

Drill to tweak export subsidy

A STAFF REPORTER

Calcutta: The Directorate General of Foreign Trade (DGFT) is set to take stock of the progress of a committee to evaluate the compliance of the export subsidy schemes with WTO regulations.

According to DGFT Alok Chaturvedi, the committee has representations from the Centre for WTO Studies under the Indian Institute of Foreign Trade as well as legal and export promotion councils.

“The committee was formed about one-and-a-half month back and is supposed to give a report in three months. There is a meeting next week to understand how far is the progress,” said Chaturvedi on the sidelines of an ICC-organised seminar on Thursday.

The central government is evaluating certain export promotion schemes such as the Merchandise Exports from India Scheme and other sector-specific schemes in the wake of the US challenging India’s export subsidy programmes at the WTO.



**Alok Chaturvedi in Calcutta
on Thursday. PTI**

According to a statement from the office of the United States Trade Representative, Indian companies are receiving benefits totalling over \$7 billion annually from the subsidy schemes that allow Indian exporters to sell their goods more cheaply to the detriment of American workers and manufacturers.

Chaturvedi said India has taken up the issue at the WTO level. The govern-

ment may ask for a transition period in case it has to phase out the export subsidies.

The government will have to look at refunding the exporters the taxes on items that are outside the GST. “There are still a large number of taxes and duties which are outside GST like petroleum, fuel, duty on electricity,” he said.

Trade environment

The DGFT added that despite challenging times, exports have seen a growth in 2017-18. The Centre, he said, was working on a strategy to further boost exports. “The government is working on a comprehensive strategy to boost exports and we are taking inputs from the Exim Bank, FIEO and various other stakeholders.”

“These are challenging times. There are some uncertainties in the international trade in terms of tariff increases, volatilities in currencies, review of the GSP regime by the US and political developments in Iran, Russia and West Asia are adding to uncertainty.”