A meeting was held under the Chairmanship of Hon’ble Commerce & Industry Minister with Export Promotion Councils (EPCs), Commodity Boards (CBs) and Authorities on 19.8.2021 (Thursday) from 11:00 AM to 2.00 PM at The Hotel Trident, Roof Top, Nariman Point, Mumbai, Maharashtra as per agenda to discuss measures to increase exports. The meeting was held in Hybrid mode wherein some participants participated in the meeting physically and others through Video Conference.

At the outset, Ms Sumita Dawra, Addl. Secretary, DPIIT welcomed all the participants to the meeting. The Commerce Secretary, in his opening remarks, informed the participants that Government of India has set export target of $ 400 billion for 2021-22. The target has been arrived at through a systematic assessment of export potential. Trade has been laid down as the top priority for our diplomats and foreign missions will help in facilitating exporters. DoC is working on creating state-level export commissioners, district-level export hubs and other infrastructure for export facilitation.

Thereafter, the DGFT gave a power point presentation on the measures to achieve the merchandise export target of $ 400 billion for 2021-22. He intimated the target set for each sector realted EPCs, Commodity Boards and Authorities. He intimated that engagement with states and districts is a key focus area. Through their role as Export Promotion Councils, the EPCs should actively contribute in preparing strategy for promoting exports of identified products/services from the districts. He also informed that Key Generic Issues already flagged by EPCs are being taken care of. With a view to early disbursal of export incentives, RoDTEP rates have been announced. Action plan for manufacturing of containers is being made. Concerned Ministries are exploring option to contain the increase in commodity prices. For pre-shipment/post-shipments credit to the exporters at the competitive rate, a proposal is being moved for extension of Interest Equalization Scheme beyond 30th September, 2021. The issue of one time settlement for defaulters of Advance Authorization and EPCG schemes is taken up with DoR. Date for IEC updation has been extended till 31.08.2021. RoSTCL scheme has already been extended. Thereafter, the DG requested the representatives of various EPCs/CBs/Authorities to give their suggestions in brief and macro level details to be sent in writing so that they can have much more useful discussion by not repeating the same points and also a large gamut of issues can be discussed.
The following are the suggestions given by the various Export Promotion Councils.

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<th>Sl. No.</th>
<th>Name of Export Promotion Council, Commodity Boards and Authorities and Suggestions made</th>
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<td>1.</td>
<td><strong>FIEO (Federation of Indian Export Organisations)</strong></td>
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<td>i. FIEO welcomed the announcement of RoSCTL and RoDTEP rates and expansion of the latter scheme to new products. However, the exclusion of important sectors such as Articles of Iron &amp; Steel, Iron &amp; Steel, Organic &amp; Inorganic chemicals and Pharmaceuticals has given a jolt to such exporters. FIEO requested to extend the RoDTEP benefits to them as well as they equally suffer from the incidence of taxes &amp; duties. Many of these sectors are doing well in exports and the same is reflected in their top line but their bottom line is under severe strain primarily due to sharp increase in the prices of inputs and high freight charges. FIEO also requested that the RoDTEP benefits for SEZs, EOUs, Advance Authorization may also be fixed quickly so that these units can start getting the benefit of the RoDTEP. With regard to the lower rate, FIEO has asked the industry to provide more comprehensive and updated data and upon receipt of the same, it will approach the Committee for suitable revision in the rate. It requested to provide for monthly review of the rates, till the same stabilizes. Thereafter, annual review as envisaged in the Scheme may be undertaken. <em>(Action: DGFT PC-3)</em></td>
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<td>ii. The Interest Equalization Scheme, valid till 30th September, 2021, may be extended on a longer time frame preferably for 3 years. <em>(Action: DGFT PC-4)</em></td>
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<td>iii. Sharp increase in the prices of inputs like steel, cotton, aluminum, etc. is the challenge faced by the exporters. In many cases, such products are exported at a lesser price while the domestic prices have gone up. As a result, our competitors are becoming more competitive at our cost. India needs to balance exports of raw materials. Suitable mechanism is required so that domestic suppliers are encouraged to supply such inputs to Indian exporters rather than exporting to another country. This will also increase value addition in our exports and will put less pressure on logistics. To start with, supply of such inputs to an exporter should be accepted for the discharge of export obligation under EPCG Scheme. <em>(Action: DoC and DGFT PC-5)</em></td>
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<td>iv. Little relaxation in the provision relating to exports of goods received under concessional GST within 90 days and extension in export</td>
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*DoC and DGFT PC-5*
obligation period under advance license and EPCG can help in further pushing exports. Many of the exporters have not been able to export due to factors entirely beyond their control. There were local lockdowns in states, containers were unavailable, freight has zoomed and there were lockdowns in the exporting destinations due to which buyers have also asked to delay the shipment. FIEO requested that in all cases where export obligation has become due from February, 2021 onwards, export obligation period may be extended till 31st of March, 2022. Similarly, GST authorities may also be asked to extend the 90 days period wherever falling on or after February, 2021 to 31st of March, 2022. (Action: DoR and DGFT PC-4 & PC-5)

v. The sharp increase in the freight has not only reduced the entire profit of exporters but it is causing severe problems for low value high volume cargo. Lot of exporters of Marble Granite, Tiles, Furniture have reported that they are not in a position to absorb the high shipping charges. In many cases, buyers are also asking us to hold the shipments expecting freight rates to soften after some time. This has created a problem of inventory management by companies as they have limited space to keep cargo in their factories. FIEO request that the freight support may be extended to exporters for 6 months or so to tide over the present crisis. The pandemic and anti-China sentiment have provided us opportunities in many new markets. If we enter these markets, with little support on the freight, we will retain them for a long time to come. (Action: DoR and DGFT PC-4 & PC-5)

vi. With the intervention of the CIM, RBI re-introduced the Gold Card Scheme in June 2019 which provides for 20% automatic enhancement of limit but many banks are reluctant to provide the same. Moreover, Gold card issuance by banks is also not picking up. FEIO requested to take up the matter with the RBI so that the facility of the automatic limit enhancement should flow to exporters and issuance of Gold Card may be increased by suitable monitoring by the RBI. (Action: DFS, RBI)

vii. RBI instruction that businesses who have availed CC/OD facility with a bank should close their current account with another bank is also affecting liquidity of exporters. However, based on the representation, RBI has postponed the implementation of the same till October 31, 2021. The basic objective of RBI is to enforce credit discipline and check diversion of funds. However, the guidelines has caused operational problem for the exporting entities:
(a) Exporters are availing limits from more than one bank as each bank has its own approach to grant limits. A conservative bank sometimes fixes a limit which is short of the requirement of exporters while an aggressive bank provides a limit adequate for exporters. Sometimes, a bank may be bullish about a sector while other banks may have its own reservation for a sector.

(b) Secondly, with the sharp increase in input prices and buoyancy in exports, exporters are in need of enhancement of limits which, at times, existing bankers may not provide while the other banker may be willing to consider the same.

c) Generally, Large PSU banks and private banks have technology based customized products. They are able to provide better trade finance/Forex services Therefore, exporters having accounts with small banks maintain multiple banks to operate their export business.

(d) Many exporters prefer to have current accounts with banks over and above their cash credit accounts due to cyber frauds, as they do not want to make any online transaction from their limit account as large amounts of funds are maintained in that account.

FIEO requested to take up the matter with RBI and continue to give the facility to those exporters whose current account(s) is/are standard. Such exporters may be allowed to open a current account with another bank but only with the consent and concurrence of the existing bank(s). RBI may impose a strict stipulation that any diversion of funds may attract penalties, and the concerned bank should be responsible to report such deviation to the RBI. (Action : RBI)

2. **Apparel Export Promotion Council (AEPC)**

   i. Welcomed the Govt. for coming out with consistent policy in terms of RODTEP rates. The current thrust on the consistency announcing the policy up to 2024 is a very welcome move for increasing the exports employment generation. In the apparel industry, our investment to the employment generation ratio is one of the best in the country. This kind of consistent policy has given a push to lot of international brands to look at India for FDI.

   ii. We are looking at FTA with UK within the next 12 months. FTA with EU can really a big boost to Indian exporting community. The Govt. should look at the nitty gritty issues on the FTAs. (Action : DoC)

   iii. There has been a jump of 40% in the raw material prices from pre covid over till date so we need to have little bit calibration a little more
security in that. (Action :DoC)

iv. We are doing little better than some of our neighbouring countries on the availability of freight containers like China is suffering the big time. So, we should make sure that we perform better than our other countries and our competitors in terms of freight containers availability and the freight prices. So we should seriously look at importing thousand containers or leasing of some large vessels. (Action :DoC/Shipping)

v. We are already doing very well in terms of the transit time than our competitors but those kind of direct services are not so many. We need little more direct services to U S. (Action :DoC/Shipping)

vi. Interests equalisation scheme is still not very consistent policy as it is being announced only for quarter. We are not able plan our finance cost if it is being announced only for a quarter. This point also needs to be addressed immediately. (Action : DGFT PC-4)

### Engineering Export Promotion Council of India (EEPC INDIA)

i. EEPC gave the details of all measures taken by it to increase exports.

ii. Container service by SCI and large private players should be started for USA East Coast & West Coast. These players could charter the vessels and resume the export shipment which will be a big saviour and will help in boosting trade as well. (Action :DoC/Shipping)

iii. Inland waterways should be connected to carry export cargo to enable connect with Main line vessels at Nhava Sheva & Mundra for onward connection to foreign countries. Riverine ports such as Kolkata has great disadvantage for exports. (Action : Shipping)

iv. PLI should be introduced for Container manufacturing in India. This will boost the trade in long term. (Action : DPIIT)

v. Our neighbouring countries have plethora of opportunities for exports from India. There are extreme bottlenecks and issues at the borders due to infrastructure problems at India-Bangladesh & Nepal. Once these issues are sorted out, trade flow between these countries will grow immensely. Currently the trucks have to wait for exports at the borders for 1 day to 21 days thereby adding unnecessary costs. (Action :DoC)

vi. RODTEP benefit should be given for AA (Advance Authorisation) holders, especially the ARO (Advance Release Order) holders to make the Steel Export Parity Price scheme workable in the RODTEP
vii. The working capital limits should be increased by banks as steel prices have increased by double and freight rates by 3 to 4 times. *(Action: DFS)*

viii. Interest Equalization Scheme should be increased till March 31, 2024 in one go to bring stability in policies. *(Action: DGFT PC4)*

ix. The DGTR should formulate a new scheme for reimbursement of legal fees for facing AD and AS charges for the MSME sector as this provision has been taken away in the new MAI scheme. *(Action: DGTR)*

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<th><strong>Gem &amp; Jewellery Export Promotion Council (GJEPC)</strong></th>
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<td>i. Council has conducted a potential study where in it was analysed that for G&amp;J sector the potential exports is of US$ 69.1 bn and we have achieved US$ 37.4 bn and there is untapped potential of US$ 37.1 bn. The industry is hopeful to achieve the target as set by the Ministry of Commerce &amp; Industry as US$44 bn.</td>
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<td>ii. With the exponential growth and potential of lab-grown diamonds, the G&amp;J sector expects to contribute approximately 10% to the country’s GDP, USD 7-8 billion towards exports and employ about 8 million people by 2025. In view of our sector’s disability on account of lack of adequate Government support, poor R&amp;D infrastructure and high cost of finance and with a vision of improving exports and employment, which is in lines with the PLI scheme of the Government, we request you to include manufacturing of “Lab-grown diamonds” under the PLI scheme. Inclusion of “Lab-grown diamonds” which also has a separate GST HS code – 7101, will not only drive our exports and employment but will also attract Foreign Direct Investments into our country which will strengthen our currency and improve international trade deficits. <em>(Action: DPIIT)</em></td>
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<td>iii. Council proposes the inclusion of the gems &amp; jewellery in E-Commerce in FTP, so that export shipments of gems &amp; jewellery can be sent through post parcel route or courier like other commodities and re-import of such exported shipments returned by the buyer shall also be permitted. <em>(Action: DGFT PC-2)</em></td>
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<td>iv. At present all G &amp; J parcels are subjected to examination and appraisement. There is no plausible reason to exclude entire G &amp; J sector from the purview of RMS as the declared objectives of RMS i.e.</td>
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reduction of dwell-time at the ports/airports, promotion of compliance culture and reduction of transaction costs in order to enhance the competitiveness of Indian businesses’ are equally applicable to G & J sector. (Action : DoR)

v. In revised FTP, there should be a provision to allow import of damaged jewellery for repair and re-export to compete with countries like China, Vietnam, Thailand etc. As per estimates the worldwide manufacturing of jewellery is valued around USD 100 billion. Jewellery sold abroad may come back for repairs and reprocessing and again re-exported. All our competitors have simple provisions for service. Our exporters are finding it practically impossible at Customs when re-importing such exported Jewellery for repairs as there is no laid down procedure for the same. As there is provision under DoR, we propose to introduce in the new FTP a para in gem & jewellery section stating that import of damaged jewellery from abroad for repair and re-export are permitted as per Customs rules. (Action : DGFT PC-2)

vi. India cuts and polishes 14 out of 15 diamonds and is a dominant player in the entire diamond value chain. India’s annual exports of CPD is more than USD 20 billion. According to Para 4.4.16 of Foreign Trade Policy of (2002-07), Diamond Imprest licence for import of cut and polished diamonds including semi processed diamonds, half cut diamonds, broken in any form were permitted to the tune of 5% of the export performance of the preceding year of cut & polished diamonds. In 2009, the Diamond Imprest scheme for CPD was withdrawn, when the import duty on CPD was abolished and hence there was no relevance of the scheme. In 2012, based on the representation made by GJEPC, import duty on CPD was reintroduced in 2012 at 2.5% and over the years import duty on cut & polished diamonds have increased manifolds to current 7.5%. As a general practice, the unsold diamonds exported to trading centres are reimported, reassorted and re-exported for sales. It is imperative that exporter face rejections of goods / cancellation of orders. Same para may be reintroduced in Foreign Trade Policy 2021-26 with actual user condition, without transferability and export obligation of 100% which will be over and above the average export turnover of last three years. (Action : DGFT PC-4)

vii. The Govt. should grant Rs 50 crore each for Mega Common Facility Centres (CFCs) CFC in Mumbai and Surat to enable the exporters to scale up their manufacturing with high technology. This will give huge boost to our entire sector. (Action : DoC)
viii. Allow job work to G&J SEZ units for DTA to utilize idle capacity at SEZs and get the return on huge investment. Also encourage job work of jewellery by allowing supply of precious metals from foreign buyer to SEZ units. Further allow movement of Precious Metal and Other Goods of Nominated Agency from one SEZ to other, under Transit Bond or Customs Preventive Escorts in order to solve the problem in supply of gold in some SEZs. FDI can also boom at the SEZs in G & J sector if we free up the unutilized units through transfer of assets by SEZ Units after cancellation of their LoA and make the entry exit procedures simpler. (Action: DoC SEZ Division)

ix. Out of authorised nominated agencies and banks, only a few are providing duty-free gold for export purposes. The Government to address this issue. (Action: DGFT PC-2)

x. Revise the rates of duty drawback which have not been revised in last 1.5 years and this may be refunded in the same way as GST is being refunded. (Action: DoR)

xi. Council has already represented to withdrawal of Equalisation Levy of 2% on B2B purchase of gem & jewellery products. As our major export partner US has proposed to impose retaliatory tariffs up to 25% on some of our articles. Council already had meeting with USTR wherein the US government has given GoI 6 months to re analyse the 2% EL otherwise they will impose huge duty on our products. (Action: DoR)

xii. Prior to pandemic, Council was working with ITPO for organising the Shopping Festival and has asked the grant of Rs 50 crore from the Government. Shopping Festival coupled with Hallmarking will give great benefit to exporters and increase the awareness among the jewellers. (Action: DoC)

xiii. Withdrawal of GSP benefit by the USA has resulted in a rise in import duty in the country which led to reduced export competitiveness for Indian exporters in the USA, US may be asked to reduce the import duty which is 6% at present. (Action: DoC)

xiv. Imposition of VAT @5% in UAE w.e.f. 1st January 2018 has adversely impacted India’s exports of gold jewellery to the country. UAE authorities are expecting GoI to lower the import duty from 7.5% to 4%, then UAE will reduce the VAT to 0% as at present it is 5%. (Action: DoR)

xv. Undertake FTA with Canada and Australia to increase exports from
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<th>Services Export Promotion Council(SEPC)</th>
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<td>i. India’s total services exports in FY 2020-21, taking in account the pandemic, about 206 billion U.S. dollars. It was a fall of only three percent. But in only one sector, travel &amp; tourism we lost $21 billion. Once travel and tourism begins after the pandemic then there will be a substantial growth. The target for services this year should be $250 billion.</td>
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<td>ii. The service is great surplus. In FY 20-2021, it was $89 billion trade surplus and it covered over 86% of the merchandise trade deficit.</td>
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<td>iii. The services sector is given very little focus. The service exports require encouragement in terms of acknowledgement of its contribution. Service exports needs to be treated on some parity with merchandise exports in the terms of benefits to be given. SEIS scheme was introduced in 2016 after long struggle and Rs. 61 crores only were allocated the period 2019-20. During this period, huge amount of our service exporters particularly travel &amp; tourism have hugely suffered and this small amount would have helped them in running the organization. (Action :DGFT PC-3)</td>
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<td>iv. Though SEIS did not fall in the purview of the WTO, we have suggested a scheme in which certain benefits in terms of duty remission can also be given to services. Well doing of services sector also has an effect on merchandise and manufacturing because we are into logistics, management services control etc. So service sector should be given parity. Services sector should not be totally excluded. If the Govt. feel that there are certain major players who will get undue benefits, the Govt. can keep a cap on the benefits so that smaller MSMEs can get those benefits. (Action :DoC, EP-Services/DGFT PC-3)</td>
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<th>Export Promotion Council for EOUs &amp; SEZs(EPCES)</th>
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<td>i. Exports from SEZs &amp; EOUs are recovering. During April – June 2021, exports of goods and services from SEZs have grown by 56% on YoY basis, although on a low base of last year. Merchandise exports have grown by 91% while services exports by 8%.</td>
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<td>ii. Exporters from SEZs and EOUs are disappointed as they have been excluded from RODTEP scheme. EPCES has already submitted a proposal in Feb 2021. RoDTEP Committee should be immediately</td>
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requested to take up the case of SEZ and EOU exports urgently and recommend the rates. We will not take benefits of electricity duty or central excise/State VAT on fuel which may be available in some states and the rates notified for DTA exports be allowed for SEZ and EOU exports as well. This should be allowed from 1.1.2021 as MEIS was withdrawn w.e.f 31.12.2020. (Action: DGFT PC-3)

iii. Exports from SEZs and EOUs should also get the benefit of ROSTCL on textile items. (Action: M/o Textiles)

iv. Under the FTP, we strongly support continuation of EOU scheme. We have given our views to the Ministry in detail. We don’t want disruptions as EOU is one of the oldest scheme and they are in the area of manufacturing. We need the benefits under MOOWR scheme to be provided to EOUs too. NFE linkage should be done away with in the EOU scheme. (Action: DGFT PC-6)

v. Our request of having no customs duty/ or customs duty on duty foregone principle for supplies made to DTA by SEZ units should be immediately resolved. India is importing many such products and if such products are manufactured in SEZs in India, no customs duty or reduced duty should be applied. India is importing such finished goods under FTA on zero customs duty. SEZs will substitute such imports. Employment opportunities will be created in India. This will promote Make in India or Atmanirbhar Bharat. (Action: DoC SEZ Division)

vi. Rationalisation of charges by SEZ Online should be immediately announced. In fact it should be free as DTA exporters and importers do not pay anything for using ICEGATE. SEZs units should be encouraged and not put to disadvantages vis-à-vis DTA exporters. (Action: DoC SEZ Division /DoR)

vii. Rupee payment should be allowed for supply of services by SEZ units to DTA on the pattern of goods. (Action: DoC SEZ Division)

viii. Printing of books on the orders of foreign publishers and transferring the same to DTA on the instructions of such foreign publishers be allowed. This is to avoid unnecessary export and then imports of the same books. (Action: DoC SEZ Division)

ix. DPIIT is conducting IPRS 2.0 which is covering SEZ also. It will be identifying the infrastructure bottlenecks or the procedural bottlenecks in along with industrial path that should be completed because that will provide us a ready To Do List of activities to be taken up under
**Electronics and Computer Software Export Promotion Council (ESCEPC)**

i. During the year 2019-20 software exports from the country amounted to almost US$ 146 bn. However, Governmental support is expected to help keep maintain competitiveness of Indian software exports. Industry is heavily dependent on imports for basic components and parts. There is a need for radical push to develop entire ecosystem for electronics sector in the country.

ii. A prime area of concern faced by software sector is continued requirement for filing of SOFTEX form. This has been described by entrepreneurs as a major impediment to “Ease of Doing Business” for software sector. There is a need to re-examine the entire concept and utility of SOFTEX filings in new era. Apparently, SOFTEX filings were made mandatory to ensure that tax exemption available on export of software was not misused by exporters of other services. With tax exemptions on of IT/ITeS exports not available anymore, there seems little logic for continuation of this regulation. Besides, the heavy fee charged by STPI for issuing SOFTEX forms (running up to Rs 6,50,000/- plus taxes per annum) is unduly high and puts tremendous burden on IT units especially small and medium sized ones. In the year 2013, RBI had removed the minimum threshold limit for complying with SOFTEX requirements. There can be other ways to monitor level of software exports and remittances of payments against them. If for some reason, it is not possible to do away with SOFTEX regulations, same should be simplified and made absolutely paperless activity. Also, the fee charged by STPI for the same must be rationalised and only nominal charges should be levied. A Working Group should be constituted to study the entire matter in detail and suggest a roadmap for elimination of SOFTEX regulations. *(Action: MeitY)*

iii. Indian manufacturers are not able to access international Standards for their Electronic products and hence are not able to compete in global markets, especially in developed countries. To penetrate international markets, our products need to confirm to Standards prescribed in target economies. Hence, the Standards set for goods manufactured in India should be in line with those prevalent globally. Further, Testing and Certification of products is one of the prime requirements for electronic products/devices. Despite presence of a large number of testing labs/facilities in the country, facilities for testing electronic equipment/devices, especially those based on new technologies, are
either absent or are grossly inadequate. There is a need to urgently
upgrade the entire structure of Testing & Certification of electronic
goods in the country. It is suggested that the Government may urgently
undertake a Study to understand the entire gamut of issues related to
setting of Standards of electronic goods and the infrastructure available
for Testing & Certification of such products. Thereafter, suitable steps
be taken to bring our Standards at par with international ones.
Similarly, our Testing & Certification infrastructure should be suitably
upgraded. (Action: BIS)

iv. A key element in recognition of electronics products/devices in
international markets is signing of “Mutual Recognition Agreements
(MRAs). These MRAs make Standards applicable in one country
acceptable in another. It is suggested that we explore possibilities of
signing MRAs with major electronics consumers such as USA, Canada
and EU. (Action: MeitY)

v. Threshold limits (of minimum investment) prescribed under PLI
Scheme for most Electronics products make it difficult for small and
medium size units to avail of its benefits. The Scheme may be
broadened with enhanced allocation of funds and lower threshold limits
of investment. This will help small and medium size units take
advantage of the Scheme and expand their capacities. This will help
make quality inputs available at economical prices to local electronic
goods manufacturers thereby increasing their competitiveness. (Action
: MeitY, DPIIT)

vi. The Industry is not at all happy with the RoDTEP rates announced.
Based on the benefits of MEIS, the Industry had been keeping its prices
competitive to face the competition from other countries. The
announced RoDTEP rates are far below from the industries
expectations and will result in loss to a number of companies as the
profit margin in export products is kept very low to face the
international competition. (Action: DGFT PC-3)

vii. Today, for electronics manufacturing India heavily relies on import of
raw materials and components from various countries. There is an
urgent need to formulate a scheme to incentivize components
warehousing in India to attract international distributors to set up their
warehouses in India. Currently, all the major component suppliers have
their warehouses in Singapore, Hong Kong, Taiwan, USA etc. Having
warehouses in India will not only reduce the turnaround time but also
reduce the cost of procuring. (Action: DoC)
8. **Chemical and Allied Products Export Promotion Council of India (CAPEXCIL)**

i. The Granite Industry is facing actuate shortage of raw material i.e. granite blocks and hence many of the units are working only 50% of their capacity. Even the available small quantity of raw material is also not economically viable since the cost has become very high due to short supply. DGFT is requested to make suitable amendment in the import policy to bring free import of dimensional granite blocks. Import of Marble Blocks has been brought under OGL since 2016; a similar facility should be extended to Granite Industry also in view of the high cost and short supply. *(Action :DGFT PC-2)*

ii. Exports of the Stone Aggregates to Maldives should be allowed. As per DGFT notification it insists on Environmental clearance for Stone Aggregates. This criterion was not there in the earlier notification and hence it should be removed in order to achieve a tall target. *(Action :DGFT PC-2)*

iii. There should be a uniform Policy for Mining (including lease renewal of Granite and Marble in all States). There should be a single window system for quarrying lease of Granite and Marble. The Central Government and State Government should sit together to resolve the issues pertaining to the mining sector. *(Action :DGFT PC-2, M/o Mines)*

iv. Indian furniture industry is very small in terms of domestic market share. The availability of raw material (wood logs) is limited and as such is unaffordable. Lot of furniture that is in demand in export markets is made using imported hardwoods and soft wood like Oak, Ash, Sapeli and Teak. The biggest furniture exporting countries in the world are importing woods from western countries and exporting furniture back to them. In view of the shortage of raw material in the country, Customs duty on import of raw material for wood based and wooden furniture industry be reduced to ZERO. *(Action :DoR)*

v. Value addition in case of export of sawn timber under advance authorization scheme should be reduced from 30% to 15%. *(Action : DGFT PC-4)*

vi. More and more countries globally are resorting to export of value-added products, due to this; it is not possible to get the quality raw logs for the export productions. To maintain the continuity of the export & to maintain the continuous export with the existing buyers,
imported Sawn timbers should be allowed to be freely exported which is, at present, are allowed to be imported freely. *(Action : DGFT PC-2)*

vii. The Plant and Quarantine Order 2003 specifically mention "fumigation with Methyl Bromide or alternative". However, no alternative has been specified till date. Alternative to Methyl Bromide for offshore fumigation of timber and allied products should be specified immediately. This is very crucial in continuing trade with countries, where Methyl Bromide is banned or is on its way to being banned, due to operation of Montreal Protocol. *(Action : M/o Agriculture)*

viii. The pre-import condition of Natural Rubber under Advance authorization scheme should be done away with. Under advance authorization scheme, the EO period for Rubber Products should be same as in respect of other normal Advance Authorisations or the EO period should be at least 12 months. *(Action : DGFT PC-4)*

ix. All Ports Restrictions should be removed for import of Natural Rubber & not only for Import under Advance Authorization. It should be permitted at any port as per exporters’ convenience. *(Action : DoR)*

x. In India, imports of Natural Rubber (NR) are subject to 25% Import duty on Dry rubber and 70% on Latex rubber. Even though we produce only 650,000 tons of NR whereas the consuming industry requires 1.20 Million tons of NR. Finished goods are being imported at import duty between 0 to 10%. A number of rubber manufactured products are identified under various Free Trade Agreement (FTA) where the imports are permitted at between 0 to 5%. Even though China is not identified under FTA, they are using countries like Malaysia, Thailand, Vietnam & Singapore to promote their exports. Hence, we suggest that on all rubber finished goods; at least 25% import duty should be levied. *(Action : DoR)*

xi. India is the largest producer of fireworks in the world, next to China. Most of the shipments are going through Sri Lanka and Singapore. The Colombo and Singapore ports are stopped issuing NOC for trans-shipments. We became option less. The nearest port of Sivakasi is Tuticorin port, which is a small port that could hold only the feeding vessels due to which we were unable to operate from this port. The Government should take up with the Government of Colombo and Singapore to issue NOC to utilize their ports for trans-shipment, it will boost the industry and its exports. *(Action : DoC)*
i. Value added products should be encouraged instead of only raw material.

ii. Castor Oil and 1st generation value added products which fall under HS Code Chapter 15 have been announced at 1% under RoDTEP. However 2nd and 3rd Generation of Castor Oil Value Added Products falling under HS Code Chapter 29 have been completely ignored. Some more 1st Generation Value added products falling under HS Code Chapter 38 have been given 0.8% which also should be higher than the raw material where RoDTEP rate is 1%. Further, some 2nd Generation Value added products falling under HS Code Chapter 34 have been given 0.9% which also should be higher than the raw material RoDTEP Rate of 1%.

iii. RoDTEP is the Remission of Duties and Taxes on Export Products to avoid exports of such taxes and make our country’s exports more competitive, sustainable and WTO complaint. We submitted all the data with regards to such Duties and Taxes levied for all our products, as was required - and thus even the rate announced of 1% on Castor oil itself is also on the lower side. Thus using castor oil for the value added products will definitely need higher RoDTEP percentage based on scientific Mass balance equations.

iv. India is supplying over 85% of global castor oil requirements but on value addition we are lagging behind. On 1st and 2nd generation value added products, India leads and supplies over 80-85% however with 3rd generation value added products, India has a very low market share of less then 10% and the balance 90% is shared between China and other developed western world. India can have the lion share with good government policies to support value addition.

v. Current exports of castor oil are to the tune of USD 1 Bn and value added products is USD 0.30 Bn. With good policies and support by Indian Government, we can make the exports of Castor Oil grow to USD 1.2 Bn and for Value added Products to USD 0.75 Bn.

vi. The Government should immediately look into this aspect otherwise our country will only see exports of raw material (where RoDTEP rate has been announced) and not Value Added Products (as RoDTEP rates for Ch. 29 NOT announced) which requires a lot of efforts in R&D, cape etc.

(Action: All points DGFT PC-3)
### Export Promotion Council for Handicrafts (EPCH)

1. The RoDTEP rates announced for the Handicraft industry are very low and would make the industry less competitive. The benefit of RoSCTL is also not given to the Handicraft Industry. The Council can provide the data again and the rates should be reconsidered. *(Action: DoR CBIC)*

2. Introduce an E-Commerce B to B policy for the sector. *(Action: DGFT PC-2)*

3. Facility of warehousing in the major importing country should be given to the sector as the buyer wants immediate consignment. *(Action: DoC)*

### Telecom Equipment & Services Export Promotion Council (TELECOMEPC)

1. With a view to boost-up the exports of Indian products, the Public Procurement (Preference to Make in India) orders (PPP-MII orders) is applicable to all the Line of credit projects extended by Indian Govt. to friendly countries. An inter-ministerial meeting chaired by Additional Secretary, DPIIT, on Line of Credit (LoC) projects, was held on December 24, 2020 wherein, inter-alia, it was decided that Ministry of External Affairs (MEA)/ Department of Economic Affairs (DEA) should consider for carrying out modification in the LoC projects to the extent that for those items, where there is sufficient local capacity and competition in the country as notified by the nodal Ministries, should mandatorily be sourced from Class-I local suppliers of India. Such step will certainly boost the export of telecom equipment. However, till now neither any revised guideline on LoC projects nor any update on the matter has been received from DEA/ MEA. *(Action: DPIIT, DEA, MEA)*

2. On one hand the shipping companies are charging the exaggerated freight charges and on the other hand there is shortage of containers for the shipment of consignments. The freight costs are making Indian industries uncompetitive as compared to far eastern suppliers that are not much impacted by increase in OVC & freight rates. As a result, the exporters are experiencing the difficulties in fulfilling the export obligations. It is suggested that Government of India may arrange sufficient number of containers and shall take the necessary steps for reduction of the freight charges. *(Action: M/o Shipping)*
iii. Department of Financial Services introduced various Emergency Credit Line Guarantee Schemes, namely ECLGS-1.0, ECLGS-2.0, ECLGS-3.0 and ECLGS-4.0. All the sectors were within the scope of ECLGS-1.0 which has provision of additional amount of the working capital term loan @ 20% of ₹ 50 crores only i.e. upto ₹ 10 crores. Further, the repayment period was only three years including the moratorium period of only one year. Subsequently, based on the study and recommendations of the Expert committee, Government of India introduced the ECLGS-2.0 & 3.0 encompassing the twenty-six sectors however, the facility under ECLGS-2.0 & 3.0 was not extended to telecom sector despite the fact that an amount of ₹ 3,098 crores (approx.) was pending to be paid by CPSEs to domestic telecom equipment manufacturers. The telecom sector may kindly be included in the Emergency Schemes so as to enable the telecom equipment/services manufacturers/providers to avail the Working Capital Term Loan. (Action : DFS)

iv. India has the second largest telecom network in the world. Therefore, to avail the economies of scale and be competitive vis-à-vis the Multi-national companies in international market place, the Indian market needs to be tapped by domestic manufacturers of telecom products. Therefore, PPP-MII policies shall be enforced strictly in all GoI fully/partially/Viability Gap funded and Public Private Partnership (PPP) projects. The Department of Telecom, as a nodal department must act swiftly and address any non-compliance in any tender involving telecom products in a time bound manner. (Action : DoT)

v. The Unified Service Licence agreements stipulate implementation of Preference to Make in India policy issued from time to time. In view of the same, the PPP-MII Order shall be made applicable to all the TSPs (including the private TSPs). DoT may be issue instructions for its implementation. (Action : DoT)

vi. Public Sector/Private Enterprises be incentivised for Execution of High-Level Projects for establishing telecom networks in Foreign Countries. (Action : DoT)

vii. The claims under MEIS/SEIS etc. shall be settled in a time bound manner to strengthen the financial status of the exporters. (Action : DGFT PC-3)

viii. A telecom export promotion fund should be set up for branding of Indian telecom products and for market development, grant-in-aid, marketing subsidy for participating in global trade shows, both
<p>| ix. | The production of integrated circuits involves designing, fabricating the chips and packaging the same. Indian engineers have the talent of designing the integrated circuits. MeitY has notified Scheme for Promotion of manufacturing of Electronic Components and Semiconductors (SPECS) on April 1, 2020 to offset the disability for domestic manufacturing of components and semiconductors; there is a need to implement the policy in right perspective as enunciated above. It is recommended that the integrated circuits (ICs) and other semiconductor manufacturing facilities should be set-up in India for reducing the trade deficit in telecom and other electronics products sector. (Action: MeitY) |
| x. | During financial year 2020-21, the import of telecom products was US$ 16.28 billion whereas the export was only US$ 5.5 billion leaving a trade deficit of US$ 10.78 billion which is quite high. Hence, apart from the increase in the export, the reduction in import of the telecom products/services is required. Depending upon the capacity and capability in respect of the various product/equipment, the preference to make India products may be defined so that the Indian domestic manufacturers get opportunity to supply products/execute the projects and at the same time the projects are also not delayed. (Action: DoT, MeitY) |
| xi. | The import of raw material is not allowed without BIS approval w.e.f. October 15, 2021; if the import of raw material will not be allowed without BIS approval, the production will come to halt as the raw material is imported, by telecom industry, in normal manner and not against Advance Licence. (Action: DoT, MeitY, BIS) |
| xii. | The RoDTEP announced for HS Code ‘8517’ is only 0.8%, which is very low and needs to be reviewed for upward revision. (Action: DGFT PC3) |
| xiii. | When products are imported back for repair, lot of hassles/issues are faced by the industry. Therefore, it is recommended that up to 5% value of the respective consignment of export, the duty-free import and re-export of the products shall be allowed for repair purpose. (Action: DGFT PC2) |
| xiv. | Due to pandemic, there is acute shortage of the ships for shipping the export consignment. Government of India may hire chartered ships and provide the same to the exporters as well as importers. (Action: |</p>
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<tr>
<td><strong>The Plastics Export Promotion Council (PLEXCONCIL)</strong></td>
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<tr>
<td>i.</td>
<td>Have achieved 26% of the targeted exports but take every step to increase exports by 30% as per target given to reach the 400 Bn$ figure. Plexconcil gave a brief of details of efforts being made by it in this regard.</td>
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<td>ii.</td>
<td>Mandatory BIS on import of polymers has been imposed on HDPE &amp; LDPE and several more polymers will be covered under it. BIS on plastics were introduced to have quality goods &amp; reduction in imports but it has been imposed on raw materials and not finished goods. BIS on polymers will only help improve profitability of Indian polymer producers and it does not improve quality of finished goods in any way. It only leads to import barriers and will lead to increase in polymer prices. Polymer prices are already higher in India by 15% as compared to China &amp; NEA countries and further imposition of mandatory BIS on raw materials will badly affect the plastic processors. <strong>(Action: BIS)</strong></td>
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<td>iii.</td>
<td>Our request to allow import of Virgin plastic scarp is still pending. If it can be allowed, it will boost exports of plastics goods, reduce imports of value added plastics In the country and generate employment as well. Import of such plastics will not add to any environment issues or affect quality of finished plastics goods. <strong>(Action: DGFT PC2)</strong></td>
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<td>iv.</td>
<td>As polymer prices at all time high, I request that Value addition requirement in Advance authorisation be reduced to only positive from existing 15%. This can be done temporarily for say 1 or 2 year period until situation stabilises. <strong>(Action: DGFT PC4)</strong></td>
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<td>v.</td>
<td>RoDTEP rates were announced but FIBC Bags &amp; woven sacks have been left out. We had specially requested for inclusion of this product as it was left out of RoSCTL &amp; MEIS as it falls in chapter 63. It should be included as it accounts for 10% of total plastics exports and it is now falling year on year due to price competitiveness. On the contrary, few plastic polymers have been added in RoDTEP list which will support their exports, despite they being in shortage in the country. <strong>(Action: DGFT PC3)</strong></td>
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<td>vi.</td>
<td>RoDTEP should be made available to AA holders, otherwise it will affect costings &amp; export growth of both small &amp; large exporters. <strong>(Action: DGFT PC3)</strong></td>
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<td>vii.</td>
<td>Electricity cost is Very high in India in comparison to other competing countries. The Cross subsidy charges should not be levied on manufacturing industry. (Action : DoC)</td>
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<td>viii.</td>
<td>Exporters based far away from ports are hit more severely as empty containers are in greater shortage at ICD’s. Foreign buyers are delaying purchases due to high freight rates &amp; delay in shipments. If Inland halage &amp; port charges can be reduced temporarily, it will help the Indian exporters to negotiate &amp; retain the export orders. (Action : Shipping, CCI)</td>
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<td>ix.</td>
<td>Unprocessed Human hair is being smuggled out of eastern India to Myanmar and then to China where there is a high import duty on it. But because it is smuggled out, it does not add to export data and it deprives the value added hair product manufacturers of valuable raw material, thereby affecting their exports as well. Custom authorities in North Eastern states to ensure a total curb in smuggling. (Action : DoR CBIC)</td>
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<td>x.</td>
<td>A Regulatory authority be set up to monitor polymer prices. (Action : DoC)</td>
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<td>xi.</td>
<td>PLI scheme for polymer production is also very necessary. (Action : DPIIT)</td>
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<th>CLE (Council for Leather Exports)</th>
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<tr>
<td>i.</td>
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<td>ii.</td>
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<td>iii.</td>
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is a labour oriented sector. *(Action : DPIIT)*

iv. The last revision of All Industry rate of Drawback (AIDBK) was done in the January 2020. For few footwear items, the drawback was enhanced in July 2020. Considering the subsequent increase in the excise duty on fuel used in export products, we would request for enhancing the Drawback for leather, leather products and footwear falling under Chapters 41, 42, 43 and 64 factoring the increased duty incidence. *(Action : DoR CBIC)*

v. In order to meet the short delivery time schedules of buyers, Government may consider having 24 X 7 customs clearances in ICDs/Ports located in major industry/export clusters. *(Action : DoR CBIC)*

vi. About 72% of our sector’s exports are directed at EU and USA. We thank the Government for reviving the trade negotiations with EU and UK. Firming-up FTAs with EU, UK and USA with 0% duty for finished leather, leather products and footwear will be of immense help in enhancing our competitiveness in these major markets. Besides, the trade agreements with other potential markets namely Canada, UAE, Australia, South African Customs Union (SACU) and Eurasian Economic Union (may kindly be firmed-up. *(Action : DoC)*

vii. The industry is facing huge liquidity problems. Hence, Interest equalisation on rupee export credit may be extended for the next five years. This is now extended upto Sept. 30, 2021. This provides 5% equalisation for MSMEs and 3% for non MSMEs of 416 tariff lines including footwear under Chapter 64 and leather products under 4201 and 4205. *(Action : DGFT PC4)*

viii. Emergency Credit Line Guarantee Scheme (ECLGS 2.0) has been extended to 26 sectors as per the report of the expert Committee on Resolution Framework for COVID 19 related stress headed by Shri V.V. Kamath. ECLGS 2.0 may kindly be extended to the leather and footwear industry, as our sector had a setback on account of COVID 19 Pandemic and for revival of export, there is a huge working capital requirement. *(Action : DFS)*

ix. Considering the huge freight cost, the Government may consider providing financial support for logistics to increase our competitiveness. *(Action : DGFT PC4)*

**Indian Oilseeds & Produce Export Promotion Council (IOPEPC)**

i. Allow exporters to file their TMA Assistance claims for quarter ending
30th June’ 19 and 30th Sep’ 19 by 30th September 2021 as the exporters were unable to file their claims for these 2 quarters due to the complete Covid-19 Lock down. Further, the exporters have claimed reimbursement under the TMA Scheme. Their claims have not been settled so far. There should be a time frame stipulated to release the funds to the exporters. (Action: DGFT PC-3)

ii. The actual freight rate paid by Exporter has increased exorbitantly. Hence, the current rate of incentive does not meet the objective of the Government on compensating international component of freight. Therefore, the rate of incentive under the TMA should be increased to reflect higher freight being paid by exporters. (Action: DoC EP-Agri)

iii. Presently USA has fixed a clubbed quota of only 1600 MT per annum of Butter being imported into USA for 6 countries including India. India has an export capacity of 40,000 MT and the quota allotted to India is minuscule, compared to other countries such as Canada, which enjoys a separate quota of 14,500 tons, and Argentina which has a separate quota of 3650 tons. India should bargain for a minimum quota of 15,000 MT. Further, Many a time export happens in excess of the quota and which remains un-utilised. This excess is either to be reimported into India or may has to be stored in bonded warehouses in USA, which is an expensive proposition for Indian exporters. (Action: DoC, MEA, DGFTPC-2)

iv. Korea levies duty of 630% or 6,660 won / kg, whichever is greater on import of Sesame seed (HS Code 12074000) under public tender system and under private quota. But there is a total limit of 90,000 tons under both these categories. China and ASEAN countries are at distinct advantage over India, since export from these countries to South Korea attract NIL duty. In view of the above it is suggested that India should seek duty free quota of 30,000 tons of Sesame seeds and Roasted Sesame seeds powder under Comprehensive Economic Partnership Agreement (CEPA). Further, Groundnut and Groundnut oil attract a duty of 230.5% and 27% duty respectively and their separate duty free import quota should be earmarked under CEPA. (Action: DoC, MEA)

v. India has great potential to export Peanut Oil and Sesame Seed Oil. India has established its position as one of the largest exporters of Sesame Seeds and Groundnuts. China is one of the key markets for Sesame seed. Over past few years China’s imports have accounted for about 40 – 45 percent of the global trade. Despite India being the largest exporter of Sesame seed and Groundnut, its share in China is less than 10% of China’s imports. This can be attributed to the fact that
China imposes 8% (under APTA) and 15% import duty on Indian Sesame seed and Groundnut respectively. The competitive edge of Indian oilseeds and vegetable oils gets blunted due to the zero duty access provided by China to the competing African countries. We had requested for NIL or lower rate of duty when APTA negotiations are resumed. We would like to highlight that India should not miss the opportunity for negotiating better access with China. (Action: DoC, MEA)

vi. Eurasian Economic Union had introduced requirement of additional declaration, stating that Peanuts and Sesame seed are produced in Area / Region that are free from Striga SPP (Type of Weed) in the phytosanitary certificate (PSC) for export to Eurasian Economic Union. Our P&Q department is ready to certify that the “Consignment” is free from Striga SPP, which is not acceptable by the CIS Countries. The Indian exports of Groundnut and Sesame seed have suffered a lot on account of this additional declaration required in Phytosanitary certificate. Other countries such as Argentina & Brazil are readily giving this declaration, which is really hurting our exports. (Action: DoC, MEA; M/o Agriculture PQ)

vii. Indian Sesame seed exporters are facing a huge issue in member countries of EU. The authorities of EU member states are insisting on destruction of cargo in case Sesame seed exported from India is found to be contaminated with Ethylene Oxide (ETO). They are referring to Article 66 and 67 of Regulation (EU) 625/2017 for support of their decision to destroy the cargo whereas in both these articles, there is a provision available for re-dispatch to third Country or special treatment in accordance with Article 71(1) and (2). This issue has been taken up during various meetings with DG-Sanco and other EU authorities. We had highlighted that since the exporter has not been paid for the Cargo, the member states of EU should not insist on destruction. This stand of EU of compulsory destruction ordered in case of detection of contamination with ETO has shaken the Indian sesame seed export sector catering to EU. Since the destruction is being ordered despite the fact that exporter has not been paid for the goods, no exporter from India would take risk of destruction leading to huge losses. This “Trade Barrier” will severely hamper exports of sesame seed. Considering the urgent need to resolve the impasse, the matter should be taken up suitably so that EU member states should not insist on destruction of the cargo and allow its re-shipment to India or any other country. (Action: DoC, MEA)
i. To promote sports equipment worldwide, Brand India should be promoted. To promote Brand India, equipment has to be tested and accredited from respective International Sports Federation followed by promoting brand through event sponsorship. All these activities are expensive options for an individual exporter. It is requested that Govt. should create a special fund to support these activities @ 75% of the cost incurred, for such exporters, who make international quality equipment. (Action: DGFT PC-2)

ii. The Duty Drawback available to Sports Goods & Toy sector at present are merely 2% and RoDTEP rates announced are 1% only, as compared to much higher incentives available to exporters in competing countries. The data submitted by SGEPC to RoDTEP committee justifies much higher rates on various items. The RoDTEP rates announced must be revisited by RoDTEP committee. (Action: DGFT PC-3)

iii. The Sports Goods & Toys Sectors are highly labor Intensive, and majority of the manufacturers are from MSME sector. Automation and technology upgradation are the need of the hour. SGEPC has collaborated with RIICO for development of new cluster (Sports Goods & Toy zone) near Bhiwadi, Rajasthan. 25 Toy manufacturers have already obtained plots in this zone and new investment by startups and by existing manufacturers (for expansion) is expected in this zone. Incentives should be given for new investment (for manufacturing) in the Sports Goods and Toys sector, like capital subsidy for new machinery. (Action: DPIIT)

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<tr>
<th>Pharmaceuticals Export Promotion Council of India (PHARMEXCIL)</th>
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<tbody>
<tr>
<td>i. The Indian pharmaceutical industry despite many hurdles esp. supply chain issues has outperformed and exported $ 24.41 bn during the year 2020-21 with 18% growth. The sector is pushing its limits and is stretching to meet the ambitious export target of USD 29 Bn set by the Govt.</td>
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<tr>
<td>ii. It was disappointing to see that RoDTEP rates have not been specified for pharmaceutical sector (Active Pharmaceutical Ingredient ‘API’)/ Formulations which are classified under Chapter Heading 29 and 30 respectively which is the third largest principal commodity in terms of exports &amp; one of the highest priority sectors. It is a fact that medium companies have progressed as large scale with MEIS support. The</td>
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hand holding of those small to medium companies are very much essential to sustain in the international markets. In recent times, Industry is struggling with highly fluctuating prices of raw materials, skyrocketed freight rates, container shortages, several logistics concerns & regulatory compliance burden and the sector has been experiencing severe price pressure in export markets rendering the companies in a difficult situation to excel in exports. At this juncture, withdrawal of benefits to the Pharmaceutical industry as a whole and the non-consideration of the exports from EOU, SEZ units & under Advance Authorisation Schemes etc will be a big jolt to the industry and it will put the exporters in a disadvantageous position in the global markets and thereby dent our export competitiveness and becomes as a roadblock for the industry to achieve the export target of $ 29 Bn. We request you to provide appropriate RoDTEP rates for Pharma products in order to sustain and provide further impetus to its export competitiveness. (Action : DGFT PC-3)

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<thead>
<tr>
<th>Agricultural and Processed Food Products Export Development Authority (APEDA)</th>
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<tbody>
<tr>
<td>i. APEDA assured to achieve the target of exports assigned to it.</td>
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<tr>
<td>ii. Logistics and other problems as raised by others are being taken up with concerned authorities.</td>
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<tr>
<th>Marine Products Export Development Authority (MPEDA)</th>
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<tr>
<td>i. MPEDA assured to achieve the export target of $7.8 billion given to it for FY 2021-22. Except Japan and the Middle East, other markets have reported positive growth.</td>
</tr>
<tr>
<td>ii. The growth rate of China is only 5% which is our biggest market because they are detecting Covid-19 Nucleic Acid on the packaging. Around 40 Companies have been de-listed by China. We are in touch with National Institute of Virology and CCMB Hyderabad to resolve the issue. They are doing virtual inspection.</td>
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<tr>
<td>iii. Seafood exporters Association has expressed its discontent on the lower RoDTEP rates announced and fixing of upper cap for its products. (Action : DGFT PC-3)</td>
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<tr>
<th>Spices Board</th>
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|i. MPEDA assured to achieve the export target of $4.8 billion given to it
for FY 2021-22.

ii. The support given to the spice manufacturers through MoFPI schemes has been withdrawn. It should be reinstated. *(Action: MoFPI)*

iii. Sri Lankan Government has stopped turmeric import into their country. Out of 60 containers landed, 12 containers have been returned. *(Action: DoC)*

iv. USA used to be our largest exporting destination. But last year China has surpassed it. Most of our export to China is in primary value added form which is again being exported by it after further value addition. The Govt. may support local value addition in our country. *(Action: MoFPI)*

### Tobacco Board

i. Tobacco Board has been a target of 31.22% over the last year. We have achieved 27.3% from April to July, 2021 so lagging behind a short quick.

ii. Tobacco has been excluded from the purview of RoDTEP scheme. Manufactured Tobacco under HS Code 2401 be included in the RoDTEP scheme. *(Action: DGFT PC-3)*

iii. Transport and market assistance scheme is available to all other agriculture products. Since, tobacco is treated as an agriculture product, so TMA should be extended to it. *(Action: DoC EP-Agri)*

iv. Under Interest equalisation scheme, around 5% per annum is available for most of the tariff lines in exports by MSME sector manufacturers and 3% per annum to merchant exporters. But tobacco is excluded there. We also requested to include tobacco under the purview Interest equalisation scheme. *(Action: DGFT PC-4)*

### Coffee Board

i. The export target for Coffee Board is $1072 million for FY 2021-22. It is taking all steps to achieve the target.

ii. The exporters are demanding to extend the RoDTEP to AA, EOU and SEZ. *(Action: DGFT PC-3)*

iii. The assistance under TMA should be increased. *(Action: DoC EP-Agri)*
iv. The major port for Coffee export is New Manglore Port wherein only the feeder vessels are coming. This is delaying the exports. So mother vessels should be deployed by the container depot. (Action: CCI)

v. There is a need to construct all weather road from coffee growing areas to Mangalore port because the roads are sometimes closed due to landslides etc. (Action: MoRTH)

Tea Board India

i. The competitiveness of Indian Tea has gone down mainly because of 30% increase of price of Tea in domestic market over last year and decline of prices in international market.

ii. Earlier upto 7% MEIS benefits were given to Tea. But RoDTEP Rate of 1% has been announced for Tea which is on the very lower side. Hence, the Indian tea would be become more uncompetitive. (Action: DGFT PC-3)

iii. Non availability of containers at Kolkata Port is also a major issue. (Action: CCI)

iv. Our export has also become down due to the payments issues from Iran which is our major market. (Action: DoC)

Jute Products Development & Export Promotion Council

i. Our items under HS code 42022230 and 42022220 for Hand bags made of Jute and cotton are always left out from any incentive scheme announced by the Govt. These two items should be incentivized by the textile industry. (Action: M/o Textile)

Powerloom Development & Export Promotion Council (PDEXCIL)

i. The textile trade industry is filled with joy on the announcement of rates of Remission of Duties and Taxes on Exported Products (RoDTEP) and extension of Rebate of State and Central Taxes and Levies (RoSCTL) scheme. (Action: DGFT PC-3)

ii. Powerloom sector employs more than 6million workers which are mostly from decentralized sector falling under MSME. Many of the powerloom weavers belong to an economically weaker section that requires more support from the Government. Therefore it is requested to please consider MAI grant of 90% for powerloom sector. (Action: DoC)
iii. The benefit of the deduction claimed under section 80H of the Act of the Income Tax Act 1961 should again be provided to exporters which was discontinued from 1st April 2005. (Action: DoR CBDT)

iv. To increase export activity of Indian exporters a B2B e-commerce website should be developed with one time funding by Government for all EPCs. (Action: DGFT PC-2)

v. Textile segment has been under inverted duty structure in the GST regime because of which ITC accumulation is huge which is neither refunded nor useable. This Inverted Duty Structure blocks huge amount of working capital and adversely impacts the financial position of the exporters. It is suggested to rectify this Inverted Duty Structure in the textiles segment. (Action: DoR CBIC)

vi. Chapter 2, Para 2.55, 2.91 and 2.92 should be continued as it is in the next FTP also. (Action: DGFT PC-2)


viii. Before the implementation of GST, job work was considered as a manufacturing activity. However, in the GST regime, job work has been considered as Input Services, and accordingly, GST paid on these job work/services like weaving, knitting, processing, embroidery and other value additions are not allowed for ITC/ refund. This has resulted in huge ITC accumulation and blockage of substantial working capital those in turn adversely impacting exports. Therefore, it is suggested to consider job work/services as manufacturing and allow for ITC/ refund of the duties paid on these activities under the GST regime. (Action: DoR CBIC)

ix. Under GST regime, there is no refund of duty/ GST paid on import/domestic procurement of Capital goods which is adversely impacting investment in plant and machinery in the textile industry in India. Therefore, GST refund on Capital goods import/ domestic procurement needs to be allowed to encourage more investment in the textiles segment. (Action: DoR CBIC)

x. Currently shortage of working capital is a serious issue for production as well as exports. Therefore, it is necessary to enhance working capital limit and advances for exports on a case-to-case basis without any collateral. Further, at least 30% additional working capital should be available at low interest rates for both exports and domestic production without any collateral and margin money to meet the working capital
needs, pay salaries and wages to the employees and meet the standing charges. (Action: DFS)

xi. There is an extreme shortage of containers and due to which freight rates have sky rocketed in recent times. The 20ft containers was earlier US$ 600-700 to European countries which has now increased to US$ 2400. A 40ft container was earlier US$ 900-1000 which has now increased to US$ 3200. Due to long waits, exporters are having huge losses. It is urged to the government to resolve the issue on top priority. As huge losses are incurring to exporters, for the time being Freight Subsidy may be provided to exporters till the situation falls back on track. (Action: M/o Shipping)

xii. The import duty on fabrics in UK is 8% on 5208, 5209, 5211, 5212, 5512, 5513, 5514, 5515, 5516, 5111, 5112, 5113 due to which cost competition arises with other exporting countries to UK. Further, Visa charges of UK are too high as compared to US. Also the documentation process is tedious which take around 15-30 days sometimes. Many of the top brands and companies in UK demand for CE marking and buyer audit compliance which increases the cost for exporting products. The textile and apparel exports to UK can be further increased to three times, if these issues can be resolved.

xiii. Time limit may be increased to 3 years under Para 5.04 (a) of HBP 2015-20 so that exporters can submit the Installation Certificate without any penalty. (Action: DGFT PC-5)

xiv. Server of DGFT is very slow, IEC and pan card have lot of mismatch so it should be made simple as a one time effort. Further while applying for new IEC the documents to upload limit is just 1 MB when an exporter reduces its document and submits on DGFT website the fonts become so small so it is not accepted, so 2 MB at least. (Action: DGFT EG&TF)

The Cotton Textiles Export Promotion Council (TEXPROCIL)

i. The RoDTEP rate for the knitted fabrics has been fixed at 1% as against 4.4% for the cotton woven fabrics whereas knitted fabrics are a value-added item and are much in demand. If this anomaly is corrected, higher levels of exports can be achieved and new industries can also come up. (Action: DGFT PC3)

ii. Quilts and Comforters covered under Chapter 9404 have been given a RoDTEP rate of 0.5%. They are Home Textile products and there is tremendous scope for increasing our exports of these products to the
US and other markets. We had submitted detailed calculations for these products to the Drawback Department and we request you to reconsider the rate as it is a value-added product and bring it on par with the RoSCTL rates for made-ups. (Action: DGFT PC3)

iii. In order to ensure that the turnaround time for containers is reduced, the containers carrying inbound import cargo should be destuffed within a period of 48 hours and the goods stored in bonded warehouses as is done in Bangladesh. (Action: Shipping)

iv. Bangladesh is an important market for textiles from India. Majority of the exports to Bangladesh take place through the land route via Petrapole. However, congestion at Petrapole always delays shipment of export goods to Bangladesh. One of the reasons for congestion is that all export consignment is required to mandatorily pass through Bangaon Municipality. To decongest & to avoid delays at Petrapole, it is suggested that all factory stuff containers should be allowed to go to Petrapole without passing through Bangaon municipality area. (Action: DoC)

v. The Train services for carrying export cargo to Bangladesh, are becoming erratic as schedules are not being announced in advance and exporters are unable to plan their shipments with certainty. Therefore, some of the products like cotton yarn and cotton fabrics should be allowed to be moved by parcel vans from inland ports. (Action: Railways)

vi. The import duty on cotton needs to be reconsidered since the varieties which are being imported are not being grown in commercial quantities in India. (Action: DoR CBIC)

vii. An issue which we have been flagging has been the restoration of the facility of duty-free imports of trimmings and embellishments against exports of made-ups. This facility was being given to the made-ups and garments sector at 1% and 5% respectively on the FOB value of the preceding year for importing labels, trims and other items specified by the buyers as part of the nominate suppliers. This facility was extremely useful to the exporters and we would be grateful if the facility is extended to the exporters of made-ups. (Action: DoR)

viii. The exporters are facing problem while negotiating documents under LCs if the issuing banks are not first-class banks and they send documents for collection. This results in blocking of funds for the exporters for a long period of time. This problem is being faced more in LDC countries and developing countries. Problems are also being
faced by Indian exporters due to delay in payments against LCs issued by Banks in Bangladesh.  
(Action: DFS)

ix. As the shipping time has gone up and the non-availability of containers and the claims which are pending under MEIS, RoSCTL, RoDTEP etc. exporters are facing working capital difficulties. Therefore, there is a request to increase the working capital limit between 25-30%. (Action: DFS)

x. In the case of comprehensive whole turnover policy, banks recover from the exporters the premium which they pay to ECGC Ltd on the Pre-shipment and Post –shipment credits extended to the exporters. This is in addition to the premium which the exporters pay to ECGC Ltd on the covers taken by them. This payment of double premium increases the cost for the exporter. While renewing the policy, ECGC Ltd increases the premium rates but reduces the limits extended to the exporters. The ECGC cover is treated as ‘AAA’ or ‘AA’, then the Banks should permit the exporter to avail the credit at lower rates and also get higher working capital as they (banks) will not need to provide against contingencies. This would help the bank as well as the exporter. (Action: ECGC)

xi. To remove Anti-dumping duty on Spandex Yarn as almost 40% of garments use it to impart stretchability and enhance value and meet the requirements of fashion. Currently, Sunset Review is in progress. Recently, Government has removed Anti-dumping duty on Viscose Staple Fibre. Anti-dumping duty on Spandex yarn should also be removed on similar lines. (Action: DoR)

xii. Expedite Indo-UK and Indo-EU FTAs and include Textile and Clothing in the proposed “Early Harvest List”, if any. (Action: DoC)

xiii. Take up the Additional duties imposed by Turkey on import of textiles from India at WTO as these duties have not been imposed as per any of the provisions either in the WTO Safeguards Agreement or the Anti-Dumping Agreement and are hence questionable. (Action: DoC)

xiv. Take up the issue of removal of Cotton Yarn from the "Exclusion List" and “Sensitive List” under the Indo-Korea CEPA and reduce import duty to "Zero", as all other Textile and Clothing items are under "Zero Duty ", when imported from India. (Action: DoR)

The Indian Silk Export Promotion Council (ISEPC)
i. The RoDTEP rates announced are quite below than the expectations. Exporters have offered export prices in the last 8 month considering RoDTEP. Now, with the reduction in the RoDTEP, the exporting community are going to lose heavily, besides, in all the new prices offered, they have to increase their prices between 2 to 6%, because of this Indian exporters rates will be on very higher side, resulting Indian products will be uncompetitive in the international market; (Action : DGFT PC3)

ii. Govt is fixing export targets for every sector, to achieve higher exports performance. It is suggested that this is the right time to float some schemes to cover the incremental exports or Status Holders benefits, which were in existence in the past policy. It is advise to encourage MSME exporters by providing some incentives on incremental exports as well as some priority benefits ie gold pass or similar the exporters can have, so that they will have little bit priority also in working with the financial institution and the Govt agencies; (Action : DGFT PC3)

iii. Because of the Covid-19, physical / one to one interaction with importer community are totally standstill, including virtual activities. Every Export Promotion Councils are waiting for MAI approval to organise participation in export promotion activities. Silk Council has already forwarded annual action plan for organising participation in EP activities on virtual and physical mode, to the E&MDA Division of Deptt of Commerce and humbly request your goodself to kindly look into for and issue sanction orders for organising participation; (Action : DoC)

iv. Non availability of containers is the biggest concern besides the sky rocketed freight rates abruptly; (Action : Shipping)

v. Delayed export payment period to relax further; (Action : DoC)

vi. Export Obligation period should be increased by another one year; (Action : RBI)

Wooltexpro (Wool Industry Export Promotion Council)

i. Where our Imports are covered by shippers / Countries Health Certs (Quarantine), still fresh cert. from Health are insisted upon only for imports at Mumbai region/ N. Sheva and Airport. Request to revert to the earlier system of approval of Health certification accompanying import consignments by Customs, instead of lengthy process of obtaining NOC from Quarantine officer for import through west India
ports only. Also impacts delay in clearance and non-availability of Direct from Port Delivery. (Action: DoR CBIC)

ii. India and the UK enjoy high complementarities in trade, and an early trade deal serves the geopolitical and economic interests of the two G-20 economies. FTA talks between India and the EU had come to a halt in 2013 after the two sides failed to resolve major differences over its scope. (Action: DoC)

iii. Deemed Export and Advance License may also be included in RoDTEP and Rates may please be revised. (Action: DGFT PC-3)

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<tr>
<th>The Synthetic &amp; Rayon Textiles Export Promotion Council (SRTEPC)</th>
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<tbody>
<tr>
<td>i. The RoDTEP rates announced on the MMF textile value chain are deficient of the taxes and levies paid by the exporters. It is suggested that the RoDTEP rates should be rectified suitably with at least 6% rate. (Action: DGFT PC-3)</td>
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<td>ii. IGST and DBK refunds are not regularly given to the exporters. Because of this there has been liquidity and working capital challenges being faced by the exporters. For improving the liquidity and working capital positions and encouraging exports, it is urgent that government should timely refund the IGST and DBK. (Action: DoR CBIC)</td>
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<td>iii. MEIS has been pending for 2019-2020 and also during 1st April 2020 31st December 2020. Releasing of the MEIS rewards to the exporters will provide significant cushion to the exporters in this challenging times. (Action: DGFT PC-3)</td>
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<td>iv. Under the GST regime, there exists inverted duty structure in the MMF textile segment because of which ITC accumulation is huge which are neither refunded nor useable. This Inverted Duty Structure blocks huge amount of working capital and adversely impact on financial position of the exporters. It is urgent to rectify this Inverted Duty Structure in the MMF textiles segment. To rectify the current Inverted Duty Structure, it is suggested to introduce a uniform 5% GST rate for entire value chain in the MMF textiles segment. (Action: DoR CBIC)</td>
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<td>v. Entire MMF textile value chain to be covered under the PLI Scheme and threshold limit of the PLI Scheme be fixed at 20%.</td>
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<td>vi. Exports to the African and LAC markets should be given double weightage while considering the merits of the exporters for status as</td>
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Star Export Houses, i.e., their total FOB/FOR export performance to African and LAC markets to be considered double while considering merits for Star Export Houses. Benefits of Focus Product, FMS and MEIS need to be reinstated and doubled for the exports to the African and LAC markets.  

(Action: DGFT PC-3)

vii. Currently textiles exports to the EU are facing the burden of high import tariff like around 3% tariff on fibre and yarn, 8% on fabrics and 12% on Made-ups, making our exports uncompetitive. Whereas, our competing countries like Bangladesh, Pakistan are getting duty free access in EU because of GSP scheme. Moreover, textile products from Vietnam are also getting duty free access in the EU markets under the Vietnam EU FTA concluded in the early of 2020. Therefore, signing of a comprehensive Free Trade Agreement with EU and UK is the need of the hour as it will tremendously help Indian textile products including MMF textiles to become price competitive in the EU market.  

(Action: DoC)

Project Exports Promotion council of India (PEPC)

i. Execution of Project Exports are complex involving manufacture, supply, construction, trial run etc, suggest, each Mission should have a Project Facilitation Cell (PFCs), familiar with local laws, taxation, double taxation treaty, Visa rules, social security, etc. This Cell should be involved right from Project conception to realisation of payments. PFC should have regular interaction with Project Exporters from the country.  

(Action: DoC, MEA)

ii. Funding provided by Exim Bank under NEIA/Buyers Credit is costly compared to other International Competitors. Government should come out with a Interest Equalisation Scheme to Exim Bank, so that they are able to offer funding at Cheaper rate to overseas customers and also relaxation on securities. Further, under the present Interest Equalisation Scheme available, Project Export is not covered, to meet the working capital. Project Exports should also be covered under the existing Scheme.  

(Action: DGFT PC-4)

iii. Currently, there is no mechanism to collect the data of project exports, since while shipments are made the classification of that particular item is mentioned on the Shipping Bill. If an identifier field (box) is created in the S/Bill, this data can be captured. Accordingly, the country will be in a position to focus on the Sector and fix up targets.  

(Action: DGFT PC-2)
iv. Project Exports are very complex in nature and a combination of design, supply, construction, service, local sourcing, third country supplies, sourcing from Other Equipment Manufacturers (OEMs) within the country, etc. Lots of Challenges on taxation, Logistics, etc. Since there is a good market for Project Exports in Africa, Middle East, South East Asia and Latin America, a separate chapter should be created in the Foreign Trade Policy. (Action: DGFT PC-2)

v. The rate of 0.5% announced is significantly low as against an MEIS of 3% available. This rate should be reviewed and enhanced to be competitive. (Action: DGFT PC-3)

**Shellac & Forest Products Export Promotion Council (SHEFEXIL)**

i. SHEFEXIL’s entire product basket, ranging from Non Timer Forest Produce, Guar Gum, Tree Borne Oil seeds, and high-value Botanical Extracts and Bamboo, originates and collected, cultivated and procured from tribals and marginal farmers across India, including the northeast region.

ii. Our member exporters in the NTFPs sectors are aiming for a greater footprint in the developed markets of USA and EU. Urgently need to mount an effective and powerful branding strategy and a marketing blitzkrieg for our value-added export products in these focus markets, as mentioned in the Agri Export Policy. Exporters are mainly from MSME segment and are unable to do this at an individual level. (Action: DoC)

iii. SHEFEXIL’s six panels/sectors currently do not have access to any Govt schemes for setting up processing or value-added infrastructure (including MoFPI’s SAMPADA and PLI schemes). In order to boost scale, quality, and compliance and leverage technology for greater value addition, capex subsidies for creation and up gradation of infrastructure is needed. This will help target higher export realisation and climb the global value chain. Since our products are indigenous rural / district based with raw materials procured by tribals, the sector is not understood by bankers and therefore has limited access to quality financing. (Action: DFS)

iv. With proliferation of lifestyle diseases and ongoing pandemic concerns, this is an opportune time to promote India’s tribal and nature-based Non Timber Forest Produce products for both food and non-food use. (Action: DoC)

v. This sector suffers from lack of formal data on both production and
export front, rendering policy making and research difficult. DGFT is addressing our concern of “others” category but immediate and periodic market studies are needed to frame a sound export strategy. (Action: DGFT PC-4)

vi. Despite officially being the nodal EPC entirely dedicated to promote exports of India’s indigenous tribal products yet we do not receive any grant available with the Ministry of Commerce, which are specially earmarked for tribal welfare, nor do our largely MSME exporters have access to schemes of other Government of India. (Action: DoC)

31. **Handloom Export Promotion Council (HEPC)**

i. The Export of Handloom products from India are mainly fabrics, bed linen, table linen, toilet and kitchen linen, towels, curtains, cushions and pads, tapestries and pholstery's, carpets, floor coverings, etc. including sarees, fabrics and lungies etc. At present the handloom export from India hovering around USD300 mn.-USD 350 mn. every year. Handloom industry is highly labour-intensive sector but due to competition from the mechanized sector, the handloom weaving community is slowly migrating to powerloom sector. Further, during this COVID-19 pandemic, member exporters are facing many challenges that needs to be addressed in order to achieve the target of Rs.10,000 cr. Some of the issues are as under:

- Raw material price, freight charges, packaging material are increasing rapidly. Increase of Yarn prices leads products expensive and tax increase on import of cotton yarns.
- Non-availability of containers/severe delay in getting the containers.
- Risky Exporters category and 100% inspection of goods exported under this category
- Certifications like Oeko Tex, BSCI, SEDEX needs to be less complicated.
- Incentives for textile exporters to be increased.
- Free Trade Agreement for handloom products
- Brand promotion activities at Overseas
- Premium price for handloom products as like organic products
- Free trade fair participation for NER manufacturers.
ii. There is a shortage in labour workforce in handloom sector especially in major export hubs such as Karur, Kannur, Madurai, etc. as the weavers /younger generations are not coming forward to undertake the activity due to low wages and more physical activity. Hence, a special incentive schemes for handloom exporters may be considered under RoSCTL, RoDTEP scheme. Further, the fund allocation to be increased for the promotional activities proposed for handloom export. (Action : DoC)

iii. Apart from allotted 31-HS codes for handloom products certain handloom product export are not currently captured in HEPC but goes to other EPCs like AEPC, EPCH, ISEPC and Khadi. (Action : DoC)

iv. Textile Industry is exporting considerable percentage of filled cushions and bags. The Filled cushions are classified under Furniture code (9404) and Bags are classified under leader bags code (4202). Because of this, these textile articles are not getting any benefit from 1st April 2020. Exporters are not showing interest on these articles, which has major share in the market, because these articles are highly competitive. Incentives will give more opportunity to grab this business. Hence, MEIS for the period from 1st April 2020 need to released for these articles; and these articles need to be classified under Textile Code with new codes for these articles, so that exporters can enjoy all benefits. (Action : DGFT PC-2, PC-3)

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**Wool & Woollens Export Promotion Council (WWEPCI)**

i. Drawbak, RoSCTL, GST, RoDTEP refunds should be released timely within a months. (Action : DGFT PC-3, DoR CBIC, M/o Textile)

ii. The exporters are put in the list of risky exporters without any verification by the GST or Customs Departments. The exporters came to know only when their GST refund or Drawback is withheld. No responsibility of the department is fixed to finalise the case of the risky exporters within a fixed time limit. (Action : DoR CBIC)

iii. Some ocean freight subsidy should be announced to help the exporters as the freight has increased too much. (Action : DoC)

iv. The Banks should increase the limits. For pre-shipment credit facility, the Bank should not seek security where ECGC cover is there. (Action : DFS)
Way Forward by Hon’ble CIM:

In his concluding remark, Hon’ble CIM said that our Exporters have made us proud by achieving record trade volumes in April-July 2021. Exports in July 2021 was $35.2 billion, the highest-ever monthly export in Indian history, and an increase of 35% with respect to July 2019. Merchandise exports in Apr-July 2021 was $130 billion, an increase of 22% with respect to April-July 2019. He said that the merchandise export target of $400 billion for the year 2021-22 has been set, in line with the Prime Minister’s clarion call, “Local goes Global: Make in India for the World”.

Hon’ble CIM also informed that the Free Trade Agreement (FTA) strategy is being revamped. India is working towards Early Harvest Agreements With UK and Australia. We are engaging with industry to ensure that FTAs are fairly and equitably crafted. We need to identify areas where we can withstand competition. Our effort is to ensure focus on countries where we have significant potential, where we can compete better and where market size is significant. He further informed that we are at a very positive momentum in terms of FTAs, with the UK, EU, Australia, Canada, UAE, Israel and the GCC countries. He exhorted the industry to study both domestic and international quality standards and work towards aligning with global quality standards.

He informed about the various steps taken to boost exports. He further informed that the Draft National Logistics Policy has been introduced. Districts are being developed as Export Hubs and Free Trade Agreements are being fast-tracked. Compliance requirement has been reduced, Production Linked Incentive Scheme has been introduced for 13 sectors and SEZ reforms have been brought in. Trade facilitation is being done on digital platforms and a comprehensive Agriculture Export Policy has been made. A New Foreign Trade Policy will be announced on October 1, 2021 and Indian missions abroad will play an active role in its implementation. A single-window customs clearance has been extended for exporters.

The target of $400 billion export for 2021-22 has been generated through a bottom-up and consultative approach, wherein specific targets for each country, product, Export Promotion Council and foreign mission, has been set. Export Promotion Councils, and Commodity Boards can play a key role in export promotion. They can provide market intelligence, explore new markets and destinations, arrange trade fairs and buyer-seller meets, handhold exporters and work closely with Ministries/Departments. He exhorted all EPCs to take immediate and effective steps to rise to the challenge of achieving the merchandise export target of $400 billion for 2021-22. To achieve the target this year, we need to maintain the export momentum for the next 8 months, with $34 billion exports per month. He also asked the export community to target $2 trillion exports by the year 2030, comprising $1 trillion merchandise exports and $1 trillion services exports.

The meeting ended with a vote of thanks to the Chair.

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