

30th December 2021

Year End Review 2021 for Department of Commerce, Ministry of Commerce and Industry

Export Target of US\$ 400 billion set for Merchandise in 2021-22, on course to scale with about 66% achieved till last month

Merchandise exports top \$263 billion during April-November 2021, jump more than 51% over same period last year

India, Mauritius signed Comprehensive Economic Cooperation and Partnership Agreement in February, while India-Australia CECA Interim Agreement expected soon

India Pavilion at World Expo 2020 at Dubai a big draw

Nearly 32 Lakh vendors onboard Government e-Marketplace (GeM) platform

National Logistics Policy in final stage of approval

The major highlights of the Department of Commerce during the year 2021 are as follows:

1. Export Target of US\$ 400 billion for Merchandise in 2021-22

- a. Target of US\$ 400 billion for 200 countries and 30 Quick estimates commodity groups has been set by Department of Commerce for the year 2021-22, based on past trend, current scenario and policy dynamics in India and rest of the world. India's merchandise exports have reached 65.89 percent of the target of USD 400 Billion, till November 2021.
- b. For monthly monitoring of achievement of targets, an Export Monitoring Desk under Statistics Division of DGFT has been set up. The disaggregated targets enable tight monitoring by country/ region/ mission/ products/ commodity groups/ Export Promotion Councils.
- c. The Prime Minister addressed the Ambassadors/ High Commissioners/ Commercial Missions, Line Ministries/ Departments, States/ UTs, EPCs, Commodity Boards/ Authorities, Industry/ Trade Associations, etc. on 6th August 2021 on "Local Goes Global - Make in India for the World" for achieving target US\$ 400 billion of exports.

2. Export Performance

Merchandise

- a. India's exports have been performing extremely well in last 8 months with exports exceeding USD 30 billion for the 8th consecutive month in the current financial year.

- b. The cumulative value of exports during April-November 2021 has been estimated at USD 263.57 Billion compared to USD 174.16 Billion during April-November 2020, which is a positive growth of 51.34 percent. As compared to April-November 2019, exports in April-November 2021 exhibited a positive growth of 24.82 per cent.

Services

- a. India's services exports remained relatively resilient to the pandemic which impacted world trade in commercial services in 2020. India's share in world commercial services exports has increased from 3.5% in 2019 to 4.1% in 2020, leading to improvement of India's rank in leading exporters of commercial services from 8th to 7th in 2020.

3. Azadi Ka Amrit Mahotsav (AKAM)

- a. To commemorate Azadi Ka Amrit Mahotsav, the Department of Commerce organised 'Vanijya Saptah' from 20th to 26th September, 2021 with an objective to highlight how India is empowering every stakeholder in the international trade ecosystem to produce quality products which can stand the global competition – Make in India for the world. To that end the Department of Commerce worked in collaboration with State Governments, UT administrations and all relevant stakeholders in the export process throughout the country to set up a week long string of activities.
- b. Various activities organised during week long programme on the themes or the aspirational goals like (i) Towards Greater Self Reliance (ii) Showcasing India: A Rising Economic Force (iii) Green and Swachh SEZs (iv) Vanijya Utsav (v) From Farm to Foreign Lands, which the Government is pursuing in arena of International trade with Central idea of attaining excellence in terms of quality of the products which can withstand global competition, a sine qua non for achieving the goal of Make in India for the World.
- c. Events organised were a fusion of business and celebration as part of the Azadi Ka Amrit Mahotsav. All the events were widely and enthusiastically participated in not only by the primary stakeholders of trade i.e. the exporters but also by States Govt./ UTs Administrations, Export Promotion Councils, Industries, Traders, Producers, Plantation workers, MSMEs and other stakeholders on Pan India basis covering around 700 districts. All the events around the five themes were a resounding success as every State and Union Territory along with all the stakeholders participated with exuberance.

4. Ease of Doing Business

- a. In order to provide policy stability during the pandemic period, Foreign Trade Policy (FTP) 2015-20 was extended for the year 2021-22 i.e. up to 31st March 2022.

- b. Exemption from Integrated Goods & Service Tax and Compensation Cess under Advance Authorizations (AA)/ EPCG, EOU scheme extended up to 31st March 2022.
- c. IT systems of DGFT revamped with API based message exchange with community partners on export promotion schemes.
- d. The common eCoO portal has been extended for issuing non-preferential certificates of origin also.
- e. Information on Foreign Trade Policy Updates, Import/Export Policy, Export/Import Statistics, status of applications, 24x7 virtual assistance has been made available through the DGFT Trade Facilitation App that was launched by Hon'ble CIM on 12.04.2021.
- f. Export Obligation period of specified Advance & EPCG Authorisations extended till 31st December 2021.

5. Implementation of RoDTEP Scheme

- a. Scheme for Remission of Duties and Taxes on Exported Products (RoDTEP) has been notified on exports from 1st January 2021. The Scheme creates a mechanism for reimbursement of taxes/ duties/ levies, which are currently not being refunded under any other mechanism, at the central, state and local level, but which are incurred in the process of manufacture and distribution of exported products. Major component of such taxes is electricity duty and VAT on fuels used in transportation / distribution.
- b. RoDTEP scheme covers around 8555 HS lines, with rates of remission ranging from 0.01% to 4.3%.
- c. The RoDTEP Scheme operates with an end to end digitization and no separate application is required to be filed to claim RoDTEP benefits. Central Board of Indirect Taxes and Customs (CBIC), Ministry of Finance is implementing the Scheme. The CBIC's ICEGATE online module has been operationalized and exporters have started availing e-scrips under the Scheme.

6. Notification of SEIS scheme for the FY 2019-20

- a. For the services rendered in the FY 2019-20, Service Exports from India Scheme (SEIS) was notified vide Notification No. 29 dated 23.09.2021, containing the list of eligible service categories and rates

7. India and Mauritius signed the Comprehensive Economic Cooperation and Partnership Agreement (CECPA)

- a. India and Mauritius signed the Comprehensive Economic Cooperation and Partnership Agreement (CECPA) on 22nd February 2021 which entered into force on 1st April 2021.
- b. The CECPA is the first trade Agreement signed by India with a country in Africa. The Agreement is a limited agreement, which will cover Trade in Goods, Rules of Origin, Trade in Services, Technical Barriers to Trade (TBT), Sanitary and Phytosanitary (SPS) measures, Dispute Settlement, Movement of Natural Persons, Telecom, Financial services, Customs Procedures and Cooperation in other Areas.
- c. The India-Mauritius CECPA provides for an institutional mechanism to encourage and improve trade between the two countries. The CECPA between India and Mauritius covers 310 export items for India. As regards trade in services, Indian service providers will have access to around 115 sub-sectors from the 11 broad service sectors.

8. India-UAE Comprehensive Economic Partnership Agreement (CEPA) Negotiations

- a. India-UAE CEPA negotiations were launched on 22nd September 2021 during the visit of UAE delegation. Two rounds of negotiations have been held so far and both sides are aiming to conclude the negotiations by December 2021 and signing of the Agreement by March 2022.
- b. During the negotiations, both sides reiterated the importance of the India-UAE CEPA and its potential to not only expand economic and investment opportunities, but mark a new phase of cooperation and collaboration. This new strategic economic agreement is expected to increase bilateral trade in goods to US\$ 100 billion within five years of the signed agreement and increase trade in services to US\$ 15 billion.

9. India-Australia Comprehensive Economic Cooperation Agreement (CECA) Negotiations

- a. India-Australia CECA negotiations are at an advance stage. Both countries are expected to complete negotiations for the Interim Agreement soon. Final agreement is expected to be completed by end of 2022. The key negotiating subjects are Trade in Goods, Services, Investment, Rules of Origin, Customs Facilitation, Legal and Institutional issues etc.

10. BRICS Trade Fair 2021 during 16th to 18th August 2021 (Virtual)

- a. BRICS Trade Fair, an initiative of the Department of Commerce, a key engagement was held virtually under India's Chairmanship from 16th to 18th August, 2021.

- b. The BRICS Trade Fair 2021 witnessed the participation of over 5000 delegates, and the event had over 2500 pre-fixed B2B meetings. The Trade Fair also saw over 8000 Virtual booth visits by the business delegates, which attributed to over 2000 business interactions.

11. India Pavilion at World Expo 2020 at Dubai

- a. World Expo 2020 is being held in Dubai from 1st October, 2021 to 31st March, 2022. This is the first expo which is being held in MEASA (Middle East, Africa and South Asia) region. The India Pavilion at World Expo at Dubai was inaugurated by CIM on 01.10.2021.
- b. The main theme of World Expo 2020 is "Connecting Minds, Creating the Future". The main theme is further branched into three sub themes of the Expo viz. - Opportunity, Mobility and Sustainability. World Expo, Dubai is expected to herald the revival of global economy post the COVID-19 pandemic with participation of more than 190 countries and 25 million expected visitors.
- c. India Pavilion at the Dubai Expo has turned out to be a huge draw, registering another landmark by receiving more than six lakh visitors in just 83 days of its opening.

12. Government e-Marketplace (GeM): Open and Transparent Procurement

- a. A total 31.8 Lakh vendors have been onboarded on GeM, out of which 7.39 Lakh are MSMEs, which constitute about 23% of the vendor base and contribute over 57% of the cumulative Gross Merchandise Value on GeM.
- b. GeM has drastically brought down waiting time and prices for buyers and ensured timely payments to the sellers. It has enabled various modes of procurement as prescribed in GFR and has made available various analytical tools to facilitate buyers to make informed decision while making procurement.
- c. GeM has created a Unified Procurement System for the country in line with the vision of the Government, by bringing the functionalities of the Defence Public Procurement Portal, the Central Public Procurement Portal and its sub-portals onto GeM to provide a single user experience. The Unified Procurement System will consolidate the scattered vendor bases on publishing portals onto GeM leading to advantages of economies of scale, better price discovery and dissemination of best practices in procurement.

- d. In order to promote inclusion, MSMEs, Self-Help Groups (SHGs), tribal artisans, craftsmen, startups, in consultation with the Ministry of MSME and the Ministry of Rural Development, GeM has taken various initiatives for their onboarding through STARTUP RUNWAY, SARAS COLLECTION, TRIBESINDIA eSTORE, onboarding of Artisans and Weavers, Bamboo and Womaniya etc.

13. Re-development of Pragati Maidan

IECC Project

- a. The landmark Pragati Maidan fair ground is being redeveloped into a world class International Exhibition cum Convention Centre (IECC) in two phases (2nd phase will be taken up a few years later). The work on the IECC project is underway and all its segments are now scheduled to be completed by June 2022. Hon'ble Prime Minister inaugurated the new Exhibition Complex (Halls 2, 3, 4 & 5) as a part of the IECC Project on 13.10.2021 on the sidelines of the Launch of PM Gati Shakti.

14. National Logistics Policy

- a. National Logistics Policy has been developed after wide consultations with all Central Ministries on the supply and demand side and takes a comprehensive view of the sector defining specific action points with the key objective of matching and improving upon global standards in logistics efficiency and to integrate with Global supply chains.
- b. A 75-point National Logistics Reform Action Plan has also been prepared with specific actionable items on the policy.
- c. Revised policy is in its final stages of approval. The Policy targets to reduce the cost of logistics by about 5% over the next 5 years, achieving a ranking in top 25 of major global logistics-related performance indices, and encourage environmentally sustainable, inclusive and future ready logistics.

15. PM Gati Shakti NMP

- a. PM Gati Shakti National Master Plan for multi-modal infrastructure connectivity to Economic Zones which is an Integrated Plan depicting Economic zones and Multi-modal Connectivity Infrastructure on a GIS Platform was launched in October, 2021 to holistically integrate individual interventions of various Ministries/Departments with a national perspective and provide coordinated IT enabled Map based approach to planning, operations and monitoring of projects.

- b. Empowered Group of Secretaries and Network Planning Group has been constituted and their first meetings have been held. Constitution of Technical Support Unit is under way. Training workshops by BISAG-N have been completed. Zonal Conferences of States on PM Gati Shakti for onboarding States in the National Master Plan is currently progressing since November 2021 till January 2022.
- c. The National Master Plan on GIS Platform being developed by BISAG-N is expected to be complete and launched by April 2022.
- d. The Logistics Performance Index (LPI) released every two years by the World Bank is one of the most widely referred reports used to assess logistics performance of countries. On the index, India was ranked 44 out of 160 countries in 2018 vis-à-vis rank of 54 in 2014 (most recent study conducted till date is in 2018).

16. **Trade Infrastructure for Export Scheme (TIES)**

- a. The Department of Commerce is implementing TIES w.e.f. FY 2017-18 with the objective to enhance export competitiveness by supporting development of export linked infrastructure that can be utilized by multiple exporters. The scheme has been extended further for 5 years i.e. from 2021-22 to 2025-26 with total budget outlay of Rs. 360 crores. In BE 2021-22, Rs. 75 crores has been allotted for the Scheme. In the FY year 2021-22 till December 8, new projects with total TIES fund of 113 crore has been approved by the Empowered Committee.

17. **Agri Export Policy (AEP)**

- a. After pursuance with the concerned State Govt. officials requesting for cooperation for finalising the State Agri Export Action Plan in a time bound manner, five States and one UT have finalized the State specific Action Plan viz. Mizoram, Meghalaya, Tripura, Arunachal Pradesh, Himachal Pradesh and UT of A&N Islands. The action plans of remaining States are at different stages of finalization.
- b. APEDA signed an MoU with NAFED for strengthening the export linkage of Farmer Cooperatives.
- c. In pursuance to the series of interactions held with Amazon Web Services (AWS) team, the approval was accorded for executing two pilot projects for the proposals submitted on Block chain traceability for GI Mangoes (Alphonso) and Digital assaying at APEDA pack houses.
- d. **Blockchain Technology in GrapeNet:** APEDA implemented Block chain solution as part of its GrapeNet traceability system. The Block chain technology helped tracking

all the activities and steps involved in the grape lifecycle, right from farm allocation to the delivery of grapes.

18. Coffee Development Programme in Odisha

- a. Coffee Board has initiated a programme with the Government of Odisha to promote coffee and black pepper cultivation by tribals in Koraput District. This four-year programme, designed to be implemented with financial assistance from the Government of Odisha and technical assistance from the Coffee Board, has a budget of Rs. 16.46 crore and envisages support to about 4100 tribal growers to produce coffee and black pepper in an area of about 2000 ha (existing and new).

19. Rubber Census

- a. Rubber Board is conducting nationwide census on rubber by using digitalized mobile application, 'RUBAC', developed in association with Digital University, Kerala, with a view to ascertain the area under rubber, new-planted area, re-planted area, the age profile of trees, discarded area over the years, level of adoption of new clones, size of holdings and details of tappers etc. Field enumeration has started in Kottayam District.

20. Collaborative Project for rubber plantation development in NE region with ATMA

- a. A project for supporting development of new rubber plantations in North East and improving quality of processed forms of rubber with a contribution of Rs.1,100 crore from major tyre companies, represented by Automotive Tyre Manufacturers Association (ATMA), is approved and MoU signed under the initiative and guidance of Hon'ble Commerce and Industry Minister.
- b. The plan is to develop 2,00,000 ha of rubber plantations in North East in five years. Planting of rubber started in July 2021 and expected area to be planted in 2021 is 5000 ha.

(Source: PIB, GoI)