

Press Information Bureau

Government of India

HIGHLIGHTS

ANNUAL SUPPLEMENT 2007 TO FOREIGN TRADE POLICY (2004-09)

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A FIVE-YEAR FOREIGN TRADE POLICY REGIME WAS ANNOUNCED BY THE COMMERCE AND INDUSTRY MINISTER, MR KAMAL NATH IN THE YEAR 2004. STABILITY OF TRADE POLICY REGIME HAS YIELDED VERY POSITIVE RESULTS AND IN THE THREE YEARS SINCE THEN, INDIA'S MERCHANDISE EXPORTS HAVE ALMOST DOUBLED. INDIA'S SHARE OF WORLD TRADE HAS MOVED FROM 0.76% TO ABOVE 1%.

INCREMENTAL EXPORTS IN LAST 3 YEARS HAVE CREATED ADDITIONAL 75 LAKHS JOBS.

CONSISTENT GROWTH KEPT PACE WITH TARGET. EXPORTS TOUCHED US\$ 125 BILLION DURING LAST FINANCIAL YEAR.

EXPORT TARGET FOR 2007-08 FIXED AT US\$ 160 BILLION, TO BE RAISED TO US\$ 200 BILLION FOR 2008-09.

CURRENT ANNUAL SUPPLEMENT TO FTP AIMS TO PROVIDE FURTHER MOMENTUM TO EXPORTS GROWTH. CHANGES INCLUDE THE FOLLOWING MAJOR INITIATIVES:-

ENCOURAGEMENT TO AGRO EXPORTS AND EMPLOYMENT GENERATION IN THE AGRICULTURE SECTOR.

NEW INITIATIVE FOR INFRASTRUCTURE DEVELOPMENT NAMELY COLD STORAGE UNITS, PACK HOUSES, REEFER VANS/CONTAINERS, ETC., FOR AGRO SECTOR, IS BEING LAUNCHED.

IN LINE WITH THE GOVERNMENT OBJECTIVE OF HAVING ALL INCLUSIVE GROWTH, VISHESH KRISHI AND GRAM UDYOG YOJANA SCHEME EXPANDED FURTHER TO INCLUDE FOREST BASED AND AGRICULTURAL PRODUCTS.

A NEW SCHEME TO GIVE IMPETUS TO EXPORTS OF HIGH TECH PRODUCTS, IS BEING LAUNCHED. EXPORTS OF SPECIFIED HIGH TECH PRODUCTS ARE PROPOSED TO BE REWARDED.

LONG STANDING MAJOR GRIEVANCE OF TRADE IS BEING ADDRESSED BY PROVIDING SERVICE TAX EXEMPTION/REMISSION ON SERVICES RENDERED IN INDIA AND UTILISED BY EXPORTERS. THIS SHOULD BRING CHEERS TO THE EXPORTING FRATERNITY.

IN LINE WITH THE GOVERNMENT APPROACH TO ADDRESS GENUINE GRIEVANCES, SERVICES RENDERED ABROAD AND CHARGED ON EXPORTS FROM INDIA TO BE EXEMPTED FROM SERVICE TAX.

FOR EFFECTIVELY ENSURING ALL INCLUSIVE GROWTH FOR FARMERS AND TRIBALS, FOCUS PRODUCTS SCHEME EXPANDED FURTHER TO INCLUDE NEW AGRO AND FOREST PRODUCTS.

FOR DIVERSIFYING EXPORTS TO TAP HITHERTO UNEXPLORED MARKETS, SCOPE OF FOCUS MARKET SCHEME IS BEING EXPANDED TO INCLUDE 16 NEW COUNTRIES INCLUDING 10 CIS COUNTRIES,

EXPORTS AND EMPLOYMENT IN HANDLOOM AND HANDICRAFT SECTORS PROVIDED FURTHER PUSH THROUGH DUTY FREE ACCESS TO MACHINERY AND EQUIPMENT FOR EFFLUENT TREATMENT PLANTS.

TO SHARPEN CORE STRENGTH OF PROMISING GEMS AND JEWELLERY SECTORS AND HANDICRAFT SECTOR, DUTY FREE ACCESS TO TOOLS, MACHINERY AND EQUIPMENT PROPOSED TO BE PROVIDED TO GIVE THEM COMPETITIVE EDGE.

EXPORT OF RHODIUM POLISHED SILVER JEWELLERY TO BE ENCOURAGED FURTHER.

TO REDUCE TRANSACTION COST FOR DIAMOND SECTOR, TESTING FACILITY AT DUBAI INCORPORATED IN THE LIST OF CERTIFYING

AGENCIES.

EMPLOYMENT, MANUFACTURING AND VALUE ADDITIONS IN THE EOU SCHEME TO BE ENCOURAGED FURTHER BY EXTENDING THE BENEFIT OF FOCUS PRODUCTS, FOCUS MARKET, AND VISHESH KRISHI AND GRAM UDYOG YOJANA SCHEME.

MAJOR SIMPLIFICATION ATTEMPTED THROUGH FINE TUNING OF EXISTING PROCEDURES UNDER VARIOUS SCHEMES FOR TRANSPERANCY, ACCOUNTABILITY, AND REDUCING TRANSACTION TIME.

EFFORTS TO BE MADE TO PROVIDE TIMELY DISBURSEMENT OF CENTRAL SALES TAX, DUTY DRAWBACK, AND TERMINAL EXCISE DUTY. IN CASE OF ANY DELAY, INTEREST TO BE PROVIDED WITH EFFECT FROM 1.4.2006.

EXPORTERS AFFECTED BY FORCE MAJEURE OR OTHER UNFORESEEN CIRCUMSTANCES/REASONS, TO BE PROVIDED MORE TIME FOR COMPLETING THEIR EXPORT OBLIGATION.

FOR ENCOURAGING PRODUCT DEVELOPMENT & DIVERSIFICATION FOR COMPETING IN THE INTERNATIONAL MARKET, THE LIMIT FOR DUTY FREE IMPORT OF SAMPLES INCREASED TO RS.75,000/-

RATIONALISATION IN THE THRESHOLD CRITERIA AND RE-CLASSIFICATION OF STATUS HOLDER SCHEME.

DUTY ON FUEL AND 4% SPECIAL ADDITIONAL DUTY TO BE FACTORED IN THE DEPB SCHEME

EPCG SCHEME REVAMPED TO ACHIEVE SIMPLIFICATION AND MAKE IT USER FRIENDLY.

BENEFIT OF ALL DUTY EXEMPTION AND REMISSION SCHEMES SUCH AS ADVANCE AUTHORISATION SCHEME, DEPB AND DFIA EXTENDED TO THE SUPPLY OF GOODS TO DEVELOPER AND CO-DEVELOPER OF THE SPECIAL ECONOMIC ZONES.

VERIFICATION AT CUSTOMS DISPENSED WITH UNDER EPCG AND ADVANCE AUTHORIZATION SCHEME.