

RoDTEP tax refund rates likely by Friday, says Commerce Secretary

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The Centre is likely to notify the much-awaited tax refund rates for the new export scheme, Remission of Duties and Taxes on Export Products (RoDTEP), by Friday, said Commerce Secretary B V R

B V R Subrahmanyam

Subrahmanyam.

The RoDTEP scheme, notified on January 1, replaced the controversial Merchandise Exports from India Scheme after a WTO ruling stated that it violated the provisions of the trade body by giving export subsidies for a wide range of goods.

The scheme will ensure that exporters receive refunds on the embedded taxes and duties previously non-recoverable. However, the government is yet to notify the refund rates.

Releasing funds required for the scheme will come as a huge relief for exporters and remove uncertainty from

the minds of the trade and industry, forging new contracts with foreign buyers, said experts.

The scheme was brought to boost exports which have been stagnant in terms of volume over the last decade.

The country's merchandise exports are expected to touch \$1 trillion by financial year 2027-28, while the target for services exports is \$700 billion. Toward this, the government has laid down a road map, including the 'district as an export hub' scheme, to achieve that target, Subrahmanyam said at CII.

The Department of Commerce has undertaken a drive to identify and push 31 commodities through 200 countries with a targeted \$419 billion of exports by FY22-end. The government has helped strengthen the industrial base and is now coming out with a report that will be pushed through all embassies and the Ministry of External Affairs for identifying and bolstering trade value with partners, he added. It also plans to cultivate the 700 districts to become export hubs. Districts will be evaluated based on a graded rating scheme to identify the first 100 districts that will be financially supported to develop export infrastructure.

Subrahmanyam also cited his concerns that while the value of exports has remained constant over the last decade, the withdrawal of export incentives has trebled. "That is something which worries the government. How are incentives getting drawn at three times when exports are roughly constant. Any incentive should lead to better performance...You will see the effects very soon," he said. The foreign trade policy will cover the PLI scheme and will be launched by mid-September so that export and manufacturing can be seamless, he added.

The Centre is also planning to set up a real time import monitoring system, to identify high-import products as prospective for manufacturing in-house. However, he clarified that the purpose is not to control imports.

There will also be focus on improving the policies for special economic zones by undertaking measures such as denotifying the spaces which are currently empty, he added.