

New Foreign Trade Policy Likely Next Month; Focus on Ecomm Exports, Hubs

IN THE WORKS Lower compliance burden for small exporters, proper categorisation of products clubbed as 'others'

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New Delhi: The government is likely to release next month the new foreign trade policy with a focus on boosting ecommerce exports and developing districts as export hubs.

The commerce department is working on the policy that may detail ways to reduce the compliance burden on small exporters and fund MSMEs to increase exports. It may also seek to make proper categorisation of products which are at present clubbed as "others", as this system leads to misclassification and tax evasion, thereby adding to the growing trade deficit.

"We are working on ways to facilitate ecommerce exports through the policy," said an official, adding that the policy could be put in place by the end of next month.


Attention is likely to be given on MSME exports as well as developing districts as export hubs. The policy comes amid India's export growth slowing. Goods exports rose 2.14% from a year earlier to \$36.27 billion in July, even as the trade deficit almost tripled to \$30 billion. In fiscal 2022, India's outbound shipments were a record \$421.8 billion. The government aims to take the value to \$1 trillion by 2030.

The commerce department is in consultations with stakeholders to integrate global markets through bilateral trading arrangements, government-to-government engagements and making use of the multilateral agreements of the World Trade Organization. Product and country strategies are also being discussed to diversify India's export products.

Exporters have sought a separate chapter on ecommerce in the policy that would enlist all the export benefits available to the sector that should be at par with conventional exports.


"We have suggested setting up an integrated park for cross-border ecommerce," said Ajay Sahai, director-general of the Federation of Indian Export Organisations.

Such parks should provide comprehensive facilities such as banks, fintech companies, foreign post offices, courier terminals, logistics compani-



Focal Point

Current Foreign Trade Policy 2015-2020 in place till Sept 30	MSME exports, district as export hub key focus areas	Exporters seek separate chapter on ecomm
Measures likely to curb 'Others' category imports	'Others' escape restrictions, low-quality products	Demand for easier norms for re-import of exported goods under e-comm



'Exports may Lose Steam in FY23'

New Delhi: India Ratings and Research said Thursday that the exports trend of 2021-22 might not sustain in this financial year due to the impact of the Russia-Ukraine war leading to recessionary concerns in advanced economies, China's stringent strategy to control Covid-19 having implications for production in various sub-sectors in India and continued disruptions in global supply chains and trading sanctions on Russia.

"The exuberance witnessed in merchandise exports in FY22 did provide a helping hand to a number of manufacturing segments amid the weak domestic demand, but it was not broad-based and confined to a handful of sectors," said the agency.

India's average annual merchandise exports between 2016-17 and 2019-20 was \$297.02 billion, against \$330.08 billion in 2018-19. — **Our Bureau**

es, warehouses, customs, tax refund — all under a single umbrella. Also, some space can be earmarked for packaging and small operations.

Sahai said there was a need to align all ceilings of shipments for ecommerce with a uniform value. While the

Norms Delayed for Rice Exports to EU

New Delhi: India has deferred by six months the requirement of a certificate of inspection by export inspection agencies for exporting rice to European countries to January 1, 2023.

The Directorate General of Foreign Trade (DGFT) in a notification issued on Thursday said export of rice (basmati and non-basmati) to European Union (EU) member states and other European countries with the exception of five countries, namely the United Kingdom, Iceland, Liechtenstein, Norway and Switzerland, will require certificate of inspection from EIA (export inspection agency), or EIC (Export Inspection Council) from January 1, 2023.

Exports of rice to the UK, Iceland, Liechtenstein, Norway and Switzerland only will require certificate of inspection from EIC/EIA, it said. — **Our Bureau**

RBI allows online payments for ecommerce up to \$10,000 (nearly ₹8 lakh at present), the courier shipping bill and bill of exports restrict it to ₹5 lakh.

Industry has also pushed for easier rules for re-import of exported goods under ecommerce.