

Steel, pharma, chemicals added to export-boosting scheme

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Amid faltering exports, the department of commerce on Wednesday expanded the scope of Remission of Duties and Taxes on Exported Products (RoDTEP) to include iron and steel, chemicals and pharmaceuticals.

The expanded list of items in the export-boosting scheme will be applicable for exports made from December 15. The outlay for the scheme is estimated to be ₹1,000 crore, a government official said, without specifying whether or not the outgo will be for the current financial year.

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The scheme was notified on January 1, 2021, and replaced the controversial Merchandise Exports from India Scheme (MEIS) after a World Trade Organisation ruling said it violated the provisions of the global trade body by giving export subsidies to a wide range of goods.

The outlay for the scheme was ₹12,454 crore in FY22. While the rates were notified in August last year, the exclusion of these sectors from the ambit of the scheme had irked some exporters.

“This was a long-standing demand of the industry, which has been accepted and

will go a long way in boosting our exports and competitiveness in the global markets, generate employment and contribute to the overall economy. The expanded list of eligible export items under Appendix 4R will increase from 8,731 export items (8 digit tariff lines) to 10,342 export items (8 digit tariff lines),” an official statement said on Wednesday.

The development comes in the backdrop of exports facing headwinds due to recessionary trends in some of the developed markets and supply chain disruptions triggered by the Russia-Ukraine conflict.

“...extension of RoDTEP to uncovered sectors like chemicals, pharmaceuticals and articles of iron and steel is likely to enhance the export competitiveness of these sectors,” the statement said.