

# Duty benefits of ₹3k cr given to boost exports

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To boost country's exports, which have been in the negative zone since December last year, the Centre on Friday has given additional incentives of ₹3,000 crore to several products, including textiles and electronics.

"In light of the major challenges being faced by Indian exporters in the backdrop of the global economic slowdown, the Department of Commerce announced increased support for export of various products and included some additional items under the Merchandise Exports from India Scheme (MEIS)," the Commerce Ministry said in a statement on Friday.

On October 7, the Commerce Secretary after holding consultations with exporters has informed that the allocations for export incentive schemes in the current financial year has been increased to ₹21,000 crore,

from earlier ₹18,000 crore.

Commenting on the move, exporters body Federation of Indian Export Organisations (FIEO) said that the incentives would enhance price competitiveness and help in arresting the current downfall in exports.

FIEO Director General Ajay Sahai said that ₹3,000 crore incentive would help Indian exporters at this challenging time. As many as 110 new products such as chemicals and medical equipment have been included under the MEIS scheme and rates or country coverage or both have been increased for 2,228 existing tariff lines.

Under the MEIS, the government provides duty benefits at 2 per cent, 3 per cent and 5 per cent depending upon the product and country. Global support has been extended to products including textile items, pharmaceuticals, project goods, auto components, telecom, computer, electrical, electronics and

railway transport equipment. Earlier, benefits to these items were provided to a few countries. The move is expected to help in improving competitiveness of large number of exporters and help them tide over the difficult global economic scenario.

Contracting for the 10th month in a row, India's merchandise exports dipped 24.33 per cent in September to \$21.84 billion, mainly due to steep fall in shipments of petroleum products, iron ore, and engineering goods amid tepid global demand.

Rewards under MEIS are payable as percentage of realised free-on-board value and the MEIS duty credit scrip can be transferred or used for payment in a number of duties including the basic customs duty.

The other new products that have been added under this scheme include medical instruments, sports goods, value added processed products of natural rubber, chemicals and plastics.

Govt.