

Centre looking at ₹16,000-cr export package

Prabhu writes to Jaitley seeking early decision on mid-term review of Foreign Trade Policy

AMITI SEN

New Delhi, October 16

The Centre is considering an incentive package of over ₹16,000 crore to boost exports in view of “sluggish domestic demand and competition in export markets”.

Commerce Minister Suresh Prabhu, in a letter to Finance Minister Arun Jaitley, has made a case for early decisions on key issues affecting exports – such as inadequate incentives and lack of credit – to formulate a meaningful mid-term review of the foreign trade policy (FTP). A

number of critical export promotion measures, which would involve an additional outgo of over ₹16,000 crore, have been placed by Prabhu before Jaitley for consideration and early decision-making, a government official told *BusinessLine*.

Proposed measures

The proposed measures include allowing the scrips earned under the popular Merchandise Exports from India Scheme (MEIS) to be used to pay Goods and Services Tax (GST), increasing the in-

centive rates and interest subsidy rates for labour-intensive sectors, reducing the GST rate on MEIS/SEIS scrips, and infusing more capital in the Export Credit Guarantee Corporation of India (ECGC).

“We have already delayed announcement of the mid-term review of the FTP as exporters were grappling with GST issues till recently.

“The Finance Minister has to now take a view on the incentives that could be extended to give exports a much-needed boost. A meaningful FTP review has to be announced without further delay,” the official said.

Also read p4