

Minutes of the 4th meeting of 2nd Task Force on Transaction Cost in Exports

The 4th meeting of the 2nd Task Force on Transaction Cost in Exports took place on 12th August, 2013 at 5.00PM in Room No.04, Udyog Bhavan, New Delhi under the Chairmanship of Dr. Anup K. Pujari, DGFT. Following were present;-

1. Shri D.K. Singh, Addl.DGFT (Member Secretary of the Task Force)
2. Ms. Vandana Aggarwal, Economic Adviser, MOEF
3. Ms. Amita Sarkar, Dy.DG, CII
4. Shri Ajay Sahai, DG, FIEO
5. Shri Sunil Pant, Under Secretary, representing Shri Anil Srivastava, JS, M/o Civil Aviation.
6. Shri Manab Majumdar, ASG, FICCI, representing Dr. Arvind Prasad, DG, FICCI

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

1. It was noted that the earlier decision to undertake visits of various government offices relevant to import and export by the sub-groups of the Task Force has not materialize fully. Therefore, it was decided that field visit should be completed in August, 2013.
2. It was also noted that the recommendation made during 2nd meeting for compiling a chart detailing timelines prescribed by different departments for meeting importers and exporters request has not been communicated by members.
3. A detailed presentation was made on behalf of Engineering Export Promotion Council by a team led by Shri B. Sarkar, Executive Director, Shri Biswajit Mitra of Tata Steel. During the presentation, it was pointed out that there is huge delay in release of shipping bills by the customs. It was emphasized that there is a need for linking the electronic data with the CHAs. It was also pointed out that system of Central Warehousing Corporation is not linked with the system of customs. Therefore, all the entries have to be done manually. It was suggested that the information from CWC to custom should flow electronically which requires integration of both the systems. Difficulties in documentation due to variation in weight were also pointed out where any correction of weight requires repetition of all the procedures. It was suggested to put scanners for container stuffing.

4. The team of Transaction Cost has visited Chennai port and Delhi port. The presentation by them was deferred as JS (Custom) was not available in the meeting. It was felt that this presentation may be made during the next meeting when JS (Custom) is also present.
5. A presentation was also given on behalf of Department of Posts by Smt. Smita Kumar, General Manager, Business Development. She informed that the following ongoing developments in Department of Posts would help export through Postal Channel:-
 - i) A major IT modernization project undertaken by Department of Post would result in paperless transaction and effective customer care. The process engineering and technological up-gradation would be linked with international postal software for enhance track and trace.
 - ii) Setting up of Parcels, Logistics and Warehousing Centres under 12th Five Year Plan will facilitate exports of MSME Sector through postal channel.
 - iii) Customs declaration system has been developed which can be used by Posts and Customs to produce, forward and review customs clearance for postal items.
 - iv) To track and trace postal exports, the department is finalising the process where Airlines Partners are mandated to provide required message through EDI system to confirm that the articles were accepted by the Airlines and delivered to handling facility at the destination.
 - v) It was suggested that to promote exports through postal channel, global best practices could be studied, especially services offered by Brazil Post. Further, simplification of Customs processes and procedure to promote export of MSME through Post should be explored. This has been done in some countries through coordination between Customs and Postal Authorities.
6. Committee members informed that mentioning of ITC (HS) code is not mandatory in ARE.I. Therefore, sometimes it is very difficult to prove co-relation between shipping document and ARE.I. It was suggested that mentioning of ITC (HS) code in ARE.I may be made compulsory. It was suggested to take up this issue with CBEC.
7. The 5th meeting will be held on 12.9.2013 at 3.00 PM in room No.4, DGFT, Udyog Bhvan, New Delhi and CII will make a presentation on sub-groups visit to Air Cargo at Delhi, Mumbai and Chennai.
