

5

Export Promotion Measures

The Department implements the following export promotion measures at micro level to resolve the short term and long term problems faced by the trade and industry related to external sector :-

- i. Assistance to States for Developing Export Infrastructure and Allied Activities (ASIDE) Scheme
- ii. Infrastructure Support (Air, Sea and Road Transport)
- iii. Market Access Initiative (MAI) Scheme
- iv. Marketing Development Assistance (MDA) Scheme
- v. Export Credit Guarantee Corporation of India Limited (ECGC)
- vi. National Export Insurance Account (NEIA)
- vii. India Brand Equity Foundation (IBEF)
- viii. E-TRADE Project
- ix. Major Initiatives undertaken by Export Promotion Councils (EPCs)
 - A. Gem & Jewellery Export Promotion Council (GJEPC)
 - B. Electronics and Computer Software Export Promotion Council (ESC)
 - C. Council for Leather Exports (CLE)
 - D. Chemicals Export Promotion Council (CHEMEXIL)
 - E. The Plastics Export Promotion Council (PLEXCONCIL)
 - F. Chemicals and Allied Products Export Promotion Council (CAPEXIL)
 - G. Shellac and Forest Products Export Promotion Council (SHEFEXIL)
 - H. Sports Goods Export Promotion Council (SGEPC)
 - I. Engineering Export Promotion Council
 - J. Services Export Promotion Council
 - K. Project Exports Promotion Council of India (PEPC)
 - L. The Cashew Export Promotion Council of India (CEPC)
 - M. Indian Oilseeds and Produce Export Promotion Council (IOPEPC)
 - N. Export Promotion Council for EOUs and SEZs
 - O. Pharmaceutical Export Promotion Council (PHARMEXCIL)

I. Assistance to States for Developing Export Infrastructure and Allied Activities (ASIDE) Scheme

A sustained growth in exports which are regarded as an engine of economic growth is possible only when proper and adequate infrastructure is in place.

In pursuance of the EXIM Policy announcement in March, 2000, the ASIDE scheme was launched by the Department of Commerce on 13.3.2002, for the purpose of creation of export infrastructure by

optimizing the utilization of resources to achieve the objectives of export growth through a coordinated effort of the Central Government and the States.

Funds allocated under ASIDE scheme are disbursed directly to a Nodal Agency nominated by the State Government where it is kept in a separate financial account-head of Nodal Agency. A web-enabled monitoring system (WEMS) on the website of the Department of Commerce is used for updating of project related information, submission of reports, utilization certificates. In this system we have entry module and reporting module. In the entry module Nodal Agency of respective State Govt. / UT administration has been authorised to enter details of the projects approved by concerned SLEPC and also physical and financial progress pertaining to each project on quarterly basis. In the report module the administrative division in the Ministry enters

the details of funds released from time to time and then based on two entries we get a report regarding utilization of funds and also un-utilized balance left with the Nodal Agency. In the entry module there is also provision for entering the period for which UCs has been submitted to DOC. While considering the further release it is ensured that all the UCs which were due have been received and also the Nodal Agency do not have substantial un-utilized balance from the previous releases.

The Government has spent Rs.2050 Cr and Rs 3048 Cr under ASIDE scheme during the 10th Five Year Plan (2002-2007) and the 11th Five Year Plan (2007-2012) respectively. During current financial year (2013-14), a budget of Rs. 745.10 crore (RE) has been allocated under ASIDE scheme. Details of funds released under ASIDE from 2002-03 to 2013-14 to various States, the North Eastern Region and the Central Sector is indicated below:-

Table 5.1 Outlay and sanctions/release under ASIDE

(Rs. Crore)

| Year | Total Outlay | Sanction/ Release to States (including N.E.R.) | Sanction / Release in the Central Sector | Total sanction release under ASIDE scheme |
|---------|--------------|--|--|---|
| 2002-03 | 325.46 | 241.00 | 84.46 | 325.46 |
| 2003-04 | 350.00 | 252.00 | 98.00 | 350.00 |
| 2004-05 | 424.88 | 313.84 | 111.04 | 424.88 |
| 2005-06 | 500.99 | 383.00 | 117.99 | 500.99 |
| 2006-07 | 450.00 | 358.92 | 90.25 | 449.17 |
| 2007-08 | 569.00 | 439.99 | 129.01 | 569.00 |
| 2008-09 | 570.00 | 437.84 | 131.40 | 569.24 |
| 2009-10 | 570.00 | 433.93 | 136.07 | 570.00 |

| | | | | |
|----------|-------------|--------|--------|--------|
| 2010-11 | 662.98 | 530.00 | 132.98 | 662.98 |
| 2011-12 | 707.16 | 560.32 | 116.62 | 676.94 |
| 2012-13 | 655.50 | 524.73 | 130.77 | 655.50 |
| 2013-14* | 745.10 (RE) | 590.67 | 154.43 | 745.10 |

*As on 31.03.2014

**Table- 5.2 Year-wise release of funds to the States / UTs
under state Component of ASIDE Scheme**

(Rs. Crore)

| S. No. | State | 02-03 | 03-04 | 04-05 | 05-06 | 06-07 | 07-08 | 08-09 | 09-10 | 10-11 | 11-12 | 12-13 | 13.14* |
|--------|----------------------|---------------|---------------|---------------|---------------|---------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 1 | Andhra Pradesh | 12.00 | 13.00 | 13.85 | 15.45 | 17.00 | 21.20 | 19.20 | 20.41 | 31.21 | 40.82 | 36.44 | 39.09 |
| 2 | A & N Islands | 2.00 | 1.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1.20 | 57.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 3 | Bihar | 3.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 3.915 | 14.51 |
| 4 | Chandigarh | 1.00 | 0.00 | 0.00 | 3.20 | 1.75 | 0 | 2.50 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 5 | Chhattisgarh | 4.00 | 4.00 | 5.00 | 5.00 | 5.50 | 4.35 | 0.00 | 5.22 | 5.22 | 6.66 | 5.84 | 5.84 |
| 6 | Dadra & Nagar Haveli | 1.50 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 7 | Daman & Diu | 1.50 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 2.42 | 2.42 | 0.00 | 0.00 | 0.00 |
| 8 | Delhi | 1.00 | 0.00 | 0.00 | 2.65 | 1.45 | 2.90 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 9 | Goa | 6.00 | 6.00 | 3.73 | 6.09 | 0 | 6.70 | 5.70 | 5.41 | 5.41 | 7.13 | 6.12 | 6.12 |
| 10 | Gujarat | 14.00 | 15.00 | 35.78 | 43.38 | 47.70 | 59.725 | 58.35 | 59.57 | 59.57 | 55.28 | 64.00 | 64.00 |
| 11 | Haryana | 6.00 | 6.00 | 8.49 | 14.05 | 7.725 | 15.45 | 15.45 | 14.68 | 34.68 | 20.85 | 21.10 | 21.26 |
| 12 | Himachal Pradesh | 7.00 | 7.50 | 5.00 | 5.53 | 6.00 | 6.00 | 6.00 | 5.70 | 5.70 | 5.10 | 5.27 | 5.27 |
| 13 | Jammu & Kashmir | 6.00 | 6.00 | 5.00 | 5.25 | 5.80 | 5.80 | 5.80 | 5.51 | 5.51 | 0.00 | 0.00 | 0.00 |
| 14 | Jharkhand | 4.00 | 4.00 | 0.00 | 0.00 | 2.75 | 2.75 | 5.50 | 5.22 | 0.00 | 0.00 | 3.145 | 6.29 |
| 15 | Karnataka | 18.00 | 19.00 | 24.14 | 33.99 | 37.40 | 42.62 | 41.62 | 39.54 | 70.34 | 52.39 | 45.77 | 45.77 |
| 16 | Kerala | 11.00 | 12.00 | 9.30 | 10.69 | 11.75 | 11.75 | 9.75 | 9.26 | 9.26 | 18.52 | 16.62 | 20.94 |
| 17 | Lakshadweep | 2.00 | 2.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1.0173 | 0.00 | 0.00 | 0.00 |
| 18 | Madhya Pradesh | 20.00 | 11.00 | 14.35 | 14.35 | 7.90 | 15.80 | 14.80 | 14.06 | 14.06 | 22.16 | 19.40 | 19.40 |
| 19 | Maharashtra | 16.00 | 34.00 | 57.09 | 65.52 | 72.10 | 82.00 | 80.00 | 81.22 | 81.22 | 68.00 | 64.00 | 64.00 |
| 20 | Odisha | 4.50 | 10.00 | 6.05 | 6.93 | 7.65 | 8.92 | 7.92 | 9.14 | 14.14 | 17.90 | 18.00 | 18.00 |
| 21 | Puducherry | 3.00 | 1.50 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 22 | Punjab | 9.00 | 10.00 | 9.68 | 12.17 | 6.0 | 6.70 | 13.40 | 12.73 | 12.73 | 16.26 | 14.28 | 14.28 |
| 23 | Rajasthan | 12.00 | 13.00 | 13.20 | 13.20 | 7.265 | 14.53 | 13.53 | 12.85 | 29.39 | 24.42 | 21.58 | 21.58 |
| 24 | Tamil Nadu | 28.00 | 30.00 | 39.19 | 39.19 | 43.12 | 49.88 | 47.88 | 49.10 | 49.10 | 67.27 | 59.77 | 60.66 |
| 25 | Uttar Pradesh | 20.00 | 21.00 | 12.59 | 21.00 | 11.55 | 23.10 | 22.10 | 20.99 | 20.99 | 34.13 | 18.95 | 46.24 |
| 26 | Uttaranchal | 4.00 | 2.00 | 5.00 | 5.27 | 0.00 | 0.00 | 5.80 | 0.00 | 5.51 | 6.02 | 2.54 | 0.00 |
| 27 | West Bengal | 10.00 | 11.00 | 14.91 | 20.09 | 22.10 | 22.10 | 20.10 | 19.09 | 29.89 | 35.91 | 31.53 | 31.53 |
| | Total | 226.50 | 239.00 | 282.35 | 343.00 | 323.21 | 402.275 | 396.60 | 392.69 | 487.38 | 498.82 | 458.27 | 504.78 |

| North Eastern Region | | | | | | | | | | | | | |
|----------------------|--------------------|---------------|---------------|---------------|---------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 1 | Arunachal Pradesh | 1.00 | 1.25 | 0.00 | 2.51 | 1.38 | 2.76 | 0.00 | 0.00 | 1.38 | 0.00 | 0.00 | 0.00 |
| 2 | Assam | 4.00 | 5.00 | 11.49 | 12.57 | 6.915 | 13.83 | 13.83 | 13.83 | 13.83 | 27.66 | 29.41 | 48.84 |
| 3 | Manipur | 2.00 | 0.00 | 2.00 | 2.06 | 2.27 | 2.27 | 2.27 | 2.27 | 2.27 | 4.54 | 4.56 | 4.56 |
| 4 | Mizoram | 1.00 | 0.00 | 2.00 | 3.24 | 3.56 | 3.56 | 3.56 | 3.57 | 3.56 | 3.50 | 4.30 | 4.30 |
| 5 | Meghalya | 2.00 | 2.50 | 5.72 | 8.34 | 9.17 | 2.99 | 9.17 | 9.17 | 9.17 | 9.44 | 11.61 | 11.61 |
| 6 | Nagaland | 1.00 | 0.50 | 2.00 | 2.00 | 2.20 | 2.20 | 2.20 | 2.20 | 2.20 | 3.63 | 3.63 | 3.63 |
| 7 | Sikkim | 0.50 | 0 | 0.00 | 2.00 | 2.20 | 2.20 | 2.20 | 2.20 | 2.20 | 2.69 | 2.70 | 2.70 |
| 8 | Tripura | 3.00 | 3.75 | 8.28 | 7.28 | 8.01 | 8.01 | 8.01 | 8.01 | 8.01 | 10.04 | 10.25 | 10.25 |
| | Total | 14.50 | 13.00 | 31.49 | 40.00 | 35.705 | 37.82 | 41.24 | 41.24 | 42.62 | 61.50 | 66.46 | 85.89 |
| | Grand Total | 241.00 | 252.00 | 313.84 | 383.00 | 358.915 | 439.99 | 433.34 | 433.93 | 530.00 | 560.32 | 524.73 | 590.67 |

*As on 31.03.2014

Incentive Scheme

As per guidelines to incentivize better performance amongst States / UTs within existing framework of ASIDE Scheme, 10% of ASIDE annual allocation is set aside for the incentive scheme wherein funds out of State Component of ASIDE is earmarked for States other than NER and the 10% out of Central Component for NER States including Sikkim. In 2010-11 Karnataka, Rajasthan and Haryana under ONER (other than NER) Category and Manipur in NER Category have been incentivized for their better performance. In 2011-12 Karnataka, Rajasthan, Maharashtra and Haryana under ONER (other than NER) Category and Manipur, Nagaland, Sikkim and Tripura in NER Category are found eligible for incentive. However, no incentive could be provided to the States/UTs in the years 2012-13 and 2013-14 due to availability of insufficient funds.

Monitoring of the ASIDE scheme

The progress of the Scheme in States is closely monitored by the states cell. In order

to evaluate progress in the implementation of projects, its impact on exports etc., the projects sanctioned under ASIDE/CIB are being visited by field formations of Department of Commerce who submit consolidated report in the prescribed format to Department of Commerce, State Government and the nodal agency of the State for appropriate action. Senior Officers of the Department of Commerce have also been made Nodal Officers and allocated certain States/UTs for on the spot inspection of the projects being taken up by the States/UTs from ASIDE funds.

Changes brought in ASIDE Guidelines:

The Department of Commerce has carried out four major amendments in ASIDE Guidelines, in consultation with the Ministry of Finance, Department of Expenditure to increase effectiveness in ASIDE Scheme. These amendments are as under:

- “The cost of the land will be borne by the concerned State Government/ UT other concerned organization and it would not be included in the project cost.”

- “Ownership of asset (s) created by a non-government agency with financial assistance under ASIDE Scheme will vest with such non-government agency and it will exercise exclusive rights to its usage. The agency will be fully responsible for upkeep and maintenance of the asset(s) so created.”
- “The contribution to a non-government agency shall normally be restricted to 50% of the total project cost or Rs.7.5 crores, whichever is less”
- 10% of the actual outlay under State Component may be used as Flexi Fund to meet local needs within overall objective of scheme. The States may also use this fund to pilot innovations, improve efficiency of the scheme and for mitigating/ restoration of activities in case of natural calamities.”

Additional steps for increasing effectiveness of ASIDE scheme

The Department of Commerce has reviewed its efforts in creation of exports infrastructure and taken various measures to increase effectiveness in the ASIDE Scheme. Such steps are as follow:-

- Nodal Officers for each State / UT at the level of Joint Secretary (JS) of Department of Commerce / DGFT have been nominated to act as nodal officer in DoC for such State / UT and for participating in SLEPC Meeting of concerned State / UT.
- Issues relating to completion of projects on time, submission of Utilisation Certificate (UC), issue of large unspent balances available with States and regular updation of website pertaining to ASIDE by State / UT etc are also raised during the visits of Additional Secretary, Commerce Secretary or Honorable Minister to the States.
- An annual review of performance of all States / UTs under the chairmanship of Additional Secretary (ASIDE)/ Joint Secretary (ASIDE) is done.
- Joint Director General of Foreign Trade (Jt. DGFT) / Development Commissioner (DC) of Special Economic Zones (SEZ) have been made members of SLEPC and sensitized to participate in SLEPC Meetings regularly and report to Department of Commerce any discrepancies, if they think so. Department of Commerce acts on the reports of these officers and advises the State accordingly.

Success stories of ASIDE

- **Maniram Dewan Trade Centre, Guwahati, Assam:** This was constructed with assistance of Rs.28.38 Cr under the ASIDE Scheme to facilitate organization of trade fairs and exhibitions and invite wider participation (national and international). It is serving as a platform for entrepreneurs of the region to display their products in National and International Trade Fairs and has attracted visitors/delegates from various South East Asian countries.
- **Additional Infrastructural Facilities at Calicut Air Cargo Complex:** This project has been completed by the Kerala State Industrial Enterprises Ltd. in 2010 at the total cost of Rs.3.10 Cr.,

with financial assistance of Rs.1.55 Cr. under the ASIDE Scheme of Department of Commerce. The project involved construction of buildings, electrification & air-conditioning, fire detection, computerization and communication systems. Impact of the project can be seen from the fact that when it was partially commissioned during 2008-09, the quantity of exports increased by 50% and presently export volume is 225 % more than what it was in 2007- 08.

- **Strengthening of Institute of Auto parts & Hand Tools Technology, Ludhiana:** The DoC has helped the Institute in its strengthening by installation of facilities for Reverse Engineering, Non-Destructive Testing and Advanced Heat Treatment Processing with 100% finance of project cost of Rs. 5.18 Cr. under ASIDE Scheme. As a result, the exports in this sector have risen from Rs. 6000 cr in 2005-06 to Rs. 9500 cr in 2008-09 and share of Punjab has been 30-35%.
- **International Flower Auction Yard, Bangalore (IFAB):** Karnataka State is leader in floriculture with a cultivation area over 18,000 hectares. The State has highest area under modern cut flowers and it accounts for 75% share in India's total flower production. IFAB Limited, a joint venture between KAIC & flower growers has been helped by the Department of Commerce with financial assistance of Rs.3.00 Cr. to complete the project of replacement of traditional auctioning system and creation of a hygienic platform for both sellers and buyers so that the farmers

get the maximum price in export of flowers.

- **India Expo Centre & Mart, Greater Noida:** The Export Promotion Council Handicrafts, New Delhi started the construction of the India Expo Centre & Mart, Greater Noida with financial assistance of Rs.12.00 Cr. under ASIDE scheme during 2002-03. The India Expo Centre & Mart has become the missing link connecting the artisans and exporters at one end and exporters and overseas buyer at other end.
- **Land Custom Station and Trade Centre at Moreh on the Myanmar, Manipur Trade Route.** Substantial amount of funding has been done from the State Component of ASIDE on the development of facilities like construction of brick wall/ retaining wall, drainage system, land development, public convenience, approach road, fencing, repairing at trade centre etc. at Moreh in the years 2005-06 and 2006-07.

Progress of Studies on ASIDE projects

Study on Export Potential of Southern States by IIM Kozhikode: Study by IIM Kozhikode on export potential of four southern States was commissioned during 2012-13 at a cost of Rs.15.00 lakhs. has submitted its strategy paper on the export potential of 4 southern States. The Strategy paper has been circulated among all the concerned States.

Evaluation of Export Potential in North East by IIM Shillong: Another study was assigned to IIM Kozhikode during 2012-13 at a cost of Rs.12.00 to evaluate export potential of four southern States. The institute has

submitted its draft report to the Department in November, 2013.

Study by IIFT: A new study has been launched by the Department during the current financial year for development of suitable success indicators/criteria for

monitoring for reasonable correlation between implementation of projects under ASIDE scheme (central component) and increase in exports from such projects. This study has been assigned to IIFT, New Delhi at a cost of Rs.18/- lakhs.



India Expo Centre & Mart, Greater Noida



Advance Jewellery Design Technology Center, Bangalore (JSS)



Wood Craft Designing & Common Facilities Centre, Saharanpur



Common Facility Centre at Saharanpur



Rubber Park, Tripura





Printing Center for Export Promotion of Textiles, Dharwad , Karnataka

II. INFRASTRUCTURE

Department of Commerce endeavors to provide transport/logistic support to India's foreign trade through coordination and resolution of problems experienced by the trading community in carriage of goods by courier, sea, air, rail and road with concerned Ministries & Departments. It seeks to encourage greater containerization, computerization of cargo clearance and electronic data interchange, warehousing, setting up of Inland Container Depots (ICDs), Container Freight Stations (CFSs) etc.

In order to resolve the infrastructural constraints being faced by exporters / importers on infrastructural front, Department of Commerce has been taking up the matter with Ministry of Shipping, Ministry of Road Transport and Highways,

Department of Revenue, Ministry of Civil Aviation, Ministry of Railways etc.

Steps taken for trade infrastructure development

Inter Ministerial Committee (IMC):

Single Window Clearance for the proposals for setting up of Inland Container Depots / Container Freight Stations (ICDs/CFSs) is given through an Inter-Ministerial Committee (IMC) functioning since 1992 under the Chairmanship of Additional Secretary (Infrastructure Division), Department of Commerce. So far 284 Letters of Intent have been issued out of which 190 are functional and 94 are under implementation. The State wise summary of Functional and Under Implementation ICDs/CFSs are as follows :

Table-5.3
The State wise summary of Functional and Under Implementation ICDs/CFSS

| State | Functional | Under implementation | Total |
|------------------|------------|----------------------|------------|
| Andhra Pradesh | 8 | 9 | 17 |
| Bihar | - | 1 | 1 |
| Chhattisgarh | 1 | - | 1 |
| Goa | 1 | - | 1 |
| Gujarat | 26 | 9 | 35 |
| Haryana | 8 | 6 | 14 |
| Himachal Pradesh | - | 1 | 1 |
| Jharkhand | 1 | - | 1 |
| Jammu & Kashmir | 1 | 1 | 2 |
| Karnataka | 5 | 6 | 11 |
| Kerala | 9 | 6 | 15 |
| Maharashtra | 35 | 18 | 53 |
| Madhya Pradesh | 5 | 3 | 8 |
| Orissa | 1 | 1 | 2 |
| Pondicherry | 2 | - | 2 |
| Punjab | 7 | 2 | 9 |
| Rajasthan | 8 | 3 | 11 |
| Tamil Nadu | 49 | 18 | 67 |
| Uttar Pradesh | 15 | 4 | 19 |
| Uttarakhand | - | 2 | 2 |
| West Bengal | 8 | 4 | 12 |
| Total | 190 | 94 | 284 |

In the year 2013-14 (i.e. Upto 31-03-2014), five IMC meeting have been held, in which 11 proposals for issue of Letter of Intent (LOI) and 26 cases of extension for LOI have been approved. 'In-principle' approval for setting up an ICD was granted to one company and 03 cases for extension of 'In-principle approval' were approved.

Standing Committee on Promotion of Exports by Sea (SCOPE-Shipping) and Standing Committee on Promotion of Exports by Air (SCOPE-Air):-

Two high level committees, viz. the Standing Committee on Promotion of Exports by Sea (SCOPE-Shipping) and the Standing Committee on promotion of Exports by Air (SCOPE-Air)

are functioning under the Chairmanship of the Additional Secretary (Infrastructure), Department of Commerce. The objective of these committees is to address constraints in the smooth movement of international cargo and resolve problems of exporters concerning Customs, Containerization, Air, Shipping & Railways related issues. The meetings of these two Committees are normally held every year. Since the year 2004, seven meetings of these committees have been held. In 2013-14, these meetings were held on 20th December, 2013. The minutes of the meetings were forwarded to the stake holders for furnishing Action Taken Reports on the issues concerning them

Several issues relating to bottlenecks in trade by sea, air, rail and road are discussed in the above meetings and necessary directions are given by the Chairman of the Committee to the concerned ministries/ departments/ agencies to sort out the prevailing problems.

Resolution of problems faced by trade:

Besides above measures, other important residual issues which are raised by the associations / organizations of exporters / importers about reported difficulties being faced by shippers/ exporters while importing / exporting consignments resulting in enhanced transaction cost on account of arbitrary and exorbitant charges by shipping lines, consolidators, freight forwarders and other service providers such as collusive price fixing by the service providers at ports / airports and cartelization of the shipping liners resulting in sharp cost escalation, congestion at various ports, lack of suitable infrastructure, poor planning and congestion at ports have been taken up at appropriate level by the Department of Commerce from time to time.

III. Market Access Initiative (MAI) Scheme

Market Access Initiative (MAI) Scheme is a Plan scheme formulated to act as a catalyst to promote India's exports on a sustained basis, based upon focus product and focus market concept. Under the scheme, assistance is extended to the Departments of Central Government and organizations of Central/ State Governments, Export Promotion Councils, Registered Trade Promotion organizations, Commodity Boards, recognized Apex Trade Bodies and Recognized Industrial Clusters and individual Exporters (only for product registration and testing charges for engineering/Pharmaceuticals products abroad). The scheme was revised after a thorough review with extensive consultation with all the stake holders in the year 2006 and revised Scheme was launched with effect from January, 2007. During the year 2013-14, 170 projects/studies including 13 "India Shows" were approved for receiving assistance under the scheme. Out of 13 "India Shows", 9 were finalized.

Year-wise status of MAI allocation/release is as under:-

Table-5.4
Year wise Status of MAI Allocation/Releases
(Rs Crore)

| Year | Outlay | Expenditure |
|---------|--------|-------------|
| 2006-07 | 40.00 | 39.99 |
| 2007-08 | 45.00 | 44.99 |
| 2008-09 | 50.00 | 49.99 |
| 2009-10 | 64.00 | 64.99 |
| 2010-11 | 110.00 | 110.00 |
| 2011-12 | 150.00 | 150.00 |
| 2012-13 | 125.00 | 125.00 |
| 2013-14 | 179.99 | 179.99 |

INDIA SHOW

- Display and promotion of India's capabilities as provider of world class goods and services.
- Project India as an attractive investment destination.
- Create a strong Brand Image for India.
- Focus on entire region with mega event to create a major impact.
- Provide high quality and authentic Indian cuisines.
- Shows cultural programme in consultation with ICCR.

Table-5.5
Approved "India Show" (2013-14)

| S. No. | Region | Council | Date |
|--------|--------------------------------|---------|------------------------------|
| 1 | Panama | CII | 17-20 April 2013 |
| 2 | IIJS Show, Mumbai | G&JEPC | 8-12 August 2013 |
| 3 | Tanzania | CII | 26-28 September 2013 |
| 4 | India IT Show, Mumbai | ESC EPC | 26-27 November 2013 |
| 5 | Malaysia | CII | 26-28 November 2013 |
| 6 | Textiles(TEXTRENDS), New Delhi | AEPC | 20-22 January 2014 |
| 7 | Engineering, Mumbai | EEPC | 22-24 January 2014 |
| 8 | Lahore | FICCI | 28th February-2nd March 2014 |
| 9 | Kazakhstan | CII | 27-30 March 2014 |

IV. Marketing Development Assistance (MDA) Scheme

To facilitate various measures being under taken to stimulate and diversify the country's export trade, Marketing Development Assistance (MDA) Scheme is under operation through the Department of Commerce. The Scheme supports the following activities:

- Assist exporters for their participation in approved EPC/Trade Promotion Organization led export promotion events abroad
- Assist Export Promotion Council (EPCs) to undertake export promotion activities for their product(s) and commodities.

- Assist approved organization/trade bodies in undertaking exclusive nonrecurring innovative activities connected with export promotion efforts for their members
- Assist Focus export promotion programmes in specific regions abroad like FOCUS (LAC), Focus (AFRICA), Focus (CIS) and Focus (ASEAN+2) Programmes.
- Residual essential activities connected with marketing promotion efforts abroad.

MDA guidelines have been revised from 01.06.2013. Revised guidelines have substantially enhanced the financial ceiling

for participation of Exporters in trade fairs and exhibitions. Now exporting companies having f.o.b. value of exports upto Rs 30 crore are eligible for MDA assistance. However, this limit is not applicable for exporters participating in LAC Region. The revised guidelines have also substantially enhanced the financial assistance ceiling for participation in Trade Fairs & Exhibitions from Rs 1,80,000/- to Rs. 2,50,000/- for focus Latin American countries and from Rs.1,50,000/- to Rs.2,00,000/- for focus African countries, focus CIS countries and focus ASEAN countries.

Table-5.6

Year wise status of MDA Releases/Allocation
(Rs Crore)

| Year | Outlay | Expenditure |
|---------|--------|-------------|
| 2006-07 | 52.25 | 52.25 |
| 2007-08 | 52.25 | 52.25 |
| 2008-09 | 52.25 | 52.25 |
| 2009-10 | 53.00 | 53.00 |
| 2010-11 | 56.00 | 56.00 |
| 2011-12 | 50.00 | 50.00 |
| 2012-13 | 39.49 | 39.49 |
| 2013-14 | 49.99 | 49.99 |

V. Export Credit Guarantee Corporation of India Ltd. (ECGC)

The Export Credit Guarantee Corporation of India Ltd. (ECGC), Mumbai was set up in 1957 under the Companies Act, 1956. It has the primary objective of supporting the country's exports by extending credit insurance facilities to Indian exporters and commercial banks. The paid up capital at the end of 2012-13 is Rs 1000 crores. The Corporation has registered itself with IRDA on 27th September, 2002 under non-life category.

The Export Credit Insurance Policies issued by the Corporation to Exporters provide insurance cover against commercial and political risks for shipments made on short-term / long-term credit. The total value of business covered under short term policies schemes amounted Rs.1,26,100 crores as against Rs 1,19,621 crores in 2011-12 recording a growth of 5.41%.

The Corporation also provides Export Credit Insurance for Banks (ECIB). Twenty Six Government owned banks and 15 private banks have availed ECIB covers on Whole Turnover (WT) basis protecting their Export Credit portfolio. The Corporation has covered around 65% of export credit disbursements made by the banks during FY 2012-13. The outstanding covered as at the end of 2012-13 has increased to Rs 1,33,250 crores as compared to Rs1,20,119 crores as at the end of 2011-12 reflecting 11% growth.

The total claims paid by the Corporation during the year amounted to Rs 548.50 crores compared to Rs 713.03 crores in the previous year.

During the FY a sum of Rs 120.53 crores was recovered as against Rs.168.64 crores in the previous year. The amount of Rs.120.53 crores recovered during the year consists of ₹ 7.40 crores under policies issued to Exporters, Rs. 104.71 crores under Export Credit Insurance for Banks and Rs. 8.42 crores under the medium and long term covers.

The total premium collected from all the schemes of the Corporation during the year amounted to Rs 1,157.25 crores as compared to 1004.83 crores in 2011-12, registering a

growth of 15.16%. The Short Term Export Credit Insurance to Banks contributed 64.96% of the total premium income, followed by Short Term Policy sector, which contributed 31.17%. The income from medium and long term sector accounted for 3.87% of the total premium income.

The total gross income (on accrual basis) of the Corporation amounted to Rs 1,206.60 crores (Previous year Rs 1,126.16 crores) of which net earned premium income was Rs. 796.04 crores (Previous year Rs. 766.25 crores). Of the other income, investment income accounted for Rs. 397.98 crores registering a growth of 12.55% over Rs 353.59 crores earned for the previous year. The total expenditure was Rs 951.05 crores comprising Rs 812.80 crores by way of net claims paid and provisions for liability on pending claims and Rs 138.25 crores of administrative expenses (including write-offs and depreciation). The year under review ended with a profit before tax (PBT) of Rs 350.14 crores (PBT for 2011-12 3 Rs 27.72 crores).

The Corporation has declared and paid a dividend of Rs 60.00 crores for the year 2012-13 as compared to Rs 54.00 crores paid for the previous year.

Given the global economic crisis, EURO Zone debt crisis and recession world over which affected the export trade and resulted in increased incidence of defaults and claims, the Corporation continued to promote exports by continued underwriting to difficult markets and substantial claim payments to banks and exporters.

New Initiatives:

During the FY GoI subscribed Rs 100 crores towards paid up capital of the Corporation increasing it to Rs 1000 crores. The Authorized Capital of the Corporation has been enhanced from Rs 1000 crores to Rs 5000 crores since July 2013.

Features of Multi Buyer Exposure Policy and ECIB Surety Cover have been modified with the concurrence of IRDA.

Three new branches have been opened; one composite branch in Faridabad and two specialized branches in Hyderabad and Tirupur in place of one composite branch each, taking the branch network of the Corporation to 55.

A customer care (grievance redressal) policy has been formulated. An Apex Customer Grievance Committee consisting of senior executives is the in-house appellate authority for any customer complaint in the Corporation. Further a three member Independent Review Committee has also been constituted consisting of external experts in the field of Judiciary, Banking and Credit Insurance. The Corporation has also provided linkage to the Centralised Integrated Grievance Management System (IGMS) of IRDA, to which customers can directly log on.

A new comprehensive Buyer Score Card system has been developed for buyer ratings and determination of Overall Limits.

During the FY CRISIL Risk and Infrastructure Solutions Limited has undertaken an independent evaluation of business plans of the Corporation and recommended enhancement of capital in a phased manner.

VI. National Export Insurance Account (NEIA)

A separate Fund viz, the National Exports Insurance Account (NEIA) was set up in 2006. A sum of Rs 916 crores has been funded by the Government of India (GoI) till FY 2012-13. The total fund of NEIA as on 31.03.2013 is Rs 1,433 crores constituting corpus, premium, fees and interest accrued.

The objectives of NEIA is to promote export from India, which may not take place but for the support of a credit risk insurance cover which the ECGC is not in a position to provide because of its own underwriting capacity constraints. The NEIA is maintained and operated by NEIA Trust, a Public Trust set up jointly by the Department of Commerce and ECGC.

The objectives of NEIA were expanded by the GoI in December, 2008 in view of the Global Financial Crisis, so as to provide additional 5%/10% risk cover for exports/export credits covered by ECGC during the period 01.01.2009 to 30.06.2010 to stimulate export growth in the face of global financial crisis. The Trust paid claims to 279 Indian exporters and banks to the tune of Rs12.05 crores till 31.03.2013. The scheme came to an end on 31.03.2013.

The Trust apart from issuing direct covers to exporters/banks also provides cover to ECGC on select project export covers (medium & long term). Two covers were issued by the Trust directly to exporters during the year. Five covers issued by ECGC (for two projects) during 2012-13 were supported with NEIA guarantee of value Rs1,335.89 crores.

NEIA has issued 29 Covers supporting 14 projects of value exceeding Rs 8,889 crores as on 31.03.2013. The Trust earned an income of Rs 139 crores as interest, premium/guarantee fees during the FY.

During the FY under report CRISIL Risk and Infrastructure Solutions Limited has done an independent evaluation of business performance of the NEIA scheme.

VII. India Brand Equity Foundation (IBEF)

India Brand Equity Foundation (IBEF) is a Trust established by the Department of Commerce, Ministry of Commerce and Industry, Government of India. IBEF's primary objective is to promote and create international awareness of the Made in India label in markets overseas and to facilitate the dissemination of knowledge of Indian products and services. Towards this objective, IBEF works closely with stakeholders across government and industry.

The IBEF Knowledge Centre has emerged as a credible source of information on Indian business and economy, powered by its website www.ibef.org. IBEF business kits comprising rich business information reports across states and sectors of India, exports from India, the India Now, Business and Economy magazine and The Best of India series continue to be valuable resource tools, which are extensively leveraged by Indian missions as well as business audiences and academics within the country and abroad. IBEF is making an impact in thought leadership by providing keen business insights into trends shaping the Indian economy. The India Show, an initiative of the Department of Commerce, and the

nation brand campaign led by IBEF in recent years coinciding with the Annual Meeting of the World Economic Forum in Davos have effectively enabled IBEF to showcase Brand India amongst international audiences.

During 2013-14, IBEF successfully consolidated the global Brand India Pharma campaign in its second phase, creating resonance in international media with its preferred positioning as the Pharmacy of the World. Under the aegis of the Department of Commerce, IBEF has also been engaged in conceptualising a brand promotion strategy for select engineering segments and specific commodities like tea, coffee and spices.

VIII. Federation of Indian Export Organisations (FIEO)

The Federation of Indian Export Organisations (FIEO), set up in 1965 as an Apex Body of Export Promotion Organisations and institutions in the country with its Headquarters in Delhi and Regional Offices in Delhi, Mumbai, Chennai and Kolkata, and Chapters in Jaipur, Kanpur, Ludhiana, Ahmadabad, Indore, Hyderabad, Kochi, Bangalore, Coimbatore, Bhubaneswar, Ranchi and Guwahati. FIEO has been serving as a platform of interaction between exporters and policy makers, and has been instrumental in promoting the efforts of Indian exporting community. It is an ISO 9001-2008 certified Organization.

The main objective of FIEO is to render an integrated package of services to various organizations connected with export promotion. It functions as a primary servicing

agency to provide integrated assistance to its over 16,000 members comprising professional exporting firms holding recognition status granted by the Government, consultancy firms and service providers. Organisations like the Export Promotion Councils, Commodity Boards, Export Development Authorities, Chambers of Commerce, Export Houses, Star Export Houses, Trading Houses, Star Trading Houses, Premier Trading Houses, Consultancy Organisations & Trade Associations etc. constitute the membership of FIEO.

In terms of the Foreign Trade Policy, FIEO has been designated as Registering Authority for status holder exporting firms, other exporters dealing in multi-products. The Federation organizes Seminars, Open House Meets, Interactive Sessions, Awareness Programmes, Training Programmes and arranges participation in various exhibitions in India and abroad. Besides, FIEO provides e-platform to buyer/sellers through huge network of members and non-members, and also organizes India Shows, Trade Fairs and Exhibitions across the globe, particularly in untapped countries. FIEO has signed over 75 MOUs with leading chambers across the globe to provide commercial information and marketing support to its members.

FIEO undertakes studies and research work in the field of exports and help States to identify potential products of exports and devise strategy for facilitating exports of such products. FIEO has a monthly bulletin FIEO News and has started a weekly e-bulletin INTRADE. which keeps exporters posted with global developments affecting International Trade as well as country's foreign trade related information.

IX. eTRADE Project

The project eTRADE aims to facilitate Export and Import led clearances in online environment, integrating international standards and best practices. This is a community project covering trade regulatory and facilitating agencies like Customs, Directorate General of Foreign Trade (DGFT), Sea Ports, Airports, ICDs/CFSSs, Exporters, Importers, Agents and Banks. The project facilitates electronic delivery of services like document filing/clearances; e-Payments integration etc.

The key achievements during the year 2013-14 are as given below:

- The electronic bank realization certificate (eBRC) system has been operationalised by the DGFT. eBRC standardizes the process of reporting and collection of BRC data. It also facilitates monitoring and facilitation of exports related foreign exchange transactions. Till date around 9 million eBRCs of value approx. 450 billion USD have been uploaded on to the DGFT server by banks. The eBRC system enhances the productivity of all stakeholders mainly exporters, banks and DGFT and it has saved a large number of trees, time and stress. The eBRC project has won eASIA Award in Trade Facilitation category given by Asia Pacific Council for Trade Facilitation (AFACT) at the ceremony held at Ho Chi Minh City, Vietnam.
- The message exchange between Customs and DGFT on chapter 3 schemes has been started for shipping bill exchange.
- The Centralized Port Community System (PCS) a single window interface has

already been operationalised at 19 seaports. The agreement has been made with Gujarat Maritime Board (GMB) and integration of four seaports of Gujarat with PCS has been started. Other seaports are also pursued for integration.

- The Central Server system of Customs has been rolled out at 120 locations. The message exchange for critical messages is operational with community partners like Airports, seaports through Ports community system (PCS), Container Corporation of India (CONCOR) and other major ICDs/CFSSs.
- The Risk Management System (RMS 3.1) for imports under central server environment is already operational and RMS for exports has also been launched. RMS for export is being rolled out at various locations in phased manner.
- ePayments have been integrated by DGFT, Customs, Seaports through PCS and other community partners.

X. Major Initiatives undertaken by Export Promotion Councils

A. Gem & Jewellery Export Promotion Council (GJEPC)

The Gem & Jewellery Export Promotion Council, the apex trade body of the Indian gems and jewellery industry has completed more than 45 years of its existence. It has approximately 5300 members. The gem & jewellery manufacturing sector is India's leading foreign exchange earning sector. Exports of gem and jewellery from India during the fiscal year 2013-14 registered a performance of US\$ 41100.13 million. This sector contributed about 13.15% of

the country's total merchandise exports estimated at US\$ 312610.30 million. It consists of a large number of SME units, employing skilled and semi skilled labour, almost entirely in the unorganized sector.

Participation in the events/exhibitions

- Basel World 2013 from 25 April-2 May 2013 at Basel, Switzerland
- Vicenzaoro Spring 2013 from 18-22 May 2013 at Vicenza, Italy
- JCK Show Las Vegas 2013 from 31st May to 3rd June 2013 at Las Vegas, USA
- Hong Kong Jewellery & Gem Fair 2013 from 20-23 June 2013 at Wan Chai, Hong Kong
- JA Show, New York 2013 from 28-30 July 2013 at New York, USA
- India International Jewellery Show (IIS2013) from 8th to 12th August, 2013 at Bombay Exhibition and Convention Centre, Mumbai
- 52nd Bangkok Gems & Jewellery Show 2013 from 6-10 September 2013 at Bangkok, Thailand
- Vicenzaoro Fall 2013 from 7-11 September 2013 at Vicenza, Italy
- Hong Kong Jewellery & Gem Fair 2013 AWE from 11 to 15 September 2013 CEC 13 to 17 Sept 2013 at Hong Kong
- Jewellery Arabia 2013 from 19-23 November 2013 at Manama, Bahrain
- Vicenza Auroa from 18th – 23rd January 2014 at Vicenza, Italy
- Bangkok Show from 25th February – 1st March 2014 at Bangkok, Thailand

- Hong Kong Show from 8th – 9th March 2014 at Hong Kong
- Global Gem & Jewellery Fair from 20th – 22nd March 2014 at Dubai.

Other activities

- First India-China Gemstones Buyer-Seller Meet was organised from 7th -11th April, 2013 in Jaipur
- First Indo-Australia Jewellery Conclave in Sydney on 21-22 May, 2013
- India International Jewellery Week (IIJW) 2013 - August 4-8, 2013 at Grand Hyatt, Mumbai.
- First International Gold Jewellery Buyer Seller Meet from 2nd to 4th October, 2013 at Hotel Hyatt Regency, Chennai.
- 40th Indian Gem and Jewellery Awards on October 5, 2013 at NCPA, Mumbai
- 1st India-Russia Gemstone & Jewellery Buyer-Seller Meet 2013 from 8th – 12th December 2013 at Jaipur
- India Gem & Jewellery Machinery Expo 2013 (IGJME) 13th – 15th December, 2013 at Surat.
- IIS Signature 2014 21st – 24th February 2014 at Mumbai.

B. Electronics and Computer Software Export Promotion Council (ESC)

Electronics and Computer Software Export Promotion Council (ESC) is mandated to promote India's exports of Electronics, Telecom, Computer Software and IT Enabled Services. ESC offers a varied set of services to its members for accelerating exports.

Some of the services of ESC are as follows:

- Facilitates participation in Global Trade Shows/Expositions & Conferences.
- Undertakes Market Research/Studies and publicity Campaigns in overseas markets.
- ESC facilitates business interface between Indian & foreign companies through Buyers-Seller Meets, and locates new business partners for Indian electronics, computer software and IT companies.

On-line facility for Data Search.

During the year 2012-13, export of Electronics Hardware and Software reached to a level of US\$ 83.14 billion as compared to US\$ 76.90 billion in 2011-12.

During the period April 2013 to December 2013, Export of Electronics Hardware is estimated to have reached US\$ 6333 million and Software Export is estimated to have reached US\$ 62.05 billion.

Export Promotional Activities

The 3rd India Show and 14th edition of India soft was held during 26-27 November, 2013 at Mumbai, with the financial support from Ministry of Commerce & Industry. The Motto was GLOBAL CONNECT-LOCALLY.

Memorandum Of Understanding

ESC signed a MoU with MCF, Japan to enhance bilateral trade cooperation between India & Japan in the IT sector.

Several Indian participating companies have reported to have inked business ventures, MoUs with the several visiting delegates across the world.

NEW LAUNCHES

60 participating Indian companies capitalized on the opportunity to launch innovative technology, products & services.

EXHIBITION

170 Indian exhibitors showcased their expertise and innovations in several sectors of IT & ITES.

FOREIGN DELEGATES

INDIA IT SHOW attracted around 300 foreign delegates from 60 countries.

ICT EXPO, 13-16 April, 2013, Hong Kong

ICT Expo at Hong Kong attracts overwhelming response from buyers, visitors from global economies to source innovative ICT products and services. The Indian ICT companies enthusiastically participate under ESC's banner at this unique global platform by displaying cutting-edge developments from information and communications technology to the most up-to-date hardware and software applications to help them improve their standing in today's switched-on business world. ESC organized the India pavilion at the ICT Expo 2013 at Hong Kong Convention & Exhibition Centre, Hong Kong. The India Pavilion was visited by a very large number of global buyers. 30 Indian member companies participated under the Council's banner.

Japan IT Week, 8th to 10th May, 2013, Tokyo, Japan

Japan is one of the most lucrative markets to explore IT business. There has been a continuous surge in India's IT exports to Japan. To assist Indian IT companies explore and

build business prospects with the Japanese IT buyers, the Council organized Indian participation at Japan's largest IT Show--Japan IT Week. 14 Indian ICT companies exhibited their strength and capabilities at the event under the Council's umbrella.

CeBIT AUSTRALIA, 28th – 30th May, 2013, Sydney, Australia

CeBIT Australia is the leading business event in the Asia Pacific region for Information and Communications Technology driving business strategy for local and international manufacturers, service providers, distributors, retailers and buyers of Information and Communications Technology to meet and talk business and finding out how to achieve long and short term savings through technology-based business solutions. 27 Indian companies participated under ESC's banner.

INDIAN TRADE SHOW, 3rd – 5th September, 2013, Dubai

To promote Indian ICT industry create market niches in the entire Middle East, ESC organized participation of Indian ICT companies at the event. 10 Indian companies participated under ESC's banner.

GITEX DUBAI, 20-24 October, 2013, Dubai

The UAE has emerged as an important destination for India's ICT exports. India's ICT exports continue to propel year by year. To further supplement the efforts and initiatives of the member companies, ESC has been participating at GITEX, one of the most important, exciting ICT exhibitions in the world. In view of the overwhelming response at the previous editions, ESC organized the participation of the Indian ICT fraternity at GITEX Dubai in 2013. 37 Indian companies

participated in GITEX Dubai 2013 under the Council's banner.

BUSINESS NETWORKING MEETS IN BELARUS and ARMENIA, 9th December – 12th December 2013

The strategic location of Belarus & Armenia which are emerging important IT hubs in the gigantic CIS region offer immense ICT potential to be tapped for India's ICT exports industry to create niche. ESC sponsored an ICT delegation comprising of 10 members for exclusive Buyer Seller Meets under the Market Development Assistance programme of the Department of Commerce.

BUYER SELLER MEETS: ABROAD

BUSINESS NETWORKING MEETS IN MYANMAR 27th February, 2014

The booming economy of Myanmar offers immense ICT potential for Indian ICT players to create market niches. To provide market access, ESC sponsored an ICT delegation comprising of 10 members for exclusive Buyer Seller Meet, under the Market Development Assistance (MDA) programme of Department of Commerce,

BUSINESS NETWORKING MEETS IN SOUTH AFRICA 10th March, 2014

South Africa is one of the most prominent markets in the Africa region. ESC organised Buyer Seller Meets of Indian electronics and IT companies with the electronics and IT companies in Durban from 10-11 March 2014 under the MDA scheme of Department of Commerce. 14 Electronics and IT Companies

participated in the Buyer Seller Meets organised in Durban.

BUSINESS NETWORKING MEETS IN CHILE 27th March, 2014

Latin America continues to be one of the most lucrative markets for exploring ICT potential. To assist the Indian ICT industry to diversify & strengthen their market share, ESC sponsored an ICT delegation to Chile under the Market Development Assistance (MDA) programme of Department of Commerce to Chile. 11 Electronics and IT Companies participated in the Buyer Seller Meets organised in Chile.

“BUSINESS OPPORTUNITIES IN THE IT SECTOR” WITH THE VISITING US DELEGATION FROM INDIAN APOLIS, US, 18th APRIL 2013, NEW DELHI

A business delegation from INDIAN APOLIS, US visited India with an objective to explore business opportunities in the IT sector with the Indian IT companies. The Council organised an exclusive meet of its member companies with the visiting US delegation.

ESC organized a series of seminars with Ambassadors/High Commissioners of LAC & AFRICA region to promote IT industry networking at the INDIA IT SHOW 2013, as under:

- ESC LAC AMBASSADOR’S MEET- NEW DELHI- 12th August, 2013
- ESC AFRICA AMBASSADOR’S MEET- NEW DELHI- 29th August, 2013

INDO: JAPAN- IT TRADE COOPERATION IT OPPORTUNITIES IN JAPAN- CHENNAI- 31st March, 2014

Japan is the second largest single IT software and services market in the world, preceded

only by the USA. However, India’s IT exports to Japan is miniscule. The ESC EPC organized a seminar in association with the Indo Japan Chambers of Commerce on 31st March, 2014 to enhance India’s IT services exports to Japan and to assist the Indian IT industry to further their brand image in Japan. This was also an exercise to create awareness in the Japan IT Week, wherein the ESC EPC is organizing participation of its member exporters to exhibit under the Council’s banner.

C. Council for Leather Exports (CLE)

The Leather Industry holds a prominent place in the Indian economy. This sector is known for its consistency in high export earnings and it is among the top ten foreign exchange earners for the country.

With an annual turnover of over US\$ 11 billion, the export of leather and leather products increased manifold over the past decades and touched US\$ 5.91 billion during 2013-14, recording a cumulative annual growth rate of about 14.77% (5 years).

The Leather industry is bestowed with an affluence of raw materials as India is endowed with 21% of world cattle & buffalo and 11% of world goat & sheep population. Added to this are the strengths of skilled manpower, innovative technology, increasing industry compliance to international environmental standards, and the dedicated support of the allied industries.

The leather industry is an employment intensive sector, providing job to about 2.5 million people, mostly from the weaker sections of the society. Women employment is predominant in leather products sector with about 30% share.

India is the second largest producer of footwear and leather garments in the world.

The major production centers for leather and leather products in India are located in Chennai, Ambur, Ranipet, Vaniyambadi, Vellore, Pernambut, Trichy, Dindigul and Erode Kolkata Kanpur, Agra, Noida, Saharanpur, Mumbai, Jalandhar, Bangalore, Hyderabad, Ambala, Gurgaon, Panchkula, Karnal and Faridabad; Delhi; Dewas, Calicut and Ernakulam / Cochin

Strengths of Indian leather sector

- Own raw material source – 2 billion sq ft of leather produced annually
- Some varieties of goat / calf / sheep skins command premium position
- Strong and eco-sustainable tanning base
- Modernized manufacturing units
- Trained/skilled manpower at competitive wage levels
- World-class institutional support for Design & Product Development, HRD and R & D.
- Presence of support industries like leather chemicals and finishing auxiliaries
- Presence in major markets – Long Europe experience
- Strategic location in the Asian landmass

Emerging strengths

- Design development initiatives by institutions and individuals
- Continuous modernization and technology upgradation
- Economic size of manufacturing units

- Constant human resource development programme to enhance productivity
- Increasing use of quality components
- Shorter prototype development time
- Delivery compliance
- Growing domestic market for footwear and leather articles

Highlights of Leather Product Segments:

- **Tanning Sector** – Annual production 2 billion Sq.ft. Accounts for 10% of world leather requirement. Indian colors continuously being selected at the MODEUROPE Congress
- **Footwear Sector** – Second largest footwear producer after China. Annual Production 2065 million pairs. Huge domestic retail market 1950 million pairs (95%) are sold in domestic market. Footwear export accounts for 42.29% share in India's total leather & leather products export. The Footwear product mix Gents 54%, Ladies 37% and Children 9%
- **Leather Garments Sector** – Second largest producer with annual production capacity of 16 million pieces. Third largest global exporter. Accounts for 9.91% share of India's total leather export
- **Leather Goods & Accessories Sector including Saddlery & Harness** – Fifth largest global exporter. Annual production capacity – 63 million pieces of leather articles, 52 million pairs of Industrial gloves & 12.50 million pieces of Harness & Saddlery items. Accounts for 26.19% share of India's total export

Product-wise Brands sourced from India:

Footwear : Acme, Ann Taylor, Bally, Charter Club, Clarks, Coach, Colehann, Daniel Hector, Deichmann, DKNY, Double H, Ecco, Elefanten, Etienneaigner, Florsheim, Gabor, Geoffrey Beene, Guess, Harrods, Hasley, Hush Puppies, Kenneth Cole, Liz Claiborne, Marks & Spencer, Nautica, Next, Nike, Cole Haan, Nunn Bush, Pierre Cardin, Reebok, Rockport, Salamander, Stacy Adams, Tommy Hilfiger, Tony Lama, Versace, Yves St. Laurent, Zara, Johnston & Murphy, Docksteps, Timberland, Armani, Geox, Diesel, Ted Baker, Lacoste, Kickers, Calvin Klein, Sioux, Brasher, Zegna, Massimu Dutti, Buggatti, Lloyd, Christian Dier, Salamander, Camper, Bata, Espirit, French Connection, Legero, Mercedes, H & M and many more famous brands.

Leather Garments : Armani, Zegna, Abercrombie & Fitch, Marco Polo, Mango, Colehaan, Andre Maarc, Guess Pierre Cardin, Tommy Hilfiger, Versace, DKNY, Liz Claiborne, Ann Taylor, Nautica, Kenneth Cole, Charter Club, Daniel Hector.

Leather Goods / Accessories : Coach, Liz Claiborne, Harrods, Yves St, Laurent, Tommy Hilfiger, Etienne Aigner, Geoffrey Beene, Marks & Spencer, Guess, Next, Pierre Cardin, Prada, GAP, Levis, H & M, British Home Stores, Banana Republic, Furla, American Eagle Outfitters, Bracciliani, Walmart etc.

India's Export of Leather and Leather products for Five years

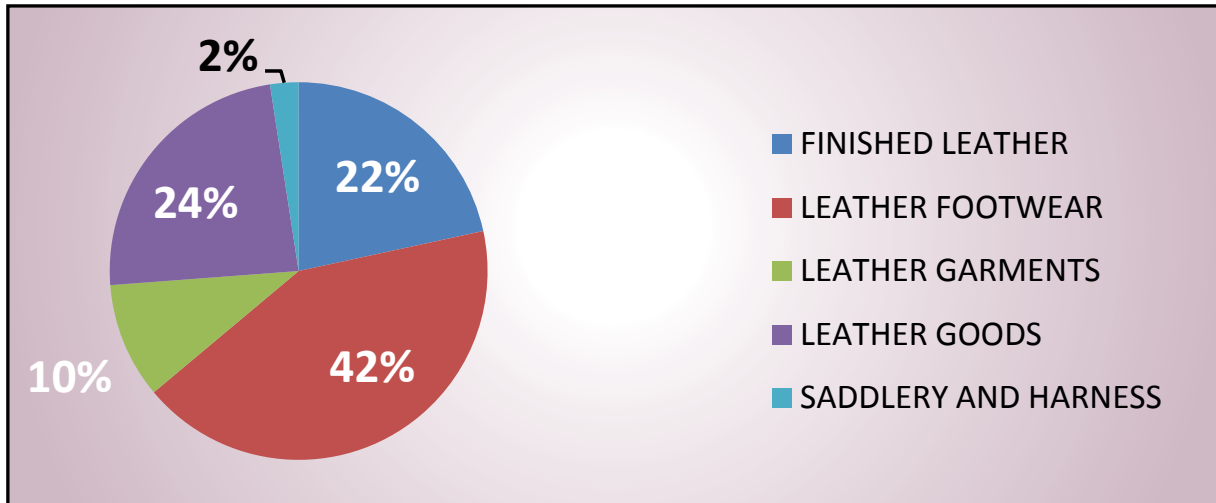
Table-5.7
Product-wise Export performance

(million US\$)

| | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 |
|--------------------|----------------|----------------|----------------|----------------|-----------------|
| Finished Leather | 627.95 | 841.13 | 1024.69 | 1093.73 | 1284.57 |
| Footwear | 1507.59 | 1758.67 | 2079.14 | 2066.91 | 2531.05 |
| Leather Garments | 428.62 | 425.04 | 572.45 | 563.54 | 596.16 |
| Leather Goods | 757.02 | 855.78 | 1089.71 | 1180.82 | 1351.50 |
| Saddlery & Harness | 83.39 | 87.92 | 107.54 | 110.41 | 145.54 |
| Total | 3404.57 | 3968.54 | 4873.53 | 5015.41 | 5908.82* |
| % Growth | | 16.57% | 22.80% | 2.91% | 17.81% |

Source: (DGCI&S) *Provisional

Chart 5.1
% Share of Leather Products in Export Performance (2013-14)



Major Markets:

The major markets for Indian Leather & Leather Products are Germany with a share of 12.92%, USA 11.32%, U.K. 11.20%, Italy 8.73%, France 5.99%, Hong Kong 7.98%, Spain

5.21%, Netherlands 3.66%, China 2.60%, Denmark 1.51%, UAE 3.05%, Belgium 1.62%.

These 12 countries together accounts for nearly 76% of India's total leather & leather products export.

Table-5.8
Export of leather & leather products to different countries – 5 years

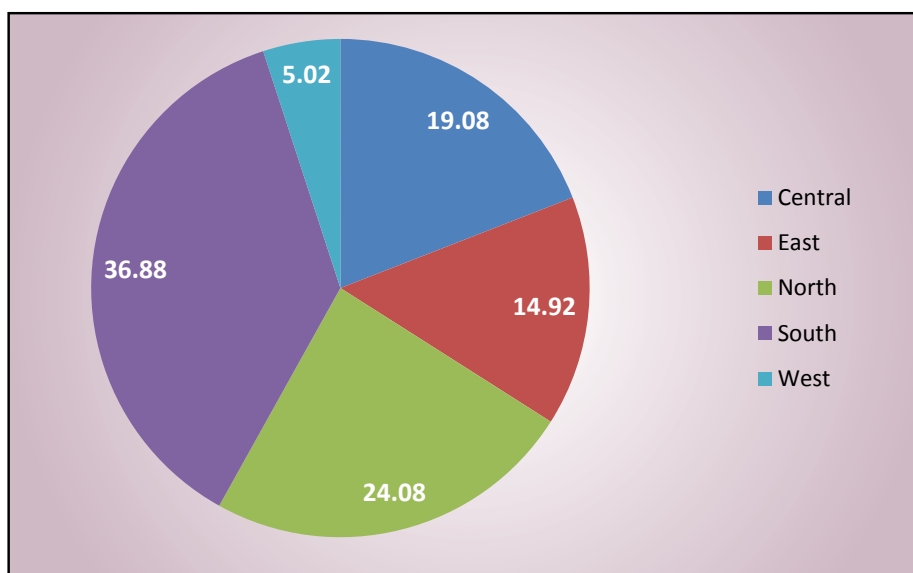
(million USD)

| COUNTRY | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | % Share 2013-14 |
|-------------|---------|---------|---------|---------------|---------------|-----------------|
| Germany | 491.28 | 575.38 | 731.00 | 631.23 | 763.55 | 12.92% |
| Italy | 398.56 | 455.76 | 528.35 | 438.53 | 515.59 | 8.73% |
| UK | 456.59 | 505.20 | 543.00 | 606.02 | 661.98 | 11.20% |
| USA | 296.37 | 348.13 | 439.54 | 526.13 | 669.17 | 11.32% |
| Hong Kong | 251.53 | 325.20 | 359.47 | 441.45 | 471.56 | 7.98% |
| Spain | 219.13 | 247.99 | 296.06 | 267.17 | 307.94 | 5.21% |
| France | 255.29 | 280.04 | 303.84 | 320.81 | 353.80 | 5.99% |
| Netherlands | 137.10 | 155.43 | 198.70 | 189.74 | 216.54 | 3.66% |
| U.A.E. | 69.06 | 74.27 | 109.28 | 126.52 | 180.27 | 3.05% |
| Portugal | 39.39 | 39.62 | 46.55 | 38.35 | 51.64 | 0.87% |

| | | | | | | |
|--------------|----------------|----------------|----------------|----------------|-----------------|----------------|
| Belgium | 65.39 | 80.89 | 113.06 | 92.97 | 95.73 | 1.62% |
| China | 48.58 | 75.48 | 124.75 | 124.36 | 153.57 | 2.60% |
| Australia | 53.92 | 51.81 | 67.84 | 74.16 | 78.31 | 1.33% |
| Denmark | 55.73 | 57.75 | 74.18 | 89.65 | 89.37 | 1.51% |
| Sweden | 36.07 | 31.36 | 44.33 | 45.91 | 50.61 | 0.86% |
| Canada | 27.66 | 29.32 | 40.02 | 45.71 | 51.43 | 0.87% |
| Korea Rep. | 29.04 | 31.31 | 38.21 | 46.77 | 58.17 | 0.98% |
| South Africa | 24.60 | 32.14 | 41.18 | 36.07 | 48.16 | 0.82% |
| Switzerland | 27.10 | 25.02 | 33.54 | 30.30 | 32.75 | 0.55% |
| Austria | 28.01 | 27.01 | 38.43 | 36.46 | 39.71 | 0.67% |
| Greece | 12.77 | 10.05 | 10.96 | 8.41 | 11.97 | 0.20% |
| Saudi Arabia | 21.01 | 22.14 | 41.68 | 42.37 | 38.67 | 0.65% |
| Japan | 17.19 | 21.74 | 33.04 | 38.70 | 48.73 | 0.82% |
| Russia | 6.68 | 19.99 | 33.04 | 28.54 | 51.57 | 0.87% |
| Indonesia | 10.08 | 20.15 | 25.24 | 26.82 | 27.17 | 0.46% |
| New Zealand | 4.29 | 5.98 | 7.29 | 7.23 | 9.66 | 0.16% |
| Others | 306.42 | 399.45 | 521.14 | 572.69 | 725.25 | 12.27% |
| Total | 3404.57 | 3968.54 | 4873.53 | 5015.41 | 5908.82* | 100.00% |

Source: DGCI&S *Provisional

Chart 5.2
Region-wise Export of Leather & Leather Products 2012-13 in (%)



Future Outlook:

The Government of India had identified the Leather Sector as a Focus Sector in the Indian Foreign Trade Policy in view of its immense potential for export growth prospects and employment generation. Accordingly, the Government is also implementing various Special Focus Initiatives under the Foreign Trade Policy for the growth of leather sector. With the implementation of various industrial developmental programmes as well as export promotional activities; and keeping in view the past performance, and industry's inherent strengths of skilled manpower, innovative technology, increasing industry compliance to international environmental standards, and dedicated support of the allied industries, the Indian leather industry aims to augment the production, thereby enhance export, and resultantly create additional employment opportunities.

4. Export Promotional Activities

Market Promotional Activities Undertaken with MDA Assistance during 2013-14

Total of 9 International fairs organized under MDA funding for the year 2013-14.

Total of 288 exhibitors participated.

Table-5.9

| S. No. | INTERNATIONAL FAIRS UNDER MDA SCHEME |
|--------|---|
| 1 | Expo Riva Schuh Fair, Riva del Garda, Italy, June 15-18, 2013 |
| 2 | Magic Show, Las Vegas, USA. August 18-21, 2013 |

| | |
|---|---|
| 3 | Fairs of Shoes, Leather & Leather Goods, Poznan Fashion Fair, Poland, September 3-5, 2013 |
| 4 | All China Leather Exhibition, Shanghai, Sep 4-6, 2013 |
| 5 | MICAM The Shoe Event, Milan, Italy, September 15-18, 2013 |
| 6 | Fashion Access, Hong Kong, September 25-27, 2013 |
| 7 | Leather Tech, Bangladesh, October 2-5, 2013 |
| 8 | Expo Riva Schuh Fair, Riva del Garda, Italy, January 11-14, 2014 |
| 9 | MM&T-Materials Manufacturing & Technology, Hong Kong, March 31-April 2, 2014 |

Market Promotional Activities undertaken with MAI Assistance during 2013-14

Total of 6 International fairs organized under MAI funding Support for the year 2013-14.

Total of 352 exhibitors participated.

Table-5.10

| S. No | A-INTERNATIONAL FAIRS UNDER MAI SCHEME |
|-------|---|
| 1 | Spoga Horse, Sep 8-10, 2013 |
| 2 | MIPEL Fair, Sep 15-18, 2013 |
| 3 | CIFF Moda Shanghai, Sep 4-6, 2013 |
| 4 | Istanbul Leather Fair, November 21-22, 2013 |
| 5 | MIPEL Fair, March 2-5, 2014 |
| 6 | Fashion Access, March 31-April 2, 2014 |

Table-5.11

| S. No | B - BUYER SELLER MEETS IN INDIA & ABROAD |
|-------|--|
| 1 | BSM in South Africa March 13 & 14, 2014 |
| 2 | BSM in Dubai December 9 & 10, 2013 |
| 3 | Two-Day Reverse Buyer-Seller Meets in Delhi, Chennai and Kolkata |

Besides, Council participated in the Magic show, February 2014 organized under Self Financing basis with CLE 8 member exporters

- About 34 Seminars / Workshops were conducted during 2013-14 (April 2013 to March 2014) with presentation from eminent experts / resource persons. 1500 Members are expected to be benefited out of these events.
- Aggressive Publicity programmes undertaken / being undertaken to create better awareness about capabilities of Indian leather industry in global markets, thereby further build up the image of India.

6. Policy and Support Measures Announced for Leather Sector

Annual Supplement 2013-14 to Foreign Trade Policy 2009-14

In the Annual Supplement 2013-14 to the Foreign Trade Policy 2009-14 announced on April 18, 2013, the following benefits were announced for the leather sector.

- The Zero Duty EPCG and 3% EPCG Schemes have been harmonized into

one scheme which will be called as Zero Duty EPCG Scheme covering all sectors. The new Zero Duty EPCG Scheme has come into effect from April 18, 2013.

- **Incremental Exports Incentivisation Scheme:-** The incremental Exports Incentivisation Scheme was announced in Dec. 2012. Under this scheme, the exporters are eligible for 2% duty credit scrip on the FOB value of exports to USA, Europe and Asia (excluding Singapore, UAE and Hong Kong) on the incremental growth during the period 01.01.2013 to 31.3.2013 compared to the period from 01.01.2012 to 31.3.2012. In the Annual Supplement to FTP 2009-14, the scheme has been extended for the year 2013-14 on annual basis. Also, exports to 53 notified countries Latin America and Africa have also been added under this scheme.
- The 2% duty credit scrip under Focus Product Scheme was extended to all categories of synthetic footwear falling under HS Code 6402 for exports made from 1.5.2013 onwards.
- Outer Soles and Heels of Rubber / Plastics (HS Code 640620) was included under Focus Product Scheme) with a duty credit scrip of 2% for exports made from 1.5.2013 onwards.
- Norway was included under Focus Market Scheme while Venezuela has been included under Special Focus Market Scheme, for exports made with effect from 1.5.2013 onwards.

Other Measures under Foreign Trade Policy

- As per DGFT Notification No. 71(RE-2013)/2009-14 dated 27th February

2014 and Public Notice No. 53 (RE-2013)/2009-14 dated 27th February 2014, Finished Leathers falling under 4107, 4112000 and 4113 in Table 3 of Appendix 37 D will be entitled for 2% additional duty credit scrip under Market Linked Focus Product Scheme in addition to the 2% Duty Credit Scrip under Focus Product Scheme for exports to notified EU countries made with effect from 1.3.2014 to 31.8.2014.

- Interest Subvention on Rupee Export Credit was enhanced for SME units in leather industry from 2% to 3% for the period 1.8.2013 to 31.3.2014.

Interim Budget 2014-15

In the Interim Budget announced on February 17, 2014, the Central Excise duty for machinery and equipments falling under Chapter 84 (including the machinery for preparing, tanning or working hides, skins or leather or for making or repairing footwear or other articles of hides, skins or leather, other than sewing machines falling under tariff no. 8453) has been reduced from 12% to 10%. This reduction will be applicable till June 30, 2014 as notified by Central Excise Notification No. 04/2014 dated 17th February 2014.

D. Basic Chemicals, Pharmaceuticals & Cosmetics Export Promotion Council (CHEMEXCIL):

Basic Chemicals, Pharmaceuticals and Cosmetics Export Promotion Council, popularly known as CHEMEXCIL is dealing with promotion of exports of Dyes and Dye intermediates, Basic Inorganic and Organic Chemicals, including Agro Chemicals,

Cosmetics, Toiletries, Essential oils, Castor oil and its derivatives, etc. from India to various countries abroad.

Table-5.12

US\$ million

| April 2012- March 2013 | April 2013- March 2014 | Growth % |
|---------------------------|---------------------------|----------|
| 12418.22 | 13183.52 | 6.16% |

The export performance of the Council's items for the period April 2013 to March 2014 was US\$ 13183.52 million as compared to US\$ 12418.22 million of the corresponding period of previous year, registering a growth rate of 6.16%.

CHEMEXCIL had organized its 39th & 40th Export Award Function on 30th of August, 2013 at the Trident Hotel, Mumbai by honouring 75 outstanding exporters who had excelled in their export performance during the years 2009-10 and 2010-11. The Chief Guest at the function was the Hon'ble Union Minister of Commerce & Industry, Shri Anand Sharma.

Due to the withdrawal of GSP scheme by the EU countries w.e.f. 1.1.2014, Indian products specially Organic & Inorganic Chemicals, are become expensive as per the percentage of Basic Custom Duty. In order to resolve the same, CHEMEXCIL had already taken up the matter with the Ministry of Commerce & Industry with a request to consider to give some kind of benefit to the member-exporters concerned under the Market-linked Focus Products Scheme (MLFPS) or any other Scheme which is deemed fit.

CHEMEXCIL had already taken up the matter regarding removal of duty inversion on DTA sale of Fatty Alcohols by EOUs, with the Central Board of Excise & Customs as this burning issue is still remained unresolved and is seriously affecting the economic viability of our member exporters.

In order to enhance the exports and create awareness in the international market, CHEMEXCIL had also implemented a lot of other export promotional activities for the benefit of our member-exporters which included participation in Exhibitions/Buyer-Seller Meets both in India and abroad.

European Union's REACH Regulation:

With regard to EU's REACH Legislation, CHEMEXCIL has already disbursed 50% of ECHA Regn. fee under REACH MAI to all the concerned firms who had registered their substances in the EU during the 1st phase of Registration deadline, i.e in 2010 and who had submitted their Registration claims through CHEMEXCIL.

CHEMEXCIL has already recommended to the Ministry of Commerce & Industry for disbursement of 50% of ECHA Regn. Fee incurred to the firms who had registered their substances in the EU during the 2nd phase of Registration deadline, i.e. in May 2013 and who had submitted their documents of the same through CHEMEXCIL under REACH MAI and outcome of which is awaited.

Indian Chemical Inventory:

In order to create Chemical Management Programme in the Country and also to protect human health and the environment

of Indian citizens, a Model chemical inventory of 4600 substances was made by CHEMEXCIL from data already available from DGCI&S, substances pre-registered under REACH, Public Liability Insurance Act, and substances in CHEMEXCIL's Directory. CHEMEXCIL had submitted a Presentation to Secretaries of both the Ministry of Commerce & Industry and the Ministry of Chemicals & Fertilizers and we await their final decision to continue this project.

Common Effluent Treatment Plant (CEPT)

CHEMEXCIL had already submitted Budget proposal to the Government of Maharashtra, for upgradation and modification of Common Effluent Treatment Plant(CEPT) at Lote Parshuram and Roha in Maharashtra. Accordingly, the said proposal was sanctioned by the Government of Maharashtra and they had released an amount of Rs.38.25 crs. to the MIDC, Maharashtra and further work is in progress.

E. The Plastics Export Promotion Council (PLEXCONCIL)

The Plastics Export Promotion Council has been participating in International Trade fairs and organising Buyer – Seller Meets (BSMs) round the globe and Reverse Buyer – Seller Meets (BSMs) in India.

During 2013-14, the Council organised participation in seven International Trade fairs under the MDA/MAI Schemes, apart from organising a Buyer –Seller Meet in the Latin American region, and a Reverse Buyer-Seller Meet in Chennai, which coincided with the Poly India 2013 exhibition held from April

25-27, 2013 in Chennai. International Trade fairs were organised in some of the potential emerging markets such as Ukraine, Myanmar and Sudan, in order to diversify exports from the plastics sector.

In order to facilitate product innovation and design from the Indian plastic Industry, the Council's proposal for setting up a service centre at Mumbai, for Product Design & Prototyping under the ASIDE scheme has also been approved. This will serve as a common facility for Product Design & Prototyping for enterprises in the MSME sector which account for over 85% of the Indian plastic industry.

The export performance in 2013 -14, has been encouraging with a growth of 14.11% for the period April – January 2014. The total exports from the plastics sector in 2013 – 14 is expected to exceed US\$ 7.50 billion.

F. Chemicals and Allied Products Export Promotion Council (CAPEXIL)

CAPEXIL – India's Premier Export Promotion Council was set up in 1958 by the Ministry of Commerce, Government of India. The vision of CAPEXIL is to catalyze development and promote India's export of a wide spectrum of Chemical based and Allied products and 'thereby stimulate the country's economic growth and help in employment generation. CAPEXIL is a Multi Products Export Promotion Council and it has sixteen different group of products subdivided broadly under Mineral and Non-Mineral Sector. These panels representing the following:

MINERALS & ORES: Natural Stones and Products, Processed Minerals, Bulk Minerals and Ores

NON-MINERALS: Rubber Products, Auto Tyres and Tubes, Paints, Printing Ink and Allied Products, Glass and Glassware, Plywood and Allied Products, Ceramics and Allied Products incl. Refractories, Cement, Clinkers and Asbestos Cement Products, Paper, Paper Board and Paper Products, Books, Publications & Printing, Animal By Products, Ossein and gelatine, Graphite Products and Explosives & Miscellaneous Products.

It has around 4500 member-exporters (manufacturers & merchant exporters) across India who are exporters of 16 broad product genres and represents the best in their fields. Their quality products enjoy the preference of all major markets across the globe.

SHARE IN INDIA'S TOTAL EXPORTS

India's merchandise exports grew by 3.98 per cent to \$ 312.35 billion in FY 2013-14. Capexil is having 4.45% share (US\$ 13.89 billion) in India's Total Export and it is one of the few Export Promotion Councils of India with an ISO 9001:2000 Certification. Exports of overall CAPEXIL products have grown CAGR of 2.33% for the past 5 years.

EXPORTS DURING 2013-14

During the year 2013-14, CAPEXIL's overall exports have reported an increase of 5.05% as compared to corresponding period of 2012-13. Out of which Non-Mineral Sector contributed USD 8082.62 Million showing a growth of 5.38% and Mineral Sector contributed USD 5805.78 million showing a growth of 4.59% compared to previous year. CAPEXIL's overall exports has reported an increase of 5.05% as compared to corresponding period of 2012-13.

Chart 5.3

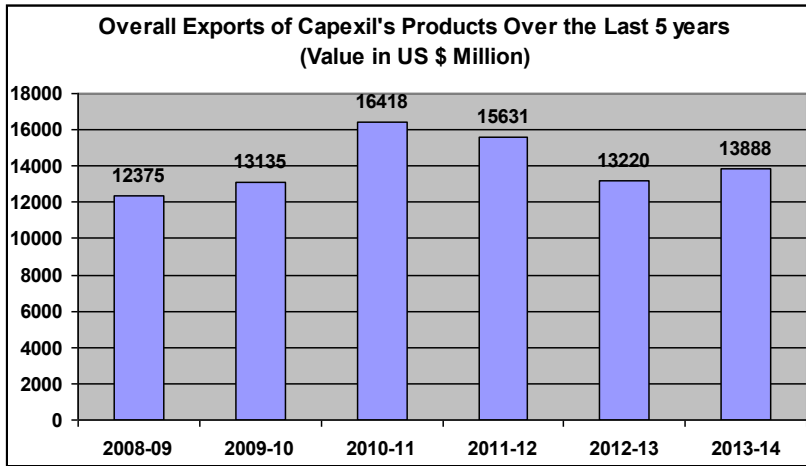


Table-5.13
Panelwise Exports during 2013-14

Value in US \$ Million

| Panels | 2012-13 | 2013-14 | % Change |
|---------------------------------------|-----------------|-----------------|--------------|
| A. Minerals and Ores | | | |
| Bulk Minerals and Ores | 2682.44 | 2772.35 | 3.35% |
| Granite, Natural Stones and Products | 1792.48 | 1993.76 | 11.23% |
| Processed Minerals | 1075.88 | 1039.67 | -3.37% |
| TOTAL (A) | 5550.8 | 5805.78 | 4.59% |
| B. Non-Minerals | | | |
| Auto Tyres and Tubes | 1731.46 | 1685.59 | -2.65% |
| Paper, Paper Board and Product | 993.97 | 1071.28 | 7.78% |
| Rubber Products | 995.16 | 1056.69 | 6.18% |
| Paints, Varnishes and Allied Products | 724.81 | 768.07 | 5.97% |
| Plywood and Allied Products | 628.6 | 729.85 | 16.11% |
| Glass and glassware | 614.34 | 657.90 | 7.09% |
| Ceramics and Allied Products | 546.09 | 637.21 | 16.69% |
| Graphite, Explosives and Accesories | 465.27 | 402.24 | -13.55% |
| Books, Publications and Printing | 332.4 | 338.80 | 1.93% |
| Cement, Clinkers & Asbestos | 228.12 | 302.17 | 32.46% |
| Miscellaneous Products | 270.38 | 251.17 | -7.10% |
| Animal By Product | 65.48 | 100.84 | 54.00% |
| Ossein and Gelatine | 73.58 | 80.81 | 9.83% |
| TOTAL (B) | 7669.66 | 8082.62 | 5.38% |
| GRAND TOTAL (A+B) | 13220.46 | 13888.40 | 5.05% |

Source: DOC Export Import Data Bank

EXPORT PROMOTION ACTIVITIES ORGANISED DURING 2013-14

The Council right from the beginning has been playing the role of a facilitator towards the promotion of export of products viz. chemical based & allied products as entrusted to it by the Government. In order to help its member-exporters to compete successfully in the world markets, the Council rendered assistance as follows:

- Identify markets for their products.
- Introduce them to appropriate overseas importers.
- Assist them financially or otherwise in their efforts.
- Advise them on situations in the different overseas markets by conducting studies & surveys.
- Provide opportunities to give them and their products exposure in the overseas markets by sponsoring their delegations and items.
- Advise them on import export policy and procedures.
- Resolve their problems about shipping and transport.
- Maintain liaison with the authorities to convey to them the requirements of industry and trade and arrange adaptation of policy framework accordingly.

During the year 2013-14, the marketing activities of the Council are manifold and in addition to direct marketing, structured promotional events are organized on a regular basis so as to create awareness on the capability of the products under the purview

of CAPEXIL. The various promotional activities carried out on a regular basis are product specific delegation to select countries, Catalogue Show, Buyer-Seller Meets and participation in overseas trade fair etc.

Table-5.14
EVENTS/ACTIVITIES OF CAPEXIL EXECUTED DURING 2013-14

| S. No. | Activity | Period of execution |
|--------|---|------------------------------------|
| 1 | London Book Fair, London | 15th to 17th April 2013 |
| 2 | Coverings 2013 Atlanta, Georgia, USA | 29th April to 2nd May 2013 |
| 3 | Nigeria International Book Fair, Nigeria | 6th to 11th May 2013 |
| 4 | Frankfurt Book Fair, Germany | 9th to 13th October 2013 |
| 5 | Sharjah International Book Fair, Sharjah | 6th to 16 November 2013 |
| 6 | Guadalajara International Book Fair, Mexico | 30th November to 4th December 2013 |
| 7 | Rubber Products World Expo & Tire Export 2014 | 1st to 16th March 2014 |

Export Target for 2014-15

The Council has set an export target of US \$ 15,661.36 Million in dollar terms for the year 2014-15 from US \$ 13,888.40 Million in 2013-14. To realize this, exports have to grow at an annual growth of nearly 13%. The overall strategy is to realize this goal is articulated below:

Product Strategy

Aggressively promoting export growth of

significant/high value products under the purview of CAPEXIL.

Table-5.15
IDENTIFICATION OF SIGNIFICANT PRODUCTS FOR EXPORT

| Name of the Panels | Thrust Products |
|--|---|
| Granite, Natural Stones & Products | Granite, worked Monumental or Building stones and articles thereof, Sandstone Merely cut by sawing or otherwise into blocks or slabs of a rectangular shape, sandstone crude or roughly trimmed, Monumental or building stone, other than sand stone and granite. |
| Processed Minerals | Aluminium oxide, other than artificial corundum, Aluminium ores and concentrates, kaolin and other kaolin icc lays, Quartzite other than crude or roughly trimmed. |
| Bulk Minerals and Ores | Iron ores and concentrates, Non agglomerated, Zinc ores and concentrates, Lead ores and concentrates. |
| Rubber Products | Other floor coverings and mats, conveyor belts or belting reinforced only with textile materials, other articles of vulcanized rubber other than floor coverings and mats, erasers, gaskets, boat or dock fenders, plates, sheets and strip of non- cellular rubber, reclaimed rubber in primary forms or in plates, sheets or strip. |
| Auto Tyres & Tubes | New pneumatic tyres of rubber, of a kind used on buses or lorries, New pneumatic tyres of rubber, of a kind used on motor cars (including station wagons and racing cars). |
| Paints, Printing Ink & Allied products | Printing ink, other than black, Titanium ores and concentrates, Pigments and preparations based on titanium dioxide-other, Pigments and preparations based on chromium compounds. |
| Glass and Glassware | Glass envelopes other than for electric lighting and cathode ray tubes, Glass bead, imitation pearls, Other articles of glass, Glass containers, spectacle lenses of glass, Glass cubes and other glass small wares, whether or not on a backing, for mosaics or similar decorative purpose. |
| Ceramics & Allied Products incl. Refractories | Other refractory ceramic goods, containing by weight more than 50% of alumina or of a mixture or compound of alumina and silica, Brake linings and pads, Electrical insulators of ceramics, Refractory bricks, blocks, tiles and similar refractory ceramic construction al goods containing by weight more than 50% of alumina, of silica or of a mixture or compound of these products. Emery, Natural corundum, natural gamet and other natural abrasives. |

| | |
|--|--|
| Plywood & Allied products | Wooden furniture other than those used in offices, kitchen and bedroom, Other articles of wood, other than cloths hangers, Plywood consisting solely of sheets of wood, each ply not exceeding 6mm thickness with at least one outer ply of tropical wood, Wood sawn or chipped lengthwise, other than coniferous, mahogany, Virola, Meranti, Sapeli. |
| Cement, Clinkers & Asbestos Cement products | Portland cement, other than white cement, Tube pipes or tube or pipe fittings, or as best os cement, of cellulose fiber cement or the like, tiles, flag stones, bricks and similar articles of cement, of concrete or of artificial stone. |
| Paper, Paper Board & Paper Products | Other paper, paperboard, cellulose wadding and webs of celluloses fibers, handmade paper and paper board, Paper and paper board, other than those used for writing, printing or other graphic purposes and kraft paper, Folding cartons, boxes and cases of non-corrugated paper or paper board. |
| Books/Publications & Printing | Newspaper, Journals and periodicals, other than those appearing at least 4 times a week, Printed books, brochures, leaflets and similar printed matter, other than those printed in single sheets or dictionaries and encyclopedias, other printed matter including printed picture and photographs, other than trade advertisement materials, commercial catalogues, and pictures, designs and photographs. |
| Animal By Products / Osse in & Gelatin | Gelatin, Osse in and bones treated with acid. |
| Graphite, Explosives & Accessories | Electrodes of a kind used for furnaces, Artificial graphite, Artificial graphite, colloidal or semi-colloidal graphite-other, Prepared explosives, other than propellant powders. |
| Miscellaneous products | Matches other than fireworks, Activated carbon, Mineral or chemical fertilizers, potassic - other, Ammonium nitrate, whether or not in aqueous solution. |

Market Strategy

A market diversification strategy based on the changing dynamics of growth in the world economy is necessary to ensure sustained growth of exports of Chemical based Allied

Products. The demand in the traditional markets of the developed western world, North America and Europe, is projected to be relatively sluggish due to slowing output expansion in these economies. Therefore, the core of the market strategy must therefore

be retain presence and market share in our traditional markets, move up the value chain in providing products in these old developed

country markets; and open up new vistas, both in terms of markets and new products in these new markets.

Table-5.16
VITAL MARKETS FOR UNDERTAKING EXPORT PROMOTION ACTIVITIES

| Name of the Panel | Regions/Country |
|---|--|
| Granite, Natural Stones & Products | China, Italy, Singapore, UK, Taipei, Spain, Poland, France, Belgium, Germany |
| Processed Minerals | Canada, Russia, USA, China, Norway, South Africa, Iceland, Germany, Netherland, Japan, France, Italy |
| Bulk Minerals and Ores | China, Japan, Korea, Germany, Taiwan, Italy, France, Saudi Arabia Arabia, UK, Netherlands |
| Rubber Products | China, Germany, USA, France, Romania, Poland, Spain, Luxembourg, UK, Canada |
| Auto Tyres and Tubes | USA, Brazil, Nigeria, Germany, Japan, UAE, France |
| Paints, Printing ink & allied products | Germany, France, Netherland, UK, Spain, China, Italy, USA, Austria, Belgium |
| Glass and Glassware | USA, France, Italy, Spain, Belgium, Germany, UK, Canada |
| Ceramics & Allied products incl. Refractories | USA, Germany, France, UK, Japan, Russia, Korea, Italy |
| Plywood and allied products | USA, China, Japan, UK, Italy, Germany, France, Egypt |
| Cement, Clinkers & Asbestos Cement products | USA, France, Netherland, Sri Lanka, Ghana, Iraq, Singapore |
| Paper, Paper Board & Paper products | USA, Germany, UK, France, Italy, Netherland, Belgium, Japan |
| Books/Publications & Printing | USA, UK, Canada, France, Germany, Hong Kong, Switzerland |
| Animal By products/ Ossein & Gelatin | Japan, Belgium, UK, Netherland, Germany, France, USA |
| Graphite, Explosives & Accessories | USA, Iceland, Russia, China, Canada, Korea, Norway, Germany, Turkey, Italy, Kazakhstan |
| Miscellaneous products | Germany, Ukraine, Nigeria, France, Kazakhstan, Belgium |

G. Shellac and Forest Products Export Promotion Council (SHEFEXIL)

Table-5.17
Export Performance of Shefexil for the Period FY 2013-14 and as on April, 2014

| Panel | 2009-10 | 2010-11 | 2011-12 | April 12- March 2013 | April 13- March 2014 (P) | % Growth | Projected Export 2013-14 |
|---------------------------------------|----------|----------|----------|----------------------------|--------------------------------|----------|--------------------------------|
| Vegetable Saps & Extracts | 310.87 | 407.21 | 661.36 | 947.11 | 834.97 | -11.84% | 1,009.52 |
| Guar Gum | 239.15 | 621.29 | 3,354.82 | 3919.24 | 2028.75 | -48.24% | 4,156.85 |
| Sesame Seeds | 315.28 | 483.97 | 553.25 | 528.08 | 592.49 | 12.20% | 562.56 |
| Plant and Plant portions | 116.74 | 141.1 | 173.25 | 225.52 | 215.77 | -4.32% | 246.42 |
| Fixed vegetable oil, cake & others | 60.01 | 49.63 | 60.79 | 60.39 | 51.34 | -14.99% | 64.25 |
| Shellac & Lac Based Products | 23.22 | 46.63 | 6.13 | 19.14 | 17.81 | -6.95% | 93.79 |
| Other Vegetable Materials | 50.35 | 70.8 | 51.95 | 60 | 57.84 | -3.60% | 63.72 |
| Niger Seeds | 5.11 | 9.05 | 24.83 | 16.55 | 18.87 | 14.02% | 17.6 |
| Total | 1,120.72 | 1,829.69 | 4,886.38 | 5776.03 | 3817.84 | -33.902 | 6,214.71 |

H. Sports Goods Export Promotion Council (SGEPC)

The Sports Goods Export Promotion Council (SGEPC) was established in the year 1958 with an objective to promote the exports of Sports Goods & Toys. The Council represents leading manufacturers and exporters of sports goods and toys in India.

During 2013-14, the total exports of sports goods and toys is US \$ 256.02 million (provisional), an increase of 19.10% over exports of US \$ 214.95 million in the year 2012-13. The top items of exports during 2013-14 were Inflatable Balls, Cricket Bats, General Exercise Equipment, Sports Nets and Protective Equipment for Cricket. The contribution of top 5 items in the total export of sports goods from this sector was 54 %. The top three countries of exports are UK, Australia and USA.

Sports Goods & Toys continue to be focus products under Foreign Trade Policy. The MDA and MAI schemes provide financial assistance to the Council to encourage exporters to reach unchartered territories. The ceiling for amount reimbursement to exporters has also been enhanced. Both the Sports Goods & Toys sectors are eligible for duty credit scrip of 7% under Focus Product scheme. Few essential items for manufacturing of Sports goods are also available under duty free import scheme, which allows duty free import of these inputs up to 3% of FOB value of exports.

Participation in promotional activities during 2013-14:

1. Buyer Seller Meet in Chile and Brazil (18th- 22nd, Nov 2013)
2. Hongkong Toys and Games Fair, Hongkong (6th – 9th Jan, 2014)

3. ISPO Munich, Germany (26th- 29th Jan, 2014)
4. Spielwarenmesse International Toy Fair (29th Jan- 3rd Feb, 2014)

I. Engineering Export Promotion

EEPC INDIA

Established in 1955, EEPC INDIA (formerly Engineering Export Promotion Council), is a Government of India sponsored nodal organisation for the promotion of exports of engineering goods, projects and services from India. Over the last five decades, EEPC India has grown to be the largest Export Promotion Council, with membership strength of nearly 13,000 Indian firms, covering the entire spectrum of engineering industry consisting of large Corporate Houses, Small and Medium Enterprises and Trading & Manufacturing Companies. EEPC India is the first export promotion organisation in India to have received ISO 9002 certification. It is also the first organisation in India to have achieved ISO 9001:2008 certification for designing and organising exclusive engineering exhibitions abroad.

The share of engineering sector to total merchandise exports from India has also gone up to nearly 21%, making it the highest net foreign exchange earner of the country. Since inception, EEPC India has also played a pivotal role in transforming the profile of Indian engineering exports from a supplier of low value items to developing nations, to a vibrant exporting nation with more than 33% in the product-mix accounting for capital goods and machinery and the developed nations accounting for almost 35% of total exports.

EEPC India also provides a host of services to overseas buyers at free of cost so as to facilitate their procurement of goods from India. EEPC acts as a dynamic vehicle and link between Indian exporters and foreign buyers and facilitate for activities like identifying suitable suppliers in India, conforming to buyers needs, arranging visits of overseas buyers, facilitating exploratory missions and delegations to India, providing supplier's profile, assisting in establishing collaborations for the third country exports, creating awareness amongst overseas buyers on Indian's technical expertise and supply capability, acquainting overseas buyers with business climate and policies prevailing in India, helping in amicable settlement of trade disputes and removing operational constraints, etc.

Export Promotion Programmes of EEPC

EEPC India provides multifarious services to both, Indian exporters, and overseas buyers. Each year EEPC India consciously plans its calendar of export promotion events, which include (i) Exclusive Indian Engineering Exhibitions abroad (ii) Participation in major Trade and Engineering Exhibitions worldwide (iii) Buyer Seller Meets in India and abroad (iv) Inviting/Fielding Trade Delegations (v) Catalogue Shows Overseas (vi) Market Surveys/Market specific Seminars (vii) Product specific Conference/Workshop (viii) Exhaustive Mailing Campaign. The Indian Engineering Sourcing Show (IESS) was launched in 2013 as a premium show and announcing to the international market to the ability and growth of Indian engineering industry to showcase the Indian products/services. The vast number of participants

in IESS 2013 and 2014 has established the credentials of India as a sourcing country for engineering sector.

Engineering Export Scenario

During the last five years, engineering exports have achieved a Compound Annual Growth Rate (CAGR) of 12%. India's exports of engineering goods grew at 25.2% (CAGR) during 2000-01 to 2007-08. In 2008-09, the growth moderated to 18.7% and in 2009-10 it declined by 19.6% because of global recession, with its share in total exports falling to 18.2%. Engineering exports touched USD 49.8 billion in 2010-11 recording growth of over 50% over 2009-10 and further to US 58.22 in 2011-12 with a growth rate of 16.88% from 2010-11. Over the years, the scenario has completely changed and as of date, about **34% of the total engineering exports are made to developed countries.**

After relatively a slowdown of export, the engineering sector started bouncing back from the second quarter of 2013-14 and this continued in the first month of the third quarter, with a growth rate of 35.65%. The absolute value of Engineering exports during 2013-14 was USD 62.26 billion over USD 56.82 billion recorded in 2012-13. The positive boom in the growth rate of export of engineering goods were attributed to low base effect, depreciation of rupee besides remedial measures taken by the Government.

The panels which registered a high growth rate of exports during 2013-14 vis-à-vis 2012-13 were Iron and Steel (13.50%), Aluminium and products of Aluminium (19.01%), Lead and products made of Lead (65.34%), Tin

and products made of Tin (2281.60%), Nuclear Reactors (8.09%), Pumps of all types (21.72%), Industrial Machinery (10.60%), Electrical Machinery & equipments ((9.46%), Two and Three Wheelers (13.09%), Aircrafts and Spacecraft (142.21%), Railway Transport(37.65%) and Bicycle and parts(14.39%) and other miscellaneous item (18.23%).

In order to boost the growth rate, the Department of Commerce take initiatives for understanding the reasons on the major engineering panels especially those whose growth is stagnant/negative and the domestic policies analysed to study intervention required for a sector. The Department interacted with the industry/associations and the nodal Departments concerned, like the Ministry of Steel, Department of Heavy Industry, Ministry of Shipping, Ministry of Mines, etc seeking intervention for promoting exports. During 2013-14, the Department through EEPC initiated special strategies for boosting exports in the sectors of Medical Devices & Pharma Machinery and Defence & Security Products/Services.

Brand Promotion Campaign of the Engineering goods

To sustain and accelerate the growth rate of engineering exports, the Department has initiated a strategic brand promotion of engineering goods in coordination with IBEF and EEPC. Since the Engineering Sector is having a large span of products, covering nearly 40 panels, selection of one or two suitable panels is under consideration of the Department.

j. Services Export Promotion Council

Services Export Promotion Council (SEPC) is an apex trade body set by the Ministry of Commerce & Industry, Government of India, to assist service exporters and to promote, encourage and provide guidance to the Services Export Sector. SEPC has completed 7 years of its existence and has acquired a strong membership base of more than 1900 members from 14 service sectors which come under its purview. The management of SEPC vests with the Central Governing Council.

Role of Service Sector in growth of India

The services sector of India contributes more than 60% to the country's gross domestic product (GDP). It has emerged as a prominent sector in terms of its contribution to national and states' incomes, trade flows, FDI inflows and employment. Services exports expanded at 2.35% to \$145.67 billion in 2012-13 compared to a contraction of 1.03% in merchandise exports to \$306.58 billion. In 2013-14 till September, the export of Commercial Services from India has been of a value of \$ 75.53 Billion which is almost 11% higher as compared to the corresponding period during the last financial year.

Table-5.18
India's Service Exports

US\$ billion

| Sector | 2013-14 April-Dec (P) | 2012-13 (P) | 2011-12 (P) | 2010-11 (PR) | 2009-10 (R) | 2008-09 (R) | 2007-08 (R) |
|------------------------|-----------------------------|----------------|----------------|-----------------|----------------|----------------|----------------|
| Services Exports | 110.83 | 145.67 | 142.32 | 132.88 | 96.04 | 105.96 | 90.34 |
| Travel | 12.90 | 17.99 | 18.46 | 15.27 | 11.85 | 10.89 | 11.34 |
| Transportation | 12.40 | 17.33 | 18.24 | 14.2 | 11.17 | 11.31 | 10.01 |
| Insurance | 1.54 | 2.22 | 2.63 | 1.94 | 1.59 | 1.42 | 1.63 |
| G.n.i.e* | 0.33 | 0.57 | 0.47 | 0.53 | 0.44 | 0.38 | 0.33 |
| Misc. (Total) | 83.64 | 107.54 | 102.51 | 100.85 | 70.97 | 81.94 | 67.01 |
| Software Services | 50.94 | 65.86 | 62.21 | 55.46 | 49.70 | 46.30 | 40.30 |
| Business Services | 21.62 | 28.44 | 25.91 | 24.05 | 11.32 | 18.60 | 16.77 |
| Financial Services | 5.28 | 4.94 | 5.96 | 6.50 | 3.69 | 4.42 | 3.21 |
| Communication Services | 1.72 | 1.68 | 1.60 | 1.56 | 1.22 | 2.29 | 2.40 |

Performance of India's Services Exports

Membership status of SEPC

As on March, 2014, SEPC has membership base of more than 1950 professionals and

professionally managed corporate spread across various service sectors throughout the country. SEPC has been mandated to promote export of Services in the following sectors:

Table-5.19

| | |
|--|--|
| Health care Services including services by nurses, physiotherapist and paramedical personnel | Marketing Research and public opinion polling services/management Services |
| Entertainment Services including audio-visual Services | Accounting/Auditing and Book Keeping Services |
| Educational Services | Advertising Services |
| Environmental Services | Consultancy Services |
| Architectural Services and related Services | Printing and Publishing Services |
| Distribution Services | Legal Services |
| Maritime Transport Services | Hotel and Tourism Related Services |

Almost 220 new members have registered themselves with SEPC during the financial year 2013-14.

Activities performed by SEPC in FY 2013-14

- SEPC participated in Annual General Meeting and National Conference 2013 – “India of Tomorrow: Imperatives of Growth, Security and Governance, organized by Confederation of Indian Industry (CII) held on 9th April, 2013.
- SEPC participated in as Co-sponsor in Hospitality Development Summit 2013 held on 4th and 5th July, 2013 in Mumbai at ITC Maratha Hotel
- SEPC participated in Round Table Conclave on Practical Aspects of Sustainability Reporting held on 10.07.2013 at, New Delhi.
- In an endeavor to update SEPC members with the developments of services sector, and to keep in touch with them, SEPC launch inaugural edition of its newsletter christened as “VISTAAR”, which means expansion. This name ties in very well with the agenda of SEPC of providing growth and expansion for members.
- SEPC participated in seminar on “Need for Effective International Arbitration” organized by ICC India and ICC International Court of Arbitration held on 11th September, 2013 at New Delhi.
- SEPC participated in 4th edition of “IMTD 2013” an International Exhibition and Conference on Medical Tourism & Wellness organized by India’s High commission to Nigeria, in association with Indian Ministry of Tourism and Federation of Indian Chambers of Commerce & Industry (FICCI). The event was followed by one day B-2-B seminar held on 23rd September, 2013 at Abuja and two days of exhibition is held at Lagos on 25th & 26th, September 2013.
- SEPC participated in conference on Dispute Resolution organized by Confederation of India Industry (CII) held on 19th October, 2013 at New Delhi.
- SEPC participated in World Travel Market (WTM), London held on 4th November, 2013 to 7th November, 2013 at Excel, London.

- SE PC participated in Services Conclave held on 12th -13th November, 2013 organized by Department of Commerce, Government of India in collaboration with the Confederation of Indian Industry (CII) with support from the Federation of Indian Export Organizations (FIEO) and Centre for WTO Studies (CWTOS). The said Services Conclave was organized to understand the opportunities and challenges faced by the service industry.
- SEPC participated as “Silver Partner” in Fourth Biennial Conference of the Asian Society for International Law (ASIL) organized by Indian Society of International Law (ISIL) held on 14-16 November, 2013 at India Habitat Centre, New Delhi.
- SEPC participated as “Principle Partner” in Indo-US Resurgence Summit held on 02.12.2013 at New Delhi.
- SEPC participated in Civil Aviation Development Summit 2013 (CADS 2013) held on 5th -6th December, 2013 at New Delhi.
- SEPC participated in Seminar on Labour and Employment issues in Corporates – The Story Continues held on 17.12.2013 at PHD House, New Delhi.
- Participation of SEPC as Principal Sponsor of conference being jointly organized by American Bar Association (ABA) – Society of Indian Law Firms Conference (SLIF) and Services Export Promotion Council (SEPC) – Threading the Needle in US India Deals in Services: Safe Passage Through Formidable Risks scheduled to be held on February, 13-15, 2014 at Hyatt Regency Hotel, New Delhi.
- Participation of SEPC as Gold Sponsor in National Moot Court Competition 2014 organized by School of Law, AURO University at earthspace, Hazira Road, ONGC, Surat, Gujarat from 21-23 February, 2014.

Formation of Core Groups

In order to drive service sector specific agenda, SEPC constituted Core Groups for various service sectors during 2013-14. Core Groups were constituted for Healthcare Services, Hotel and Tourism related Services, Educational Services, Maritime Transport Services, Entertainment Services, Distribution Services and Consultancy Services to help identify various opportunities and challenges in target markets for boosting exports. Core Groups are expected to have an important role in identification of such challenges and opportunities for FTA's to be entered into by the Government with India's partner countries.

Benefits of getting Registered through RCMC with SEPC:

- To find new markets for export of services.
- Obtain assistance under various Export Promotion Schemes under the extant Foreign Trade Policy.
- Obtain export incentives & import licenses.
- Participate in seminars/exhibitions/ Buyer-Seller meets on national and international level.
- Helps registered exporters get a platform for raising issues of concern with Government bodies.

K. Pharmaceutical Export Promotion Council (PHARMEXCIL)

Indian Pharma, a highly knowledge based industry, is growing steadily and playing a major role in the Indian economy. India's Pharmaceuticals manufacturing picked up momentum in 1970's from Various Drug Policies of the government emphasizing on domestic manufacturing sector where indigenous technology was encouraged. The country soon became not only self sufficient but also an exporter. India's pharmaceutical industry is highly developed and sourced its own bulk drugs & intermediates for most of its formulations earlier but not it has to import large percentage of its API needs from China.

During 2013-14, exports of Drugs & Pharmaceuticals have occupied Fifth place in the exported principal commodity of the country accounting for 4.8% of India's total exports. Exports of Drugs & Pharmaceuticals 2013-14 stood at USD 15.44 billion recording a CAGR 13.47 % over the corresponding period of five year.

India plays a major role in supply of API's, and also drug intermediates, at global level. India exports bulk drugs to over 200 countries and to many of them(62), the export of Bulk Drugs / Intermediates is over USD 10 Million per annum (for each country). If the industry is able to retain its efficiency and innovativeness in terms of cost and continues to produce the quality, being produced now, India's exports may grow considerably.

India is considered as Global Pharmacy of generic drugs and has distinction of providing quality health care at affordable cost. India has proven international quality standard

capabilities as measured by number of ANDA approvals, DMF filings, USFDA / UK MHRA approved manufacturing facilities / bio equivalence centers, which are considered as key indicators to measure the capabilities of any national pharma sector. India exports APIs, intermediates, Pharmaceutical formulations, bio-pharmaceuticals, Clinical Services, medical devices, surgical, herbals, Nutraceuticals, Ayurvedia, Homeo, Unani products, veterinary drugs etc. to almost 220 countries in the world.

India's role in global anti-retroviral revolution is recognized world over. HIV treatment for patients in Africa and parts of Asia was revolutionized by India in 2001 producing three-in-one HIV / AIDS treatment.

Keeping in view the importance of the Pharma exports from India and also the commitment of the GoI to the Industry, Brand Pharma Mission was launched in March 2012.

Salient features of export trends:

- 4th in the world in terms of production volumes
- 13th in domestic consumption
- 17th in terms of export value of bulk actives and dosage forms
- Over 50% exports of India are to highly regulated markets.
- USA (33%) the largest exports destination followed by EU (25%)
- Largest exporter of formulations in terms of volume with 14% market share.

With many products going off patent, a huge market opportunity is emerging for Indian manufacturers to tap. Further, the prospects of India as outsourcing destination for CRAMS, Clinical research, biotechnology,

bio-informatics etc is emerging stronger due to skill, cost and delivery advantages.

Trace & Track mechanism

To thwart attempts to malign the image of Indian Pharma and brand its products as spurious or fake. It was in this context that Department of Commerce took the initiative of proposing technological solutions for tracing and tracking the 'Made in India' drugs in the global market. Extensive consultations were held with the industry, concerned departments and it was decided that trace and track features need to be incorporated on all medicinal products being manufactured and exported from India as a measure to build better image and credibility of Indian pharma products.

Trace and track features for the time being based on GS1 global standards was decided to be mandated in 2011 as these are widely used all across the globe in tracing and tracking various products. Bar code or digital mass serialisation/unique numbers with GS1 global standards was mandated on all drugs consignments exported from India vide our Public Notice No. 59 dated 30th June, 2011. Adoption of trace and track features was prescribed in stages starting from tertiary level packaging. The mandate for tertiary level packaging came into effect from 1st October 2011 and secondary level packaging implemented from 1st January 2013. For Primary level packaging, it will be enforced in effect shortly, after being deferred from original date of 1st July, 2014.

Department is also proposing to introducing a system for authentication of this solution for exports, and is constant interacting with DHFW for working out a common technology for domestic sales and exports.

Brand Pharma campaign:

Campaign launched in 2011-12 and indicated the success factor of pharma industry as the basis for continued efforts to do branding. DoC is working out a common platform for DoC/ DoP and DHFW to get together and administer a pledge on "we are responsible" message for Indian Pharma products. IBEF has been authorized to work out a plan of action for kicking of a sustained campaign for a period of two years on theme basis. The website of CDSCO, the regulatory authority is also suitable being revamped for outsiders to access and register their issues with their imports.

Reducing reliability on import of APIs:

It is estimated that during FY-13 India has produced USD 8.8-9.0 billion worth of APIs and drug intermediates. India's requirement of API / intermediates is around USD 12.3 – 12.5 billion. The deficit of USD 3.5 billion (12.5 – 9.0) has been substituted by imports. The trend showed between 57 – 60% of imports was from China. Such imports play a major role in our domestic health care industry and an equally important role in the exports of Bulk Drugs & Formulations. Taking such factors into consideration, on the initiative of the DoC the PMO set up a Task Force in October 2013 for finding solutions to this issue under the chairmanship of Secretary, Department of Health Research.

Complying with EU directive for APIs

European Union issued a new Directive/2011/62/EC dated 8th June 2011 amending earlier Directive 2001/83/EC. The stated objective of this Directive was

to lay down a community code relating to medicinal products for human use and to ensure that the defective products do not reach consumers. The Directive laid down a system of control over the entire supply chain for pharmaceuticals. It controls manufacture and import to marketing, wholesale and retail distribution. The said directive was made to be operational from 2nd July 2013. The new legislation came into force from 02.07.2013 that the API has been manufactured in accordance with EU-GMP standards and that the Manufacturing Facility where the API was manufactured is subject prescribed to control and enforcement of GMP standards and is equivalent to those in the EU countries.

A protocol for the procedure to be complied by the India API Exporters was also laid down by the CDSCO and EU expressed its appreciation of the compliance made in India in this regard in time.

Long term finance to pharma companies

One of the recommendations made by the Task Force set up by the department to find financial solutions for the pharma sector exports, was to provide a long term special finance for pharma companies. EXIM Bank has formulated such a scheme in July 2013. The scheme proposes to assist export oriented Indian pharma companies with long term loans having extended repayment period of 10 years including moratorium of upto 36 months to help them set up USFDA complaint plants.

Major Export promotional activities undertaken in 2012-13:

Major activities undertaken by Pharmexcil in 2012-13 for the promotion pharma exports are given below:

IPHEX 2013:

IPHEX – a new initiative of Pharmexcil began in 2013 at the instance of DoC. The exhibition is being promoted as the biggest networking event for pharma sector which will bring pharma and health care sector under one umbrella. This was organized by Pharmexcil during April 24 -26, 2013 in Mumbai. IPHEX 2013 provided a tremendous impetus to Pharma companies from India and many overseas buyers and regulators participated and appreciated the India Pharma supply capabilities. The event has since been made an annual exercise and is expected to many of the smaller players in the country to provide boost and highlight India's export capabilities.

Visit to Ukraine and Azerbaijan

Pharma export to Ukarain was going down. The Ukrainian authorities have notified that they would register medicines exported from countries which are members of PICS only. In case of medicines which are to be imported from other countries, like India (who is not a member of PICS), product registrations would be granted based on actual inspection by Ukrainian authorities and full analytical testing of imported medicines, consignment-wise. Because of this and several representatives of Indian pharma companies working in Kyiv (Ukraine) have requested Pharmexcil to take immediate measures for improving the situation. Council took up the issue and arranged for signing of MOU between Ukraine FDA and DCGI.

Expo-BSM in Arogya, Sri Lanka – 17-19th August 2012

For the first time, Council organized Expo-cum-BSM in Sri Lanka along with 'Arogya' which was organized by Government of Sri

Lanka. Over 200 pharma buyers visited and had business discussions with the exhibitors. Just before the above event, Hon'ble Minister for Commerce & Industry, Govt. of India visited Sri Lanka, who assured the Sri Lankan Government all help from India in setting up Industrial Parks in Sri Lanka. Subsequently, a Task Force was formed, where Executive Director is one of the members. In meetings held with Ministry of Industries/Health to explore the possibilities of setting up Pharma Industrial Parks in Sri Lanka. Government of Sri Lanka is very keen to set up Industrial Parks in association with Govt. of India.

India – Asia Pacific Pharma Business Meet:

82 delegates from 68 pharma companies from 14 Asia Pacific countries attended the Business Meet and over 270 Indian delegates participated and had fruitful business discussions.

Export & Patent Awards:

Council conferred Export & Patent Awards to over 60 deserving member companies

Trade delegation to Iran

Considering the importance of export of Drugs & Pharmaceuticals to Iran to balance trade deficit between Iran and India and also special facility available to realize the export proceeds in Indian Rupees, Council organized a trade delegation to Iran to promote export of drugs in Iran. Indian embassy in Iran and local Chamber of Commerce had extended co-operation in organizing Business Meetings and meetings with Drug Regulatory authorities.

BSM/Expo at Algeria & Nigeria

Algeria is the 2nd largest market for drugs & pharmaceuticals after South Africa in Africa

Region. In order to enhance India's share in Algeria's imports, Council for the first time organized a trade delegation. 56 companies participated in the event. 120 Algerian delegates attended and interacted with Indian companies. Immediately after business meetings in Algeria, Council organized Expo-cum-BSM in Nigeria. Over 800 Nigerian companies visited the Expo.

Other initiatives

- Taking into account of instances of increased complaints being reported on Indian drugs exported, DoC has initiated the process for developing a protocol for receiving and acting on such complaints in a time bound manner. This is expected to discourage vested interests abroad throwing mud at the quality aspects without supporting evidence etc.
- Special strategy for enhancing exports in medical devices initiated. Meetings held with industry members and EEPC the lead agency in export of medical devices assigned the task of working out strategy for boosting export of medical devices. EEPC has submitted report in December 2013.
- For Vaccines, meeting held with industry members and Pharmexcil assigned the task of formulating a report for taking the matter forward.
- Export growth to various regions has been identified and North America and Africa along with other areas are being targeted.
- Brand India – CPhI WW and IPHEX As part of Brand India Pharma project, Council participated in CPhI Worldwide, and also held in Frankfurt in October 2013 in a big way. As a further step, Council organized

its own expo IPHEX during 24-26th April 2013. With the help of Department of Commerce, over 550 prominent buyers / drug regulators / journalists from various countries were invited and organized one-to-one meeting. Over 200 Indian companies exhibited in the maiden Expo. MOUs with Pharma Associations of various countries also entered during IPHEX

- WHIE, Warsaw, Poland With a view to help members to explore the markets in East Europe, Council participated in WHIE expo for the first time.
- **Knowledge Exchange Programme** As a further step to create confidence among drug regulators of various countries, a unique programme “Knowledge Exchange Programme’ was devised with the help of department of Commerce. Under this programme, Council invited drug regulators from Kenya and Egypt. During their visits, Council organized interactive meetings with Indian Drug regulators, Indian Pharma companies and also organized visits to Plants.
- To ensure participation of all stakeholders of Indian Pharma industry and also to make Pharmexcil a forum to represent

Indian Pharma Industry, Department of Commerce took initiatives to broaden the Committee of Administration Council. Accordingly, members of Council approved amendments to Articles, required as per the notification issued by Government. The present Committee consists of 16 elected members (small & big companies), four Government nominees from the departments of Commerce, Pharmaceuticals, Health and Science & Technology, Presidents of five major pharma associations.

- Interactions being regularly held with the Nodal Departments for Pharma like Department of Health, DCGI, DoP etc. to strengthen manufacturing and regulatory support for the industry.
- To address specific issues of the Pharma exports, by revising the guidelines under MAI Scheme to support the industry including high regulatory costs abroad.
- Capital subsidy funding for MSME Units for pharma units being worked out in consultation with Ministry of MSME.
- Exporters constantly encouraged to actively participate in the prestigious trade fairs and exhibitions abroad and in India.