



EXPORT PROMOTION COUNCIL FOR HANDICRAFTS

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EPCH ORGANIZED A WORKSHOP ON EXPORT POLICY, EXPORT FINANCE AND EXPORT CREDIT & GUARANTEE SCHEMES ON 11TH DECEMBER 2013 AT PUDUCHERRY, KARNATAKA

EPCH Southern Regional Office organized a workshop on Export Policy, Export Finance and Export Credit & Guarantee Schemes at Puducherry on 11th December 2013. Over 60 participants attended the workshop. The following were present during above workshop:-

Sri K. L. Ramesh	-	Regional Convener –Southern Region EPCH
Sri R. Rajkumar	-	O/o DGFT, Puducherry
Smt. Indira Suresh	-	Manager, ECGC, Chennai
Sri Rama Murthy	-	Assistant Director, MSEC, O/o DC(H), Puducherry
Sri Parameshwaran	-	District Manager, Indian Bank, Puducherry
Sri Aguilane	-	Director, Indian Bank Self Employment Training Institute, Puducherry

Sri. K.L. Ramesh, Regional Convener –Southern Region welcomed the faculty members and thanks the office of the Development Commissioner (Handicrafts) for their support in organizing this workshop. He urged the participants to utilize the information provided during the workshop to enhance the exports of handicrafts from Puducherry.

Sri. S. Rajkumar, office of the DGFT, Puducherry addressed the participants on the following benefits available to exporters of handicrafts under the Foreign Trade Policy:

1. Focus Product Scheme
2. Duty Free Imports of Embellishments.
3. Export Promotion Capital Goods Schemes

He further informed that to avail the benefits of the Focus Products Scheme, merchant and manufacturer exporters are required to submit copies of commercial invoice, packing slips, shipping bill and Foreign Inward Remittance Certificate to the Office of the DGFT in the prescribed form available in a software 'Safe Script' which can be purchased from Registered vendors. The benefits are to be availed within 12 months. After this period, 2% penalty is levied if submission is made after the first year and in the first six months, 5% penalty is levied if submission is made in the second six months and 10% penalty if submission is made in the third year from the date of export. Claims cannot be delayed beyond 36 months.

Smt. Indira Suresh, Manager, ECGC, Chennai made a detailed presentation on the different kinds of following covers under ECGC:-

1. Transactions in unknown territories
2. Insolvency risks
3. Exchange risks
4. Political instability
5. Transfer delay problems
6. Collapse of banks

There is a need for Credit Insurance:

1. Protection of bad debts in Credit transactions
2. Demands for credits in exports on the increase
3. Make export finance facilities easier
4. Develop exports to new countries / buyers
5. Offer facilities comparable to other countries
6. Need to promote exports to earn foreign exchange

The risks covered by ECGC are both commercial and political.

ECGC has a Databank of about 400,000 buyers and shares information with eleven international agencies including M/s. Dun and Bradstreet.

Mr. Parameshwaran, Lead District Manager, Indian Bank, Puducherry, informed that the Government of India has fixed that 12% of bank reserves should go to export finance. Of the total credit outlay of the Indian Bank in Puducherry, no export finance is being given. Therefore, he requested the participants to utilize Indian Bank for their export credit requirements. Sri. Aguilane, Director, Indian Bank Self Employment Training Institute, Puducherry, informed the participants about the pre shipment and post shipment credits are available for export transactions.

EPCH official made a presentation on the assistance given by the Council to exporters.

Sri. Rama Murthy, Assistant Director, Marketing & Service Extension Centre, Office of the Development Commissioner (Handicrafts), Puducherry appreciated the efforts of EPCH for organizing the programme during All India Handicrafts Week and arranging for the translation of EPCH's brochure into Tamil.

Some of the questions raised by the participants:

1. ***After submission of documents how long does the office of the DGFT takes to issue Scrip under Focus Product Scheme?***

Answer: Immediately.

2. ***Is the process of application done in the Puducherry office of DGFT?***

Answer: All applications are to be made online which are then transmitted to the Regional Offices for process.

3. ***Can Drawback and Focus Product Schemes be utilized together?***

Answer: yes

4. ***Does ECGC make buyer assessment?***

Answer: Limit fixation on buyers is made in consultation with eleven international agencies.

5. ***Which is the biggest claim commercial or political settled by ECGC?***

Answer: Three crores due to political reasons – a coup in a certain country.

