

# Govt will fund major EU compliance costs for SMEs: Goyal

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The government will fund a large part of the costs small exporters incur to obtain international approval for complying with the European Union's (EU's) regulations, said Union Commerce and Industry Minister Piyush Goyal on Monday.

The costs include those relating to the Carbon Border Adjustment Mechanism and the registration, evaluation, authorisation, and restriction of chemicals.

The minister encouraged industry to seek support under the recently launched Export Promotion Mission (EPM) for international approval, compliance requirements, and non-tariff barriers in the bloc.

"In the Export Promotion Mission, we have provided funds so that wherever you (the exporter) require international approval, particularly for micro and small units, the government will fund your approval process, however expensive it is," the minister said while addressing the first National Quality Conclave.

Highlighting India's expanding trade outreach, Goyal said nine free-trade agreements (FTAs) finalised in the past few years with 38 developed countries now covered nearly two-thirds of global gross domestic product and trade. These agreements open up new opportunities in labour-intensive sectors such as textile, leather, footwear, and pharmaceuticals if Indian products consistently meet the highest global benchmarks, he said. Since last year, India has finalised trade deals with the United Kingdom, New Zealand, Oman, the EU, and the United States.

He said India's current share in global trade remained modest even in competitive and labour-intensive sectors, and urged industry to leverage new market-access opportunities created through these agreements. He also said no country could progress merely as a consumer and India must establish itself as a globally recognised producer of high-quality goods and services. "Brand India" must stand for quality, reliability, and trust, according to him.

## Rodtep incentives slashed by 50%

The government has slashed benefits under the Remission of Duties and Taxes on Export Products (Rodtep) scheme by half with immediate effect. The decision is likely to step up costs for exporters amid ongoing global uncertainties, according to an official notification.

The Directorate General of Foreign Trade (DGFT) on Monday said that as a part of the rationalisation exercise, rebate rates and the value caps have been reduced across all product categories. This means that exporters will now get only 50 per cent of the earlier Rodtep benefits.

Earlier this year, under the Union Budget, allocation for the commerce department's key scheme was slashed by 45 per cent to ₹10,000 crore for FY27. The government had allocated ₹18,233 crore for FY26.

A former trade ministry official and founder of Delhi-based think tank GTRI, Ajay Srivastava, said that halving rates will raise the cost of exporting from India by reducing refunds of domestic taxes that exporters cannot otherwise recover.

"In price-sensitive sectors, even a 1-2 per cent rise in costs can decide whether orders are won or lost. The cut comes when global demand is weak, logistics and compliance costs remain high, and competitors such as Vietnam and Bangladesh still enjoy lower costs and preferential market access. Lower remission will make Indian exports harder to price competitively, squeeze already thin margins, and may discourage smaller firms from expanding abroad — slowing export growth at a time when diversification and scale are crucial," he said. **SHREYA NANDI**