

● SIX-MONTH EXTENSION AS SOUGHT BY INDUSTRY ON THE CARDS

# RoDTEP scheme on chemicals, steel, pharma to be extended

In FY23, the scheme supported exports worth \$450 billion

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THE GOVERNMENT IS likely to extend the Remission of Duties and Taxes on Exported Products (RoDTEP) scheme by six more months on exports of products of the iron and steel, chemicals and pharmaceuticals sectors, a senior official said.

The coverage of exports by the RoDTEP scheme is till September-end and the industry has sought its extension by six more months till the end of March 2024. This demand was also raised in the meeting the Ministry of Commerce and Industry had with the representatives of export promotion councils on Tuesday evening.

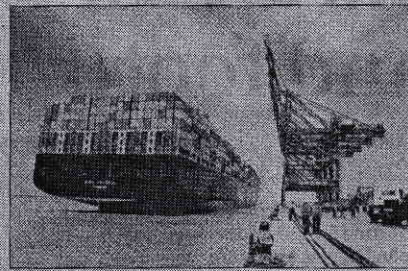
The meeting was called to discuss the showdown in exports being seen in the last few months and strategise for their revival.

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## EXPORT SOPS

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■ Drugs & pharmaceuticals accounted for 5.68% of exports in FY23 to **\$23.5 billion**

■ Share of chemicals in exports in the previous fiscal was 3.33% or **\$14.9 billion**

■ 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

get added to the cost of products meant for exports. This scheme is a replacement for the Merchandise Exports from India scheme, which, along with other export promotion schemes, was successfully challenged by the US at the World Trade

Organisation (WTO).

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When the RoDTEP scheme was

first announced in late 2020 and notified in August 2021, these sectors were left out of it because they were already performing well on the exports front.

Late last year, with exports started facing headwinds due to recession in some developed markets and disruption in supply chains due to Russia-Ukraine conflict, these products were brought under the scheme.

Drugs and pharmaceuticals accounted for 5.68% of India's exports in the last financial year to total \$23.5 billion. Products of iron and steel were \$9.7 billion last year, or 2.17% of the total. Share of chemicals in exports in FY23 stood at 3.33% or \$14.9 billion.

In April-July of this financial year, organic and inorganic chemical exports were down 15.17% year-on-year to \$9.1 billion. Iron and steel exports grew 8.81% to \$9.9 billion while exports of drugs and pharmaceuticals rose 3.99% year-on-year to \$8.71 billion. However, in July, pharma exports fell.

In FY23, the RoDTEP scheme supported exports worth \$450 billion at the cost of ₹13,020 crore. In 2021-22, the scheme aided \$421 billion of exports at the cost of ₹12,100 crore.