

Special Bonus Benefit Scheme

1. It has been decided to introduce a new scheme to provide special assistance to specified sectors for 6 months as special assistance. The support is given to Engineering, Pharmaceutical and Chemical sectors.
2. The scheme would cover 50 products. Some of the major items under Engineering are cast article of alloys steel and stainless steel, hand tools, gas compressors, motorcycles and goods vehicle. The list under chemicals and pharma include carbon black, potassium iodide, niacin amide, erythromycin and its derivatives, ciprofloxacin etc. The list of products at 6-digit/8 digit levels is given in the newly created Table 8 in the appendix 37D of the FPS Scheme.
3. This scheme will be available on exports made on or after 1.10.2011. The scheme would automatically sunset on 31.3.2012.
4. The rate of duty credit is 1% of FOB value of exports.

Special Focus Market Scheme (SFMS)

5. It has been decided to introduce a Special Focus Market Scheme with a view to increase the competitiveness of exports with a geographical targeting. The scheme would provide additional @1% duty credit when exports are made to these countries. This duty credit is over and above the duty credit granted under FMS i.e. if a item covered under FMS is exported to the countries listed under SFMS, then the total duty credit would be available would be @ 4%.
6. The markets are categorized into three groups, namely Latin

American, African and CIS countries. The countries are listed in new Table 3 of Appendix 37C. The total no of countries included under the scheme is 41. The list includes Cuba and Mexico as new entrants. Therefore, exports to these two countries would be entitled to duty credit scrip @4% of the FOB value of exports.

7. List of Latin American Countries include Argentina, Colombia, Costa Rica, Cuba, Ecuador, Haiti, Mexico, Nicaragua, Panama Republic, Paraguay, Peru and Uruguay (Total 12 countries).
8. List of African Countries include Angola, Cameroon, Congo D. Republic, Congo P Republic, Cote D'Ivoire, Ethiopia, Gabon, Gambia, Ghana, Liberia, Madagascar, Malawi, Mali, Namibia, Rwanda, Senegal, Sierra Leone, Sudan, Tunisia, Uganda, Zambia and Zimbabwe (Total 22 countries).
9. List of CIS Countries include Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan (Total 7 countries).

Support to Apparel Sector

10. Exports of items under Chapters 61 and 62 have shown a declining trend during 2010-11 compared to year 2009-10. The total exports to USA under Chapters 61 and 62 during 1.4.2010 to 30.09.2010 were Rs. 6129.69 crore. The exports during 1.4.2011 to 30.09.2011 declined to Rs. 3897.29 crore. Similarly the total exports to EU under Chapter 61 and 62 during 1.4.2010 to 30.09.2010 were Rs. 10365.01 crore. The exports during 1.4.2011 to 30.09.2011 declined to Rs. 7869.02 crore. This sector has high potential to achieve higher level of exports and generate great employment opportunities. USA and EU are

also our major markets and these two countries are having their own myriad problems at present.

11. The chapters 61 and chapter 62 items were granted duty credit under MLFPS for export to USA till 30.9.2010 and for exports to EU up to 31.3.2011. However, at present the readymade garments are not covered under the FPS/MLFPS. It has been decided to extend MLFPS for exports to USA and EU under chapter 61 and 62.
12. The scheme would cover all the items covered under chapter 61 and 62. The duty credit would be available to exports made during 1.4.2011 to 31.3.2012 @ 2 % of FOB value of exports.

Focus Product Scheme

13. The list of items under FPS has been expanded to include 130 new additional items. These items are mainly in the sectors of Chemical/ Pharmaceuticals, Textiles, handicrafts, Engineering and electronics sector.
14. These include chemicals like soda ash, other amides and their, silicon in primary forms, oxygen function amino compound, methyl diethanolamine, and only specified APIs under ITC (HS) Code 29420090.
15. Textile items like polyester textured yarn, fully drawn yarn of polyester, viscose rayon type yarn, polyester chips, woven cotton fabrics denim 85% cotton over 200G/M2, unbleached or bleached cotton fabrics, dyed cotton fabrics knitted or crocheted have been included under the scheme.
16. Important engineering items like other Ferro- chromium, insulated conductors, vending machines, lithographic plates,

and biomass gasifiers, fittings for doors and windows made of brass, name sign plates have also been included in the list.

17. Important electronics items included in the list are: static converters, optical disc drives, parts of mobile hand sets, push button phones, telephone answering machines, standard wires cables of copper, optical fibre cable, parts of telecom transmission equipment.
18. This Scheme has also been extended to printing on cartons, boxes, cases, bags and other packing containers, erasers and pencil sharpeners.
19. The items covered under FPS are entitled to get duty credit scrip @ 2% of FOB value of exports.

Market Linked Focus Product Scheme

20. The list of items under MLFPS has been extended to cover new items to specified countries. It has been decided to extend MLFPS for exports of Agricultural tractors > 1800cc capacity which would now be eligible for duty credit for exports made to Turkey. Sugar machinery & high-pressure boilers would be eligible for Brazil, Kenya, South Africa, Tanzania and Egypt. The scheme has also been extended to all existing MLFPS Countries for printing inks, writing ink etc.
21. The items covered under MLFPS are entitled to get duty credit scrip @ 2% of FOB value of exports.

Towns of Export Excellence

22. The towns of Firozabad for glassware, Bhubaneswar for marine

products and Agartala for bamboo and cane products have been notified as town of export excellence.

EDI Initiatives and reduction in transaction Cost

23. DGFT has established itself in the e governance field. From on line filing of application to electronic issuance of licenses, it has been a great success story. In furtherance of the EDI initiatives, online message exchange of DFIA Authorization with Customs has started from today. Therefore, now Advance Authorization, EPCG and DFIA are completely EDI enabled.
24. DGFT has also become India's first digital signature enabled department in government of India, which has introduced a higher level of Encrypted 2048 bit Digital Signature. Digital certificate provides a high level of security for online communication such that only intended recipient can read it. It provides authentication, Privacy, non-repudiation and Integrity in the virtual world.

'Niryat Bandhu' - A scheme for International Business Mentoring

25. We are devising a novel 'Niryat Bandhu' scheme for mentoring first generation entrepreneurs. The officer (Niryat Bandhu) would function in the 'Mentoring' arena and would be a 'Handholding' experiment for the Young Turks in International Business enterprises.
26. Under the scheme, officers of DGFT will be investing Time and Knowledge primarily to mentor the interested individuals who want to conduct the business in a legal way. Over time, it would be expected to develop a class of businessmen who carry out the international business in an ethical manner.

Procedural simplification

27. Import of Radioimmunoassay Kits was classified in the 'Restricted' category as per ITC HS - Import Schedule under the ITC HS Code 28444000. Since the import item is intended for the diagnosis of disease / disorders in Humans and Animals, the import policy regime for this item is being liberalized to 'Free' subject to prior permission of Atomic Energy Regulatory Board.
28. The procedures for Transfer/ sale of imported firearms have been simplified. For sale/transfer of imported 'firearms' prior permission from DGFT is not required after 10 years of import. Further, this condition of '10 years' would not apply if importer attains sixty years of age. Local Police Licensing Authorities or District Magistrates can give permission of sale/ transfer directly. However, such importers will be debarred from acquiring any additional weapon in India during their (importer's) lifetime. Even for 'Shooters' category, sale/transfer of imported weapons would not require approval from DGFT.
29. Exporters have faced lots of problems in clubbing of their Advance Authorizations and in almost all the cases they were to approach DGFT, Hqrs. This procedure was time consuming and onerous. The procedure has now been simplified and the powers have been delegated to the Regional Authorities of DGFT. For the first time in the history of foreign trade formulation, the draft text for amendment of HBP v1 was uploaded on the website of DGFT seeking suggestions on our draft. The amendment has incorporated their valuable suggestions.

30. Process of simplifying the Redemption /No Bond Condition of Advance Authorization has been started. Under this additional window available to exporters the Redemption / No Bond condition of Advance Authorization will be done on the basis of a self-declaration. The cases will be subject to post-scrutiny with stricter penal provisions. The existing route of Redemption will also continue for such exporters who do not wish to go for a 'post scrutiny'. The draft procedure has also been placed on the DGFT website on 7.10.2011 inviting comments. Based on the inputs detailed mechanism would be worked out.

32. The application of IEC has become online w.e.f. 1.1.2011. This reduces the interface of exporters with the Regional Authorities of DGFT. An effort is also on to update the IEC database containing more than 7.6 lakhs IEC. All the IEC holders are being urged to cooperate in this effort and update their details on-line. This exercise would be completed by 31.3.2012.

