

# In transit: ₹2,250 crore mission to boost exports

Govt raises duty drawback rates for gold and silver jewellery



## A LIFELINE FOR EXPORTERS

- Export Promotion Mission proposal, prepared as an Expenditure Finance Committee note, is likely to be approved by next month, after which the Union Cabinet will consider it
- Half a dozen schemes envisaged under the mission, with the Interest Equalisation Scheme and Market Access Initiative being revived
- New schemes in the works for small exporters, offering collateral-free loans, non-tariff compliance support, alternative financing tools, and assistance for high-risk markets
- Commerce department expected to seek additional funds to strengthen support for MSME exporters

SHREYA NANDI

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In a move to bolster support for exporters, the government has raised duty drawback rates for the gems & jewellery sector and is fast-tracking the implementation of the ₹2,250 crore Export Promotion Mission, aimed at making Indian exports more competitive amid ongoing global uncertainties sparked by tariff wars.

According to a finance ministry notification issued on Thursday, duty drawback rates for gold and silver jewellery have been revised upwards. For example, the rate for gold jewellery has risen from ₹335.5 per gram to ₹405.4 per gram of net gold content in the item. The duty drawback scheme, overseen by the finance ministry's revenue department, refunds import taxes on goods manufactured in India and then exported.

The commerce and industry ministry has, it is understood, finalised the proposal for the ₹2,250 crore Export

Promotion Mission, announced in the 2025-26 Union Budget to support exporters. The proposal, drafted in the form of an Expenditure Finance Committee (EFC) note, is expected to be approved by next month. Following this, it will be sent to the Union Cabinet for final clearance, a senior government official told *Business Standard*.

"An EFC note has been finalised and will be moved for approval at the earliest. Thereafter, we will have to seek the approval of the Union Cabinet, which will require inter-ministerial consultations too," the official said.

This development comes in the wake of the United States imposing additional tariffs on key trading partners on April 2, with Indian goods facing a 26 per cent levy. Later, US President Donald Trump announced a 90-day pause for most nations, excluding China, during which a lower, baseline rate of 10 per cent would apply on a vast number of import items.

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# Additional US tariffs have raised costs for exporters

These additional tariffs have raised costs for Indian exporters, with American buyers now seeking discounts and attempting to renegotiate existing contracts. In addition, the US' shifting tariff policies and ongoing trade tensions with China have introduced fresh uncertainties, affecting new orders and export prospects.

As part of the mission, the Commerce and Industry Ministry has finalised half a dozen plans, including the Interest Equalisation Scheme (IES) — which expired on December 31 — and the Market Access Initiative (MAI) scheme. New programmes are being designed specifically for small exporters, aiming to help them access collateral-free loans, partially cover the costs of complying with non-tariff measures introduced by developed nations, promote alternative financing tools such as cross-border factoring, and provide assistance for high-risk markets, among other measures. However, significant changes to the IES will be necessary as funds allocated under the mission remain limited. “The final call will be taken by the expenditure department under the ministry of finance when the EFC note is circulated,” the official added.

The IES is an interest subvention scheme under which banks offer concessional interest rates to exporters on their pre- and post-shipment rupee export credits, with the government compensating lenders for the difference. Launched in 2015 for a five-year period, it was aimed at easing the financial burden on exporters.

