

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

UNSTARRED QUESTION NO:348

ANSWERED ON:26.07.2005

SCHEME TO PROMOTE EXPORTING FIRMS

Patel Shri Jivabhai Ambalal;Singh Deo Smt. Sangeeta Kumari

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

- (a) name of schemes run by the Government to promote the exporting firms in the country;
- (b) the funds allocated under these schemes during the last three years and thereafter, Scheme-wise, State-wise;
- (c) whether the Government has done any review of these schemes;
- (d) if so, the time of the review and the results thereof; and
- (e) the corrective measures taken by the Government based on these results?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGO VAN)

(a) & (b): The Marketing Development Assistance Scheme (MDA) and the Market Access Initiative Scheme(MAI) are in operation for promotion of exports. Under these Schemes, grants are released to product-specific Export Promotion Councils, Individual exporters and other Trade Bodies for their export promotional activities abroad and not State-wise. Allocation of funds under these Schemes during last three years and thereafter is as under:

(Rs. in crore)

Scheme	2002-03	2003-04	2004-05	2005-06
MDA	45.00	52.00	55.00	55.00
MAI	42.00	44.00	102.24	40.00

Besides the above, a number of export promotion schemes are operated through the medium of Foreign Trade Policy 2004-09. These include Advance Licensing Scheme which provides for duty free inputs for export production, Duty Entitlement Pass Book Scheme intended to neutralise incidence of customs duty suffered on deemed import content of an export product, Export Promotion Capital Goods Scheme providing import of machinery and equipment for export production at a concessional rate of customs duty, Reward Scheme in the form of Target Plus Scheme intended to accelerate growth in exports and reward high performing Star Export House, Vishesh Krishi Upaj Yojana to promote export of Fruits, Flowers, Vegetables, Minor Forest Product, Dairy, Poultry & their value added products, Served From India Scheme intended to promote service exports and deemed export drawback scheme intended to neutralize the incidence of excise duty suffered on deemed exports. The details of these schemes are available in the Book titled 'Foreign Trade Policy 2004-09' and procedural aspects are reflected in the Book titled 'Handbook of Procedures (Vol.I) 2004-09'. No specific funds are allocated for all the above schemes (excluding duty drawback for deemed exports) as the schemes are operated in the form of either scrips or licences and no cash reimbursement is involved. However, there is a cash reimbursement involved in respect of Duty Drawback Scheme for deemed exports operated by the Director General of Foreign Trade (DGFT). The fund allocation to operate deemed export duty drawback scheme for last three years is given below:-

Year Rs. in crore

2002-03	353.00
2003-04	418.51
2004-05	405.77

(c) to (e): The review of the Schemes is done from time to time. Recently, to make MDA Scheme more export-friendly, direct participation in the trade fairs/exhibitions abroad has been allowed and their eligibility limit to claim MDA grant has also been enhanced upto Rs. 10.00 crores.

The schemes operated through the medium of Foreign Trade Policy are reviewed annually based on inputs received from various trade and industry associations. The thrust of such reviews is on simplification of procedures with a view to making these schemes more effective and easier to take advantage of.