

## **FIEO seeks export development fund, double tax deduction for MSMEs**

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To give a fillip to the country's exports which have been falling for the last five months, exporters have sought an export development fund with an annual corpus of half a percentage of annual exports and a double tax deduction scheme to help the micro, small and medium sectors (MSMEs) to effectively reach out to foreign buyers.

On the need for an export development fund, FIEO pointed out that the current marketing support under Market Access Initiative (MAI) of the Ministry of Commerce was very small and could cover at most 5,000 MSMEs out of over 1.2 lakh active MSMEs in exports.

To help MSME exporters meet the challenge of overseas marketing, FIEO suggested that the government must extend a 'double tax deduction scheme' for internationalisation of MSMEs to allow units to deduct against their taxable income, twice the qualifying expenses incurred for approved overseas activities including market preparation, market exploration, market promotion and market presence.

**Source: Business Line**