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# 'Need to amend SEZ rules to boost pharma exports'

PRIVADARSHI SIDDHANTA  
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THE finance ministry has suggested that certain rules governing special economic zones (SEZs) should be amended in the forthcoming foreign trade policy (FTP).

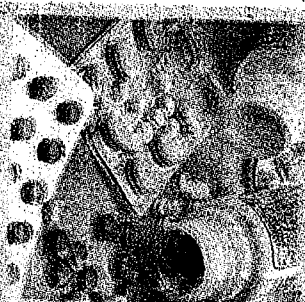
The move will ensure expeditious processing of customs and quality clearances to help hassle-free exports of drugs and pharmaceuticals from the country.

Revenue secretary Shaktikanta Das has written to commerce secretary Rajeev Khier reminding that the rules enforced by the government in 2010 for processing of pharma exports need to be

amended as demanded by the SEZ-based pharma companies to help streamline exports of their produce. In 2010, the government had made it compulsory for drugs exporters to obtain no objection certificates (NOCs) from assistant drug controllers deputed at the SEZs and also a 'Let Export Order' from the customs officials following which they would be allowed to export their produce.

To complicate the matters, customs officials were barred from issuing the export order unless the exporter has obtained a NOC. In a letter to Khier on September 29, Das pointed out that the irony is while the exporters are

## FINMIN SEEKS CHANGES IN FTP



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mandated to obtain NOCs at the SEZs, the government has not sanctioned deputation of ADCs in these zones and exporters are unable to obtain a NOC.

In the absence of a NOC, the customs officers refuse to issue 'let export order' (LEO).

At times customs officers had issued provisional LEO subject to the exporter getting a NOC from the ADCs at ports or airports, but since the SEZ rules do not permit issuing of such LEOs, the pharma companies are left at the mercy of officials deputed at the SEZs.

"If the officer does not cooperate, then exporters are burdened with all sorts of problems in regard to every export consignment," Das reasoned.

Accordingly Rule 46(1) of the set of rules governing the SEZs for pharma companies should be amended to provide for issuance of provisional LEOs at all export gateway ports or airports subject to the exporter obtaining a NOC from the ADCs.

A senior commerce ministry official said that views of the concerned firms would be soon sought although they have been informally conveying their views so far in this regard.

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