

## **India's Commercial Wings abroad may play a key role in boosting exports**

India's merchandise exports has touched USD 374 billion during April 2021 to February 2022 and with one more month remaining for the current financial year to end, the country can meet this year's target of USD 400 billion exports.

However, the ongoing geopolitical tension may make it difficult to achieve the export target for the 12 country Commonwealth of Independent States (CIS) and the European region. India set an export target of USD 5.4 billion to the CIS region, which includes Russia, Uzbekistan, Kazakhstan, Azerbaijan etc. and of this we have achieved around USD 4.0 billion exports to this region so far in the current financial year till January 2022. Similarly, India set an export target of USD 83.27 billion to the European region, of which we have so far achieved more than USD 60 billion so far in 2021-22 (April-January). The 38-country European region is the largest export destination for India and the ongoing war between Russia and Ukraine has affected shipment to this region.

Until the situation normalizes, India has to find alternative markets for its goods exported to the European region to minimize the impact of the war on our overall export performance. In this effort to diversify our export basket, India's trade missions in foreign countries can play a significant role in identifying potential markets for Indian goods. Indian government has set up Commercial Wings in all its 105 Indian Missions abroad for promoting India's foreign trade and commerce.

Reports suggest that there is untapped potential to diversify our export of pharmaceutical products to Latin America, Africa and Asia. Similarly, there is huge potential for export of agro and processed food products, such as food & beverages, ready-to-eat snacks, food ingredients, marine products, meat and poultry products.

Especially, our Commercial Wings abroad may take steps to address tariff and non-tariff barriers such as licensing, registration, quality standards etc. that affect our export of agro commodities. Success attained in recent years in this area can be replicated in other countries as well. For instance, Japan has accepted our long pending demand for discontinuing of 100% mandatory inspection of Black Tiger shrimp by Japanese inspectors before exports to Japan. Japan, will now subject the Indian Cultured Black Tiger shrimp to the regular monitoring system following the track record of past inspections. Similarly, South Korea relaxed quality inspection norms for export of mangoes from India to that country. We need to negotiate relaxation of tariff and non-tariff barriers with other countries as well to support our agro product exports.

For instance, groundnut is a dominant product, accounting for almost 60% of our export basket of oilseeds. China is the largest importer of groundnut seed in the world. But Indian exporters are unable to compete with exporters from Africa, Pakistan and Bangladesh who enjoy 8% import duty advantage over India in China. India's Commercial Wing in China may take up this issue with the authorities in China to address this duty disadvantage.

The ongoing efforts to sign free trade agreement with Canada, Australia and Israel, besides the recently signed trade pact with UAE may also help find alternative markets for our exports.

Apart from these efforts, India can also explore emerging avenues of international trade to make its export sector resilient. Reports suggest that India has strong potential to become an outsourcing destination for Contract Research and Manufacturing Services (CRAMS), clinical research, biotechnology, bio-informatics, etc. Also, the 14 production linked incentive schemes rolled out by the government may boost our export of mobile phones, computer peripherals, processed food, manmade textile, auto-components etc.

## Notifications

### PIB

Government reopens application window for PLI Scheme for White Goods

<https://pib.gov.in/PressReleaseDetail.aspx?PRID=1803659>

India's farm exports touch USD 19,709 million in Apr–Jan 2021-22

<https://pib.gov.in/PressReleaseDetail.aspx?PRID=1803561>

India to advance CEPA with Bangladesh

<https://pib.gov.in/PressReleaseDetail.aspx?PRID=1803662>

Minister aims 20% share of exports in GDP

<https://pib.gov.in/PressReleaseDetail.aspx?PRID=1803749>

India and Canada to re-launch talks on CEPA

<https://pib.gov.in/PressReleaseDetail.aspx?PRID=1805113>

Minister launches MSME Innovative Scheme

<https://pib.gov.in/PressReleaseDetail.aspx?PRID=1804723>

## **DGFT**

Amendment in import policy condition for hydrofluorocarbons

<https://content.dgft.gov.in/Website/dgftprod/77f8f957-4d2a-4077-a47f-132f9c5afbb6/Noti%2059%20Date%2009-03-2022%20Eng.pdf>

Certificate of Inspection for export of rice to EU countries

<https://content.dgft.gov.in/Website/dgftprod/3d595e7a-1b52-41dd-a255-752a794eee28/Noti%2060%20Eng.pdf>

## **CBIC**

Tariff Value Notifications

<https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2022/cs-nt2022/csnt15-2022.pdf>

## **RBI**

Interest Equalisation scheme for export credit

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12252&Mode=0>