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TPCI RECOMMENDATIONS FOR FTP – 2021-26

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1. Expansion and examination of HS codes

(More fields may be included in DGCIS data bank)

- There are many products which are either not exclusively classified and doesn't have a separate HS code or its misrepresented which leads to the confusion or missing the opportunity to export and get the right benefits in terms of claims. They are kept in the 9999 category and therefore need to be reviewed and country code at 8 digit level may be ascertained. Some of the ginger products, spices and pickle fall under the others category.
- Trade data mapping with tariff programs in order to robustly monitor and access trade data under various preferential tariff agreements/FTAs/ internal import tariff relaxation schemes such as advance authorization.
- Example- Import of black pepper- what% of it under advance authorization, what% under SAFTA, i.e. preferential tariff benefit in order to understand –
 - Usage- consumption or value addition
 - Government expenditure- Benefit availed by different industries
 - Evaluation and impact of an FTA on trade of a specific product

2. E- Commerce policy to facilitate escrow payment

While the government is in the process of developing regulations for B2B online business including exports, TPCI demand escrow services must be included as the exports

services domain. This should be subject to the agreed terms and conditions between buyer and seller through secured platforms.

Our experience with partnership with MAS Singapore whitelabel platform has been that the smaller tractions do take place on trust while the larger payment tractions becomes a great barrier. For the greater benefits of e-commerce exports banks can be notified and directed to pay escrow payment facilities to the transactions through e-commerce channels for exploring the potential to the fullest.

3. Incentivized SEZ with duty concession for exports to DTA

- SEZs contribute significantly to exports and employment generation in the country. There is a pressing need to allow certain tax incentives in line with the global practice of the exports to Domestic Tariff Area (DTA), in order to ensure SEZ survival and its contribution to the exports. There is one area within the SEZ policy that needs to be addressed.
- At present, an exporter in an SEZ and a foreign exporter are at par when it comes to selling goods to a domestic tariff area (DTA). Therefore, an exporter within the SEZ should be incentivized on the degree of value addition he brings to a product. He should be allowed to import raw material at zero duty and avail duty rebate proportionate to value addition. This will keep him at an advantageous position as opposed to importing finished products from another country. Also it will lead to automatic cauterization as the incentive will act as a pull factor.
- This will not only give fresh lease of life to the total investments generated by SEZs but also thrust exports.

4. Non- Tariff Barriers- CODEX Harmonisation

- There has been a significant divergence/gap in the quality and standards, majorly for processed agricultural and textiles products what we consume domestically and what we export. Going by the food safety compliance of major developed and developing economies, it is cogently visible that there has to be a major upliftment in the standards required for domestic consumption. This will have another advantage of plummeting the rejections of Indian consignments.
- Therefore, CODEX standards may be implemented as a benchmark for domestic standards. This will reduce the probability of rejections of consignments as CODEX standards are scientifically justified and frequency of SPS rejections may get lowered.

5. Quality GI products: BRANDING

- Branding adds value by differentiating the product and also because of the consumer perception that such products are of superior quality than unbranded ones.
- **What Products:** India can choose Alphonso mango, Darjeeling tea, Basmati rice and escalate them to the stature of California almonds or Swiss chocolates in terms of global acceptability.
- **How:** Indian Embassies abroad can act as a catalyst in guiding and promoting such products through food festivals, displays at busy airports, encouraging top chefs and connoisseurs to highlight these.
- Example: Malaysia for having implemented a commodity branding programme called Malaysia's Best. It is an umbrella brand for selected horticultural products that guarantee quality and safety in accordance with Malaysian standards and good agricultural practices.
- Another reasoning that buttresses aggressive branding of agri-products is that government support, if given, would be WTO-compliant as it is placed under the 'green box' instead of 'amber box'.

6. Promoting technology import through industrial and foreign trade policy

- The reason why India opted out from RCEP, is because manufacturing quality products and competitive prices is something which is not ubiquitous in India across major industries. This needs time and technology, thus a road map has to be designed which proliferates our quality at competitive rates.

7. Setting up of Nodal Agency for facilitating blocked/unclear Indian shipments globally

- A separate nodal agency may be thought of which will be one-point contact of all queries related to uncleared/rejected Indian shipments across global markets. This will facilitate in solving the consignment problems which currently seem to get procrastinated.

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