

# Schemes to shield exporters from tariffs in works

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The government is finalising the contours of new export promotion schemes that will weave in “adequate flexibilities” to cushion the impact of proposed US tariffs, including the reciprocal, a senior government official said on Tuesday.

“The new schemes will be finalised within a month’s time,” the official cited above said. An inter-ministerial panel comprising officials from the ministry of commerce, finance and micro, small and medium enterprises (MSMEs) are working on new support

schemes for exporters under the ₹2,250 crore Export Promotion Mission announced in the Budget.

The new schemes are being designed especially for small exporters, to help them avail collateral-free loans, partially fund the compliance needs for non-tariff measures being implemented by developed nations, promote alternate financing instruments through cross border factoring support and provide assistance for risky markets,

among other things.

Exporters are seeing the worrying trend of holding back orders due to anticipation of the fear of reciprocal tariffs by the US. They said that they are closely following the developments and are on a “wait and watch” mode.

“The impact that we are seeing right now is that buying has been a little more cautious, the volume (of orders) has gone down as buyers are

holding back,” Federation of Indian Export Organisations vice president Israr Ahmed said.

Since taking over as the President of the US, Donald Trump has been clear about his

intentions to use the country’s widening trade deficit as a tool to boost manufacturing and create jobs in America.

The US plans to impose tariffs on steel, aluminium, among others from March 12.

“Due to the additional tariffs on China, certain Indian exporters and even exporters from Indonesia and Vietnam have benefited in case of labour intensive sectors. However, at this point of time to quantify the benefits,” Ahmed said.

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