

# 1. EXPORT PROMOTION SCHEMES AVAILABLE FOR TEXTILE SECTOR FIRMS IN INDIA

## a) Merchandize Exports from India (MEIS) Scheme

Launched in April 2015, the MEIS provides duty reward to eligible textile and apparel categories to an extent of 2-5% of FOB value in the countries categorized as per the criteria prescribed under the Scheme:

### MEIS – Country List

Country Groups	Country List Covered (Dated 1 <sup>st</sup> April, 2015)	Amendments in Country List (Dated 14 <sup>th</sup> July, 2015)
<b>Category A</b>	<b>Traditional Markets</b> (30) - European Union (28), USA, Canada	Norway, Switzerland, Iceland & Liechtenstein added
<b>Category B</b>	<b>Emerging &amp; Focus Markets</b> (139) - Africa (55), Latin America and Mexico (45), CIS countries (12), Turkey and West Asian countries (13), ASEAN countries (10), Japan, South Korea, China & Taiwan	Hong Kong added
<b>Category C</b>	<b>Other Markets</b> (70)	* Norway, Switzerland, Iceland & Liechtenstein moved to Group A * Hong Kong moved to Group B

### MEIS – Reward Rate

Rewards for export of products shall be payable as percentage of realized FOB value:

Eligible Products	Reward Rate	Country Coverage as on 1 <sup>st</sup> Apr, 2015	Amendment in Country Coverage (14 <sup>th</sup> July, 2015)	Updated Country Coverage (3 <sup>rd</sup> Nov, 2015)
<b>HS Code 50-60: eligible lines</b>	2%	Cat. A – all countries Cat. B – only Japan	Cat. A – all countries Cat. B – only Japan Cat. C – For 112 fabric lines, reward was extended to Bangladesh and Sri Lanka	Cat. A – all countries Cat. B – all countries Cat. C – all countries
<b>HS Code 61-63: eligible lines</b>	2%	Cat. A – all countries Cat. B – only Japan	Cat. A – all countries Cat. B – only Japan	Cat. A – all countries Cat. B – all countries
<b>All handloom &amp; handicraft items</b>	5%	All countries	All countries	All countries
<b>All jute, ramie and coir based items</b>	5%	All countries	All countries	All countries

## **(b) Interest Equalization Scheme**

The Cabinet Committee on Economic Affairs (CCEA) at its meeting on Nov 18, 2015, approved the Interest Equalization Scheme on pre and post shipment rupee export credit for five years, starting April 1, 2015. This will further provide relief to the exporters from India who were facing extensive competition because of higher interest rates than competing countries like Vietnam, China etc.

<b>With Effect From</b>	<b>April 1, 2013 to July 31, 2014</b>	<b>August 1, 2013 to March 31, 2014</b>	<b>April 1, 2015 to March 31, 2020</b>
Interest Subvention Rate	2%	3%	3%
Beneficiary	Merchant exporters & manufacturers	Merchant exporters & manufacturers	Manufacturers
Sectors covered	Handicrafts, Carpet, Handlooms, Small & Medium Enterprises, Readymade Garments, Made-ups	Handicrafts, Carpet, Handlooms, Small & Medium Enterprises, Readymade Garments, Made-ups	Handicrafts, Carpet, Handlooms, Small & Medium Enterprises, Readymade Garments, Made-ups <u>Additional sectors: Fabrics, Coir &amp; Coir Products, Jute &amp; Jute Products</u>

## **(c) Duty Drawback Scheme**

The revised All Industry Rates (AIR) of Duty Drawback has been notified by the Central Board of Excise & Customs vide Notification No. 110/2015-Customs on 16th November 2015 and has come into force on 23rd November 2015.

### **Duty Drawback Rates**

<b>Product</b>	<b>When CENVAT is not availed</b>		<b>When CENVAT is availed</b>	
	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>
Cotton Yarn	2.8-4.7	2.5-4.5	0.9-1.3	1.2-1.4
Cotton Fabric	4.3-7.1	4.3-7.3	1.3-1.9	1.4-2.0
Man-Made Fabric	6.7-9.1	6.6-11.5	1.6-2.4	1.9-2.4
Apparel	7.4-9.9	7.2-10.5	1.7-4.0	2.0-3.5
Home Textiles	2.8-11.7	5.0-10.7	1.6-9.9	1.9-8.9

## **(d) Market Access Initiative (MAI)**

Market Access Initiatives (MAI) Scheme is an Export Promotion Scheme envisaged to act as a catalyst to promote India's export on a sustained basis. The scheme is formulated on focus product-focus country approach to evolve specific market and specific product through market studies/survey. Assistance would be provided to Export Promotion Organizations/ Trade Promotion Organizations/ National Level Institutions/ Research Institutions/ Universities/ Laboratories, Exporters, etc., for

enhancement of export through accessing new markets or through increasing the share in the existing markets. Under the Scheme the level of assistance for each eligible activity has been fixed.

- Financial assistance for carrying out marketing projects abroad
- Assistance for building capacity for exporters, export promotion organizations, etc.
- Assistance on reimbursement basis to exporters for charges/fees paid by them for fulfilling the statutory requirements in the buyer country
- Assistance for conducting studies
- Assistance in developing projects leading to substantial improvement in market access

There is an Empowered Committee (EC), chaired by Secretary(Textiles) which considers and approves the proposals and also monitors the implementation of the sanctioned proposals.

**For FY 2016-17, 32 proposals** of various textiles Export Promotion Councils(EPCs) **worth Rs 36.60 crore** for participation in/organization of National and International textiles fairs, exhibitions were approved by Deptt of Commerce for Textiles sector under MAI scheme.

**(e) Market Development Assistance (MDA)**

Marketing Development Assistance (MDA) Scheme is to support/assist exporters/EPCs to undertake export promotion activities for their product(s) and commodities through Focus export promotion programmes in specific regions abroad viz. FOCUS (LAC), Focus (Africa), Focus (CIS) and Focus (ASEAN + 2) programmes. The incentives under this Scheme are primarily given to develop the already accessed markets abroad. The utilization of scheme is administered by the E&MDA Division in the Department of Commerce

For participation in Trade Fairs/Exhibitions, assistance would be permissible on travel expenses by air in economy class and/or charges of the built up furnished stall, subject to an upper ceiling as given below:

- Focus Latin American Countries (LAC) – Rs. 2,50,000
- Focus Africa, Focus CIS, Focus ASEAN – Rs. 2,00,000
- General areas – Rs. 1,50,000

Exporting companies with an f.o.b. value of exports of up to Rs. 30 crore in the preceding year will be eligible for MDA assistance for participation in BSMS/fairs/exhibitions abroad. This is subject to some conditions given in the MDA Guidelines.

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