

## Govt offers sops to boost exports

The government on Tuesday unveiled a sevenpronged strategy, including subsidized loans and other sops, to **boost exports**, which are expected to rise a minimum 20% during the current financial year.

While retaining its focus on boosting exports to nontraditional markets in **Latin America and Africa**, commerce and industry minister Anand Sharma sought to provide a fillip to labour intensive sectors, particularly textiles, to beat the impact of a slowdown in Europe and the US. The incentives will add up to over Rs 1,000 crore although Sharma and his team refused to comment on it.

As part of the thrust to job creation, small scale units producing garments have been permitted to access loans at 2% below the market rate, along with processed farm products, toys and sports goods. Sharma also sought to suggest that benefits offered under the **Export Promotion Capital Goods (EPCG)** scheme would aid investment at a time when companies had slowed down capacity addition in the wake of lower demand. To begin with, the zero-duty EPCG scheme itself has been extended by a year and the coverage expanded to textiles companies that are not using the Technology Upgradation Fund Scheme. A new post-export scheme has also been added, which will allow exporters to claim benefits after exports even if they had imported machinery on cash.

Further export obligation requirement in the Northeast has been slashed to 25%, and for 16 green goods such as wind mills and electricallyoperated vehicles a 25% discount is on offer. There is another incentive for status holders, who can now import 10% of the value of the scrips available with them to import components and spares. On export scrips offered under several schemes, the government has decided to permit its use to set off excise claims, a move which Sharma said was aimed at boosting local manufacturing and import substitution.

Although the industry welcomed the move, economists did not appear upbeat about the steps boosting exports significantly, especially when growth in April was 3% and they shrunk in March. Sharma too acknowledged the impact of the global economic environment and said exporters will not gain significantly from a weakening rupee.

### **Booster shot**

Interest subsidy of 2% will continue till March 2013 Benefit extended to toys, sports goods, processed farm products and garments Zero duty EPCG scheme extended till March 2013 Export scrips can now be used to set off excise claims 16 green goods to have lower export obligation under EPCG Norms for bank certificate on exchange realisation eased Exporters can now give a revolving bank guarantee for different deals Revamped policy for SEZs, EOUs on the anvil Benefits for exports via

e-commerce New Delhi: The government has finally recognized the export potential of e-commerce and decided to grant export benefits for all goods shipped through courier and e-commerce platform from Delhi and Mumbai. The commerce department is in talks with the revenue department to permit companies to avail of the incentives, which include refund of taxes, if shipments from all ports and airports, director general foreign trade Anup K Pujari said.