

# Fresh strategy in the works to boost trade

Department of Commerce close to finalising a strategy paper

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The government is working on a fresh foreign trade strategy to explore opportunities for growth and collaboration in an attempt to achieve an ambitious target of \$2 trillion in total exports — goods and services — by 2030, and increasing India's share in global trade from 2.7 per cent to 10 per cent, people aware of the matter said.

Towards this, the department of commerce is close to finalising a strategy paper, which is aligned with the vision of what should be the share of trade as a multiplier of growth as the Indian economy grows, one of the persons cited above told *Business Standard*.

Over the last few months, the department of commerce held intense discussions with various stakeholders, including relevant government departments as well as export promotion councils.

They include Indian Banks' Association (IBA), Export Credit Guarantee Corporation of India (ECGC), Exim Bank and trade bodies such as Confederation of Indian Industry (CII), Federation of Indian Chambers of Commerce & Industry (Ficci), National Association of Software and Service Companies (Nasscom), and Services Exports Promotion Council (SEPC), among others.

However, the government is still contemplating the timing of release of the strategy paper, considering the geopolitical tensions and associated uncertainties.

"We have got insights from key stakeholders but the timing of its release is what we are looking at. There are global uncertainties at the moment, including the crisis in West Asia," the official said.

The strategy paper will also delve into areas such as improving logistics for trade, diversifying India's merchandise and services basket, as well as exploring new markets.

"Since separately, NITI Aayog is working on India's Vision for 2047, the department of commerce is trying to focus and capture the trade dimension on a granular basis," the official said.

He added that between short-term



## AMBITIOUS PLAN

- ▶ The strategy paper to focus on raising goods and services exports to \$2 trn by 2030
- ▶ Increase India's share in global trade from 2.7% to 10%
- ▶ Improving logistics for trade, diversifying India's merchandise and services basket, and exploring new markets
- ▶ India exported goods worth \$451 bn and services worth \$322 bn in 2022–23

## NCEL allowed to export 900K tonnes of broken rice

National Cooperative Exports (NCEL) has been allowed to export 900,000 tonne of broken rice and 35,000 tonnes of wheat and wheat products. According to a notification, the government has permitted export of 34,736 tonne of wheat and wheat products and 898,804 tonnes of broken rice. Of the total wheat and wheat products export, NCEL has been allowed to export 15,226 tonnes of maida/semolina.

PTI

## Fertiliser, power sectors to raise LNG import: S&P

Liquefied natural gas (LNG) import may increase by 3 million cubic metres per day (mmcm/d) in summer 2024, S&P Global Commodity Insights said. Increased gas consumption in the power and fertiliser sectors raised India's average LNG imports to 91 mmcm/d, up by 20 mmcm/d compared Y-o-Y. "There is an upside to our Q4FY24 forecast, with imports averaging 80 mmcm/d, 4 mmcm/d lower than in 2023," it said. **SUBHAYAN CHAKRABORTY**

and long-term policy, there is a need for a strategy and approach paper.

### Industry recommendations

Last month, the Federation of Indian Export Organisations (FIEO), as part of its recommendation for the services sector, urged the government to introduce measures to empower small businesses.

For instance, the imposition of exorbitant tender bid amounts, earnest money deposits, and high annual turnover prerequisites hinders the participation of small Indian consulting firms.

The stringent financial criteria pose a significant challenge for Indian micro, small and medium industries (MSMEs)

seeking to engage in government tenders. This effectively excludes them from competition, according to the apex body for exporters.

"A tender valued at ₹5 crore should not have conditions such as an annual revenue of ₹500 crore and a workforce exceeding 1,000 employees, rendering it inaccessible for most MSMEs," FIEO said in a letter.

"The use of turnover as a determining factor does not necessarily reflect the quality of work or the expertise of a company. Alternatively, employing a bid bond guarantee through banking channels proves more effective as it mitigates project risks and validates the financial stability of the awarded company," it added.