

# **Foreign Trade Vision**

Presentation to Board of Trade

16<sup>th</sup> January 2024



# India's Foreign Trade Policy 2023 announced



### Foreign Trade Policy - 1st Apr 2023

- To achieve \$2 trillion in exports by 2030
- Promoting Indian rupee as global currency
- Incentivizing e-commerce exports

- To move from incentive to remission-based regime
- Encourage collaboration between exporters, states, districts and Indian missions
- Reduce transaction costs
- Development of more export hubs

### **Amrut Kaal Vision @ 2047**

- Increasing India's share in
  - Global Trade to 10%;
  - Exports to 25% of GDP
- 100 Indian Brands as global champions;
- Branding India as supplier of high value & high growth products
- Assuming leadership position at WTO & be part of a network of FTAs and regional groups
- Among top 3 nations in Global Services
   Trade

# **Objectives of Foreign Trade Vision:**

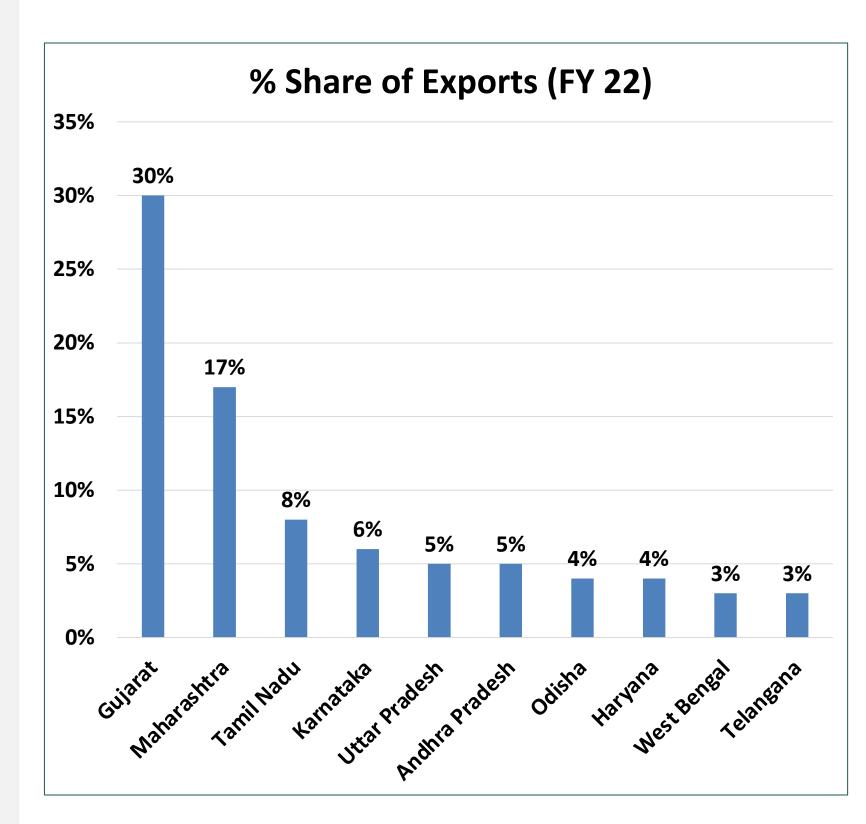


- To communicate India's approach and direction of Foreign Trade
- FTP is a collection of schemes, and doesn't communicate the thrust areas or thought process of India towards trade
- External communication on global stage
- Predictive direction to domestic exporters and trade stakeholders across all levels
- Alignment of State and District Exports Hubs with Foreign Missions to access Export Markets
- Trade vision must be consistent with domestic policy

# States' role in Trade and Commerce



- 10 States contribute over 85% of the nation's total exports.
- As per **NITI Aayog** 's **Export Preparedness Index 2022**, States have performed well due to :
  - ✓ Capitalizing on infrastructure enhancements
  - ✓ Improving ease of doing business measures
  - ✓ Adopting advanced technologies boosting export competitiveness
- Improved Port access enhances State's capacity to export.
- The export performance of States are dependent on :
  - ✓ Industrial development
  - ✓ Regulatory complexities
  - ✓ Infrastructural connectivity
  - ✓ Availability of skilled manpower



# **Districts as Export Hubs**



✓ Exports is **perceived as Central Subject-** need more State and District buy in to reach the \$2 Tn exports

### ✓ Challenges to be addressed:

- a) Lack of institutional support in the districts
- b) Infrastructure and Non-Infrastruture gaps (Market Intelligence, Export awareness etc.)
- c) Logistic disadvantages,
- d) Effective utilization of various central Ministry Schemes and
- e) Remove information asymmetries (relating to markets, products, SPS-TBT issues, etc) at State and District level

### √ Vision – Districts as Export Hubs

- a) To have district led export growth for self-reliance, employment and prosperity by enabling global reach to local products and services
- b) To identify and pursue strengths and opportunities and address gaps, for promoting exports from districts
- c) Enable end to end handholding to promote exports from the states/districts/boost marketing/branding initatives.

# **District as Export Hub: Initiatives**



#### **Initiatives**

- ✓ First initiative targeting export promotion, manufacturing and employment generation at the grass root level
- ✓ Focus on **MSMEs, local artisans/craftsmen, e-commerce linkages** with Districts, GI & toy products, agricultural sectors etc.
- ✓ States and Districts made accountable for export growth from the Districts in the country.
- ✓ Both Products and Services with export potential identified in the Districts by DGFT RAs in consultation with all the stakeholders
- ✓ Institutional framework created in the form of State Export Promotion Committees( SEPCs) and District Export Promotion Committee (DEPCs) to consolidate the efforts for export promotion and trade facilitation
- ✓ The quantifiable targets identified in the District Export Action Plans( DEAPs)- to guide various government agencies both at the Centre and the State/UT to work collectively to resolve issues faced by the exporters
- ✓ Infra/Non-Infra support to be provided in the districts/clusters to boost export promotion

# District as Export Hub: Engagement with States and Districts



- ✓ Identification of Products and Services in each District of the country
- ✓ Institutional mechanism (SEPC & DEPC constituted in all States and Districts)
- ✓ Preparation and implementation of District Export Action Plans( DEAPs) in each District- **Prepared in 590 Districts**
- ✓ Export promotion outreach in districts (Focusing on 75 districts, ecommerce outreach etc.)
- ✓ State Export Strategy has been prepared in 28 States/UTs.
- ✓ Jurisdictional Nodal DGFT RAs working with Districts to handhold exporters.
- ✓ **Collaboration with E-Commerce partners** to do capacity building/handholding in districts to promote E-Commerce exports

# **Trade Infrastructure for Exports Scheme (TIES)**



## **Objective**

Central Sector Scheme launched in 2017-18 with the objective of enhancing export competitiveness by bridging gaps in export infrastructure; creating export focused infrastructure; inducing States to take up more export oriented projects; addressing quality & certification measures.

#### Coverage

Assistance for export-oriented projects such as: -

- Quality testing & certification labs
- Trade Promotion/Convention Centres
- Export Warehousing and infrastructure in SEZs and ports/airports
- Establishment of Dry Ports, Border Haats
- First and last mile connectivity for export logistics projects
- Land Customs Stations

#### Financial Assistance

- Grant-in-aid normally not more than equity being put in by IA or 50% of total equity.
- For North East & Himalayan States, J&K and the States with relative poor export infrastructure (10 States), grant upto 80% of total equity.
- Cost of land not included in project cost
- Ceiling per project- Rs 20 crore normally

Central/State Government owned agencies and their Joint Ventures are eligible. PPP Projects are also eligible for financial support.

# **TIES: Achievements**



Total no of projects approved	66
Total Project cost (Rs. Crore)	1950.7
TIES Fund approved (Rs. Crore)	695.2
TIES Fund released (Rs. Crore)	458.6

SI. NO.	State	Number of Projects (as on date)
1.	Assam	2
2.	Andhra Pradesh	5
3.	Bihar	1
4.	Chandigarh	1
5.	Delhi	1
6.	Haryana	1
7.	Himachal Pradesh	2
8	Jharkhand	1 (cancelled – 1)
9.	Kerala	3
10.	Karnataka	8
11.	Manipur	2
12.	Madhya Pradesh	3
13.	Maharashtra	2 (cancelled - 1)
14.	Meghalaya	1
15.	Punjab	3
16.	Rajasthan	3
17.	Sikkim	1
18.	Tripura	3
19.	Tamil Nadu	<b>19</b> (cancelled - 3)
20.	Uttar Pradesh	3
21.	West Bengal	1
	Total	66

# **Geographical Indication**



**Geographical Indications** of Goods conveys an assurance of quality and distinctiveness which is essentially attributable to the fact of its origin in that defined geographical locality, region or country.



### Initiatives taken for promotion of GI

- ✓ **GI Startup Challenge**: This challenge called upon startups to lead innovation on developing technology for tracing GI Products.
- ✓ **Documentaries** on Products being made in collaboration with Nat-Geo
- ✓ Promotional Events

### **Upcoming Initiatives for promotion of GI**

- ✓ **Sensitization programme** on value proposition of GI products
- ✓ Capacity and skill development programme for GI stakeholders
- ✓ Publicity & Brand promotion, and Cataloguing
- ✓ Studies to identify potential Gis & Market research/product
- ✓ International/National events to showcase GI products

# **Registered GI Products**



# State-Wise Breakdown Of Registered GI Products

Total registered GI products till date

547

India- 513
International-34

### **Categories**

• Agricultural: **178** 

• Food Stuff: 39

• Handicraft: **280** 

• Manufactured: 14

• Natural: 2

State	Number
Andhra Pradesh	18
Arunachal Pradesh	8
Assam	11
Bihar	16
Chhattisgarh	7
Goa	10
Gujarat	18
Himachal Pradesh	10
India (Karnataka & Maharashtra)	1
India (Kerala & Tamilnadu)	1
India (Kerala, Karnataka & Tamilnadu)	1
India (Maharashtra & Madhya Pradesh)	1
India(Uttar Pradesh & Madhya	
Pradesh)	1
India(Manipur & Nagaland)	1
India (Maharashtra, Gujarat, Dadara &	
Nagar Haveli, Daman Diu)	1
India (Punjab, Haryana & Rajasthan)	1
India (Punjab / Haryana / Himachal	
Pradesh / Delhi / Uttrakhand / Uttar	
Pradesh / Jammu & Kashmir)	1
Uttarakhand	26
West Bengal	21

India (Telangana & Andhra Pradesh	1
India (Andhra Pradesh & Odisha)	1
India (Sikkim and West Bengal)	1
India(Karnataka & Kerala)	2
Jammu & Kashmir	16
Jharkhand	1
Karnataka	43
Kerala	35
Ladakh (UT)	4
Madhya Pradesh	20
Maharashtra	32
Manipur	6
Meghalaya	2
Mizoram	7
Nagaland	4
Odisha	25
Pondicherry	2
Rajasthan	20
Sikkim	1
Tamil Nadu	58
Telangana	16
Tripura	1
Uttar Pradesh	53
Uttrakhand	26
West Bengal	26

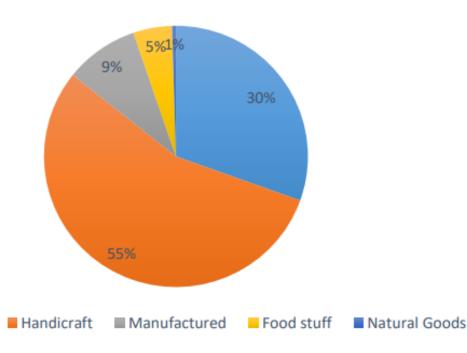
# **GI and Growing Exports**



### **Challenges**

- Greater disparity among different States in registering GIs.
  - Merchants receiving dragon's portion of the economic or financial gains as compared to producer who has the actual interest
  - Lack of vibrancy, majority of GIs are registered for handicraft and Agricultural goods

Categories of Registered GIs(420) Since 2004-2022



#### **Actionables**

- **Export subsidies and financial incentives** for the poor producers and artisans, to overcome the marketing and monitoring cost.
  - Introduction of a simple and **expeditious** examination procedure for reducing the intricacies involved in the registration process.
  - **Executing a national level marketing Campaign** on GI products with State Governments to assist them in tapping international markets.
  - Organise programmes for spreading GI awareness through workshops and training program for upgrading the skills of weavers and manufacturers from rural areas.

### **One District One Product Initiative**



- ✓ Initiative is aimed at manifesting the vision of the **Hon'ble Prime**Minister to foster balanced regional development.
- ✓ The idea is to select, brand, and promote One Product from each District to enable holistic socio-economic growth.
- ✓ The **mandate** includes identifying, understanding, and solving problems associated with each of the chosen products
- ✓ Over 1200 Products identified from districts across the country.

### **Impact Report by SBI Ecowarp**

- **The report** by the Chief Economist, SBI Ecowarp has revealed that since introduction of the ODOP-DEH initiative, **nearly 4X increase in exports.**
- Gujarat led the tally in FY22 with exports amounting to \$126,805 million, up 366% from \$27,159 million in FY19 followed by Maharashtra and Tamil Nadu. Despite COVID-19, agricultural exports rose remarkably.



Sikki Grass from Sitamarhi, Bihar



Tea from Kangra, Himachal Pradesh

## **How ODOP is beneficial to Districts**



- ✓ ODOP National Awards: The Awards aimed to recognize the efforts of States, Districts, and Missions aboard in promoting products from districts of India.
- ✓ Workshops: The ODOP Initiative organized a variety of workshops for upskilling of ODOP stakeholders at
  the district level.
- ✓ **Embassy Connect:** The promotion of ODOP products in international markets through the Indian Missions aboard.
- ✓ ONDC, ODOP GeM Bazaar & E-Commerce: Support in category creation and onboarding on the e-comm website.
- ✓ **ODOP Catalogue:** The Catalogue showcases traditional and unique Indian products. Covers products from all States/UTs and offers a diverse range of 1000+ products.
- ✓ State Connect Series: Regular physical and virtual meetings with State and district officials.
- ✓ **Events:** National-level events like National ODOP Awards 2023, PMAE 2022, and ODOP Sampark are attended by district and State officials.

