

## **Government allocates 8% more fund for Export Promotion Schemes in FY22**

The Union Budget 2021-22 has allocated Rs. 2365 crore for 2021-22 towards three export promotion schemes administered by the Ministry of Commerce & Industry. This amount is 8% higher than the revised estimate of Rs. 2175 crore being spent in the current financial year under these three schemes.

These schemes are Interest Equalisation Scheme, export insurance scheme of ECGC and Market Access Initiative. Out of the Rs. 2365 crore, the lion's share of Rs. 1900 crore is spent on Interest Equalization Scheme, under which the government provides subsidy on pre and post shipment rupee export credit at the rate of 3% for labour intensive or MSME sectors. Since November 2018, the rate was increased to 5% for MSME sectors and since 2019, the government extended benefits under the scheme to merchant exporters.

The amount of funds spent under Interest equalization scheme has declined gradually from Rs. 2890 crore in 2019-20 to Rs. 1600 crore in 2020-21. Thus, the allocation of Rs. 1900 crore for the next financial year represents a growth of 18% from the previous year.

For the year 2021-22, the government allocated Rs. 260 crore towards investment in ECGC, which provides insurance covers to Indian Exporters against the risk of non-realization of export proceeds on account of commercial or political causes. ECGC also extends different types of guarantees to banks and other financial institutions to enable them to extend credit facilities to exporters.

The government earmarked Rs. 200 crore towards Market Access Initiative Scheme, under which it supports individual exporters for product registration and testing charges for engineering and pharmaceuticals products abroad. Under the scheme, the government provides assistance to individual exporters through Export Promotion Councils, Registered Trade Promotion organizations, Commodity Boards, recognized Apex Trade Bodies and Recognized Industrial Clusters. Exporters can claim benefits under the scheme for international marketing, capacity building, statutory compliance etc.

Apart from the above schemes, the government supports India's exports through various commodity boards and export promotion agencies and schemes administered by line ministries, other than Ministry of Commerce. The following table captures expenditure estimates towards exports by different agencies or under different schemes.

**Central Government Expenditure related to promotion of exports (figures in Rs. Crore)**

	Actuals 2019-2020			Budget Estimates 2020-2021			Revised Estimates 2020-2021			Budget Estimates 2021-2022		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
Agricultural Product Export Development Authority (APEDA)	73.64		73.64	95		95	85		85	85		85
Marine Product Export Development Authority (MPEDA)	110.33		110.33	140		140	110		110	110		110
Trade Infrastructure for Export Schemes (TIES)	64.99		64.99	75		75	75		75	75		75
Cashew Export Promotion Council	1		1	10		10	3		3	5		5
National Export Insurance Account	300		300									
Investment in ECGC (Export Credit Guarantee Corporation)		800	800		650	650		390	390		260	260
Stimulus Package for Export Credit - NIRVIK Yojana				95		95				0.01		0.01
Implementation of Agriculture Export Policy	0.01		0.01	5		5	1		1	100		100
Scheme for defraying expenditure towards internal transport, freight, handling and other charges on export	550		550	200		200	350		350			
Re-imbursalment of Internal Transport and Freight Charges to Sugar Factories on export shipment of Sugar and payment of other permissible claims	0.63		0.63				0.36		0.36			
Scheme for providing assistance to Sugar Mills for expenses on marketing costs including handling, upgrading and other processing costs and costs of international and internal transport and freight charges on export of sugar										2000		2000
Subscription to the Share Capital of Export-Import Bank of India					950	950		1300	1300		1500	1500
Export Promotion Studies	2.26		2.26	34		34	5		5	30		30
	<b>1102.86</b>	<b>800</b>	<b>1902.86</b>	<b>654</b>	<b>1600</b>	<b>2254</b>	<b>629.36</b>	<b>1690</b>	<b>2319.36</b>	<b>2405.01</b>	<b>1760</b>	<b>4165.01</b>
<b>Union Budget 2021-22, Government of India</b>												

## Notifications

### PIB

**Merchandise exports grows 5.7% in January 2021**

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1694385>

### CBIC

**Tariff notification for select commodities**

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2021/cs-nt2021/csnt13-2021.pdf>