

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

LOK SABHA
UNSTARRED QUESTION NO. 2398
TO BE ANSWERED ON 14TH DECEMBER, 2015

MERCHANDISE EXPORTS FROM INDIA SCHEME

**2398. SHRIMATI ANUPRIYA PATEL:
SHRI BIDYUT BARAN MAHATO:
SHRI ALOK SANJAR:
SHRI PRAHLAD SINGH PATEL:**

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

- whether the Government has introduced Merchandise Exports from India Scheme (MEIS);
- if so, the details thereof along with its salient features; and
- the details of foreign exchange earned by the Government from export of various products during each of the last three years and the current year?

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) & (b) The Government of India has introduced Merchandise Exports from India Scheme (MEIS) through the Foreign Trade Policy (FTP) 2015-20 w.e.f. April 1, 2015. It seeks to promote export of notified goods manufactured/ produced in India. MEIS is a major export promotion scheme of GOI implemented by the Ministry of Commerce and Industry. Details of the scheme are available at the website of the Directorate General of Foreign Trade at <http://dgft@gov.in>. Salient features of MEIS are as under :

i) MEIS is result of major consolidation and simplification:

Earlier there were 5 different schemes for rewarding merchandise exports with different kinds of duty scrips with varying conditions attached to their use. Now all these schemes have been merged into a single scheme, namely Merchandise Exports from India Scheme

(MEIS). Further, e-Commerce exports of certain specified employment creating sectors, made through courier or foreign post offices, have been supported under MEIS.

ii) MEIS incentive Rates :

Rewards under MEIS are payable as a percentage (2, 3 or 5%) of realized FOB value of covered exports, by way of the MEIS duty credit scrip. The scrip can be transferred or used for payment of a number of duties/taxes including the customs / excise duty / service tax. Scrips and inputs imported under the scrips are fully transferable. This has provided much flexibility to exporters . Earlier schemes had many conditions attached with the scrips about its usages and importability of items.

iii) Allocation and Product Coverage:

At the time of introduction on April 1, 2015, MEIS covered 4914 tariff lines. The product and market coverage was worked out keeping in view the annual allocation of Rs 18000 crores by DOR. The scheme was slightly revised on 14-7-2015. In light of the major challenges being faced by Indian exporters in the backdrop of the global economic slowdown, Department of Commerce announced increased support for export of various products and included some additional items under the Merchandise Exports from India Scheme (MEIS). This has been introduced through the Public Notice 44 issued on 29th October, 2015 Since the inception of the scheme, rates of 2346 tariff lines have been revised. MEIS currently incentives total 5012 tariff lines.

iv) Financial implication of the scheme

The envisaged revenue outgo under the scheme has been enhanced from Rs. 18,000/- crore earlier to Rs. 21,000/- crore per annum.

v) Duty credit scrips are freely transferable and usable for payment of custom duty, excise duty and service tax

- All scrips issued under MEIS and the goods imported against these scrips fully transferable.

vi) Incentives to be available for SEZs

Incentives under MEIS are available to units located in SEZs also.

vii) e-Commerce Exports are eligible under MEIS

Goods falling in the category of handloom products, books / periodicals, leather footwear, toys and customized fashion garments, having FOB value up to Rs.25000 per consignment (finalized using e-Commerce platform) are eligible for benefits under FTP. Such goods can be exported in manual mode through Foreign Post Offices at New Delhi, Mumbai and Chennai.

Export of such goods under Courier Regulations are allowed manually on pilot basis through Airports at Delhi, Mumbai and Chennai as per appropriate amendments in regulations to be made by Department of Revenue.

viii) Country Groups:

Countries have been grouped into 3 categories for grant of incentives.

Category A: Traditional Markets (34) - European Union (28), EFTA (Switzerland, Norway, Iceland and Lichtenstein-4) USA, Canada.

Category B: Emerging & Focus Markets (140)- Africa (55), Latin America and Mexico (45), CIS countries (12), Turkey and West Asian countries (13), ASEAN countries (10), Japan, South Korea, China, Hongkong and Taiwan,

Category C: Other Markets (65).

(C) The foreign exchange earned by Government of India from merchandise exports of various products is as under:

Merchandise Goods

(Amount in US\$ Billions)

Sl. NO	Year	Exports
.	2011-13	100.4
.	2012-14	12.6
.	2013-14	

.	15	10.3
.	201 16(till October)	54.3
