

# 'RoDTEP to cover more areas soon'

**WTO-COMPLIANT BENEFIT.** Rates for advance authorisation, SEZ/EOUs likely in December 2022, say sources

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The government is working on expanding the coverage of the Remission of Duties and Taxes on Exported Products (RoDTEP) scheme to more sectors, a person tracking the matter has said.

RoDTEP, which replaced the Merchandise Export from India Scheme (MEIS) from January 1, 2021 was not applicable to sectors such as pharmaceuticals, steel products, chemicals, and exports from Special Economic Zones and Export Oriented Units.

## NEW COMMITTEE

"Late last year, the Centre set up another committee under former Union Secretary GK Pillai to work out RoDTEP rates for areas and sectors excluded from the scheme. At a



**CRYING FOUL.** The US had complained at the WTO against the MEIS scheme, alleging that it was nothing but an export subsidy

recent presentation made to the Board of Trade, the Commerce Department assured that recommendations for RoDTEP rates for Advance Authorisation and SEZ/EOU exports are likely in December," the source said.

In order to include certain sectors which were left out at the time of the introduction of the scheme, a Cabinet note is likely to be moved, the BoT was further informed.

RoDTEP seeks to remit all duties, taxes, and levies, at

the Central, State, and local levels, levied on the exported product, including prior stage cumulative indirect taxes on goods and services used in its production. It also takes into account indirect duties, taxes, and levies in respect of

the distribution of exported products.

RoDTEP rates, ranging from 0.3 per cent to 4.3 per cent, are lower than the remission rates under the MEIS scheme for most items. They are expected to pass muster at the WTO as the rates have been calculated meticulously and transparently, unlike in the MEIS scheme.

The US had complained at the WTO against the MEIS scheme, alleging that it was nothing but an export subsidy, and the multilateral body had ruled in its favour, saying that the scheme should be withdrawn.

Industry bodies such as the EEPIC and Pharmexcil had been representing to the government to include steel and pharmaceuticals on the grounds that non-remission of the input taxes was affecting the sectors' global competitiveness.