

# Exporters Too can Give Made-in-India Tag

From 2017, traders can self-certify goods exported under EU's scheme called Generalised System of Preferences

## Based On Trust

SAVE TIME AND COST



Exporters have to certify that goods exported are Made in India

This relates to goods exported under EU's GSP scheme

A fifth of India's exports to EU to benefit

Move will reduce transaction costs and delays

GENERALISED SYSTEM OF PREFERENCES

This EU scheme is available to developing countries

Under it, imports are allowed at zero or less duty

Kirtika.Suneja@timesgroup.com

**New Delhi:** A section of Indian exporters will be able to certify goods headed for Europe from 2017 to the effect that they were made in India, a measure that will help reduce processing time as well as costs.

This facility will be available to traders exporting goods under the European Union's special scheme called the Generalised System of Preferences (GSP), a quota of sorts for each country at low or no duty.

To ensure that the quota is utilised by the country it is allotted to, the shipments under this facility need to carry a certification that the goods were manufactured in

that country. At present, exporters need to get this certification from accredited agencies. This takes time and involves a cost.

"We plan to go ahead with the scheme because it benefits exporters. Now, exporters have to pay for getting the certificates issued from notified agencies. This adds to the exporters' costs," said a commerce department official. "This move is a part of a global effort to reduce transaction costs," he said, requesting not to be identified.

Exporting countries are required to notify to the European Union the date on which they can begin complying with the new system, the official said.

The 'certificate of origin' states

the origin of the exported item and makes it eligible for benefits under GSP. It also prevents ineligible countries from availing themselves of the benefits under the scheme.

**Move to help traders reduce processing time as well as costs**

les, chemicals and handicrafts being the largest beneficiaries.

India's exports to the EU declined to \$44.5 billion in 2015-16 from \$49.3 billion in 2014-15. Imports fell to \$43.8 billion from \$49.2 billion du-

ring this period.

Once the new system kicks in, exporters will be able to directly provide their customers statements on origin by submitting information such as name and contact details through the internet.

"There are many agencies which give these certificates. The self-certification system will reduce transaction costs but there could be a problem with new exporters. We have to train exporters," said another official.

Apart from helping meet India's commitments to the World Trade Organisation's trade facilitation agreement, the move is in line with the government's efforts to reduce transaction costs.