

Move to boost exports

OUR SPECIAL CORRESPONDENT

New Delhi: The Centre is planning to offer incentives to states that play a proactive role in promoting exports, commerce minister Suresh Prabhu said.

"We are thinking of ideas whereby we can incentivise the states which promote exports. I have mooted this idea before the states and asked them to give their ideas on this," Prabhu said on Monday.

The states' views on the proposal were sought during the third meeting of the Council for Trade Development and Promotion.

"We have decided to make

the district the unit for exports, rather than the state. We are in the process of preparing a strategy whereby 40 per cent of our GDP should come from global trade and half of that from exports," he said.

"India needs to incentivise states to promote exports. We have asked the states to appoint at least one nodal officer at the district level, which is the closest to the local market," the minister said.

Although the Centre is responsible for foreign trade, the actual sourcing is done at the state and local levels, he said.

Trade contributes significantly to boost the country's economic growth, Prabhu said.



Suresh Prabhu in New Delhi on Monday. Picture by Prem Singh

If GDP of states rise, it will push the country's growth, he said, adding that the focus should be on the GDP of districts.

Prabhu said his ministry

was preparing a strategy to promote overall exports.

When asked about the concerns raised by exporters in the meeting related to GST (goods and services tax) refund, he said the issue was discussed and the ministry was working on an "e-wallet" system to resolve the matter.

Before the implementation of the GST last July, exporters used to get *ab initio* (from the beginning) exemptions from duties. But now they have to pay first and then seek refund. Fieo says about Rs 1,85,000 crore will get stuck with the government because of this system.

The Federation of Indian Export Organisations (Fieo)

considers the e-wallet an effective solution.

The problem of liquidity will be solved as exporters may use the e-wallet like a running account where money will be debited to pay for import duty and credited after exports.

The other issues which came up for discussion include the role of foreign direct investment in promoting exports and enhancing the role of states to push shipments.

Fieo president Ganesh Kumar Gupta asked for certain measures to increase competitiveness. During April-November 2017-18, the country's merchandise exports stood at \$196.48 billion.