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**CAPEXIL**

**LIST OF PENDING ISSUES (PANEL WISE)**

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| **MISCELLANEOUS PRODUCTS PANEL** |
| 1. Duty Drawback Related
 | India, Pakistan and China are the major players in the match industry. In India the drawback rate has been reduced from 7% to 1.5% in the last 5 years where as in Pakistan present Incentive rates are much higher than our older rate (up to 25%). The price difference of matches between India and Pakistan is almost $2.00 per carton contains 1000 match boxes.If these rates are corrected then the industry can do a turnover of 79 million US dollars from the current level of 50 million US dollars.So Government needs to increase the Duty Draw Back and MEIS rates needs to be increased to compete with Pakistan.A Forex rate has to be stable. Recently 5% appreciation of our currency has affected our Exports drastically. |
| 1. As per Log to be Allowed to Import
 | There is a large potential to increase the volume of trade in Africa and South America, if ASPEN wooden logs are allowed to import into India. The qualities of ASPEN sticks are very good when compared to any other wood. But we do not know why it is not allowed to import to India. If the ASPEN logs are allowed to import into our country then cutting of trees in India for Match Industry is eliminated.We face difficulties in importing logs from European Countries. But, Methyl bromide is banned in European Union since 2008. The Indian Plant Quarantine Committee instructs to spray Methyl bromide over the logs from the place of Origin. Failing which, we have to pay 4 times as fumigation charges. Therefore if an alternative for methyl bromide is suggested, we will be able to import logs without hurdles we require the poplar logs with bark. Without bark, the logs get hardened and unusable. Hence, importing of logs with bark must be allowed.Corruption has to be eliminated and hope GST will eliminate all these problems of selling and buying of goods without bills. |
| 1. Infrastructure Issues
 | Infrastructure development is a big task, for example we do not have 3 phase industrial electricity supply. Electricity is provided to us from the rural feeders in which 3 phases is available between 6 – 8 hours. If we want from Industrial feeders we need to pay a minimum 12 lakhs for getting the line (Wire, posts and installation costs etc..) |

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| 1. MEIS should be increased for Safety Matches
 |  The MEIS incentive we receive is only 2% It is out at all enough for a product like Safety Matches. We are doing more process and lot of raw materials is used here. |

**GENERAL EXPORT CONSTRAINTS / ISSUES**

* DBK Rates should be fixed on the basis of SION. Drawback Rates should factor in surcharges & duties to offset the high cost of fuel, electricity, octroi, CST & other taxes without value cap.
* Various Credit Facilities to Indian Exporters should be available by all the banks at International Rate & Rates on Medium Term Loan should be reduced as it is very high so as the Processing Fees.
* Shipping Companies to Charge Cost Based Charges as it adds to Transaction Costs, DG Shipping should be appointed with Regulatory Powers on the same lines as Sri Lanka & Bangladesh
* FTA’s & PTA’s have not served its purpose as all countries have a favorable trade balance against India.
* Imports have registered a 100% increase in the last 3 years mainly of sub-standard goods. Only goods meeting BIS Standards should be permitted.
* Second Hand Machinery should be allowed to import at 0% custom duty for up gradation of Technology at soft rates of interest.
* Labour Laws should be made exporters’ friendly to encourage exporters to take commitments without fear of facing labor disputes and costs.

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