

Union Budget announced by the Union Finance Minister

New Delhi; 1st February 2022 | The Union Budget for 2022-23 was presented by the Smt. Nirmala Sitaraman, Union Finance Minister in the Parliament on 01.02.2022. Dr. Rakesh Kumar, Director General-EPCH said, the budget has restored the duty free import provision for handicrafts sector and has also enumerated various measures for overall infrastructural development for facilitating international trade. Adding further, he indicated some of the following measures addressed in the budget:

- India's **economic growth** in the current year is estimated to be 9.2 per cent, highest among all large economies.
- To **incentivise exports**, exemptions are being provided on items such as embellishment, trimming, fastener, buttons, zippers, furniture fittings that may be needed by bonafide exporters of handicrafts. However, earlier there were 71 items which were allowed duty free but the same list has been pruned and now only 9 items (a)back of photo frames, fittings for photo frame / box; b) motifs for attachment on export products; c) decorative paper for lamp shade; d)prints for photo frames (e) hardware brass and metal fittings for furniture (f) handles/blades for cutlery (g) inlay cards, sensors, stickers, poly bags, alarm tags, alarm chips, security chips; (h) zipper, zipper head, fasteners, pullers, etc. (i) faucet/ lotion pump for dispensers of plastic/stainless steel/metal) are allowed duty free. One of the important items which has been omitted in the list is electrical parts for fittings on lamps/Christmas ornamentation.
- **PM GatiShakti** is a transformative approach for economic growth and sustainable development. The approach is driven by seven engines, namely, Roads, Railways, Airports, Ports, Mass Transport, Waterways, and Logistics Infrastructure. All seven engines will pull forward the economy in unison
- **'One Station-One Product'** concept will be popularized to help local businesses & supply chains.
- One hundred PM GatiShakti Cargo Terminals for **multimodal logistics** facilities to be developed during the next three years.
- **Skilling programmes and partnership** with the industry to be reoriented to promote continuous skilling avenues, sustainability, and employability. The National Skill



Qualification Framework (NSQF) to be aligned with dynamic industry needs.

- **Digital Ecosystem for Skilling and Livelihood** - the DESH-Stack e-portal - to be launched. This aims to empower citizens to skill, reskill or upskill through on-line training.
- The **Special Economic Zones Act will be replaced** with a new legislation that will enable the states to become partners in 'Development of Enterprise and Service Hubs'.
- Start-ups have emerged as drivers of growth for our economy. Over the past few years, the country has seen a manifold increase in successful start-ups. **Eligible start-ups** established before 31.3.2022 had been provided a tax incentive for three consecutive years out of ten years from incorporation. In view of the Covid pandemic, the period of incorporation of the eligible start-up has been extended by one more year, that is, up to 31.03.2023 for providing such tax incentive.
- To **dis-incentivise import** of undervalued imitation jewellery, the customs duty on imitation jewellery is being prescribed in a manner that a duty of at least Rs. 400 per Kg is paid on its import.

Mr. Rajkumar Malhotra, Chairman-EPCH said that the reintroduction of duty free import provision for embellishment, trimming, fastener, buttons, zippers, furniture fittings for handicrafts sector is a welcome step and surely going to provide relief to exporters. He further added, the Government has tried to put forward the vision for the next 25 years with major initiatives in infrastructure and digitalisation. ■