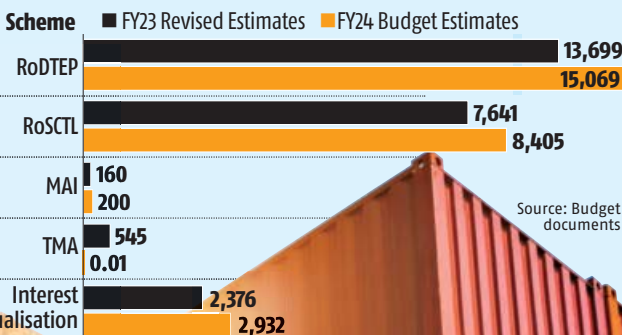


# Allocation to schemes for boosting exports increased

## EXPORT PICTURE

(₹ crore)



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The Union Budget for 2023-24 has increased the allocation to some key export-boosting schemes, at a time when tepid external demand from developed economies is weighing on outbound shipments from India.

Allocation for the commerce department's key Remission of Duties and Taxes on Export Products (RoDTEP) scheme has been increased by 10 per cent, from ₹13,699 crore in 2022-23 to ₹15,069 crore in the next financial year.

Rebate of State and Central Taxes and Levies (RoSCTL) — a similar scheme for garments and made-ups — the total outgo from the Centre will be ₹8,405 crore in 2023-24, up from ₹7,461 crore.

Both schemes aim to refund to exporters the embedded non-creditable central, state and local levies paid on inputs. These taxes were not refunded earlier.

The allocation for the interest equalisation scheme has been hiked by nearly a fourth to ₹2,932 crore in 2023-24 from ₹2,376 crore in 2022-23. The scheme provides subsidies for pre- and post-shipment export credit and mostly covers labour-intensive sectors.

Apex body for exporters Federation of Indian Export Organisations (FIEO) said the move will help support exports, particularly by MSMEs. The increase in allocation may result in increasing the subvention support as demanded by the exporters in view of rising interest rates.

"While the increase in allocation for the MAI (market access

initiative) scheme from ₹160 crore in 2022-23 to ₹200 crore in 2023-24 is a welcome one, this may not be adequate as the global trade shows are increasingly giving opportunities for showcasing, which needs to be exploited. A planned scheme for aggressive overseas marketing may be notified with a sizeable corpus to encourage exporters to showcase globally," FIEO President A Sakhivel said.

According to the survey, the outlook for merchandise exports will remain flat if global growth does not pick up in 2023. On the brighter side, robust services exports are expected to cushion the widening trade deficit.

On the other hand, the Transport and Marketing Assistance (TMA) scheme is likely to be phased out as the allocation of barely ₹1 lakh has been made towards the scheme for the next fiscal year. As much as ₹545 crore was allocated towards the scheme last year. People aware of the matter said the commerce department believes that exporters no longer need such support or subsidies from the government.

The TMA scheme was launched in 2019 for specified agriculture products. It provides assistance for the international component of freight and marketing of agricultural produce to mitigate the disadvantage of higher cost of transportation of export of specified agriculture products due to trans-shipment. The scheme was valid till March 2021, after which it was reintroduced as farm exporters were grappling with challenges such as high freight costs and container shortage.

