



Measures to Boost Economic Growth

14th September 2019

Ministry of Finance, Government of India

Measures to Boost Exports

Export promotion : Steps taken so far

Export promotion measures taken in last few years

- **Interest Equalization Scheme (IES)** on pre and post shipment rupee export credit introduced from 1.4.2015 providing interest equalisation at 3% to exporters on 416 lines and for all MSME exporters.
- ***The IES rate** increased to 5% for MSME exporters with effect from 2.11.2018 and merchant exporters were covered under the scheme with effect from 2.1.2019.*
- India's rank in **World Bank 'Ease of doing business'** ranking improved from 142 in 2014 to 77 in 2018, with the ***sub-rank in 'Trading across borders' moving up from 122 to 80.***
- **"Trade Infrastructure for Export Scheme (TIES)"** launched with effect from 1st April 2017 to address the export infrastructure gaps in the country.
- Comprehensive **"Agriculture Export Policy"** launched on 6th December, 2018 with an aim to double farmers' income by 2022
- **"Transport and Marketing Assistance" (TMA) scheme** launched in 05th March 2019 for mitigating disadvantage of higher cost of transportation for export of specified agriculture products.
- **Scheme for Rebate of State and Central Taxes and Levies (RoCTL)** covering export of garments and made-ups notified on 7.3.2019 providing refund of duties/taxes at higher rates.

New Measures to Boost Exports

Incentives and Taxation

1. Extend the scheme of Reimbursement of Taxes & Duties for Export promotion

- Scheme for ***Remission of Duties or Taxes on Export Product (RoDTEP)*** will replace MEIS.
- Existing dispensation in textiles of MEIS + old ROSL will continue up to 31.12.2019
- Textiles and all other sectors which currently enjoy incentives upto 2% over MEIS will transit into RODTEP from 1.1.2020
- In effect, RODTEP will more than adequately incentivize exporters than existing schemes put together.
- Revenue foregone projected at up to Rs. 50,000 crores

2. Fully automated electronic refund route for Input Tax Credits (ITC) in GST

- **Fully electronic refund module** (FORM GSAT RFD-01) for quick and automated refund of ITC nearing completion and will be implemented by end September 2019.
- This is expected to monitor and speed up ITC refunds.

New Measures to Boost Exports

Export Finance

3. Expanding scope of Export Credit Insurance Scheme (ECIS) by ECGC	<ul style="list-style-type: none"> • Export Credit Guarantee Corporation (ECGC) will expand the scope of ECIS • Will offer higher insurance cover to banks lending working capital for exports. • Premium incidence for MSMEs will be moderated suitably. • It is expected that the initiative will cost about Rs 1700 cr per annum. • This will enable reduction in overall cost of export credit including interest rates, especially to MSMEs
4. Revised Priority Sector Lending (PSL) norms for Export Credit	<ul style="list-style-type: none"> • Priority Sector Lending (PSL) norms for Export credit have been examined and enabling guidelines are under consideration of RBI • This will release an additional Rs. 36,000 crs. to Rs 68,000 crores as export credit under priority sector.
5. Effective monitoring of Export Financing by Department of Commerce	<ul style="list-style-type: none"> • Data on Export Finance is regularly published by RBI • Export Finance will be actively monitored by an Inter Ministerial Working Group in Department of Commerce, tracked through a dashboard, reviewed with institutions and active intervention carried out.

New Measures to Boost Exports

Export Facilitation

6. Leverage technology to reduce "Time to Export or Turn-around time"

- Technology will be **further** leveraged **by timely completion of ongoing initiatives** to **further** reduce "Time to export" - though seamless process digitization of all export clearances (port/airport/customs, etc) and elimination of offline/manual services
- An **action plan to reduce *Time to export/turn-around time*** in airports and ports benchmarked to international standards will be implemented by Dec 2019.
- Actual turnaround times will be *published in real time* for each port and airport to push them to improve performance
- An Inter-Ministerial Group will be made accountable for this.

7. Annual mega shopping festivals.

- **Annual mega shopping festivals** in India will be organized in 4 places across 2020 March in 4 themes (G&J, Handicrafts/Yoga/Tourism, Textiles and Leather)

New Measures to Boost Exports

Free Trade Agreements

8. Special FTA Utilisation Mission	<ul style="list-style-type: none">• FTA Utilisation Mission, headed by a Senior officer in Department of Commerce, will be set up• To work exclusively with FIEO and export houses to utilise concessional tariffs in each FTA,• Enhance awareness of preferential duty benefits among MSMEs, disseminate and facilitate compliance requirements (Rules of Origin/ Certificate of Origin, etc.) under FTAs for importers and exporters,• Set goals for FTA utilization and put in place an effective FTA monitoring system.
9. Online “Origin Management System”	<ul style="list-style-type: none">• An Online “Origin Management System” for exporters to enable them to obtain Certificates of Origin – CoO (under Rules of Origin) will be launched in the next few weeks by DGFT in collaboration with Exports Inspection Council.• This is expected to significantly improve ease of doing business for exporters.

New Measures to Boost Exports

Engineering

10. Time bound adoption of mandatory Technical Standards

- **Time bound adoption by Industry of all necessary mandatory technical standards** and their effective enforcement to elevate the quality and performance ecosystem, enhance competitiveness and address the issue of sub-standard imports.
- A **Working Group on Standards** will be set up in D/o Commerce to work with industry to lay down a roadmap for adoption of Standards, time lines and enforcement.
- *This is expected to be a big boost in enabling Indian products overcome Non-tariff barriers in exports.*

11. Affordable testing and certification infrastructure

- **Affordable testing and certification infrastructure will be adequately expanded and developed in PPP mode to enable exporters to get all internationally accepted tests and certification done within India.**
- *This will reduce costs of adoption of standards and certification for Indian exporters to meet national standards of FTA partners*

New Measures to Boost Exports

Handicrafts

12. Enable handicrafts industry to effectively harness e-commerce for exports

- Special dispensation for facilitating and **on-boarding handicrafts artisans and handicraft cooperatives directly on e-commerce portals** and enable seamless exports.
- Mass enrolment of artisans across India with help of M/o Textile and organisations like TRIFED, CIE, etc.