

Engineering Exporters Body Proposes Cheaper Finance for MSMEs

Press Trust of India

Kolkata: Engineering Export Promotion Council has suggested that export finance to micro, small and medium enterprises should be made cheaper and a dedicated PLI scheme for the sector be introduced.

In a statement, EEPC said cheaper advances for MSMEs, a dedicated production linked incentive scheme for them, guidelines for 'rupee trade' with Russia and alternative payment mechanism for Myanmar were some of the key suggestions made by the industry body during a meeting of the Board of Trade held on Monday.

EEPC India chairman Mahesh Desai also proposed to withdraw export duty on selected steel items as it will be especially helpful for MSMEs, which have a significant contribution to the country's engineering exports.

He cited the feedback received from member exporters and noted that imposition of export duty will dampen Indian interest and endanger the survival

of the country's stainless steel producers.

Desai requested the government to relook at the rates under RoDTEP and give full rebate on the taxes that still remain in the export production chain.

Refund of Duties and Taxes on Exported Products is a flagship export promotion scheme of the Commerce Ministry.

He recommended inclusion of the steel sector under RoDTEP as the metal is the most widely used raw material in the engineering industry.

EEPC suggested that MSMEs should be offered advances at a rate that would be lower than MCLR (Marginal Cost of Funds Based Lending Rate) and RLLR (Repo Linked Loan Rate) so that they don't run out of funds and can sustain businesses. While appreciating the steps taken by the Reserve Bank of India for facilitating 'rupee trade' with Russia, Desai called for sensitising the banks for the process.

He suggested that a clear set of guidelines in this regard would be of immense help for the exporting community.