



EICI/Memo 250
May 2, 2008

Shri Satish Chandra,
Member Secretary,
The Empowered Committee of State Finance Ministers
Delhi Secretariat.
IPE Estate
New Delhi 1100002

Sir,

Sub - Submission to improve movement of express shipments of states border Check Posts across India.

Express Industry Council of India (ETCI) is an All India body of leading express companies in India. EICI represents both the domestic and international express Companies in India, Many leading express companies like AFL, 13luc Dart, DHL., FedEx, First Flight, Gai, Pafex, TNT and UPS arc members of EICI.

EICI also operate the Common User Express Terminals at Mumbai and Delhi International Airports for cicarance of International express shipments. EICI jointly with indiai, Customs is in the process of developing ED! for Express clearances.

As per a report published by the eating rting agency CARE RESEARCH in 2006 India's express service industry was valued at around Rs 7100 crores in 2006 and is growing at around 20% annually. As per the report express industry in India is larger than India's Tca industry and close to the size of (he Shipping, Paper and Entertainment industry.

Sir, express companies are committed to provide speedy delivery of all shipments.

Expr'ss companies mainly carry small, door to door, time sensitivc and urgent items like documents, lifc saving drugs, engineering goods like s'parcs, mobile phones and accessories, computers and accessories, garments. healthcare products, lifestyle products, gifts and samples etc. These shipments are largely carried using jeeps, autos, and LCVs.

Inter state movement of express shipments in many states are a matter of concern. Substantial delays due to constraints at state border check posts lead to major hardships for the trade as wcll as consumers. You would appreciate that this Lead to higher transaction costs for businesses and delayed delivery of urgent time sensitive shipments to consumers.

If all states move tOwar(Is an ckctronic document clearance system, it would help ovcome untold delays at border check posts. For instance the state of Kcrala has accepted e filing of documents It is envisaged that at important cheek posts like Walayar on the Kerala TN border, for carriers who c file documents, (he clearance



Could be effected within around 30 minutes as against a current average of around 64 hours.

In its contribution to the economy as a 'Trade Enabler' express industry transcends industry boundaries and facilitates cost effective and smooth operations of other sectors of the economy and contributes to their growth and development.

The express industry enables small companies to utilize high quality, rapid delivery services which they could not provide themselves. This is particularly important in facilitating their participation in export markets. One area where express services are likely to be critical to economic success is the knowledge based sectors such as pharmaceuticals, financial and business services and research and development. These sectors are more than usually dependent on express services, reflecting the time sensitive high value services they provide.

Recognizing that the express industry is a vital sector of the economy Government of India as a major trade facilitation exercise ensured speedy clearance of express shipments through Customs by enacting Regulations and procedures to facilitate courier clearances at international gateways. Dedicated international express terminals at Mumbai, Delhi and Chennai have been set up in order to ensure speedy clearances of express shipments in and out of the country.

TIICI would be glad to work with the concerned authorities in structuring a process to facilitate this. This measure would go a long way in mitigating the critical issues faced by exporters in Kerala for delivery and carriage of all their urgent express shipments.

Express Services are now integral to business operations around the world, helping to reduce firms' operating and inventory costs, and facilitating the use of latest production techniques. Without them, companies' competitiveness- and hence investment- would be significantly undermined.

Sir, in case you need further clarifications, we would only be glad to provide you the same.

Thanking you,

Yours sincerely,

For Express Industry Council of India

Vi jay Kumar

Chief Operating Officer