

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

UNSTARRED QUESTION NO:2874
ANSWERED ON:10.02.2014
EXPORT ORIENTED UNITS
Ram Shri Purnmasi

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

- (a) the percentage of exports made by the Export Oriented Units (EOUs) in the country in the total trade during the last three years;
- (b) the details of the total financial concessions provided to EOUs along with total foreign exchange earned from the exports through these EOUs during the said period;
- (c) whether there has been an increase in the number of EOUs during the last three years and if so, the details thereof;
- (d) whether EOUs have been able to achieve the desired results during the said period and if so, the details thereof and if not, the reasons therefor along with corrective steps being taken by the Government in this regard; and
- (e) whether the Government provides incentives under the Export Oriented Units Scheme and if so, the details thereof?

Answer

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THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. E.M. SUDARSANA NATCHIAPPAN)

(a) Percentage of exports made by the EOUs in the country in the total trade during the last three years is as under:

2010-11	7.2%
2011-12	5.7%
2012-13	5.0%

(b) to (e) The EOU scheme, is among the several schemes laid down in the India's Foreign Trade Policy (FTP) under the Foreign Trade Development and Regulations Act with the major objective of boosting India's exports and earning foreign exchange.

Financial concessions granted to EOUs are extended by various departments of Central / State Govt. like Central Excise, Customs, and Department of Commerce. These may be broadly listed as under:

- (i) Duty free sourcing of inputs including capital goods.
- (ii) Procurement of goods from Domestic Tariff Area (DTA) without payment of Central Excise Duty.
- (iii) Supplies by DTA manufacturer are eligible for deemed export benefits under Chapter 8 of Foreign Trade Policy.
- (iv) Full reimbursement of Central Sales Tax.
- (v) Central Value Added Tax (CENVAT) on service tax paid.
- (vi) DTA sale (including advance DTA Sale) upto 50% of F.O.B. value of. Physical Exports permitted on payment of concessional rate of duty.
- (vii) FDI upto 100% permitted as per the guidelines of Department of Industrial Policy and Promotion.

Incentives are being provided by the Government under Chapter 6 of existing Foreign Trade Policy / Procedure in addition to the Central Customs and Excise Act, Rules and Regulations.