

Date: 4th March 2014

To
The Director General of Foreign Trade,
Department of Commerce,
Government of India,
Udyog Bhawan,
New Delhi – 110011

Dear Shri Dr. Anup K. Pujari,

Sub: Promoting e-commerce exports in terms of reduced Transaction cost and Transit Time

Ref: RBI/2012-13/528 A.P. (DIR Series) Circular No. 109 dated June 11, 2013 Point No.20 - Highlights of Annual Supplement 2012-13 To Foreign Trade Policy 2009 -14

Greetings from Retailers Association of India (RAI)!

It is my pleasure to write to you on behalf of RAI.

Retailers Association of India (RAI) is the unified voice of Indian retailers. RAI works with all the stakeholders for creating the right environment for the growth of the modern retail industry in India. It encourages, develops and supports retailers to become modern and adopt best practices that will delight customers.

RAI is the representative body of Retailers in India having over 900 member establishments including large and small retailers in the country and represents over 98000 stores in India. RAI has a three charter aim of Retail Development, Facilitation and Propagation.

We would like to bring to your notice that E-tailing / E-commerce (B2C) is a growing industry and foreign export promoting medium for India in the fiercely competitive International export market. Apart from export items being sold in the e-portal, the key features of the industry are price competitiveness and ability to deliver in short period of time after receipt of on-line order from the customer. This industry needs **support for reducing Transaction cost and Transit time.**

It is humbly requested that shipments **sold online using online payment options be given the option to export shipment from the express mode on export manifest instead of tedious Shipping Bill process** to ensure low Transaction Cost for SMEs and exporters apart from fulfilling the commitment of timely delivery to the buyer.

An exporter selling a garment worth USD 100 on the e-portal with a committed time of 4-5 days for delivery after order receipt will find it very difficult to export shipments effectively if the shipment has to be Customs cleared in the formal mode as there will be multiple costs apart from the impact on Transit time.

DGFT in its Highlights Of Annual Supplement 2012-13 To Foreign Trade Policy 2009 -14 has informed vide point number 20 that Exports shipments from Delhi & Mumbai through Post, through Courier or through e-Commerce shall be entitled for export benefits under FTP.

RBI vide its Circular RBI/2012-13/528 A.P. (DIR Series) Circular No. 109 dated June 11, 2013 has facilitated Processing and Settlement of Export related receipts facilitated by Online Payment Gateways by increasing the

value limit per transaction from USD 3000 to USD 10,000 for export related remittances received through OPGSPS.

To complement the efforts of DGFT and RBI, it is critical that support is received from Customs as well to enable the export generated by E-tailing / E-commerce.

Currently Courier regulation does not permit export of goods on courier mode where the value of the consignment is above rupees twenty five Thousand and transaction in foreign exchange is involved. The courier regulation is silent on the aspect of commercial consignment having value less than rupees twenty five Thousand. The regulation further states that the limit of rupees twenty five thousand shall not apply to such export consignments where the specific permission has been obtained from the Reserve Bank of India.

The shipment size, value and time sensitiveness necessitates the movement of such shipments on the express mode. The fact that there would be a proper tracking mechanism in place would add value to the buyer.

We shall be grateful if E-tailing / E-commerce export **shipments are enabled to export from the express mode on export manifest instead of tedious Shipping Bill process.**

Thanking you,

Yours sincerely,

For Retailers Association of India



Gautam Jain
Head – Advocacy & Finance

CC: Mr.Ajay Srivastava, Joint Director General of Foreign Trade, Udyog Bhawan, New Delhi -110011