

# Traders seek fiscal incentives, cheaper credit



FM Nirmla Sitharaman chairs a pre-Budget meeting with experts on services and trade in New Delhi on Thursday PTI

## Trade associations seek separate PLI for MSMEs

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**TO BOOST EXPORTS** and create jobs, trade associations on Thursday demanded fiscal incentives, a tweak in customs duties on certain items and cheaper credit in their wish list for the Budget for 2023-24.

"Creation of employment is the biggest challenge faced by the country... We would urge the government to provide fiscal support to units which provide additional employment in the export sector," the Federation of Indian Export Organisations (FIEO) said in its representation.

The PHD Chamber of Commerce (PHDCCI) sought tax rebate benefits on consumer durables or real assets to enhance demand in the economy. The Bengal Chamber of Commerce said there was an urgent need to increase personal tax exemption and deduction limits.

The FIEO said the support given under the Market Development Assistance (MDA) Scheme of the department of commerce, with total allocation of less than ₹200 crore for promoting exports to \$460-470 billion, is just a drop in the ocean. "Therefore, for aggressive marketing, there is a need for the creation of an export development fund with a corpus of a minimum 0.5% of the preceding year's exports," it said.

The exporters' body also sought

a 200% tax deduction on the expenditure made by the exporters for overseas marketing.

The credit rate for most of the MSMEs has already crossed the double-digit mark and is currently between 11-13%, the FIEO said. "Therefore, there is an urgent need to restore the interest equalisation benefit of 5% to manufacturing MSMEs and 3% to all 410 tariff lines, as it existed prior to October 2021, as the cost of credit has crossed the pre-Covid level and is adversely impacting exporters."

"There must be priority lending for MSMEs, a separate PLI for MSMEs and reduced imports from China of finished products to create a level playing field for the industry," PHDCCI president Saket Dalmia said.

Import duty on electrolyzers should be brought to nil. This single step will attract huge

investment in green hydrogen and make India an export hub by 2030, Dalmia said.

The Bengal Chamber of Commerce's fiscal and taxation affairs committee chairman Vivek Jalan said there was an urgent need to increase personal tax exemption and deduction limits. "Compliance burden on assesseees can be reduced by removing the requirement of issuance of TDS certificates and relying on Form 26AS, which is an automated process," Jalan said.

With International Financial Services Centres Authority financial market regulations in place, there is an urgent need to align the existent tax regime with these regulations, said Gopal Srinivasan, senior board member, IVCA.

RUN-UP TO THE  
**BUDGET**