

## **Minutes of the 3<sup>rd</sup> meeting of 2nd Task Force on Transaction Cost in Exports**

The 3<sup>rd</sup> meeting of the 2<sup>nd</sup> Task Force on Transaction Cost in Exports took place on 10<sup>th</sup> July, 2013 at 11.00 a.m. in room No. 04, DGFT, Udyog Bhawan, New Delhi under Chairmanship of Dr. Anup K. Pujari, DGFT. All the members of the Task Force were present except member from Civil Aviation, DG CII and DG FICCI. However, they have sent their representatives to attend the meeting.

The following is the summary of the proceedings of the meeting:

1. The suggestions/issues received from Trade and Industry have been segregated organizations wise and circulated to the Members on 2<sup>nd</sup> of July, 2013. Members were requested to convey their comments on these.
2. During the 2<sup>nd</sup> Meeting of the Task Force, it was decided to create compact sub group of the task force Members who would visit various Government offices relevant for exports and imports. In this context, members were requested to convey before the next meeting, the group they would like to participate. Member's attention was also drawn to the recommendation of 2<sup>nd</sup> Meeting for compiling a chart detailing timelines prescribed by different Departments for meeting exporters and importers requests. Members were requested to communicate these two matters before the next Meeting.
3. A [presentation](#) was made on behalf of CII suggesting efficiency enhancement at the Air Cargo Complex, Mumbai. It was argued that the time taken to complete customs procedures can be reduced by half through greater use of IT. This would include measures like allowing EDI to accept pdf scanned documents, use of bar-coding by custodian, separation of document based assessment and physical examination functions.
4. JS (Custom) made a [presentation](#) giving an over view of custom's procedure in imports and exports. He informed that 24% of exports are made under free

shipping bills and 76% of exports relate to incentive related shipping bill. He stated that customs have introduced Risk Management System (RMS) as a great trade facilitation tool which is being introduced from 15.07.2013 at selected ports. However, it would be extended throughout the country within the next 2 months. He also stated that the present system of EDI in customs do not capture scanned document in pdf format which may be software challenge. Earlier, it was pointed out by CII that air cargo at Mumbai starts at 1 PM. He responded that the reasons behind such timings are not custom related but traffic regulations imposed by the State Governments like no entry of heavy vehicles during a particular time. Such truck movement having clear hoardings indicating "cargo for export" can be facilitated by the concerned State Governments. He also stated that custom is implementing 52 other statutes of Government of India. NOC has to be obtained from different sources. Some of the agencies like FSAAI, Textile Committee also take samples and grant of NOC in these cases which may take time. Regarding imports, he stated that 70% of the consignments are being cleared without manual appraisalment or examination. There was a suggestion to be examined whether General Import Manifest (IGM) which is filed by the carrier can be completed 24 hours in advance before arrival of vessel. He also pointed out that maximum time for export is 1 hr. 15 minutes by the custodian and carrier for processing the export documents. He suggested that demurrage free period may be reduced from 3 days to 1 day or it may be indicated in hours, say 72 hrs.

5. The 4<sup>th</sup> meeting will be held on 12<sup>th</sup> of August, 2013 at 5.00 pm in Room No. 11, DGFT, Udyog Bhawan, New Delhi.

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