



Bangalore Chamber of Industry and Commerce

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12th January, 2010

**To : All Members
Members of the General Committee**

Dear Sir/Madam,

Anand Sharma announces new incentives for exporters

We are pleased to circulate herewith a copy of the PIB Press Release dated 12th January, 2010 issued by the Ministry of Commerce on the new incentives and concessions announced for exporters by the Union Minister of Commerce, Shri Anand Sharma for your information.

With regards

T.S. Sampath Kumar
Secretary General

Anand Sharma announces new incentives for exporters

Shri Anand Sharma, Union Minister of Commerce and Industry, while addressing the media here today, has announced a series of new incentives for exporters. These are as follows:

1. New Products under Focus Product Scheme (FPS):

- 1.1 112 new products added under FPS at 8 digit level, eligible for benefits @ 2% of FOB value of exports to all markets.

Major sectors include Engineering, Electronics, Rubber, Chemicals, Plastics, Carton boxes and Egg powder.

- 1.2 113 new products at 8 digit level given higher benefits @ 5% of FOB value of exports under Special FPS on exports to all markets.

Major sectors include Hand Tools, parts of agriculture & horticulture machinery, sewing machines and parts, liquid pumps, nuts, bolts, washers, screws, staplers, and parts of machinery for soldering, brazing and welding.

- 2. New Products and New Markets under Market Linked Focus Product Scheme (MLFPS):**

- 2.1 1837 new products added under MLFPS at 8 digit level, eligible for benefits @ 2% of FOB value of exports to specified markets.

Major sectors include Machine Tools, Earth moving equipments, Transmission towers, Electrical and Power Equipments, Steel Tubes, pipes and galvanized sheets, Compressors, Iron and Steel Structures, Auto components, Three wheelers and cotton woven fabrics. (Chemicals have been included for providing benefit for a limited period of 6 months).

- 2.2 Two new major markets viz. China and Japan added under MLFPS.

- 3. New products under Vishesh Krishi and Gram Udyog Yojana (VKGUY):**

Sesame seeds and minor coconut products added under VKGUY scheme, eligible for benefits @ 5% of FOB value of exports to all markets.

- 4. New market added under Focus market Scheme (FMS):**

Timor Leste added as new FMS country, eligible for benefits @ 3% of FOB value of exports of all products.

- 5. Support under Market Access Initiative (MAI) scheme, for setting up of Warehouse in Latin America by Export Promotion Council for Handicrafts.**

- 6. Issues taken up with Ministry of Finance (on which MoF is still to take a final view)**

- 6.1 To allow reduced rate of interest for Dollar credit at LIBOR plus 1% (instead of LIBOR plus 3.5%).

- 6.2 Continuation of Interest Subvention of 2% provided to labour incentive sectors viz. Textiles (including handlooms), Handicrafts, Carpets, Leather, Gems & Jewellery, Marine products and SMEs.

- 6.3 Providing interest subvention of 2% to some additional sectors viz. specified Engineering sectors and Chemicals.
- 6.4 To request RBI to instruct commercial banks for non-crystallization of overdue export proceeds for a period of 6months from due date (instead of 1 month at present) in respect of two sectors viz. Carpets and handicrafts.

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