

GOVERNMENT OF INDIA  
MINISTRY OF COMMERCE & INDUSTRY  
(DEPARTMENT OF COMMERCE)

**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 1013 (H)**  
**TO BE ANSWERED ON 19<sup>th</sup> DECEMBER, 2018**

**DEMAND TO INCREASE EXPORTS**

1013(H). SHRI LAL SINH VADODIA:

Will the Minister of **COMMERCE & INDUSTRY** be pleased to state:

- (a) whether it is a fact that there is demand on Government to increase exports;
- (b) if so, whether Government has considered this demand so far; and
- (c) if so, the details thereof and if not, the reasons therefor?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY  
(SHRI C. R. CHAUDHARY)

(a), (b) & (c): The Government regularly receives representations, from the Industry associations, Export Promotion Councils and members of trade to facilitate and promote exports. Due consideration is given to all the representations and appropriate measures are taken by the Government.

The Government has taken several measures, in the recent past, through the new Foreign Trade Policy (FTP) 2015-20 launched on 1<sup>st</sup> April 2015, its mid-term review released on December 5, 2017 and other policy measures taken from time to time to increase exports. The key measures include:

- i. The FTP 2015-20 introduced two new schemes, namely 'Merchandise Exports from India Scheme (MEIS)' for boosting manufacture and export of specified goods, and 'Services Exports from India Scheme (SEIS)' for increasing exports of notified services. Duty credit scrips issued under MEIS and SEIS, and the goods imported against these scrips are fully transferable. On the demand of the industry, at the time of mid-term review of the FTP in Dec 2017, export rewards under MEIS were increased by 2% across the board for labor intensive, MSME sectors, ready-made garments

and made up. In addition, incentives under SEIS were also increased at the time of mid-term review of FTP by 2%. Later, rewards to some agricultural products such as Bengal Gram, Milk and Milk Products, Soya de-oiled cake and Non Basmati rice have been provided / enhanced under MEIS for a limited period in the year 2018-19 to boost the exports of these agriculture sector items. Further, in order to enhance the ease of doing business, an online module to process MEIS benefit without any manual intervention, under a system authenticated mechanism, for most HS Codes has been launched in Sept 2018, with a facility to track the dispatch of the authorization. As on date, the MEIS scheme covers 8057 tariff lines at 8 digit level, and provides rewards at the rate ranging from 2 to 20% on realized FOB value of exports.

- ii. A framework for promotion of exports through duty remission/exemption on inputs for export production has been made under the Advance Authorization (AA) Scheme and Export Promotion Capital Goods (EPCG) Scheme of the FTP 2015-20. After the advent of the GST, an export package was announced in October 2017, wherein, holders of AA / EPCG and EOUs were granted ab-initio exemption from payment of Integrated Goods and Services Tax (IGST) while sourcing inputs/capital goods for exports. Further, to nudge procurement of capital goods from indigenous manufacturers, under the EPCG scheme, specific export obligation has been reduced from 90 percent to 75 percent for locally sourced capital goods. Also, the validity period of EPCG authorisation has been increased from earlier 18 months to 24 months.
- iii. Under the Interest Equalization Scheme (IES) pre and post Shipment Rupee Export Credit @ 3% per annum was made available to all exports under 416 tariff lines [at ITC (HS) code of 4 digits], and exports made by Micro, Small & Medium Enterprises (MSMEs) across all ITC (HS) codes from 01.04.2015. Subsequently, the Interest Equalization rates have been increased w.e.f. November 02, 2018 from 3% to 5% in respect of exports of all tariff lines by the Micro, Small & Medium Enterprises (MSME) sector manufacturers.
- iv. The Government operates a scheme called “Niryat Bandhu” to create awareness amongst new/potential exporters about intricacies of exports and imports.

- v. To boost exports of gems and jewellery sector, suitable amendments in FTP has been made to allow export of gold findings with gold content of 3k and above (earlier minimum purity level for gold content was 8k). Further, export of religious gold idols of gold content above 22k has been allowed subject to certain conditions. The job-work period for SEZ units has been increased from 28 days to 45 days for studded/silver/imitation jewellery.
- vi. Many trade facilitation and 'ease of doing business' enhancing measures have been taken with special focus on moving towards paperless working. The Government has launched a Single Window Interface for Facilitating Trade (SWIFT) clearances project with effect from 1<sup>st</sup> April, 2016. The scheme enables the importers/exporters to file a common electronic 'Integrated Declaration' on the Indian Customs Electronic Commerce/Electronic Data Interchange (EC/EDI) Gateway i.e. ICEGATE portal. India has also ratified the WTO Agreement on Trade Facilitation (TFA) in April 2016 for enhancing trade facilitation.
- vii. A new scheme called "Trade Infrastructure for Export Scheme (TIES)" has been launched from 1<sup>st</sup> April 2017 to address the export infrastructure gaps in the country.

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