For export boost, CII urges extension of interest subsidy scheme, faster GST refunds

OUR BUREAU
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To give the country’s sagging exports a much needed push, industry body Confederation of Indian Industry (CII) has called for an expansion of export finance, extension of the popular interest equalisation scheme for all exporters for two years, removal of cesses and fast-tracking of GST refunds which hold up working capital.

In a 10-point agenda for increasing India’s exports of goods and services in line with the vision of an “Atmanirbhar Bharat” while dealing with the pandemic, the CII has proposed that India must aim to achieve a 5 per cent share in world merchandise exports and 7 per cent in services exports by 2025.

India’s goods exports declined 4.78 per cent to $314 billion in 2019-20 compared to the previous fiscal. The on-going pandemic hit the sector further with exports dropping 36.71 per cent to $51.32 billion in the April-June 2020 period.

The country’s share in global merchandise exports is 1.67 per cent, with a low share in top globally traded items, the report pointed out. In services, it enjoys 3.54 per cent share.

“The CII report includes specific measures for nine manufacturing sectors such as automobiles, chemicals, electronics, steel and textiles etc. Education and healthcare are covered under services. In the agriculture and allied sector, CII has brought out recommendations for agri produce, fruits and vegetables, marine products and processed foods,” according to an official release circulated on Tuesday.

‘Speed up trade policy’
The report suggested that in general, higher duties on finished goods and lower duties on intermediates should be applied and the Foreign Trade Policy should be brought out at the earliest to establish a stable and predictable export policy regime.

It stressed on the need to expand export finance and pushed for extension of the interest equalisation scheme, under which exporters are offered credit at a subsidised interest rate, to all sectors and not just the Micro Small and Medium Enterprises (MSME).

The body further suggested that the capacities of the Export Import Bank and the Export Credit Guarantee Corporation need to be strengthened to raise resources and lower risks.