



# Approval to amend the Freight Assistance Scheme notified under HEEP-2020.

## Why in News?

The Cabinet meeting held in Chandigarh on July 4, 2023 under the chairmanship of Haryana Chief Minister, Mr. Manohar Lal approved amendments to the Freight Assistance Scheme notified under the Haryana Enterprise and Employment Policy (HEEP)-2020.

## Key Points:

- It is known that various industrial associations and exporters of the state had requested the state government to revise the scheme for all MSMEs and review the block-wise capping to motivate exporters.
- As per the new amendments, Rs 25 lakh will be provided as a freight subsidy for payment of transportation costs from the unit's premises to port/air cargo/international borders, along with other non-financial incentives to make exports of micro, small and medium enterprises (MSMEs) competitive in the global market.
- Freight support up to the extent of 1% of free-on-board (FOB) value or actual freight, whichever is lower, shall be ensured on the basis of the level of ZED certification, excluding Government duties and taxes on the movement of goods from the manufacturing site to the port/air cargo/international border.
- For the thrust sector (notified under HEEP), a maximum subsidy of up to Rs 25 lakh will be ensured to the manufacturer exporter engaged in the thrust sector located in 'C' and 'D' category blocks and up to Rs 15 lakh to the manufacturer exporter engaged in thrust sector 'A' and 'B' category blocks.
- For all other eligible manufacturer exporting units (non-thrust sector), subsidy up to a maximum of Rs 20 lakh will be ensured to the manufacturer exporter located in 'C' and 'D' category blocks and up to Rs 10 lakh to the manufacturer exporter located in 'A' and 'B' category blocks.
- The new amendment policy will ensure a 100 per cent subsidy for ZED Gold-certified units for transportation from the manufacturing site to port/air cargo/international border, a 75 per cent subsidy for ZED Silver-certified units and a 33 per cent subsidy excluding government duties and taxes out of free on board (FOB) value or 1 per cent of actual freight for ZED bronze certified units.
- As per the amendment, applications of all eligible units will be submitted on the web portal of the department within a period of 6 months from the date of the end of the financial year and the Director General/Director, MSME will be the competent authority to sanction freight subsidy of more than Rs 10 lakh.
- The agenda was approved by the Cabinet with a change in the effective date of launch and implementation of the scheme.
- The effective date of implementation of the scheme will be 1st July, 2023 which means that the actual export should be made on or after 1st July, 2023, which will be determined on the basis of the bill of lading.
- The policy was notified with an aim to attract investment of Rs 1 lakh crore and create 5 lakh jobs in the state.
- The Haryana Enterprise and Employment Policy (HEEP), 2020, identifies five pillars for the overall socio-economic development of the state to promote industrial competitiveness, balanced regional development, exports, innovation & entrepreneurship and strong industrial infrastructure.

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