

Proposed trade promotion body to drive Indian exports

India's exports are facing headwinds due to the demand slowdown in large economies

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NEW DELHI

Hiring the best private sector talent, operational independence and target-setting and monitoring for sectors, states, and foreign missions may be some of the key responsibilities of the proposed dedicated trade promotion body that is part of the government's plan to revamp the department of commerce.

The move comes at a time India's exports are facing headwinds due to a demand slowdown in key economies amid rising interest rates and geopolitical tension.

According to the proposal, the body will enjoy operational independence and oversight from the department of commerce.

Besides, it will have government and private sector talent, set targets for sectors, states and missions, and monitor them. It is part of the government's strategy to make the department future-ready and take India's exports from \$650 billion to \$2 trillion by FY31.

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It is in line with the government's broad goal of projecting 100 Indian brands as global champions and placing India in the top three of the global services trade by 2047 in sectors such as tourism, IT&ITeS, business services, health-care and wellness and education.

create a single umbrella trade body like KOTRA in South Korea or JETRO in Japan. "What will then happen to the multiple trade councils? If the trade promotion body has to do target-setting and monitoring, then it will require expertise in that area. The government has already created a Centre for Regional Trade. While the idea is excellent, as Japan and Korea have benefitted from one key organization, how it's going to be implemented and structured needs more clarity. Another example is USTR of the US," added Mukherjee.

The trade promotion body will act as a single data source for exporters and buyers. It will act as a marketplace for

exporters, connecting them to buyers. It will also train exporters and organize buyer-seller events with a focus on strengthening supplies and bolstering demand.

Queries emailed to the department of commerce on Saturday remained unanswered at press time.

Pradeep S Mehta, secretary-general of CUTS International, a think tank, while welcoming the move, argued that the government must ensure its independence in functioning. "The government must appoint a private sector professional as the head of the institution with clear independence. It must also ensure that the government is out of it to avoid inability to function due to egos of bureaucrats and ministers," said Mehta.

India accounted for 1.6% of global exports and 2.1% of global imports in 2020, according to the World Trade Statistical Review, 2021.

India aims to scale up the production and export of pharma, gems and jewellery, marine and farm products, textiles and leather, engineering goods, electronics and telecom products, and chemicals. "Trade promotion councils and bodies should have representation from across the country, not just in a few chambers of commerce in Delhi. For example, in textiles, it is important to have representatives from Coimbatore and Tiruppur. If you talk about the auto component exporters, Maharashtra and Gujarat will know more," said Vijay Kalantri, chairman, MVIRDC World Trade Center, Mumbai.

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PROMOTING EXPORTS

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Arpita Mukherjee, a professor at the Indian Council for Research on International Economic Relations, said that instead of having multiple export promotion councils, the plan might be to