

Exporters' body seeks five-year extension of interest subsidy scheme

Our Bureau
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In a pre-Budget meeting with Finance Minister Nirmala Sitharaman on Tuesday, exporters body FIEO has sought five year extension of the interest subsidy scheme on loans, increase in tax deduction for R&D spends, more funds for marketing and establishment of an Indian shipping line of global repute to reduce dependence on foreign shipping lines.

"The interest equalisation scheme is helping exports a lot. We request the scheme which is valid till June 30, 2024 may be extended for a period of 5 years," FIEO President Ashwini Kumar, who participated in the meeting with FM, pointed out. He also made a case for restoring the subvention (subsidy) rate from 3 per cent to 5 per cent for manu-

facturers in MSMEs and from 2 per cent to 3 per cent for all other exporting the 410 identified tariff lines. The argument is that this was needed as interest rates had risen consequent to increase in repo rate from 4.4 per cent to 6.5 per cent in the last 2 years.

SHIPPING LINE

Pointing out that R&D and innovation were key to sustain exports, FIEO noted that 35 out of 38 OECD countries provided either lower tax or higher deduction on R&D expenditure. "We request that the weighted tax deduction under Section 35 (2AB) may be increased to 250-300 per cent and the benefit under Section 35 (2AB) may also be extended to Limited Liability Partnership (LLP), partnership firms and proprietary firms, as MSME units largely fall in these

categories," Kumar said.

On the lines of the government initiative for facilitating container manufacturing in the country to become '*atma nirbhar*', FIEO requested that a similar focus should be on developing an Indian shipping line of global repute. "We remitted over \$109 billion as transport service charge in 2022. A 25 per cent share taken by the Indian shipping line can save \$50 billion year-on-year basis. This will also reduce arm twisting by foreign shipping lines, particularly of our MSMEs," FIEO pointed out.

The exporters' body also called for increase in marketing support provided through the Market Access Initiative scheme of the government to ₹500 crore from ₹200 crore to better showcase Indian products at global platforms.