

## Jamshedpur SMEs must use strengths to crack global market

In view of the strong light engineering SME sector present in Jamshedpur, which caters to the needs of heavy industries present in and around the area, FIEO-ER at the invitation of CII Jamshedpur organized an Export Awareness Workshop for their members. The workshop was on 4 February 2010 during the Mega Industrial Fair held at Gopal Maidan in the Steel City, and included presentations by Mr Sanjeev Nandwani, JDGFT Kolkata on FTP, ECGC and Exim Bank.

The workshop was chaired by Mr Pradeep Srivastava, Chairman, CII Jamshedpur. Smt D. Nandwani, Dy. Dir. General, FIEO-ER delivered the theme address. ECGC and Exim Bank were co sponsors of the event.

Delivering his welcome address, Mr Srivastava stated that in this era of globalization it was imperative that the SMEs based at Jamshedpur also look at various markets abroad for marketing their products since they were not only competitive quality wise but were also competitive price wise. It was also important that the dependence solely on the domestic market will only lead to complacency and not contribute to the development of the Jamshedpur economy as a whole.

In the first of the presentations, Mr Nandwani, JDGFT, Kolkata provided an overview of the Foreign Trade Policy 2009-14 and stated that the FTA signed between India and ASEAN provided the SMEs based at Jamshedpur with the scope to market their products in neighbouring countries like Myanmar, Thailand, Indonesia, Vietnam and Cambodia since there was a ready market for auto parts and light engineering products which were already being marketed informally across the border.



Mrs. Debdatta Nandwani, Dy. Director General, FIEO(ER) addressing the meeting. On the dais from left, Mr. S. Srinivas, Director, Eximius Centre, Bangalore; Mr. Sanjeev Nandwani, Jt. DGFT, Kolkata; Mr. Pradeep Srivastava, Chairman, CII Jamshedpur; and Ms Razia Ahmed, Head Jamshedpur Zonal Office, CII.

Also, Mr Nandwani warned that with the various import duty structures slated to come down in keeping with the WTO norms, the entire world is seen as one composite market where goods can be freely traded across borders. This will increase competition, and complacency will only lead to inefficient players being driven out of the market. Hence it is imperative that the SMEs in Jamshedpur act now and spread their risk by getting into the export field as well.

Mr Saumer Sonowal, Assistant General Manager, gave a presentation on the services provided by EXIM Bank for the benefit of the Indian exporting community and also various investment opportunities which existed in the markets where schemes like Line of Credit is extended by the bank.

Mr SR Banerjee, Senior. Manager, ECGC gave presentation on the policies of the ECGC and how they help the exporters tide over the rough patches in exports in terms of non-

payments. In his presentation Mr Banerjee stated that the objective of the ECGC was to promote exports, mainly by:

1. Protecting exporters against commercial and political risks in realising export proceeds
2. Protecting banks against risk of default in export credit
3. Providing trade related services to the exporting community.

He also provided a brief background on the ECGC and its workings. Providing a brief on the Government of India stimulus package being implemented through ECGC, he stated that:

- Additional cover of 5%, subject to maximum protection of 95% available for all MSME exporters
- All exporters of textiles (including handicrafts and handlooms), gem and jewellery, leather, engineering goods, carpets, project goods, auto components and chemicals

will also get the additional protection of 5%

- Additional cover through the National Export Insurance Account of the Government of India
- Bank advances to MSME borrowers for exports will get an additional protection of 10% subject to maximum protection of 85% under the Credit Insurance covers to banks
- Additional cover available for shipments made / advances granted during the period 1 January 09 to 31 March 2010.

Mr PT Srinath, Dy. Director, FIEO-ER

gave a presentation on export markets and the services provided by FIEO to the exporters. He also stated that FIEO was promoting exporters at various international events like Canton Fair, Kunming and other events where the participants from the SME sector are welcome to participate given the subsidized rent being charged by FIEO for the exhibition space.

The presentations were followed by a lively interactive session during which questions were raised on topics ranging from Foreign Trade Policy to excise and customs rules and com-

mercial tax rules.

Giving his vote of thanks, the Chairman, CII Jamshedpur stated that judging by the interaction that was generated and the feedback received, it could be said that the workshop was very well received and the presentations made by various speakers were also highly appreciated by all. He also stated that CII Jharkhand Council plans to conduct other programmes in the near future in Jamshedpur as well as Ranchi and hoped the same could be jointly organised in association with FIEO. ■