

Pharma, steel exporters to take up RoDTEP exclusion

Industry sectors such as steel, chemicals and pharmaceuticals, which were excluded from the Remission of Duties and Taxes on Exported Products (RoDTEP) incentive scheme, will take up the issue with commerce and industry minister Piyush Goyal in a meeting on Thursday.

The meeting, aimed to discuss India's target to achieve \$400 billion of merchandise exports in FY22, comes amid the pace of exports growth easing to 39.51% on-year — an increment of \$1.99 billion — in the week ended August 14, compared to 50.45% growth in the first week of the month. Imports in the period were up 36.31%, an increment of \$2.8 billion with most coming from Switzerland and the UAE.

Outbound shipments rose 37.21% over 2019-20 during the week, led by engineering goods and gems & jewellery with the US and Italy being the top destinations. “Some of the increase was offset by decrease in exports petroleum products, iron ore, and leather and leather manufactures over 2019-20,” the commerce and industry ministry said.

Drugs and pharma exports rose 44.61% year-on-year. RoDTEP is remission of taxes paid by the exporters. By excluding chemicals, does it mean we don't pay VAT on electricity, furnace oil or fuel for transportation? Also, if the sector is doing well, then why has it been left out? Basic Chemicals, Cosmetics & Dyes Export Promotion Council, adding the council will take up the issue “strongly” with the government. with the government. Chemical industry had pegged a remission rate of 2.3-2.9% for exporters.

Source: The Economic Times