

# Double GST delight for exporters on way

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**New Delhi:** The GST Council is likely to let exporters delay their GST payments and offer them e-wallet facilities from April. The council at its next meeting is also expected to follow up on the recommendations made in the trade policy on Tuesday.

“The GST Council is expected to follow up on the steps taken by the mid-year review (trade policy) and grant further relief to exporters,” said top finance ministry officials.

Exporters have been complaining about a liquidity crunch because they could not get their input GST credit on time. A long-term scheme for an e-wallet which would give exporters a notional tax credit would take into effect from April.

The notional credit will be based on past tax payments by the exporters, from which they could pay their GST to be

## EXTRA COVER

- E-wallet from April 1, 2018. Upfront payment of GST will not be necessary
- Nominal GST of 0.1% for goods from domestic suppliers for exports
- Nominated agency to import gold for exports. GST not necessary
- Relief for finished goods

credited later in their e-wallet.

Merchant exporters who work on small margins of 2-3 per cent would pay a nominal GST of 0.1 per cent till March-end, when the e-wallet scheme will be ready.

India's merchandise exports had turned negative in October, with a surprising 1.12 per cent dip even as exports of Vietnam grew 21 per cent, China, 6.9 per cent and Bangladesh, 6.4 per cent.

“The problem is that the

FTP review gave some new sops to exporters to make their life a bit easier but we have now graduated to a new category and we cannot keep giving sops to exporters under WTO rules

“So this review did not come up with measures on what next and that places a greater responsibility on the GST Council to provide measures which makes life easier for manufacturers, job workers and traders involved in exports. Or else we can forget about attaining our target of 3.5 per cent of global trade by 2020,” said Biswajit Dhar of JNU, an expert on international trade.

India's gems and jewellery sector shrank a record 24.51 per cent in October, while the readymade garments sector shrank nearly 40 per cent and leather another 10 per cent. The hit taken by these labour intensive sectors has also meant loss of tens of thousands of jobs.