

Centre to clear exporter dues worth ₹800 cr under IES

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The government is taking steps to soon clear exporters' pending dues of ₹800 crore under the Interest Equalisation Scheme (IES), as it prepares to launch a revamped version of the IES under the recently-approved Export Promotion Mission (EPM), a senior government official said.

This will provide relief to exporters, especially MSMEs that have been grappling with the global uncertainties, including the steep 50 per cent tariffs imposed by the United States (US) on several Indian products.

The outstanding amount pertains to the arrears till December 31, 2024, the official told *Business Standard*.

Apart from clearing the arrears of exporters under the IES, the government will also clear dues worth around ₹300 crore under the Market Access Initiative (MAI) scheme. MAI is an export promotion

scheme, with a country and product-focused approach. IES is an interest subvention scheme, under which benefits in the interest rates charged by the banks are given to the exporters on their pre and post shipment rupee export credits. Lenders are thereafter compensated by the government. This allows exporters to be competitive in the international market.

The scheme was launched in 2015 for a period of five years to reduce stress among exporters, especially under labour intensive sectors and MSMEs. Thereafter, the scheme has been extended periodically.

Currently, the scheme isn't operational since the government didn't extend it beyond December 31, 2024.

However, considering the ongoing global uncertainties, and repeated requests from exporters, the government has decided to subsume it under the EPM – which received the Union Cabinet's approval last week.

The scheme will be reintroduced and revamped, in line with contemporary trade needs. Only a select few sectors will be allowed to avail benefits from the scheme, and will be largely targeted towards MSMEs, instead of being 'free-for-all' kind of a scheme.

THE GOVERNMENT WILL ALSO CLEAR DUES WORTH AROUND ₹300 CR UNDER THE MARKET ACCESS INITIATIVE SCHEME