



# Stimulus to boost growth

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The Government has done extensive consultations and sought feedback from the trade bodies, export promotion councils (sectoral export promotion bodies) and industry to identify measures to boost growth while conducting the Mid-term review of the Foreign Trade Policy, 2015-20.

i. In October, 2017 a Stakeholders' Consultation meeting was convened under the chair of Commerce and Industry Minister in which all Export Promotion Councils along with Trade bodies such as ASSOCHAM and FICCI participated.

ii. Accordingly, in the revised Foreign Trade Policy (FTP) focus has been to provide stimulus to the industry by increasing the benefits available to industries which have high employment potential and are labour intensive.

iii. Under the Merchandise Exports from India Scheme (MEIS) incentives have been increased 2% across the board for labor intensive MSME sectors leading to additional annual incentive of Rs 4,567 cr. This was in addition to already announced increase in MEIS incentives from 2% to 4% for Ready-made Garments and Made Ups in the labour intensive Textiles Sector with an additional annual incentive of Rs 2,743 cr. For Leather and Footwear Articles, an additional benefit of Rs. 749 crore is part of the package.

The Government has been actively engaging in regional and bilateral trade negotiations with a view to diversifying and expanding the markets for its exports as well as ensuring access to raw materials, intermediates and capital goods for stimulating value added domestic manufacturing.

i. The Mid-term review of the FTP has incentivized export of value added goods such as Telecom and Electronics Components with Rs 369 Cr as additional incentives and Medical and Surgical Equipment with Rs 193 Cr as additional incentives under the MEIS Scheme.

ii. The measures taken to boost India's services export basket include increased incentives under the Services Exports from India Scheme (SEIS). Under this Scheme, major service categories such as business services, healthcare, Research & Development, Tourism & Travel and Hospitality related services etc have been granted a benefit of 3 to 5% on the Net Foreign Exchange earned till 31.10.2017 and at a rate of 5 to 7% for the period 01.11.2017 to 31.03.2018.

In light of the current protectionist environment, building a brand India is a key measure to push India's export of goods and services. In pursuance of this strategy, India Brand Equity Fund (IBEF) has taken a sector specific approach to highlight the strengths and achievements of the sector in major target markets. Focused branding activities have been undertaken by IBEF for engineering, pharma, plantations (tea, coffee and spices), services, textiles and leather. Further, emphasis has been for maintaining quality of exports and meeting the standards required by these countries. Incentives under export promotion schemes have also been provided for exports to these countries.

The Minister of State for Commerce and Industry Shri C.R.Chaudhary gave this information in a written reply to a question in Rajya Sabha today.

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