

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

STARRED QUESTION NO:198
ANSWERED ON:01.08.2003
PERFORMANCE OF EXPORT PROMOTION SCHEMES
RAM SHAKAL

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) the details of the various export promotion schemes being implemented at present;
- (b) whether performance of each of the above schemes has been assessed;
- (c) if so, the details thereof; and
- (d) the details of the schemes proposed to be implemented to boost the export trade?

Answer

MINISTER FOR COMMERCE AND INDUSTRY (SHRI ARUN JAITLEY)

(a) to (d) : A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF THE LOK SABHA STARRED QUESTION NO. 198 FC ANSWER ON 1.8.2003 REGARDING PERFORMANCE OF EXPORT PROMOTION SCHEMES

(a) to (d): Export Promotion Schemes essentially aim at facilitating manufacture of goods for exports by providing duty free access to international quality raw-material, intermediates, components and consumables through Advance Licences or for replenishment of raw materials and intermediates already consumed in the manufacture of exported goods through Duty Free Replenishment Scheme. As the exporters are entitled to either exemption from duty on raw materials and inputs going into export production or remission of duty on inputs used in export production, they are entitled to either draw back under the Scheme being implemented by Ministry of Finance, Department of Revenue or duty credit under the Duty Credit Entitlement Passbook Scheme (DEPB) subsequent to exports. In order to facilitate a production base for exports at comparatively lower costs, capital goods and spares are allowed to be imported at 5% duty against export obligation under the Export Promotion Capital Goods Scheme (EPCG). In addition, there are special schemes in the Gems and Jewellery Sector allowing import and replenishment of inputs at Zero Duty.

Units undertaking to export their entire production of goods and services, except permissible sales in the Domestic Tariff Area (DTA), can be set up under the Export Oriented Units (EOU) Scheme, Electronic Hardware Technology Park (EHTP) Scheme or Software Technology Park (STP) Scheme for manufacture of goods and rendering of services. Similarly, Special Economic Zones are specifically delineated duty free enclaves which are deemed to be foreign territory for the purpose of trade operations and duties and tariffs for allowing units for manufacture of goods and rendering of services in an internationally competitive environment with the necessary infrastructural facilities.

In addition, an initiative has been taken to promote export of services through the Duty Entitlement Exemption Scheme. As an incentive to achieve high growth rates in exports, another new scheme has been introduced for status holders achieving a growth rate of 25% and above in their exports with a minimum turnover of Rs.25 crores.

The details of all the schemes are given in the Export & Import Policy, 2003-04 and the Handbook of Procedures which have come into operation on 1st April, 2003. These documents have been laid on the Table of the House on 8th April, 2003. These are also available in the Parliament Library. The details can also be accessible on the DGFT website <http://dgft.delhi.nic.in>.

All export promotion measures are reviewed every year in the process of the formulation of the Exim Policy. The overall thrust of the current Exim Policy has been on reduction in transaction cost through procedural simplification and transparency, to make Indian goods and services more competitive in the world market.