

Exporters seek cheaper credit, higher input duty remission to fight global slowdown



LOOKING FOR SUPPORT. Representatives from export bodies met Commerce & Industry Minister Piyush Goyal on Friday to discuss ways to make Indian players more competitive

Our Bureau

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Exporters have sought government intervention to help them face the global demand slowdown through measures such as making available cheaper credit, extending GST exemption on freight, restoring interest equalisation rate to 5 per cent and increasing the rates of input duty remission under popular schemes.

Representatives from export bodies met Commerce & Industry Minister Piyush Goyal on Friday to highlight

their concerns and discuss ways to make them more competitive.

RATE HIKE IMPACT

The increase in repo rate last Friday will affect the base rate of banks and consequently the lending rates for export credit and needs to be countered, pointed out exporters' body FIEO in a presentation.

"We request you to consider requesting RBI for introducing 'export refinance facility' to banks so that the value of credit provided to the export sector in rupee may be refinanced by the RBI

to banks at which it lends to banks.

Such a measure will be extremely beneficial for our small exporters as the interest rates in many competing countries are much lower than in India...," FIEO President A Sakthivel said.

The FIEO President also pointed out that non-extension of notification relating to GST exemption on freight for exports had caused panic and uncertainty adding to the liquidity challenges of the exporters and made a case for its restoration.

India's goods exports declined by 3.52 per cent to

\$32.62 billion in September 2022, per preliminary data released by the Commerce Department earlier this month.

Although exports during April-September 2022-23 increased by 15.54 per cent to \$229.05 billion, growth in July and August have been marginal.

The WTO's revised forecast of world trade growth of 1 per cent in 2023, as opposed to 3 per cent predicted earlier, has added to the exporters' concerns.

RoDTEP SCHEME

EEPC India, in its represent-

ation, stressed on the need for the government to a re-look at the rates under the popular Remission of Duties and Taxes on Exporter Products (RoDTEP) scheme and give a full rebate on the taxes that still remain in the export production chain.

It also recommended that the steel sector should be included under RoDTEP as steel was the most widely used raw material in the engineering industry.

It also proposed that interest equalisation rate should be restored to 5 per cent from the current 3 per cent for cheaper finance.