

Hon'ble Union Minister of Commerce & Industry addresses Board of Trade Meeting

{Right time now to expand India's Export Footprint Globally; Every district to transform into an Export Hub; Leads Index 2019 released- Gujarat Tops Logistics Index; Scheme for Export Credit to be announced soon; ECGC procedures being made Exporter friendly}

The Hon'ble Union Minister of Commerce & Industry and Railways, Shri Piyush Goyal and the Hon'ble Ministers of State of Commerce and Industry, Shri Hardeep Singh Puri and Shri Som Parkash have addressed the 2nd meeting of the Board of Trade in New Delhi. The Board of Trade and Council for Trade Development and Promotion have been merged into the Board of Trade and representatives of both bodies were present in the interactive meeting.

Addressing the participants the Hon'ble Union Minister of Commerce & Industry, Shri Piyush Goyal said that each district of India has the equal potential to that of a country with its own distinct handicraft and unique specialties like saris, perfumes, sweets and utensils which has the potential for exports. **There is a need for transforming each district of India into an export hub.** He urged his colleagues from States to identify and take measures to realize this by incorporating it into its export strategy.

He further said that the merger of banks will now enable them to disburse enhanced credit, raise their risk appetite and to raise resources from the market. He further added that Rs 70,000 crore will be released to PSBs upfront and additional lending and liquidity to the tune of Rs 5 lakh crore will benefit corporate, retail borrowers, MSMEs, small traders and exporters.

All pending GST refunds due to MSMEs will be paid within 30 days and improved One Time Settlement policy will benefit MSMEs and retail borrowers in settling their overdue, added the Minister. He listed out the many initiatives that have been taken to digitize the interaction with exporters like e-issue of importer-exporter's code, paperless MEIS, paperless Advance and EPCG

Authorizations and online RCMC for exporters. The reorganization of DGFT field offices have led to better utilization of human resources.

He said that although total exports of India have crossed half trillion-dollar mark at USD 537 billion in 2018-19, goods exports are at an all-time high of USD 331 billion and services exports stand at a record USD 205 billion but India will have to achieve one trillion USD of exports in the next five years. For this, he said that we need to increase domestic production and improve our competitiveness.

Simultaneously, both Central and State Governments, together have to take measures for further improving ease of doing business, decrease logistics cost, simplify regulatory procedures. It is a matter of pride that our rank in ease of doing business has improved from 142 in 2014 to 77 in 2018 with trading across borders up from 122 to 80. However, we have to break into top 50 nations and we have to improve ease of doing business throughout the country and the States have to play a major role in this.

He announced that the Ministry will soon be coming out with a credit scheme for exporters with enhanced insurance cover upto 90% instead of the present 60%. He said that India has a huge potential for exports due to the trade dispute between US and China which has provided a window of opportunity to Indian manufacturers for taking up exports of products to US or China where the higher tariffs have been imposed on imports from the other country. He said that India has a trade surplus of USD 17 billion with USA while a trade deficit of USD 53 billion with China, and for this India needs to work on its strengths by exploring market access for agriculture and pharma products in different regions.

LEADS Index – 2019 - Gujarat Tops Logistics Index

During the inaugural session, the LEADS Index - 2019 was released by the Hon'ble Union Commerce and Industry Minister along with the Hon'ble Ministers of State for Commerce and Industry, CEO NITIAayog, Commerce Secretary, Department for Promotion of Industry and Internal Trade Secretary, and Director General of Foreign Trade.

The top ranking state in the logistics sector is Gujarat followed by Punjab and Andhra Pradesh. Among the hilly Eastern States Tripura is the top performer and among Union Territories (UTs) Chandigarh was selected as the best performing UT.

The LEADS Index is an effort by the Commerce and Industry Ministry to establish the base line of performance in the logistics sector based on the perception of users and stakeholders at the State level. It provides the basis for stakeholder engagement, discussions and evolving action plan by various agencies. It is not an index of the performance of the State Government but may be used to assess the status of logistics efficiency in each State.

The State Logistics Performance Index is arrived at using a ranking methodology based on a series of meetings with stakeholders and online surveys in the key areas of the logistics like infrastructure, services, timelines, traceability, competitiveness, security, operating environment and efficiency of regulation.

Scheme for Export Credit to be announced soon

In the area of export credit, including forex credit, especially with regard to credit at affordable terms and in sufficient volume, the Hon'ble Union Commerce and Industry Minister Shri Piyush Goyal informed that the contours of a scheme will be soon shared by the Government. In addition, he informed that ECGC procedures and practices are being revamped to make them more exporter friendly. He also assured that issues raised by States will be resolved expeditiously.

He also stressed the importance of cooperative and competitive federalism for faster growth and the need for transforming each district into an export hub to fulfil the vision of the Hon'ble Prime Minister to make India a USD 5 trillion economy within the next five years. He emphasized the need to prioritize the area of addressing key issues related to imports, including unfair competition through dumping and subsidies, and import of sub-standard products due to lack of standards, while enabling smooth import of key inputs and raw materials.

During the day-long deliberations, the issues of transparency in risky exporters by Customs/GST authorities, GST refunds, declining export credit, requirement of collaterals and inverted duty structure were discussed. Various States also participated in the discussions and raised the matter of special packages for automobile, textiles, diamonds and fisheries as these sectors are facing problems leading to loss of employment.

The issues of extension of sunset clause in respect of SEZs, technology park for ancillary

industries in defence sector, and promotion of border trade from North Eastern States were also discussed. Deliberations were also carried out with regard to utilising opportunities in Free Trade Agreements, addressing key regulatory concerns related to imports. Specific action points for expediting IGST refunds, timely disbursement of export incentives, reducing logistics costs, improving ease of doing business in all States, increasing domestic manufacturing and reducing inessential imports were identified.

While noting that many States have finalized export strategies since the last [board of trade](#) meeting, the remaining States were urged to finalise their export strategies at the earliest keeping in view their state specific requirements and advantages. It was also suggested that a State level senior officer may be appointed exclusively as Trade Facilitation Commissioner in each State to look into trade and export facilitation.

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