

Export subsidies not yielded results; still India's exports on track: Piyush Goyal

Promoting exports through subsidies has not really given the desired results, but the government's RoDTEP scheme is helping grow exports which is expected to reach a record USD 400 billion this year, Commerce and Industries Minister Piyush Goyal said on Friday in the Rajya Sabha. Goyal, while responding to a query during the Question Hour in the Upper House on cut in budget for export promotion schemes, said the government has found "very good acceptance" of the RoDTEP (Remission of Duties and Taxes on Export Products) scheme. "Based on that (RoDTEP), exports have also been growing," he said.

While there is a thinking that the government has reduced the export subsidies, the Goyal said the reality is this year, India is going to see a "record performance in exports".

"We are already crossed USD 334 billion (one billion is equal to Rs 100 crore) of exports, which is higher than any full year ever in the past, and we are well on track to go to USD 400 billion export in the current year," he said.

In August 2021, the government had announced the rates of tax refunds under the RoDTEP for 8,555 products, such as marine goods, yarn and dairy items. It has set aside Rs 12,454 crore for refunds under RoDTEP scheme for the current fiscal.

Holding that no country in the world can survive beyond the point of time only on subsidies to promote exports, the minister said: "India over a period of time has been promoting exports through subsidies, but that has not really given us the desired result or given us the huge impetus that one would have expected."

In fact, the reality is that every nation has certain products and services which are its strength. Every theory in the world says the focus should be given only on those export products having competitive strength, he said.

Goyal further said India has moved more into an interconnected world, where such subsidies are actually not even permitted under the WTO. There have been

bad instances that India has been dragged before the World Trade Organisation (WTO) on export subsidies.

"Therefore, our approach is that we reimburse the taxes or cess or duties that are notified on the product by the states. As far as the central government is concerned, usually most products are under the GST (Goods and Services Tax) and it automatically gets refunded when you export the product," he said. If there is any other tax which is levied on any export product, which is not marketable or reversible in the form of return, that is given back to the exporters under the RoDTEP scheme, he added. The minister also urged all the states to support economic activity through exports and create jobs in the system.

Source: The Economic Times