

Govt looking at measures to beat export slowdown

WISH LIST. Exporters seek cheaper credit, RoDTEP expansion, higher interest subsidy

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Concerned at the recent downturn in goods exports, the Commerce & Industry Ministry is holding a series of meetings with export promotion councils to identify causes for the decline and discuss measures that could help exporters stay competitive, officials have said.

"The Commerce Secretary is meeting various export promotion councils to find out what is ailing different sectors and how things can improve. He has already met sectors such as textiles, wool, leather and engineering goods and more meetings are scheduled," a source tracking the matter told *businessline*.

India's export growth slowed down since July this year and plummeted 16.5 per cent in October 2022 (year-on-year) to \$29.78 billion, the lowest since February 2021.

WTO PREDICTION

The deceleration in exports is in tandem with the World Trade Organisation's latest reading of the Goods Trade Barometer shared on Monday, which projected that trade growth is likely to slow in closing months of 2022 and into



REASONS FOR DECLINE. The fall in exports was mainly due to the geopolitical crisis, the recessionary trend in major economies and the energy crisis ISTOCKPHOTO

2023. Earlier WTO had predicted that world trade growth will slow down to just 1 per cent in 2023.

"In our meeting with the Commerce Secretary, we pointed out that exports were falling mainly due to the geopolitical crisis which was a result of the Russia-Ukraine conflict, the recessionary trend in major economies and the energy crisis.

"People in Europe are shutting down production due to high cost of power, which in turn is lowering global demand for all kinds of products. But inventories are getting used up now and we do see light at the end of the tunnel," Arun Garodia from the Engin-

earing Export Promotion Council told *businessline*.

Garodia added that exporters were looking for support from the government to help them tide through the crisis through measures such as expansion of the Remission of Duties and Taxes on Export Products (RoDTEP) scheme to include steel and other excluded items, increasing the subsidy rate under the interest equalisation scheme for exporters, providing cheaper finance for MSME exporters and exemption for exporters on GST for ocean freight.

ALL-TIME HIGH

India's exports had reached an all-time high of \$421 billion in

2021-22, growing over 40 per cent over exports in 2020-21 and surpassing the government's target by over 5 per cent. However, because of the extreme volatility in global conditions, the Commerce Department has not yet set an export target for the current fiscal.

The Apparel Export Promotion Council (AEPC), which is concerned about the slowdown in demand for garments and textiles, too, has given its wish list to the government which includes early announcement of the second edition of the Production Linked Incentive (PLI) scheme for garments and made-ups.