

Press Release:

Phasing out export subsidies need a cautious view: TPCI

- *Suggests measures to boost exports*

New Delhi, 7th June 2019: Congratulating the Commerce and Industry Minister Shri Piyush Goyal, Chairman Trade Promotion Council of India (TPCI), Mohit Singla said, "Commerce & Industry minister has set the ball rolling by immediately convening the Board of Trade and Council of Trade Promotion and Development meeting, yesterday.

On the Commerce Minister sounding on the not be dependent on subsidies Singla said, "The government stand to phase out the export subsidies gradually need a cautious view to deal with, as the buyers also negotiate and demands some part of the subsidy." It is the time when India needs to leverage its business equity, capitalizing on products and services that India has advantage and strength globally. Also, there are cases and examples to prove that many industries have done well after phasing of subsidies, he added.

Further Chairman TPCI suggested six point agenda which may be strategised for making India export competitive;

First one, is identifying of new product basket which can easily find market compared to our global competitors as India has inherent advantage. The emerging champion sectors could be; electrical, furniture and mattress and processed food. For example, processed food alone has huge scope after value addition and can fetch India 1000 USD plus export. It has been observed that the old sectors like textiles, RMG, leather, gems & jewellery, pharmacy & chemicals, hydrocarbons, etc have plateaued growth and further emphasis to these sector will not make much difference to our exports.

Second could be, external outreach and promotion of India products to new and emerging markets. India could utilize 80 trade promotion offices working on already accepted global norms for promotion of various products and brand from India.

Third is, creating a national portal for global trade inquires to be run/ managed with respective Export Promotion Councils which could handle queries on day to day basis.

- Forth could be, incentivization above basic target – encourage the performers by linking it with performance and target be it EPCs or any other body or organization.

-Fifth is, availability of credit for industry both in terms of intermediary and finished good for exports.

- Sixth could be, reducing cost and time of port clearance for goods for export. Indian port charges should be reduced as it makes Indian exports less competitive compared to rest of the world. India has one of the highest port charges, no. of days for port clearance and delivery as compared to our major competitors. Logistic cost USD per km of road transport for India rank is 7, China 2.5, Bangladesh 3, Vietnam 7 and Srilanka 3. The custom and port clearance takes 6 days for India, 1.5 days for China, 6 days for Vietnam and 3 days for Srilanka.

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