

## Finance Minister's third stimulus measures

### Why in News?

Finance Minister Nirmala Sitharaman on 14th September 2019 presented the third round of stimulus measures to revive the struggling economy.

### What are the key measures to boost Export?

- **Extend the scheme of reimbursement of taxes and duties for export promotion** - Existing dispensation in textiles of Merchandise Export from India Scheme (MEIS) + old Rebate of State Levies (ROSL) will continue up to December 31, 2019.
- Scheme for Remission of Duties or Taxes on Export Product (RoDTEP) will replace MEIS.
- Textiles and all other sectors which currently enjoy incentives up to 2% over MEIS will transit into RoDTEP from January 1, 2020.
- **Fully automated electronic refund route (form GSAT RFD-01) for input tax credits (ITC) in GST** - It is nearing completion and will be implemented by end of September 2019.
- **Expanding the scope of export credit insurance Scheme ECIS by ECGC** - Will offer higher insurance cover to banks lending working capital for exports.
- Premium incidence for MSMEs will be monitored suitably. This will enable a reduction in the overall cost of export credit.
- **Revised priority sector lending (PSL) norms for export credit (after extensive discussion with RBI)** - This'll release an additional Rs 36,000 crore - Rs 68,000 crore as export credit under priority sector.
- **Effective monitoring of export financing by the Department of Commerce** - Its inter-ministerial working group tracked through a dashboard, reviewed with institutions and active intervention was carried out.
- **Leverage technology to reduce time to export for turnaround time** - By timely completion of ongoing initiatives to further reduce time to export through seamless process digitisation of all export clearances and elimination of offline/manual services.
- An action plan to reduce time to export/turnaround time in airports and ports benchmarked to international standards will be implemented by December

2019.

- **Annual mega shopping festivals** - In India will be organised in 4 places across March 2020 in 4 themes (Gems & Jewellery, Handicrafts, Yoga, Tourism, Textile and Leather).
- **Special FTA utilisation mission** - Headed by a senior officer in the Department of Commerce will be set up.
- To work exclusively with FIEO and export houses to utilise concessional tariffs in each FTA. Set goals for FTA utilisation and put in place an effective FTA monitoring system.
- Enhance awareness of preferential duty benefits among MSMEs, disseminate and facilitate compliance requirements under FTAs for importers and exporters.
- **Online Origin Management System** - For exporters to enable them to obtain certificates of origin (COC) under Rules of origin will be launched by DGFT in collaboration with Exports Inspection Council.
- This is expected to significantly improve the ease of doing business for exporters.
- **Time-bound adoption of all mandatory technical standards** - By industry of all necessary mandatory technical standards and their enforcement to elevate quality and performance ecosystem, enhance competitiveness and address the issue of sub-standard imports.
- A working group on standards will be set up in the Department of Commerce to work with industry to lay down a roadmap for adoption of standards, timelines and enforcement.
- **Affordable testing and certification infrastructure** - To be expanded and developed in PPP mode to enable exporters to get all internationally.
- **Enable the handicrafts industry to effectively harness e-commerce for exports** - For facilitating and onboarding handicrafts artisans and cooperatives directly on an e-commerce portal and enable seamless exports.
- Mass enrolment of artisans across India with the help of Ministry of Textiles.

### **What are the key measures to boost the Housing Sector?**

- **Relaxation of ECB guidelines for affordable housing** - To facilitate the financing of home buyers who are eligible under the PMAY in consultation with RBI.
- **House building advance** - The interest on house building advance shall be lowered and linked with 10-year G-Sec bond yield.
- **The special window for affordable and middle-income housing** - To provide last mile funding for housing projects (non-NPA and Non-NCLT) which are not worth positive in affordable and middle-income category to be set up.

- The objective is to focus on the construction of unfinished units.
- Government on the lines of NIIF can contribute to the fund while rest of investors would be LIC and other institutions and private capital from banks/sovereign funds/DFIs etc.
- II AIF trust - A fund category to be professionally run with experts from the housing and banking sector.
- Fund size Rs 10,000 crore to be contributed by the government and the roughly the same amount from outside investors.

**Source: Money Control**

