

Ten districts contribute 41% to India's merchandise exports

India holds 18th rank in world merchandise exports today with a miniscule share of 1.6% in global export market. The 766 districts in the country can play an important role in improving our export ranking and also earning valuable foreign exchange reserves to the country. This newsletter is based on a meticulous analysis of official export data of more than 5,000 commodities across various districts in the country.

Out of the total 766 districts in India, export data for around 637 districts are captured by the Ministry of commerce district-wise trade statistics. The data indicates that India's export is mostly concentrated around a limited number of districts. According to the data, India's top 10 districts accounts for more than 41% of its merchandise exports during the first quarter (Q1) of the current financial year 2022-23 (FY). Top 25 districts have around 61% share in India's total export. Jamnagar, a coastal district in the state of Gujarat, alone has a share of more than 15% driven by export of petroleum products, petrochemicals and Sulphur.

The data also reveal that most of the districts in India are engaged in export of agro products. Agro-products such as rice, wheat and sugar are the commodities that are exported by most number of districts. These are also the commodities that have witnessed uncertain regulatory actions as the government has imposed export restrictions on these goods in the recent past. Therefore, there is a need for consistency in export policy in order to promote exports of these goods, which will have multiplier impact on rural income and employment. Pharmaceuticals export had the highest districts representation under the non-agro commodity export and 2nd highest overall.

District wise key export trends for Q1 of the current FY 2022-23 (April-July)					
Top Exporting Districts			Commodities wise no. of Districts		
Sr.no	District	% Share	HS Code	Products	No. Districts
1	JAMNAGAR	15.40%	1006	RICE	266
2	SURAT	3.96%	3004	Pharmaceuticals	247
3	MUMBAI SUBURBAN	3.58%	5205	Cotton yarn	95
4	MUMBAI	3.51%	1701	sugar	85
5	PUNE	2.71%	1001	Wheat	71
6	KANCHIPURAM	2.66%	8708	Auto-parts	69
7	DAKSHINA KANNADA	2.65%	2710	Petroleum products	67
8	DEVBHUMI DWARKA	2.55%	1005	Maze	66
9	GAUTAM BUDDHA NAGAR	2.28%	9024	Mechanical testing instruments	63
10	KACHCHH	2.18%	6802	Monumental or building stone	62
	Total	41.48%			

According to the available data at eight digit HS code classification, Aurangabad district in Maharashtra exports 20 commodities, the highest among all the districts followed by Thiruvapur (Tamil Nadu) with 11 commodities. There are 28 districts which export only one commodity.

Districts as Export Hubs

In his 2019 Independence day speech, the Hon'ble Prime Minister Shri Narendra Modi stated that every district of India has the potential comparable to any small country in the world and thus he gave a vision of developing each district as an export hub.

On 22 July 2022, One district One product (ODOP) programme was initiated by the Ministry of Commerce with an objective of transforming each district into a manufacturing and export hub by identifying products with export potential in these district. Institutional mechanism under Districts as Export Hubs in the form of State Export Promotion Committees (SEPCs) and District Export Promotion Committees (DEPCs) have been constituted in about 36 States/UTs to provide support for export promotion and address the bottlenecks for export growth in the districts.

District Export Plans are prepared and implemented through an institutional structure at the district level. These plans address challenges for exports of such identified products/services, improving supply chains, market accessibility and handholding for increasing exports etc. So far, in about 557 districts, export plans have been prepared and about 218 plans have been adopted by DEPCs.

Conclusion

The data indicates that India's export is concentrated in a few districts and a maximum number of districts are engaged in export of agro based commodities. Recent initiative by the central government to promote export from district level may support "Make in India" policy and the USD 1 trillion merchandise export vision.

Notifications

PIB

Foreign Trade Policy extended for six months

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1862335>

Department for Promotion of Industry and Internal Trade (DPIIT), Invest India and the Embassy of the Netherlands formalize the India-Netherlands Fast-Track Mechanism (FTM)

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1862833>

INDEX OF EIGHT CORE INDUSTRIES

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1863798>

CBIC

Exchange rate notification

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1862304>

Tariff Notification

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2022/cs-nt2022/csnt84-2022.pdf>

DGFT

Import policy revision for HS code 08028010 for imports from Bhutan

<https://content.dgft.gov.in/Website/dgftprod/74858680-bebe-4ab8-93d6-5210bdbd204b/Notification%2036%20dt%2028-09-22%20Eng.pdf>

Update on export of broken rice

<https://content.dgft.gov.in/Website/dgftprod/10f38965-d974-4aa2-8ed5-521b3cdf2e8b/TN%2017.pdf>

RBI

RBI hikes policy rate by 50 basis points to 5.9%

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12394&Mode=0>