is compliant with international trade norms and found favour in mid-term review of the Foreign Trade Policy. The scheme should take into account the needs of the energy-intensive sectors and states with poor infrastructure, the government had noted in the review.

The industry has identified basic and processed food, imitation jewellery, leather articles (other than footwear), pharmaceuticals, chemicals and plastics as sectors that would get hit the most with the preferential tariffsin the post GSP era.

"In the event of withdrawal of the GSP, India will have to compete on most favoured nation (MFN) terms. About 60% of the US imports take place on MFN duty," Federation of Indian Export Organisations (FIEO) said in a study.

The MFN rates on these exports are between 4.8% and 6.9% but on certain lines such as par boiled rice and some kinds of silver jewellery, the duty is as high as 11%, leaving a huge tariff gap between preferential and actual duties.

The preferential tariffs under the GSP on Indian exports range between 1% and 6%.

"Looking at the tariff advantage, some sectors may not be able to absorb it. So, some handholding is required," said Ajay Sahai, director general, FIEO.

As per the study, India's global merchandise exports for 2018 were $324.7 billion, of which $51.4 billion were to the US. However, only $6.35 billion of exports from India to the US benefited from the GSP scheme. Such exports were covered under 1921US tariff lines.

In March, the US had announced withdrawal of special duty benefits available to India, saying the country levied high duties on its exports. The GSP benefits will end in 60 days from the announcement.

(Source: https://economictimes.indiatimes.com/news/economy/foreign-trade/tax-refund-in-the-works-for-exports-to-us/articleshow/68660983.cms dated 1st April-2019)

2. 'Need to boost trade with European, Oceania countries'

Commerce Secretary Anup Wadhawan recently said that Indian and European and Oceania countries should put more effort to push bilateral trade.

Speaking at an interactive session on trade and economic cooperation with Ambassadors and High Commissioners of European and Oceania countries in New Delhi, Anup Wadhawan said European and Oceania countries are major trading partners and major sources of investments for India and there is huge untapped potential that can be achieved.

India has made efforts in the recent past to take economic ties to the next level and have some sort of broad based comprehensive trade agreement. There is a need to take these efforts to a logical conclusion, he added.

Wadhawan said like most trade negotiations between developing and developed countries, trade negotiations with EU and Oceania have been protracted.

India is a developing country and EU and Oceania countries are predominantly developed and because of this our ambitions, aspirations and sensitivities are at divergence in some specific areas, he added.

He expressed the hope that India, European Union and Oceania countries will be able to overcome those issues and in the near future come to an understanding and reach some sort of formal agreement.

It is important to remain engaged at every level - government, export and trade and investment related institutions, exporters and businesses to understand the opportunities available in India, EU and Oceania for business, exporters and importers, Wadhawan added.

He also emphasized on the need to appreciate each other's constraints and try to find a way forward which is doable for all stakeholders.

Bilateral trade between India and Europe crossed the USD 150 billion mark in 2011-12. Global slowdown and commodity price fluctuations adversely impacted the trade, but there are signs of recovery in the recent period.

During 2017-18, India's trade with Europe stood at USD 130.1 billion, with both exports and imports registering double digit growth.

India is the fifth largest export market for Australia, with coal, education –related travel, vegetable and gold being some of the major items of imports by India.

Major exports from India to Australia include refined petroleum, business services and pharmaceuticals. New Zealand is also an important market for India in the Oceania region, especially for its exports of pharmaceuticals, gems and jewellery, machinery and textiles and apparel.

Nearly, USD 1034.2 million was invested by companies from Oceania in the Indian market during April 2000 to December 2018.

The Oceania region also accounts for nearly 1.7 percent of India's overseas FDI, with Australia, Fiji, New Zealand and Vanuatu being the key investment destinations.

(Source:- http://www.smetimes.in/smetimes/news/top-stories/2019/Apr/01/india-europe-ocenia44236.html dated 1st April-2019)

3. Govt to discuss strategy to boost exports to China

Commerce & Industry Minister Suresh Prabhu is expected to chair the meeting scheduled on April 4.

To increase exports to China in order to make a substantial dent in the trade imbalance, the Commerce Ministry has scheduled a brainstorming meeting this week with other line ministries and export promotion organisations to identify sectors and strategies to step up performance.

"Exports to China have increased but not to the extent India was hoping for. Commodities such as sugar and soyabean, which hold a lot of promise, haven't delivered yet. However, there are farm items such as grapes and pomegranate where there is a big scope to increase exports. The meeting will focus on bringing together stakeholders so that the right strategy can be adopted," a government official told BusinessLine.

Commerce & Industry Minister Suresh Prabhu is expected to chair the meeting scheduled on April 4. While India's exports to China increased 36.87 per cent to $11.10 billion in the April-November 2018-19 period, performance decelerated in the next three months and export growth in April-February 2018-19 slowed 28.6 per cent to $15 billion.

India's trade-deficit with China in 2017-18 was a whopping $63 billion, which prompted Chinese

President Xi Jinping to promise to his Indian counterpart Narendra Modi at the Wuhan Summit last April, that his country would take steps to increase Indian imports of items such as rice, sugar, fruits, soyabean and pharmaceuticals.

Disappointment for India

What has come as a big disappointment for India is the fact that it has not been able to export commodities where it thought it had a clear advantage. For instance, although there was substantial scope for India to export soyabean due to China's stand-off with the US, a primary supplier of soyabean, it did not materialise into business for Indians as imports were made from other countries such as Argentina.

Similarly, while China had promised to buy sugar from India, it instead decided to release quota for Pakistan in March.

"In the meeting, participants will analyse what more can be done from the Indian side to increase exports to China. Inputs will also be sought from the Indian Embassy in China on how to deal with Chinese officials on the matter," the official said.

On the positive side, export shipments of grapes from India has already been sent to China and exports of pomegranates, too, is expected to begin soon. Commerce Ministry is also positive that with a little diplomatic effort, India can resume selling tobacco to Beijing.

(Source:- https://www.thehindubusinessline.com/economy/govt-to-discuss-strategy-to-boost-exports-to-china/article26714025.ece dated 3rd April-2019)

4. New government to announce the proposed industrial policy: Suresh Prabhu

The ministry has planned to set up an elaborate machinery including a steering committee for effective implementation of the policy.

NEW DELHI: Commerce and Industry Minister Suresh Prabhu Thursday said the proposed new industrial policy has been finalised and the new government would announce that.

"We have finalised the industry policy. I am sure that the new government will announce that soon," Prabhu said at CII's Annual session 2019.

Though the ministry has sent the final proposal of the policy to the Cabinet, but it was not

taken up for consideration. It aims at promoting emerging sectors and modernising existing industries. It will also look to reduce regulatory hurdles, cut paper work and support emerging and new sectors.

The ministry has planned to set up an elaborate machinery including a steering committee for effective implementation of the policy.

This will be the third industrial policy after the ones released in 1956 and 1991. It will replace the industrial policy of 1991 which was prepared in the backdrop of the balance of payment crisis. Talking about increasing foreign direct investment (FDI) into India, he emphasised on the need to have a proper strategy to attract overseas inflows in greenfield as well as brownfield projects.

"We are trying to bring in more FDI. FDI will come either in greenfield area or it could be through acquisition. So, we must prepare a strategy on both... We should target those companies that can invest because they have investable surplus and same time, we must have a matching sectoral strategy wherein inbound investments can be absorbed," he said.

FDI in India during April-December 2018 declined by 7 per cent to USD 33.5 billion.

He also listed out steps which the ministry has taken to boost exports and further improve ease of doing business particularly as district level. He said that in 2018-19, India's exports of goods and services would touch about USD 540 billion. The country's exports grew 8.85 per cent to USD 298.47 billion during the April-February period of 2018-19.

Further, he added that thousands of start-ups have been recognised by the ministry and it is also working on removing hurdles in their path to promote budding entrepreneurs.

Talking about free trade agreements (FTAs), Prabhu said the ministry is in the process of preparing a template to negotiate future agreements by involving all concerned stakeholders. Industry has raised concern that FTAs which was signed by India is not benefitting domestic players.

On a question that ease of doing business is not visible on the ground, the minister said they are working at district levels to improve business environment

(Source: https://economictimes.indiatimes.com/news/economy/policy/new-government-to-announce-the-proposed-industrial-policy-suresh-prabhu/articleshow/68724266.cms dated 4th April-2019)

5. India-US free trade agreement key to ending dispute, says advocacy group

Trump has repeatedly claimed that India is a 'tariff king' and imposes 'tremendously high' tariffs on American products

On March 5, the US decided to withdraw import duty benefits, which was in the range of 1-6%, under its GSP programme

A free trade agreement between India and the US is a key to resolving their trade disputes as it will cover biggest irritants in ties including tariffs and mobility of Indian professionals, a top American business advocacy group has said.

Observing that the relationship between India and the US in the last five years has progressed tremendously, the advocacy group said the interest of the two largest democracies of the world are much more aligned than ever.

"The challenge which we have is that we need to work out a trade deal. And when you look forward next five years, I believe India should sign an FTA with the US. Once you have FTA, all this issue of tariffs will go away," Mukesh Aghi, president and CEO of the US-India Strategic Partnership Forum (USISPF), told PTI.

An India-US FTA, he observed, would be able to address the Indian concerns over import of Chinese goods.

"Because we are concerned about Chinese goods coming to India, that under WTO guidelines, everything with the FTA, India can put as much tariff, it has no impact on US tariffs itself, he said.

"The FTA once signed should have what I call mobility on H-1B. You give FTA partner more exception," he said adding that going forward the two countries need to be creative and bold and drive this relationship on a path where there's much more better understanding on the trade side.

The H-1B visa programme, popular among Indian technology professionals, allows foreign workers to obtain temporary authorisation to work and stay in the US.

While there has not been much talks between the two countries on this issue, Aghi said he believes that FTA is key to resolving the trade disputes.

"Within the FTA, you can have BIT (bilateral investment treaty) also. It covers a lot of stuff. It takes the biggest irritants in the relationship out, he said.

"It provides mobility to Indian professionals who could come into US and work. It provides almost zero tariff for US goods coming into India. I think this has to be a bold move on part of the new government whoever comes in," Aghi said.

With India into an election mode, where the government of the day cannot take any major policy decision due to the enforcement of the model code of conduct, Aghi said this would be the recommendation of the USISPF to the new government to "be bold about it, start discussion FTA with the US because for this president (Donald Trump) trade is the biggest thing."

If the two countries are able to quickly put an FTA together, where it has impact on mobility of professionals, it's a win-win situation, he asserted.

When asked if the two countries are on a collision course on trade and tariff issues, Aghi said, "There is a danger, that the tail is going to start wagging the dog itself and we got to avoid that."

"I also sincerely believed that there's enough maturity, we'll find a way to solve this issue out, because at this stage India cannot afford to get into a trade collision with the US neither can US. So, we have to find ways to short out these issues," Aghi said.

Observing that tariff is one aspect of the trade dispute.

Trump has repeatedly claimed that India is a "tariff king" and imposes "tremendously high" tariffs on American products.

Steel tariff, Generalized System of Preferences (GSP) are issues, he said,

On March 5, the US decided to withdraw import duty benefits, which was in the range of 1-6 per cent, under its GSP programme.

"I think, the e-commerce policy, the way it was handled is an issue. Data localization is a challenge. We need to look at overall, a process which protects both countries' interest and find a common ground to have a win win value proposition, he said.

Responding to a question, Aghi said some of the policies coming from India in recent past are protectionist in nature.

"It has to do either the election now or others. It doesn't help. For example, medical devices. Yes, we put two price cap on them, but at the end, the consumer still paying the same, he said, adding that it still has not been solved.

"As we move forward next five years whoever comes in, should focus on a driving an FTA, which should take a lot of this irritants out in the relationship, said the USISPF head.

He refuted the impression in some quarters in India that that Indian policy is in reaction to protectionist measures from the US.

While India has made lots of efforts in last five years, it has moved slightly towards being more protectionist, Aghi said.

(Source: https://www.business-standard.com/article/pti-stories/fta-is-key-to-resolving-india-us-trade-disputes-says-advocacy-group-119040400465_1.html dated 4th April-2019)

6. India identifies 380 items for exports to China to shrink deficit

India has submitted to China a list of 380 items, including agriculture, horticulture, pharmaceuticals, textiles, chemicals, tobacco and some engineering products, where the country has the potential to increase exports, provided Beijing cooperates by lowering non-tariff restrictions.

The Commerce & Industry Ministry, in a meeting with stakeholders this week, has asked various export promotion councils, including ones for spices, agriculture, engineering goods, pharmaceuticals, IT and organic chemicals, to prepare China-specific export strategy so that pointed action could be taken, a government official told BusinessLine.

"The Chinese leadership has already acknowledged that the growing imbalance in bilateral trade can be bridged mainly through increased exports from India. A beginning has been made with export protocols being signed between General Administration of Customs of China (GACC) and the Indian government for items such as fish, fish oil, rice and tobacco. But a lot more targeted efforts have to be made," the official said.

New Delhi is disappointed that China has not yet imported soyabean from the country and has released quota for sugar import from Pakistan instead of India. But the fact that it has started importing Indian grapes and a number of other items such as pomegranates, bananas, copra, pineapple and chillies are in the pipeline, has kept India's hopes up.

"The Chinese Vice-Minister for GACC is scheduled to visit New Delhi next month and finalise some more protocols for India's exports. The Indian Embassy in China is also in constant touch with Chinese officials to expedite action in the area," the official said.

India's trade deficit with China had widened to $63 billion in 2017-18 which comprised more than a third of the country's total trade deficit worth $156 billion.

However, in 2018-19, the trade deficit is likely to lower a bit as India's imports from China have declined while exports have continued to increase. In April-February 2018-19, India's exports to China increased 28.61 per cent to $15 billion while imports declined 6 per cent to $65 billion resulting in a trade gap of $50 billion.

The top items of export to China from India in 2018-19 were petroleum products, organic chemicals, cotton yarn, plastic raw materials and iron ore.

Commerce Minister Suresh Prabhu, who chaired the meeting attended by officials from key Ministries and Departments such as steel, pharmaceuticals, MSME, agriculture, animal husbandry, fisheries and IT, said the final goal for India should be to have a trade surplus with China.

(Source:- https://www.thehindubusinessline.com/economy/india-identifies-380-items-for-exports-to-china-to-shrink-deficit/article26746825.ece dated 5th April-2019)

7. India's export basket shows a welcome tilt to higher valueadded manufacturing, tech driven items: RBI

The changing colour of India's export basket is giving a cue to the country's new trade dynamics. One interesting observation noted in the Reserve Bank of India (RBI) first bimonthly monetary policy statement (MPS) 2018-19, relates to a shift in the country's exports basket -- a clear swing away from primary and traditional low value-added exports to higher value-added manufacturing and technology-driven items.

A comparison of key items of exports between 2011-12 and 2018-19 (April-February) reveals that there has been a significant increase in the shares of chemical and related products and engineering goods, and such a shift has imparted a measure of resilience to export demand in a hostile international trading environment, says RBI's policy statement issued today.

This comes as India's exports face tepid growth. RBI says against the backdrop of slowing global trade and commerce-inhibiting trade tensions, India's merchandise exports (y-o-y) moderated during Q2 and Q3 of 2018-19 relative to Q1.

Attributing the shift to nothing but a slowdown noticed during the last 5-6 months in chemical items' exports from China to its major trading partners, Satish Wagh, Chairman, Chemexcil, says, "In recent months, major Chinese trading partners including the EU has raised environment-related concerns (with it) and this development has worked in favour of Indian exporters and India is now being regarded as a stable and quality destination for chemical-based items."

Highlighting that China's administration has also tightened norms in the wake of the explosion at Chemical factory last month in Yancheng city, in the eastern Jiangsu province that resulted in the death of more than 75 people, Wagh added that the blast - one of the worst industrial accidents in China in recent times, has also shaken the confidence of Chinese suppliers significantly.

During Q2, the slowdown in Indian exports was accentuated by a decline in shipments of readymade garments, rice and marine products; in Q3, exports growth was pulled down by gems & jewellery, engineering goods, and meat, dairy & poultry.

It is evident that export slowdown is broad-based in nature and impacts most of India's traditionally strong export segments. Ajay Sahai Sahai, Director General & CEO, Federation of Indian Export Organisations (FIEO), however, believes that for all export

profiles of a developing country like India, an equal thrust on both the sunrise sectors and traditional ones should be the way forward.

"We need to acknowledge that it's the traditional sectors that help in creating jobs. Going forward, for securing foreign exchange for the country, neither we can solely depend on traditional sectors, nor solely on sunrise and knowledge-based sectors," said Sahai, adding that while knowledge-based segments such as IT, Pharma, automobile etc, should be encouraged, a thrust on traditional domains such as gems and jewellery, textiles and leather etc, needs to be equally followed.

Riding high on the back of the current dispensation's policy initiatives such as hikes in the interest equalisation rates for micro, small and medium enterprises (MSME) exports from 3 per cent to 5 per cent as well as measures announced in the Agriculture Export Policy (2018), the RBI hopes it will provide a further fillip to exports.

"Under services, software exports rode on the upside of a significant improvement in export revenues of major IT companies in Q3. Optimistic forecasts of global IT spending in the next two years also portend well for the outlook of software exports. Lower outgo under income account also helped in containing CAD in Q3," said RBI.

(Source:- https://economictimes.indiatimes.com/small-biz/policy-trends/indias-export-basket-shows-a-welcome-tilt-to-higher-value-added-manufacturing-tech-driven-items-rbi/articleshow/68719475.cms dated 4th April-2019)

8. UK's exit from EU not to hit Indian investments

India enjoys robust relations with both EU and UK, in this scenario, Brexit is unlikely to make any adverse impact on India's economic and trade relations with the two, says MEA.

NEW DELHI: The United Kingdom's exit from the European Union will not cast any adverse impact on trade commitments, investments and trade facilitation on Indian investments in the 28-nation bloc, a top EU official said Friday.

Addressing a conference here, Tomasz Kozlowski, Ambassador of the EU to India, also said trade between India and the European Union could grow manifold with the early conclusion of a free trade pact and investment protection agreement well in time.

According to him, enhanced trade facilitation and lower tariffs between India and EU have the potential to boost bilateral trade from USD 141 billion in 2017-18 to USD 200 billion by 2022, the PHD Chamber of Commerce and Industry (PHDCCI) said in a release.

"UK exiting EU will hardly make any adverse impact on trade commitments, investments and trade facilitation on Indian investments in the EU," Kozlowski said at the PHDCCI event.

Prime Minister Theresa May Friday wrote to European Council President Donald Tusk seeking a further extension to the UK's Brexit deadline until June 30 to try and find a solution in Parliament to the current impasse over the terms of Britain's exit from the 28-member economic bloc.

Under the current terms agreed with the European Union, the UK is due to leave the bloc by May 22 if the British Prime Minister's repeatedly-rejected divorce bill clears the House of Commons or crash out without any deal in place by April 12.

India enjoys robust relations with both EU and UK, in this scenario, Brexit is unlikely to make any adverse impact on India's economic and trade relations with the two, said Dr Anju Kumar, Joint Secretary (Central Europe), Ministry of External Affairs.

Trade facilitation measures along with trade reforms for goods and services coming to India from EU should be promoted to make sure that its Make-in-India slogan evolves for Make for World also, Kozlowski said.

He opined that India and EU should work in close partnership for emerging and rule-based global economic order with the spirit of multilateralism in various fora and particularly so in G-20 and World Trade Organization (WTO) to reshape and rebuild the emerging global economic order.

(Source: http://www.newindianexpress.com/business/2019/apr/06/uks-exit-from-eu-not-to-hit-indian-investments-1961037.html dated 6th April-2019)

9. India's economic growth driven by domestic demand, need to focus on exports: World Bank

India's economic growth in recent years has been "too much" driven by domestic demand and its exports were about one third of its potential, a World Bank official said, asserting that the next government needs to focus on export-led growth.

Praising attempts to liberalize markets within India, Hans Timmer, World Bank Chief Economist for the South Asia Region said "that is what is needed to become more competitive."

"At the same time you've seen also of the last couple of years that the current account deficit widened - an indication that increasingly growth came from the non-tradable sector -- from the domestic sector, and that makes it difficult to export more," Timmer told in an interview.

The polling for first phase of seven-phase parliamentary polls in the country is scheduled to take place on April 11, with the last phase on May 19 and the results will be announced on May 23.

In the last five years, he said, India's overall growth was "too much" driven by domestic demand, which resulted in double digit growth of imports, and four to five per cent growth in exports.

"In more recent months, that turned around somewhat. But the broader picture was that that's a minus," he said.

"The pluses were that we have seen the GST trying to create more flexibility within the country, so that it's easier to trade between states. That's what you need if you want to trade also with foreign countries," he said. Responding to a question, the World bank official said the focus of the next government should be on reducing the stimulus of domestic demand.

"That would be one. I think looking at trade liberalization on the import side - that would be another to create more competition. I would look at what people feel as impediment in the labour market. Is it difficult to go to those new jobs? What about the startups of young people - do they feel restrictions or not?" he said, adding that it is also about female labour force participation.

"I think, the most important thing is the understanding that you need export-led growth because that's where you increase productivity when you compete in international markets; that's where you gain knowledge by interacting with competitors and with customers abroad. And so, it is that mindset," the top World Bank official said.

India, Timmer said, is exporting only 10 per cent of its GDP.

"What they should have exported is 30 per cent of the export of GDP, given all their characteristics. India is a big country, so normally a big country doesn't export that much in per cent of their GDP because when you're small you're a lot more open.

"But even for India, 30 percent would have been normal if you look at the experience of other countries. It's only 10 per cent. So that's an enormous gap. And the gap is widening in the last couple of years," he told.

According to him, friction between India and Pakistan is unhelpful to the trade and economic growth in the region.

"The lack of regional integration is not the main course of the underperformance in exports. And that's often the assumption. When people look at South Asia, immediately the problem of very limited regional integration jumps up," he said.

A latest report of the World bank on South Asia, he said, asserts that the economic under performance of South Asian countries is mainly because they are locked on fundamental issues within the domestic economies that have prevented the countries to become much more export-led, like one sees in East Asia.

Trade liberalization, flexible labour markets skills, trying to address the big problem of the difference between the formal economy and the informal economy, he said are some of his recommendations for the South Asian countries.

"So, it's a lot of domestic issues also. It's not just trade policies. A lot of domestic issues that have to be addressed to unleash that potential that has not been utilized now in exports. It's not one single issue that can solve ...," he said.

Responding to a question, Timmer said the South Asian countries need to learn from China. "The fact that China has been so competitive for so long means that China did something right whereas South Asia didn't do it right.

There was a clear focus in China to have export-led growth and to integrate into global markets. And you see a sharp increase in productivity at all. This is not an explanation that we couldn't compete. Somehow, the Chinese did it better than South Asia," he said.

The top bank official asserted that China is a "big opportunity" for South Asia.

"The slowdown in China is not a cyclical slowdown. It's not because they don't demand anymore. They are slowing down because of the supply side. They're running out of cheap labour in general because of their success. They are no longer that competitive, and they

have now that policy that they want to rebalance their economy much more towards domestic services, less towards exports," he said.

That means that it has become easier to export to China which is very important, Timmer said.

"It has become easier to compete with the Chinese. So for me China is, what is happening at the moment, is a big opportunity for South Asia," he stressed

(Source:- https://economictimes.indiatimes.com/news/economy/foreign-trade/indias-economic-growth-driven-by-domestic-demand-need-to-focus-on-exports-world-bank/articleshow/68771821.cms dated 8th April-2019)

10. Govt-recognised startups double under Modi's India

While the increase has been across the number of recognised startups and funding given by AIFs, the ruling party BJP had announced multiple sops, earlier this week, for startups in its election manifesto including a seed fund of Rs 20,000 crore and up to Rs 50 lakh collateral-free credit.

Prime Minister Narendra Modi's pet scheme to boost entrepreneurship - Startup India, which was launched in 2016, is bearing fruits for entrepreneurs. The number of startups recognised under the scheme has jumped 97 per cent to 17,694 till March 2019 from 8,939 till March 2018, according to the data sourced from the Ministry of Commerce and Industry.

The number, however, has further increased to 17,713 as on April 11 as per the Startup India website.

The jump in funding provided to startups by Alternative Investment Funds (AIF) is even higher at 146 per cent. From Rs 569.58 crore deployed by AIFs as on March 31, 2018, the amount increased to Rs 1403.55 crore as on March 31, 2019.

Till the end of March last year, 120 startups were funded by AIFs compared to 218 startups for the same period this year, the data showed.

"The Government has been supporting the startup ecosystem to realize the full benefit of the entrepreneurial and innovative spirit of young Indians. Through Rs 10,000 crore Fund of Funds, the government has supported 35 AIFs. As of January 11, 2019, commitments of Rs 1750.70 crore to 35 venture capital funds (VCFs) have been made under the Startup India Action Plan," a government official told Financial Express Online.

Also read: Modi's pet Startup India gets BJP manifesto push; Rs 20,000 crore startup fund and more promises.

The selected VCFs are expected to raise an overall corpus of Rs 17,963 crore. Also, 13,176 recognised startups have reported 1,48,897 jobs, the official responded to an email query sent by Financial Express Online.

In terms of geographic spread, 45 per cent of the Department for Promotion of Industry and Internal Trade recognised startups are from tier II and III cities while women entrepreneurs make up for just 9 per cent of the startups founded in India.

The average age of startup founders is 28 years in India.

Ruling party BJP in its manifesto released on Monday had outlined multiple sops for startups in India. the growth map for startups in India including a 'seed startup fund' worth Rs 20,000 crore and collateral-free credit up to Rs 50 lakh for entrepreneurs under a new loan scheme.

The party also announced that it will facilitate setting up of 50,000 new startups in India by 2024. Currently, there are 17,578 startups registered under Startup India programme and 182 have been funded.

"This is a fantastic objective and vision and it will transform India. Angel tax is now a dead issue and the biggest challenge for startups is lack of seed funding which the government will solve," former Infosys's chief financial officer and technology investor T V Mohandas Pai had told Financial Express Online.

(Source: https://www.financialexpress.com/industry/sme/govt-recognised-startups-double-under-modis-india/1544956/ dated 11th April-2019)

11. Sweden stresses on need for EU-India free-trade agreement

Ease of doing business in India has improved: Swedish envoy

Sweden has stressed on the need for a free trade agreement (FTA) between India and the European Union for ease of doing business for companies that want "predictability".

Part of that (FTA) would also hopefully flow an investment protection agreement. They can be negotiated together. Since the bilateral investment protection agreements have been ended by India over the last few years, this would be, I think, to many companies, a very important ingredient that would facilitate and increase trade," said Klas Molin, Swedish Ambassador to India.

"The day we sit down to negotiate, perhaps you will see a less traditional type of agreement come out of it, because there are a number of new factors," Molin added.

He also stressed on how Sweden is heavily dependent on trade, and that it shares a "sound" relationship with India. He underlined the need for more partnerships between companies from both countries. "If a Swedish company teams up with an Indian company or develops products that are interesting to consumers in our respective countries, I don't see how it could not lead to more trade," Molin said.

Betting big

Swedish firms like home-furnishing company IKEA and telecom player Ericsson are betting big on India. "Ericsson is bigger in India than anywhere else in the world. They have more people employed in India than any other country, Sweden included. IKEA has been sourcing in India for decades," Molin said.

India's talent and digital focus are aspects that present a huge advantage. "The possibility of having this kind of talent and brilliance with scale is fascinating," he said. Molin also said that issues like healthcare, sustainable transportation and public safety are important issues in India and that both the countries' governments intend to work together to address them.

"Quoting NITI Aayog CEO Amitabh Kant liberally, I understood him to say that whatever solutions we can find for India, many of these will be applicable on a global scale," Molin elaborated, referencing Kant's address earlier on Thursday at the AI for All summit, an India-Sweden partnership event. Both the countries launched a joint Industrial R&D programme on the occasion.

Molin also said that it has become easier to do business in India. "Every year, the Swedish Chamber of Commerce puts out a survey to all its member companies. The survey indicates that the satisfaction rate (of doing business in India) is good. Major reforms like GST and Customs practises are making a difference," said Molin.

He also referenced IKEA's retail entry and called it a "bi-partisan achievement".

"It was actually under Manmohan Singh that rules on single-brand retail started changing," he added.

Involving stakeholders

Engaging all stakeholders - government, academia, and industry or the 'triple helix' - is key to the Sweden-India partnership, Molin said. "We are talking more and more about a quadruple helix - also involving civil society and people," he added.

(Source: https://www.thehindubusinessline.com/economy/india-sweden-ink-pact-to-collaborate-on-solutions-for-smart-cities-clean-tech/article26804938.ece dated 11th April-2019)

12. How to boost exports: Suggestion to Modi govt as full fiscal trade deficit hits record high

Trade deficit in 2018-19 has widened to $176.42 billion against $162 billion in 2017-18, according to the recent data by Ministry of Commerce and Industry.

Although exports performed well despite major challenges such as protectionism, global slowdown, constraints on the domestic front, more is needed to further boost exports as trade deficit of India worsened in the fiscal 2018-19.

"We demand for immediate support like augmenting flow of credit, higher tax deduction for Research & Development, outright exemption from Goods and Services Tax (GST), interest equalisation support to agriculture exports, benefits on sales to foreign tourists to further boost exports," said Federation of Indian Export Organisations (FIEO) President Ganesh Kumar Gupta, reported PTI.

Although there has been an increase in exports, yet the trade deficit which refers to the difference between exports and imports for the full fiscal year 2018-19 has widened, show government data.

Trade deficit in 2018-19 has widened to $176.42 billion against $162 billion in 2017-18, according to the recent data by Ministry of Commerce and Industry.

The overall exports during April-March 2018-19 are estimated to be USD 535.45 Billion, exhibiting a positive growth of 7.97 per cent over the same period last year. Overall imports during April-March 2018-19 are estimated to be USD 631.29 Billion, exhibiting a positive growth of 8.48 per cent over the same period last year.

While oil imports in April-March 2018-19 rose by 29.27 per cent to $140.47 billion, non-oil imports were up by 2.82 per cent to $366.97 billion during the same fiscal.

Exports of India has risen on the back of improvement in organic & inorganic chemicals, engineering goods, textiles, pharmaceuticals and petroleum products.

"Through secular growth over the last three financial years, following the major downturn in the face of the global slowdown, merchandise exports for 2018-19 are estimated at $331.02 billion, the highest ever, surpassing the earlier peak of $314.4 billion achieved in 2013-14. This has been achieved in a challenging global environment," said the Ministry of Commerce and Industry in a statement.

However, still more is to be done to bridge the gap to improve the trade balance of India.

(Source: https://www.financialexpress.com/economy/how-to-boost-exports-suggestion-to-modi-govt-as-full-fiscal-trade-deficit-hits-record-high/1551159/ dated 17th April-2019)

13. Importers, exporters hopeful of increase in Indo-Pak trade through ICP after shutdown

AMRITSAR: The suspension of cross-border trade through Line of Control (LoC) in Jammu and Kashmir on Thursday has given a sigh of relief to the importers and exporters here who have been

demanding from Centre government for the closure of trade owing to financial losses incurred to them due to duty concession given to the LoC trade and alleged funding of terrorist activities from the money generated from the cross-LoC trade.

While talking to TOI President of Federation of Karyana and Dry Fruit Commercial Association Anil Mehra said "We are very happy that government has finally conceded to our demand of closure of this illegal trade". He said with the closure of cross LoC trade, Pakistan government would be forced to adopt legitimate ways and means to trade with India.

According to reports, India on Thursday announced to suspend the cross-LoC trade with Pakistan on receiving intelligence agencies report that the trade route was being misused for pushing in fake Indian currency, drugs ,arms and ammunition besides the products which are not notified to be traded through the route.

The duty free cross-LoC trade between J&K and PoK was started on October 21, 2008 through Salamabad (India) –Chakothi (Pakistan) and Chakan-da-Bagh (India)-Rawalkot (Pakistan) in J&K via Trade Facilitation Centre (TFC) .

This trade is considered as trade between the two parts of the state and is not governed by foreign trade policy and Customs Act, 1962 is also not applicable to te cross-LoC barter trade. The government had allowed trading of 21 items of Kashmiri origin under the barter system in J&K.

The trade route was also used by few importers and exporters to fund drugs trade. In the past, Amritsar rural police had unearthed a racket involving a Amritsar-based exporter who used to send goods to Pakistan from J&K and receive payment from drug dealers in Amritsar.

While hailing the governments decision of shutting the cross-LoC trade, a Bathinda based trader Surinder Kumar said "We are hopeful that trade through ICP will now flourish."

(Source: https://timesofindia.indiatimes.com/india/importers-exporters-hopeful-of-increase-in-indo-pak-trade-through-icp-after-shutdown/articleshow/68944216.cms dated 18th April-2019)

14. India's Foreign Trade: Need for accelerating pace

Dr BK Mukhopadhyay

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At the very outset let us have a quick look at what is recently happening in the foreign trade sector.

Exports from India increased 11.02 percent from a year earlier to USD 32.55 billion in March 2019, boosted by sales of organic and inorganic chemicals (16.98 percent), engineering goods (16.27 percent), RMG of all textiles (15.13 percent), drugs and pharmaceuticals (13.59 percent), and petroleum products (6.55 percent). Considering April to March 2018-19, exports rose 9.06 per cent to USD 331.02 billion from USD 303.53 billion in the same period of the previous fiscal year. Exports in India averaged 5520.43 USD Million from 1957 until 2019, reaching an all-time high of 32550 USD Million in March of 2019 and a record low of 59.01 USD Million in June of 1958.

Naturally, the challenge is to create exportable surplus (trade surplus referring to an excess of export receipts over import payments as compared against trade deficit which means an excess of import expenditures over export receipts measured on the current account and also known as merchandize trade deficit) and at the same time producing goods/ rendering services at the least comparative cost – so as to get a strong foothold on the international market in the face of intense competition.

Policy not bad, but just – satisfactory- implementation requires a closer look

IBEF nicely opined: India is presently known as one of the most important players in the global economic landscape. Its trade policies, government reforms and inherent economic strengths have attributed to its standing as one of the most sought after destinations for foreign investments in the world. Also, technological and infrastructural developments being carried out throughout the country augur well for the trade and economic sector in the years to come.

A close look at latest FTP [2015-20] will reflect its internal strength, practical nature and solid base in as much as it has touched virtually all of the vital wings. At this stage, the crying need is a close supervision so that some better things could still be done during the pendency.

Highlights of the Foreign Trade Policy 2015-20

* Increase exports to USD 900 billion by 2019-20, from USD 466 billion in 2013-14
* Raise India's share in world exports from 2 percent to 3.5 percent
* Merchandise Export from India Scheme (MEIS) and Service Exports from India Scheme (SEIS) launched
* Higher level of rewards under MEIS for export items with High domestic content and value addition
* Chapter-3 incentives extended to units located in SEZs
* Export obligation under EPCG scheme reduced to 75% to Promote domestic capital goods manufacturing
* FTP to be aligned to Make in India, Digital India and Skills India initiatives.
* Duty credit scripts made freely transferable and usable for payment of custom duty, excise duty and service tax.
* Export promotion mission to take on board state Governments
* Unlike annual reviews, FTP will be reviewed after two-and-Half years
* Higher level of support for export of defence, farm Produce and eco-friendly products.

All out efforts a must

Actually, international marketing has emerged as targeted area of highest priority among the progressive nations globally. The international business expanded at a jet speed in the current decade especially – reasons mainly being rapid growth in technology, coming up of supportive institutions, openness of the different economies as well as increase in competition. Even minnows like Myanmar are now making foray into the energy sector in particular. Not only this, even a late comer country like Bangladesh has emerged to be our tough competitor in the field of ready-made-garments (for which sector even Russia is also now interested to learn) – making full use of its competitive advantage [viz. a country has a comparative advantage over another if in producing a commodity it can do so at a relatively lower opportunity cost in terms of the foregone alternative commodities that could be produced] in the arena of cheap labour.

At this very juncture the size and complexity of international business is required to be comprehensively weighed. It is very clear that international business, in the true sense of the term, is totally different from domestic business. While the latter is confined to national boundaries, the former spreads wings abroad. The former involves more complexities that are related to intra-firm-transactions and to unfamiliar host-country-environment – regulatory, economic and financial, political and legal, socio-cultural and many others. As international business is normally carried on in an unfamiliar environment it is rather imperative to get acquainted with the various types of environment in which such businesses are transacted –

regulatory environment dealing the type of trade, FDI [Foreign Direct Investment – over sea's investments by multinational corporations] regulations at the national and international level as well as the economic integration schemes in different parts of the globe.. Political, economic, legal as well as socio-cultural environment that differ from one country to the other influence such a business to a significant extent.

To be specific: international business essentially covers international transaction of economic resources as well as international production of goods and services and as such, the broad forms of business internationalization cover trade, technical collaboration and investment. Clearly, the heterogeneous environment influencing international trade is required to be scanned simultaneously with framing and implementing strategies so as to fulfil the basic objective of maximizing country's wealth – both on the part of domestic and international enterprises. For the latter, this is more crucial because of the existence of far greater complexities – on this score situations being totally different between an industrialized country and a less developing country [viz. they are, in general, different in the EU compared to those in other industrialized countries]. Obviously, a lot depends on not only the financial strategies / the strategies that an international player adopts or should adopt, but also on the technological and production, marketing as well as human resources management aspects.

Yes: with the Government of India striking important deals with the Governments of Japan, Australia and China, among others, the external sector is increasing its contribution to the economic development of the country and growth in the global markets.

Can we reasonably expect that by implementing the FTP 2015-20, by 2020, India's share in world trade is expected to double from the present level of three per cent??

(Source: https://www.sentinelassam.com/news/indias-foreign-trade-need-for-accelerating-pace/ dated 23rd April-2019)

15. Startup India Vision 2024: DPIIT Proposes INR 1,000 Cr Startup Fund, Eyes 50K New Startups

- The government has proposed a separate INR 1,000 Cr seed fund
- A new vision document aims at setting up as many as 50K new startups
- Govt has also suggested that 500 new incubators and accelerators be set up

Giving a much-needed push to the budding startups in the country, Ministry of Commerce and Industry has proposed setting up 'India Startup Fund' with a corpus of INR 1,000 Cr to support high technology startups. Apart from this, the government has also proposed a corpus of INR 1,000 Cr as part of incentives under the vision document 'Startup India Vision 2024', an official told Press Trust of India.

The vision document which was prepared by the Department for Promotion of Industry and Internal Trade (DPIIT) aims at facilitating or setting up 50K new startups in the country by 2024. The document also aims at creating 20 Lakh direct and indirect job opportunities.

Key Recommendations of DPIIT

DPIIT has also suggested in the document that 500 new incubators and accelerators should be set up in the country by 2024; 100 new innovation zones be set up in urban local bodies and deployment of the entire corpus of INR 10,000 Cr Fund of Funds. In an effort to ease the regulatory bottleneck, the vision document has proposed to reduce the compliance burden.

The official said that "The DPIIT wants to strengthen the complete ecosystem for startups and these measures would help in doing that. It will be presented to the new government for their consideration."

DPIIT also recommended a reduction of Goods and Service Tax (GST) rates, tax exemption from ESOPs and exemption of angel tax on all investments by Alternate Investment Funds. The government in February this year, changed the definition of a startup to make it more inclusive, resulting in many startups being exempted from angel tax.

The vision document has also proposed setting up a regulatory sandbox where fintech startups can test their financial products in a controlled and test regulatory environment.

In such a sandbox, certain regulations can be eased to test their impact without causing financial loss to the public en masse. Earlier this month, RBI also proposed setting up such a sandbox, the objective of which is to have appropriate regulatory and supervisory frameworks to ensure the orderly development of fintech products.

The recommendation of the DPIIT will be presented to the new government after the elections and if approved, these recommendations could be the first big move the new government will make towards making India a startup-centric nation.

(Source:- https://inc42.com/buzz/government-has-exempted-342-startups-from-angel-tax-since-february/ dated 25th April-2019)

16. India, Peru to hold next round of free-trade agreement talks in August

In an FTA, two trading partners significantly reduce or eliminate duties on most of the goods traded between them besides relaxing norms and rules to promote trade in services and increase bilateral investments

India and Peru will hold their next round of negotiations for a proposed free-trade agreement (FTA), aimed at boosting two-way commerce and investments, here in August, an official said.

"Chief negotiators from both the countries will hold the fifth round of negotiations for the agreement in August," the official said.

In an FTA, two trading partners significantly reduce or eliminate duties on most of the goods traded between them besides relaxing norms and rules to promote trade in services and increase bilateral investments.

In the fourth round of talks, senior officials of both the sides deliberated upon issues such as customs procedures, trade facilitation, market access for goods and movement of professionals.

The fourth round was held between March 11 and 15 this year in Lima, Peru.

The main chapters of the agreement include trade in services, movement of professionals, investments, dispute settlement, technical barriers to trade, trade remedies, rules of origin of goods, customs procedures and trade facilitation.

With growing uncertainties in its traditional markets, including the US and Europe, India is looking to enhance engagements with other regions such as Africa, South America and Central Asia.

The Federation of Indian Export Organisations (FIEO) said Peru holds enormous opportunities for domestic exports.

"South America has huge trade potential. The agreement would help boost exports between the two countries," FIEO President Ganesh Kumar Gupta said.

Peru ranked third among export destinations for India in the Latin America and Caribbean (LAC) region.

The bilateral trade between the nations increased to USD 3.13 billion in 2017-18 from USD 1.77 billion in the previous fiscal.

Among the top-10 commodities that India exports to Peru are motor vehicles, cars, auto components, tyres, dyes, products of iron and steel, cotton yarn and fabrics. While the imports include bulk minerals and ores, gold, fertilisers, aluminium, coffee, crude oil and zinc.

(Source:- https://www.businesstoday.in/top-story/india-peru-to-hold-next-round-of-free-trade-agreement-talks-in-august/story/341536.html dated 29th April-2019)

17. GST: What a novice exporter needs to keep in mind

Novice exporter should always ensure that he is aware of all regulations related to exports including registration procedure, compliances in terms of current taxation policy of the Government and do's and don'ts for availing the benefits via schemes and refunds of taxes paid thereon. If such regulations are not adhered to, it may lead to difficulty in exports or denial of precious export incentives. This guide walks you towards key points to be kept in mind by an exporter.

Firstly, as per current export-import policy in India, no export or import shall be made by any person without an IEC number unless specifically exempted. The IEC Number is issued under the import-export policy and handbook of procedures issued by the Ministry of Commerce. This number is required to be filled in the shipping bill while made of exports or any other documents required for shipping.

The exporter shall register with Export Promotion Council for obtaining a Registrationcum-Membership Certificate for availing benefits available to exporters under Foreign Trade Policy. Incentives under FTP would go a long way in lowering your costs. Export under GST is treated as inter-state supply and under GST law, any person engaged in the inter-state taxable supply of goods or services or both is required to obtain compulsory registration with the exception in case of the service provider if taxable turnover during the year exceeds Rs. 20 lakhs.

The exporter of goods is required to file shipping bills details for processing of refund under GST. Thus, in order to enable for filling online Shipping Bills and Bill of Entries and other documents, one is required to have a registered ICEGATE ID.

Export of goods or services is treated as a zero-rated supply. An exporter dealing in zero-rated supplies can make exports with or without payment of tax. The exporter may supply goods or services or both after paying the amount of IGST and can claim a refund of the amount of tax paid on such goods or services or both. The exporter may supply goods or services or both under bond or Letter of Undertaking without payment of integrated tax and then claim a refund of the unutilized input tax credit. Exporter should properly file GSTR-1 and provide export details along with shipping bills & properly file GSTR-3B for the relevant tax period timely. Any minor difference can lead to significant delay in refund processing. Letter of undertaking (LUT) has to be filed /submitted online before exporting the goods/ services in case an exporter wants to export without payment of taxes. It can be applied for a financial year and need to be re-applied for every financial year. This is one of the best mechanisms by which an exporter can restrict its cash flow situation. However, any person who has been prosecuted for tax evasion for an amount of Rs. 2.5 crore or above under the act is not eligible to furnish LUTs, instead bonds should be furnished if the export is being made without payment of IGST. Once, the export is done, the next challenge is the refund claim which is currently manually being filed with the jurisdiction officer and leading to delays. This is because the jurisdiction officer might reject the claim even on the account of minor errors in return filing due to technical glitches of GSTN, and then the exporter will have to file rectified claim again. Exporters are further benefitted through Merchandise Exports from India Scheme (MEIS) and Service Exports from India Scheme (SEIS) with the aim to promote manufacture and export of goods and services from India by providing duty scrip credit for eligible exports. Under this scheme, credit scrip is issued to exporters at a notified rate on goods and services exported. Credit scrip is just like 'E-Credit ledger or E-wallet'. These may be used to pay duty on inputs or even make other payments but in the absence of provision, it cannot be used to pay GST. Duty credit scrip issued after January 1, 2016 will be valid for a period of 24 months from the date of issue.

For example, Ram makes exports worth Rs 100. He is entitled to credit scrip @ 5%. Hence, he will have a credit scrip of Rs 5. If Ram wants to import inputs for use in exports and duty thereon is Rs 4, he can pay Rs 4 out of Rs 5 credit scrip. In the light of the above discussion, GST is in its nascent stages and it is expected to rationalize over a period of next few years. Any new exporter initiating its operations must ensure full compliance of law together with a mechanism to file correct online tax returns. Every new exporter needs to weigh and balance all schemes of refund before jumping into any scheme, as incorrect selection of tax refunds may lead to a business taking a hit on its working capital hit or even result in credit accumulation.

(Source: https://economictimes.indiatimes.com/small-biz/trade/exports/pre-exports/gst-what-a-novice-exporter-needs-to-keep-in-mind/articleshow/69108321.cms dated 30th April-2019)

18. India's exports: Are there signs of recovery?

This is driven by steep declines in component indices such as export orders, international air freight, automobile production and sales, electronic components, and agricultural raw materials.

The revival of private investment and exports is a must to achieve and sustain over 8% growth. The recent performance of India's exports—which expanded 11% (year-on-year) in March 2019, taking the figure to \$32.5 billion in the month of March, vis-à-vis 2.4% in the previous month—is good news. Various categories of intermediate exports—engineering goods, organic and inorganic chemicals, ready-made garments of all textiles, and drugs and pharmaceuticals—contributed to this revival. The question, however, is whether this recovery is sustainable or not?

India's exports have been sluggish and had turned negative, particularly merchandise exports, between 2013 and 2016, which, along with private investment, dragged down the country's growth. Merchandise exports affect manufacturing and, thus, jobs. Although there have been signs of exports recovery since the early 2017, the revival has not been robust and consistent. In fact, during 2018-19, merchandise exports and imports witnessed the same growth rate of around 9%, totalling \$331 billion and \$507 billion, respectively, resulting in 8.9% of merchandise trade deficit. The sector that contributed the maximum to exports is engineering, with a 25% share, followed by electronics and chemicals.

India is doing well in exports of chemicals, both organic and inorganic, due to better quality and also as a result of high scrutiny of China's chemical exports on environment grounds. Exports of ready-made garments-among top exports-are experiencing weak growth for the last few years. India is losing market share in some of its traditional markets such as the Middle East, France, Sri Lanka, etc, due to rising competition from countries such as Bangladesh and Vietnam, and the domination of unorganised players at the low end of the value chain. India has been losing out on important exports sectors such as iron and steel, non-ferrous metals and products, leather and leather products, etc. Protectionist measures in the West and aggressive pricing strategies of China, along with developments in the domestic economy (for example, shutting down Sterlite affecting copper exports), don't help the cause either.

There has been a shift in the exports basket towards value-added manufacturing and technology-driven products, but the country is losing out on important traditional sectors such as metals, textiles, leather, etc. India has the potential to do better in agricultural and primary products. Given growing demand for agricultural commodities, the policy focus on agriculture, plantations, horticulture, fisheries and meat will contribute. India is the largest producer of milk and the second largest of fruits and vegetables. Thus, the recently announced Agriculture Export Policy is expected boost exports of the primary sector.

The country needs to sustain this recovery momentum and accelerate exports growth, even though the outlook for the world trade does not look promising due to a rise in nationalism and protectionist measures. The US-China tariff war is still on, and developing countries including India have started imposing higher tariffs selectively to protect their domestic industries. Monetary tightening in developed countries, along with tariff wars, may lead to volatility in global financial markets, which would lower trade finance. Such developments do not augur well for trade agreements at the WTO and for globalisation. India's is also on the priority "watch list" of the US for not giving adequate protection to American companies due to weak IPR regimes.

The WTO's World Trade Outlook Indicator, released in February, gave a reading of 96.3%, below the baseline value of 100 in the index, indicating below-trend trade expansion for the first quarter of 2019. This is driven by steep declines in component indices such as export orders, international air freight, automobile production and sales, electronic components, and agricultural raw materials.

Even though the full-fledged and long tariff war between the US and China is not good for globalisation and even for India, it actually offers a short-term opportunity for India's exports. As the UNCTAD 2019 report brings out, only about 6% of the $250 billion Chinese exports subject to US tariffs will be picked up by US firms, whereas only about 5% of the $85 billion US exports will be picked up by Chinese firms. Therefore, India may be able to gain some traction in textiles, garments, and gems and jewellery if the Chinese exports to the US slow down.

Indian exports are in a recovery stage and need support. As the Trade Promotion Council of India (TPCI) rightly puts, we need short-term support measures for exports such as exemption of GST for SME exporters, easing of credit to the industry, online refund of input credit and interest equalisation support to agricultural exporters. Also, measures facilitating Indian firms participating in global value chain/ production network, internationalisation of Indian SMEs and trade facilitation would help Indian exports in the medium to long term. It's time to work on the recommendations (Economic Survey 2017-18) on improving trade-related logistics that would reduce trade cost and improve exports competitiveness. At the same time, India has to negotiate on many trade issues at multilateral and bilateral level, such as India's data protection rules, challenges faced by India's export subsidies, e-commerce policy, import duties on Indian exports such as by the EU on electronics, and dropping India from the Generalized System of Preferences (GSP) regime. Apart from increasing India's exports competitiveness, the country also needs to explore more markets in Africa and Latin America. It's also time to incentivise labour-intensive sectors like leather and to address the issues faced by exporters.

India has been witnessing consistent merchandise trade deficit over last two decades, reflecting on out export competitiveness. Promoting exports eventually help boost the GDP of a country, create more jobs, boost the manufacturing sector and earn more foreign exchange. A growing and competitive economy should have increasing trade ratio, but in India's case, the trade openness has gone done from 55% in 2012 to 40% in 2017.

(Source: https://www.financialexpress.com/opinion/indias-exports-are-there-signs-of-recovery/1564123/ dated 1st May-2019)

19. Steps to boost exports, startups part of commerce ministry's 100-day prog for new govt

NEW DELHI: Measures to boost exports and promote start-ups are part of the 100-day programme prepared by the commerce and industry ministry for the new government, an official said.

The new government is expected to assume office by the end of this month.

These proposals would be presented to the new government, the official added.

The ministry has proposed to set up a separate logistics department to be headed by a secretary with a view to enhancing growth of the sector, which is fundamental to boost exports, imports and overall economy.

Extensive coordination among different stakeholders of the logistics sector including roads, railways, shipping, civil aviation, and states is required.

Currently, there is a separate wing of logistics, headed by a special secretary in the commerce department.

It has also proposed a new World Trade Organisation (WTO)-compliant export incentive scheme for goods shipments to replace the existing MEIS.

At present, exporters of goods avail incentives under the merchandise exports from India scheme (MEIS). In this, the government provides duty benefits depending on product and country.

Since 2011-12, India's exports have been hovering at around $300 billion. During 2018-19, foreign shipments grew by 9 per cent to $331 billion.

Promoting exports helps a country to create jobs, boost manufacturing and earn more foreign exchange.

Similarly, the department for promotion of industry and internal trade has prepared a vision document to promote growth of start-ups and steps to further improve ease of doing business to attract both domestic and foreign investments.

During April-December 2018-19, foreign direct investment into India dipped by 7 per cent to $33.5 billion.

(Source:- https://kashmirreader.com/2019/05/07/steps-to-boost-exports-startups-part-of-commerce-ministrys-100-day-prog-for-new-govt/ dated 7th May-2019)

20. India, US stress on regular talks to ease trade tension

- US commerce secretary meets Prabhu and Jaitley, says can't ensure cheaper oil to India
- Both sides express satisfaction over the progress made between the strategic partners

NEW DELHI: India and the US on Monday agreed to deepen economic cooperation and resolve outstanding issues through regular official engagements in a meeting between commerce secretary Wilbur Ross and trade minister Suresh Prabhu. The development is important given recent rising trade tensions between the two countries.

"Both sides also discussed various outstanding trade issues. Both sides agreed to engage regularly at various levels to resolve outstanding trade issues by exploring suitable solutions, which are mutually beneficial and promote economic development and prosperity in both countries," India's commerce ministry said.

A trade official said the first high-level meeting after the US decided to withdraw duty-free benefits to Indian exporters under the Generalised System of Preferences (GSP) programme in March, was "amicable". "The two sides discussed issues such as e-commerce, intellectual property rights, medical devices, data localisation, personal data protection, ground handling of foreign airlines and tariffs on export of steel and aluminium among others. The issue of GSP did not come up as it does not come under the ambit of US commerce secretary," the official said.

Ross, who is on a two-day visit to India to attend Trade Winds, the annual trade mission programme of the US department of commerce in which over 100 American businesses participate, also met finance minister Arun Jaitley on Monday.

After his meeting with Jaitley, Ross told reporters that the US cannot ensure supply of cheaper oil to India in the wake of sanctions on Iran as the commodity is controlled by private companies.

"Oil is owned by private people so the government cannot force people to make concessionary prices," Ross told reporters, when asked if the US is considering selling oil to India at concessional rates to make up for the loss of Iranian oil supply.

The US has not extended the exemption from its sanctions against Iran granted to countries like India starting 2 May to buy crude oil, leading to a jump in global oil prices.

While the surprise change in India's e-commerce FDI policy ahead of general elections caught US companies Walmart and Amazon off-guard, stringent norms for data protection and data localisation proposed under the draft e-commerce policy further upset the US government.

India last week further delayed implementation of its June 2018 order to impose retaliatory tariffs on 29 US products by 14 days till 16 May as it awaits a final word from the US on its decision to withdraw GSP benefits.

Trump has often pointed to the bilateral trade surplus India enjoys, claiming that New Delhi prohibits US exports through higher tariffs. He has often raised the issue of higher tariffs imposed by India on Harley-Davidson motorcycles and has threatened to slap reciprocal taxes on Indian bikes.

(Source: https://www.livemint.com/news/world/india-us-stress-on-regular-talks-to-ease-trade-tension-1557170681940.html dated 7th May-2019)

21. US may review GSP policy after new govt takes over

- US commerce secretary Ross lists India's alleged unfair trade practices at summit
- India's average applied tariff rate of 13.8% remains the highest of any major economy, says Wilbur Ross

NEW DELHI: The US may wait until a new government takes charge in New Delhi before it takes a call on withdrawing duty-free benefits to Indian exporters, or consider further negotiation on the issue.

The Donald Trump administration had decided to withdraw the generalised system of preferences (GSP) benefits worth $5.6 billion to Indian exporters in March. However, it did not implement the decision through a Presidential proclamation after the 60-day deadline ended on 2 May.

"Though it was not an assurance, visiting commerce secretary Wilbur Ross indicated that the US is aware that the current government cannot take any policy decisions and any movement on GSP will happen after the results of the ongoing general elections are announced on 23 May," a trade ministry official said, requesting anonymity.

Ross is in India to attend the 11th Trade Winds Business Forum and Mission hosted by the US Department of Commerce.

In his speech at the event on Tuesday, Ross listed out alleged unfair trade practices by India, including on data localization, price control on medical devices and higher tariff on telecommunication equipment. He, however, hinted that the US will wait for the new government at New Delhi to address its concerns.

"We applaud India's commitment to addressing some of these barriers once the government is re-formed in the month of June," Ross said.

Highlighting the alleged high tariff rates in India, Ross said India's average applied tariff rate of 13.8% remains the highest in any major world economy. "It has, for example, a 60% tariff on automobiles; it has a 50% (tariff) on motorcycles; and 150% on alcoholic beverages. Its bound tariff rates, namely the highest rate they can charge, on agricultural products average an incredible 113.5%, and some are as high as 300%. These are not justified percentages. They are way too high."

Trade minister Suresh Prabhu, in response, told the gathering that India will never pose a "strategic challenge to the US as the two are strategic allies". "Issues between the two countries can be sorted out through talks," he added.

India has often denounced the "tariff king" charge by President Trump pointing out that its duties were well within the permissible limits prescribed by the World Trade Organization, which was arrived at through a complex negotiating process of give-and-take among developing and developed nations.

It has also pointed out that the highest tariffs imposed by Japan (736%), South Korea (807%), the US (350%) and Australia (163%) are much higher than that of India. While India's average tariff at 13.8% is higher than the US's at 3.4%, but it is almost on a par with South Korea's 13.7%.

India has repeatedly delayed the retaliatory tariffs announced on 29 US products against the increase in tariff on steel and aluminium by the US. While the current deadline ends on 15 May, the trade ministry official, quoted earlier, said the government is contemplating to further extend it by another 15 days.

While India's goods exports to the US grew about 12% to $54.4 billion in 2018, US goods exports to India rose about 28% to $33 billion last year.

(Source: https://www.livemint.com/news/world/us-may-review-gsp-policy-after-new-govt-takes-over-1557253649509.html dated 8th May-2019)

22. Indian businesses in Africa suggest steps to increase trade, investment

NEW DELHI: Indian businesses in Africa have suggested the government here to take steps such as improving line of credit system, setting up of banks and liberalise visa policies to increase trade and investment with Africa, the commerce ministry said Tuesday. These issues were highlighted by Indian business community in Africa during an interaction organised by the ministry and Indian High Commissions and embassies of eleven African countries over Digital Video Conference (DVC) on May 3 and 6. It was attended by over 400 members of Indian business community in 11 African countries -- Tanzania, Uganda, Kenya, Zambia, Mauritius, Nigeria, Mozambique, Ghana, South Africa, Botswana, and Madagascar. The other issues raised by them include starting direct flights between the India and African countries; exploring possibility of rupee trade to address the issue of shortage of dollars; creation of common database of buyer-suppliers; development of a robust trade dispute settlement mechanism; and establishment of country chapters of Ficci or CII in Africa. "Department of Commerce welcomed the suggestions and assured them that these suggestions will be shared with relevant stakeholders /Departments in order to incorporate the suggestions in the India-Africa strategy for trade promotion," it said in a statement. Senior officers from the Department of Commerce and Ministry of External Affairs were present during the interactions. India's total trade with the African region during 2017-18 was USD 62.69 billion. "Today, African countries present immense opportunities for India with the world's largest land mass, 54 countries, a population growing to be almost equivalent to that of India, huge mineral resources, oil wealth, a youthful population, falling poverty levels and increasing consumption patterns," the ministry said. As per the latest available estimates, the current strength of the Indian Diaspora in the African countries is 2.8 million and out of those 2.5 million are PIOs and rest 2,20,967 are NRIs, it added

(Source: https://economictimes.indiatimes.com/news/economy/foreign-trade/indian-businesses-in-africa-suggest-steps-to-increase-trade-investment/articleshow/69222077.cms dated 8th May-2019)

23. How global cities are changing international trade

The geographic diversification of international trade and investment has become a public policy goal of many countries, including Canada.

Increasingly, policy-makers are raising concerns regarding the risks, largely political, that arise when there's too much concentration of trade and investment on a small number of trading partners.

Trade in services, however, may offer better opportunities for trade diversification. But facilitating trade in services requires supportive regulation and strong global cities like Toronto and London to serve as hubs.

In recent years Canada has expressed interest in reducing its dependence on the United States, particularly after last year's difficult NAFTA renegotiations.

Reflecting that priority, Canada now has a minister of international trade diversification, Jim Carr. Canada has also pursued trade agreements with more distant partners via the Comprehensive Economic and Trade Agreement (CETA) between Canada and the European Union (EU) and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) with 10 other countries in the Asia-Pacific region.

In fact, the various countries that have ratified the

CPTPP have stated as one objective the ambition to develop diverse and more distant trade and investment partners in the face of the rise of China due to the possibility of becoming overly dependent on the Chinese market.

The implicit assumption is that distance is less important to trade now because technology has lowered transportation and communications costs, and trade deals can overcome the remaining costs of distance.

Proximity versus distance

But is this entirely true? Can nations move away from their traditional trading partnerships — typically based on geographic proximity — in favour of new nations located further afield? Our research grappled with these considerations of proximity and distance in matters of trade, particularly as they pertain to Canada and the United Kingdom.

Our Canada-U.K. collaboration - comprising researchers from the London School of Economics, Western University's Ivey Business School and Simon Fraser University's Beedie School of Business - surveyed recent academic and practitioner data and publications on trade and what are known as foreign direct investment (FDI) flows in order to assess the role of distance.

We conclude that if you are trading in goods, physical distance still matters. The evidence also suggests that trade agreements between distant countries may not be able to overcome the costs of distance.

But that's not true for all forms of distant trade. Our research findings show a very different result for trade in services. Services trade include direct activities like professional business services, education and tourism, but also includes indirect services such as research and design that are embedded in final products or are traded within companies.

Indirect trade in services has increased over time, as global value chains have become more geographically dispersed.

Global value chains allow the stages of production to be distributed around the world. One example is the global dispersion of research activities by multinational firms. A case in point: When Google creates a tech hub in Toronto, it effectively exports that knowledge to other Google subsidiaries around the world.

Distance matters less for the global movement of these services, particularly when they are knowledge-intensive and digital. It's therefore not surprising that evidence suggests trade in services, direct and indirect, is growing faster than trade in goods.

Hal Varian, Google's chief economist, in Google Canada's office in Toronto in September 2018. THE CANADIAN PRESS/Cole Burston

But even though trade in services is seems less affected by geographic distance, there's evidence that other measures of distance have an impact.

Cultural differences are a type of distance

International business scholars have identified a series of more general distance measures, including cultural and regulatory distance, between countries. These are sometimes referred to as CAGE distance, meaning cultural, administrative and economic differences between trading nations in addition to geographic distance.

Commonalities in several of these areas have facilitated trade and investment flows of various types among Commonwealth countries, despite the vast geographic distances that separate them.

However, in general, because trade in services involves the movement of people along with knowledge and capital, these social, political and economic dimensions take on a heightened role and can inhibit trade in services.

Trade agreements now seek to minimize these costs by including specific clauses with respect to trade in services. For example, the CPTPP includes clauses regarding financial services and investment protection. Yet more comprehensive service sector liberalization, such as public sector procurement or recognition of certifications, are difficult to negotiate because they require a higher degree of regulatory alignment, which can be politically controversial.

And so the evidence suggests that the impact of distance on trade depends on the nature of what is being traded (goods or services), and how one measures distance.

Shipping containers are seen at the Fairview Cove Container Terminal in in Halifax. THE CANADIAN PRESS/Andrew Vaughan

We then asked whether it matters where distance is measured from. This seems an obvious question, since when we talk about trade, we mostly think of countries. However, we found that the majority of trade in services, particularly knowledge-intensive services, in fact originates in, and is traded with, a relatively small number of international metropolitan regions, sometimes referred to as global cities.

Most trade in services, it turns out, happens between cities rather than between countries.

While there is no one particular definition of a global city, it's clear that in order to understand the nature of trade in services and the policies that might encourage them, one must understand what global cities do and how they do it.

Cultural differences & global cities

It turns out that global cities essentially limit the impact of the aforementioned CAGE distance. Cities provide sophisticated communication, education and transportation infrastructures, and the cosmopolitan values that attract and retain talent.

That's why it's generally easier to move people and services between global hubs like London, Toronto, New York and Hong Kong. However, the decentralized nature of global value chains means that it's not only the world's largest cities that are global. Smaller cities can establish specific niches as global centres for research and design, such as Cambridge in the U.K. for biotechnology.

Global cities not only attract knowledge-intensive service firms, they have the capacity to spawn the kinds of companies that will become global exporters of services.

The important lesson to be drawn from cities is that they illustrate the links between innovative activity and international integration while at the same time blurring the distinctions between innovation and trade policy. Policies that promote innovation, in other words, are not entirely separate from those that promote diversified trade. When countries help their global cities to foster knowledge-based activities, they will also also promote diversified trade in services.

At the same time, cities themselves undertake trade and promotion activities that, in principle, complement those of the national government. In talking to city-based investment and trade promotion agencies, we learned that cities have developed sophisticated strategies to identify and promote trade and investment opportunities, typically with other cities around the globe.

However, these activities are not always co-ordinated with national diversification strategies. Canada has created Invest in Canada, in part to fill this role, but its mandate is focused primarily on investment attraction.

Cities have not been central to public policy discussions on trade growth and diversification, which have centred in large measure on trade agreements between countries. We suggest that while trade agreements between countries are important, the role of cities in driving trade in services should be fully explored.

(S*ource: http://theconversation.com/how-global-cities-are-changing-international-trade-114273 dated 10th May-2019)*

24. Suresh Prabhu working to boost industrial growth, generate jobs

New Delhi: Confident of returning to power at the Centre once the Lok Sabha elections are declared on 23 May, the Ministry of Commerce and Industry headed by Suresh Prabhu is working on plans to boost the country's industrial growth and generate employment.

According to sources, various ministries and government agencies are working together to provide the necessary policy and fiscal support to industries and boost job creation and overall economic growth. In this regard, Prabhu held a meeting with Chandrajit Banerjee, Director General of the Confederation of Indian Industry (CII) on Wednesday.

A source in the Ministry of Commerce and Industry told The Sunday Guardian: "In a meeting held with the CII director, Suresh Prabhu discussed a range of issues, including incentivising of industries to fuel rapid growth. The minister, who seems confident about the BJP-led NDA once again coming to power, stressed on the need for a ready plan to tackle the economic slowdown."

As per the sources, Prabhu also discussed various plans that could boost the economy of the country after the elections. Stress was given on creating a holistic approach to boost investments and improve the business scenario in the country.

"Suresh Prabhu stressed on the need to promote several flagship schemes of the Central government like Skill India and Digital India to generate employment and push the country towards higher growth," the source said.

"The Ministry of Commerce and Industry is working to put in place a strong policy framework; for this, a consultation programme is on to study sector by sector to find out the needs and scope of investments. These steps are meant to be taken soon after the formation of a new government at the Centre," the source added.

However, many of these steps will depend on the formation of a new government as the Lok Sabha elections are still not over and things will become clear only after the results come out on 23 May, though the government seems confident of getting one more chance to govern the country.

Not only the Ministry of Commerce and Industry, other Central ministries too are busy framing 100-day plans that will be rolled out after getting a public mandate in the elections.

(Source: https://www.sundayguardianlive.com/news/suresh-prabhu-working-boost-industrial-growth-generate-jobs dated 18th May-2019)

25.100-day agenda: Commerce Ministry proposes major export promotion scheme to boost shipments

According to the proposal, the new scheme would ensure refund of all un-rebated central and state levies and taxes imposed on inputs that are consumed in exports of all sectors

The commerce ministry is considering a major export promotion scheme to ensure expeditious refund of central and state taxes and levies to boost shipments in the wake of global challenges at trade front, an official said.

The proposal is part of a 100-day action plan prepared by the ministry for the new government which will take ffice on May 30.

A new export promotion scheme has become necessary as the existing merchandise exports for India (MEIS) scheme is being opposed by the US in the World Trade Organisation (WTO), stating it is not in compliance with global trade norms, the official said.

The new scheme could be named as Central and State Taxes and Levies Scheme.

According to the proposal, the new scheme would ensure refund of all un-rebated central and state levies and taxes imposed on inputs that are consumed in exports of all sectors.

Major un-rebated levies are - state VAT/ central excise duty on fuel used in transportation, captive power, farm sector; mandi tax; duty of electricity; stamp duty on export documents, purchases from unregistered dealers; embedded CGST and compensation cess coal used in the production of electricity.

Initiatives by Commerce and Industry Minister Suresh Prabhu has helped in taking exports to an all-time high of USD 331 billion in 2018-19.

The ministry has also proposed to Introduce a WTO compliant production-based support scheme to increase outbound shipments.

The department of commerce is consulting with all the concerned stakeholders to frame this scheme to promote high potential sectors like electronics, telecom, hi-tech engineering, medical devices, pharmaceuticals, and technical textiles.

"We are consulting the stakeholders to propose production based government assistance. We will finalise the architecture of the scheme very soon," the official said.

Any government support which is subject to export performance becomes a prohibited subsidy under WTO norms.

The ten-point action plan has also proposed the launch of a new five-year foreign trade policy (2020-25) on September 1 this year and promote shipments of the services sector.

The current policy will end in March 2020. The policy provides guidelines for enhancing exports with the overall objective of pushing economic growth and generating employment.

"The new policy would include new export schemes while retaining important existing schemes. It will also include modern IT system with end to end IT enablement of all interfaces and processes of DGFT (directorate general of foreign trade) with exporters and other ministries/ agencies," the official said.

The other proposals include resolution of WTO issues like on agriculture sector; steps to revive special economic zones (SEZs), implementation of agriculture export policy; disbursal of funds under Trade Infrastructure for Export Scheme and promotion of Government e-marketplace (GeM) portal for public procurement.

For SEZs, the ministry has proposed measures such as uniformity in administrative and financial matters among all zones; an integrated online portal for processing new investment requests, easy operational and exit-related matters, procedural relaxations.

Besides, the commerce ministry would consider allowing alternate sectors to invest in sector-specific SEZs, the flexibility of long term lease for developers and tenants, facility of sub-contracting for customers outside these zones and flexibility in usage of non-processing area by developers.

"We need bold measures to revive investment, promote manufacturing and exports from SEZs. The new SEZ policy needs to be future ready, investor-friendly and correspond to global market needs," the official added.

The ministry has also planned to roll out national logistics policy, multi-modal logistic policy, integrated national logistics action plan, and logistics planning and performance management tool.

"Multi-Modal Transportation of Goods bill will be introduced in Parliament. The new bill will replace the existing MMTG Act, 1993. The new Bill introduces new concepts like regulation of self-regulatory agencies etc," the official said.

Prabhu has taken a series of steps to cut logistics time and cost to push both domestic and foreign trade.

Also Read: IndiGo parent Interglobe Aviation posts 91% decline in net profit at Rs 156.10

(Source: https://www.businesstoday.in/top-story/100-day-agenda-commerce-ministry-proposes-major-export-promotion-scheme-to-boost-shipments/story/351000.html dated 27th May-2019)

26. Modi's new govt plans tax benefits, easier clearances to get 'Make in India' to work

Make in India was launched with much fanfare by Modi in 2014, but failed to boost manufacturing. Union budget expected to announce steps to revive it.

New Delhi: Narendra Modi's new government will work on a fresh strategy to boost the much-hyped Make in India programme.

Make in India, launched with much gusto by Modi in September 2014, is seen to have failed to live up to its promise. Industry leaders and experts have blamed this on a lack of economic reform needed to boost domestic manufacturing, a significant increase in imports, lacklustre investments and poor credit growth.

Sources said the government is now looking at incentivising companies which decide to invest in India, especially in the wake of the trade war between the US and China. The incentives could be in the form of tax benefits and easier clearances from local and central authorities.

"(The Centre) will chalk out ways to boost the Make in India programme, big ticket incentives for companies that invest in the country are on the anvil. However, the final contours will be chalked out once the new government is in place," a senior government official told ThePrint.

Some of these plans could be announced in the budget, the official added.

The official said boosting this flagship programme, which is led by the Department of Industrial Policy and Promotion under the Ministry of Commerce and Industry, is key to creating jobs.

Besides, bilateral trade treaties including free trade agreements and the Regional Comprehensive Economic Participation - a proposed treaty between 16 countries - could be reviewed.

How Make in India failed

Make in India was officially launched in September 2014, with PM Modi having announced it in his first Independence Day speech from the Red Fort.

Make in India was aimed at turning India into a manufacturing powerhouse by removing bureaucratic sloth, easing procedures and removing red tape that stand in the way of investments. Although the programme initially impressed investors and policy makers, it failed to create the right environment for investments.

Make in India was also aimed at creating large scale employment. However, according to a leaked report of the National Sample Survey Office (NSSO), unemployment in the country hit a 45-year-high of 6.1 per cent in 2017, leaving the government red-faced, since employment generation had been one of the promises made by Modi in 2014. The NDA government was attacked by opposition parties during the 2019 election campaign for failing to create jobs.

While government officials denied reports of rising unemployment, the government's think-tank NITI Aayog underlined the need to create quality jobs.

Trade treaties causing concern

Experts said time may be running out for Make in India, and with China being in a tight spot due to the intensifying trade war with the US, India must act fast to cash in. Countries such as Vietnam, Bangladesh, and the Philippines are fast catching up and turning out to be new hot spots for investment.

On the trade front, industry has repeatedly expressed its concern over India's stand at the RCEP rounds. Two key metal associations — the Aluminium Association of India and the Indian Primary Copper Producers Association — have approached the government as well as the negotiating members with their concerns.

Policymakers and industry watchers fear that owing to the US-China trade war, the latter could resort to widespread dumping of goods, especially metals, including steel and aluminium. Sources said India's trade treaties have only pushed imports and discouraged the setting up of manufacturing bases in the country.

The index of industrial production (IIP) growth for 2018-19 stood at 3.6 per cent, down from 4.4 per cent in the previous financial year. The huge decline in capital goods at -8.7 per cent, and intermediate goods (the pipeline for future output) at -2.5 per cent is a matter of concern, said an independent analyst.

"This underscores the fact that investments have dried up, and to revive Make in India, we need to understand the factors leading to this. A mere interest rate cut will not be enough," the analyst said.

Ease of doing business

While India, currently ranked 77th on the Ease of Doing Business Index, has taken several measures to improve the business environment, including putting in place a vibrant Insolvency and Bankruptcy Code to resolve cases in a time-bound manner, sources said difficulties continue on the ground level.

Defence and automobile sectors

The NDA government has repeatedly underlined the need to strengthen manufacture of India's defence equipment. According to the Observer Research Foundation, India, "despite having the fifth-largest defence budget in the world, procures 60 per cent of its weapon systems from foreign markets while Pakistan has sold more weapon systems to foreign customers than India".

Policy paralysis and delays have stalled progress in whatever little is indigenously manufactured in the country. "This is another area of focus and we are hoping that things will move faster this time," an industry expert said.

In the automobile sector, production has remained flat, according to data released by the Society of Indian Automobile Manufacturers, impacting exports.

(Source: https://theprint.in/economy/modis-new-govt-plans-tax-benefits-easier-clearances-to-get-make-in-india-to-work/242568/ dated 29th May-2019)

27. India plans new export promotion scheme.

India is reportedly planning an export promotion scheme to ensure expeditious refund of central and state taxes and levies to boost shipments and tackle global challenges to trade. Part of a 100-day action plan prepared by the commerce ministry for the new government that takes over on May 30, the scheme may be named Central and State Taxes and Levies Scheme.

The need for a new export promotion scheme was felt as the United States has been opposing the existing merchandise exports for India (MEIS) scheme at the World Trade Organisation (WTO), saying it is not in compliance with global trade norms, a news agency reported quoting an anonymous top government official.

The new scheme would ensure refund of all un-rebated central and state levies and taxes imposed on inputs that are consumed in exports of all sectors.

The major un-rebated levies are state value-added tax (VAT) and central excise duty on fuel used in transportation, captive power, farm sector; mandi tax; duty of electricity; stamp duty on export documents, purchases from unregistered dealers; embedded central goods and services tax (CGST) and compensation cess coal used in the production of electricity.

The ministry has also proposed to introduce a WTO-compliant production-based support scheme to increase outbound shipments. The department of commerce is consulting with all the concerned stakeholders to frame this scheme to promote high potential sectors like technical textiles, electronics, telecom, hi-tech engineering, medical devices and pharmaceuticals.

Any government support which is subject to export performance becomes a prohibited subsidy under WTO norms.

The ten-point action plan has also proposed the launch of a new five-year foreign trade policy (2020-25) on September 1 this year and promote shipments of the services sector. The current policy will end in March 2020.

The other proposals include resolution of WTO issues like on agriculture sector; steps to revive special economic zones (SEZs), implementation of agriculture export policy; disbursal of funds under Trade Infrastructure for Export Scheme and promotion of Government e-marketplace (GeM) portal for public procurement. (DS)

(Source: https://www.fibre2fashion.com/news/textile-news/india-plans-new-export-promotion-scheme-249616-newsdetails.htm dated May-2019)

28. Commerce Ministry gearing up to boost exports through e-commerce

Demands were also raised for the central bank to allow realisation of exports proceeds up to a period of 24 months from the date of export

The commerce and industry ministry is gearing up to boost exports through e-commerce at a time when the government is expected to reframe the proposed e-commerce policy, yet again.

Discussions on e-commerce exports kicked off on Wednesday during an informal meet among academia, exporters and officials from the Department for Promotion of Industry and Internal Trade (DPIIT) and the Department of Post, sources said.

According to estimates by citizen engagement social networking platform Localcircles, about 75,000 exporters from India sent out $1.2 billion worth of goods via the e-commerce channel during FY19.

"We are looking at a $450 billion opportunity, which may get considerably squeezed if regulatory and customs policies are not revised soon. As of now, it costs an absurd Rs 1,400 to send a rakhi to Singapore, even as China has increasingly pushed small-value exports through the e-commerce channel," said Sachin Taparia, founder of Localcircles.

Labour availability and production costs still favour India as well as the production of consumer goods across segments such as home furnishings, medicinal products, apparels, textiles, handicrafts and gems & jewellery, among others, he added.

Currently, customs and postal payments issues remain among the biggest complaints of exporters. During the meet, it was pointed out that the Reserve Bank of India (RBI) should permit inward remittances of 50 per cent of the invoice value at the time of export. This will allow exporters the flexibility to sell goods at a premium based on product demand or at a lower price in case of stock liquidation.

Demands were also raised for the central bank to allow realisation of exports proceeds up to a period of 24 months from the date of export.

Problems in postal connectivity were also flagged. Local circles suggested having a dedicated e-commerce desk at designated post offices in the top 50 exporting districts.

Postal officials were also requested to integrate their application programming interface with that US Post, Royal Mail and other destination countries so that an exporter or consumer and can track shipment end to end.

"India has been a bit slow in adopting e-commerce for exports but we are looking to integrate the idea in our normal export promotion practices. While our research has shown the diaspora is interested in Indian goods, the chances of boosting export to foreign markets are equally high," said a senior DPIIT official. The government wants to hold future meetings near export zones.

On Wednesday, it was decided that five working groups would be formed to deal with myriad issues.

Focusing on financial payments, postal problems, customs bottlenecks, goods and services tax and export promotion, the groups will create suggestions that will be submitted to the government within three months, sources said.

(Source: https://www.business-standard.com/article/economy-policy/commerce-ministry-gearing-up-to-boost-exports-through-e-commerce-119053000326_1.html dated 30th May-2019)

Chemexcil Notice

NOTICE 1

EPC/LIC/EDPMS/EXTENSION 01/04/2019

To,
TO ALL THE MEMBERS OF THE COUNCIL

SUBJECT:-RBI EDPMS, Exemption from provisions of Caution listing extended till 30/06/2019

Dear Members,

As you are aware, caution listing on account of RBI-EDPMS has been a cause of concern as it impacts export shipments, document submission to buyers and also resultant business.

Lastly it was exempted till 31/03/2019, but council had subsequently received inquiries from the members for further extension.

In this regard, we have contacted Foreign Exchange Department, Reserve Bank of India and have been informed that the Exemption from provisions of Caution listing has been further extended till 30/06/2019.

The council has also been advised to impress upon members to ensure that all their shipping bills beyond due date of realization are closed at the earliest possible. Members are therefore requested to utilise this additional time up-to 30/06/2019 to clear such cases, if any.

Persistent issues, if any, however can be highlighted to the council on e-mail id's: ed@chemexcil.gov.in and deepak.gupta@chemexcil.gov.in .

Thanking You

NOTICE 2

EPC/LIC/DGFT 01/04/2019

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:-DGFT, Important Notifications/ PNs/ Circular/ Trade Notices issued on EPCG Scheme - Applicability of amendment to para 5.10 (c) of Hand Book of Procedures 2015-20 (Mid-Terms Review), Online filing, processing and system based approval of MEIS applications in respect of SEZ shipping bills, Online filing and processing of applications for export of Restricted items (Non-SCOMET) at DGFT HQ. Addition of provision related to the Scheme for Rebate of State and Central Taxes and Levies (RoSCTL) notified by the Ministry of Textiles, Transport and Marketing assistance (TMA) for specified Agriculture Products

Dear Members,

We would like to inform you that the O/o Directorate General of Foreign Trade, New Delhi has issued various Notifications/ PNs/ Circulars/ Trade Notices, respectively, regarding Online filing & processing of MEIS for SEZ Shipping bills, Online filing and processing of applications for export of Restricted items (Non-SCOMET) at DGFT HQ, Counting of third party exports under EPCG schemes etc and new schemes namely- RoSCTL, Transport and Marketing assistance (TMA) for specified Agriculture Products etc.

The gist of EXIM updates is provided as follows:

Circulars

S. No.	Circular No.	Year	Subject	Date	Details
1	22/2015-2020	2018-19	EPCG Scheme - Applicability of amendment to para 5.10 (c) of Hand Book of Procedures 2015-20 (Mid-Terms Review) Imp- Guidelines clarified on counting of third party exports for export obligation	29/03/2019	Download (497.74 KB)

Trade Notices

S. No.	Notice No.	Year	Subject	Date	Details
1	51/2015-20	2018-19	Online filing, processing and system based approval of MEIS applications in respect of SEZ shipping bills **Imp:** Online filing, processing and system based approval of MEIS for SEZ S/Bs being activated from 08/04/2019. Exporters may also refer to Trade Notice no 30. Dated 11/09/2018 and PN No. 68 dated 09/01/2019.	29/03/2019	Download (376.52 KB)
2	Trade Notice No. 50/2015-20	2018-19	Online filing and processing of applications for export of Restricted items (Non-SCOMET) at DGFT HQ	18/03/2019	Download (568.52 KB)

O/o DGFT has also launched two new schemes for textiles and Agriculture products respectively as follows:

Notifications

S. No.	Notification No.	Year	Date	Subject	Details
1	59/2015-2020	2018-19	29/03/2019	Addition of provision related to the Scheme for Rebate of State and Central Taxes and Levies (RoSCTL) notified by the Ministry of Textiles Relevant for only for textile products	Download (336.85 KB)
2	58 /2015-2020	2018-19	29/03/2019	Transport and Marketing assistance (TMA) for specified Agriculture Products - regds	Download (593.83 KB)

This is for your information only. For further details, relevant members can refer using links provided above.

Difficulties, if any, may be put forth to the concerned DGFT officers. Persistent issues can also be highlighted to the council on ed@chemexcil.gov.in & deepak.gupta@chemexcil.gov.in for taking the same with O/o DGFT.

Thanking You

NOTICE 3

EPC/LIC/e-WayBill 02/04/2019

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:-Forthcoming changes in E-Way Bill System

Dear Members,

As per updates on GST Portal (https://www.gst.gov.in/), forthcoming changes are likely in E-Way Bill System.

For the convenience of the members, the important points are highlighted/ reproduced as follows:

- Auto calculation of route distance based on PIN code for generation of EWB:

E-waybill system is being enabled to auto calculate route distance for movement of goods, based on the Postal PIN codes of source and destination locations, given by the user. The e-waybill system will calculate and display the actual distance between the supplier and recipient addresses. User is allowed to edit the distance shown, but it will be limited to 10% more than the displayed distance. In case, source PIN and destination PIN are same, the user can enter up to a maximum of 100 kms only. If PIN entered is incorrect, the system would alert the user as INVALID PIN CODE, but he can continue entering the distance. Such e-waybills having INVALID PIN codes will be flagged for review to the departmental officers.

- Blocking of generation of multiple E-Way Bills on one Invoice/document:

  It has been decided not to allow generation of multiple e-way bills based on one invoice, by any party – consignor, consignee or transporter. That is, once E-way Bill is generated with an invoice number, then none of the parties - consignor, consignee or transporter, can generate another E-Way Bill with the same invoice number.

- Extension of E-Way Bill in case Consignment is in Transit:

  The transporters have represented to incorporate provision to extend E-way Bill validity, when goods are in transit. Transit means that goods could be on Road or in a Warehouse. During the extension of validity of the e-way bill, the user will be prompted to answer whether the Consignment is in Transit or in Movement. On selection of In Transit, the address details of the transit place need to be provided by user. On selection of In Movement the system will prompt user to enter Place and Vehicle details. For calculation of distance for movement and validity date of an E-way Bill, in both these scenarios, the destination PIN will be considered from the PART-A of the E-way Bill.

- Blocking of Interstate Transactions for Composition dealers:

  As per the GST Act, the composition tax payers are not allowed to do Interstate supply. Hence user will not be allowed to generate e-way bill for inter-state movement of goods, if the supplier is a composition tax payer. The composition tax payers will not be allowed to enter any taxes under CGST or SGST for intrastate transactions. Also document type of Tax Invoice will not be enabled for them.

The above information may accessed using below links-

Forthcoming changes in E-Way Bill System

https://docs.ewaybillgst.gov.in/Documents/Forthcomingchangesinewaybill.pdf

Members are requested to take note of the same and do the needful accordingly. For any clarification, you may contact the relevant Helpdesk (https://docs.ewaybillgst.gov.in/html/contactus.html).

Thanking you

NOTICE 4

EPC/LIC/MEIS 04/04/2019

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:-DGFT, Discontinuation of issue of physical copy of MEIS/SEIS scrips for EDI ports with effect from 10.04.2019

Dear Members,

As an ease of doing business measure, O/o Directorate General of Foreign Trade, New Delhi has issued Trade Notice 03/2015-2020 dated 3rd April 2019 regarding discontinuation of issue of physical copy of MEIS/SEIS scrips for EDI ports with effect from 10.04.2019.

For the sake of convenience of the members, the changes are highlighted as follows:

- To start with, this facility of paperless scrip will be available for EDI ports only and will not be available for non-EDI/ SEZ ports.
- Applicants will continue to apply for MEIS/SEIS as per current procedure on DGFT website (www.dgft.gov.in). However, RAs will not issue any hard copy of scrip to the applicants. Instead, after approval, the applicant will get the following message on the mobile and email address (as indicated in the MEIS/ SEIS application module) that,
- "Scrip No.... dated....... has been issued against RA File No ……… No scrip on security paper is required to be issued. You can print/view scrip details at MEIS ECOM module on DGFT website. Information relating to transfer of scrip has to be recorded on DGFT website (dgft.gov.in) before the scrip can be used."
- In order to take a printout of the scrip, the applicant needs to choose MEIS/ SEIS scheme link in the ECOM module and then log-in on DGFT website (www.dgft.gov.in) using digital signature. After login, all MEIS/ SEIS Scrips issued to the firm will be available in PDF form, so that the applicant can print/ save the Scrip for his own reference.
- Based on the PDF Print, Applicant can approach Customs for necessary debit without insisting of Scrips Printed on Security paper as on date.
- Online Transfer procedure as intimated will be in place as already notified. TRA facility from EDI Port to NON EDI Port / SEZ Port will not be available. (Amended Para 3.08 FTP Vide Public Notice No. 84/2015-20 Dt. 03.04.2019)

http://www.dgft.gov.in/sites/default/files/Trade%20Notice%20No.%2003%20dt.%2003.04.2019.pdf

http://www.dgft.gov.in/sites/default/files/Public%20Notice%20No.%2084%20dt.%2003.04.2019%20english.pdf

Members are requested to take note of this important change w.e.f 10/04/2019. For further details, relevant members can refer to the said Trade Notice using links provided above.

Difficulties, if any, may be put forth to the concerned DGFT officers. Persistent issues can also be highlighted to the council on ed@chemexcil.gov.in & deepak.gupta@chemexcil.gov.in for taking the same with O/o DGFT.

Thanking You

NOTICE 5

EPC/LIC/CBIC/MEIS 12/04/2019

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:- CBIC, Phasing out of physical copies of Merchandise Exports from India Scheme (MEIS)/Services Exports from India Scheme (SEIS) Scrips issued with EDI port as port of registration

Dear Members,

As informed earlier, O/o Directorate General of Foreign Trade, New Delhi has issued Trade Notice 03/2015-2020 dated 3rd April 2019 regarding discontinuation of issue of physical copy of MEIS/SEIS scrips for EDI ports with effect from 10.04.2019 as an ease of doing business measure.

In this regard, Central Board of Indirect Taxes and Customs (CBIC) has also issued Circular No. 11/2019-Customs dated 9th April, 2019 regarding phasing out of physical copies of Merchandise Exports from India Scheme (MEIS)/ Services Exports from India Scheme (SEIS) Scrips issued with EDI port as port of registration.

For the convenience of the members, the important points from CBIC circular are highlighted as follows:

- MEIS/SEIS duty credit scrips shall continue to be transmitted electronically by DGFT to the Customs system. The details of the said scrips would be visible in ICES to concerned officers involved in import of goods i.e. registration of the scrips, assessment of Bill of Entry, giving out of charge to imported goods, etc.
- For registration, assessment and debiting of scrips, the current procedure as per the extant Circular No. 12/2016-Customs dated 28.03.2016 shall continue to be followed except that instead of presenting physical copy of the MEIS/SEIS scrips printed on security paper, the current owner or his authorized representative shall approach the proper officer of Customs with details of the MEIS/SEIS scrip such as IEC number, scrip number etc.
- As regard verification of ownership of scrip, same will be checked from the DGFT website. As you are aware, DGFT has also created a facility vide Trade Notice No. 42/2015-2020 dated 11.01.2019 regarding mandatory recording of information on DGFT website about transfer and current ownership details of MEIS/SEIS scrips issued from 14.01.2019 onwards.
- All debits in respect of the paperless scrips shall be made in ICES only and no physical debits would be required on the copy of scrips. In view of condition in the relevant exemption notifications under the Customs Act, 1962and Central Excise Act, 1944 prescribing that the scrip shall be produced before proper officer of Customs at the time of clearance and debiting of the duties leviable on the goods, the correctness of the debits made electronically in ICES shall continue to be verified by the proper officer.
- No TRA shall be issued in respect of these paperless scrips issued electronically by DGFT. Consequently, such paperless scrips issued for EDI ports cannot be used for making imports at non-EDI ports. DGFT shall continue to issue scrips in physical form on security paper as per current practice for non-EDI ports. The facility of TRA would be available for such physical scrips for making imports at other EDI/non-EDI ports.
- For procurement of goods from domestic manufacturer on payment of Central Excise duty, the exemption notifications No. 20/2015-Central Excise and No. 21/2015-Central Excise both dated 08.04.2015 prescribe

detailed procedure for debiting of scrip, endorsement by Central Excise officer etc. In view of doing away of physical copy of MEIS/SEIS duty credit scrips, suitable changes in the prescribed procedure have been notified vide Notification No.01/2019-Central Excise dated 09.04.2019.

Members are requested to take note of this CBIC circular regarding phasing out of physical copies of MEIS/SEIS issued with EDI port. For further details, relevant members can refer to the said CBIC circular using links provided below:-

Circulars/ Instructions

11/2019	View (106 KB)	-	09-04-2019	F.No.605/23/2018-DBK	**Phasing out of physical copies of Merchandise Exports from India Scheme (MEIS)/Services Exports from India Scheme (SEIS) Scrips issued with EDI port as port of registration**

http://cbic.gov.in/resources//htdocs-cbec/customs/cs-circulars/cs-circulars-2019/Circular-No-11-09042019.pdf;jsessionid=8F05CBEDADC450AC0FDCA63F46B47CD2

Difficulties, if any, may be put forth to the concerned Port officers. Persistent issues can also be highlighted to the council on ed@chemexcil.gov.in & deepak.gupta@chemexcil.gov.in .

Thanking You

NOTICE 6

EPC/LIC/AGRO 23/04/2019

To
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:-Import of Technical Pesticides

Dear Members,

As you might be aware, import of technical pesticides from un-registered sources has been an issue highlighted very often by agrochemical exporters. The council has also put forth this issue regularly before EP-CAP Section, Department of Commerce for taking it further with the concerned ministry.

Taking cognizance of the same, we have received communication from EP-CAP Section, DoC who have been informed by the Under Secretary, Department of Agriculture & Cooperation and Farmers Welfare, Ministry of Agriculture and Farmers Welfare, GOI that the Registration Committee, constituted under Section 5 of the Insecticides Act, 1968, in its 390th meeting held on 19/07/2018, has allowed the applicant/applicants to import the pesticide (either technical grade or any type of formulation) exclusively for export purpose and certificate of registration will be issued within 5 working days with the following conditions:

1. Stake holder / applicant can import the pesticides (technical grade/ formulation) who have the firm export order from the source other than approved by the Registration Committee for use into the country. Certificate of Registration shall be valid only for quantity as mentioned in the firm export order for a period of one year.
2. Once the export order is fulfilled, the applicant shall submit documents issued by Government Authority as proof that all the imported material has been exported to the concerned agency/ firm.

3. The applicant shall submit an affidavit that the imported pesticides as such or any of its preparation shall not be sold in the Indian market. In the event of cancellation of export order, the product shall be disposed-off in an environment friendly manner.

Relevant Members are requested to take note of above and benefit from this relaxation.

Members are also requested to send us their feed-back/ comments pertaining to this change on our e-mail ids:- ed@chemexcil.gov.in, deepak.gupta@chemexcil.gov.in and rodelhi@chemexcil.gov.in .

Thanking You

NOTICE 7

EPC/LIC/JNCH 23/04/2019

To,
TO ALL MEMBERS OF THE COUNCIL

SUBJECT:-JNCH, Turant Customs - Automated queuing of Bills of Entry for 'Out of Charge

Dear Members,

This is in continuation of our recent mailer informing you about CBIC circular No.09/2019-Customs, dtd. 28/02/2019 regarding Turant Customs-Next generation reform for Ease of Doing Business.

Pursuant to the same, O/o The Commissioner of Customs (NS-III), RMS Facilitation Centre, Jawaharlal Nehru Custom House have issued Public Notice No. 33/2019 dated 22/04/2019 regarding Turant Customs - Automated queuing of Bills of Entry for 'Out of Charge".

We understand that a new functionality has been enabled in ICES 1.5, whereby the Bills of Entry pending for clearance are automatically queued before the proper officer having SUP role for providing Out of Charge (OoC).

As you might be aware, Prior to launch of Turant Customs, the importer / authorised person / Customs broker was required to present to the proper officer the hard copy of Bill of Entry with examination order for registering the same at RMS Facilitation Centre or CFSs for examination and / or Out of Charge from SUP role. Now, the importer can register on-line into the ICES system for OoC. The new automated queuing feature which will not require the importer / authorised person to physically present the Bill of Entry details to the Customs officer. The Bills of Entry pending for clearance will automatically come before the OoC officer following FIFO rule, once on-line registration has been done by the Customs broker or importer, much like the queuing of Bills of Entry for assessment in Appraising Groups. Customs broker and importers are advised to ensure that Bills of Entry are registered on-line and not to approach the RMS Facilitation Centre for registration.

However, few issues which require certain clarifications on the procedure to be followed are explained in the above said JNCH Public Notice PUBLIC NOTICE No. 33/2019 dated 22/04/2019 regarding Turant Customs - Automated queuing of Bills of Entry for 'Out of Charge.

This circular is available for reference using below links-

PN-33-19	Turant Customs - Automated queuing of Bills of Entry for 'Out of Charge	22-Apirl-19

http://jawaharcustoms.gov.in/pdf/PN-2019/33-2019.pdf

Members are requested to take note of this new functionality and do the needful as per PN.

Difficulty, if any, may be immediately brought to the notice of Additional Commissioner/ Deputy Commissioner, RMS Facilitation Centre, JNCH. You may also copy such a query to the council on ed@chemexcil.gov.in and deepak.gupta@chemexcil.gov.in for records.

Thanking You

NOTICE 8

EPC/LIC/SCOMET 25/04/2019

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:-SCOMET, Amendment in Appendix 3 (SCOMET Items) to Schedule - 2 of ITC (HS) Classification of Export and Import Items, 2018, Amendment in Appendix 3 (SCOMET items) to Schedule- 2 of ITC (HS) Classification of Export and Import Items, 2018 (To allow export of two chemicals without authorisation on post reporting basis), Amendment in proforma of End Use Certificates [Appendix 25(i), 25(ii) and 2S(iii)] for grant of permission for export of items under SCOMET Control List.

Dear Members,

We would like to inform you that the O/o Directorate General of Foreign Trade, New Delhi has issued important Notifications/ Public Notice respectively, regarding Amendment in Appendix 3 (SCOMET Items) to Schedule - 2 of ITC (HS) Classification of Export and Amendment in proforma of EUC[Appendix 25(i), 25(ii) and 2S(iii)] for grant of permission for export of items under SCOMET Control List.

For the sake of convenience of the members, the Gist of these EXIM updates are provided as follows:

Notifications

S. No.	Notification No.	Year	Date	Subject	Details
1	3/2015-2020	2019-20	24/04/2019	Amendment in Appendix 3 (SCOMET Items) to Schedule - 2 of ITC (HS) Classification of Export and Import Items, 2018 *Effect of this Notification* *DGFT vide Notification No. 03 dated 24.04.2019 has updated the list of items controlled under SCOMET policy to align with the 2018 updates of Wassenaar Arrangement and Nuclear Supplier Group Control Lists.* *The provisions of this Notification shall come into force after 90 days*	Download (12.49 MB)
2	2/2015-2020	2019-20	24/04/2019	Amendment in Appendix 3 (SCOMET items) to Schedule- 2 of ITC (HS) Classification of Export and Import Items, 2018 *Effect of this Notification* *DGFT has issued Notification No. 02 for revision of SCOMET policy to allow export of 2 chemicals namely, Chloropicrin: Trichloronitro Methane and Methyldiethanolamine to CWC State Parties without an export authorisation, on post reporting basis.*	Download (720.29 KB)

Public Notices

S. No.	Public Notice No.	Year	Subject	Date	Details
1	04/2015-2020	2019-20	Amendment in proforma of End Use Certificates [Appendix 2S(i), 2S(ii) and 2S(iii)] for grant of permission for export of items under SCOMET Control List. *Effect of this Public Notice* *The amendment in proforme of End Use Certificate will capture technical details of product, specific end use and complete contact details of the end user, thereby facilitating expeditious end use / end user verification by the Government agencies and grant of export authorisation for SCOMET items.*	12/04/2019	Download (3.06 MB)

Members exporting SCOMET items are requested to take note of these updates and do the needful accordingly. The above said Notifications/ PN's are available for reference using download link provided therein.

Members may also put forth their comments on these changes on our e-mail ids- ed@chemexcil.gov.in and deepak.gupta@chemexcil.gov.in .

Thanking You

NOTICE 9

EPC/LIC/GST 25/04/2019

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:-GST, Important Circulars/ Notifications (Clarifications on Refund related issues, e-way bill system, Utilisation of input tax credit etc)

Dear Members,

Kindly note that CBIC/GST Policy Wing have issued several important circulars/ notifications respectively, regarding Clarifications on Refund related issues, e-way bill system, Utilisation of input tax credit, timelines for various returns etc.

For the sake of convenience of the members, we are listing down the same as follows. The important ones related to Refunds or utilisation of credit etc are also highlighted to draw your attention.

Circulars/Orders

Year

99/2019	View (361 KB)	23-04-2019	Seeks to clarify the extension in time under sub-section (1) of section 30 of the Act to provide a one-time opportunity to apply for revocation of cancellation of registration on or before the 22nd July, 2019 for the specified class of persons for whom cancellation order has been passed up to 31st March, 2019.

98/2019	**View (380 KB)**	**23-04-2019**	**Seeks to clarify the manner of utilization of input tax credit post insertion of the rule 88A of the CGST Rules.**
97/2019	View(357 KB)	05-04-2019	Circular clarifying issues regarding exercise of option to pay tax under notification No. 2/2019- CT(R) dt 07.03.2019 issued.
96/2019	View(357 KB)	28-03-2019	Seeks to clarify issues in respect of transfer of input tax credit in case of death of sole proprietor.
95/2019	View(365 KB)	28-03-2019	Seeks to clarify verification for grant of new registration.
94/2019	**View(507 KB)**	**28-03-2019**	**Seeks to clarify certain refund related issues under GST.**

Central Tax Notifications

Year

22/2019-Central Tax ,dt. 23-04-2019	View (349 KB)	Seeks to notify the provisions of rule 138E of the CGST Rules w.e.f 21st June, 2019.
21/2019-Central Tax ,dt. 23-04-2019	View (204 KB)	Seeks to notify procedure for quarterly tax payment and annual filing of return for taxpayers availing the benefit of Notification No. 02/2019– Central Tax (Rate), dated the 7th March, 2019
20/2019-Central Tax ,dt. 23-04-2019	View (243 KB)	Seeks to make Third amendment, 2019 to the CGST Rules.
19/2019-Central Tax ,dt. 22-04-2019	View (203 KB)	Seeks to extend the due date for furnishing of returns in FORM GSTR-3B for the Month of March, 2019 for three days (i.e. from 20.04.2019 to 23.04.2019).
18/2019-Central Tax ,dt. 10-04-2019	View (200 KB)	Seeks to extend the due date for furnishing FORM GSTR-7 for the month of March, 2019 from 10.04.2019 to 12.04.2019
17/2019-Central Tax ,dt. 10-04-2019	View (203 KB)	Seeks to extend the due date for furnishing FORM GSTR-1 for taxpayers having aggregate turnover more than Rs. 1.5 crores for the month of March, 2019 from 11.04.2019 to 13.04.2019
16/2019-Central Tax ,dt. 29-03-2019	View (470 KB)	Seeks to make Second Amendment (2019) to CGST Rules.
15/2019-Central Tax ,dt. 28-03-2019	View (204 KB)	Notification to extend the due date for furnishing of FORM GST ITC-04 for the period July 2017 to March 2019 till 30th June 2019 issued.
14/2019-Central Tax ,dt. 07-03-2019	View (350 KB)	Seeks to supersede notification No. 08/2017 - Central Tax dated 27.06.2017 in order to extend the limit of threshold of aggregate turnover for availing Composition Scheme u/s 10 of the CGST Act, 2017 to Rs. 1.5 crores.
13/2019-Central Tax ,dt. 07-03-2019	View (202 KB)	Seeks to prescribe the due dates for furnishing of FORM GSTR-3B for the months of April, May and June, 2019.

Members are requested to take note and for further information, may download the relevant notification/ circular and do the needful accordingly. Please note that this information is shared to flag off the important updates as much as possible. Members are also encouraged to regularly check http://cbic.gov.in/htdocs-cbec/gst/index to remain updated.

Thanking you

NOTICE 10

EPC/LIC/DGFT 26/04//2019

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:- DGFT, Upgradation Module for Online filling & tracking Quality Complaints/Trade Disputes relating to International Trade - both for Indian and Foreign entities

Dear Members,

As you might be aware, the O/o Directorate General of Foreign Trade, New Delhi had recently launched an Online Module for Filing & Tracking Quality Complaints/Trade Disputes relating to International Trade. However, this module only covered filing and tracking of complaints by Foreign entities against Indian entities.

Now, as per Trade Notice no. 08/2015-20 dated 26/04/2019, the said online module has been upgraded and now Indian entities can also file/track complaints against foreign entities. The revised protocol is provided as follows:

FOR THE INDIAN/FOREIGN COMPLAINANTS

(i) Go to the DGFT website www.dgft.gov.in>Services>File Quality Complaints/Trade Dispute>fill Online Application Form.

(ii) Upload documents related to the quality complaint/trade dispute, wherever required [maximum 5MB size documents in pdf format].

(iii) Select the jurisdictional Regional Authority of DGFT/SEZ (this jurisdiction should be ascertained with respect to the address of the Indian entity) as per Appendix 1 of Handbook of Procedures (refer http://dgft.gov.in/sites/default/files/1A_0.pdf).

(iv) Select jurisdictional Indian Mission (this jurisdiction should be ascertained with respect to the address of foreign entity).

(v) On submission, a Unique Reference Number (URN) starting with be will be generated and sent to the email id of the complainant. Please make sure that the email id is functional as all future correspondence in this regard will be made on this id only.

(vi) The complainant, at a future date, can also provide additional material/correspondence to the Regional Authority/SEZ and Indian Mission. While making any future correspondence, the URN must be quoted invariably in the subject header of the email.

(vii) A link 'View Status' is also available for the complainant to check current position of the complaint at "http://dgftebrc.nic.in.8090/TradeDispute"

FOR THE CONCERNED REGIONAL AUTHORITY OF DGFT/SEZ AND INDIAN MISSION

(viii) On receipt of the complaint/dispute, the concerned Regional Authority/SEZ and Indian Mission, after logging into the Online Module, on a regular basis, will take necessary steps for its resolution.

(ix) In case the Online Application Form has been submitted incorrectly to the wrong jurisdiction by the complainant, the application should be reassigned to the concerned authority by the RA/SEZ/Mission. Online Application(s) submitted to DGFT Headquarters will also be 'Reassigned' to the concerned RA/SEZ. For information of the Complainant, details regarding reassignment to another authority has also been provided in the 'Update Status' link.

(x) The concerned RA/SEZ/Mission will regularly update position of the cases on the link 'Update Status' so that the Complainant, Foreign Trade Division of Department of Commerce, Economic Diplomacy

Division of Ministry of External Affairs and the DGFT HQ can track the progress made on the complaints/ disputes filed.

Member-exporters having related trade issues with their foreign Buyers may use this facility for filing complaints/ resolution. This Trade Notice is available for reference using below hyperlink

S. No.	Notice No.	Year	Subject	Date	Details
1	Trade Notice No. 08/2015-20	2019-20	Upgradation Module for Online filling & tracking Quality Complaints/Trade Disputes relating to International Trade - both for Indian and Foreign entities	26/04/2019	Download (845.28 KB)

http://dgft.gov.in/sites/default/files/Trade%20%20Notice%20No.08%20dated%20260419.pdf

Difficulties, if any, may please be brought to the notice of O/o DGFT RA immediately. For persistent issues/ feed-back you can write to us also on ed@chemexcil.gov.in & deepak.gupta@chemexcil.gov.in .

Thanking You

NOTICE 11

EPC/LIC/CBIC/ICEGATE 06/05/2019

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:-CBIC, Simplified Auto Registration for IEC holders at ICEGATE

Dear Members,

As per updates on ICEGATE/ CBIC Portal, the Simplified Auto Registration for IEC holders is live on www.icegate.gov.in. The simplified Registration Module in ICEGATE is designed to register at the ICEGATE without the need to upload the Digital Signature Certificate (DSC), PAN verification, document upload to ICEGATE and approval procedure.

As you are aware, currently, IEC Registration is allowed on ICEGATE website, with Digital Signature which adds to transaction costs incurred on procuring DSCs. Such registered IEC holders can file documents on ICEGATE.

To attract importers and exporters for Registration on ICEGATE and to provide them various information services including reports, a need is felt to provide a Simplified Auto Registration on ICEGATE without the need to upload the Digital Signature Certificate (DSC), PAN verification, document upload to ICEGATE and approval procedure. This Simplified Auto Registration is based on IEC and GSTIN, requires OTP verifications of e-mail and mobile number. However, IEC holders registered under Simplified Auto Registration category are not permitted to file Customs documents.

For further information, Please use below link to download the advisory issued by ICEGATE-

https://www.icegate.gov.in/Download/Advisory_for_Simplified_%20Registration_at_ICEGATE_v1.pdf

Members are requested to take note of this ease of doing business measure and do the needful accordingly. For further details, you may refer to advisory available using above url.

Members may also send their feed-back on ed@chemexcil.gov.in & deepak.gupta@chemexcil.gov.in .

Thanking You

NOTICE 12

EPC/LIC/DGFT 13/05/2019

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:-DGFT , Low Usage of Self-Ratification scheme under para 4.07A of the Foreign Trade Policy

Dear Members,

We would like to inform you that the O/o Directorate General of Foreign Trade, New Delhi has issued Trade Notice No. 10/2019-20 dated 09/05/2019 regarding Low Usage of Self-Ratification scheme under para 4.07 A of the Foreign Trade Policy.

As you might be aware, Government had notified a Self-Ratification scheme for Advance Authorization (under para 4.07 A of the FTP 2015-20) for Authorized Economic Operators (AEOs) in the interest of ease of doing business. The scheme allows Advance Authorizations to be taken on self declaration and self ratification basis for cases where Standard Input Output Norms (SION) is not notified, without the need of going through the process of norms fixation/ratification by the concerned Norms Committee (NCs). Trade and Industry is being encouraged to avail this scheme by becoming AEOs as outlined by CBIC vide its circular no. 33/2016 dt. 22.07.2016, as amended, and by circular no. 26/2018 dt. 10.08.2018.

However, it is observed that in-spite of more than 3500 AEO already registered with CBIC, there are comparatively very few AEOs, who are using this scheme to get their advance authorizations.

In view of above, AEOs who are users of duty exemption scheme, are urged to make full use of Self Ratification Scheme in order to reduce transaction time and costs.

In case you are facing any issues with the same, please feel free to let us have your feed-back on e-mail id's- ed@chemexcil.gov.in & deepak.gupta@chemexcil.gov.in .

Your replies will be appreciated and enable us take up your issues, if any, regarding above scheme to the designated authority.

Thanking you

NOTICE 13

EPC/LIC/DGFT/MEIS 15/05/2019

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:-MEIS, Amendment in the Para 3.01 (b) of the Handbook of Procedures (MEIS Application for payments under FTP Para 2.52 (b) and OFAC cases where eBRC is not generated)

Dear Members,

We would like to inform you that the O/o Directorate General of Foreign Trade, New Delhi has issued Public Notice No. 08/2019-20 dated 14/05/2019 regarding Amendment in the Para 3.01 (b) of the Handbook of Procedures.

The changes, as per above-said PN are reproduced as follows for your convenience:-

Current Para 3.01 (b)	Amended Para 3.01 (b)
(b) An application for claiming rewards under MEIS on exports (other than Export of goods through courier or foreign post offices using e-commerce), shall be filed online, using digital signature, on DGFT website at http://dgft.gov.in with RA concerned in ANF 3A. The relevant shipping bills and e BRC shall be linked with the online application.	(b) An application for claiming rewards under MEIS on exports (other than Export of goods through courier or foreign post offices using e-Commerce) shall be filed online, using digital signature, on DGFT website at http://dgft.gov.in with RA concerned in ANF 3A. The relevant shipping bills and e BRC shall be linked with the online application. However, if - E-BRC has been generated in INR and payment is under Para 2.52(b) of the FTP, a letter from the concerned bank is required to be submitted to the concerned RA confirming that the payment has been received through Vostro Mechanism, or The shipment has been made to countries which are in OFAC list and e BRC could not be generated by the concerned bank, a declaration to that effect by the exporter along with a self attested copy of the proof of payment such as Foreign Inward Remittance Certificates/Statements etc is required to be submitted to the RA.. The RAs would process the application under (i) and (ii) above, after the required documents are submitted in hard copy to the RAs.

As an effect of this Public Notice, Procedure for claiming MEIS benefits for exports realized under Para 2.52 (b) of the FTP and for exports in which e BRC is not generated by banks has been notified.

Member-exporters facing issues due to delay in issuance of eBRC for OFAC payments, can make use of this relaxation and avail MEIS. The said PN is available for reference using below link-

http://dgft.gov.in/sites/default/files/Public%20Notice%20No.%208%20dt.%2014.05.2019%20-English.pdf

In case of any persistent issues, please do write to us on e-mail id's- ed@chemexcil.gov.in & deepak.gupta@chemexcil.gov.in .

Thanking you

NOTICE 14

EPC/LIC/DGFT/AA-EPCG 15/05/2019

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:-DGFT, Non-requirement of submission of Hard copy of application at RAs for issue of Advance Authorisation (AA) & EPCG Authorisation

Dear Members,

We would like to inform you that the O/o Directorate General of Foreign Trade, New Delhi has issued Policy Circular No. 23/2015-20 dated 15/05/2019 regarding Non-requirement of submission of Hard copy of application at RAs for issue of Advance Authorisation (AA) & EPCG Authorisation.

The important points of this Policy Circular are highlighted as follows for the convenience of the members:

- To remove the time lag between online application and receipt of hard copy in the DGFT Regional Authority (RA), NIC has now created an 'upload document' facility in the Advance Authorisation & EPCG ECOM modules.
- Therefore with effect from 20th May 2019, all exporters filing online AA & EPCG applications will, in addition, need to upload supporting documents also as prescribed in ANF/FTP/HBP. With the use of this facility, exporters will not be required to submit hard copy of the AA/EPCG application and its related documents to the DGFT RA.
- RAs would examine /process such ECOM applications based on the information & documents filed online by the exporter and issue AA/EPCG within the laid down timelines of 3 working days.
- In cases where the basic prescribed documents have not been uploaded online by the exporter or In exceptional cases where additional document/information is needed for further clarity or decision making, RA may issue an online deficiency letter. Exporter can log in the Online EOM module and view the deficiency raised online. Although the exporter can submit the reply in writing at the RA counter/post but for a quick response from the RA, it is desirable that exporter also submits the deficiency reply by email to the official email id of the concerned RA [with RA File no. in the subject line] along with necessary scanned documents as attachments.
- Exporters may note that, after issue of Advance Authorisation under Para 4.07 of the Hand Book of Procedures, 2015-20 (Self-declared Authorisations where SION does not exist) it is now the responsibility of the applicants to send two (2) sets of complete application [along with the PDF copy of AA, Appendix 4E, production/consumption data etc. and other related documents which will help in fixation of ad-hoc norms] directly to the FTDO of the concerned Norms Committee (NC) in the 0/0 DGFT, Udyog Bhawan, New Delhi-110011 for ratification/fixation of the norms. Details of Norms Committee(s) along with products groups dealt by each Norms Committee are laid down in Para 4.06 (i) of Hand Book of Procedures, 2015-20.
- In case, the application details are not made available by the exporter applicant to the concerned NC on time, the process of fixation of ad-hoc norms will get delayed. Non-availability of application with supporting documents beyond a reasonable period of say 2 months will lead to rejection of the case by the Norms Committee.

Member-exporters availing of Advance Authorisations/ EPCG are requested to take note of this measure to reduce transaction and do the needful accordingly. The said circular is available for reference using below link-

http://dgft.gov.in/sites/default/files/policy%20circular%20No%2023.pdf

We would also welcome your valuable feed-back on e-mail id's- ed@chemexcil.gov.in & deepak.gupta@chemexcil.gov.in .

Thanking you

NOTICE 15

EPC/LIC/DGFT/MEIS 16/05/2019

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:- MEIS, Three month's time window for applying for MEIS for Shipping bills with HS Codes which were harmonized and notified under MEIS Appendix 3B, Table 2 after a delay

Dear Members,

We would like to inform you that the O/o Directorate General of Foreign Trade, New Delhi has issued Public Notice No. 08/2019-20 dated 14/05/2019 regarding three month's time window for applying for MEIS for Shipping bills with HS Codes which were harmonized and notified under MEIS Appendix 3B, Table 2 after a delay.

The important points as per the above Trade Notice are as follows:

- There were certain shipping bills, which could not be applied for MEIS, because the codes under the shipping bills, were harmonized with the ITC HS and notified under MEIS after some delay by this Directorate. The Public Notice 17/ 22.08.2017, 22/ 31.08.2017 and 60/ 15.02.2018 may kindly be referred to for such codes.
- It is informed that the Customs Server has now transmitted such shipping bills to the DGFT server and the necessary changes have been made thereby making these shipping bills available for application under MEIS.
- The HS Code list for which shipping bills have been received may be seen in the Annexure (to this Trade Notice). For these shipping bills, the applicant can take the benefit of the para 3.15 (a) (ii) of the HBP 2015-20, which allows three months time for filing claims under MEIS from the date of upload of EDI shipping bills onto the DGFT Server by customs, before the late cut provisions are applicable. Therefore, all the applicants with shipping bills with the relevant codes are requested to apply for MEIS claim, well within the time window of three months, to avoid any late cut.
- As soon as Customs transmits the remaining shipping bills to DGFT, the same will be made available for MEIS claims at the earliest.

Member-exporters facing delay in MEISS due to rationalisation of HS Codes, can now make use of this opportunity and avail MEIS. The said Trade Notice with Annexure is available for reference using below link-

http://dgft.gov.in/sites/default/files/Trade%20Notice-14.pdf

In case of any persistent issues, please do write to us on e-mail id's- ed@chemexcil.gov.in & deepak.gupta@chemexcil.gov.in .

Thanking you

NOTICE 16

EPC/LIC/DGFT/MEIS 16/05/2019

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:- MEIS, Claim of MEIS benefits for exports made to countries in the OFAC List such as Iran and for Vostro Payments

Dear Members,

This is in continuation of our circular dated 15/05/2019 informing you about DGFT Public Notice No. 08/2015-20 dated 14/05/2019 regarding Amendment in the Para 3.01 (b) of the Handbook of Procedures whereby a revised procedure for making online MEIS applications/claims has been notified for situations where exports have been made to countries listed in the OFAC list such as Iran or export realizations have been received through the Vostro mechanism.

In this regard, O/o DGFT, New Delhi has now issued Trade Notice No. 15/2019-20 dated 16/05/2019 regarding Claim of MEIS benefits for exports made to countries in the OFAC List such as Iran and for Vostro Payments.

The important points from the above Trade Notice are highlighted/ reproduced below for your convenience:

- In case a shipment has been made to countries which are in the OFAC list and e-BRC has not been generated by the concerned bank for that specific shipment, then the exporter while making the MEIS application/ claim has to submit to the RA-
    1. A declaration to that effect, along with
    2. A self attested copy of the proof of payment such as Foreign Inward Remittance Certificate/Statement
- Also, if e-BRC has been generated in INR and payment is under the Vostro mechanism, a letter from the concerned bank is required to be submitted to the RA confirming that the payment for the particular shipment has been received through Vostro Mechanism in freely convertible currency.
- In the MEIS Online E- Com module-

For OFAC Shipments:

- The exporters are required to submit all such shipments in 1 application. The system would not allow shipments to other countries to be linked in this application.
- An option of "Shipments to OFAC countries " is required to be ticked for building the application with such shipping bills. After the relevant option has been exercised by the applicant, the system would segregate such applications and classify them under 'manual' mode.
- Then for the relevant shipping bill the applicant is required to fill the details of foreign exchange realized manually and submit the application. Exporters will also need to submit the hard copy of documents as mentioned above to the RA [making a reference of the RA File No which has been generated after the Online MEIS claim has been submitted to the jurisdictional RA]. It may be noted that such 'manual' applications would not be auto processed by the system and will require due scrutiny by the RAs before MEIS scrips are approved/issued. However, in line with Trade Notice no 3 dated 3rd April 2019, no physical/paper copy of the MEIS scrips will be issued for EDI ports.
- For all such applications, the RAs can change the FIRC details after due scrutiny of the physical copy of the FIRC/ Statement.
- For such applications with shipping bills of the period 01.04.2015 to 15.05.2019, the RAs shall consider the date of Let Export Date as 15.05.2019 (in relaxation of the procedure as notified in para 9.12 (D) of the HBP 2015-20) and accordingly modify and impose the appropriate late cut.

For shipping bills with Let Export date on or after 16.05.2019, usual late cut would be applied by the system and RAs shall not change it.

- For Vostro Payments, the Ecom module will identify and segregate the e BRCs which are in INR for processing in manual mode. The RAs will scrutinize the documents as prescribed in the Public Notice 08 dated 14.05.2019 , which are a self- declaration and the certificate of the bank, before issue of the scrip.

Concerned Member-exporters can make use of this procedure and needful. The said Trade Notice is available for reference using below link-

http://dgft.gov.in/sites/default/files/Trade%20Notice%20-15.pdf

Any difficulties, faced by the exporters while applying under the new procedure, as above, may please be brought to the notice relevant DGFT RA. In case of any persistent issues, please do write to us on e-mail id's- ed@chemexcil.gov.in & deepak.gupta@chemexcil.gov.in .

Thanking you

NOTICE 17

EPC/LIC/SCMTR 17/05/2019

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:- Entity Registration and Approval under New Sea Cargo Manifest and Transhipment Regulations (SCMTR), 2018 through ICEGATE WEB PORTAL

Dear Members,

This is in continuation of recent circulars regarding Entity Registration/Application process to operate under new Sea Manifest Regulations, 2018 pursuant to CBIC circular and JNCH Public Notice. These were relevant for various stakeholders including exporters using the E-Seal facility.

Now the O/o Commissioner of Customs (NS-I), JNCH has issued Public Notice No..45/2019 and 17/05/2019 regarding Entity Registration and Approval under New Sea Cargo Manifest and Transhipment Regulations (SCMTR), 2018 through ICEGATE WEB PORTAL

As per the JNCH Public Notice, the important points are highlighted as follows:

- Central Board of Indirect Taxes and Custom (CBIC) vide notification No. 38/2018-Cus (NT) dated 11.05.2018 read with notification No. 65/2018-Cus (NT) dated 30.07.2018 and 88/2018-Cus(NT) dated 30.10.2018 have notified Sea Cargo Manifest and Transhipment Regulations 2018, which came into force on 1st of March, 2019.
- This regulation supersedes the earlier regulations of Import Manifest (Vessels) Regulations, 1971, Export Manifest (Vessels) Regulation, 1976 and Transportation of Goods (Through Foreign Territory) Regulations of 1965. The new regulation stipulates changes in timelines and requirements for advance notice by shipping lines (vessels) arriving in India and Exports through shipping lines (vessels) out of India. The Indian Entity representing the Master of the vessel shall have to be registered with the Indian Customs to transact business under the new regulations and shall be called Authorised Sea Carriers(ASC). The agents acting on behalf of the Authorised Sea Carrier (ASC) shall be called as Authorised Sea Agents (ASA).
- As per the new regulations, the Authorised Sea Carrier (ASC)/Authorised Sea Agent (ASA) shall submit an Arrival Manifest electronically, prior to departure from the last port of call to the Indian Port of call. And similarly submit a Departure Manifest electronically before departure from the Indian Port of call. The submission of Arrival and Departure Manifest shall have to be complied with by the ASC/ASA before departure from the last

port/customs station of call to every Indian customs station and Departure then on respectively.

- Registration/Application process to operate under New Sea Cargo Manifest and Transhipment Regulations (SCMTR),2018 is now open at ICEGATE Web Portal https://icegate.gov.in. Please login with your ICEGATE ID/Password to submit the application. Non-registered users can first register themselves as per Registration Advisories available under Downloads Section on ICEGATE website home page and the details of the application process has been given in the Technical Guide also available under Downloads Section on ICEGATE website home page. After submission, the application will be routed to ICES for approval by jurisdictional customs officer. The Appraising Officer (EDI), NS-I, JNCH, Nhava¬ Sheva is authorized officer for approval of the application in ICES application from (Ent APR) role at this port. Apprising Officer (EDI) will verify all the pending applications along with the supporting documents like address proof etc., approve them and wherever necessary, raise a query to the applicant.
- One of the first manifests which is being developed under the new regulations is the Customs Inland Manifest (CIM) which would cover the inland movement of any cargo. The CIM to be filed by the exporters availing the facility of e-Seal as per Board's circular 26/2017 dated 01.07.2017 read with circular 36/2017 dated 28.08.2017 has now been made operational. The CIM will have to be filed by the exporter Just before the export cargo leaves the factory/premises of the exporter and would help in tracking the cargo till it reaches the port of export. The technical guidance on the SCMTR including the Customs Inland Manifest, and the message format of CIM have both been uploaded on ICEGATE web portal for the benefit of the Trade. The CIM will have to be filed for each rail/truck carrying the cargo separately but can have cargo pertaining to multiple Shipping Bills.
- It is requested that for exporters availing the benefit of e-Seal to:
  A. Obtain ICEGATE registration immediately, if not obtained already, and submit application from their login to operate under the new regulations.
  B. Go through the technical guidance note and message format of the CIM and start filing the same. To assist the exporters, a downloadable Excel based utility has also been made available on ICEGATE. The exporters can use this utility to fill the required information for CIM and generate the required JSON file automatically which can be sent to ICEGATE by email at the designated email id.
  C. Start filing the Shipping Bills in advance since the SB number has to be quoted in the CIM, which in turn has to be filed before the goods leave exporter's premises.
- The CIM filed by the exporters for the e-Sealed cargo would have, among other things, the details of the vehicle, containers and the respective e-Seals. These details would be shared with RMS for real time tracking of the cargo from the exporter's premises till the port of export. On arrival of the vehicle at the port of export too, the preventive officer at the gate (PREV_OFF) has been given the option in the System to enter the CIM number and check the actual vehicle/seal/details against the declarations made in the CIM. The preventive officer can enter whether or not the details match and whether eSeal has been tampered with, depending on the reading from the eSeal reader device. These details will also be shared with RMS to further strengthen its risk analysis. This would further help RMS in facilitating eSealed cargo without examination wherever eSeal is found to be intact and untampered, thereby benefitting the exporters.
- The option for CIM approval is given in PREV_OFF role. The vehicle, container and eSeal details will be displayed on the main manifest tab for verification. The officer will have to submit his report on this screen by feeding status for each container and eSeal in the Cont Code and Seal Code fields. For a more detailed verification before submission, other details of cargo and supporting documents can also be verified by the officer.
- It is decided that various stakeholders, from shipping lines to custodians, exporters using the E-Seal facility as per Board's Circular No.26/2017 dated 01.07.2017 read with Circular No. 36/2017 dated 28.08.2017, may immediately submit the application on the ICEGATE portal. The Public Notice No. 23/2019 stands modified to the above extent. The contents of this public notice shall operate as a standing order so far as officers and staff of Jawaharlal Nehru Custom House are concerned.

Members who are availing the benefit of eSealing are advised to take note and may immediately register on the ICEGATE portal. The Public Notice no. 45/2019 is available for reference using below link-

PN-45-19	Entity Registration and Approval under New Sea Cargo Manifest and Transhipment Regulations (SCMTR),2018 through ICEGATE WEB PORTAL	17-May-19

Difficulty, if any, may be emailed to Dy./ Assistant Commissioner, EDI, JNCH at edi@jawaharcustoms.gov.in.

Members exporting through other ports are also advised to get in touch with respective customs houses/ do the needful as per guidance note on ICEGATE. https://www.icegate.gov.in/SeaManifestRegulation.html

Thanking You

NOTICE 18

EPC/LIC/DGFT/RCMC 24/05/2019

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:- DGFT, Clarification regarding Discontinuing submission of physical copy of RCMCs with effect from 01.07.2019 while filling application for incentives/entitlements under FTP

Dear Members,

This is in continuation of our recent circular informing you about DGFT Trade Notice No. 12/2019-20 dated 13/05/2019 regarding Discontinuing submission of physical copy of RCMCs with effect from 01.07.2019 while filing application for incentives/entitlements under FTP. Subsequently, DGFT has already provided the facility for exporters to check status of uploading of their RCMCs by their respective EPCs on DGFT's website which may be assessed at

http:adgft.cielhi.nic.in:8100/RCMCproj/rcmcCheck input.jsp.

O/o DGFT has now issued Trade No. 17/2019-20 dated 22/05/2019 having Clarification regarding Discontinuing submission of physical copy of RCMCs with effect from 01.07.2019 while filling application for incentives/ entitlements under FTP

We understand that industry has raised questions with regard to appropriateness of EPCs issuing RCMCs under para 2.56 of FTP read with 2.94 of HBP.

In this regard, as per above-said Trade Notice it is clarified that:

a. An entity requires only one RCMC from its relevant EPC as per Appendix-2T. It can keep on adding any number of businesses afterwards and RCMCs from other EPCs will be optional only.
b. If an entity, having RCMC for goods from a particular EPC/FIEO, exports services subsequently, there is no need to obtain second RCMC from SEPC(membership with SEPC in such a case is merely optional).

Members are requested to take note of the same. The DGFT Trade Notice is available for reference using below link-

S. No.	Notice No.	Year	Subject	Date	Details
1	Trade Notice No. 17/2019-20	2019-20	Discontinuing submission of physical copy of RCMCs with effect from 1.07.2019 while filling application for incentives/ entitlements under FTP and further clarification in the matter.	22/05/2019	Download (220.82 KB)

In case of any issues/ feed-back, members may write to the council on e-mail id's- ed@chemexcil.gov.in, adreach@chemexcil.gov.in & deepak.gupta@chemexcil.gov.in .

Thanking you

NOTICE 19

EPC/LIC/DGFT/Import 27/05/2019

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT: - DGFT, Amendment in import policy of biofuels

Dear Members,

The O/o Directorate General of Foreign Trade (DGFT), New Delhi has issued Notification no. 06/2015-20 dated 24/05/2019 regarding amendment in import policy of biofuels under Chapter 22, 27 and 38 of ITC (HS), 2017, Schedule - I (Import Policy).

For the convenience of the members, the amendments in import policy of Bio-fuels as per above notification, are highlighted as follows:

Exim Code	Item Description	Present Policy	Policy Conditions	Proposed Policy	Proposed Policy Conditions
22072000	Ethyl alcohol and other spirits, denatured,of any strength.	Restricted	Import is allowed only for non-fuel purposes subject to Actual User condition.	Restricted	--
27102000	Petroleum oils and oils obtained from bituminous minerals (other than crude) and preparations not elsewhere specified or included, containing by weight 70% or more of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations, containing biodiesel,other than waste oils.	Restricted	Import is allowed only for non-fuel purposes subject to Actual User condition.	Restricted	--
38260000	Biodiesel and mixtures thereof, not containing or containing less than 70% by weight of petroleum oils and oils obtained from bituminous minerals.	Restricted	Import is allowed only for non-fuel purposes subject to Actual User condition	Restricted	--

As an effect of the Notification, Policy condition providing for free import of bio-fuels by actual users is deleted. Import policy of bio-fuels is "restricted" for all purposes and its import will require import licence from DGFT.

Relevant members are requested to take note of this amendment and do the needful accordingly. The above said notification is available for reference using below link-

S. No.	Notification No.	Year	Date	Subject	Details
1	6/2015-2020	2019-20	24/05/2019	Amendment in import policy of biofuels	Download (748.58 KB)

http://dgft.gov.in/sites/default/files/Notification%20No.6%28E%29.pdf

Thanking you.
Yours faithfully

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TRAINING COURSES ON CHEMICAL REGULATIONS

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About Course:

Our high-quality course material is especially designed after series of discussions and feedback from chemical industry professionals handling regulatory compliance, enforcement events and customer communications, candidates will learn how to prepare compliant SDS, labels and apply regulatory changes following implementation of GHS, CLP/REACH, OSHA (covers EU and US market).

Regulations Covered:

EC 1907/2006 (REACH),
EC 1272/2008 (CLP), COMMISSION REGULATION (EU) 2015/830,
GHS, US OSHA (Hazard Communication Standard, 29 CFR 1910.1200, also known as HazCom), UN Model Regulations

REGISTRATION OPEN!

Course Duration: 2 Full Days (9AM-6PM), Navi Mumbai & Ahmedabad

TO REGISTER CONTACT: Mrs. Pallavi Dobriyal, Training Coordinator

sdsin@reachlaw.fi, www.reachlaw.fi

Brief Course Content

- Introduction to SDS/GHS
- Step-wise guidance to prepare SDS covering 16 Sections
- How to determine classification of substances & mixtures to comply with CLP/GHS and International Dangerous Goods Regulations. (IMDG, IATA, UN Model Regulations)
- Special attention on Sections 1, 2, 3, 8, 9, 11, 12 & 14
- Compliant label creation
- Group exercises & Written Test
- SDS Certificate

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SR. NO.	POSITION OF ADVERTISEMENT	SIZE OF ADVERTISEMENT	RATE OF COLOR ADVERTISEMENT RATE			RATE OF BLACK AND WHITE ADVERTISEMENT		
			AMOUNT	GST @18%	TOTAL AMOUNT	AMOUNT	GST @18%	TOTAL AMOUNT
1	FULL PAGE	18 CM WD X 23.5 CM HT	10500	1890	12390	8625	1552.5	10177.5
2	HALF PAGE (HORIZONTAL)	18 CM WD X 11.5 CM HT	7000	1260	8260	4600	828	5428
3	HALF PAGE (VERTICAL)	8.5 CM X 23.5 CM	7000	1260	8260	4600	828	5428
4	QUARTER PAGE	8.5 CM WD. X 11.5 CM HT.	5000	900	5900	2300	414	2714
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6	INSIDE COVER PAGES (FULL PAGE)	18 CM WD X 23.5 CM HT	15000	2700	17700	NA		
7	BACK COVER INSIDE (FULL PAGE)	18 CM WD X 23.5 CM HT	12000	2160	14160	NA		
8	BACK COVER (FULL PAGE)	18 CM WD X 23.5 CM HT	20000	3600	23600	NA		

NOTE

- Rates quoted above are per insertion basis (For single insertion) and not for whole year.
- 10% discount will be extended after 2nd insertion onwards if member would like to continue for all 6-issues of year and for next 2-3 years.
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- Advertisement material must reach us 7 days before the date of publication
- Positioning of the Advt other than Cover Positions will be at Chemexcil discretion
- Only ColourAdvts will be entertained on Cover Positions.
- No Classified Advertisements will be entertained
- For further details such as series discounts, etc
  please contact on : ed@chemexcil.gov.in;adreach@chemexcil.gov.in

LIST OF FORTH COMING CHEMEXCIL EXHIBITIONS FOR THE YEAR 2019-2020

Sr. No.	Event Name	Country	Event Date	No. of Indian Exhibitors	Product Profile
1	Color & SpeChem Vietnam 2019 cum BSM in Thailand	Vietnam & Thailand	26th -28th June-2019	20 Each	Dyes, Pigments and dyes intermediates
2	AGRI BUSINESS GLOBAL TRADE SUMMIT	United States	1st-3rd Aug-2019	15	Agrochemicals, Pesticides and Fertilizers
3	35TH DYE+CHEM BANGLADESH 2020	Bangladesh	4th -7th Sept-2019	25	Dyes, Pigments and dyes intermediates
4	TRADE DELEGATION TO JAPAN AND TAIWAN	Japan, Taiwan	16th -18th Sept 2019	15 Each	Chemicals and Cosmetics
5	China National Chemical Industry Fair (ICIF 2019)	China	18th -20th Sept-2019	30	Chemicals and Cosmetics
6	BEAUTY ISTANBUL	Turkey	2nd -4th Oct-2019	15	Cosmetics, Toiletries essential oil
7	8th CAC ASIA SUMMIT	Thailand	5th-6th Nov-2019	20	Agrochemicals, Pesticides and Fertilizers
8	INTEX SOUTH ASIA 2019	Sri Lanka	20th -22nd Nov-2019	25	Dyes, Pigments and dyes intermediates
9	The Khimia International Exhibition	Russia	25th -27th Nov-2019	25	Chemicals and Cosmetics
10	Reverse Buyer Seller Meet	Mumbai / Ahmedabad	16th -17th Oct-2019	Foreign Buyers 50 Indian Exhibitors 100	Chemicals and Cosmetics
11	CAPINDIA Exhibition	Mumbai	2nd-4th Dec 2019	Indian Exhibitors 500	Chemicals, Plastic, Construction, Shellac Product
12	Trade Delegation to Kenya, Tanzania and Mauritius	Kenya, Mauritius, Tanzania	7th -13th Jan-2020	30	Chemicals and Cosmetics
13	Indian Chemical and Cosmetics Exhibition Argentina Cum Bsm in Brazil, Peru	Argentina, Brazil, Peru	Feb 2020	35 each	Chemicals and Cosmetics
14	21st China International Agrochemical & Crop Protection Exhibition	China	4th -6th Mar 2020	20	Agrochemicals, Pesticides and Fertilizers

Member Exporters are permissible to participate in maximum 2 events in one calendar year, under the MAI Scheme.

In view of the above, all concerned are requested to kindly select and identify the event accordingly, and confirm their participation to Shri Suhas Bansode (Email:Suhas.bansode@chemexcil.gov.in – Mobile:9920318318)