

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

LOK SABHA  
UNSTARRED QUESTION NO. 2488  
TO BE ANSWERED ON 31<sup>st</sup> JULY, 2017

**EXPORT DEVELOPMENT FUND**

**2488. SHRI KONAKALLA NARAYANA RAO:**

Will the Minister of **COMMERCE & INDUSTRY** (वाणिज्य एवं उद्योग मंत्री ) be pleased to state:

- (a) whether the Government is planning to create an Export Development Fund to help marketing of the products of small and medium exporters;
- (b) if so, the details thereof;
- (c) whether the Government is planning to extend the 3% Interest Equalisation Scheme to merchant exporters; and
- (d) if so, the details thereof and if not, the measures taken by the Government to help marketing of the products of small exporters in global markets?

**ANSWER**

वाणिज्य एवं उद्योग राज्य मंत्री (श्रीमती निर्मला सीतारमण) (स्वतंत्र प्रभार)

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY  
(INDEPENDENT CHARGE)  
(SMT. NIRMALA SITHARAMAN)

- (a) No, Madam.
- (b) Does not arise in view of reply to (a) above.
- (c) No, Madam.
- (d) Department of Commerce is already running two schemes i.e. Market Access Initiative Scheme (MAI) and Marketing Development Assistance Scheme (MDA) for development and promotional activities to promote exports from India and marketing assistance in foreign markets by providing financial support to exporters through Export Promotion councils/ Trade bodies and other eligible agencies including MSMEs.

Government has introduced Interest Equalisation Scheme on Pre & Post Shipment Rupee Export Credit with effect from 1.4.2015 for five years. The scheme is available to manufacturers for all exports under 416 specified tariff lines [at ITC (HS) Codes at 4 digit level] and to exports made by manufacturers in Micro, Small and Medium Enterprises across all ITC (HS) Codes. The rate of interest equalisation is 3% per annum.

The New Foreign Trade Policy (2015-20) was announced on 1st April, 2015 with a focus on supporting both merchandise and services exports.

Merchandise Exports from India Scheme (MEIS) aims to incentivize export of merchandise goods produced/manufactured in India. Rewards @ 2-5% under MEIS are payable as a percentage of realized FOBvalue of covered exports, by way of the MEIS duty credit scrip, which are freely transferable. At present, 7914 tariff lines at 8 digit HSCodes are covered under MEIS scheme. The benefits of MEIS are available to all exporters including the small exporters and the MSME sector.

Services Exports from India Scheme (SEIS) provides rewards in the form of duty credit scrips to service providers of notified services who are providing service from India. The rate of reward under the scheme is based on net foreign exchange earned. The present rates of reward are 3 % and 5%. The benefits of MEIS are available to all exporters including the small exporters.

The Status Holder Recognition Scheme provides recognition in the category of One Star, Two Star, Three Star, Four Star and Five Star to exporters making exports beyond a threshold level. The Recognition entitles such Status Holders to certain privileges under the Schemes of the Foreign Trade Policy. Double weight-age is granted in calculation of threshold level while granting one star status in case of exporters belonging to Micro, Small & Medium Enterprises (MSME) as defined in Micro, Small& Medium Enterprises Development (MSMED) Act 2006.

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