

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY
DEPARTMENT OF COMMERCE

RAJYA SABHA
STARRED QUESTION NO. 144
ANSWERED ON 01.08.2025

WITHDRAWAL OF SUBSIDIES TO EXPORT-ORIENTED SECTOR

***144 SHRI A. D. SINGH**

Will the Minister of Commerce and Industry be pleased to state:

- (a) whether Government has decided or is going to decide not to provide subsidies to the export-oriented sector;
- (b) if so, the reasons therefor;
- (c) the alternative strategies being adopted to boost exports and enhance global competitiveness of Indian products in the absence of subsidies;
- (d) whether steps are being taken to improve logistics infrastructure, ease of doing business and access to global markets, if so, the details thereof; and
- (e) whether Government is focusing on value addition, diversification of the export basket or signing new trade agreements to support exporters and ensure sustainable export growth; and
- (f) if so, the details thereof?

ANSWER

THE MINISTER OF COMMERCE AND INDUSTRY

(SHRI PIYUSH GOYAL)

(a) to (f) A statement is laid on the Table of the House.

**STATEMENT REFERRED TO IN REPLY TO PART (a) TO (f) OF RAJYA SABHA
STARRED QUESTION NO. 144 FOR ANSWER ON 1ST AUGUST 2025 REGARDING
“WITHDRAWAL OF SUBSIDIES TO EXPORT-ORIENTED SECTOR”**

(a) to (f) The Government has created export policy in alignment with global trade rules, particularly the WTO's Agreement on Subsidies and Countervailing Measures (ASCM). The emphasis has shifted from incentives to WTO-compliant, production-linked, and competitiveness-enhancing support measures.

The decision is aimed at:

- Ensuring India's compliance with international obligations;
- Avoiding retaliatory action from trade partners;
- Promoting long-term sustainability and competitiveness rather than dependency;
- Reorienting incentives towards production efficiency, innovation, and value addition.

Thus, The Government has the following strategies:

- Facility of Duty Remission/Exemption Schemes like Remission of Duties and Taxes on Exported Products (RoDTEP), Rebate of State and Central Taxes and Levies (RoSCTL) and Duty Drawback schemes to ensure refund of taxes; Advance Authorisation Scheme/Duty Free Import Authorisation Scheme to provide duty-free import of inputs that are physically incorporated in export products
- Production Linked Incentive (PLI) scheme in key manufacturing sectors to boost scale and global competitiveness;
- Leveraging Free Trade Agreements (FTAs) to create preferential access and enable Indian exporters to compete on an equal footing.
- Developing Districts as Export Hubs (DEH) initiative in coordination with state governments, district-level authorities, export promotion councils, industry bodies, institutional stakeholders, and others, focusing on issues about enhancing the export potential of identified products.

- The Export Promotion Mission (EPM), announced in the Union Budget 2025–26 and presently under inter-ministerial consultation, seeks to explore new approaches to support the export sector. The draft EPM framework outlines possible support to enhance export competitiveness through improved access to trade finance, facilitation of compliance with international regulatory requirements, capacity building, enhanced outreach and market development efforts, product and market diversification, market access initiatives such as participation in trade fairs and buyer-seller meets.
- Niryat Bandhu Scheme (NBS) aims to mentor new and aspiring exporters on the intricacies of foreign trade through counselling, training, and outreach programs, in collaboration with industry partners, knowledge partners, and other stakeholders.

Government is taking various steps to improve logistics, ease of doing business and market access. Key initiatives include:

- Launch of the PM Gati Shakti National Master Plan to reduce logistics costs through multimodal connectivity;
- The Logistics Data Bank (LDB) is a single window, cloud based logistics solutions for track and trace of EXIM cargo, greater predictability, transparency and reliability reducing logistics cost and wastages in supply chain. The platform handles and tracks 100% per cent of India's EXIM container volume. It uses RFID technology through Internet of Things (IoT), Big Data and Cloud-based solutions to provide real-time tracking of EXIM container movement in India. It provides container movement tracking using only the container number.
- Launch of Trade Connect ePlatform to facilitate the information dissemination and institutional hand-holding of Indian exporters;
- E-Commerce Export Hubs (ECEH) aimed at supporting MSMEs and artisans, simplifying regulatory and logistics processes for cross-border e-Commerce, including faster customs clearance and returns handling.
- BharatTradeNet (BTN) is a flagship Digital Public Infrastructure (DPI) platform aimed at making trade documentation and finance fully electronic and transparent for cross border trade. BTN proposes to integrate Customs, GST, DGFT, banks, UPI, DigiLocker, and ULIP to drastically reduce paperwork and cut export transaction times.

- National Committee on Trade Facilitation (NCTF) with focus on transparency, technology, simplification of procedures and infrastructure augmentation.
- Constitution of the Board of Trade, State Export Promotion Councils (SEPCs) and District Export Promotion Committees (DEPCs) for stakeholder consultation, including Government and non-Government bodies.
- The Government of India has undertaken several focused initiatives to improve the Ease of Doing Business (EoDB) such as World Bank Business READY across the country. These initiatives span legal, digital, procedural, and regulatory reforms aimed at creating a more business-friendly environment.
- National Single Window System (NSWS), a digital platform aims to streamline business approvals and guidance for investors. The platform provides a centralized system for identifying, applying for, and tracking various business approvals from both central and state government departments. A secure document repository allows users to upload and reuse documents across multiple applications. NSWS facilitates applications for various government schemes and incentives, helping investors benefit from government support. The platform provides access to approvals from 32 central departments and state governments.
- The Government has enacted Jan Vishwas to rationalize laws, eliminate barriers and bolster growth of businesses. This legislation serves as a guiding principle for future amendments in various laws, consolidate amendments in various laws with a common objective to save time and cost for both Government and Businesses alike. The acts pertaining to Ministry of Commerce and Industry like, The Marine Products Export Development Authority Act, 1972, The Rubber Act, 1947, The Tea Act, 1953, The Spices Board Act, 1986 are covered under Jan Vishwas.
- In order to promote inclusive access and ease of compliance for MSME entities, the Government has introduced several supportive measures such as reduced application fees for MSMEs applying for availing benefits under Duty Exemption Schemes like Advance Authorisation and Export Promotion Capital Goods (EPCG) Schemes.
- Government has been actively reaching out to large e-commerce companies for collaborations and partnerships to onboard new exporters, promote first-time exporters and handhold MSME producers to become exporters through cross-border e-commerce sales under the 'District as Export Hub' initiative. As part of this effort, DGFT has

signed MoUs with Amazon India, Shiprocket, and DHL to support local exporters, promote e-commerce exports, and conduct capacity-building sessions, training on packaging, branding and marketing, and workshops for MSMEs to facilitate their access to international markets.

Further, Government is focusing on value addition, diversification and sustainable export growth through:

- Signing of Comprehensive Economic Partnership Agreements (CEPAs) and Free Trade Agreements (FTAs) with the United Kingdom (UK), European Free Trade Association (EFTA), United Arab Emirates (UAE), Australia, Mauritius etc. and ongoing negotiations with European Union (EU), United States of America (USA), New Zealand, Oman, Chile, Peru, etc. are being pursued;
- Advance Authorisation Scheme/Duty-Free Import Authorisation (DFIA)/Drawback Scheme allows duty exemption/remission on inputs that are physically incorporated in export products, supporting the value addition.
- The Export Promotion Mission (EPM), announced in the Union Budget 2025–26 and presently under inter-ministerial consultation, also seeks to explore new approaches for product and market diversification, market access initiatives, such as participation in trade fairs and buyer-seller meets.
- Agricultural and Processed Food Products Export Development (APEDA) and the Indian Embassy in Riyadh have been actively involved in promoting the exports of premium mango varieties, Bananas and the value-added products
- APEDA has facilitated first time, fresh Jamun (Kundana variety) export from Karnataka to London-UK which marks a significant milestone in India's Agricultural Exports as it is the first time this fresh fruit has been exported to UK. The Jamun was packed at a government approved facility that was certified by APEDA and Plant Quarantine authorities, ensuring quality and safety standards. Jamun is a fruit known for its medicinal and nutritional value. This export is seen as a way to expand the market for this traditional Indian fruit.
- APEDA, USDA, NPPO, and ICAR-National Research Centre for Pomegranate in collaboration facilitated India's first commercial sea shipment of pomegranates to the USA, specifically the Bhagwa variety from Maharashtra, in February 2024. This marks

a significant milestone as it was the first time pomegranates were exported to the US via sea route.

- APEDA has facilitated India's first-ever commercial trial shipments of premium Sangola and Bhagwa pomegranates respectively to Australia via sea in January 2025. This marks a major breakthrough in expanding market access.
