

● PANEL SET UP TO REVIEW INCENTIVE RATES

Export promotion scheme extended for nine months

MUKESH JAGOTA
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THE GOVERNMENT ON Tuesday extended the period of its flagship export promotion scheme Remission of Duties and Taxes on Export Products (RoDTEP) for a period of nine months ending June 30, 2024.

A committee has been formed to review the rates of incentives available under the scheme, a statement said.

The scheme, which was first introduced in 2021, covers exports of 10,610 products. It has seen many extensions and modifications since then. The last extension was expiring at the end of this month.

"The RoDTEP Committee has again been constituted in the Department of Revenue to review and recommend the ceiling rates under the RoDTEP Scheme for different export sectors. The first meeting of the scheme was held on Tuesday," the statement added.

Export promotion councils and chambers of commerce have been asking for higher budgetary allocation for the scheme and that higher

rates be available for all export items.

The extension will help exporters to negotiate contracts in the present international environment on better terms.

The RoDTEP scheme is designed to refund duties, taxes and levies at the central, state and local level that get added to the cost of products meant for exports. It is a replacement for the Merchandise Exports from India scheme, which along

with other export promotion schemes, was successfully challenged at the World Trade Organization by the US.

The rate of tax refund under the scheme ranges from 0.5% to 4.3% of the value of the product. The incentive is paid in the form of transferable duty credit scrip, which can be used to pay import duties or sold in the market by exporters.

In FY23, RoDTEP supported

\$450 billion worth of exports at a cost of ₹13,020 crore. In 2021-22, it aided \$421 billion of exports and cost ₹12,100 crore.

Under the scheme, a support of ₹27,018 crore had been extended for the 27-month period till March 2023.

The RoDTEP scheme operates under a budgetary framework and for FY24, a budget of ₹15,070 crore is available for it.

THE RoDTEP SCHEME

■ Introduced in 2021, scheme now extended till June 30, 2024. Previous extension was to end by month-end

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