

'There are many PLI schemes in the pipeline'

In a post-Budget interview, Union Minister for Commerce and Industry, Food and Public Distribution **PIYUSH GOYAL** talked to **Shreya Nandi** about production-linked incentive (PLI) schemes, the rationale behind a rejig in the Customs duty, and food subsidy, among others. Edited excerpts:

There has been a lot of buzz around new PLI schemes.

The finance minister has already provided ₹1.97 trillion (for PLI schemes), plus ₹76,000 crore for the semiconductor industry. So, as and when other PLI schemes get approved, the Cabinet is empowered to approve it. It doesn't need to go through a budgetary process the second time.

She (the FM) regularly keeps allocating for PLI. The actual scheme approval is a Cabinet process and guidelines are a ministerial process. We came up with many PLIs and others will also come through the Cabinet. Many PLIs are in the pipeline.

Can you explain the rationale behind the Customs duty rejig?

I must compliment the finance ministry because it has gone into a great level of details while assessing the Customs duty. It's not as if somebody with vested interest asked for a particular duty and got it done. Those

days are gone and far behind us.

Generally, this effort has been used to promote domestic manufacturing. Let's say raw material had a Custom duty, and an intermediate product was coming in through a free-trade agreement (FTA) or some other route at zero duty. The Indian domestic manufacturers are at a disadvantage. So we've tried to reduce the duty on the raw material to ensure they get it without duty and can compete in the

market. Suppose an intermediate product was coming duty paid and the finished product was through an FTA duty free. Then we reduced the duty on the intermediate product so that intermediate product, instead of finished goods, gets imported. We can then add value and create the finished product.

So, the effort has been to see item by item products where we need to promote domestic manufacturing, and where we have capacities that are

lying unutilised. This can help us give more jobs and boost economic activity. Also, capital goods have been encouraged to come in duty free now, so that our domestic manufacturing capability can have a quality impetus. We need to align ourselves with world-class quality because goods produced in India can now no longer have two qualities—Indian market and export market.

Regarding an increase in the Customs duty, toys for example, the amount of substandard material that has been imported into India at abysmally low cost is often under invoiced also.

Do you think the ₹1.97 trillion food subsidy allocated for the next fiscal year is adequate?

We've done all our maths,

and made it all free now. So the consumer has to pay nothing under the Pradhan Mantri Garib Kalyan Anna Yojana. Last year we, of course, gave additional food grains because of the economic distress and the Covid situation.

The Economic Survey mentioned that the external climate for exports is not very conducive, and in the next fiscal year, the growth can be flat. Where do you think the push will come for exports in this Budget?

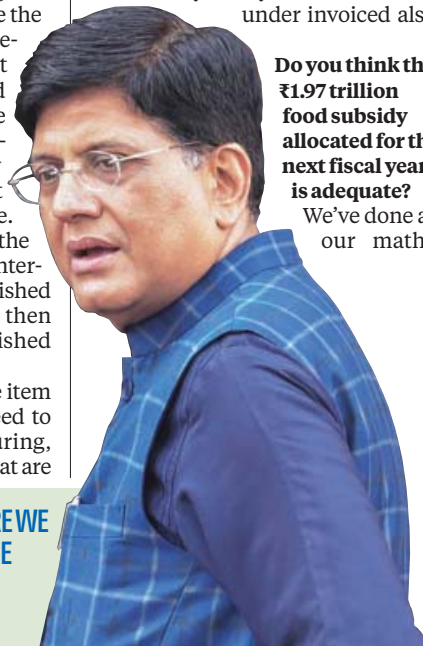
We'll have to look at it sectorally. Clearly, the international situation is challenging. Despite that, we continue to be at about 8 or 9 per cent growth in merchandise exports in the current fiscal year, which is phenomenal considering that global trade is growing barely at 1 per cent. We continue to have almost 20 per cent growth in services, which is a big credit to our talented young boys and girls and, particularly, our IT sector. Also, it reflects that tourism is another area where this government's focus is giving us rich dividends. Many of you may be aware that tourism provides the maximum number of jobs for every rupee investor.

There was an expectation that a few thousand crores will be announced in the Budget regarding the district as an export hub scheme.

That will be done through the Cabinet process. Once the scheme is finalised, it will then be converted to Cabinet approval and then for funds approval.



PIYUSH GOYAL
Union Commerce and
Industry Minister



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