

# Foreign trade policy: Govt may not withdraw existing schemes for now

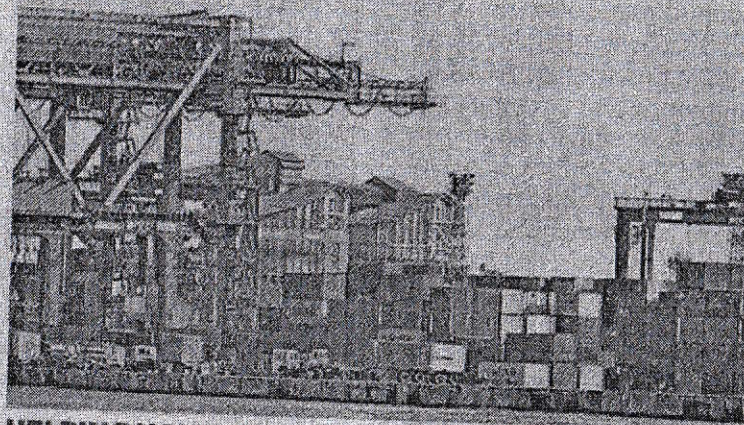
**EXPORTER-FRIENDLY.** Changes to the policy will be made after consultations with exporters, say officials

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The new Foreign Trade Policy (FTP), which does not come with an end date, is to be continuously updated in response to suggestions made by exporters and changes in the external environment, but schemes/benefits extended to exporters are not likely to be withdrawn at the moment, said a senior official.

"The external environment is fragile and exporters need to be supported. The government does not want to rock the boat by withdrawing schemes. Changes to FTP will mostly add to the benefits," the official told *businessline*. FTP 2023 does not come with an end date to ensure predictability and continuity in policy, but updates are to be



**HELPING HAND.** According to an official, the external environment is fragile and exporters need to be supported

made whenever required. "If exporters from a particular sector approach the government seeking some additional benefits or changes to the policy, the idea is not to make them wait for five years. Instead, the gov-

ernment will examine the request immediately, and if the claim is legitimate, the change would be made," said the official.

While India has withdrawn most of the incentive schemes

— such as merchandise exports — which were challenged at the WTO for flouting multilateral norms, it is continuing with others such as the EPCG scheme.

"The EPCG scheme is an important measure to help in production of high-quality goods, as it gives import duty exemption on capital goods, subject to certain export obligation. The government does not believe it is an export subsidy, and there is no pressing reason to discontinue it," another source explained.

## **PROMINENT SCHEME**

The most prominent scheme for exporters, the Remission of Duties or Taxes on Export Products (RoDTEP), has been designed with WTO rules in mind, and is therefore expected

to stay. It remits all input duties paid by the manufacturer of an exported product and gives no export sops.

"This FTP talks about moving from incentives to remission schemes. So, ones such as RoDTEP and RoSCTL (for textiles) are expected to continue for a long time," said the source.

In case the government considers discontinuation of a particular policy or measure, adequate adjustment time will be given to exporters.

"Exporters have sought a timeframe of about three months for implementation of any changes in the policy when some measure is withdrawn. This will give them enough time to execute the orders in hand. The government will soon come up with a suitable timeframe after discussions," said the official.