

## **A BRIEF HISTORY OF THE DEPARTMENT OF COMMERCE**

A separate Department of Commerce was first created in the Government of India in 1921. Earlier, the subject under the Department were dealt with by the Department of Commerce and Industry (set-up in 1905). In 1937, when the Department of Industries and Labour was bifurcated into the Department of Communications and the Department of Labour, the Department of Commerce also took over certain subjects pertaining to Industries. These subjects were, however, transferred in 1943 to the newly created Department of Industries and Civil Supplies.

2. After independence, the Department of Commerce was redesignated as the Ministry of Commerce and was placed along with the Ministry of Industries and Supplies under the charge of a Cabinet Minister. The two Ministries were amalgamated in February, 1951 to form the Ministry of Commerce and Industry. This arrangement continued for about five years when in September, 1956, the Ministry of Commerce and Industry was split into two separate Ministries, viz. the Ministry of Commerce and Consumer Industries and the Ministry of Heavy Industries. The two Ministries were again merged in April, 1957 to form the Ministry of Commerce and Industry. The new Ministry also took over the work connected with most of the public undertakings previously dealt with in the Ministry of Production, which was abolished in 1957. In 1958, the Department of Company Law Administration was transferred from the Ministry of Finance to the Ministry of Commerce and Industry which was subsequently reorganised into three Departments, viz. Industry, Commerce and Company Law Administration.

3. With the formation of new Central Cabinet in April, 1962, some of the Ministries of Government of India were reorganised. The subject 'Heavy Industries' was taken away from the Ministry of Commerce and Industry and the Ministry was reconstituted into the following three Departments:

- i) Department of International Trade;
- ii) Department of Industry; and
- iii) Department of Company Law Administration.

4. In July, 1963, the Ministry of Commerce and Industry was bifurcated into the Ministry of International Trade and the Ministry of Industry (Department of Industry and Department of Company Law Administration). The Ministry of International Trade took over all subjects under the Department of International Trade. In June, 1964, the Ministry was redesignated as Ministry of Commerce.

5. In February, 1969, the Ministry's designation was changed as 'Ministry of Foreign Trade and Supply' with two Departments, namely:

- i) Department of Foreign Trade; and
- ii) Department of Supply.

6. In November, 1969, the Department of Supply was separated and the Department of Foreign Trade was redesignated as Ministry of Foreign Trade.

7. In February, 1973, the Ministry was again redesignated as Ministry of Commerce and the Department of Internal Trade added to it. The Ministry had two Departments under its control at that time, namely-

- i) Department of Foreign Trade; and
- ii) Department of Internal Trade.

8. In January, 1974, the Department of Foreign Trade under the Ministry of Commerce was bifurcated into two separate Department, namely-

- i) Department of Foreign Trade; and

- ii) Department of Export Production.

The third Department viz., the Department of Internal Trade remained unchanged.

9. In accordance with the change in the Government of India (Allocation of Business) Rules, made effective from 11th October, 1974, the Department of Internal Trade which was a part of this Ministry was transferred to the charge of reorganised Ministry of Industry and Civil Supplies consequently structuring the Ministry consisting of the following two Departments:-

- i) Department of Foreign Trade; and
- ii) Department of Export Production.

10. In March, 1976, this Ministry was further reorganised and one more Department, namely, the Department of Textiles was added to the charge of this Ministry. In pursuance of a further change to the Government of India (Allocation of Business) Rules, in June, 1977, this Ministry consisting of three Departments at that time was restructured as a single organisational entity as Ministry of Commerce with a Department of Textiles within the Ministry.

11. Consequent upon further change to the Government of India (Allocation of Business) Rules, in November, 1977, all functions being dealt with in the Department of Textiles were transferred to the charge of Ministry of Industry (Department of Industrial Development) and from out of textile items, only the export activities in respect of textiles, jute, handicrafts etc. remained under the charge of this Ministry.

12. As a result of change in the Government of India (Allocation of Business) Rules made effective from 9th February, 1978 this Ministry was reorganised with the nomenclature "Ministry of Commerce, Civil Supplies and Cooperation" consisting of the following two Departments:-

- i) Department of Commerce; and
- ii) Department of Civil Supplies & Cooperation.

13. As mentioned in para 11 above, the work relating to the Textile Industry, with the exception of exports, continued to remain under the charge of the Department of Industrial Development till a full-fledged Department of "Textiles was revived in April, 1980 in the Ministry of Commerce. In accordance with the Government of India (allocation of Business - 141st Amendment) Rules, dated 24th April, 1980, the work relating to the development of textile industry was retransferred from the Ministry of Industry to the newly created Department of Textiles in the Ministry of Commerce and the organisational structure of this Ministry at that time consisted of the following three departments:

- i) Department of Commerce;
- ii) Department of Civil Supplies; and
- iii) Department of Textiles.

14. In July, 1980, the erstwhile Ministry of Commerce and Civil Supplies was further restructured organisationally vide Government of India (Allocation of Business - 144th Amendment) Rules, with the nomenclature of "Ministry of Commerce" consisting of the following two Departments:

- i) Department of Commerce; and
- ii) Department of Textiles.

15. In accordance with the change in the Government of India (Allocation of Business) Rules, made effective from 4th January, 1985, the Department of Supply was also brought under this Ministry. The Ministry of Commerce then comprised of the following three Departments:-

- i) Department of Commerce;
- ii) Department of Textiles, and

iii) Department of Supply.

16. In accordance with the change in the Government of India (Allocation of Business) Rules made effective from 15th November, 1985, an independent Ministry of Textiles was created. The Ministry of Commerce then consisted of the following Departments:

i) Department of Commerce; and

ii) Department of Supply.

17 In accordance with the change in the Government of India (Allocation of Business) Rules made effective from 15<sup>th</sup> October, 1999 this Ministry was reorganised with the nomenclature of "Ministry of Commerce & Industry" consisting of the following four Departments:-

ii) Department of Commerce.

iii) Department of Industrial Development.

iii) Department of Industrial Policy & Promotion.

iv) Department of Supply.

18. In accordance with the change in the Government of India (Allocation of Business) Rules, made effective from 3rd<sup>n</sup> April, 2000 Ministry of Commerce & Industry consisted of the following three Department:-

i) Department of Commerce.

iii) Department of industrial Policy & Promotion.

iii) Department of Supply.

19. In August 2000, the Department of Supply was abolished. The work relating to purchase and inspection of stores for Central Government Ministries/Department, Cadre Management of Indian Supply Service and Indian Inspection Service and administration of DGS&D was placed under the charge of Department of Commerce. With this change the Ministry of Commerce & Industry consisted of the following two Departments:

i) Department of Commerce.

ii) Department of industrial Policy & Promotion.

20. The jobs of the various Divisions presently functioning under the charge of the Department of Commerce are enumerated below:

### **FOREIGN TRADE DIVISION**

Foreign Trade Division consists of the following:

i) International Trade Policy Division.

ii) Foreign Trade Territorial Division.

### **INTERNATIONAL TRADE POLICY DIVISION**

International Trade Policy Division keeps abreast of the developments in the international trade organisations like GATT/WTO, UNCTAD, ESCAP, etc. Matters like promotion of trade cooperation among developing countries, repercussions of India's trade following UK's accession to the EEC, Commonwealth trade, multilateral trade and tariff negotiations are also the responsibility of this Division.

## **FOREIGN TRADE TERRITORIAL DIVISION**

The Foreign Trade Territorial Division looks after the work relating to development of trade with different countries and regions of the world. This Division also handles matters pertaining to state trading and barter deals, organisation of trade fairs and exhibitions, commercial publicity abroad, etc. It also maintains contracts with Indian Trade Missions abroad and attends to the connected administrative work as also the protocol functions.

## **EXPORT PRODUCTION DIVISION**

This Division consists of the following functional Sub-Divisions:

- i) Export Products Division,
- ii) Export Industries Division, and
- iii) Export Services Division.

## **EXPORT PRODUCTS DIVISION**

The main tasks of the Export Products Division is to deal with the problems connected with production for exports in the light of the potentialities in overseas markets and to ensure that imports of capital goods for export-oriented industries are processed on a priority basis.

## **EXPORT INDUSTRIES DIVISION**

The Export Industries Division deals with development and regulation of those industries which have been entrusted to the Department under the Allocation of Business Rules namely, Tea, Coffee, Rubber, Tobacco, Cardamom etc.

## **EXPORT SERVICES DIVISION**

The Export Services Division provides a wide spectrum of services to assist the exporters.