Economic Times dt. 5.12.22

# Govt Working on ₹3,500-cr Toy PLI, may Allow Imported Parts

**Kirtika.Suneja**
@timesgroup.com

**New Delhi**: The government is working on a ₹3,500-crore production-linked incentive (PLI) scheme to promote domestic manufacturing of toys.

With many toy components not being manufactured in India, such as certain electronic parts and fabric used in soft toys, the government may incentivise toys made with imported parts, officials aware of the development said.

"Many raw materials and components used in toys are not made in India, at present. So, imported components would be needed," one of them said. An announcement on the scheme is likely in the upcoming budget for 2023-24, officials said.

## Toy Story

**DPIIT** developing PLI schemes for footwear, bicycles apart from toys

**All BIS**-compliant toys to be eligible for benefits

**Toys** with imported parts like electronics components, soft toy fabric may get sops

**BIS** certification, 60% basic customs duty on toys to curb substandard, cheap imports

The Department for Promotion of Industry and Internal Trade (DPIIT) is also developing similar schemes for bicycles and footwear, they said.

As per officials, only those toys which are compliant with the norms set by the Bureau of Indian Standards (BIS) would be eligible for the sops under the PLI scheme.

"All toys which are BIS-compliant would be covered in the scheme," said the official quoted above.

The Centre has already brought toys under compulsory BIS certification and quality testing, and raised the basic customs duty to 60% from 20% to curb import of cheap toys, especially from China.

# Iran Stops Buying Indian Tea, Basmati

**Sutanuka.Ghosal**
@timesgroup.com

**Kolkata**: Iran has completely stopped signing new contracts for importing tea and basmati rice from India from last week.

While there is no clarification from Iranian buyers about the reason for this sudden stoppage, Indian exporters believe this is largely because shops, hotels and markets in the West Asian country remain closed amid strong anti-hijab movement across the country.

A section of the trade believes Iranian importers could be delaying purchases as New Delhi and Tehran are working out a rupee trade settlement agreement. The development will have an impact on exports of these commodities, particularly tea, as Iran imports around 30-35 million kg of orthodox tea and about 1.5 million kg basmati rice from India in a year, exporters said.

While tea exports to Iran had slowed down earlier, buyers from there "stopped registering new contracts from last week", said Anish Bhansali, managing partner of Bhansali & Company, a leading tea exporter to Iran. "There is no clarity on why suddenly this has happened. We have asked the Iranian buyers but they do not have any clear answer," he said.

"We have already informed the Tea Board and we are waiting for some clarity from the board," Bhansali added.

While basmati rice exporters, too, are facing the same problem, the impact would be less as India's basmati exports have increased owing to high demand and rise in prices of commodities globally since the start of the Russia-Ukraine war. "The Iranian buyers have stopped registering the contracts because the demand has gone down due to the anti-hijab movement in the country," said Vinod Kaul, executive director at All India Rice Exporters Association. "Information trickling in from the country says that shops are closed, socialising has stopped, religious congregations are not happening much. The wholesalers are not keen to place orders as demand from retailers and consumers are not encouraging."

Overall basmati exports rose 37.34% in six months of the current fiscal to $2,280 million (Rs 17,897 crore). Also, the per-unit value realisation rose to $1,057 a tonne compared to $853 a tonne in the last fiscal.