

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

LOK SABHA
UNSTARRED QUESTION NO. 3829
TO BE ANSWERED ON 19th MARCH, 2018

INCENTIVES UNDER FOREIGN TRADE POLICY

3829. SHRI RAM CHARITRA NISHAD:

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

- (a) whether the Federation of Indian Export Organisation has requested the Government to extend incentives announced under the Foreign Trade Policy to all the goods export sectors;
- (b) if so, the details thereof along with the response of the Government in this regard;
- (c) whether it is true that currently the incentives cover about 8,000 of the approximately 12,000 tariff lines; and
- (d) if so, the details thereof?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्री सी. आर. चौधरी)

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

- (a) & (b) Yes Madam. In the stakeholders' consultation meeting held under the chairpersonship of the Minister of Commerce and Industry on 06.10.2017, the Federation of Indian Export Organizations has forwarded the request of Confederation of Indian Industries (CII) that incentives under Merchandise Exports from India Scheme (MEIS) may be increased by 2% across the board from the existing rates. At the time of the Mid-term review of the Foreign Trade Policy announced in December 2017, the rates for MSME and labor intensive sectors such as Ready Made garments, Made-ups, Agriculture products, Leather and footwear, Handmade carpets, Handlooms, handicraft and coir, jute products, Marine products, Ayush and herbal products, sports goods, etc were increased across the board to 2% under the Merchandise Exports from India Scheme (MEIS). The additional annual incentive provided to these employment generating sectors amounted to about Rs 7,300 Cr due to the enhancement of rates.

- (c) Under the MEIS, it is true that approximately 7,950 items at 8 digit tariff heading are incentivized for exports. There are a total approximately 11,500 Tariff lines at 8 digit level.
- (d) These 7,950 plus tariff lines, which are incentivized under the MEIS are available in the public domain at the portal www.dgft.gov.in, in the Table 2 of the Appendix 3B, which is a part of the Foreign Trade Procedures document. The Table lists the HS Code and the rates available under MEIS for these HS Codes, along with the dates from which the specified rates are applicable. At present, the rates for the items incentivized range from 2% to 7% of the realized FOB Value of exports.
