TOWARDS SUSTAINABLE AND LASTING GROWTH

3 YEARS INITIATIVES AND ACHIEVEMENTS OF DEPARTMENT OF COMMERCE (2014-15 TO 2016-17)

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Merchandise exports touched US$ 276.5 billion and rebounded with a growth of 5.44% in 2016-17 after two years of non-positive growth.

Services exports contributed US$ 160.68 billion and imports remained at US$ 95.47 billion, leaving a surplus of US$ 65.21 billion in 2016-17.

Source: DGCIS (for Merchandise) and RBI (for Services)
Total exports rebounded with a growth of 4.95% in 2016-17, despite a negative growth in services.

Total imports registered a positive growth of 2.70% in 2016-17.

Total deficit (Merchandise and Services) reduced from US$ 61.17 billion in 2014-15 to US$ 40.98 billion in 2016-17.
BIG TICKET ITEMS IN INDIA’S EXPORT BASKET

- **Engineering**: 11%
- **Auto & Auto Components**: 5.97%
- **Textiles**: 2.9%
- **Petroleum Products**: 3.4%
- **Marine Products**: 24.1%
- **Gems & Jewellery**: 10.9%
- **Organic & Inorganic Chemicals**: 6.4%

(Growth in 2016-17)
USA was India’s top export market in 2016-17 with exports reaching US$ 42.33 billion, a growth of 4.94%. It was followed by UAE (US$ 31.26 billion) and Hong Kong (US$ 14.16 billion).

China was India’s largest source country for imports in 2016-17 with imports valued at US$ 61.31 billion. It was followed by USA (US$ 22.1 billion) and UAE (US$ 21.47 billion).
LAUNCH OF NEW FOREIGN TRADE POLICY 2015-20

- The Foreign Trade Policy (FTP) 2015-20 was released on April 1, 2015. The Department also released the FTP statement, handbook of procedures, Appendix and Aayat-Niryat forms.
- A mid-term review of the Foreign Trade Policy is underway.

- The Policy introduced two new schemes to replace multiple schemes.
  (a) 'Merchandise Exports from India Scheme' (MEIS) for export of specified goods to specified markets.
  (b) 'Services Exports from India Scheme' (SEIS) for increasing exports of notified services.
- Scrips made transferable and issued for Rs 18,117 crore
- Tariff lines expanded to 7,914
- Rs 23,500 crore provisioned annually.
- Rs. 1,500 crores provisioned annually.
INTEREST EQUALISATION SCHEME (IES)

- IES was launched for a period of five years in 2015.
- Interest equalisation of 3% per annum is available to manufacturer exporters.
- Allocation of Rs 1,100 crore during 2015-16 and Rs 1,000 crore during 2016-17 made.
- IES covers all lines by MSMEs and 416 lines by other manufacturers.

ADVANCE AUTHORISATION

- During 2016-17 duty free import of raw material worth over Rs 2 lakh crore was allowed for exports after value addition.

EXPORT PROMOTION CAPITAL GOODS

- During 2016-17 duty free imports of Capital Goods with duty concession of over Rs 13,469 crore allowed.
**Regional Comprehensive Economic Partnership**: Eighteen rounds of negotiations were done including 2 Intersessional Ministerial rounds. India to host 19th RCEP round in July 2017.

**Agreement on expanded India-Chile PTA signed. Effective date of expanded PTA May 16, 2017.**

**Revised agreement signed on Trade, Commerce and Transit between India and Bhutan on November 12, 2016.**

**Trade Agreement between India and Bangladesh renewed on June 6, 2015.**

**Review of India-Korea CEPA initiated in June 2016.**
TRADE FACILITATION

INDIA AT WTO

- India’s efforts led to a WTO General Council Decision in November 2014, providing a waiver in perpetuity from any challenge relating to acquisition of foodstuffs for public food stockholding programmes.


- The Nairobi Ministerial also reaffirmed the need to negotiate an agricultural special safeguard mechanism for developing countries.

- The WTO Trade Facilitation Agreement was ratified by India on 22 April 2016; provides for faster movement, release and clearance of goods, has entered into force.

- India has piloted a similar initiative in WTO for trade in services.

- Number of mandatory documents required for exports and imports reduced to 3 each for exports and imports.

- Aayat-Niryat forms simplified.

e-IEC (Import/Export Code) launched on April 1, 2016 with simplified format.

Creation of a Project Development Fund (PDF) with a corpus of Rs. 500 crore to catalyse Indian economic presence in Cambodia, Laos, Myanmar, Vietnam (CLMV) countries.

Online complaint resolution system for EDI issues. A dedicated toll free number for grievance resolution.
EXports Facilitation

26 EPCs and FIEO:
- Act as vehicles of trade facilitation
- Interface between exporters and Government
- Responsible for issuing RCMC/Certificates of Origin
- Devising commodity specific exports strategy.

India-based mega shows for champion sectors:
- Health and pharma
- Textiles
- Ayush
- Services
- Food and agriculture
- Tourism
- Foreign events:
- Country-product matrix for each territorial grouping of countries

Reform of EPC’s:
- Mandatory elections and fixed tenures for heads.
**BRICS Trade Fair, October, 2016**
India organised the 1st BRICS Trade Fair with participation from 397 exhibitors and 14,612 business representatives.

**India-Africa Trade Relations**
- 4th India-Africa Trade Ministers’ meeting organised on October 23, 2015 at New Delhi.
- 12th CII-EXIM Bank Conclave on India Africa Project Partnership held in New Delhi during March 9-10, 2017.
- Conclave drew participation of over 450 delegates from 37 countries. 472 projects worth US$ 70 billion were discussed.

**INNOPROM 2016**
India was Partner Country at Innoprom 2016, the largest Industrial Trade Fair in Russia held annually in Yekaterinburg during July 11-14, 2016. 117 Indian companies participated.

**Advantage Health Care India**
- The second edition of Advantage Health Care India 2016 (AHCI-2016), an International Summit on Medical Value travel, held on October 3-5, 2016.
- AHCI-2016 brought together stakeholders from 67 countries.
TRADE INFRASTRUCTURE
PRAGATI MAIDAN REDEVELOPMENT

Iconic convention centre with capacity of 7,000 pax, including a plenary hall for 3,000 pax planned.

Modern international standard exhibition facilities totalling 1.4 lakh sq m. to be provided.

Basement parking for 4,800 vehicles envisaged.

Redevelopment to include a comprehensive Traffic Intervention providing an underground tunnel through Pragati Maidan to decongest traffic around IECC.

Government approved redevelopment of Pragati Maidan with state-of-the-art Integrated Exhibition-cum-Convention Centre (IECC).
As per 14th Finance Commission recommendations, tax devolution to states increased from 32% to 42%.

Due to the additional devolution to States, as per the 14th Finance Commission Award, the ASIDE Scheme has since been delinked from the support of the Centre.

To support the states in the endeavor to create export infrastructure, a new scheme “Trade Infrastructure for Export Scheme“ (TIES) was launched in 2017-18.

This will provide financial support for infrastructure projects with overwhelming export linkages.

A Scheme for setting up of 13 Common Facility Centers (CFCs) for Gem & Jewellery sector to make state-of-the-art equipment and technological advancement available to SME units to increase their productivity and yield was launched.
TRADE INFRASTRUCTURE IN BORDER AREAS

- **BORDER HAATS**
  - India established two new Border Haats in Tripura across the border with Bangladesh besides the existing two in Meghalaya.
  - Six more Border Haats proposed - two in Tripura & four in Meghalaya.
  - The revised MoU for establishment of Border Haats across India-Bangladesh border signed on April 8, 2017.

- **BORDER TRADE MART**
  - Border Trade Mart established at Sherathang, Nathula (Sikkim) with support under ASIDE Scheme.
As announced in FTP 2015-20, a Council for Trade Development & Promotion constituted for States to articulate their perspective on the Trade Policy. Union Commerce Minister Chairs and all State Ministers are members.

States Covered: Madhya Pradesh, Maharashtra, Tamil Nadu, Gujarat, Northeast, Andhra Pradesh, Telangana, Odisha, Rajasthan, Chhattisgarh, Uttar Pradesh, West Bengal and Kerala.

States provided access to DGCIS data to facilitate analysis and policy planning.

Board of Trade headed by CIM has been reconstituted to discuss export related issues with industries.

28 States have appointed Export Commissioners and 16 States have formulated their export strategies.

In a new ongoing initiative to partner with States, Team Commerce headed by Commerce Secretary visits States for interaction with Chief Secretary, senior officials, exporters & stakeholders e.g. customs, CONCOR to support promotion of exports from States.
SPECIAL ECONOMIC ZONES

13% Increase in exports from SEZs in the last 3 years. Exports valued at Rs 5.23 lakh crore in 2016-17.

4.48 lakh Additional employment in last 3 years. Employment reached 17.31 lakh in March 2017

Rs 1.27 lakh crore Additional investment in the last 3 years

47 New SEZs approved

650 New business units started

GIFT CITY INTERNATIONAL FINANCIAL SERVICES CENTER

- International Financial Services Centre (IFSC) in M/s. GIFT SEZ Limited, Gandhinagar, Gujarat developed by the Government of Gujarat along with Infrastructure Leasing & Financial Services Limited (IL&FS) over an area of 886 acres.

- Banks in GIFT SEZ have achieved transactions of US$ 2.5 billion.

- GIFT is fast emerging as a preferred international financial services business and legal/accounting services destination.
The third edition of the Global Exhibition on Services (GES) was held during April 17-20, 2017 at India Expo Centre & Mart, Greater Noida.

3rd GES
- Coverage increased to 20 sectors.
- 400 foreign buyers and participation from 73 countries.
- Over 5,000 B2B meetings.
- 573 exhibitors & 25,000 visitors

Global Exhibition On Services (GES)

The focus sectors in the GES-2017 were information technology and telecom, tourism & hospitality, media and entertainment, healthcare, logistics, environmental services, facility management, exhibition & event services, professional services, education, banking & financial services, skills, etc. 73 countries participated in the event.

Spotlight on the international services sector and to increase India’s share in global services exports.

LEVERAGING INDIA’S DEMOGRAPHIC DIVIDEND
3RD GLOBAL EXHIBITION ON SERVICES (GES) APRIL 17-19, 2017

The third edition of Global Exhibition on Services (GES) was inaugurated by Shri Pranab Mukherjee, President of India at Rashtrapati Bhawan Auditorium on April 17, 2017.

2ND GLOBAL EXHIBITION ON SERVICES (GES) APRIL 21-23, 2016

The Department of Commerce in association with Services Export Promotion Council (SEPC), India Trade Promotion Organization (ITPO) and Confederation of Indian Industry (CII) organised the second edition of the Global Exhibition on Services during April 21-23, 2016 at India Expo Centre and Mart, Greater Noida.

1ST GLOBAL EXHIBITION ON SERVICES (GES) APRIL 23-25, 2015

The 1st Indian Global Exhibition on Services (GES) was held during April 23-25, 2015 at Pragati Maidan, New Delhi. The Prime Minister of India inaugurated the exhibition. The main objective of this Exhibition was to enhance trade in services between India and the rest of the world.
Engineering sector continues to be the largest contributor to India’s exports with a share of 24.29% in 2016-17.

Brand “India Engineering” launched and being promoted to increase engineering exports by building global image of the quality and reliability of Indian Engineering Sector.

Technology Initiative for boosting exports of engineering products through development of cutting edge technologies.

The flagship International Engineering Sourcing Show (IESS) and Indian Engineering Exhibitions (INDEE) showcasing Indian engineering, organised.
AGRICULTURE & ANIMAL HUSBANDRY


- Export of potatoes and onions permitted without any minimum export price.

- Unrestricted exports of all organic agricultural and processed products allowed from April 19, 2017.

- APEDA, under NPOP, has certified Sikkim as the state with the largest contiguous area under organic certification.

- Market access issues for rice (in EU & US), mango (in Mauritius and South Korea), meat (Indonesia) and groundnut oil (Vietnam) were successfully resolved.
Pilot Revenue Insurance Scheme launched to protect farmers from income loss due to fall in prices as well as decrease in yield.

Better Prices to small growers
- Pan India Auction for tea launched
- E-spice bazaar for chilli and turmeric farmers
- District Level Price Monitoring Committee for small tea growers.
• SMS services launched for informing minimum tea leaf prices to small growers.
• Pradhan Mantri Krishi Sinchai Yojana extended to growers in the plantation sector.

Formation of Spice Farmers Producers Companies initiated in Sikkim and Arunachal Pradesh

• 8 crop specific Spice Parks (common processing facilities for farmers) set up.
• Stakeholders Seminar on Climate Change held at Jorhat

Tea Atlas launched for better soil and water conservation

• India International Coffee Festival 2016 at Mumbai
• India International Tea Convention 2016 at Ooty
Capacity Building for Export Development

- Indian Institute of Foreign Trade
- Footwear Design & Development Institute
- Indian Institute of Packaging
- Indian Diamond Institute
- Indian Institute of Plantations Management

Multi-locational campuses.

World class curriculum producing quality professionals.

Strong industry-academic linkages.

FDDI to be an institute of national importance.
REACHING OUT TO EXPORTERS

Free Trade Agreement (FTA) Outreach Programme undertaken in 34 major export clusters/cities with focus on training exporters to utilise FTAs.

- 784 outreach programmes organised under Niryat Bandhu through the regional offices of DGFT
- 43,615 entrepreneurs attended these programmes

- Online training programmes started with IIFT
- 16 online programmes conducted benefiting 656 entrepreneurs

108 MSME clusters have been identified and 150 outreach programmes conducted.
QUALITY STANDARDS: TO ENHANCE CREDIBILITY OF INDIA’S EXPORTS

Quality standards regime to fulfil the vision of Hon’ble Prime Minister for the ‘Make in India’ campaign and ‘Zero defect, Zero effect’.

6 Regional Standard Conclaves and 4 National Standard conclaves held to generate awareness.

Organised 4th National Standards Conclave on May 1-2, 2017 at New Delhi.

Hon’ble CIM also launched the India Standards Portal on May 1, 2017.
**Digital Empowerment**

**India Trade Portal**

The website www.indiantradeportal.in helps exporters to utilise FTAs and capture export opportunities.

**EXIM Dashboard**

E-BRC (Bank Realisation Certificate), electronic evidence of foreign exchange extended to 14 State Governments and 3 Central Government Organisations including GSTN.

About 4,000 tweets disposed by DGFT in 2016-17 with average reply time of 4 hours (active Twitter handle @dgftindia).

A new and enhanced dashboard on foreign trade data was launched. It provides convenient public access to India’s export, import and balance of trade data in an analytical format.

99.7 per cent payments of total expenditure made electronically in 2016-17 to introduce transparency and efficiency.

21 schemes brought under Public Financial Management System.

Provision of important data and information on 42 countries such as:
(i) MFN tariff
(ii) Preferential tariff,
(iii) Rules of Origin and
(iv) Non-tariff measures.

Business made easier - SEZs made paperless through SEZ Online, connected to Customs ICEGATE System. A mobile app launched to share real time info.
GOVERNMENT E-MARKET

- DGS&D created a dedicated Government e-Market (GeM) for goods & services procured/sold by Government/PSUs. GeM was launched by Hon’ble CIM on August 9, 2016.

- GeM covers the entire procurement process chain, right from vendor registration, item selection by buyer, supply order generation to online payment to vendor.

- GeM covered 21,036 products in 249 categories including 17 services as of April 30, 2017.

- During the period from August 9, 2016 to April 30, 2017, total value of purchase made on GeM amounted to Rs 454 crore with total number of purchase orders reaching 7,890.
**Marine Products Export Development Authority (MPEDA)**
- MPEDA has enrolled 50,000 farms to ensure traceability of aqua culture products for exports.
- India has become the largest and second largest exporter of shrimp to the US and EU respectively.
- SMS-based price enquiry system launched to help aqua farmers know real time prices of fisheries products.

**Agricultural & Processed Food Products Export Development Authority (APEDA)**
- Basmati Rice registered as GI by GI Registry, Chennai in 2016.
- Traceability system for meat products made operational.

**Special Notified Zones (SNZ) For Rough Diamonds**
- India Diamond Trading Centre - Special Notified Zone (IDTC - SNZ) created at Bharat Diamond Bourse, Mumbai.
- This facility has given access to rough diamonds of foreign mining companies to over 500 domestic companies (mostly SMEs).
- 38 viewing sessions (272 days) completed and rough diamonds worth US$ 706.95 million displayed.