

A Study of Export Promotion Schemes in India

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Abstract

Export promotion means all those efforts, functions, activities, rules, and policies of the government and non-government bodies for a boost of country export. It includes measures, functions and activities, like constitutions of enquiry committees, establishment of special organizations, financial grants, organizing exhibitions, constitution of advisory and promotion councils, rebate in taxes, trade agreements, imports substitutions, arrangements of raw materials required for increasing exports, liberal import of machinery and awards for excellence, so many efforts, etc.

India is a developing country and has to face many problems of adverse balance of trade and adverse balance of payment. So it is essential to increase the exports. Export is an engine of growth. All those countries which are interested in self-reliance and rapid economic development should adopt the policy of export promotions. Due to the shortage in the domestic market also demand goods always persists, but export promotion is also required for reducing the trade deficit, repayment of foreign debt, higher employment, industrialisation, import payments, economic development, self-reliance and higher national income of the country.

The efforts made by the government for export promotions may be in many ways, like enquiry committees have time to time suggest measures for export promotions, of which Gorwala Committee, Deesuja Committee, Alexander Penal, Tandon Committee etc. Establishment of special export promotions organizations, which are organisations under the ministry of commerce, establishment of autonomous bodies, institutions for export finance and guarantee and establishment of advisory bodies etc. Export incentives schemes for the promotion of exports. Some of these are Exemption from taxes, Cash compensatory assistance, Import Replacement scheme, Subsidies on domestic raw materials, Export credit and assistance to export promotion council, Export finance, and Interest subsidy paid to banks for export finance and National trophy for exports etc. New export promotion plans are Merchandise exports from India scheme, Rebate of duties & taxes on export products, Service export from India, duty-free Import Authorisation, Duty drawback scheme, NIRVIC scheme and Advance authorization scheme, etc.

The following suggestions that are important to increase exports are: the study of foreign.

markets, cost reduction, quality improvement, attention to publicity and advertisement, expansion of the financial facility, Storage of export commodities should be made, the approach of government should be cooperative and domestic use of export goods should be regulated etc.

Keywords: Export, advisory bodies, export promotion

Introduction

Export is a significant role in our economy. More the exports are more the opportunities for jobs and employment and new emerging roles. So, our country necessary its exports to have a growth in quick time.

Export promotion is employed across many countries and regions to foster the goods and services from their companies abroad. This is can be good for the balance of trade and the comprehensive economy. Some valuable export promotion programs and incentives could be taken to draw more companies into exporting. Governments can help in this by assisting in the marketing and merchandise identification and increase in development by arranging some payment guaranty scheme and trading.

Objective

The objective of this paper is to analyze the export promotion schemes in India and to provide suggestions for export promotion because India is a developing country and an increase in exports is very important for our country.

Concept

Export promotion is inclusive of all those efforts, functions,

activities, rules and policies of the government and non-government bodies for the enhancement of exports of our country. It includes all the measures, functions and activities like the composition of enquiry committees, establishment of special organizations, financial grants, the constitution of advisory and promotion councils, trade agreements, rebate in taxes, organizing exhibitions, import-substitution, arrangements of basic material required for increasing exports, considerable import of machinery and award for excellence and so many other efforts.

Need and Importance

Since India is a developing country, therefore has to face many problems in terms of adverse balance of trade and adverse balance of payment. So it's essential to have a surge in exports. All those countries which have an interest in self-reliance and rapid economic development should acquire a policy of exports promotions.

The significance and need for export promotion can be covered under the following points:

1. To create a favorable balance of trade.
2. Reduction in burden of foreign debts.
3. To extend the foreign exchange reserve.

4. Export promotion will generate increased employment opportunities.
5. Export promotion activities and export-oriented industrial units need to be established in huge numbers.
6. Export promotion is requisite for the payment of imports.
7. For maintaining the economic development of the country.
8. We may become self-reliant by increasing foreign currency reserves with the assistance of increased exports.
9. Higher exports will give a higher national income for the nation.
10. The export promotion will bring down the dependence on other countries by way of adequate foreign currency reserve.

Export Promotion Schemes in India

The efforts made by the government for export promotion could be categorized into the following three parts:

- i) Enquiry committees.
- ii) Establishment of special organizations.
- iii) Export incentives.

1. Enquiry Committees

Enquiry committees are constituted from time to time to propose measures for export promotion, some instances are as follows:

- i) Gorwala committee, 1949.
- ii) Deesuja committee, 1957.
- iii) Mudaliyar committee, 1961.
- iv) Alexander Penal, 1971.
- v) Tandon committee, 1981.
- vi) Raja Chelliah Committee, 1993.

2. Establishment of Special Organizations

Following organizations have been established to encourage exports in foreign trade.

a) Organization under the Ministry of Commerce

- i) Office of the Controller General of import-export.
- ii) Directorate of trade and statistics.
- iii) Kandla trade area development commissioner.

b) Establishment of Autonomous Bodies

To encourage exports, several autonomous bodies have been formed in India. Some of them are listed below:

- i) **Commodity Boards:** Nine commodity boards have been established to promote exports, which are statutory organizations.
- ii) **Establishment of Export Promotions Councils:** 19 export promotion councils have been established to encourage foreign trade.
- iii) **Trade Development Authority, 1971:** This was established to encourage small and medium exporters.
- iv) **Marine Product Export Development Authority:** This was established to encourage exports of marine products.
- v) Export Inspection Council, 1964
- vi) **Export Promotion Consultant Council:** This council was set up to review export policies and to provide suggestions.
- vii) **Indian Institute of Foreign Trade, 1964:** This was set up to provide training in trade methods, marketing surveys and research, exchange of information, etc.
- viii) **Indian Packing Institute:** This institute provides knowledge regarding the latest packing techniques.
- ix) Trade fair Authority of India, 1977

c) Establishment of Public Sector Trading Undertaking

- i) Tea trading corporation, 1971.
- ii) Mica trading corporation, 1972.
- iii) Indian motion pictures export Promotion Corporation.

d) Institutions for Export Finance and Guarantee

- i) Export credit and guarantee corporation
- ii) Industrial development bank
- iii) Import-export bank
- iv) Marketing development fund
- v) Short term credit facilities of nationalised banks

e) Establishment of Advisory Bodies

- i) Central trade advisory council
- ii) Regional import-export advisory committee
- iii) Establishment of trade houses
- iv) Export promotion advisory council

3. Export Incentives

The government has made several provisions from time to time for providing facilities, incentives and concessions to boost the volume of exports. Some of them are given below:

- i) Exemption from taxes
- ii) Cash compensatory assistance
- iii) Import replacement scheme
- iv) Subsidies on domestic raw materials
- v) Fiscal concessions for exports
- vi) Export credit and assistance to export promotion councils
- vii) Export finance
- viii) Interest subsidy paid to banks for export finance
- ix) National trophy for exports

New Export Promotion Plans

The government has incorporated many schemes to help increase exports. Some of these are:

- i) Merchandise exports from the India scheme
- ii) Rebate of duties and taxes on export products
- iii) Service export from India
- iv) Duty-free import authorization
- v) Duty drawback scheme
- vi) Export promotion capital goods scheme
- vii) Transport and marketing assistance scheme
- viii) Towns of export excellence
- ix) Market access initiative scheme
- x) GST refund for exporters
- xi) NIRVIK Scheme
- xii) Advance Authorization scheme

All these schemes are started by the government to rapidly increase exports. These schemes are started to motivate and promote the exporters and give them extra financial benefits and subsidies. So that our overall exports will grow up. These schemes play an important role in the upliftment of exporter firms and industry because all these export promotion schemes are very cooperative and financially supportive for their export units.

Suggestions for Export Promotion

To increase the exports, the following suggestions could be taken into consideration:

- i) Study of foreign markets could be beneficial.
- ii) Special focus should be paid to publicity and advertisement.
- iii) Organizing trade fairs and exhibitions in foreign countries.

- iv) There is a need for a reduction in production costs so efforts should be made for the same.
- v) Financial assistance should be expanded.
- vi) Production of export goods should be increased.
- vii) Giving special emphasis on quality control and quality improvement will help to increase the capacity to compete in the world market based on quality.
- viii) Looking into the future perspectives attention should be drawn long term agreements.
- ix) More cooperative approaches are needed from government bodies.
- x) Effective arrangements for the storage of export goods should be made.
- xi) Domestic consumption of export goods should be controlled.

Conclusion

India is an emerging developing nation so export is a catalyst for growth. All those countries which have an interest in self-reliance and rapid economic development should acquire a policy of export promotions.

The efforts made by the govt. for export promotions can be in some ways like the establishment of special export promotion organizations, enquiry committees and export incentives schemes to the promotion of exports.

The government has introduced several new export promotion plans to provide an increase in exports. A few of them are export promotion capital goods scheme, a rebate of duties and taxes on export products, GST refund for exporters, service export from India scheme, market access initiatives scheme and transport & marketing assistance scheme etc.

At last, as we all know India is a huge country that has to face many problems in its way of economic development. Exports play a vital role in economic growth so it's essential to increase exports.

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