FRESH DEADLINE

Govt to defer new exports scheme

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THE GOVERNMENT HAS decided to defer the introduction of a ₹50,000-crore exports programme — which was supposed to replace its flagship, but WTO-incompatible, Merchandise Exports From India Scheme (MEIS) — to the next fiscal from the proposed date of January 1, 2020, official and trade sources told *FE*.

Commerce minister Piyush Goyal is learnt to have acceded to exporters' request to grant them more time to prepare for a transition from the MEIS to the new scheme called Remission of Duties and Taxes on Export Product (RoDTEP), given the operational challenges. Also, the next foreign trade policy, which will contain broad contours of the RoDTEP, will only be rolled out from April 2020, as the current one is in effect up to March.

The new scheme is supposed to reimburse all taxes and duties paid on inputs consumed in exports in sync with the WTO norms. Since potential revenue forgone in the current MEIS is around ₹40,000 crore a year, RoDTEP is expected to cost the government an additional ₹10,000 crore annually.
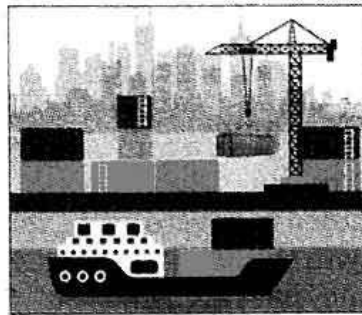
The decision to defer the RoDTEP roll-out comes at a time when the WTO's appellate body remains paralysed. So India is spared the trouble of having to fast restructure some of its contentious trade

HELPING HAND

- Exporters had sought more time for **transition from MEIS to the new scheme**

- Govt may again review **its time frame for RoDTEP roll-out before April 2020**

- Paralysed state of WTO's appellate body has given **India some leeway in revamping export schemes**

schemes, as its November 19 appeal against a ruling of the WTO's Disputes Settlement Body (DSB) in favour of the US against New Delhi's export "subsidies" is still pending. The fate of all such appeals remains uncertain, as the US has refused to relent on its move to block the appointment of appellate members. According to the WTO rules, unless appeals are heard and settled, the findings of the DSB won't be binding on the losing party.