

# Foreign Trade Promotion Measures in India



**Unit : 5**  
**Course Code: CMRC3036**  
**Course Title: INTERNATIONAL BUSINESS**  
**Programme : B.Com.(H)**

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# India's Trade Volume (2019-20)

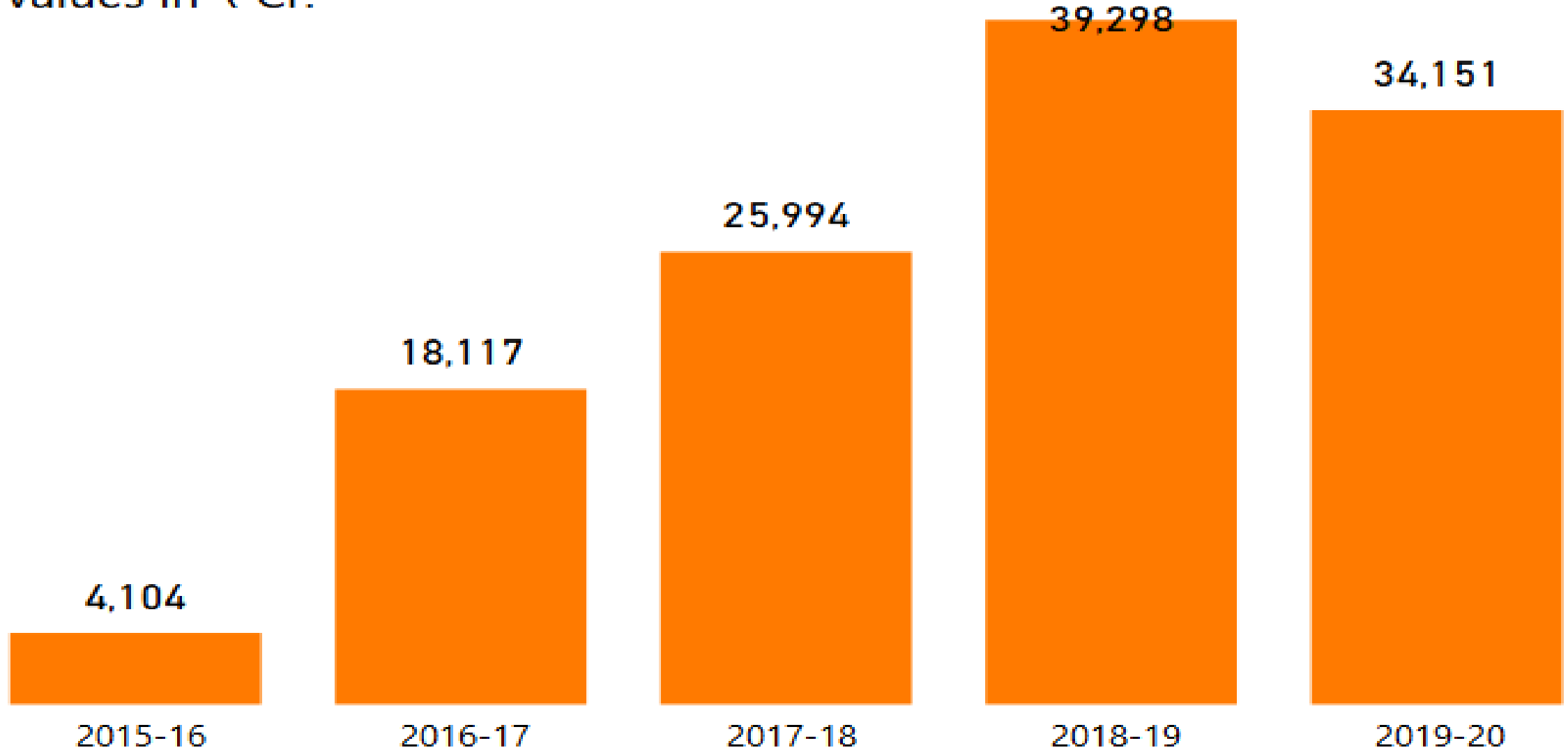


# Merchandise Export from India Scheme (MEIS)

- MEIS is a major **export promotion scheme** of Government of India which is implemented by the Ministry of Commerce and Industry.
- **Five** different **schemes** for rewarding merchandise exports have been **merged** into this single scheme which came into effect from April 1, 2015.
- Rewards under MEIS are payable at 2%, 3% or 5% of realised FOB value of covered exports, by way of the MEIS duty credit scrip. The **scrip** can be used for various duties/ tax payments.
- As a measure of ease of doing business and to reduce transaction cost, the requirement of landing certificate for claiming MEIS has been dispensed with by giving global coverage to 2787 tariff lines.

# MEIS : Trend of Value of Scrips (Rewards)

\* Values in ₹ Cr.

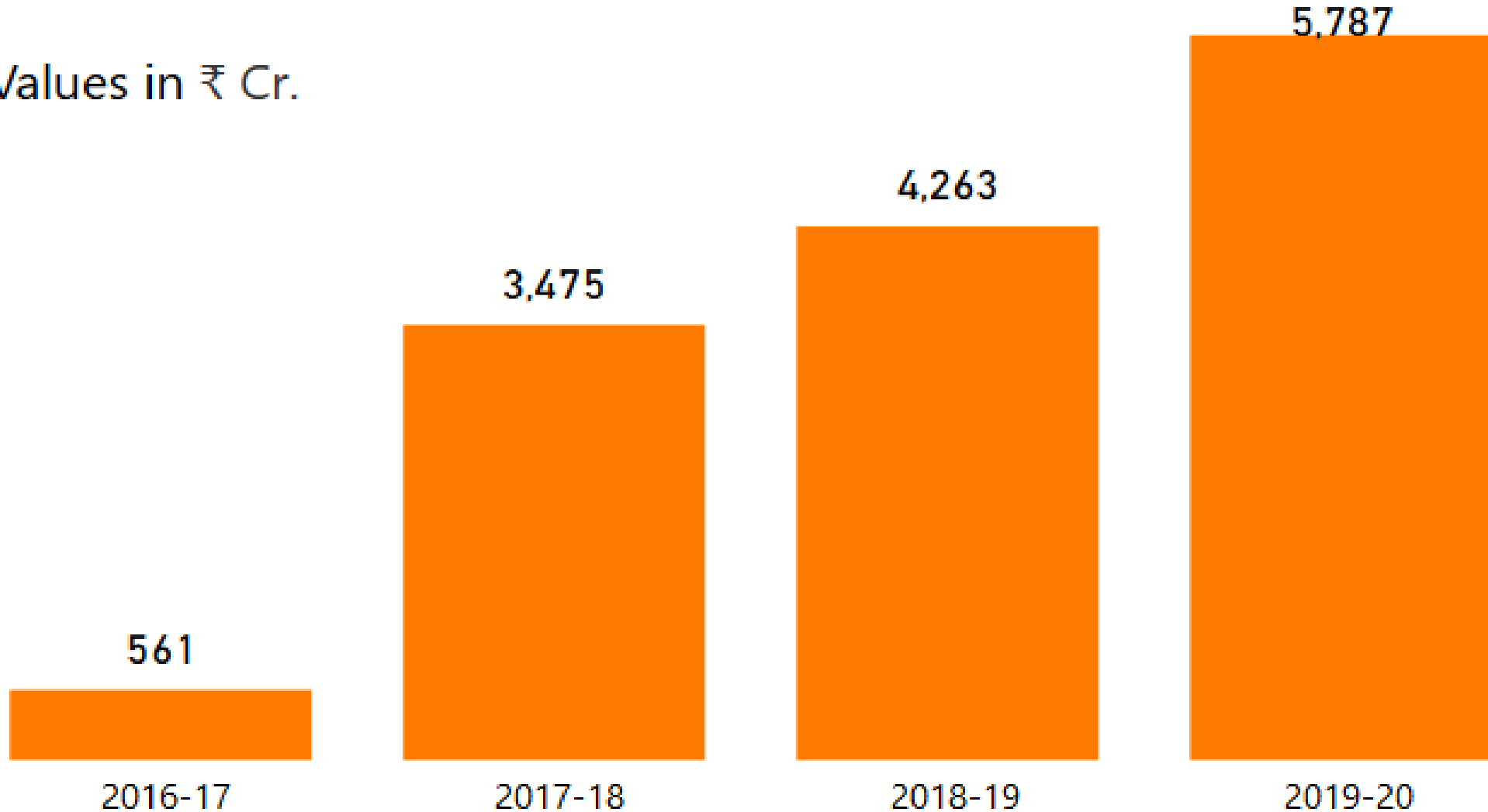


# Services Export from India Scheme (SEIS)

- SEIS has replaced the earlier scheme 'Served from India Scheme w.e.f. 01.04.2015.
- Rewards under SEIS are payable at 3% or 5% of net foreign exchange earnings from export of notified services, in the form of Duty Credit Scrips. The **scrip** can be used for various duties/ tax payments.
- SEIS is designed to make Indian exports of services globally competitive.

# Services Export from India Scheme (SEIS)

\* Values in ₹ Cr.



# Remission of Duties and Taxes on Exported Products (RoDTEP)

- The Cabinet Committee on Economic Affairs, chaired by Prime Minister Shri Narendra Modi, has approved introduction of the Scheme for Remission of Duties and Taxes on Exported Products (RoDTEP) in March, 2020.
- RoDTEP scheme is WTO compliant, will reimburse taxes/duties/levies at the central, state and local level, which are currently not being refunded under other schemes.
- In line with “Digital India”, refund under the Scheme, in the form of transferable duty credit/electronic scrip will be issued to the exporters and maintained in an electronic ledger. The Scheme will be implemented with end to end digitisation.
- Items will be shifted in a phased manner from existing scheme MEIS to RoDTEP

# Interest Equalisation Scheme

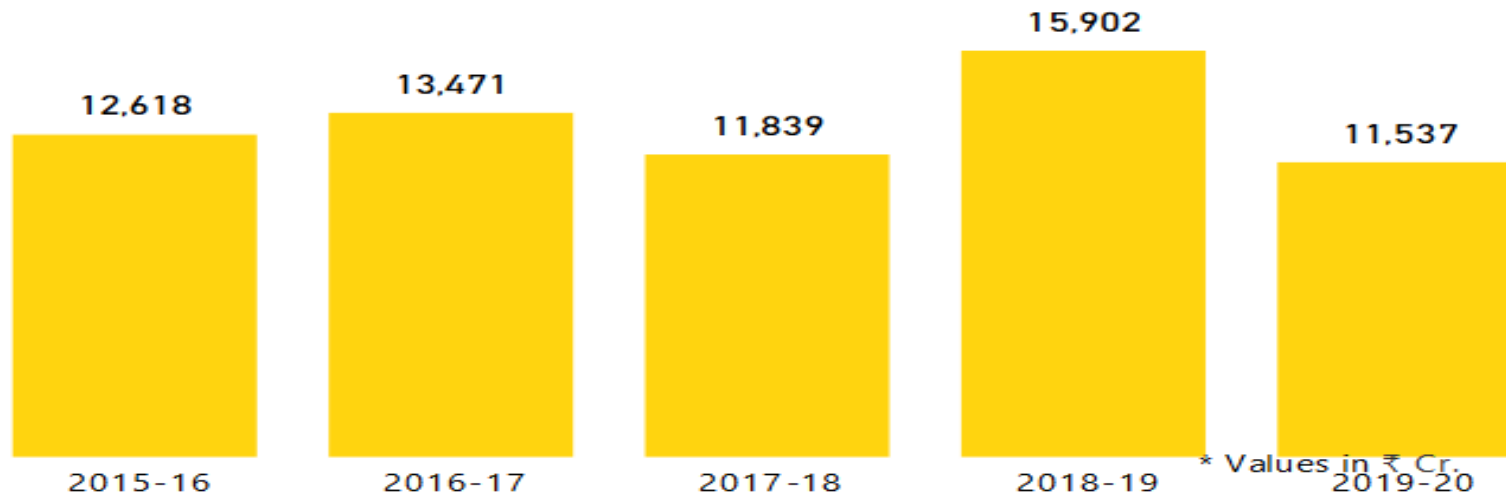
- The Scheme was approved on 18.11.2015 for 5 years w.e.f. 1<sup>st</sup> April, 2015.
- Operational guidelines for the scheme were issued by RBI on 4<sup>th</sup> December 2015.
- The scheme provides for interest equalisation @ 3% per annum on Pre-Shipment and Post-Shipment Rupee Export Credit.
- The scheme is available to all exports under 416 specified tariff lines and to all exports made by Micro, Small & Medium Enterprises (MSMEs).



# Export Promotion Capital Goods (EPCG) Scheme

- The Scheme allows import of capital goods (with few exceptions) for pre-production, production and post-production at zero customs duty.
- Import under EPCG Scheme shall be subject to an export obligation equivalent to 6 times of duties, taxes and cess saved on capital goods, to be fulfilled in 6 years reckoned from date of issue of Authorisation.

**EPCG: Trend of Duty Saved**



# Other Export Promotion Schemes

- Enterprises with the purpose of exporting their entire production of goods and services be set up under any of the following to access ease of doing business environment :
  - Export Oriented Unit (EOU) Scheme
  - Electronics Hardware Technology Park (EHTP) Scheme
  - Software Technology Park(STP) Scheme
  - Bio-Technology Park (BTP) Scheme

# e-Governance Initiatives

- DGFT is currently working on the following EDI (Electronic Data Interchange) initiatives:
  - Message exchange for transmission of Bills of Entry (import details) from Customs to DGFT.
  - Online issuance of Export Obligation Discharge Certificate (EODC).
  - Message exchange with Ministry of Corporate Affairs for CIN & DIN Information.
  - Message exchange with CBDT for PAN.
  - Open API for submission of e-IEC Application.
  - Mobile Applications for FTP

# Other Trade Facilitation Measures

- Free passage of Export consignment - In case of any doubt, authorities concerned may ask for an undertaking from exporter and release such consignment.
- No seizure of export related Stock – except in cases of serious irregularity.
- 24 X 7 Customs clearance - to all Bills of Entry at 19 sea port and 17 Air Cargo Complexes.
- SWIFT (Single Window Interface for Facilitating trade) introduced by Indian Customs with effect from 1<sup>st</sup> April, 2016.
- Self-Assessment of Customs Duty

# Covid-19 Impact

- Foreign Trade Policy 2015-2020 which was supposed to be effective till 31.03.2020 has been extended till 31.03.2021 due to Covid-19 pandemic.
- 4<sup>th</sup> April, 2020 : Amendment in Export Policy of Diagnostic Kits & Hydroxychloroquine.
- 6<sup>th</sup> April, 2020 : Amendment in Export Policy of Active Pharmaceutical Ingredients (APIs) and formulations made from these APIs .
- Covid-19 pandemic would probably cause a steep fall in foreign trade volume in India in the months of March to May, 2020
- In post-Covid-19 phase global economy would take at least one year to recover.



आ नो भद्राः क्रतवो यन्तु विश्वतः ।

Let noble thoughts come to us from every side.