

Minutes of Board of Trade Meeting (16.01.2024)

Welcome by Shri Santosh Kumar Sarangi, DGFT

DGFT extended a warm welcome to all attendees. He mentioned that the last Board of Trade (BoT) meeting had taken place on 13th of September 2022. He further mentioned that the earlier scheduled meeting had to be postponed because of certain unavoidable reasons. He emphasized on Board of Trade is supposed to act as a platform to provide strategic thoughts, strategic ideas on India's Foreign Trade Policy as this is a platform in which the State Governments, the export promotion bodies, the Central Government Departments and its agencies all come to provide crucial inputs on trade promotion, trade, facilitation and trade regulation.

Welcome by Commerce Secretary Shri Sunil Barthwal

He extended a warm welcome to the Hon'ble CIM Shri Piyush Goyal, Hon'ble Minister of State, Smt. Anupriya Patel, and the Hon'ble Minister from the State Government of Rajasthan, Shri Rajyavardhan Singh Rathore. Additionally, he greeted senior officials, including Special Secretaries and Additional Secretaries from the Government of India, along with Secretaries and senior officials from State Governments. The meeting was emphasized as crucial, bringing together office bearers from apex industry chambers, export promotion councils, and non-official members of the Board of Trade, comprising experts from various fields. The Commerce Secretary noted the historical significance of the summit room, where the G20 Leaders' Summit was held during the Indian Presidency.

Highlighting that this was his first BoT Meeting, he described BOT as an apex body guiding global trade discussions, with a focus on feedback and understanding global trade behavior. India's prominent role in the World Trade Organization and its importance in the global value chain were emphasized, with recognition of State Governments as vital stakeholders.

The purpose of the Board meeting was outlined to consider perspectives from the Central and State governments, industry associations, and export promotion councils. India's exceptional trade performance over the last two years, exceeding previous benchmarks, was acknowledged, with last year's trade reaching a record \$776 billion.

The significance of State contributions to India's exports, particularly with six States contributing 75%, was highlighted. The BOT, structured to include presentations on various aspects of Indian trade, Government focus areas, and state integration, was discussed.

The Commerce Secretary emphasized collaboration between the Government and private sector organizations, with plans for a Global Trade Promotion Organization within the Government, housed in Invest India. The proposal for Invest India branch offices in states to work closely with State Governments was mentioned, with emphasis on NITI Ayog's State Preparedness Index.

Address by Hon'ble Minister of State Smt. Anupriya Patel

She extended a warm welcome to Hon'ble Commerce and Industry Minister Shri Piyush Goyal, Hon'ble Minister from the State of Rajasthan, Shri Rajyavardhan Singh Rathore, Commerce Secretary Sunil Barthwal, and all the senior officers from key line Ministries of Directorate General of Foreign Trade, along with senior officers from State Governments and UT administrations. She also welcomed representatives from NITI Aayog, office bearers from trade bodies, industry associations, export promotion councils, and all participants of the prestigious BoT Meeting.

Addressing the significance of the forum, she emphasized that it serves as a crucial platform for stakeholders to share their views and perspectives in promoting the country's exports. She highlighted recent geopolitical developments, such as the Russia-Ukraine war, the Israel mass conflict, and the Red Sea area's recent Flashpoint, emphasizing their potential impact on trade. Despite these challenges, she expressed confidence in India's growth story, aiming to sustain the 7.7% GDP growth witnessed in the first half of the financial year 2023-24.

Quoting India's ambitious target of achieving \$2 trillion in overall exports by 2030, she reflected on last year's achievement of \$776 billion in overall exports. The new Foreign Trade Policy, launched last year, focuses on fostering a conducive business environment, with pillars such as a shift from incentives to remissions, an emphasis on ease of doing business, and special attention to emerging areas like E-commerce.

She stressed the importance of developing each district as an export hub and emphasized collaboration with States, acknowledging their significant role in export promotion. Referring to the Prime Minister's vision of "Vocal for Local" and the need for local products to go global, she discussed recent free trade agreements and ongoing negotiations with countries like the UK, EU, and EFTA nations such as Oman and Peru.

Highlighting the transformative impact of PM Gati Shakti, she noted its role in reducing logistic costs and achieving efficiency. She urged collective efforts in ensuring economic benefits reach every corner of the country, as exports are crucial drivers of the economy. In conclusion, she emphasized a shared vision for a progressive and inclusive economy, calling for joint efforts to fulfill the Prime Minister's vision of a developed country by 2047.

Opening Address by Hon'ble CIM Shri Piyush Goyal

Union Minister of Commerce and Industry, Shri Piyush Goyal welcomed the States, Trade Bodies and Non official members. He urged the exporting community to explore the world market and extract maximum benefit from the Foreign Trade Agreements signed with partner countries. He stressed on the need to expand our frontiers and find ways to increase exports of merchandise and services to achieve the aim of becoming a developed nation.

Hon'ble CIM announced initiation of work on Trade Connect e-Platform, an intermediary platform providing the facility to connect Indian exporters and entrepreneurs with various stakeholders in international trade. The e-Platform is expected to provide facilitation for new and aspiring exporters, information on various regulations to access markets, sectors, export trends, easy access of benefits under Free Trade Agreements, access to sector specific events along with

a facility to address trade related queries to officials in Government of India and associated entities to get expert advice. The platform is likely to be ready in 3-4 months' time period.

Shri Piyush Goyal stressed on the need to internationalize the goods and services to help in improving the quality of the products and also to have economies of scale. He further emphasized on making exports a people's movement with the States, Centre and the Industry, all playing an equal role in accelerating Indian exports. The Minister emphasized on the pro-active role to be played by the States/UTs to achieve higher exports and contribute to the nation building process. He further assured that all the issues raised by the participants will be addressed and the suggestions made by them in the meeting today will be considered by the concerned. While talking of potential in service exports, the Minister emphasized on Education, Tourism and Audio-Visual services as the areas with huge potential.

Comments from State and UT Representatives

1. Shri Pranjal Yadav, Secretary MSME & Exports, UP Govt. highlighted that Kala Namak Rice is a special variety of rice and suggested it should be removed from the present prohibition on non-basmati rice category. The Commerce and Industry Minister (CIM) responded, stating that individual commodity-specific issues should be directly taken up with DGFT.

(Noted for Record)

2. Shri Ajitabh Sharma, Principal Secretary of Industries, Government of Rajasthan raised concerns about issues faced in the hand-carriage of gems and jewelry and other shipments through Air Cargo at Jaipur Airport after the recent change of concessionaire. It was discussed that the matter may be taken up with the Ministry of Civil Aviation to address the concerns.

(Action – GTPO wing)

Intervention from EPCs/FIEO/Chambers Etc.

1. **FIEO (Shri Israr Ahmed, President - Officiate)** stressed that State Governments need to raise awareness among exporters in the MSME sector. Reverse Buyer-Seller Meetings have been conducted, and efforts are needed to improve statistics. Internationalization of the Indian rupee needs to be expedited, and banks need to be urged to participate in this programme. He was of the view that sea transport for small cargo need to be improved. He requested HCIM to prioritize larger products based on Free Trade Agreements (FTAs).

(Action: State Govt. /RBI /DGFT)

- 1A. **Dr. Ajay Sahai (DG, FIEO)** emphasized the need for online banking guarantee processes and faster filing of returns and redemptions. He suggested that mechanisms should be developed for correlation, especially in e-commerce returns and also emphasized the need for aligning RBI's threshold limits for exports particularly for e-commerce.

(Action: ICEGATE/Customs/RBI)

2. **Seafood Exporters Association of India (Shri Elias Sait, Secretary General)** emphasized taking action on juvenile seafood sales and stricter

action by State Governments. He also requested for addressing non-tariff barriers for seafood exports to Europe and the UK.

(Action: Deptt. of Fisheries/ DoC)

3. **ASSOCHAM (Shri Sunil Nathani, Chairman)** pointed out that GST implementation does not align with the PM Gati Shakti plan. Agricultural products should not be subjected to GST when transported in containers. Electronic logs (E-logs) can be used to address queries related to PM Gati Shakti.

(Action: DoR, DPIIT)

4. **EEPC (Shri Arun Kumar Garodia, Chairman)** suggested connecting sea ports with Gati Shakti for cost-effective transportation. He also raised concerns about the lack of duty drawback for exports to Nepal and data integration issues between EDPMS and ICEGATE.

(Action: DoR (DBK and ICEGATE), DGFT)

5. **Rubber Board (Dr. Sawar Dhanania, Chairman)** highlighted the adverse impact of the ASEAN Free Trade Agreement (FTA) on the rubber sector due to varying import duties. He also emphasizes the need to upgrade Akhora Land Port for the movement of rubber growers and freight in Tripura.

(Action: FT-ASEAN/DoC/Ministry of Shipping/Land Port Authority of India).

6. **The Gem & Jewellery Export Promotion Council (GJEPC) (Dr. Nawal Kishore Agrawal, Convenor)** highlighted issues with the ICEGATE duty drawback portal and PayPal eBRC in INR, affecting gemstone trade fairs.

(Action: RBI/ICEGATE)

7. **SEPC (Dr. Ajay Sinha, DG)** highlighted the issues of KYC conducted by payment aggregators to ensure compliance with RBI guidelines for e-commerce exporters and MSMEs. He recommended that a sub-committee should be formed to address e-commerce issues.

(Action: MSME/RBI/DGFT/DPIIT)

8. **Dr. A. Sakthivel (Past President, FIEO)** proposed to focus on sports fabrics manufacturing facilities and enhanced R&D activities to compete with neighbouring countries.

(Action: MoT/DPIIT)

9. **Shri R.S. Sodhi, President, Indian Dairy Association (IDA)** recommended to explore trade protocols with South Africa, Indonesia, Egypt, and Malaysia.

(Action: DoC)

10. **IOPEPC (Mr Rutuparna Dole, Chairman)** highlighted challenges in exporting food products to the EU, such as restrictions on destuffing containers and pesticide regulations.

(Action: DoC)

11. **Shri Pankaj Mahindroo (Chairman, India Cellular and Electronics Association)** emphasised the need to focus on Joint Venture Companies (JVCs) as they are contributing more to exports. It was informed that the NITI Aayog has conducted extensive research on electronics exports. Higher targets need to be set, as Vietnam is achieving \$100 billion and more.

(Action: MeitY/ NITI Aayog)

12. **Shri R. V. Kanoria (Past President, FICCI)** highlighted that PM Gati Shakti can be used to reduce logistics costs, and the Trade Facilitation Portal of Customs can provide trade statistics data. He suggested that the best practices of European Union on carbon tax, responsible green manufacturing practices, environmental and social governance principles, trade sanctions etc. need to be incorporated into business operations. Climate change and related issues should be addressed as part of global trade, and a special group comprising experts in social and environmental matters may be formed. Exchange of CoO certificates with importing countries should be pursued to streamline certification processes.

(Action: MoEF&CC /DoC/DGFT)

Remarks of Commerce Minister:

- He recommended institutionalizing BOT meetings every six months to enhance interaction with trade and industry.
- Financing for buyer visits to fairs should be limited to potential buyers only.
- The effectiveness of EPCs and FIEO should be evaluated, and redundant entities should be dissolved. Monitoring of EPCs should be conducted regularly.
- He desired that cost-benefit ratios of eRCMC membership should be assessed with respect to benefits to the exporters for obtaining membership to the EPCs/FIEO by paying annual subscriptions.
- The Electronics Export Promotion Council (Electronics EPC) should encourage more exports and prioritize indigenous production, not solely relying on the Production-Linked Incentive (PLI) scheme.
- A dedicated team for e-commerce exports should be established, focusing on the Indian diaspora market and promoting products made in India.
- Efforts should be made to discourage personal visits to the DGFT offices. DGFT Regional Authority (RA) should be transformed into facilitation centres through collaboration with Invest India and EPCs.

Concluding Address Hon'ble CIM by Shri Piyush Goyal

In his concluding remarks, Hon'ble CIM said all the issues raised by the participants will be addressed and the suggestions made by them would be considered for further action. He stressed on the need to earn the trust of the world and urged the Indian stakeholders to share ideas for promoting ease of doing business, reduction/elimination of compliance burden, decriminalization of laws, promotion of trade and tourism, attracting huge investments and reducing logistics costs. **(Action- DGFT/ DoC)**

Hon'ble CIM appreciated the work done by various States in implementing good trade promotion policies and industry promotion policies to attract investment. He

urged other States to find ways to attract investment as this will help them in achieving greater degree of jobs, higher revenue collection and higher GST collection.

Commerce and Industry Minister also urged industry to look at FTA utilization, particularly with so many new FTAs under discussion. He emphasized on the need for sharing data related to non-tariff barriers to improve India's position while negotiating with a country and requested the Trade and Industry members to provide data to carry out successful negotiations

(Action- DGTR)

HCIM thanked all the participants and invited the Industry and Trade to cooperate, collaborate and work towards a common goal to progress and prosper. He mentioned that the country needs to get out of the colonial mindset and have a collective vision and commitment in making Indian products globally competitive in quality and cost terms.
