Ministry of Commerce & Industry
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DIRECTORATE GENERAL OF
FOREIGN TRADE

HOW TO EXPORT

A practical guide

NIRYAT
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PREFACE

THIS BOOKLET IS PUBLISHED FOR THE EDUCATIONAL & TRAINING PURPOSE ONLY. THE ENTREPRENEURS/EXPORTERS/TRADERS & POTENTIAL EXPORTERS MAY USE THIS AS BRIEF PRACTICAL REFERENCE FOR HOW TO EXPORT. THIS PRATICAL GUIDE HAVE BEEN PREPARED KEEPING IN MIND THE INITIAL PROCEDURES, DOCUMENTS, ORGANISATIONS WHOSE KNOWLEDGE IS NECESSARY FOR STARTING EXPORT. THE BOOKLET GUIDES EXPORTING ANY PRODUCT.

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HOW TO EXPORT

A practical guide

Exports are one of the fundamental drivers of growth for any economy. It can influence a country's GDP, exchange rate, level of inflation as well as interest rates.

A robust export data is beneficial as it leads to increase in job opportunities, enhances foreign currency reserves, boosts manufacturing and also increases government's revenue collection. It is also a good means by which a country can bring itself out of the recession phase.

Exporting to countries with a favourable economic climate helps in increasing the GDP levels as well as helps in reducing unemployment.

Entering international markets is a long and complex process that requires companies/entrepreneurs to allocate numerous resources in terms of time and money. However, it **is a rewarding effort** because exporting is also the fastest way to internationalise a company / business -a strategy **that facilitates long-term survival Exporting is an investment that can be very profitable if carried out right** the main advantages that exporting offers to any business or company.

1. Increasing Profit Margins:

Exporting products manufactured in countries with low production costs to markets where the retail price may be higher is a way to achieve higher profit margins. Moreover, exporting is a way to **reduce costs and increase revenues**—two variables that lead to profit growth.

2. Reducing Production Cost per Unit:

It is usually necessary to increase production to enter new markets. This is a gateway to **achieve economies of scale, generate large business volumes and reduce production costs** per unit.

3. Improving Liquidity:

Payment terms with low financial risk—such as full or partial advance payment, letter of credit or documentary collection—are common in exports. Thanks to them, the exporting company reduces the risk of the operation, **increases cash flow and has more liquidity at its disposal.**

4. Enhancing Competitiveness:

The mere fact of competing in new markets against new companies is a test for the exporter and its products or services. Continuous adaptation becomes essential, generating a constant evolution that leads to a permanent improvement of processes, strategies, equipment, etc. In short, the exporting company becomes increasingly competitive.

5. Operating in Markets with Less Competition:

Before starting to export, it is essential to choose the country in which we want to sell our products and services. A good market research should take into account the export costs derived from transport, the customs tariffs and the competition that exists in each market. One of our priorities must be to export to countries where our products and services have less competition.

HOW TO START ENTERPRISE / SETTING UP EXPORT BUSINESS

Export in itself is a very wide concept and lot of preparations is required by an exporter before starting an export business. To start export business, the following steps may be followed:

1) Establishing an Organisation:

To start the export business / start up, first a sole Proprietary concern/ Partnership firm/Company has to be set up as per procedure with an attractive name and logo. Any business or an enterprise must register legally under the Companies Act of 2013. There are a total of seven types of company registration in India. Due to several options, it's overwhelming to choose the right kind of company registration.

Types of Companies and Various Company Registration Process:

The businesses are classified into multiple categories based on size, the number of employees, liability, access to capital, etc., under the "Companies Act of 2013."

- Types of Companies Based on Size: Micro, Small, and Medium companies
- Types of Companies Based on Number of Employees: Private, Public, and One Person companies
- Types of Companies Based on Control: Holding, Subsidiary, and Associate companies
- Types of Companies Based on Liability: Unlimited and Limited by shares
- Types of Companies Based on Capital Accessibility: Listed and Unlisted companies.

There are seven types of company registrations –

I. Private Limited Company
II. Public Limited Company
III. Partnerships Company
IV. Limited Liability Partnership
V. One Person Company
VI. Sole Proprietorship
VII. Section 8 Company

I. Private Limited Company:

If you'd like to enjoy your company as a private entity, private limited company registration is an ideal choice. Usually, the shareholders take the responsibility of liabilities equally to safeguard their assets. In these companies, the net capital is the total shares held by each shareholder. Unlike many other companies, the private limited company shares aren't eligible to trade or transfer publicly.

As per the Companies Act of 2013, an enterprise is said to be a private limited company if it meets the following criteria.

- It should consist of at least two directors and utmost fifteen directors.
- One director must be an Indian resident.
- The minimum and maximum shareholders of the company should be two and 200, respectively.
- It should possess a reliable capital fee of a minimum of ₹1,00,000.
- It should have a registered office address within India.

II. Public Limited Company:

Unlike private limited companies, the share of the public limited company can be held by the general public. It's established according to company law and can be traded on the stock exchange platforms without a hitch. These types of companies should register for the ROC certification before actively participating in any commercial activities.

III. Partnership Company:

This type of company reflects sole proprietorship in several ways. However, the significant difference between sole proprietorship and partnership is the number of people involved. Partnership businesses consist of two or more people in which the responsibility of each member is stated in the agreement clearly.

Meanwhile, the profits are also shared by the partners based on the agreement. In contrast, the partners are also responsible for taking up losses similar to that of profits. These companies can run their businesses even without a license if they have registered a Partnership Deed. The partnership companies are controlled under the Indian Partnership Act of 1932.

IV. Limited Liability Partnership:

LLP is relatively a new trend where business assets are entirely different from personal assets and provide ultimate limited liability protection. In this company, the partners depend on the quantity of share capital to pay the liabilities.

If you'd like to establish an LLP, one of the important requirements is that you must maintain a minimum capital of ₹1,00,000 with at least one of the partners from this country.

V. One Person Company:

One Person Company registration entered the Indian market recently. Most small businesses or start-ups run by a single person choose this kind of registration. Under this registration, the owners get liability protection, so they don't even require any partnerships.

It's pretty easy to maintain, handle, and run as a single person controls each aspect of the business. In a nutshell, it's the blend of sole proprietorship and private limited company. The eligibility criteria to avail of this registration are the minimum capital amount should be about ₹1,00,000. If you're into a finance business, then you aren't qualified to get an OPC registration And the individual must be an Indian citizen.

VI. Sole Proprietorship:

The sole proprietorship is nothing but a company run by a single person. Usually, in sole proprietorship companies, the owner is responsible for all profits or losses. It's an individual company and pretty easy to set up the business. Mostly work from home or businesses run from home by a single person prefer this type of registration.

VII. Section 8 Companies:

These companies are most commonly known as NGOs or Non-Profit Organizations that actively participate in charity works. The major aim of these companies is to encourage arts, science, education, safeguard the environment, and help the needy.

The few conditions to get an NGO registration are it must have at least two shareholders and directors. In most cases, the shareholders take the responsibility as directors. Unlike many other companies, this doesn't require any capital. Any one of the directors should be an Indian resident, and the company should register at an Indian address.

Registrar of Companies (RoC):

Registrars of Companies (ROC) appointed under Section 609 of the Companies Act covering the various States and Union Territories are vested with the primary duty of registering companies and LLPs floated in the respective states and the Union Territories and ensuring that such companies and LLPs comply with statutory requirements under the Act.

Apply For DIN:

The concept of a Director Identification Number (DIN) has been introduced for the first time with the insertion of Sections 266A to 266G of Companies (Amendment) Act, 2006. As such, all the existing and intending Directors have to obtain DIN within the prescribed time-frame as notified.

MOA and AOA of a Company under Companies Act:

A company must prepare certain preliminary documents before applying for company registration. The Memorandum of Association (MOA) and Articles of Association (AOA) are two such preliminary documents that every company must prepare. The MOA and AOA should be filed with the Registrar of the Companies (ROC) along with the company incorporation form.

The Memorandum of Association (MOA) and Articles of Association (AOA) define a company's scope of work, objectives, rules and internal management. The MOA and AOA are two essential documents that are the basis of the company's constitution. They are indispensable, and the company's foundation stands upon them. Therefore, the founders of a company must draft them with utmost clarity and precision.

Memorandum of Association (MOA) of a Company:

A Memorandum of Association (MOA) is a document containing details of the company's constitution and is the foundation of the company's structure. It is known as the charter of a company. It lays down the scope of the company's activities, objectives for which it is formed, determine the scope of its authority and its relationship with the outside world.

The creation of an MOA is the first step towards company registration. During the formation of a company, the company members must subscribe to the MOA. Subscribing to an MOA means to put one's mark or signature on the document as attestation or approval of its contents.

Articles of Association (AOA) of a Company:

The Articles of Association (AOA) of the company contains its rules or bye-laws and regulations that control or govern the conduct of its business and manage its internal affairs. The AOA is subordinate to the MOA of a company and is governed by the MOA. Every company must have an AOA as it plays a vital role in defining its internal rights, workings, management and duties. The contents of AOA should be in sync with the MoA and the Companies Act, 2013.

2. Opening a Bank Account

A current account with a Bank authorized to deal in Foreign Exchange should be opened.

A Current Account is an account that is meant for businesses, professionals, trusts, associations, societies, institutions, etc. It provides the account holder with a wide range of benefits, including restriction free deposits and withdrawals, a higher number of free cheques available per month, convenient transfers and deposits in different branches, and even an overdraft facility. All this makes a Current Account a must have for traders, businessmen, institutions and professionals.

Opening a Current Account is very simple. Many banks have a provision for opening the bank account online. Once the form is submitted, a customer care executive from the bank gets back to the customer to complete all further formalities.

To complete the account opening, there are certain documents which are required. Once these documents are submitted to the bank, the account opening formalities can be completed, and the Current Account can be opened.

Documents required for opening a Current Account:

Here are the documents required for opening a Current Account:

- Proof of identity of the proprietor /trader /professional /institution/ association, etc. such as the PAN card. Additional documents for individuals include voter ID, passport and driving licence.
- Proof of address for an individual: Telephone bill, electric bill.
- Proof of the existence of the business

Obtaining Permanent Account Number (PAN):

It is necessary for every exporter and importer to obtain a PAN from the Income Tax Department.

PAN card application can be applied online or offline. Further, requests for changes or correction in PAN data may also be made online. The online process is the most hassle-free way of obtaining PAN. The applicant is only required to fill and submit the online application form along with online payment of the respective processing fee. Copies of required documents can then be sent by post to either NSDL or UTIITSL, for verification purposes.

How to apply for PAN Card Online via NSDL Website:

Step 1: Select the PAN card application - 'New PAN Indian Citizen (Form 49A)' available on the NSDL website.

Step 2: Fill in all the details in the form. Read the detailed instructions before filling the details on the PAN card application form.

Step 3: Pay the required fees. The PAN card application fees varies on the option you choose for dispatch of your PAN card. Payment can be made through credit/debit card, demand draft or net-banking. Upon successful payment, acknowledgment will be displayed through which you can check your application status. It will also be sent to your email ID.

Step 4: Send the required documents through courier/post to the NSDL office. Only after the receipt of the documents, PAN application would be processed by NSDL. Once the NSDL verifies the application and documents, it will issue the PAN card in 15 days.

How to apply for PAN Card Online via UTIITSL Website:

Step 1: Fill the PAN card application available on the UTIITSL website.

Step 2: Pay the application fee. On successful payment, acknowledgment will be displayed. It will also be sent to your email ID.

Step 3: Send the documents to the UTIITSL office by courier within 15 days of online submission of Form 49A.

The UTIITSL will process the application and documents and issue the PAN card within 15 days.

Documents Required for PAN Card:

The required documents to be submitted along with the PAN card application:

- Identity proof
- Address proof
- Date of birth proof
- Registration certificate in case of companies, firms, HUF and association of persons.

4) Obtaining Importer-Exporter Code (IEC):

The Importer -Exporter Code (IEC) is a key business identification number which is mandatory for Exports or Imports. No person shall make any import or export except under an IEC granted by the DGFT. In case of import or export of services or technology, the IEC shall be required only when the service or technology provider is taking benefits under the Foreign Trade Policy or is dealing with specified services or technologies.

The nature of the firm obtaining an IEC may be any of the follows- "Proprietorship, Partnership, LLP, Limited Company, Trust, HUF and Society."

Consequent upon introduction of GST, IEC number is the same as the PAN of the firm.

The IEC would be separately issued by DGFT.

Procedure of IEC Code Registration Steps for IEC Registration Process:

- ❖ Step 1: Go to the DGFT Website.
- ❖ Step 2: Then you need to go on Services tab.
- ❖ Step 3: Enter your PAN number (A Person/if any Company PAN Card)
- ❖ Step 4: Enter the your details (As Mentioned on PAN Card)
- ❖ Step 5: Enter your mobile number and mail ID to get (OTP) verification process.
- ❖ Step 6: Fill and Update Application Entity Details

- ❖ Step 7: Add Branch Details (Within 15 minutes)
- ❖ Step 8: Fill and update the Director/Partner details.
- ❖ Step 9: Upload Documents Scanned Copies of Essential Documents.
- ❖ Step 10: Fee Payment (Debit/Credit Card Net Banking)
- ❖ Step 11: Preview & Print Application
- ❖ Step 12: Final Submission

Documents Required:

1. E-mail & Mobile Number
2. PAN Card
3. Address Proof
   (Aadhar Card or Passport or Voter ID is accepted for proprietary ship.
   For other forms documents like Sale deed, Rent agreement, lease deed,
   etc are accepted.)
4. Valid Bank Account in the name of applicant with pre-printed cancelled cheque
5. Fees of Rs.500/- with applicable taxes can be paid via Net Banking, Debit Card or Credit Card.

BENEFITS OF IEC:

- ❖ Open International Market IEC helps you in taking your organization and products to the worldwide market and develop your organizations. You can also sell your products on international platforms
- ❖ Product scaling and Increased Revenue there will be a vast increase in the revenue of the organization
- ❖ Several benefits are availed the organization and various companies can avail several benefits from DGFT, customs, etc as per the IEC registration. On Exports the organization can claim tax benefits as well
- ❖ No need of any renewal IEC code is successful for the lifetime of a substance and requires no recharging. It could also be utilized by a substance against all fare and import exchanges

WHEN YOU REQUIRE IEC:

- ➢ If an importer needs to clear his shipments from the traditions at that time IEC is required by the traditions experts
- ➢ When in importer sends cash to another country through banks at that point IEC is required by the bank
- ➢ At the point when an exporter needs to send his shipments then its required by the traditions port
- ➢ When an exporter receives foreign currency in his bank account, IEC is required

NEEDS OF IEC:

- ➢ Importer needs IEC License for custom clearance.
- ➢ Exporters need IEC License for export subsidy.
- ➢ Bank requires IEC License for sending and receiving money to foreign customers.
- ➢ For Food Licensing and APEDA Licensing IEC is required.

5) Registration cum membership certificate (RCMC)

Registration-Cum-Membership Certificate (RCMC) is a certificate that validates an exporter dealing with products registered with an agency/ organization that the Indian Government authorizes.

As mentioned above, an exporter desiring to obtain an RCMC has to file an application in Form ANF 2C with the concerned Export Promotional Council (EPC) and declare his mainstream business in the application. With this Trade Notice, DGFT informed that a new Common Digital Platform (DGFT e-RCMC module) for Issuance of RCMC/RC had been developed, which would be single-point access for all exporters & importers.

There are 27 Export promotion councils and nine commodities boards in India. Export Promotional Councils (EPC) and Commodities board in India are the authorities for issuing the RCMC.

Each of the Export Promotion Councils and commodities boards in India categorizes itself according to the Type of products.

- In case an export product is not covered by any Export Promotion Council/Commodity Board etc., RCMC in respect thereof is to be obtained from FIEO.
- Further, in case of multi-product is yet to be settled, the exporter has an option to obtain RCMC from the Federation of Indian Exporters Organization (FIEO).
- Regarding multi-product exporters having their head office/registered office in the North Eastern States, RCMC may be obtained from Shellac & Forest Products Export Promotion Council (except for the products looked after by APEDA, Spices Board, and Tea Board).
- In respect of exporters of handicrafts and handloom products from the State of Jammu & Kashmir, the Director, Handicrafts, Government of Jammu & Kashmir, is authorized to issue Registration Cum Membership Certificate (RCMC)

6) Selection of product:

All items are freely exportable except few items appearing in prohibited/ restricted list.

After studying the trends of export of different products from India proper selection of the product(s) to be exported may be made.

ITC-HS Code

Introduction:

ITC-HS Codes or better known as Indian Trade Classification based on Harmonized System of Coding was adopted in India for import-export operations. Indian custom uses an eight digit ITC-HS Codes to suit the national trade requirements.

ITC-HS Codes Schedules:

ITC-HS codes are divided into two schedules.

ITC (HS) Import Schedule I describe the rules and guidelines related to import policies where as Schedule II describe the rules and regulation related to export policies. Schedule I of the ITC-HS code is divided into 22 sections and each section is further divided into chapters. The total number of chapters in the schedule I is 99. The chapters are further divided into sub-heading under which different HS codes are mentioned. Export Policy Schedule II of the ITC-HS code contains 98 chapters giving all the details about the guidelines related to the export policies.

Governing Body of ITC (HS) Code:

Any changes or formulation or addition of new codes in ITC-HS Codes are carried out by DGFT (Directorate General of Foreign Trade). Commodity description, weeding out of defunct codes, addition of new codes, change of product description etc., are taken up periodically as a part of the ongoing process towards perfection.

How to read ITC HS Code

For example – HS code is- 76069299

In the above harmonized code there are 8 digits. We can break the digits as given below

HS classification Code list

- First 2 digits from the left side (76) - Chapter
- 4 digits from the left side (7606) - Heading
- 6 digits from the left side (760692) – Sub Heading
- 8 digits from the left side (76069299) – Regional Tariff

ITC HS CODE SYSTEM:

SECTION - 01 (Chapter 01 TO 05)

SECTION I - LIVE ANIMALS; ANIMAL PRODUCTS

Description

-01 Live Animals

-02 Meat and Edible Meat Offal

-03 Fish and Crustaceans, Molluscs and other Aquatic Invertebrates

-04 Birds' Eggs; Natural Honey; Edible Products of Animal Origin, not elsewhere specified or included

-05 Products of Animal Origin, Not Elsewhere Specified or Included

SECTION - 02 (Chapter 06 TO 14)

SECTION II - VEGETABLE PRODUCTS

Description

-06 Live Trees and other Plants; Bulb, Roots and the Like; Cut Flowers and Ornamental Foliage

-07 Vegetable seeds; Edible Vegetables and Certain Roots and Tubers

-08 Edible Fruit and Nuts; Peel of Citrus Fruit or Melons

-09 Coffee, Tea, Mate and Spices

-10 Cereals

-11 Products of the Milling Industry; Malt; Starches; Inulin Wheat Gluten

-12 Oil Seeds and Oleaginous Fruits; Miscellaneous Grains, Seeds and Fruit; Industrial or Medicinal Plants; Straw and Fodder

-13 Lac; Gums, Resins and Other Vegetable Saps and Extracts

-14 Vegetable Plaiting Materials; Vegetable Products not Elsewhere Specified or Include

SECTION - 03 (Chapter 15)

SECTION III - ANIMAL OR VEGETABLE FATS AND OILS AND THEIR CLEAVAGE PRODUCTS; PREPARED EDIBLE FATS; ANIMAL OR VEGETABLE WAXES

Description

-15 Animals or Vegetable Fats and Oils and their Cleavage Products; Prepared Edible Fats; Animal or Vegetable Waxes

SECTION - 04 (Chapter 16 TO 24)

SECTION IV – PREPARED FOODSTUFFS; BEVERAGES, SPIRITS AND VINEGAR; TOBACCO AND MANUFACTURED TABACCO SUBSTITUTES

Description

-16 Preparations of Meat, of Fish or of Crustaceans, Molluscs or Other Aquatic Invertebrates

-17 Sugars and Sugar Confectionery

-18 Cocoa and Cocoa Preparations

-19 Preparations of Cereals, Flour, Starch or Milk; Pastry cooks' Products

-20 Preparations of Vegetables, Fruit, Nuts or other Parts of Plants

-21 Miscellaneous Edible Preparations

-22 Beverages, Spirits and Vinegar

-23 Residues and Waste from the Food Industries; Prepared Animal Fodder

-24 Tobacco and Manufactures; Tobacco Substitutes.

SECTION - 05 (Chapter 25 TO 27)

SECTION V - MINERAL PRODUCTS

Description

-25 Salt; Sulphur; Earths and Stone; Plastering Materials, Lime and Cement

-26 Ores, Slag and Ash

-27 Mineral Fuels, Mineral Oils and Products of their Distillation; Bituminous Substances; Mineral Waxes

SECTION - 06 (Chapter 28 TO 38)

SECTION VI - PRODUCTS OF THE CHEMICALS OR ALLIED INDUSTRIES

Description

-28 Inorganic Chemicals; Organic or Inorganic Compounds of Precious Metals, of Rare-earth Metals, of Radioactive Elements of Isotopes

-29 Organic Chemicals

-30 Pharmaceutical Products

-31 Fertilisers

-32 Dyeing Extracts; Tannins and their Derivatives; Dyes, Pigments and other Colouring Matter; Paints and Varnishes; Putty and other Mastics; inks

-33 Essential Oils and Resinoids; Perfumery Cosmetic or Toilet Preparations

-34 Soap, Organic Surface- Active Agents, Washing Preparations, Lubricating Preparations, Artificial Waxes, Prepared Waxes, Polishing or Scouring Preparations, Candles and Similar Articles, Modelling Pastes, "Dental Waxes" and Dental Preparations

-35 Albuminoidal Substances; Modified Starches; Glues; Enzymes

-36 Explosives; Pyrotechnic Products; Matches; Pyrophoric Alloys; Certain Combustible Preparations

-37 Photographic or Cinematographic Goods

-38 Miscellaneous Chemical Products

SECTION - 07 (Chapter 39 TO 40)

SECTION VII - PLASTICS AND ARTICLES THEREOF; RUBBER AND ARTICLES THEREOF

Description

-39 Plastics and Articles thereof

-40 Rubber and Articles thereof

SECTION - 08 (Chapter 41 TO 43)

SECTION VIII - RAW HIDES AND SKINS, LEATHER, FURSKINS AND ARTICLES THEREOF; SADDLERY AND HARNESS; TRAVEL GOODS, HANDBAGS AND SIMILAR CONTAINERS; ARTICLES OF ANIMAL GUT (OTHER THAN SILK-WORM GUT)

Description

-41 Raw Hides and Skins (Other than Furskins) and Leather

-42 Articles of Leather; Saddlery and Harness; Travel Goods, Handbags and similar containers; Articles of Animal Gut (other than Silk-worm Gut)

-43 Furskins and Artificial Fur; Manufactures thereof

SECTION - 09 (Chapter 44 TO 46)

SECTION IX - WOOD AND ARTICLES OF WOOD; WOOD CHARCOAL; CORK AND ARTICLES OR CORK; MANUFACTURES OF STRAW, OF ESPARTO OR OF OTHER PLAITING MATERIALS; BASKETWARE AND WICKERWORK

Description

-44 Wood and Articles of Wood; Wood Charcoal

-45 Cork and Articles of Cork

-46 Manufactures of Straw, of Esparto or of other Plaiting Materials; Basket ware And Wickerwork

SECTION - 10 (Chapter 47 TO 49)

SECTION X - PULP OF WOOD OR OF OTHER FIBROUS CELLULOSIC MATERIAL RECOVERED (WASTE AND SCRAP) PAPER OR PAPERBOARD; PAPER AND PAPERBOARD AND ARTICLES THEREOF

Description

-47 Pulp of Wood or of other Fibrous Cellulosic Material; Recovered (Waste and Scrap) Paper or Paperboard

-48 Paper and Paperboard; Article of Paper Pulp, of Paper or of Paperboard Currency Paper (Water-mark Bank Note Paper)

-49 Printed Books, Newspapers, Pictures and other Products of the Printing Industry; Manuscripts, Typescripts and Plans

SECTION - 11 (Chapter 50 TO 63)

SECTION XI - TEXTILE AND TEXTILE ARTICLES

Description

-50 Silk

-51 Wool, Fine or Coarse Animal Hair, Horse Hair Yarn and Woven Fabric

-52 Cotton

-53 Other Vegetable Textile Fibres; Paper Yarn and Woven Fabrics of Paper Yarn

-54 Man-made Filaments

-55 Man – made Staple Fibres

-56 Wadding, Felt and Nonwovens; Special Yarns; Twine, Cordage, Ropes and Cables and Articles thereof

-57 Carpets and Other Textile Floor Coverings

-58 Special Woven Fabrics; Tufted Textile Fabrics; Lace; Tapestries; Trimmings; Embroidery

-59 Impregnated, Coated, Covered or Laminated Textile Fabrics; Textile Articles of a Kind Suitable for Industrial Use

-60 Knitted or Crocheted Fabrics

-61 Articles of Apparel and Clothing Accessories, Knitted or Crocheted

-62 Articles of apparel and clothing accessories not knitted or crocheted

-63 Other made up textile articles; sets; worn clothing and worn textile articles; rags

SECTION - 12 (Chapter 64 TO 67)

SECTION XII - FOOTWEAR, HEADGEAR, UMBRELLAS, SUN UMBRELLAS, WALKING-STICKS, SEAT-STICKS, WHIPS, RIDING- CROPS AND PARTS THEREOF; PREPARED FEATHERS AND ARTICLES MADE THEREWITH; ARTIFICIAL FLOWERS; ARTICLES OF HUMAN HAIR

Description

-64 Footwear, Gaiters and the Like; Parts of such Articles

-65 Headgear and Parts Thereof

-66 Umbrellas, Sun Umbrellas, Walking-sticks, Seat-sticks, Whips, Riding-crops, and Parts Thereof

-67 Prepared Feathers and Down and Articles Made of Feathers or of Down; Artificial Flowers; Articles of Human Hair

SECTION - 13 (Chapter 68 TO 70)

SECTION XIII - ARTICLES OF STONE, PLASTER, CEMENT, ASBESTOS, MICA OR SIMILAR MATERIALS; CERAMIC PRODUCTS; GLASS AND GLASSWARE

Description

-68 Articles of Stone, Plaster, Cement, Asbestos, Mica or Similar Materials

-69 Ceramic Products

-70 Glass and Glassware

SECTION - 14 (Chapter 71)

SECTION XIV - NATURAL OR CULTURED PEARLS, PRECIOUS OR SEMI-PRECIOUS STONES, PRECIOUS METALS, METALS CLAD WITH PRECIOUS METAL, AND ARTICLES THEREOF; IMITATION JEWELLERY; COIN

Description

-71 Natural or Cultured Pearls, Precious or Semi-precious Stones, Precious Metals, Metals Clad with Precious Metal, and Articles thereof; Imitation Jewel

SECTION – 15 (Chapter 72 TO 83)

SECTION XV - BASE METALS AND ARTICLES OF BASE METAL

Description

-72 Iron and Steel

-73 Articles of Iron or Steel

-74 Copper and Articles thereof

-75 Nickel and articles thereof

-76 Aluminium and articles thereof

-77 Reserved for Possible Future use in Harmonised System

-78 Lead and Articles thereof

-79 Zinc and Articles thereof

-80 Tin and Articles Thereof

-81 Other Base Metals; Cermets Articles thereof

-82 Tools, Implements, Cutlery, Spoons and Forks, of Base Metal; Parts thereof Base Metal

-83 Miscellaneous Articles of Base Metal

SECTION - 16 (Chapter 84 TO 85)

SECTION XVI - MACHINERY AND MECHANICAL APPLIANCES; ELECTRICAL EQUIPMENT; PARTS THEREOF; SOUND RECORDERS AND REPRODUCERS, TELEVISION IMAGE AND SOUND RECORDERS AND REPRODUCERS, TELEVISION IMAGE AND SOUND RECORDERS AND REPRODUCERS, AND PARTS AND ACCESSORIES OF SUCH ARTICLE

Description

-84 Nuclear Reactors, Boilers, Machinery and Mechanical Appliances; Parts thereof

-85 Electrical Machinery and Equipment and Parts Thereof; Sound Recorders and Reproducers, Television Image and Sound Recorders and Reproducers, and Parts and Accessories of Such Articles

SECTION - 17 (Chapter 86 TO 89)

SECTION XVII - VEHICLES, AIRCRAFT, VESSELS AND ASSOCIATED TRANSPORT EQUIPMENT

Description

-86 Railway or tramway locomotives, rolling-stock and parts thereof; railway or tramway track fixtures and fittings and parts thereof; mechanical (including electro-mechanical) traffic signalling equipment of all kinds

-87 Vehicles other than Railway or Tramway Rolling-stock, and Parts and Accessories Thereof

-88 Aircraft, Spacecraft and Parts thereof

-89 Ships, Boats and Floating Structures

SECTION - 18 (Chapter 90 TO 92)

SECTION XVIII - OPTICAL, PHOTOGRAPHIC, CINEMATOGRAPHIC, MEASURING, CHECKING, PRECISION, MEDICAL OR SURGICAL INSTRUMENTS AND APPARATUS; CLOCKS AND WATCHES; MUSICAL INSTRUMENTS; PART AND ACCESSORIES THEREOF

Description

-90 Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical instruments and apparatus; parts and accessories thereof

-91 Clocks and Watches and parts thereof

-92 Musical Instruments Parts and Accessories of such articles

SECTION - 19 (CHAPTER 93)

SECTION XIX - ARMS AND AMMUNITION; PARTS AND ACCESSORIES THEREOF

Description

-93 Arms and Ammunition; Parts and Accessories thereof

SECTION - 20 (Chapter 94 TO 96)

SECTION XX - MISCELLANEOUS MANUFACTURED ARTICLES

Description

-94 Furniture; Bedding, Mattresses, Mattress Supports, Cushions and similar stuffed furnishings; Lamps and Lighting Fittings, not elsewhere specified or included; Illuminated signs, Illuminated name-plates and the like; Prefabricated Building

-95 Toys, Games and Sports Requisites; Parts and Accessories thereof

-96 Miscellaneous Manufactured Articles

SECTION - 21 (Chapter 97 TO 98)

SECTION XXI - WORKS OF ART, COLLECTORS' PIECES AND ANTIQUES

Description

-97 Works of Art, Collectors' Pieces and Antiques

-98 Project Imports; Laboratory Chemicals; Passengers' Baggage; Personal Importations by Air or Post; Ship Stores

SECTION – 22 (Chapter 99)

SECTION XXII - Others

99 - Others

POLICY

Import Policy:

The Indian Trade Classification (ITC)-Harmonized System (HS) classifies goods into three categories:

- Restricted
- Canalized
- Prohibited

Goods not specified in the above mentioned categories can be freely imported without any restriction, if the importer has obtained a valid IEC. There is no need to obtain any import license or permission to import such goods. Most of the goods can be freely imported in India.

Licensed (Restricted) Items- Restricted items can be imported only after obtaining an import license from the relevant regional licensing authority. The goods covered by the license shall be disposed of in the manner specified by the license authority, which should be clearly indicated in the license itself. The list of restricted goods is provided in ITC (HS). An import license is valid for 24 months for capital goods, and 18 months for all other goods

Canalized Items - Canalized goods are items which may only be imported using specific procedures or methods of transport. The list of canalized goods can be found in the ITC (HS). Goods in this category can be imported only through canalizing agencies. The main canalized items are currently petroleum products, bulk agricultural products, such as grains and vegetable oils, and some pharmaceutical products.

Prohibited Items - these are the goods listed in ITC (HS) which are strictly prohibited on all import channels in India. These include wild animals, tallow fat and oils of animal origin, animal rennet, and unprocessed ivory.

Export Policy:

Just like imports, goods can be exported freely if they are not mentioned in the classification of ITC (HS). Below follows the classification of goods for export:

- Restricted
- Prohibited
- State Trading Enterprise

Restricted Goods - before exporting any restricted goods, the exporter must first obtain a license explicitly permitting the exporter to do so. The restricted goods must be exported through a set of procedures/conditions, which are detailed in the license.

Prohibited Goods - these are the items which cannot be exported at all. The vast majority of these include wild animals, and animal articles that may carry a risk of infection.

State Trading Enterprise (STE) - Certain items can be exported only through designated STEs. The export of such items is subject to the conditions specified in the EXIM policy.

7) Selection of Markets:

An overseas market should be selected after research covering market size, competition, quality requirements, payment terms etc. Exporters can also evaluate the markets based on the export benefits available for few countries under the FTP. DGCIS data, Export Promotion Councils, Indian Missions abroad, colleagues, friends, and relatives might be helpful in gathering information. The Demand, Distance, Fright & Other Expenses, Free Trade Agreements, Accessibility, Etc May be factors to be considered.

8) Finding Buyers:

Participation in trade fairs, buyer seller meets, exhibitions, B2B portals, web browsing are an effective tool to find buyers. Export Promotion Councils, Indian Missions abroad, overseas chambers of commerce can also be helpful. Creating multilingual Website with product catalogue, price, payment terms and other related information would also help.

9) Sampling:

Providing customized samples as per the demands of foreign buyers help in getting export orders. As per FTP 2023, exports of bonafide trade and technical samples of freely exportable items shall be allowed without any limit.

10) Pricing/Costing:

Product pricing is crucial in getting buyers' attention and promoting sales in view of international competition. The price should be worked out taking into consideration all expenses from sampling to realization of export proceeds on the basis of terms of sale. Incoterms may be understood before finalising price. Goal of establishing export costing should be to sell maximum quantity at competitive price with maximum profit margin. Preparing an export costing sheet for every export product is advisable.

India FTA Engagements

India has signed 13 free trade agreements (FTAs) and 6 preferential trade agreements (PTA). In the Indian context, the key differences between an FTA and a PTA are that the FTA is comprehensive across a number of areas and has deeper commitments while a PTA is confined to trade in goods and seeks only tariff elimination in terms of a margin of preference (MOP). Moreover, the coverage of a PTA on goods is also limited as compared to an FTA. Knowledge about concessions given by the other nations to india in exports and imports will be beneficial to Indian exporters to utilize that concessions and considerations.

INCOTERMS

Definition:

Incoterms are the selling terms that the buyer and seller of goods both agree to during international transactions. These rules are accepted by governments and legal authorities around the world. Understanding Incoterms is a vital part of International Trade because they clearly state which tasks, costs and risks are associated with the buyer and the seller.

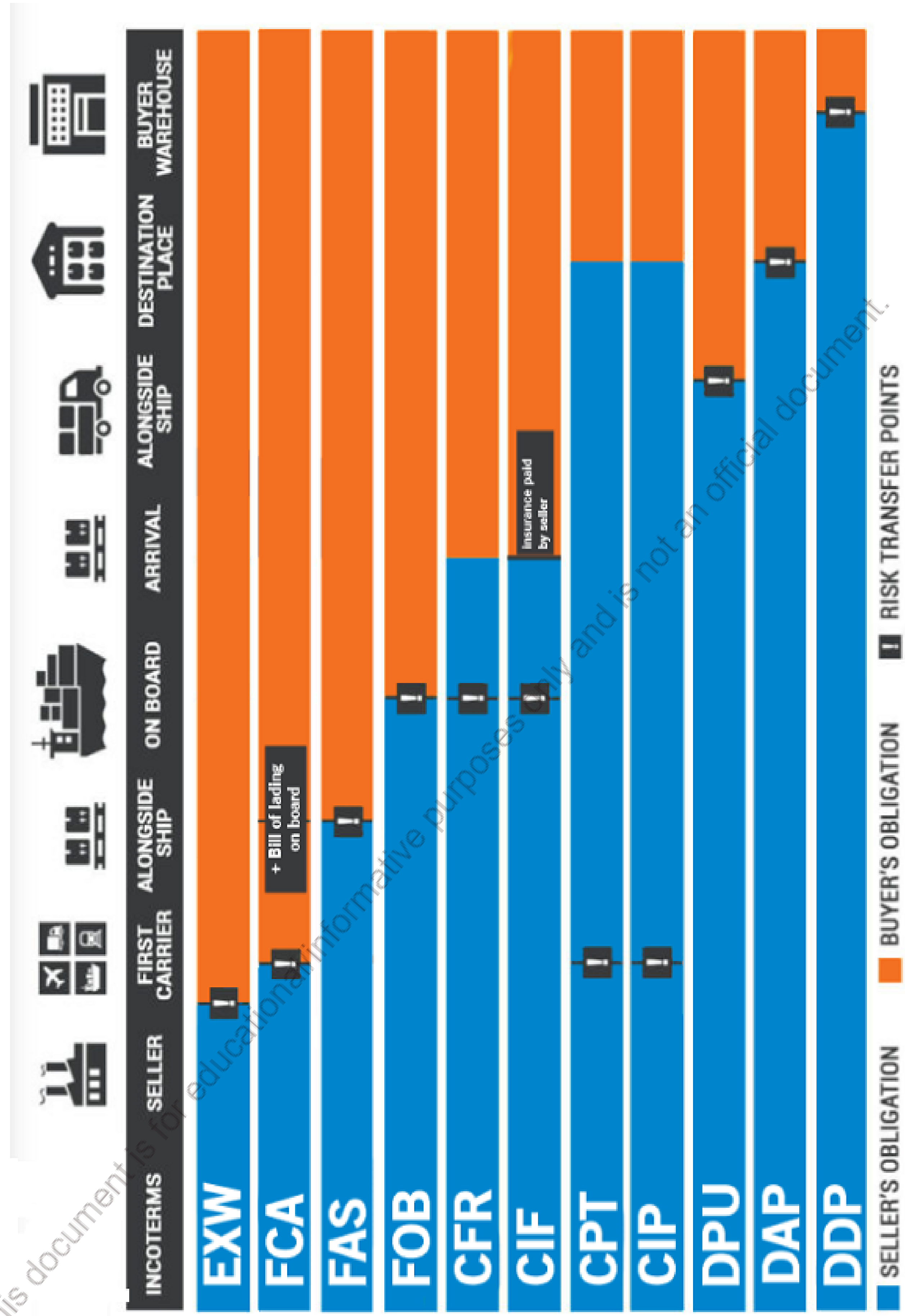
The Incoterm states when the seller's costs and risks are transferred onto the buyer. It's also important to understand that not all rules apply in all cases. Some encompass any mode or modes of transport. Transport by all modes of transport (road, rail, air and sea) covers FCA, CPT, CIP, DAP, DPU (replaces DAT) and DDP. Sea/Inland waterway transport (Sea) covers FAS, FOB, CFR and CIF.

Role of Incoterms in International Trade:

Incoterms are referred to as International Commercial Terms. They are a set of rules published by the International Chamber of Commerce (ICC), which relate to International Commercial Law. According to the ICC, Incoterms rules provide internationally accepted definitions and rules of interpretation for most common commercial terms used in contracts for the sale of goods'. While determining the price of the export products and negotiating the delivery point of goods the knowledge of incoterms is must.

An overview of Incoterms 2020 for 11 Terms, 7 for any mode of transport:

Groups	Any Mode or Modes of Transport		Sea and Inland Waterway Transport				Any Mode or Modes of Transport				
Incoterm®	EXW Ex Works (Place)	FCA Free Carrier (Place)	FAS Free Alongside Ship (Port)	FOB Free On Board (Port)	CFR Cost and Freight (Port)	CIF Cost Insurance & Freight (Port)	CPT Carriage Paid To (Place)	CIP Carriage & Insurance Paid to (Place)	DAP Delivered at Place (Place)	DPU Delivered at Place Unloaded (Place)	DDP Delivered Duty Paid (Place)
Transfer of Risk	At Buyer's Disposal	On Buyer's Transport	Alongside Ship	On Board Vessel	On Board Vessel	On Board Vessel	At Carrier	At Carrier	At Named Place	At Named Place Unloaded	At Named Place
Obligations & Charges:											
Export Packaging	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Loading Charges	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Delivery to Port/Place	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Export Duty, Taxes & Customs Clearance	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Origin Terminal Charges	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Loading on Carriage	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Carriage Charges	Buyer	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Insurance	Negotiable	Negotiable	Negotiable	Negotiable	Negotiable	*Seller	Negotiable	**Seller	Negotiable	Negotiable	Negotiable
Destination Terminal Charges	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller
Delivery to Destination	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller	Seller	Seller
Unloading at Destination	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller	Buyer
Import Duty, Taxes & Customs Clearance	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller


INCOTERMS
SELLER
FIRST CARRIER
ALONGSIDE SHIP
ON BOARD
ARRIVAL
ALONGSIDE SHIP
DESTINATION PLACE
BUYER WAREHOUSE
EXW
FCA
+ Bill of lading on board
FAS
FOB
CFR
CIF
Insurance paid by seller
CPT
CIP
DPU
DAP
DDP
SELLER'S OBLIGATION
BUYER'S OBLIGATION
RISK TRANSFER POINTS

Rules for any mode or modes of transport:

EXW - Ex-Works or Ex-Warehouse:

"Ex Works" means that the seller delivers when it places the goods at the disposal of the buyer at the seller's premises or at another named place (i.e., works factory, warehouse, etc.). The seller does not need to load the goods on any collecting vehicle, nor does it need to clear the goods for export, where such clearance is applicable.

FCA - Free Carrier:

"Free Carrier" means that the seller delivers the goods to the carrier or another person nominated by the buyer at the seller's premises or another named place. The parties are well advised to specify as clearly as possible the point within the named place of delivery, as the risk passes to the buyer at that point.

CPT - Carriage Paid To:

"Carriage Paid To" means that the seller delivers the goods to the carrier or another person nominated by the seller at an agreed place (if any such place is agreed between parties) and that the seller must contract for and pay the costs of carriage necessary to bring the goods to the named place of destination.

CIP - Carriage and Insurance Paid To:

"Carriage and Insurance Paid to" means that the seller delivers the goods to the carrier or another person nominated by the seller at an agreed place (if any such place is agreed between parties) and that the seller must contract for and pay the costs of carriage necessary to bring the goods to the named place of destination.

'The seller also contracts for insurance cover against the buyer's risk of loss of or damage to the goods during the carriage. The buyer should note that under CIP the seller is required to obtain insurance only on minimum cover. Should the buyer wish to have more insurance protection, it will need either to agree as much expressly with the seller or to make its own extra insurance arrangements."

DAP - Delivered At Place:

"Delivered at Place" means that the seller delivers when the goods are placed at the disposal of the buyer on the arriving means of transport ready for unloading at the named place of destination. The seller bears all risks involved in bringing the goods to the named place.

DPU - Delivered At Place Unloaded:

"Delivered At Place Unloaded" means that the seller delivers when the goods, once unloaded, are placed at the disposal of the buyer at a named place of destination. The seller bears all risks involved in bringing the goods to, and unloading them at the named place of destination.

DDP - Delivered Duty Paid:

"Delivered Duty Paid" means that the seller delivers the goods when the goods are placed at the disposal of the buyer, cleared for import on the arriving means of transport ready for unloading at the named place of destination. The seller bears all the costs and risks involved in bringing the goods to the place of destination and has an obligation to clear the goods not only for export but also for import, to pay any duty for both export and import and to carry out all customs formalities.

Rules for sea and inland waterway transport:

FAS - Free Alongside Ship:

"Free Alongside Ship" means that the seller delivers when the goods are placed alongside the vessel (e.g., on a quay or a barge) nominated by the buyer at the named port of shipment. The risk of loss of or damage to the goods passes when the goods are alongside the ship, and the buyer bears all costs from that moment onwards.

FOB - Free On Board:

"Free On Board" means that the seller delivers the goods on board the vessel nominated by the buyer at the named port of shipment or procures the goods already so delivered. The risk of loss of or damage to the goods passes when the goods are on board the vessel, and the buyer bears all costs from that moment onwards.

CFR - Cost and Freight:

"Cost and Freight" means that the seller delivers the goods on board the vessel or procures the goods already so delivered. The risk of loss of or damage to the goods passes when the goods are on board the vessel. The seller must contract for and pay the costs and freight necessary to bring the goods to the named port of destination.

CIF - Cost, Insurance and Freight:

"Cost, Insurance and Freight" means that the seller delivers the goods on board the vessel or procures the goods already so delivered. The risk of loss of or damage to the goods passes when the goods are on board the vessel. The seller must contract for and pay the costs and freight necessary to bring the goods to the named port of destination.

'The seller also contracts for insurance cover against the buyer's risk of loss of or damage to the goods during the carriage. The buyer should note that under CIF the seller is required to obtain insurance only on minimum cover. Should the buyer wish to have more insurance protection, it will need either to agree as much expressly with the seller or to make its own extra insurance arrangements."

11) Negotiation with Buyers:

After determining the buyer's interest in the product, future prospects and continuity in business, demand for giving reasonable allowance/discount in price may be considered.

12) Covering Risks through ECGC:

International trade involves payment risks due to buyer/ Country insolvency. These risks can be covered by an appropriate Policy from Export Credit Guarantee Corporation Ltd (ECGC). Where the buyer is placing order without making advance payment or opening letter of Credit, it is advisable to procure credit limit on the foreign buyer from ECGC to protect against risk of non-payment.(To know more about ECGC – Go to Organisations Associated with Content).

Processing an Export Order:

i. Confirmation of order:

On receiving an export order, it should be examined carefully in respect of items, specification, payment conditions, packaging, delivery schedule, etc. and then the order should be confirmed. Accordingly, the exporter may enter into a formal contract with the overseas buyer.

ii. Procurement of Goods:

After confirmation of the export order, immediate steps may be taken for procurement/manufacture of the goods meant for export. It should be remembered that the order has been obtained with much efforts and competition so the procurement should also be strictly as per buyer's requirement.

iii. Quality Control:

In today's competitive era, it is important to be strict quality conscious about the export goods. Some products like food and agriculture, fishery, certain chemicals, etc. are subject to compulsory pre-shipment inspection. Foreign buyers may also lay down their own standards/specifications and insist upon inspection by their own nominated agencies. Maintaining high quality is necessary to sustain in export business.

iv. Finance:

Exporters are eligible to obtain pre-shipment and post-shipment finance from Commercial Banks at concessional interest rates to complete the export transaction. Packing Credit advance in pre-shipment stage is granted to new exporters against lodgement of L/C or confirmed order for 180 days to meet working capital requirements for purchase of raw material/finished goods, labour expenses, packing, transporting, etc. Normally Banks give 75% to 90% advances of the value of the order keeping the balance as margin. Banks adjust the packing credit advance from the proceeds of export bills negotiated, purchased or discounted.

Post Shipment finance is given to exporters normally upto 90% of the Invoice value for normal transit period and in cases of issuance export bills up to notional due date. The maximum period for post-shipment advances is 180 days from the date of shipment. Advances granted by Banks are adjusted by realization of the sale proceeds of the export bills. In case export bill becomes overdue Banks will charge commercial lending rate of interest.

v. Labelling, Packaging, Packing and Marking:

The export goods should be labelled, packaged and packed strictly as per the buyer's specific instructions. Good packaging delivers and presents the goods in top condition and in attractive way. Similarly, good packing helps easy handling, maximum loading, reducing shipping costs and to ensuring safety and standard of the cargo. Marking such as address, package number, port and place of destination, weight, handling instructions, etc. provides identification and information of cargo packed.

PACKAGING

Introduction:

An important stage after manufacturing of goods or their procurement is their preparation for shipment which involves packaging and labelling of goods to be exported. Proper packaging and labelling not only makes the final product look attractive but also save a huge amount of money by saving the product from wrong handling the export process.

It is essential for exporters to keep four potential problems in mind when designing a shipping crate for international shipping: breakage, moisture, leakage, pilferage, and excessive weight. Exporters should take into account the demands of international shipping when designing their export shipping crates.

Packaging:

The primary role of packaging is to contain, protect and preserve a product as well as aid in its handling and final presentation. Packaging also refers to the process of design, evaluation, and production of packages. The packaging can be done within the export company or the job can be assigned to an outside packaging company. Packaging provides following benefits to the goods to be exported:

- **Physical Protection** – Packaging provides protection against shock, vibration, temperature, moisture and dust.
- **Containment or agglomeration** – Packaging provides agglomeration of small objects into one package for reason of efficiency and cost factor. For example it is better to put 1000 pencils in one box rather than putting each pencil in separate 1000 boxes.
- **Marketing:** Proper and attractive packaging play an important role in encouraging a potential buyer.
- **Convenience** - Packages can have features which add convenience in distribution, handling, display, sale, opening, use, and reuse.
- **Security** - Packaging can play an important role in reducing the security risks of shipment. It also provides authentication seals to indicate that the package and contents are not counterfeit. Packages also can include anti-theft devices, such as dye-packs, RFID tags, or electronic article surveillance tags, that can be activated or detected by devices at exit points and require specialized tools to deactivate. Using packaging in this way is a means of loss prevention.

Types of Packaging-

1 Boxes and Crates-

Boxes for packaging are solid and covered on all sides so that items remain secure. On the other hand, crates typically have their sides open, but their tops and bottoms solid.

2 Paperboard boxes-

To produce it, fibrous materials from wood or recycled waste paper are turned into pulp and then bleached. There are several grades of cardboard packaging, each of which is suitable for different packaging requirements. It is lightweight yet strong.

3 Corrugated boxes-

It is commonly known as cardboard boxes. There are also different types of corrugated boxes depending on their durability and strength.

4 Plastic boxes-

It is important to use airtight plastic packaging containers in order to preserve food quality and eliminate contamination. Additionally, plastic packaging does not break easily and can be stored with food in extreme conditions.

5 Clipboard packaging-

Chipboard packaging is a cost-effective packaging option for products from industries such as electronics, medical, food, beverages, and cosmetic. Chipboard is made of reclaimed paper stock and can easily be cut, folded, and formed.

6 Poly bag –

This is one of the most common types of packaging and it can contain various products including food, flowers, waste, chemicals, magazines, etc. It is structurally simple to make poly bags, making it possible to completely customize the design, style, and size, but remain cost-effective. In addition, poly bags can also be recycled, depending on the construction. Poly bags are durable yet lightweight, flexible and reusable.

7 Bottles and Jars-

Bottles and jars offer outstanding product protection when they are stacked or transported. They come in a variety of materials, including: Glass, Plastic, Tin and Ceramic. You can find high-quality containers for essential oils, candles, food, etc.

Generally, packaging refers to the act of wrapping or bottling products to make them safe from damage during transportation and storage. It keeps a product safe and marketable while also identifying, describing, and promoting it. Packaging also creates a preference for a product.

Labelling:

Like packaging, labelling should also be done with extra care. It is also important for an exporter to be familiar with all kinds of sign and symbols and should also maintain all the nationally and internationally standards while using these symbols. Labelling should be in English, and words indicating country of origin should be as large and as prominent as any other English wording on the package or label.

Labelling on product provides the following important information:

- Shipper's mark
- Country of origin
- Weight marking (in pounds and in kilograms)
- Number of packages and size of cases (in inches and centimetres)
- Handling marks (international pictorial symbols)
- Cautionary markings, such as "This Side Up."
- Port of entry
- Labels for hazardous materials

Labelling of a product also provides information like how to use, transport, recycle, or dispose of the package or product. With pharmaceuticals, food, medical, and chemical products, some types of information are required by governments.

It is better to choose a fast dyes for labelling purpose. Only fast dyes should be used for labelling. Essential data should be in black and subsidiary data in a less conspicuous colour; red and orange and so on. For food packed in sacks, only harmless dyes should be employed, and the dye should not come through the packing in such a way as to affect the goods.

vi. Insurance:

Marine insurance policies cover risks of loss or damage to the goods during the while the goods are in transit. Generally in CIF contract the exporters arrange the insurance whereas for C&F and FOB contract the buyers obtain insurance policy.

vii. Delivery:

It is important feature of export and the exporter must adhere the delivery schedule. Planning should be there to let nothing stand in the way of fast and efficient delivery.

Realisation of Export Proceeds: On receiving the documentary bill of exchange, the importer releases payment in case of sight draft or accepts the usance draft undertaking to pay on maturity of the bill of exchange. The exporter's bank receives the payment through importer's bank and is credited to exporter's account.

Letter of Credit: The respective buyer's bank issues the Letter of Credit to confirm the payment to the exporter on the committed date, in case the buyer gets late in paying the bills. It is an essential document which is guaranteed by the bank in order to honour the buyer purchase order.

viii. Customs Procedures:

It is necessary to obtain PAN based Business Identification Number (BIN) from the Customs prior to filing of shipping bill for clearance of export good and open a current account in the designated bank for crediting of any drawback amount and the same has to be registered on the system.

In case of Non-EDI, the shipping bills or bills of export are required to be filled in the format as prescribed in the Shipping Bill and Bill of Export (Form) regulations, 1991. An exporter need to apply different forms of shipping bill/ bill of export for export of duty free goods, export of dutiable goods and export under drawback etc.

Under EDI System, declarations in prescribed format are to be filed through the Service Centres of Customs. A checklist is generated for verification of data by the exporter/CHA. After verification, the data is submitted to the System by the Service Centre operator and the System generates a Shipping Bill Number, which is endorsed on the printed checklist and returned to the exporter/CHA. In most of the cases, a Shipping Bill is processed by the system on the basis of declarations made by the exporters without any human intervention. Where the Appraiser Dock (export) orders for samples to be drawn and tested, the Customs Officer may proceed to draw two samples from the consignment and enter the particulars thereof along with details of the testing agency in the ICES/E system.

Any correction/amendments in the check list generated after filing of declaration can be made at the service centre, if the documents have not yet been submitted in the system and the shipping bill number has not been generated. In situations, where corrections are required to be made after the generation of the shipping bill number or after the goods have been brought into the Export Dock, amendments is carried out in the following manners.

- The goods have not yet been allowed "let export" amendments may be permitted by the Assistant Commissioner (Exports).
- Where the "Let Export" order has already been given, amendments may be permitted only by the Additional/Joint Commissioner, Custom House, in charge of export section.

In both the cases, after the permission for amendments has been granted, the Assistant Commissioner / Deputy Commissioner (Export) may approve the amendments on the system on behalf of the Additional /Joint Commissioner. Where the print out of the Shipping Bill has already been generated, the exporter may first surrender all copies of the shipping bill to the Dock Appraiser for cancellation before amendment is approved on the system.

ix. Customs House Agents:

Exporters may avail services of Customs House Agents licensed by the Commissioner of Customs. They are professionals and facilitate work connected with clearance of cargo from Customs.

x. Documentation:

FTP 2023 describes the following mandatory documents for import and export.

- Bill of Lading/ Airway bill
- Commercial invoice cum packing list
- shipping bill/ bill of export/ bill of entry (for imports)
  (Other documents like certificate of origin, inspection certificate etc may be required as per the case.)

xi. Submission of Documents to Bank:

After shipment, it is obligatory to present the documents to the Bank within 21 days for onward dispatch to the foreign Bank for arranging payment. Documents should be drawn under Collection/Purchase/Negotiation under L/C as the case may be, along with the following documents:

- Bill of Exchange
- Letter of Credit (if shipment is under L/C)
- Invoice
- Packing List
- Airway Bill/Bill of Lading
- Declaration under Foreign Exchange
- Certificate of Origin/GSP
- Inspection Certificate, wherever necessary
- Any other document as required in the L/C or by the buyer or statutorily.

EXPORT DOCUMENTATION: EXPORT FROM INDIA

Export from India demands documents depending upon the destination where the product needs to be exported and also the kind of product that is about to get exported. Different countries require different certifications for different product range. While these documents not just give insight regarding the item and its destination port but on the other hand, they are also utilized with the end goal of tax assessment and quality control investigation certification.

Here is a list of documents that you need to furnish while exporting overseas from India.

1. Bill of Landing:

Bill of landing is one of the essential documents in charge of export bound cargos. It is issued by the carrier to represent a contract and a receipt between the shipper and the carrier. Under this Bill, the carrier acknowledges that the goods have been received from the exporter in good condition and is ready to ship.

2. Commercial Invoice cum Packing List:

Recently under Government guidelines two documents, Packing List and Commercial Invoice, required by Customs have been merged into one document.

I. **Commercial Invoice:** It is a necessary document in export. Once the products are good to go, a Commercial Invoice is prepared and submitted to the Customs by the exporter. The customs signature is required before the shipment begins.
II. **Packing List:** This document is required when the cargo contains more than one product. A proper packaging list is prepared, listing the distinct items, which needs to be export.

3. Shipping Bill or Bill of Export:

Shipping Bill is a customs document needed to obtain clearance for exports from customs. It is issued by Indian Customs Electronic Gateway (ICEGATE) which provides electronic filing of Shipping Bills. An exporter cannot ship the goods unless and until he files the Shipping Bill as it a mandatory document.

4. Proforma Invoice:

A proforma invoice is a bill which is required when you need advance payment from your committed customers. A proforma invoice includes details about the product, price, delivery, payment transactions, etc. It is an agreement between the buyer and the seller on the basis of trust.

5. Export Order/Purchase Order:

After the Proforma Invoice is issued, the buyer confirms the order through Purchase Order (PO) with the exporter. The purchase order includes details from the buyer's side specifying goods details such as cost, currency, shipping details and their requirements.

6. Certificate of Origin:

The Certificate of Origin (COO) is a special document which provides the information such as the country of the origin of the goods; that is the place where goods have been manufactured. It is an affidavit attached to the commercial invoice. The COO is generated for each item in the parcel.

7. Bill of exchange (BE):

A written order which tells buyer to pay the amount mentioned by the exporter is known as the Bill of Exchange. It is generated by the exporter to inform the importer about the payment.

8. Letter of Credit:

The respective buyer's bank issues the Letter of Credit to confirm the payment to the exporter on the committed date, in case the buyer gets late in paying the bills. It is an essential document which is guaranteed by the bank in order to honour the buyer purchase order.

9. Inspection/Quality check:

An importer can ask for quality investigation before the shipment of the goods. Inspecting the product's quality, examining, and testing products comes under this bill. The buyer can assist on verifying the packaging parameters as well. The exporter should get ready the quality inspection certificate while shipping products.

10. Phyto-sanitary certificates and fumigation certificates:

The Phyto-sanitary certificate and the fumigation certificate are demanded by the importer in regard to quality check of products under international quality standards and norms. The Phyto-sanitary certificate is compulsory while shipping agricultural commodities from India. It is one of the mandatory document and exports should regulate this certificate when exporting.

All businesses and organizations are expected to be agreeable with the nation regulations and guidelines to maintain a worldwide business. By meeting the various requirements through documentation and certificates you can scale up your business in the international markets and reach millions of customers out there.

MERCHANT EXPORTS / THIRD PARTY EXPORTS

Introduction:

Merchant export is a popular term under EXIM policy and is equally important to the manufacturer-exporter. Merchant exports generate the foreign exchange for the Country like normal exports and is mainly engaged in export of goods and not services. The person who is engaged in the merchant export is called as 'Merchant exporter'. Merchant exporters do not have their own manufacturing facilities; instead they buy goods from the manufacturer-exporter in Domestic Tariff Area (DTA) to execute exports to overseas customers. Merchant-exporters are instrumental in a boosting of country's exports, especially exports from MSME and small manufacturers.

Definition:

As per Foreign Trade policy (2023), Para 11.33 "Merchant Exporter" means a person engaged in trading activity and exporting or intending to export goods.

Merchant Exporters buy goods from the Indian manufacturers and export them abroad. They may not have their own manufacturing unit or processing facility but sell and buy on their own account. They usually have a system of gathering market information and keep a close watch on market trends. The nature of their business makes it possible for them to assess the marketability of products and the prospects of their success.

Nature of Work:

Merchant exporters work just how a manufacturer exporter works, except that they do not produce the goods. This means that the merchant exporters do not have to set up manufacturing units. Instead, these exporters identify suppliers who manufacture the goods and then sell the same to their potential overseas buyers.

After building a network of suppliers, merchant exporters look for buyers by adopting various marketing strategies like email and social media campaigns, developing an informative website, etc. The merchant exporter acquires leads and subsequently more business through these efforts.

Once the sales order is received, the merchant exporter asks his supplier to supply the necessary quantity of goods, which then the exporter ships to the client. The goods bear the name of the merchant exporter and not the original supplier.

There are several merchant exporters that operate in India and contribute richly to the country's exports. Governments have, time and again, introduced multiple schemes and incentives to promote this kind of exports. A merchant exporter has to register at the GST portal to avail of the benefits of all the incentives

Merchanting Trade Reform:

- Provisions for merchanting trade introduced under FTP 2023.
- To boost merchanting activities from India – where goods do not touch Indian border. The merchant buys from one country and supplies to another country while based in India.
- Expected to facilitate merchanting trade from India making India a trade hub.

Supporting Manufacture

Supporting Manufacturer is one who manufactures goods/products or any part/accessories/components of a good/ product for a merchant exporter or a manufacturer exporter under a specific Authorisation.

Supporting Manufacturer for the EPCG Scheme shall be one in whose premises/ factory Capital Goods imported/ procured under EPCG Authorisation is installed.

Benefits for Supporting Manufacturers:

For any benefit to accrue to the supporting manufacturer (as defined in Para 11.59 of FTP), the names of both supporting manufacturer as well as the merchant exporter must figure in the concerned export documents, especially in Tax Invoice / Shipping Bill / Bill of Export/ Airway Bill.

E-COMMERCE

Objective:

The objective of DGFT is to provide a framework for cross-border trade of goods and services from India in the digital economy and the promotion of e-Commerce and other emerging channels of exports from India

E-Commerce Exports of Goods and Services:

Export of goods where selling is through the internet on an e-Commerce platform, the payment for which shall be done through international credit or debit cards, or other authorised electronic payment channels and as specified by the RBI from time to time.

The necessary documents are

- ❖ Identity proof like Aadhar card, passport or driving license
- ❖ Business address proof
- ❖ International transaction-enabled credit card
- ❖ PAN card from the Income Tax Department of India
- ❖ IEC (Import-Export Code).
- ❖ Details about the export products with photographs

Export through Courier Service/Post:

Exports through a registered courier service/Foreign Post Office is permitted as per Notification(s) issued under Customs Act, 1962. However, exportability of such items shall be regulated in accordance with FTP/Export Policy in ITC (HS) as notified. The value limit for exports through courier service shall be Rs. 10,00,000 per consignment.

PROMOTION OF E-COMMERCE EXPORTS:

Handholding and outreach to promote e-Commerce Exports:

I. The Niryat Bandhu Scheme (NBS) as defined under Chapter 1 of the Policy shall have a component for the promotion of e-Commerce and other emerging channels of exports. Under the given NBS component, DGFT shall organise outreach activities/workshops in partnership with Customs Authorities, Department of Post, 'Industry Partners' and 'Knowledge Partners' for promotion of e-Commerce exports. Besides outreach/ workshops, specific focus may be on creation of electronic content as well.

II. In addition to increasing awareness on e-Commerce related rules and processes, actions may be undertaken under the said NBS component for capacity building and skill development for promotion of e-Commerce exports, in partnership with Customs Authorities, Department of Post, 'Industry Partners' or the 'Knowledge Partners'.

E-COMMERCE EXPORT HUBS (ECEHs):

Objective:

The objective is to establish designated areas as E-Commerce Export Hubs (hereafter called "ECEH"), which would act as a centre for favourable business infrastructure and facilities for Cross Border E-Commerce activities.

Creation of ECEH:

I. The ECEH shall ordinarily be setup through private initiative. It may also be setup in Public-Private- Partnership (PPP) mode in partnership with the State governments/Central government. Request for approval of an ECEH proposed shall be submitted to the notified committee to be constituted by DGFT.

II. Existing facility with the required infrastructure may also apply to be designated as ECEH.

Nature of ECEH Operations:

I. ECEH will function to achieve agglomeration benefits for e-commerce exporters. The ECEH may provide for storage (including cold storage facilities), packaging, labelling, certification & testing and other common facilities for the purposes of export.

II. The ECEH shall also provide for dedicated logistics infrastructure for connecting to and leveraging the services of the nearest Logistics hub(s).

III. All goods, including SCOMET and Restricted goods (subject to suitable compliance of regulations and conditions) and except goods which are prohibited or otherwise disallowed, may be handled at ECEH.

IV. Capital goods brought to a ECEH shall be utilized only for activities as mentioned at (i) above on payment of the duties and taxes, as applicable, in terms of extant laws.

Entitlement under ECEHs:

ECEH may be provided financial assistance under MAI scheme, for e-Commerce export promotion projects for marketing, capacity building and technological services such as imaging, cataloguing, product video creation of e-Commerce Goods.

PROMOTION OF E-COMMERCE EXPORTS THROUGH POSTAL ROUTE:

Dak Niryat Kendras:

Dak Ghar Niryat Kendras shall be operationalised throughout the country to work in a hub-and-spoke model with Foreign Post Offices (FPOs) to facilitate cross-border e-Commerce and to enable artisans, weavers, craftsmen, MSMEs in the hinterland and land-locked regions to reach international markets.

The necessary documents required for E-Commerce:

1. Identity proof like Aadhar card, passport or driving license
2. Business address proof
3. International transaction-enabled credit card
4. PAN card from the Income Tax Department of India
5. IEC (Import-Export Code).
6. Details about the export products with photographs

Way Forward:

The policy is upbeat about e-commerce exports with the government assuming a potential of annual exports growing to about $200-300 billion by 2030 from about $5-10 billion at present.

All FTP benefits are to be extended to e-commerce exports. An inter-ministerial committee comprising officials from the Department of Revenue, Department of Post, and the DGFT has been set up to come up with appropriate guidelines to increase e-commerce exports.

In a major concession, the value limit for exports through courier service has been doubled to ₹10 lakhs per consignment.

The FTP also announced the creation of designated zones with warehousing facilities to help e-commerce aggregators with easy stocking, customs clearance, and returns processing.

FREIGHT FORWARDERS

Introduction:

Freight forwarders play an important role in the transportation industry by helping companies streamline the process of shipping goods. Importing and exporting can quickly become costly and time-consuming for manufacturers with bulk shipping needs, and freight forwarders can help companies decrease costs and increase operation efficiency.

Definition:

A freight forwarder is a company that serves as an intermediary between transportation companies that import and export goods and the businesses that need them. Freight forwarders manage every aspect of the transportation process, from storing goods before shipment to ensuring they make it through customs. They don't handle the movement of the goods themselves, but they establish relationships with the companies that do so they can plan each step of every shipment on a client's behalf. Freight forwarders work with transportation companies that ship products by road, rail, water and air.

Stages of Freight Forwarding:

Steps involved in forwarding freight:

1. Export haulage:

Freight forwarders call the first stage of the process export haulage. This occurs when a transportation company takes products from a company to the freight forwarders warehouse. Trucks often handle this step, but the mode of transportation depends on the material the company ships and the distance to the warehouse. It could take a few hours or days for the shipment to arrive.

2. Export customs clearance:

Before an international shipment can enter another country, customs agents in the product's country of origin must approve their departure. Agents may check both the product and the associated paperwork to make sure they correlate. They also validate the safety and legality of the product before allowing it to leave the country. Many freight forwarders hire customs brokers to handle this step of the process.

3. Items checkpoint:

Items checkpoint, also known as origin handling, occurs when the receiving team unloads the items into the warehouse. They inspect the products to make sure they arrived without damage and confirm that they match the booking documents for the order. The freight forwarding team also checks to ensure that the target location will accept the shipment. Certain items have restrictions, especially if they're going to a country other than their country of origin.

These items may include:

Flammable liquids: Gasoline, lighter fluid, acetone and even perfume have strict regulations for shipment due to their potential hazards.

Drugs: Pharmaceuticals often require climate-controlled transportation methods, and freight forwarders don't ship recreational drugs.

Alcohol: Alcohol laws vary by state and country, so freight forwarders have specific regulations regarding their shipment.

Dangerous items: Products such as knives and other sharp objects can present a risk to package handlers.

Perishable items: Fresh food and other perishables require express shipment to ensure they arrive in optimal condition.

4. Import customs clearance:

When the shipment reaches its country of destination, authorities check the paperwork provided by freight forwarders to confirm that it matches the product. They also ensure that the product meets the legal requirements for entry into the country.

Import customs agents sometimes impose fees, which the freight forwarder covers for the shipper and bills them for later.

5. Destination arrival and handling:

After the shipment clears import customs, a transportation company arranged by the freight forwarders prepares the product for shipment to its destination. They receive the paperwork for the shipment, which may include:

- Invoices
- Bill of Lading certificate
- Export packing list, license and declaration document
- Certificate of origin
- Inspection certificate

After completing an inspection of the product, they load it for transport and take it to the import warehouse.

6. Import haulage:

Freight forwarders call the last stage of the process import haulage. This step takes place when the product arrives at the final destination from the import warehouse. Like export haulage, freight forwarders may choose one or more types of transport based on the product and the distance between the warehouse and the destination. Mileage and transportation mode determine how long the import haulage takes, but the recipient usually receives their shipment anywhere from hours after it leaves the warehouse to a few days later.

CONTAINERISED AND NON CONTAINERISED CARGO

Containers are storage units used to move products from one location to another without damaging them or other products within the consignment. These containers are reusable that can withstand the challenges posed during the transit. Shipping containers help reduce the cost of transportation to a great extent, making it possible to have long-distance trade. The introduction of shipping containers had made a considerable impact on the globalization of trade and businesses.

Different types of containers are used in domestic and international trade to move cargo from one location to another. Some types of containers are Standard Dry Containers, Open Top Containers, High cube Containers, Refrigerated Containers (Reefer Containers), GOH Containers (Garments on hanger containers), Open Side Containers, Tank Containers , Half height Containers, Ventilated Containers, Car Carrier Containers, Hard top Containers, Insulated Containers, Tunnel Containers, Platform Containers, Flat rack Containers etc.

1. Dry cargo shipping containers:

A dry cargo container is normally airtight, effectively preventing any outside element from damaging the goods that are shipped.

These standard dry cargo containers are completely sealed off and water resistant. Standard shipping containers are used for most of the cargo movement domestically and internationally for almost all dry goods, boxes, pallets, sacks, barrels etc. Most of these standard dry shipping cargo containers are manufactured with good plywood flooring. These containers are manufactured in accordance with ISO standard, in such way to transfer from different modes of transport like trucks,ships, trains etc. one another. The quality of most of containers are inspected and approved by the classification society.

Use of standard dry container:

Standard dry containers are used to transport goods by road, rail or water. Mainly two types of standard dry containers are there, 20’ and 40’ which is suitable for most types of cargo. 45’ dry containers are also available to transport lengthy cargoes. Almost all cargo containers are built in accordance with the specification requirements of TIR/CCC agreements and International Convention of Safe Containers. Lashing rings are available on the inner side of most of containers. Anti-corrosive steel plate used in the container can minimize rusting.

The payload details are indicated on side or near the opening door of dry containers. However, the rules and regulations on maximum weight conditions may differ from country to country and state to state.

Compared to other type of containers, dry containers are less expensive, as there are no additional special requirements.

2. Open Top Containers:

All types of general cargo (dry cargo) can be transported in Open Top Containers. Normally the wall Open Top containers are manufactured in steel. However, the floors are made with wood.

Use of open top container:

Open Top Containers are used to transport over height or over lengthy cargo or both. In open top containers, packing and unpacking is easy by crane or crab. For the purpose of flexibility to load and unload, open containers have end doors. Oversized cargo such as machinery, timber, steel, scrap metals etc. can be loaded easily from the top in an open top container. Since the container doors can be removed, stuffing and de stuffing of goods make easier. The metal beam above the door can be removed to the right or left and can also be dismantled from the container.

Top side of open top containers is covered with a removable, weatherproof tarpaulin that can be secured with ropes. The top of open top containers do not have solid roof. Lashing rings at the inside base of the container are used to secure and prevent shifting of cargo during movement.

3. **High Cube Containers:**

High cube containers are almost similar to other cargo containers except height. Compared to other standard containers, high cube containers are taller. The approximate height of high cube containers is 2896mm (9feet 6 inches) where as approximate height of other container 2591mm (8 feet 6 inches). High cube containers are available in 40’ long commonly and 45’ long rarely. High cube containers are manufactured with 14 gauge corrugated steel panels with double doors on one end. In order to bear loads, lashing rings are mounted on front top end rail and bottom cross member and corner posts of high cube containers. For easy transportation, gooseneck tunnels at each end are fixed in a 40’ high cube Container.

Use of high cube containers:

The height of high cube containers is 1’ (one feet) additional than other standard containers. So over height cargo up to that level can be shipped out in high cube containers. Apart from that, high cube containers are suitable to move light weight cargo, whose volume high.

4. **Refrigerated Containers:**

Electrical power supply is connected to the refrigeration unit which is fitted in the reefer container. The refrigeration unit is arranged in such a way that the external dimensions of the container meet ISO standards and thus fit into the container ship cell guides.

Use of Reefer container:

Reefer containers are used to transport goods where temperature conditions to be controlled. Temperature sensitive cargo such as vegetables, fruits, meat, dairy products etc. are transported in reefer container generally.

When a reefer container is moved by road, a power generator run by fuel is connected with trailer carrying reefer container. This electric power generator supports reefer container to maintain temperature. A capacity of up to 25 degree Celsius temperature (plus or minus) can be controlled by a reefer container. Special super-freeze reefers can keep goods frozen at temperatures as low as -60 degrees C. The temperature display is attached to the outside of the refrigeration unit, so that operation of the unit may be checked at any time.

In order to remove heat generated by refrigerator unit, some of the refrigerated containers have water cooling system which is helpful where no adequate ventilation available, especially below deck on vessel. Since water cooling arrangements are expensive, the method of ventilation arrangements to remove heat is adopted widely.

5. **Garments on Hanger container (GOH container):**

GOH containers are available in 20' and 40'. In some countries, Garments On Hanger Containers (GOH containers) also known as hangtainers. The GOH containers are available as dry cargo container, reefer container etc. as per the requirements of apparel shipper.

Use of Garment on Hanger Container (GOH container):

In GOH containers, (Garments On Hanger Containers), arrangements to use string or bar or combination of string and bar are available. So, Garments On Hanger containers are flexible, greater loading capacity and minimizing transportation and handling costs. GOH containers (hangtainers) are useful mainly for apparel exporters who can save a good amount of time, labor and money. Garment On Hanger containers are connected with racks and poles by screws and nuts so as to enable the garments to be loaded safely. The clothing cover made of plastic covers inner sides and dryer hanged on every pole which is dustproof.

The systematic arrangements of horizontal poles on the roof of GOH containers help to load maximum volume of garments. The garments can be directly hanged by using hooks as GOH container poles hangs buckles, nylon straps or ropes.

6. **Open Side Container:**

An Open sided container has two sets of double door at the lengthy side. Such two doors are arranged to open the entire length of the container with complete access to the container for loading and unloading. However, in exceptional cases, three doors open sided container is also manufactured to facilitate customers to meet their requirements. The side doors are manufactured to open either an eight feet opening or a twenty feet opening for a 20' container as per requirements.

The doors of open sided container are made from flat steel panels instead of heavier corrugated steel which is compatible with storage use, as the doors are opened and closed on a regular basis. The security lock box over the padlock provides better protection. The rubber seals fitted at each door opening locations help for not entering water or moisture in to the container.

The major advantage of open side container is that the oversized equipment can be fit. Another advantage of an open sided container is that the amount of space can be utilized to its maximum. Apart from that, the stuffing and de stuffing are faster than other types of container. The bigger size of goods can be easily fit in to a open side container unlike other standard container. Another benefit of an open side container is that the sorting of goods can be easily done without offloading all items in the container.

7. **Double Door Containers :**

Double Door Containers are a modified version of the Standard General Purpose Containers with doors at both short ends. When both the doors are opened, these containers resemble a tunnel and hence, also called Tunnel Containers or Tunnel-tainer. These containers are built from Aluminum or Steel. They are a good choice for quick loading, unloading, and sorting of goods. These containers can be repurposed as general-purpose Dry Containers by closing one of the doors permanently.

8. Tanker Container:

Tanker containers are also manufactured as per international standards by maintaining quality, safety and environment issues. Each hazardous chemical package has to be mentioned UN number, T code with table, tank type etc. Tank container pressure vessels are also manufactured with or with non ISO measures.

Use of Tank Containers:

Tank containers are normally used to transport liquid products, powders and gas both hazardous and non hazardous products.

Tank containers are made of stainless steel with a protective layer of aluminium and polyurethane. The capacity of a fuel tank container varies from 27000 liters to 40000 liters.

Features of an ISO Tank Container:

Most of the tank containers are manufactured as per ISO standard. The Air net Inlet valve fixed to the top of the tank and used as a pressure device during loading and a recovery device during loading. Three closure in a typically tank container protect from leakage of product. The pressure testing is done before loading to make sure about leakage and confirm all valves are operational. Pressure relief valve fitted on tank protects the tank against excess pressure or vacuum. A metal gauze fitted over the SRV(s) when carrying flammable products permits to be expelled but stops flash back. Dimensioned frames fabricated from the tensile carbon steel and comply with ISO dimension.

Heating system makes the tanks useful for heat sensitive products. The outer skin around the shell protects the insulation from water which is called Cladding which is made of glass reinforced plastic(GRP) or aluminium. Man lid located on the top of the tank is used to enter the tank for internal inspection. Every tanker container is identified by its unique 4 alpha and 6 numerical number. The seven digit check digit is derived from formula using the tank number. The temperature gauge fitted to the rear of the tank provides an indicative reading of temperature of the product. The ladder and top walkways of a tank container makes easier and safer for access to the the top of tank container. The earth lug (ground lug) connection of a tanker container supports ground (earth) which helps at the time of loading and unloading.

9. Half Height Containers:

Half Height Containers are manufactured for movement of heavy goods with low volume cargo by rail and Sea. Although the half heighted containers are individually handled, containers are transported together.

Use of Half Height Container:

Half height containers are used to transport heavy cargo. Half height containers are also used to move vehicles. The half height containers are useful to transport over height goods, pipes, tools and other equipment. Half height containers are used to transport gravel, sand etc. locally.

Like other containers, half height containers are also manufactured as per DNV standandards. Certified slings complete wiht shackles, multiple internal tie down points for security and safety, net securing points, cargo restraining nets, anti slip surfaces on floors, fork lift pockets etc. are some of the features of half height container.

10. **Ventilated containers:**

Ventilated containers are also known as coffee containers, natural ventilated containers and passive ventilated containers.

In a ventilated container, the ventilation is provided by openings in bottom and top side of rails of container. Such openings are made by protecting from rain or spray from outside to let in. he upper side, lower side and corner posts of ventilated containers have lashing rings to secure the cargo. Lashing rings, to which the cargo may be secured, are installed in the upper and lower side rails and the corner posts. The lashing ring in a 20' ventilated container can take permissible load of 1000kgs. The permissible weight details for road and rail is mentioned on the container.

Use of Ventilated Containers:

The Ventilated Container is used for cargo which needs ventilation. The commodity such as Green Coffee beans which requires ventilation on transit can be transported by Ventilated Containers, hence the name of ventilated containers are also known as coffee containers. Cocoa beans and other organic goods with high moisture contents can be moved with ventilated containers.

11. **Car Carrier Containers:**

Car carrier containers are used to move cars by road and rail. However in exceptional cases, the car carrier containers are used to ship by sea also. Generally, RORO (Role on Roll Off) shipping arrangements are done to move cars and other automobiles by sea. Under RORO shipping, vehicles are directly driven on to RORO vessel. Compared to shipment of automobiles with car carrier containers, the cost of transportation is less in RORO shipping.

12. **Hard Top Containers:**

Walls of hard top containers are also manufactured with corrugated steel with wood flooring. Hard top containers are equipped with a removable steel roof. The door header of hard top container may be swiveled out. These features allow to pack and unpack the cargo very easily. Loading and unloading is also easy, as the door header can be swiveled out.

Lashing rings, to which the cargo may be secured, are installed in the upper and lower side rails, the corner posts and the middle of the side walls. The lashing rings on the side rails and corner posts of hard top container may take loads of up to 2000 kg. The lashing rings in the middle of the side walls may take loads of up to 500 kg, if roof is closed.

13. Insulated Containers:

Insulated containers protect goods from temperature which are used to move cargo such as pharmaceuticals, chemicals, foods etc. The thin wall of a standard dry container may be effected with external climate severely in hot summer days due to a lot of heat and severe cold in winter season. Insulated container helps to maintain consistent internal temperature up to some extent.

The standard container can also be temporarily made insulated by covering inner part of body with necessary insulating materials.

Uses:

An insulated container also prevents rainwater getting inside the container and minimizes condensation especially at door opening area. The durability of storage (long term storage) is another advantage of insulated container.

14. Tunnel Containers:

The Tunnel containers have eight feet ends at both sides which looks like a tunnel when both sets of doors are open. In some locations, tunnel containers are also known as tunneltainers, double enders container or double end door container.

Stuffing and de stuffing are easy in a tunnel container due to its accessibility than a standard container. The cargo can be loaded and unloaded from both ends of doors. Small and much number of packages can be easily stuffed and de stuffed. A partition at middle of container can be made for any specific cargo to be loaded and unloaded easily.

15. Platform Containers:

Platform containers are also manufactured with steel and hard wood. A Platform container does not have sides, ends and roof, which looks like a pallet. The customers can load cargo to platform containers from side also.

Use of Platform Containers:

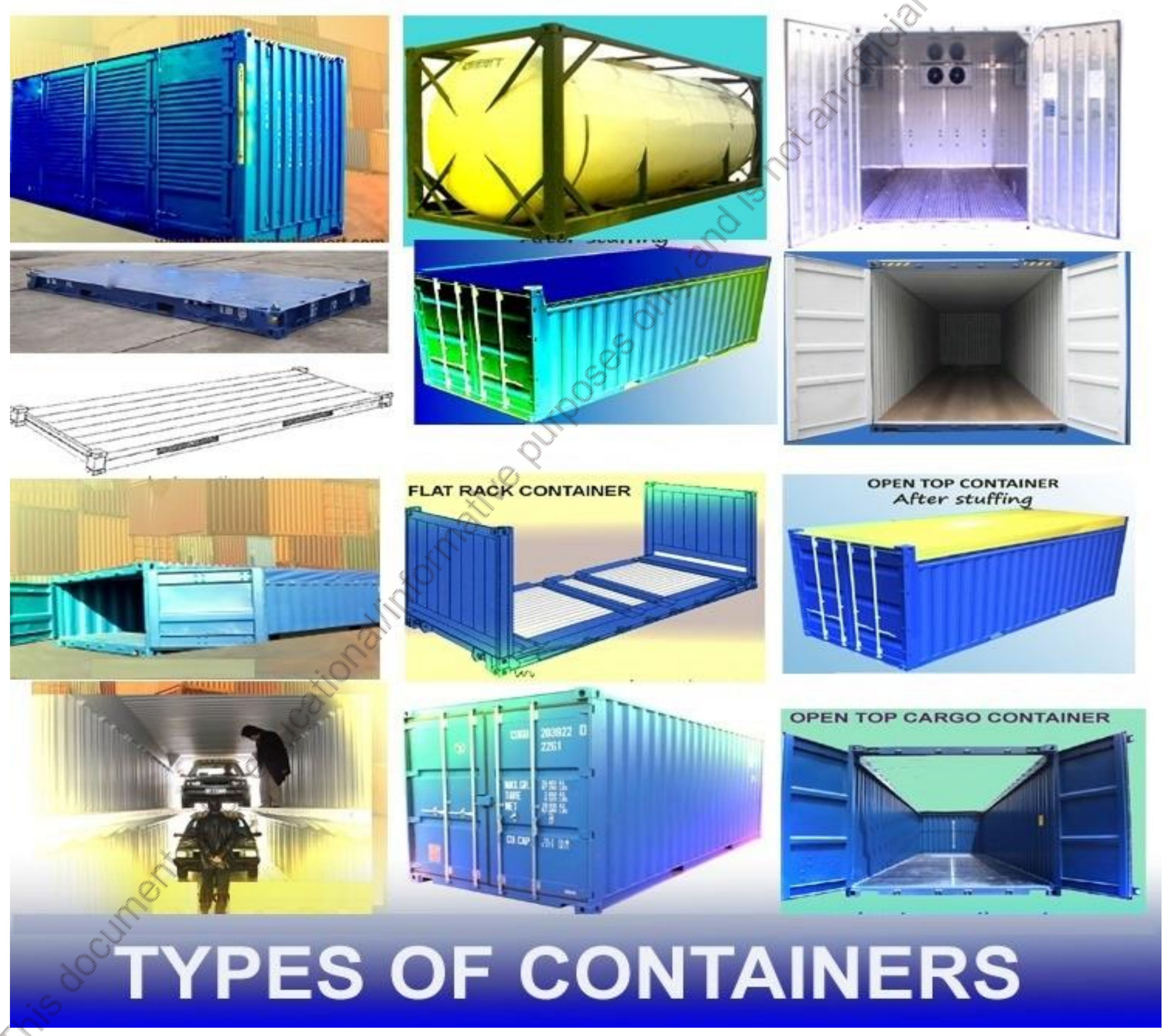
Platform containers are used to transport goods which are heavy weight on small areas. Platform containers are also useful to load odd sized cargo. Generally, the platform containers are used to move machinery, oil and gas equipment and other heavy weight equipment. Like other cargo containers, platform containers are also comply with ISO standard for domestic and international transportation. For easy transportation and movement by road, 40' platform containers have gooseneck tunnels at each end of container. These recesses allow the containers to lie lower and therefore to be of taller construction. For more security on loads, lashing rings are fixed in the side rails of platform containers. All platform containers have fork pocket holes for easy handling.

16. Flat Track Containers:

Flat track containers are made of steel and floored with soft wood. The walls can either be fixed or collapsible. 20’ and 40’ Flat Track Containers are available in sizes.

Since the container is flat track, proper lashing of cargo is required. So many lashing rings are fixed in the side rails of a flat track container. The Flat Track Containers are available with fork lift pockets also. For easy transportation, gooseneck tunnels at each end are fixed in a 40’ Flat Track Container.

Some of the Flat Track Containers are available with lashing winches with lashing belts. For the purpose of movement of certain special cargo, stanchions are required and some of the Flat Track Container owners provide such stanchions.



Use of Flat Track Containers:

If goods are to be loaded from the top or sides of the container, Flat Track Containers are suitable. Normally, machineries, pipes, timber, steel etc. are loaded in a Flat Track Container. The heavy weight cargo can easily be loaded in a flat track container compared to other types of containers.

Non-Containerised Cargo (NCC):

Non-Containerised Cargo refers to goods shipped in pieces separately without the use of a container. These goods are shipped in crates, bags, boxes, drums, barrels and they are extremely large in sizes/dimensions. NCC is also known as break bulk.

ORGANISATIONS ASSOCIATED WITH EXPORT PROMOTION

There are various government organisations which help the exporters in various aspects of export and import.

1. DGFT (Directorate General of Foreign Trade)

Directorate General of Foreign Trade (DGFT) organisation is an attached office of the Ministry of Commerce and Industry and is headed by Director General of Foreign Trade. Right from its inception till 1991, when liberalization in the economic policies of the Government took place, this organization has been essentially involved in the regulation and promotion of foreign trade through regulation. Keeping in line with liberalization and globalization and the overall objective of increasing of exports, DGFT has since been assigned the role of "facilitator". The shift was from prohibition and control of imports/exports to promotion and facilitation of exports/imports, keeping in view the interests of the country.

This Directorate, with headquarters at New Delhi, is responsible for formulating and implementing the Foreign Trade Policy with the main objective of promoting India's exports. The DGFT also issues scrips / authorizations to exporters and monitors their corresponding obligations through a network of regional offices.

DGFT through its power under the FTDR Act notifies various restrictions or quota or conditions on import of goods into India. These restrictions may require a licence or registration be applied for and approved prior to the given imports.

Most significant roles and functions of DGFT

- Implementation of EXIM Policy / Foreign Trade Policy
- Implement of Foreign Trade Procedures
- Issues IEC Code to Exporters and Importers
- Document and Maintain Classifications ITC-HS Code
- Provides Platform for updating e-BRC
- Provides Information about the Export Policy Schedule
- Grant Export Licenses to Restricted Items

- Promote Trade with Foreign Borders
- Regulate Transit of Goods
- Other activities related to Foreign Trade & Commerce

2. EXPORT PROMOTION COUNCILS:

Introduction:

The Export Promotion Councils (EPCs) are organisations of exporters, registered as non-profit organizations under the Companies Act/ Societies Registration Act. Roles and functions of these Councils are guided by the Foreign Trade Policy 2023, which also recognizes them as registering authorities for exporters. At present, there are 27 Export promotion councils and 9 commodities boards, as mentioned below, under the Department of Commerce

APPENDIX-2 T

LIST OF EXPORT PROMOTION COUNCILS/COMMODITY BOARDS/ EXPORT DEVELOPMENT AUTHORITIES

S.No.	Name of Export Promotion Councils/ Commodity Boards	Details of products falling with their jurisdiction
1.	Apparel Export Promotion Council	Readymade garments.
2.	Basic Chemicals, Pharmaceuticals & Cosmetics EPC (CHEMEXCIL)	• Dyes, Dye-Intermediates, Coal Tar Chemicals and Alcohol • Basic Inorganic and Organic Chemicals includingAgro Chemicals, Oil Field Chemicals • Cosmetics and Toiletries, Essential Oils • Perfumery Compounds, • Castor Oil & it's derivatives
3	Carpet Export Promotion Council	Handmade/ Hand knotted Woollen Carpets, Rugs, Druggets, Durries, Handmade tufted Carpets, Handmade Silk Carpets, Handmade Staple/Synthetic Carpets, Kelem, Schumacks, Namdhas and other Floor Covernings.
4	CAPEXIL	• Animal By-products • Automobile Tyres & Tube • Books, Publishing & Printing • Bulk Minerals & Ores • Cement, Clinkes & Asbestos Cement products • Ceramics & Refractories • Glass & Glasswares • Granites, Natural Stones & Explosives. • Graphite Electrodes & Explosives • Misc. Products such as :

		- Gambier Extracts/Myrobalam Extracts/ Cutch Extracts/ Other dyeing & tanning extracts - Fire works - Safety Matches - Activated Carbon - Cocoanut shell Charcoal - Superphosphates Urea - Other Chemical Fertilizers - Hard Aggregates for Floor • Ossein, Glue & Gelatine • Paints & Allied Products • Paper, Board & Paper Products • Plywood & Allied Products • Processed Minerals • Rubber Manufactured Products
5	Cotton Textiles Export Promotion Council	• Cotton Yarn & Sewing Thread • Cotton Fabrics (Grey/Bleached & Processed Fabrics) including Yarn Dyed Fabrics: • Duck/Canvas, Sheetings, Poplin, Shirting/Suitings, Denims/Drills, Twills/Sateens, Sarees/Dhotis/Terry Fabrics, Furnishings, Voils/Mulls/Muslin, Knit Fabrics • Cotton Made-ups – Bed Linens/ Home Furnishings, Terry Towels/ Toweling, Bags/Sacks, Curtains /Drapes, Blankets, Table/Toilet /Kitchen, Linens/Napkins, Handkerchiefs / Dusters, Carpets/Mats/ Tarpaulins/Tents, Tapes/Narrow Fabrics, Labels, Shawls/Scarves, Rope &* Twine, Drop Cloth, Mosquito Nets/Netting, Embroidered Fabrics/Sarees, Dress Materials, Chaddar/Odhanis, Khangas, Threads/Packing Threads, Others • Raw Cotton
6	Council forLeather Exports	Leather & Leather products
7	EEPC INDIA (Formerly Engineering Export Promotion Council)	• Machineries and equipments • Motor Vehicles • Automobile Components • Bicycles, Bicycle Components and Accessories

		• Two Wheelers and Three Wheelers • Internal Combustion Engines, Compressors and parts thereof • Pumps – all types • Electric and Home Appliances • Hand and Machine Tools • Medical, Surgical and Other Instruments • Prime Iron & Steel and Products Thereof • Non-ferrous Metals and Products Thereof • Railway Rolling Stock and Components • Builders Hardware • Project Exports. • Mica & other Mineral based products. • Miscellaneous Manufacturers Engineering Products not specified elsewhere.
8	Electronics &Computer Software EPC	• Electronics Hardware • Consumer electronics • Electronics instruments (which includes- industrial instruments, office equipments, medical equipments, laboratory equipments, strategic electronic equipments) • Electronic components • Computer hardware • Computer software, IT/ITes software services, BPO/KPO etc.
9	Export Promotion Council for Handicrafts	Handicraft Items made of: • Art Metal Ware • Wood Ware • Hand printed Textiles and Scarves • Embroidered and Crocheted Goods • Shawls as Artware • Artistic Handmade Jewellery • Lace and Lace Goods • Stone artware • Jute Handicrafts • Papier Machie • Agarbatties & Attars o Miscellaneous Handicrafts

10	Export Promotion Council for EOUs & SEZ Unitsii	All products by EOU except in case of spices. In case of spices, it would be mandatory for units to get themselves registered with Spices Board also.
11	Federation of Indian Export Organisations (FIEO)	Multi Products & Residual Products
12	Gem & Jewellery Export Promotion Council (GJEPC)	Polished & Processed Pearls (real or culture) • Cut & Polished Diamonds • Cut & Polished Coloured Gemstones • Jewellery containing gold, silver, platinum, or palladium and studded with diamonds, • coloured gemstones, real or cultured pearls or synthetic/ imitation stones • Cut and Polished Synthetic Stones • Costume/Fashion Jewellery • Silver Filligree Jewellery & Silver Filligree • Rough Diamonds
13	Handloom Export Promotion Council	All Handloom Products like: Fabrics, Home Furnishings, Carpets, Floor coverings etc.
14	Indian Oil Seeds & Produce Export Promotion Council (IOPEPC)	**Sesame seed, Niger seed,** Oil seeds and oils, other than de-oiled cake, rice bran oil, soya oil, soya de-oiled cake and the products other than those dealt by Shellac & Forest Product Export Promotion Council.
15	Indian Silk Export Promotion Council	Natural silks and silk Blends and their products including readymade Garments and Carpets.
16	Jute Products Development and Export Promotion Council -(JPDEPC)	All types of jute, jute blended and jute union products made from jute fibre, yarn, twine and fabric for conventional, technical and new & diversified
17	Pharmaceuticals Export Promotion Council	• Bulk Drugs and its intermediates, • Formulations • Herbal • Ayurvedic, • Unani • Homeopathic medicines • Biotech & biological products • Diagnostics • Surgical • Nutraceuticals & pharma industry related services • Collaborative research • Contract manufacturing • Clinical trials and consultants etc • Pharma related services.

18	Plastics Export Promotion Council	All plastics products covering plastic raw materials: intermediate products like plastic Films, sheets etc .plastic packaging materials including Plastic woven sacks/fabrics/bags & Flexible Intermediate Bulk containers (FIBC's) Plastic Tarpaulins, plastic consumer items, PVC Leather Cloth/Foam leather, floor coverings (incl. Linoleums), Moulded/soft luggage, FRP/GRP products PVC Rigid/ Flexible, Pipe fittings, Toys Dolls and Game, Plastic Electrical Accessories, Laminates, Fishnets. Fishing Lines, Cordage/Ropes /Twines/Yarn/Bristles, PVC fabricated goods, PVC Sheeting/Film, Intraocular Lenses, Spactacle Frames, Hard Resilene Lenses, goggles, Poly-Lines Jute goods, Disposable Syringes, blood/urine bags I.V. sets, Dental products and other medical disposables, Cine X-Ray Films, Plastic bangles/Imitation Jewellery and all products made predominantly of plastic materials by processing raw materials through injecton/blow moulding. Extrusion, calendaring, fabrications and other processes: writing instruments and human hair and products thereof
19	Power loom Development & Export Promotion Council	Power loom products
20	Project Exports Promotion Council of India	• Civil Construction (Structures/Infrastructure) • Turnkey • Process And Engineering Consultancy Services • Project Construction Items (Excluding Steel And Cement) / Project Goods
21	Services Export Promotion Council (SEPC)iii	• Accounting /Auditing and Book Keeping Services • Advertising Services • Architectural Services • Consultancy Services • Distribution Services • Educational Services • Entertainment Services including Audio-Visual Services • Environmental Services • Healthcare Services • Hotel And Tourism Services • Legal Services

		• Maritime Transport • Marketing Research and Public Opinion Polling Services/ Management Services • Printing and Publishing Others
22	Shellac & Forest Products Export Promotion Council (SHEFEXIL)	Shellac & lac based products, Guar gum, Herbs, Vegetable saps & extracts/Oil cakes etc., minor forest produce.
23	Sports Goods Export Promotion Council (SQEPC)	All Sports needs & equipments
24	Synthetic & Rayon Textiles Export Promotion Council	Fibre, Yarn, Fabrics, Made-Ups & Home Textiles
25	Telecom Equipment And Services Export Promotion Council (TEPC)	All Telecom, Broadband & internet Equipments
26	Wool Industry Export Promotion Council	Wool & Wool Products
27	Wool & Woollens Export Promotion Council	Wool & Woollen Products
28	Coffee Board	All Verities of Coffee Products
29	Coir Board	Coir Fibre, Yarn & Coir Products
30	Rubber Board	Natural, Synthetic & Reclaimed Rubber
31	Spices Board	All Indian Spices & others
32	Tea Board	Darjeeling, Assam, Nilgiri, Kangra, Dooars-Terai, Masala Tea, Sikkim Tea & Tripura
33	Tobacco Board	Unmanufactured Tobacco • Flue cured Virginia • Light Soil Burley • Sun cured country • Chewing Tobacco • Bidi Tobacco • Cigar Tobacco • HDBRG Manufactured Tobacco products • Cigarettes • Cigars • Cigarillos • Beedis • Cut tobacco • Chewing tobacco • Hookah tobacco paste • Snuff

34	Agricultural and Processed Food Products Export Development Authority (APEDA)	• Fruits, Vegetable and their products • Meat and meat products • Poultry and poultry products • Dairy products • Confectionary, biscuits and bakery products • Honey, jiggery and sugar products • Cocoa and its products, chocolates of all kinds • Alcoholic and non-alcoholic beverages • Cereals and cereals products • Groundnuts, peanuts and walnut • Pickles, chutneys and papads • Guar Gum • Floriculture and floriculture products • Herbal and medicinal plants • Cashew Kernels • Cashew Shell Liquid • Kardanoliv
35	Coconut Development Board	All coconut products other than those made from coconut husk & fiber
36	Marine Products Export Development Authority (MPEDA)	Marine Products including all varieties of fishery products known commercially as shrimp, prawn, lobster, crab, fish, shell-fish, other aquatic animals or plants or part thereof.

Role of EPCs:

Export Promotion Councils encourage exporters, both old and new, to attend a variety of workshops that they conduct throughout the year. These workshops address topics like documentation, understanding of commercial terms, designing business plans, and understanding finances. These are excellent platforms for exporters to find solutions and advice on their business and financial needs. One-to-one correspondence with the EPCs to seek financial guidance is also an option.

3. ECGC Limited:

ECGC Ltd. (Formerly known as Export Credit Guarantee Corporation of India Ltd.) wholly owned by Government of India, was set up in 1957 with the objective of promoting exports from the country by providing credit risk insurance and related services for exports.

ECGC provides

I. a range of insurance covers to Indian exporters against the risk of non – realization of export proceeds due to commercial or political risks
II. different types of credit insurance covers to banks and other financial institutions to enable them to extend credit facilities to exporters and
III. Export Factoring facility for MSME sector which is a package of financial products consisting of working capital financing, credit risk protection, maintenance of sales ledger and collection of export receivables from the buyer located in overseas country.

4. India Trade Promotion Organization (ITPO):

- India Trade Promotion Organisation (ITPO) is the premier trade promotion agency of India, provides a broad spectrum of services to trade and industry and acts as a catalyst for growth of India's trade. The main corporate objectives of ITPO are:
- To promote external and domestic trade of India in cost effective manner by organizing and participating in international trade fairs in India and abroad; organizing buyer-seller meets and contact promotion programmes abroad; conducting overseas market surveys, exchanging and contact promotion programmes abroad; conducting overseas market surveys, exchanging and coordinating visits of business delegations, and undertake need based research to facilitate trade in specific sectors/markets;
- To support and assist small and medium enterprises to access markets both in India and abroad;
- To disseminate trade information and facilitate E-commerce/trade;
- To develop quality physical infrastructure, services and management so as to enable holding of trade promotion events such as conventions and trade exhibitions of international standard; and
- To enlist the involvement and support of the State Governments, other government trade promotion agencies, trade and industry associations in trade promotion of India's external and domestic trade.

5. MMTC (Minerals and Metals Trading Corporation) Limited:

MMTC Limited was incorporated in 1963 primarily to regulate the International trade of Minerals and Metals. Over the years, MMTC diversified its business portfolio keeping in view national requirements / new business opportunities and new product lines like Agro Commodities, Fertilizers, Precious Metals, Coal were added to the product profile of MMTC.

Besides acting as canalizing agency for Iron Ore, Manganese Ore, Chrome Ore/Concentrate, MMTC functions as one of the Nominated Agency for Import of Gold & Silver and Urea, besides trading in other commodities.

6. PEC Limited:

PEC Ltd (formerly – The Project and Equipment Corporation of India Ltd.) was carved out of the STC in 1971-72 to take over the canalized business of STC's (State Trading Corporation of India Ltd.) railway equipment division, to diversify into turn-key projects especially outside India and to aid and assist in promotion of exports of Indian engineering equipment.

The main functions of PEC Ltd. include export of projects, engineering equipment and manufactured goods, defence equipment & stores, import of industrial raw materials, bullion and agro commodities, consolidation of existing lines of business and simultaneously developing new products and new markets; diversification in export of non-engineering items eg. Coal and coke, iron ore, edible oils, steel scraps, etc.; and structuring counter trade/ special trading arrangements for further exports.

7. State Trading Corporation of India Limited (STC):

STC was set up on 18th May 1956 primarily with a view to undertake trade with East European countries and to supplement the efforts of private trade and industry in developing exports from the country. STC played an important role in country's economy. It arranged imports of essential items of mass consumption (such as wheat, pulses, sugar, edible oils, etc.) and industrial raw materials into India and also contributed significantly in developing exports of a large number of items from India.

8. Bureau of Indian Standards:

BIS is the National Standard Body of India established under the BIS Act 2016 for the harmonious development of the activities of standardization, marking and quality certification of goods and for matters connected therewith or incidental thereto.BIS has been providing traceability and tangibility benefits to the national economy in a number of ways – providing safe reliable quality goods; minimizing health hazards to consumers; promoting exports and imports substitute; control over proliferation of varieties etc. through standardization, certification and testing.
Keeping in view, the interest of consumers as well as the industry, BIS is involved in various activities as given below:

- Standards Formulation
- Product Certification Scheme
- Compulsory Registration Scheme
- Foreign Manufacturers Certification Scheme
- Hall Marking Scheme
- Laboratory Services
- Laboratory Recognition Scheme
- Sale of Indian Standards
- Consumer Affairs Activities
- Promotional Activities
- Training Services, National & International level
- Information Services

9. Export Inspection Council of India:

The Export Inspection Council (EIC) is the official export –certification body of India which ensures quality and safety of products exported from India. EIC was set up by the Government of India under Section 3 of the Export (Quality Control and Inspection) Act, 1963 to ensure sound development of export trade of India through quality control and inspection and matters connected therewith. The role of EIC is to ensure that products notified under the Export (Quality Control and Inspection) Act 1963 are meeting the requirements of the importing countries in respect of their quality and safety.

EIC provides mandatory certification for various Food items namely fish & fishery products, dairy product, honey, egg products, meat and meat products, poultry meat products, animal casing, Gelatine, Ossein and crushed bones and feed additive and pre-mixtures while other food and non-food products are certified on voluntary basis.

10. Directorate General of Commercial Intelligence and Statistics (DGCI&S):

Directorate General of Commercial Intelligence and Statistics (DGCI&S), Kolkata, under the Ministry of Commerce, Government of India, is the pioneer official organization for collection, compilation and dissemination of India's Trade Statistics and Commercial Information.

This Directorate, with its office located at Kolkata, is headed by the Director General, an Additional Secretary level officer of Indian Statistical Services (ISS). It is entrusted with the work of collecting, compiling and publishing/disseminating trade statistics and various types of commercial information required by the policy makers, researchers, importers, exporters, traders as well as overseas buyers. It is the first large scale data processing organization functioning as a nodal agency for Export & Import data in the country with ISO certification 9001:2015 for Compilation and Dissemination of India's foreign trade statistics.

DGCIS receives the basic data for both export and import of goods in the form of DTRs (Daily Trade Returns) from different Customs formations and the Special Economic Zones (SEZs) as a part of the administrative data generated whenever any international merchandise trade takes place. The Customs Authority transmits these DTRs in three different modes, namely, Electronic Data Interchange (EDI), Non-EDI and Manual. The EDI data is transmitted on-line daily through Indian Customs EDI Gateway (ICEGATE).

11. Footwear Design & Development Institute (FDDI):

Footwear Design and Development Institute was established in the year 1986 as a Society under the Societies Registration Act, 1860 with an objective to provide skilled manpower to the leather industry. In the year 2017, the institute has been conferred the status of "Institution of National Importance" as per the Footwear Design and Development Institute Act, 2017.

FDDI conducts wide range of professional programmes in the area of Footwear Design & Production Management, Creative Designing CAD/CAM, Fashion Merchandizing & Retail Management, Leather goods & Accessories Design, Fashion Design and Business management etc. thus, providing trained high-class professionals, managers, fashion Designers, technologists to the industry to keep pace with the growing demand.

12. Indian Institute of Packaging:

The Institute is involved in different activities like testing and certification of packaging materials and packages, training and education, consultancy services and R&D activities related to packaging.
The Institute is involved in various activities like Testing and Certification of packaging materials and packaging for domestic and export market, including mandatory UN Certification of packaging for transport of hazardous/dangerous goods, Training and Education, Consultancy and Projects and Research and Development in the area of packaging.

13. Indian Diamond Institute:

The Indian Diamond Institute (IDI) was established as a Society in the year 1978 at Surat, Gujarat with the objective of imparting education in the field of Gem & Jewellery sector including Diamond Manufacturing aspects and thereby enhancing the quality, design and global competitiveness of the Indian Jewellery. The Institute is sponsored by Department of Commerce and is a project of Gems and jewellery Export Promotion Council (GJEPC).

14. Indian Institute of Foreign Trade (IIFT):

The Indian Institute of Foreign Trade (IIFT), a Deemed to be University, was established in 1963, as an autonomous body under the Ministry of Commerce & Industry, Government of India. It has contributed significantly towards the external trade sector of India through policy research and skill-building over the past six decades. The Institute has emerged as a leading Business School in the country and has been consistently ranked among the top 10 B-Schools in the country.

Mission:

To be an Academic Center of Excellence in International Business research, training and education

Vision:

To create and foster a learning environment that enables participants to be leaders in international business with sensitivity towards society.

Beliefs:

- Knowledge Brings All Gains (Vidhyeya Labhathe Sarvam) Learning is preserved by Application (Vidhya Yogena Rakshyate).
- IIFT recognizes the importance of the fact that excellence in the creation of knowledge must be aligned with excellence in transmitting that knowledge.

15. Plant Quarantine Information System (PQIS):

To prevent the entry, establishment and spread of exotic pests in India as per the provisions of The Destructive Insects & Pests Act, 1914 and the notifications issued there under.

Objective:

To provide an efficient and effective service, that fully satisfies our customers, such as importers, exporters, individuals and the Government.

Mission:

- To protect our plant life from ravages of destructive pests by preventing their entry, establishment and spread and thereby increasing agriculture productivity in order to improve the economy of our country.
- To facilitate export certification of plants and plant products for safe global trade in agricultural commodities and thereby fulfilling our legal obligations under the international agreements.
- To adopt safe quarantine practices to protect our environment.

Vision:

- Dynamic quarantine programmes to protect our plant life and environment.
- Sound inspection systems to safe guard the interests of farming community and the consumers and overseas marketing agencies and
- Sustained quality export certification to allow our competitiveness in the global trade in agriculture.

16. Animal Quarantine & Certification Services (AQCS):

The purpose and scope of setting up of QUARANTINE Stations is to prevent the ingress of dangerous exotic diseases into the country through imported livestock and livestock products. The increased and faster international trade and travel exposed every country to the danger of infiltration of known and unknown transmissible diseases which have the potential of very serious and rapid spread, adverse socio-economic and human/animal health consequences. The Quarantine Services are necessary to keep the country free from many exotic diseases and AQCS plays an important part to maintain the country disease freedom.

Vision:

To prevent the entry of any exotic disease through international trade and travel into India and to ensure the health and safety of the animal and human life.

Mission:

National Health Security: Protection of Indian animal and human population from exotic diseases through effective check on import and to ensure qualitative export.

Objectives:

- To prevent the ingress of any Exotic Livestock Diseases into India through importation of livestock & livestock products as per the provisions of Livestock Importation Act.
- To act as Defence force against ingress of exotic disease of Veterinary importance by implementing the policies pertaining to import regulation, restriction, prohibition of the livestock and livestock Products, Biological and Micro- Organisms.
- To provide an internationally accepted certification service for augmenting export and to increase National income.
- To inspect and register the plants/mills exporting the animal by-products.

Functions:

- Implementation of the provisions of the Livestock Importation Act and Central Government orders in force on importation and exportation of livestock and livestock products.
- Detention, segregation, observation and testing of livestock and livestock products meant for import/export.
- Destruction and disposal of imported livestock and livestock products found infected and posing threat to the national health security.
- Pre-shipment Quality control to increase National exchequer.
- To have proper liaison with Custom authorities for effective and proper implementation of Livestock and Livestock Product Importation Act.
- To be in close association with the State Directors of Animal Husbandry regarding disease position and surveillance.
- To associate with the Heads of various recognized laboratories in India for getting expert opinion and for testing of materials.
- To supervise production and packing of LSP meant for export as per the specifications of the importing countries.
- Inspection and registration of plants/mills exporting the animal-by-products.

<u>SPECIAL ECONOMIC ZONES (SEZs):</u>

Asia's first Export Processing Zone (EPZ) was set up in Kandla in 1965, followed by establishment of seven more EPZs in the country. Subsequently, Special Economic Zones (SEZs) Policy was announced in April 2000 wherein various new features were incorporated. This policy intended to make SEZs an engine for economic growth supported by quality infrastructure and complemented by an attractive fiscal package, both at the Centre and the State level, with a user-friendly regulatory framework. All the 8 pre-existing EPZs located at Kandla and Surat (Gujarat), Santa Cruz (Maharashtra), Cochin (Kerala), Chennai (Tamil Nadu), Visakhapatnam (Andhra Pradesh), Falta (West Bengal) and Noida (Uttar Pradesh) were converted into Special Economic Zones.

The main objectives of the SEZ Act are:

- Generation of additional economic activity
- Promotion of exports of goods and services
- Promotion of investment from domestic and foreign sources
- Creation of employment opportunities
- Development of infrastructure facilities

EXPORT ORIENTED UNITS (EOUs):

The Export Oriented Units (EOUs) scheme was introduced in early 1981, primarily to boost exports by creating additional production capacity. It was introduced as a complementary scheme to the Free Trade Zones/Export Processing Zone (EPZ) Scheme introduced in the sixties. It adopts the same production regime as SEZs (erstwhile EPZs) but offers a wide option in locations.

Units undertaking to export their entire production of goods and services, except permissible sales in the DTA, as per the Export-Import Policy are referred to as export oriented units (EOUs). The EOUs function under the administrative control of the concerned Development Commissioner of Special Economic Zone i.e., under the Department of Commerce, Government of India.

The EOUs are governed by the provisions of Chapter 6 of the Foreign Trade Policy (FTP) and its procedures, as contained in the Handbook of Procedures (HBH).

MANUFACTURING / PRODUCING EXPORTS

Introduction:

The Indian manufacturing industry generated 16-17 percent of India's GDP pre-pandemic and is projected to be one of the fastest growing sectors. The machine tool industry was literally the nuts and bolts of the manufacturing industry in India. Today, technology has stimulated innovation with digital transformation a key aspect in gaining an edge in this highly competitive market.

Both the Government of India and Indian companies recognizes the need to move forward to the next and latest phase of industry.

- The National Manufacturing Policy of the Government of India aims to increase the share of manufacturing in GDP to 25 percent by 2025.
- The “Make in India” policy of the Government of India is expected to increase the demand and consumption for machinery and equipment by the local manufacturing industry.
- To be implemented from 2022, the Production-linked incentive (PLI) scheme was launched by the Government of India to develop 13 sectors on par with global manufacturing standards.

India is gradually progressing on the road to Industry 4.0 through the Government of India’s initiatives.

Government of India has undertaken several schemes/initiatives to promote manufacturing sector.

Schemes undertaken by DPIIT to promote manufacturing sector:

Government of India has undertaken various steps to promote manufacturing sector and to boost domestic and foreign investments in India. These include introduction of Goods and Services Tax, reduction in Corporate tax, interventions to improve ease of doing business, FDI policy reforms, measures for reduction in compliance burden, policy measures to boost domestic manufacturing through public procurement orders, Phased Manufacturing Programme (PMP), to name a few.

The series of measures taken by the Government to improve the economic situation and convert the disruption caused by COVID 19 into an opportunity for growth includes Atmanirbhar packages, introduction of Production Linked Incentive (PLI) Scheme in various Ministries, investment opportunities under National Infrastructure Pipeline (NIP) and National Monetisation Pipeline (NMP), India Industrial Land Bank (IILB), Industrial Park Rating System (IPRS), soft launch of the National Single Window System (NSWS), etc. An institutional mechanism to fast-track investments has been put in place, in the form of Project Development Cells (PDCs) in all concerned Ministries/ Departments of Government of India.

Details of some of the major initiatives /schemes are as follows:

Make in India initiative:

‘Make in India’ is an initiative which was launched on 25th September 2014 to facilitate investment, foster innovation, build best in class infrastructure and make India a hub for manufacturing, design and innovation. It was one of the unique single, vocal for local initiative that promoted India’s manufacturing domain to the world. ‘Make in India’ initiative is not the state/district/city/area specific initiative, rather it is being implemented all over the country.

Industrial Corridor Development Programme:

In order to accelerate growth in manufacturing, Government of India (GoI) has adopted the strategy of developing Industrial Corridors in partnership with State Governments. The objective of this programme is to develop Greenfield Industrial regions/areas/nodes with sustainable infrastructure & make available Plug and Play Infrastructure at the plot level. As part of National Industrial Corridor Program, 11 Industrial Corridors are being developed in 4 phases.

Ease of Doing Business:

The objective is to improve Ease of Doing Business and Ease of Living by Simplifying, Rationalizing, Digitizing and Decriminalizing Government to Business and Citizen Interfaces across Ministries/States/UTs. The key focus areas of the initiative are simplification of procedures, rationalization of legal provisions, digitization of government processes, and decriminalization of minor, technical or procedural defaults.

National Single Window System:

The setting up of National Single Window System (NSWS) was announced in the Budget 2020-21 with the objective to provide "end to end" facilitation and support to investors, including pre-investment advisory, provide information related to land banks and facilitate clearances at Centre and State level. Envisioned as a one-stop shop for investor related approvals and services in the country, the National Single Window System (NSWS) was soft-launched on 22nd September, 2021 by Hon'ble Commerce & Industry Minister. Large number of States/UTs Single Window Systems have been linked with the NSWS Portal thereby providing access to approvals of these States/UTs to be applied through NSWS.

PM Gati Shakti National Master Plan (NMP):

PM Gati Shakti National Master Plan (NMP), a GIS based platform with portals of various Ministries/Departments of Government, was launched in October, 2021. It is a transformative approach to facilitate data-based decisions related to integrated planning of multimodal infrastructure, thereby reducing logistics cost. Empowered Group of Secretaries (EGoS) and Network Planning Group (NPG) have been created as institutional arrangement. About 2000 data layers of various Central Ministries/Departments/State Governments have so far been uploaded on the NMP.

National Logistics Policy:

National Logistics Policy (NLP) was launched on 17th September 2022, that aims to lower the cost of logistics and lead it to par with other developed countries. It is a comprehensive effort to address cost inefficiency by laying down an overarching interdisciplinary, cross-sectoral, and multi-jurisdictional framework for developing entire logistics ecosystem. This would boost economic growth, provide employment opportunities, and make Indian products more competitive in the global market.

Production Linked Incentive scheme:

Keeping in view India's vision of becoming 'Atmanirbhar', Production Linked Incentive (PLI) Schemes for 14 key sectors have been announced with an outlay of Rs. 1.97 lakh crore to enhance India's manufacturing capabilities and Exports. These schemes have potential for creation of high production, economic growth, exports and significant employment over the next five years and more.

Schemes undertaken by other Ministries/ Departments to promote manufacturing sector:

Udyami Bharat Scheme:

'Udyami Bharat' is reflective of the continuous commitment of the government, right from day one, to work towards the empowerment of Micro Small and Medium Enterprises (MSMEs). The government has launched several initiatives from time to time like MUDRA Yojana, Emergency Credit Line Guarantee Scheme, Scheme of Fund for Regeneration of Traditional Industries (SFURTI) etc. to provide necessary and timely support to the MSME sector, which has helped benefit crores of people across the country.

'Raising and Accelerating MSME Performance' (RAMP) scheme with an outlay of around Rs 6000 crore, aims to scale up the implementation capacity and coverage of MSMEs in the States, with impact enhancement of existing MSME schemes.

PM Mega Integrated Textile Region and Apparel (PM MITRA):

In order to have world-class industrial infrastructure which would attract cutting age technology and boost FDI and local investment in the textiles sector, Ministry of Textiles issued notification to set up 7 Mega Integrated Textile Region and Apparel (PM MITRA) Parks with a total outlay of Rs. 4,445 crore. These parks will offer an opportunity to create an integrated textiles value chain right from spinning, weaving, processing/dyeing and printing to garment manufacturing at one location. PM MITRA scheme aspires to position India strongly on the Global textiles map.

FINANCE / LOANS

Introduction:

Export finance refers to the various financial products and services that are available to companies that are engaged in exporting goods or services. These products and services can include things like export credit insurance, export loans, and trade finance services such as letters of credit. The goal of export finance is to help companies manage the risks and costs associated with exporting, and to provide them with the funding they need to grow their export business.

Export Finance Benefits from Government:

The government can also be an important source of finance for you, through export benefits that you stand to earn.

Financial assistance by the government and its agencies includes measures like an advance authorization scheme which waives import duty if the goods are used as inputs for export products; duty drawback schemes which refund duties and taxes paid for inputs to exporters; for electronic products, a zero-duty export promotion capital goods scheme available on the import of capital goods; and, the post-export EPCG Duty Credit Scrip Scheme which enables exporters to claim a refund on duties paid to customs officials.

Providers of Export Finance:

There are different banks, non-banking financial corporations, and foreign trade-specific lenders that offer financial assistance to exporters like you.

- The Export-Import (Exim) Bank of India provides buyer's credit, corporate banking products, lines of credit, project-based finance, etc.
- Banks, including nationalized banks, private sector banks, foreign banks, regional rural banks, certain cooperative banks, etc. all provide financing.

Their services may include pre-shipment or post-shipment finance, lines of credit, foreign currency loans, advances against bills sent on collection/deemed exports/undrawn balance, etc. Of course, not all banks/branches may offer export specific products – be sure to study your bank's offerings thoroughly before going ahead.

Precautions & Warnings:

❖ Government benefits are subject to various terms and conditions – be sure to check the terms and conditions thoroughly. For example, your product may not qualify under a scheme, or the scheme may be applicable only for certain selected markets.

❖ Don't undertake export orders if their completion is not feasible from a financial standpoint. You may either fail to arrange for the necessary finance or find it available only at exorbitant costs. It is always advisable to undertake export operations within your financial means.

❖ Don't apply for finance beyond your repayment capacity – defaults will erode your credibility for future financing purposes.

LOGISTICS AND COLD CHAIN

Introduction:

Logistics represents the entire supply chain channel which includes streamlining of order handling, transportation, inventory management and handling, storage, packaging, and clearing of the export goods. Efficient management of logistics by any export firm can give them a competitive advantage through better order handling and improved cash flows.

Export Logistics Process:

Once the product has been cleared for dispatch from the factory or the warehouse facility, the logistics process formally starts. One of the first things exporters need to do is to decide the mode of shipping and zero-in on an ocean freight forwarder, who is responsible for arranging and managing the transport of goods from point A to point B.

A freight forwarder maintains working relationships with several vessel operators and even non-vessel operating carriers to secure great deals for the shipper.

The next step is to arrange for a customs clearance agent for shipping, who is responsible for ensuring all laws and compliances with respect to export processes and the custom clearance requirements are adhered to till the goods reach the final point of destination.

Another aspect to consider is the container shipping method. For example, if one is shipping by sea/ocean freight export, and the quantum of goods being shipped is not enough to fill a full container load (also called FCL), then the shipper or exporter may have to arrange for less than container load shipments.

The goods to be shipped must be packed in an 'export-ready' manner, which includes the necessary marking and labelling of the cases, packages, or cartons. An export packing list document is required if more than one package is to be dispatched in the lot. The goods are then cleared from the exporter's premises, after completing excise formalities (if any).

Export Logistics Documentation:

The activities involved in the logistics process naturally have a flow of documentation:

- ❖ Commercial invoice
- ❖ Dock receipt
- ❖ Bill of lading
- ❖ Certificate of origin

❖ Warehouse receipt

❖ Inspection certificate

❖ Export license

❖ Packing list

❖ Health certificate

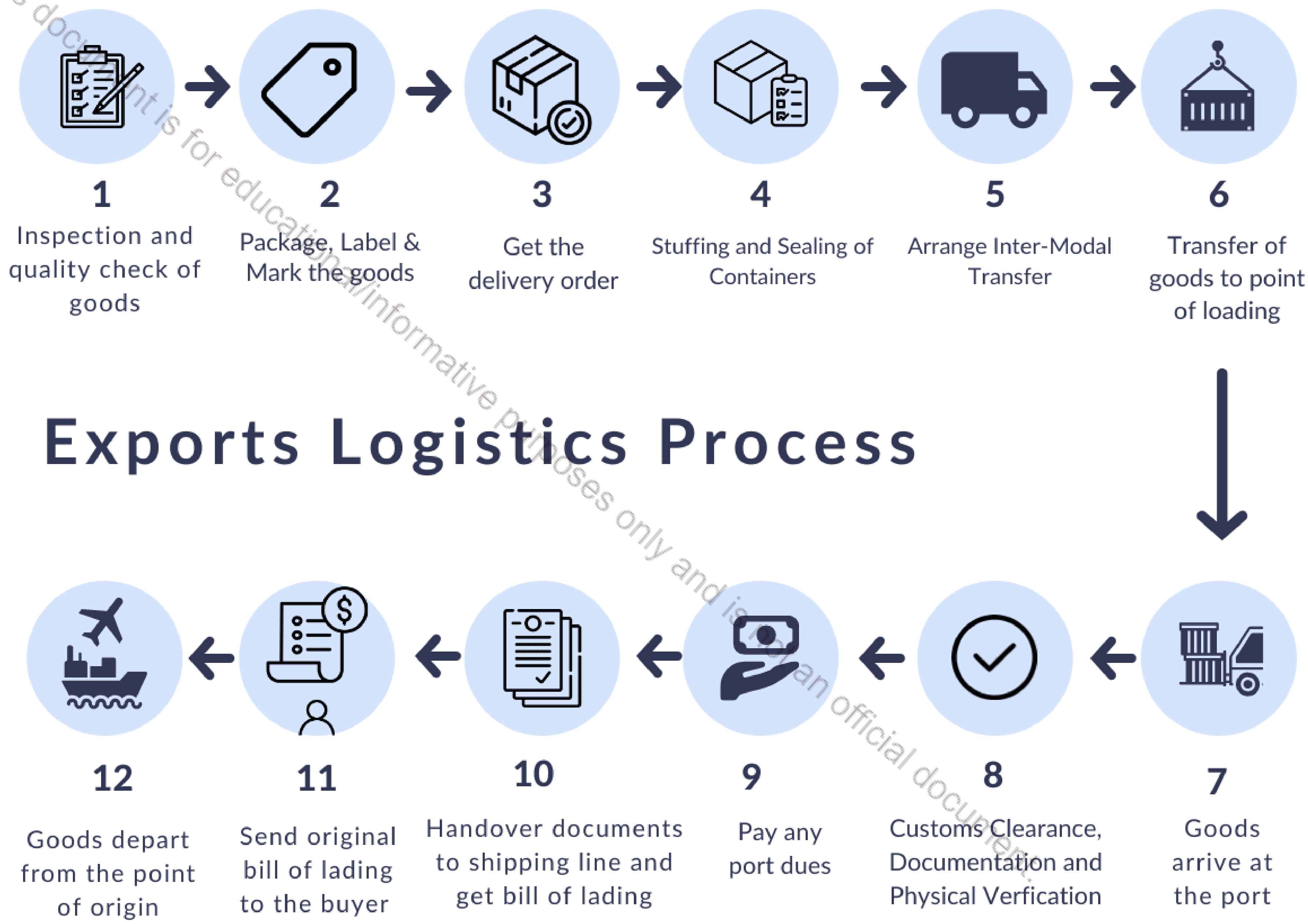
❖ Insurance certificate

❖ Shipper's letter of instruction

❖ Destination Control statement

Export Logistics – Transportation Process:

When it comes to sending the export products to the destination, various parties are involved in the process. Apart from the exporter, there is the buyer, the banks on either side of the transaction, the insurance company, export freight forwarding, customs house agents, C&F agents, the customs department, port authorities, transit transport providers, and the shipping company.


Exports Logistics Process
1
Inspection and quality check of goods
2
Package, Label & Mark the goods
3
Get the delivery order
4
Stuffing and Sealing of Containers
5
Arrange Inter-Modal Transfer
6
Transfer of goods to point of loading
7
Goods arrive at the port
8
Customs Clearance, Documentation and Physical Verfication
9
Pay any port dues
10
Handover documents to shipping line and get bill of lading
11
Send original bill of lading to the buyer
12
Goods depart from the point of origin

Let's take a closer look at the entire export logistics tracking process:

- Once the goods are manufactured and the pre-shipment inspection and quality checks are done, the exporter or the customs house agent packages, labels, and marks the goods to adhere to the standard shipping practices.
- Thereafter, the exporter or the freight forwarder obtains a delivery order that needs to be collected for the containers and makes arrangements for the pick-up, stuffing, and sealing of the containers.
- They then arrange for intermodal transportation, which will carry the goods from the exporter's premises to the point of loading.
- Once the goods arrive at the port, the exporter or their agent arranges for the customs clearance, documentation, and physical verification.
- The documents and mate's receipts are handed to the shipping line, which then provides a bill of lading to the exporter. The exporter has to send the original bill of lading and other documents to the buyer or their consignee/agent. These documents are later required by the buyer or their agent to take custody of the goods and for getting import clearance at the port of destination.
- Meanwhile, the goods are loaded to the carrier and depart from the port of origin.

COLD CHAIN LOGISTICS

Introduction:

The Cold Chain refers to the transportation of temperature sensitive products like perishable goods from the point of origin to point of consumption in the food supply chain. Cold chain process helps reducing spoilage, retains the quality of the harvested products and guarantees a cost efficient delivery to the consumer which can be transported over long distance and can be preserved beyond the life of the product. Different products require different temperature level maintenance to ensure their integrity throughout the travel process. For instance, the most common temperature standards are "banana" (13 °C), "chill" (2 °C), "frozen" (-18 °C) and "deep frozen" (-29 °C). Staying within this temperature is vital to the integrity of a shipment along the supply chain. Any deviations from the prescribed temperature limits will damage the goods in the transit.

The complete Cold chain logistics system consists of:

- **Cold Storages:** This part of logistics consists of acquiring products from the point of origin and storing them in temperature controlled environment for the further transit to the point of consumption or point of sale.
- **Refrigerated Carriers:** Refrigerated Carriers form the primary distribution in a Cold Chain process. The main aim is continuous maintenance of in-transit required temperature. Failure in this part will be a major setback to the whole process.
- **Packaging:** It can be viewed as the Value added service in the Cold Chain process. It contains adhering to the various specifications and packaging the products.

➢ **Warehousing:** Warehousing forms the secondary distribution system of the Cold Chain process. After transportation of the products, they need to be stored in a cold storage unit from where they can deliver to the clients based on their requirements.

➢ **Management Information Systems (Traceability and Tracking etc.):** Throughout the transit of the goods, there should be continuous monitoring of the temperature and efficient supply chain management system should have tracking systems in place to trace the products and vehicles in transit to avoid any malfunctions.

SPS & TBT

SPS Agreement (Sanitary and Phytosanitary):

The Agreement on the Application of Sanitary and Phytosanitary Measures (the "SPS Agreement") entered into force with the establishment of the World Trade Organization on 1 January 1995. It concerns the application of food safety and animal and plant health regulations.

Introduction:

The Agreement on the Application of Sanitary and Phytosanitary Measures sets out the basic rules for food safety and animal and plant health standards.

It allows countries to set their own standards. But it also says regulations must be based on science. They should be applied only to the extent necessary to protect human, animal or plant life or health. And they should not arbitrarily or unjustifiably discriminate between countries where identical or similar conditions prevail.

Member countries are encouraged to use international standards, guidelines and recommendations where they exist. However, members may use measures which result in higher standards if there is scientific justification. They can also set higher standards based on appropriate assessment of risks so long as the approach is consistent, not arbitrary.

The agreement still allows countries to use different standards and different methods of inspecting products.

Key Features:

All countries maintain measures to ensure that food is safe for consumers, and to prevent the spread of pests or diseases among animals and plants. These sanitary and phytosanitary measures can take many forms, such as requiring products to come from a disease-free area, inspection of products, specific treatment or processing of products, setting of allowable maximum levels of pesticide residues or permitted use of only certain additives in food. Sanitary (human and animal health) and phytosanitary (plant health) measures apply to domestically produced food or local animal and plant diseases, as well as to products coming from other countries.

International standards:

The SPS Agreement encourages governments to establish national SPS measures consistent with international standards, guidelines and recommendations. This process is often referred to as "harmonization". The WTO itself does not and will not develop such standards. However, most of the WTO's member governments (132 at the date of drafting) participate in the development of these standards in other international bodies. The standards are developed by leading scientists in the field and governmental experts on health protection and are subject to international scrutiny and review.

Sanitary and Phytosanitary Measures:

For the purposes of the SPS Agreement, sanitary and phytosanitary measures are defined as any measures applied:

- To protect human or animal life from risks arising from additives, contaminants, toxins or disease-causing organisms in their food;
- To protect human life from plant- or animal-carried diseases;
- To protect animal or plant life from pests, diseases, or disease-causing organisms;
- To prevent or limit other damage to a country from the entry, establishment or spread of pests.

These include sanitary and phytosanitary measures taken to protect the health of fish and wild fauna, as well as of forests and wild flora.

Technical Barriers to Trade (TBT):

The Technical Barriers to Trade (TBT) Agreement aims to ensure that technical regulations, standards, and conformity assessment procedures are non-discriminatory and do not create unnecessary obstacles to trade. At the same time, it recognises WTO members' right to implement measures to achieve legitimate policy objectives, such as the protection of human health and safety, or protection of the environment. The TBT Agreement strongly encourages members to base their measures on international standards as a means to facilitate trade. Through its transparency provisions, it also aims to create a predictable trading environment.

Technical Regulations and Standards:

The TBT Agreement makes a distinction between technical regulations and standards: technical regulations are mandatory measures imposed by governments, whereas standards are voluntary measures. Both terms are understood to cover measures based upon:

- Product characteristics;
- Process and production methods related to product characteristics
- Terminology, symbols, packaging, marking and labelling requirements as they apply to a product, process or production method.

According to the Agreement, WTO Member governments, wherever possible, shall specify technical regulations and standards in terms of performance rather than design or descriptive characteristics.

The TBT Agreement recognizes that no government should be prevented from adopting technical regulations and standards to fulfill a legitimate objective. The Agreement has identified the following list as examples of legitimate objectives: national security, protection of human, animal or plant life or health, or the environment, and prevention of deceptive practices. In adopting measures to achieve such goals, however, governments should ensure that they do not create unnecessary obstacles to trade.

EXPORT PROMOTION SCHEMES

Remission of Duties or Taxes on Export Products Scheme (RoDTEP)

RoDTEP stands for the Remission of Duties or Taxes on Export Products Scheme. The scheme has been introduced with an objective to neutralize the taxes and duties suffered on exported goods which are otherwise not credited or remitted or refunded in any manner and remain embedded in the export goods. This scheme provides for rebate of all hidden Central, State, and Local duties/taxes/levies on the goods exported which have not been refunded under any other existing scheme. This does not only include the direct cost incurred by the exporter but also the prior stage cumulative indirect taxes on goods. It is a WTO compliant Scheme and follows the global principle that the taxes/duties should not be exported; they should be either exempted or remitted to exporters, to make the goods competitive in the global market. The RoDTEP scheme has been made effective for the exports from 1st January 2021.

Foreign Trade Policy 2015-20 and other schemes provide promotional measures to boost India's exports with the objective to offset infrastructural inefficiencies and associated costs involved to provide exporters a level playing field. Brief of these measures are as under:

DUTY EXEMPTION & REMISSION SCHEMES

These schemes enable duty free import of inputs for export production with export obligation. These schemes consist of:-

Advance Authorization Scheme:

Under this scheme, duty free import of inputs are allowed, that are physically incorporated in the export product (after making normal allowance for wastage) with minimum 15% value addition. Advance Authorization (AA) is issued for inputs in relation to resultant products as per SION or on the basis of self declaration, as per procedures of FTP. AA normally have a validity period of 12 months for the purpose of making imports and a period of 18 months for fulfilment of Export Obligation (EO) from the date of issue. AA is issued either to a manufacturer exporter or merchant exporter tied to a supporting manufacturer(s).

Advance Authorization For Annual Requirement:

Exporters having past export performance (in at least preceding two financial years) shall be entitled for Advance Authorization for Annual requirement. This shall only be issued for items having SION.

Duty Free Import Authorization (DFIA) Scheme:

DFIA is issued to allow duty free import of inputs, with a minimum value addition requirement of 20%. DFIA shall be exempted only from the payment of basic customs duty. DFIA shall be issued on post export basis for products for which SION has been notified. Separate schemes exist for gems and jewellery sector for which FTP may be referred.

Duty Drawback of Customs:

The scheme is administered by Department of Revenue. Under this scheme products made out of duty paid inputs are first exported and thereafter refund of duty is claimed in two ways:

i) All Industry Rates: As per Schedule
ii) Brand Rate : As per application on the basis of data/documents

Interest Equalisation Scheme (IES):

The Government announced the Interest Equalisation Scheme @ 3% per annum for Pre and Post Shipment Rupee Export Credit with effect from 1st April, 2015 for 5 years available to all exports under 416 tariff lines [at ITC (HS) code of 4 digit] and exports made by Micro, Small & Medium Enterprises (MSMEs) across all ITC(HS) codes. With effect from November 2, 2018, the rate of Interest Equalisation for MSME has been increased to 5%. The Scheme has also been extended to Merchant Exporters who will now avail the benefit @ 3% for all exports under 416 tariff lines w.e.f. January 2, 2019.

EXPORT PROMOTION CAPITAL GOODS SCHEMES (EPCG)

Zero Duty EPCG Scheme:

Under this scheme import of capital goods at zero custom duty is allowed for producing quality goods and services to enhance India's export competitiveness. Import under EPCG shall be subject to export obligation equivalent to six times of duty saved in six years. Scheme also allows indigenous sourcing of capital goods with 25% less export obligation.

Post Export EPCG Duty Credit Scrip Scheme:

A Post Export EPCG Duty Credit Scrip Scheme shall be available for exporters who intend to import capital goods on full payment of applicable duty in cash.

EOU/EHTP/STP & BTP Schemes:

Units undertaking to export their entire production of goods and services may be set up under this scheme for import/ procurement domestically without payment of duties. For details of the scheme and benefits available therein FTP may be required.

OTHER SCHEMES

Towns of Export Excellence (TEE):

Selected towns producing goods of Rs. 750 crores or more are notified as TEE on potential for growth in exports and provide financial assistance under MAI Scheme to recognized Associations.

Market Access Initiative (MAI) Scheme:

Under the Scheme, financial assistance is provided for export promotion activities on focus country, focus product basis to EPCs, Industry & Trade Associations, etc. The activities are like market studies/surveys, setting up showroom/warehouse, participation in international trade fairs, publicity campaigns, brand promotion, reimbursement of registration charges for pharmaceuticals, testing charges for engineering products abroad, etc. Details of the Scheme is available at www.commerce.gov.in

Status Holder Scheme:

Upon achieving prescribed export performance, status recognition as one star Export House, two Star Export House, three star export house, four star export house and five star export house is accorded to the eligible applicants as per their export performance. Such Status Holders are eligible for various non-fiscal privileges as prescribed in the Foreign Trade Policy.

In addition to the above schemes, facilities like 24X7 customs clearance, single window in customs, self assessment of customs duty, prior filing facility of shipping bills etc are available to facilitate exports.

Status House Category	Export performance Threshold (in USD Million) during current and previous 3 years
One Star	3
Two Star	15
Three Star	50
Four Star	200
Five Star	800

Rebate Of State And Central Levies And Taxes (ROSCTL) Scheme:

Scheme to rebate all embedded State and Central Taxes/levies for meant for exports of made-up articles & garments.

There are various other export promotion schemes at central and state level formulated / implemented by different ministries / departments / organisations and export promotion councils / boards and authorities etc.

EXPORT PROMOTION OF CAPITAL GOODS (EPCG) SCHEME

Introduction:

The objective of the EPCG Scheme is to facilitate import of capital goods for producing quality goods and services and enhance India's manufacturing competitiveness. EPCG Scheme allows import of capital goods (except those specified in negative list in Appendix 5 F) for pre-production, production and post production at zero customs duty. Capital goods imported under EPCG Authorisation for physical exports are also exempted from IGST and Compensation Cess. The Authorisation holder may also procure Capital Goods from indigenous sources in accordance with provisions of paragraph 5.07 of FTP. Authorisation shall be valid for import for 24 months from the date of issue of Authorisation.

Capital goods for the purpose of the EPCG scheme shall include:

- Capital Goods as defined in Chapter 9 including in CKD/SKD condition thereof;
- Computer systems and software which are a part of the Capital Goods being imported;
- Spares, moulds, dies, jigs, fixtures, tools & refractories and
- Catalysts for initial charge plus one subsequent charge.

EPCG scheme covers manufacturer exporters with or without supporting manufacturer(s), merchant exporters tied to supporting manufacturer(s) and service providers. Imported capital goods shall be subject to Actual User condition till export obligation is completed and EODC is granted.

Coverage:

(a) EPCG scheme covers manufacturer exporters with or without supporting manufacturer(s), merchant exporters tied to supporting manufacturer(s) and service providers. Name of supporting manufacturer(s) shall be endorsed on the EPCG Authorisation before installation of the capital goods in the factory / premises of the supporting manufacturer(s). In case of any change in supporting manufacturer(s), the RA shall intimate such change to jurisdictional Customs Authority of existing as well as changed supporting manufacturer(s) and the Customs at port of registration of Authorisation.

(b) Export Promotion Capital Goods (EPCG) Scheme also covers a service provider who is certified as a Common Service Provider (CSP) by the DGFT - HQs, Department of Commerce in a Town of Export Excellence or Prime Minister Mega Integrated Textile Region and Apparel Parks (PM MITRA) subject to provisions of Foreign Trade Policy/Handbook of Procedures with the following conditions:

(i) Common utility services like providing Electricity, Water, Gas, Sanitation, Sewerage, Telecommunication, Transportation etc. shall not considered for benefit of CSP;

(ii) Export by users of the common service shall be counted towards fulfilment of EO of the CSP provided the EPCG Authorisation details of the CSP is mentioned in the respective Shipping bills and concerned RA must be informed about the details of the users prior to such export;

(iii) Such export will not count towards fulfilment of specific export obligation in respect of other EPCG Authorisations of the user;

(iv) Authorisation holder shall be required to submit Bank Guarantee (BG) which shall be equivalent to the duty saved. BG can be given by CSP or by any one of the users or a combination thereof, at the option of the CSP; and

(v) Capital goods shall be installed within a Town of Export Excellence or PM MITRA.

Export obligation:

- ❖ Import under EPCG Scheme is subject to an export obligation equivalent to 6 times of duties, taxes and cess saved on capital goods, to be fulfilled in 6 years reckoned from date of issue of Authorization.
- ❖ EO shall be fulfilled by the authorization holder through export of goods which are manufactured by him or his supporting manufacturer / services rendered by him, for which the EPCG authorization has been granted.
- ❖ EO under the scheme shall be, over and above, the average level of exports achieved by the applicant in the preceding three licensing years for the same and similar products within the overall EO period including extended period, if any; such average would be the arithmetic mean of export Performance in the preceding three licensing years for same and similar products, Export shall be physical export.
- ❖ However, specified deemed exports are also eligible for fulfilment of export obligation. For exporters of Green Technology Products, Specific EO shall be 75 per cent of EO as stipulated.
- ❖ For units located in Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura and UTs of Jammu & Kashmir and Ladakh, specific EO shall be 25 per cent of the EO.
- ❖ With a view to accelerating exports, in cases where authorization holder has fulfilled 75 per cent or more of specific export obligation and 100 per cent of Average Export Obligation till date, if any, in half or less than half the original export obligation period specified, remaining export obligation shall be condoned.

Indigenous Sourcing of Capital Goods and benefits to Domestic Supplier:

A person holding an EPCG Authorisation may source capital goods from a domestic manufacturer either through Invalidation Letter or through Advance Release Order. Such domestic manufacturer shall be eligible for deemed export benefits under paragraph 7.03 of FTP, and as may be provided under GST Rules under the category of deemed exports. Such domestic sourcing shall also be permitted from EOUs and these supplies shall be counted for purpose of fulfilment of positive NFE by said EOU as provided in Para 6.08 (a) of FTP.

ADVANCE AUTHORIZATION (AA) SCHEME

Introduction:

Advance Authorisation is issued to allow duty free import of input, which is physically incorporated in export product (making normal allowance for wastage). In addition, fuel, oil, catalyst which is consumed / utilized in the process of production of export product, may also be allowed Under Advance Authorisation scheme export obligation is to be fulfilled by exporting finished products manufactured by imported inputs with minimum value addition as mentioned below

Minimum Value Addition:

(i) Minimum value addition required to be achieved under Advance Authorisation is 15%.

(ii) Export Products where value addition could be less than 15% are given in Appendix 4D.

(iii) Minimum value addition for Gems & Jewellery Sector is given in paragraph 4.60 of Handbook of Procedures.

(iv) In case of Tea, minimum value addition shall be 50%.

(iv) In case of spices, minimum value addition shall be 25%.

Domestic Sourcing of Inputs

- ❖ Holder of an Advance Authorisation / Duty Free Import Authorisation can procure inputs from indigenous supplier/ State Trading Enterprise/EOU/EHTP/BTP/ STP in lieu of direct import. Such procurement can be against Advance Release Order (ARO), or Invalidation Letter.
- ❖ When domestic supplier intends to obtain duty free material for inputs through Advance Authorisation for supplying resultant product to another Advance Authorisation / DFIA /EPCG Authorisation, Regional Authority shall issue Invalidation Letter.
- ❖ Regional Authority shall issue Advance Release Order if the domestic supplier intends to seek refund of duties exempted through Deemed Exports mechanism as per provisions under Chapter-7 of FTP.
- ❖ Regional Authority may issue Advance Release Order or Invalidation Letter at the time of issue of Authorisation simultaneously or subsequently.
- ❖ Advance Authorisation holder under DTA can procure inputs from / SEZ units against Certificate of supply till EDI message system between SEZ and Customs is enabled.

INCENTIVES

Introduction:

Exporting goods and services is the primary source of foreign exchange earnings, which is a key component of domestic revenue. To export, you need a developed economy and the ability to produce goods attractive to foreign buyers. This means successful exporters have a significant market share within their country.

India has thousands of exporters and businesses selling internationally via various mediums, including the increasingly popular e-Commerce exports. A thriving and growing India-based e-commerce market is a major outlet for this nation's export potential.

The Indian Government aims to increase its gross domestic product (GDP) from its current $3.3 trillion to $5 trillion by 2025. To reach this goal, the country must increase its exports to $1 trillion at the same time. One way to do this is through export incentives, which offer financial and non-financial incentives for exporters. This means that every export business needs to be aware of these incentives to succeed.

Remission of Duties or Taxes on Export Products Scheme (RoDTEP):

RoDTEP stands for the Remission of Duties or Taxes on Export Products Scheme. The scheme has been introduced with an objective to neutralize the taxes and duties suffered on exported goods which are otherwise not credited or remitted or refunded in any manner and remain embedded in the export goods. This scheme provides for rebate of all hidden Central, State, and Local duties/taxes/levies on the goods exported which have not been refunded under any other existing scheme. This does not only include the direct cost incurred by the exporter but also the prior stage cumulative indirect taxes on goods. It is a WTO compliant Scheme and follows the global principle that the taxes/duties should not be exported; they should be either exempted or remitted to exporters, to make the goods competitive in the global market. The RoDTEP scheme has been made effective for the exports from 1st January 2021.

Scheme for Remission of Duties and Taxes on Exported Products (RoDTEP) has been notified on exports from 1st January 2021 by Notification No. 19/2015-20 dated 17th August 2021. The Scheme creates a mechanism for re-imbursement 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.

The RoDTEP Scheme is being implemented by the Central Board of Indirect Taxes and Customs (CBIC), Department of Revenue in an end-to-end IT environment and no separate application is required to be filed to claim RoDTEP benefits. RoDTEP scheme covers around 10,436 export items (HS lines at 8 digits), which are listed in the RoDTEP schedule, the Appendix 4R. RoDTEP Scheme operates under a budgetary framework and Rs. 13,699 crore has been allocated for implementing the Scheme in FY 22-23.

Deemed Exports:

"Deemed Exports" for the purpose of the Foreign Trade Policy refer to those transactions in which goods supplied do not leave country, and payment for such supplies is received either in Indian rupees or in free foreign exchange. Supply of goods as specified in of FTP shall be regarded as "Deemed Exports" provided goods are manufactured in India.

(i) Objectives:

- To provide a level-playing field to domestic manufacturers in certain specified cases, as may be decided by the Government from time to time and promote domestic industry.
- To provide duty free imports and duty exemption/ refund for products manufactured in India.
- To reduce the dependency on imports.

(ii) Benefits:

Deemed exports shall be eligible for any / all of following benefits in respect of manufacture and supply of goods, qualifying as deemed exports:

Duty Exemption: To provide duty free inputs for manufacture and supply under Advance Authorisation / Advance Authorisation for annual requirement / DFIA Schemes.

- **TED Refund/Exemption:** Refund of Terminal Excise duty paid on deemed export supplies or exemption from paying such duties.

- **Duty Drawback Refund:** Refund of Basic Custom Duties paid on the inputs utilized in manufacture and supply of the goods to the specified categories of deemed exports.

- The reimbursements are done based on the claims submitted to the Regional Offices of DGFT after the supplies are made and payments against such supplies are received.

FOREIGN EXCHANGE FLUCTUATIONS

Currency fluctuations are a natural outcome of floating exchange rates, which is the norm for most major economies. Numerous factors influence exchange rates, including a country's economic performance, the outlook for inflation, interest rate differentials, capital flows and so on. A currency's exchange rate is typically determined by the strength or weakness of the underlying economy. As such, a currency's value can fluctuate from one moment to the next.

- Currency exchange rates can impact merchandise trade, economic growth, capital flows, inflation and interest rates.
- Examples of large currency moves impacting financial markets include the Asian Financial Crisis and the unwinding of the Japanese yen carry trade.
- Investors can benefit from a weak greenback by investing in overseas equities. A weaker dollar can boost their returns in U.S. dollar terms.
- Investors should hedge their foreign currency risk via instruments such as futures, forwards and options.

There are various kinds of exposure and related techniques for measuring the exposure. Of all the exposures, economic exposure is the most important one and it can be calculated statistically.

GENERAL PROVISIONS REGARDING IMPORTS AND EXPORTS

Import of Samples:

No Authorisation shall be required for Import of bonafide technical and trade samples of items "restricted" in ITC (HS) except defence/security items, seeds, bees and new drugs. Duty free import of samples upto Rs.3,00,000 for all exporters shall be allowed as per terms and conditions of Customs Notification.

Export of Samples:

a. Exports of bonafide trade and technical samples of freely exportable item shall be allowed without any limit.
b. The procedure for Export of Samples and Free of charge goods shall be governed by provisions given in Para 2.63 of Handbook of Procedures as below:
    i. Exports of trade and technical samples of freely exportable item shall be allowed without any limit.
    ii. An application for export of samples/exhibits, which are restricted for export, may be made to DGFT as per ANF-2Q.

Import of Gifts:

Import of goods, including those purchased from e-commerce portals, through post or courier, where Customs clearance is sought as gifts, is prohibited except for life saving drugs/ medicines and Rakhi (but not gifts related to Rakhi).

Explanation:

- Rakhi (but not gifts related to Rakhi) will be covered under Section 25(6) of Customs Act, 1962 that reads that "no duty shall be collected if the amount of duty leviable is equal to or less than Rs. 100/-"
- Import of goods as gifts with payment of full applicable duties is allowed.

Export of Gifts:

Goods including edible items, of value not exceeding Rs.5,00,000/- in a licensing year, may be exported as a gift. However, items mentioned as restricted for exports in ITC (HS) shall not be exported as a gift, without an Authorisation.

Import through Passenger Baggage:

a. Bona-fide household goods and personal effects may be imported as part of passenger baggage as per limits, terms and conditions thereof in Baggage Rules notified by Ministry of Finance.
b. Samples of such items that are otherwise freely importable under FTP may also be imported as part of passenger baggage without an Authorisation subject to Baggage Rules as notified by Customs from time to time.
c. Exporters coming from abroad are also allowed to import drawings, patterns, labels, price tags, buttons, belts, trimming and embellishments required for export, as part of their passenger baggage, without an Authorization subject to value limit as laid down in FTP or as per the relevant Customs notification(s) in this regard.
d. Any item(s) including Samples or Prototypes of items whose import policy is "restricted" or "prohibited" or is canalised through STEs are not permitted as part of passenger baggage except with a valid authorization/ permission issued by DGFT.

Export through Passenger Baggage:

a. Bona-fide personal baggage may be exported either along with passenger or, if unaccompanied, within one year before or after passenger's departure from India. However, items mentioned as restricted in ITC(HS) shall require an Authorisation. Government of India officials proceeding abroad on official postings shall, however, be permitted to carry along with their personal baggage, food items (free, restricted or prohibited) strictly for their personal consumption. The Provisions of the Para shall be subject to Baggage Rules issued under Customs Act, 1962.
b. Samples of such items that are otherwise freely exportable under FTP may also be exported as part of passenger baggage without an Authorisation.

Import Policy for Second Hand Goods:

Sl.No.	Categories of Second-Hand Goods	Import Policy	Conditions, if any
I.	Second Hand Capital Goods		
I(a)	i. Desktop Computers; ii. Refurbished/re-conditioned spares of re-furbished parts of Personal Computers/ Laptops; iii. Air Conditioners; iv. Diesel generating sets	Restricted	Importable against Authorisation
I(b)	All electronics and IT Goods notified under the Electronics and IT Goods (Requirements of Compulsory Registration) Order, 2012 as amended from time to time	Restricted	(i) Importable against an authorization subject to conditions laid down under Electronics and IT Goods (Requirements of Compulsory Registration) Order, 2012 as amended from time to time. (ii) Import of unregistered/non-compliant notified products as in CRO, 2012 as amended from time to time is "Prohibited".
I(c)	Refurbished / re-conditioned spares of Capital Goods	Free	Subject to production of Chartered Engineer certificate to the effect that such spares have at least 80% residual life of original spare
I(d)	All other second-hand capital goods {other than (a) (b) & (c) above}	Free	
II.	Second Hand Goods other than capital goods	Restricted	Importable against Authorisation
III.	Second Hand Goods imported for the purpose of repair/refurbishing / re-conditioning or re-engineering	Free	Subject to condition that waste generated during the repair / refurbishing of imported items is treated as per domestic Laws/ Rules/ Orders/ Regulations/ technical specifications/ Environmental / safety and health norms and the imported item is re-exported back as per the Customs Notification.

Denomination of Export Contracts:

a. All export contracts and invoices shall be denominated either in freely convertible currency or Indian rupees but export proceeds shall be realized in freely convertible currency.
b. However, export proceeds against specific exports may also be realized in rupees, provided it is through a freely convertible Vostro account of a non-resident bank situated in any country other than a member country of Asian Clearing Union (ACU) or Nepal or Bhutan. Additionally, rupee payment through Vostro account must be against payment in free foreign currency by buyer in his non-resident bank account. Free foreign exchange remitted by buyer to his non-resident bank (after deducting bank service charges) on account of this transaction would be taken as export realization under export promotion schemes of FTP.
c. Contracts (for which payments are received through Asian Clearing Union (ACU) shall be denominated in ACU Dollar. However, participants in the ACU may settle their transactions in ACU Dollar or in ACU Euro as per RBI Notifications. Central Government may relax provisions of this paragraph in appropriate cases. Export contracts and invoices can be denominated in Indian rupees against EXIM Bank/Government of India line of credit.

d. Invoicing, payment and settlement of exports and imports is also permissible in INR subject to compliances as under RBI's A.P. (DIR Series) Circular No.10 dated 11th July, 2022. Accordingly, settlement of trade transactions in INR shall take place through the Special Rupee Vostro Accounts opened by AD banks in India as permitted under Regulation 7(1) of Foreign Exchange Management (Deposit) Regulations, 2016, in accordance to the following procedures:

   i. Indian importers undertaking imports through this mechanism shall make payment in INR which shall be credited into the Special Vostro account of the correspondent bank of the partner country, against the invoices for the supply of goods or services from the overseas seller /supplier.
   ii. Indian exporters, undertaking exports of goods and services through this mechanism, shall be paid the export proceeds in INR from the balances in the designated Special Vostro account of the correspondent bank of the partner country.

BRC / e-BRC

Introduction:

An Electronic Bank Realisation Certificate (e-BRC) is a vital digital certificate for export businesses. A bank issues the e-BRC to confirm that the buyer made payment to the exporter against the export of services or goods. e-BRC or BRC details are crucial economic indicators and financial information sources. Businesses availing export benefits under the Foreign Trade Policy (FTP) must produce a valid BRC. The BRC is the proof of realisation of payment against exports.

BRC Certification:

A bank issues a Bank Realisation Certificate (BRC) as proof that an exporter has received money from an importer for the exported goods. Exporters should report to the bank the value of the goods that they intend to export. The banks will record the export transactions on the Export Data Processing and Monitoring System (EDPMS). When the exporters receive payments, they should submit all shipping bills with the banks. They banks will cancel the items recorded in the EDPMS and issue an e-BRC against the shipping bill payments.

An exporter requires a BRC to avail of the different export incentives offered by the government, such as subsidies, low-cost loans, duty exemptions, etc., as part of its FTP.

Before the introduction of e-BRC, exporters had to go to their banks and apply for the issue of a BRC. The exporters submitted the BRC to the Directorate General of Foreign Trade (DGFT) regional authority, and the transaction details of the exports were entered manually according to the BRC. It was a time-consuming which complicated the process of claiming export incentives.

With the introduction of the e-BRC by the DGFT in 2012, exporters did not have to visit the bank to get the BRC, which made the process of claiming export benefits and incentives from the DGFT and other export agencies more accessible.

e-BRC Certification:

The full form of e-BRC is Electronic Bank Realisation Certificate (e-BRC). An e-BRC is an initiative by the DGFT to promote paperless trade and digitise BRCs. From 17/08/2012, banks must transmit BRC data electronically to the DGFT server secured by digital signature. The electronically transmitted BRCs by the banks are known as e-BRCs.

DGFT receives shipping bill information electronically through the EDI ports. With the integration of banks, DGFT receives foreign currency realisation details which can be connected to all shipping bills. The information from the shipping bills (FOB value of items exported) and the e-BRC (final payment received against export) are linked to validate the value at which the exporter will receive an incentive.

Conclusion:

The export requires a lot of certification and licensing procedures; once those processes are done and the products are ready for export, the export will see a high rise in the value of the goods being exported outside the country. However, the time-consuming process may take a long time and create obstacles if procedures are not strictly followed.

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IMPORTANT STATISTICS

1. India's Overall Trade :

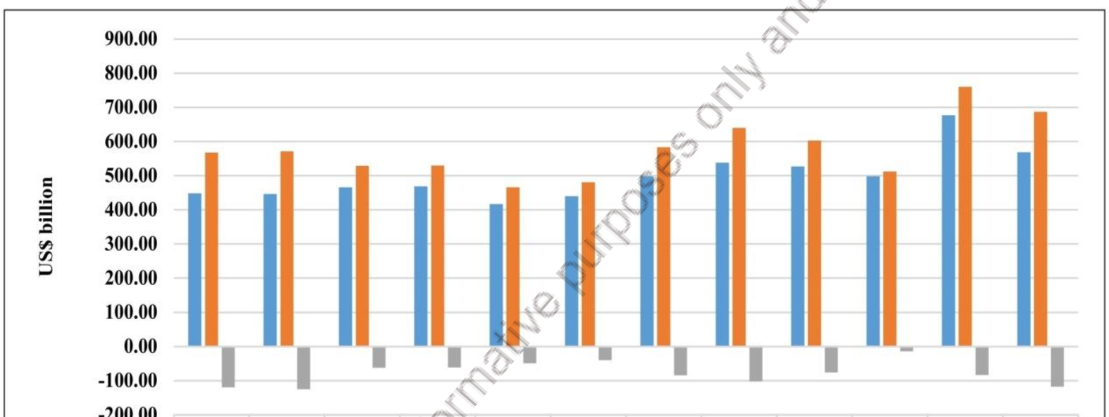
India's overall (Merchandise and Services) exports in 2021-22 were US$ 676.53 billion as against US$ 497.90 billion in 2020-21, registering a positive growth of 35.88 per cent. For the period April- December 2022* exports were estimated at US$ 568.57 billion as against US$ 489.69 billion during April-December 2021, registering a positive growth of 16.11 per cent.

Overall exports to GDP ratio have been seeing a declining trend over the past few years. However, it exhibited an increase in 2021-22 and stood at 21.30 per cent.

Overall imports in 2021-22 were US$ 760.06 billion, exhibiting a positive growth of 48.46 per cent over the same period in the previous year. For the period April-December 2022* imports were estimated at US$ 686.70 billion as against US$ 546.95 billion during April-December 2021, registering a positive growth of 25.55 percent.

The broad trends in overall Exports, Imports and Trade Balance since 2011-12 are indicated in the graph below:

India's Overall Trade (Merchandise & Services) since 2011-12



	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Apr-Dec 2022*
Exports	448.29	446.08	466.22	468.45	416.60	440.05	498.62	538.08	526.55	497.90	676.53	568.57
Imports	567.55	571.50	528.95	529.61	465.64	480.21	583.11	640.14	602.98	511.96	760.06	686.70
Trade Balance	-119.26	-125.42	-62.73	-61.17	-49.04	-40.16	-84.49	-102.06	-76.43	-14.06	-83.53	-118.12

Source: DGCI&S, RBI database and RBI Press Releases

** Note: The latest data for services sector released by RBI is for November 2022. The data for December 2022 is an estimation, which will be revised based on RBI's subsequent release. (ii) Data for April-December2021 and April-September 2022 has been revised on pro-rata basis using quarterly balance of payments data.*

2. INDIA'S MERCHANDISE TRADE:

India's merchandise exports showed resilience. Exports for the complete financial year i.e. 2021-22 were US$ 422 billion as against US$ 291.81 billion during 2020-21, registering a positive growth of 44.62 percent.

India's monthly merchandise exports remained in the range of US$ 30 billion to US$ 45 billion during FY 2021-22 with the highest ever exports recorded in the month of March 2022 at US$ 44.57 billion.

The trade deficit in 2021-22 was estimated at US$ 191.05 billion as against the deficit of 102.63 billion in 2020-21. In April-December 2022(QE), trade deficit increased to US$ 218.94 billion from US$ 136.45 billion in April-December 2021.

The broad trends of Merchandise Exports, Imports and Trade Balance since 2011-12 are given in the table below:

Merchandise Trade

(Values in US$ billion)

S. No	Year	Exports	Growth%	Imports	Growth%	Trade Balance
1	**2011-12**	305.96	22.48	489.32	32.33	-183.36
2	**2012-13**	300.40	-1.82	490.74	0.29	-190.34
3	**2013-14**	314.41	4.66	450.20	-8.26	-135.79
4	**2014-15**	310.34	-1.29	448.03	-0.48	-137.69
5	**2015-16**	262.29	-15.48	381.01	-14.96	-118.72
6	**2016-17**	275.85	5.17	384.36	0.88	-108.50
7	**2017-18**	303.53	10.03	465.58	21.13	-162.05
8	**2018-19**	330.08	8.75	514.08	10.42	-184.00
9	**2019-20**	313.36	-5.06	474.71	-7.66	-161.35
10	**2020-21**	291.81	-6.88	394.44	-16.91	-102.63
11	**2021-22**	422.00	44.62	613.05	55.43	-191.05
	April-December 2022 (QE)	**332.76**	**9.09**	**551.70**	**24.96**	**-218.94**

Source: DGCI&S, QE stands for Quick Estimate

3. INDIA'S SERVICES TRADE:

The services sector has been the dominant sector in India's GDP, with significant contribution to exports and FDI. The pandemic has had a significant impact; however, the services sector has shown resilience to the economic disruptions. Services exports in 2021-22 stood at US$ 254.53 billion as compared to US$ 206.09 billion recorded in 2020-21, which is a positive growth of 23.50 per cent.

Services exports contribution to India's GDP has been exhibiting an increasing trend, from 7.70 per cent in 2018-19 to 8.01 per cent in 2021-22.

The broad trends in Services Exports, Imports and Trade Balance in the last ten years are given in the table below:

Services Trade

(Values in US$ billion)

S.No	Year	Exports	Growth%	Imports	Growth %	Net of Services
1	2011-12	142.32	14.19	78.23	-2.89	64.10
2	2012-13	145.68	2.36	80.76	3.24	64.91
3	2013-14	151.81	4.21	78.75	-2.50	73.07
4	2014-15	158.11	4.15	81.58	3.59	76.53
5	2015-16	154.31	-2.40	84.63	3.75	69.68
6	2016-17	164.20	6.41	95.85	13.25	68.34
7	2017-18	195.09	18.81	117.53	22.61	77.56
8	2018-19	208.00	6.62	126.06	7.26	81.94
9	2019-20	213.19	2.50	128.27	1.75	84.92
10	2020-21	206.09	-3.33	117.52	-8.38	88.57
11	2021-22	254.53	23.5	147.01	25.09	107.52
	April-December 2022*	**235.81**	**27.71**	**134.99**	**28.01**	**100.82**

Source: RBI database and RBI Press Releases
** Note: The latest data for services sector released by RBI is for November 2022. The data for December 2022 is an estimation, which will be revised based on RBI's subsequent release. (ii) Data for April-December 2021 and April-September 2022 has been revised on pro-rata basis using quarterly balance of payments data.*

4. MAJOR COMMODITIES OF EXPORT AND IMPORT IN 2021-22:

Exports of Top 10 Commodities in 2021-22

(Values in US$ billion)

S. No.	Commodity	2020-21	2021-22	Apr-Nov 2022(P)	Growth % in 2021-22 over 2020-21	Share %
1	Petroleum products	25.80	67.47	65.34	161.47	15.99
2	Pearl, precious, semiprecious stones	18.15	27.68	17.61	52.51	6.56
3	Iron and Steel	12.12	22.91	9.29	88.93	5.43
4	Drug formulations, biologicals	19.04	19.00	12.74	-0.22	4.5
5	Gold and other precious metal jewelry	6.63	11.06	8.67	66.9	2.62
6	Organic chemicals	7.64	10.95	6.65	43.34	2.59
7	Aluminum, products of aluminum	5.80	10.64	6.16	83.56	2.52
8	Electric machinery and equipment	8.13	10.35	7.11	27.37	2.45
9	RMG cotton incl accessories	6.87	9.04	6.00	31.64	2.14
10	Products of iron and steel	6.56	8.79	6.41	33.98	2.08
	Total	**291.81**	**422.00**	**298.29**	**44.62**	**100**

Source: DGCI&S, Kolkata, P stands for provisional

Imports of Top 10 Commodities in 2021-22

(Values in US$ billion)

Rank	Commodity	2020-21	2021-22	Apr-Nov 2022 (P)	Growth % 2021-22 over 2020-21	Share%
1	Petroleum: Crude	59.48	122.45	113.64	105.87	19.97
2	Gold	34.60	46.17	27.21	33.41	7.53
3	Petroleum Products	23.21	39.36	32.79	69.61	6.42
4	Coal, Coke And Briquittes etc.	16.27	31.72	37.25	94.9	5.17
5	Pearl, Precious, Semiprecious Stones	18.89	31.01	21.05	64.17	5.06
6	Electronics Components	15.30	25.94	16.27	69.58	4.23
7	Vegetable Oils	11.09	18.99	14.28	71.26	3.1
8	Organic Chemicals	11.09	17.77	13.02	60.22	2.9
9	Telecom Instruments	14.88	15.22	10.63	2.31	2.48
10	Computer Hardware, Peripherals	10.43	15.17	10.32	45.44	2.48
	Total	**394.44**	**613.05**	**493.46**	**55.43**	**100**

Source: DGCI&S, Kolkata, P stands for provisional

5. MAJOR EXPORT DESTINATIONS AND IMPORT SOURCES IN 2021-22:

Top 10 Export Destinations of India in 2021-22

(Values in US$ billion)

Rank	Country	2020-21	2021-22	Apr-Nov 2022(P)	Growth % in 2021-22 over 2020-21	Share%
1	U S A	51.63	76.18	53.14	47.53	18.05
2	United Arab Emirates	16.68	28.04	20.83	68.14	6.65
3	China	21.19	21.26	9.90	0.36	5.04
4	Bangladesh	9.69	16.16	8.10	66.70	3.83
5	Netherland	6.47	12.55	12.32	93.78	2.97
6	Singapore	8.68	11.15	8.01	28.53	2.64
7	Hong Kong	10.16	10.98	6.54	8.09	2.60
8	U K	8.21	10.50	7.31	27.94	2.49
9	Belgium	5.24	10.08	6.12	92.61	2.39
10	Germany	8.13	9.88	6.71	21.64	2.34
	Total	**291.81**	**422.00**	**298.29**	**44.62**	**100.00**

Source: DGCI&S, Kolkata, P stands for provisional

Top 10 Import Sources of India in 2021-22

(Values in US$ billion)

Rank	Country	2021-21	2021-22	Apr-Nov 2022(P)	Growth % in 2021-22 over 2020-21	Share %
1	China	65.21	94.57	67.92	45.02	15.43
2	United Arab Emirates	26.62	44.83	36.95	68.39	7.31
3	U S A	28.89	43.31	34.20	49.94	7.07
4	Saudi Arab	16.19	34.10	29.10	110.67	5.56
5	Iraq	14.29	31.93	24.93	123.47	5.21
6	Switzerland	18.23	23.39	12.06	28.31	3.82
7	Hong Kong	15.17	19.10	12.73	25.86	3.12
8	Singapore	13.30	18.96	14.95	42.52	3.09
9	Indonesia	12.47	17.70	21.48	41.95	2.89
10	Korea Rp.	12.77	17.48	14.24	36.83	2.85
	Total	**394.44**	**613.05**	**493.46**	**55.43**	**100.00**

Source: DGCIS, Kolkata, P stands for provisional

6. ASEAN Trade:

India's trade with ASEAN countries was US$ 110.66 billion during the year 2021-22 and US$ 79.84 billion during 2022-23 (April-October (P). Major destinations for India's exports and imports in the region are Singapore, Indonesia, Malaysia, Thailand and Vietnam. The major commodities of export include Petroleum Products, Iron & Steel, Bovine Meat, Ship, Boat and floating structure, and Pharmaceutical products. The major commodities of import include Vegetable Oils, Coal, Organic chemicals, Computer hardware, and Plastic raw materials.

Country-wise trade figures for ASEAN Region

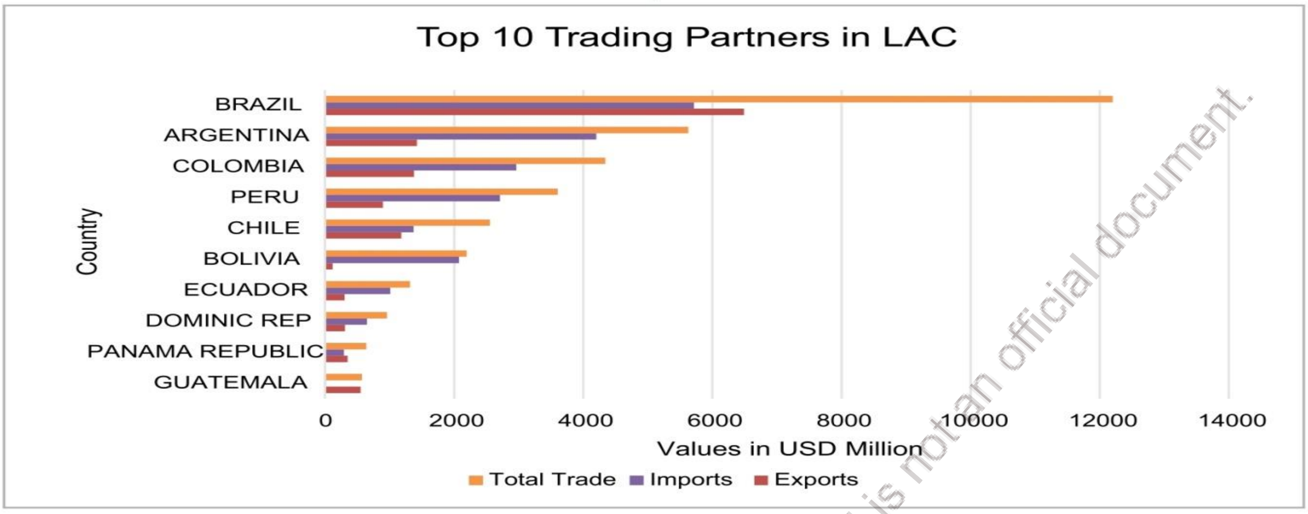
(Values in US$ million)

S. No.	Country	2021-22			2022-23 (Apr-Nov) Provisional		
		Exports	Imports	Total Trade	Exports	Imports	Total Trade
1	Brunei	43.16	394.44	437.6	46.72	185.52	232.24
2	Cambodia	198.37	94.88	293.25	145.94	75.42	221.36
3	Indonesia	8,473.49	17,702.83	26,176.32	6,745.53	21,482.00	28,227.53
4	Lao Pd Rp	14.65	0.8	15.45	11.35	48.95	60.3
5	Malaysia	6,995.06	12,424.20	19,419.26	4,918.88	8,944.42	13,863.29
6	Myanmar	893.03	1,001.87	1,894.90	474.79	585.04	1,059.83
7	Philippines	2,107.24	729.12	2,836.35	1,456.80	639.32	2,096.11
8	Singapore	11,150.66	18,962.19	30,112.85	8,011.34	14,946.75	22,958.10
9	Thailand	5,751.30	9,332.59	15,083.88	3,912.20	7,786.09	11,698.30
10	Vietnam Soc Rep	6,702.80	7,438.52	14,141.31	3,717.69	5,951.83	9,669.53
Total of ASEAN		**42,329.75**	**68,081.43**	**110,411.18**	**29,441.25**	**60,645.33**	**90,086.58**
India's total		**422,004.40**	**613,052.05**	**1,035,056.45**	**298,286.09**	**493,460.10**	**791,746.19**
% Share in India's total		**10.03**	**11.11**	**10.67**	**9.87**	**12.29**	**11.38**

Source: DGCIS, Kolkata

7. TRADE WITH LATIN AMERICAN & CARIBBEAN:

Latin America & Caribbean (LAC) region has emerged as potential growth market for India with significant complementarities and synergies in trade and business. LAC region comprises of 43 countries. India is among Latin America's top ten global export destinations. Total bilateral merchandise trade with the region increased from US$ 1.49 billion in 2000-01 to US$ 36.67 billion in 2021-22. LAC region accounts for 3.54 per cent of India's Global trade.



Source : DGCI&S, Kolkata

8. TRADE WITH COMMON WEALTH OF INDEPENDENT STATES (CIS):

The Commonwealth of Independent States (CIS) comprises the Russian Federation, Republic of Armenia, Republic of Azerbaijan, Republic of Belarus, Georgia, Moldova, Republic of Ukraine, Republic of Kazakhstan, Republic of Kyrgyzstan, Republic of Tajikistan, Republic of Turkmenistan and Republic of Uzbekistan.

Data regarding bilateral trade with these countries is shown in the Table below:

Trade with CIS

(Value in US$ million)

Year	Exports	Imports	Total Trade	% Growth of Total trade	Trade Balance
2016-17	2793.95	9322.76	12116.7	27.95	(-)6528.83
2017-18	3007.37	12875.6	15883	31.08	(-)9868.24
2018-19	3467.04	9442.97	12910	-18.72	(-)5975.93
2019-20	4191.84	11916.5	16108.4	24.77	(-)7724.67
2021-22	4708.49	14020.8	18729.28	16.28	(-)9312.3
April-September 2022-23(P)	2115.08	22365.2	24480.24	-----	(-)20,250.08

Source : DGCI&S, Kolkata, (P): Provisional

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