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India's Exports Promotion Regimes – Trade Protection to Trade Facilittaion - An Exploration

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Abstract
Exports Promotion Programs (EPPs) play an important role in the development of an economy. In India, before the economic reforms, foreign trade policies were highly restrictive in terms of high tariffs and stringent processes. However, recognizing the importance of exports and imports for the development of an economy several changes took place during the 1990s majorly characterized with providing export promotional incentives and eliminating discretionary controls ***(Kathuria,1996)*** *and these measures are widely known as the foreign trade reforms. In this paper, we attempted to explore and analyze the export promotional measures in terms of focus, approach and orientation of implementing such measures during different regimes. The progression of exports had also been discussed to reflect the impact of the export promotional measures on India's exports and overall trade openness.*
Keywords: *Exports Promotion Programs (EPPs) , Exports and Trade Openness.*

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I. INTRODUCTION

In India , several changes took place during the 1990s majorly characterized with providing export promotional incentives and eliminating discretionary controls **(Kathuria,1996).** These measures are widely known as the foreign trade reforms the objectives of which were to liberalize, privatize and globalize the economy with a major focus on attaining outward orientation by increasing export promotional activities, reducing quantitative impositions, providing financial as well as nonfinancial assistance and developing requisite infrastructure.

Tariffs and other non-tariffs restrictions were gradually eased. Various export promotion schemes, such as Duty Exemption, Advance License and Entitlement Passbook (DEPB), Duty Drawback (DBK), Focus Market, Focus Product , the Market Linked Focus Product, Market Development Assistance and Market Access Initiative Program were introduced and implemented. Special economic zones, agriculture export zones, software technology parks, and biotechnology parks were setup to help India become more competitive in the global market for exports. SWIFT and other digital initiatives EDI (Electronic Data Interchange) were also created to provide a conducive business environment for the exporters.

Before 1991, foreign trade regime of India was distressed with highly restrictive and complex bureaucratic and discretionary controls. There were no export incentives/export services available for the exporters rather export duties were levied on several commodities. Imports were classified into three categories Free, Restrictive and Negative. Export and import policies in India were tightly regulated by the Reserve Bank of India (RBI) under the Import and Export (Control) Act 1947, as well as by the Import Trade Control Order (1955). The primary objective of the trade policy during the post-independence was to protect the local industry from the imported goods. However, by the 1980s, promotion of exports had become a focal point of the Indian Government and economic reforms of 1991 a game changer for increasing exports of the country. Six (6) major EXIM policies/Foreign Trade Policies for the complete five-year term had taken place since the 1991 and the country witnessed the changes in exports volume from US$18 billion in 1991 to US$422 billion by 2022 meaning there by exports have risen almost by 23 during the last three decades.

In this paper we have made an attempt to explore and analyze the foreign trade policies of different regimes in terms of measures undertaken along with focus, approach and orientation of implementing such measures. The progression of exports had also been discussed to reflect the impact of the export promotional measures on India's exports and overall trade openness.

II. RELEVANCE OF THE STUDY

The study holds significance in terms of understanding the progression of globalization and liberalization in Indian context and increasing exports and share in world exports thereof. The study also enabled us to understand how scope of EPPs widened in the light of the changed objective, orientation and focus of the Indian Government from overlooking to providing extended export promotional to the industry and enhanced export performance over a period. The scope of the study was not to empirically establish the relationship between the EPPs and export performance, however comprehensive depiction and analysis of India's foreign trade reforms and its risen exports/imports during the post economic reforms in 1991 as a case validates the fact that export promotional schemes produce positive outcomes for a country in terms of enhanced foreign trade and increased share in the world trade. Therefore, it is crucial for an economy to critically assess the nature and effectiveness of the EPPs periodically and make the necessary changes as per the evolving requirements of the exporters in the country. India's foreign trade reforms and surged export performance from US$17 billion in FY1992 to US$422 billion in FY2022 can be viewed as a classic illustration at the world level.

III. LITERTAURE REVIEW

Various studies had been conducted by eminent scholars wherein contours of foreign trade policy developments and growth in exports from the country had been discussed. **Nayyar (1976) and (1987)** have been amongst the pioneer studies conducted during the pre- economic reforms period to analyze the export trends in general and impact of export promotion policies on India's exports during the 1970s. The study revealed that export earnings increased rapidly at an average rate of 21.5 percent in the 1970s; the share of manufactures in total exports registered a noteworthy increase to 59 percent between 1977 and 1978 from 53 percent in 1970-71. **Kumar (2000)** found that liberalization of trade regime since 1991 had resulted in rise in proportion of trade in GNP from 14.1 percent in 1990-91 to 18.2 percent in 1998-99. Export growth remained a buyout at 20 percent, narrowing down of the trade deficit from 2.7 percent of GDP on average during the 1980s to just 0.9 percent during the 1992-93 to 1995-96 period and overall BOP situation also improved significantly. **Virmani (2001)** even claimed that external reforms were among the most successful reforms undertaken in India during the nineties. The reforms helped the economy to open up, strengthened the external accounts and made it much less vulnerable to shocks. In another study, **Virmani in 2003** discussed the impact of trade liberalization measures on the trade as well as economic growth. The study mentioned that opening of the economy to international trade has resulted in raising the share of exports and overall trade in GDP.

Panagariya (2004) highlighted that policy changes have brought significant changes in the trade flows which is growth in trade, composition of trade and its direction. The study found that growth rates of both exports and imports rose by 3.3 percent and ratio of total exports of goods and services to GDP in India nearly doubled between 1990 and 2000, rising from 7.3 percent to 14 percent. Thus, it would be wrong to say that the 1990s did not see a perceptible shift in the growth of exports and imports is simply wrong.

Mukherjee and Mukherjee (2012) also found that major policy and exchange rate changes had a favourable impact on India's trade. The share of both exports and imports increased in GDP between 1990 and 2008. **Veeramani (2012)** found that during the first decade of reforms growth in exports was relatively lower at 8 percent a year than the export growth of 21 percent a year attained during the second decade of reforms until the outbreak of global crisis in 2008-09.**Paudel (2014)** by applying the unit root test DF, ADF, PP and KPSS method revealed that Liberalization had contributed significantly to increase the manufacturing exports supply. Contrary to the received view, this study failed to detect a significant negative relationship between trade protection and export performance. Overall, liberalization reforms seem to have a positive impact in India's manufacturing export performance but not the merchandised export performance.

Although several eminent scholars have shown a positive impact of government measures for enhancing the exports, there are studies also which have mentioned that export promotion measures have not been much impactful for increasing exports from the country. In classical times, **Verghese (1978)** analyzed the performance of individual items covered by cash assistance since 1970 and found that the cash subsidy was just a temporary palliative which helped primarily to improve the profitability of exports indiscriminately on an ad hoc basis, without due process of selection of items based on their potential. **Mehta (1997)** highlighted that during 1991-1992 and 1995-1996, higher growth was recorded in India's exports than in India's imports leading to decline in trade deficit, no significant changes in India's exports were observed, while direction of India's exports had shown a significant departure to Asian markets. **Wadhva (1998)** revealed that India's exports grew during the three years (1993-1994 to 1995-1996) attributed to devaluation of India rupee not to significant improvement in the productivity or quality of Indian exports and that's too for agro based products not for the manufactured products.

The Focus product and 15x15 product market matrix empirically did not show consistent high growth rates of exports even in the best of recent three years export performance. EOUs/EPZs performance was also not found noteworthy in India.

Veeramani (2007) by applying the constant share model decomposed export growth of four time periods: 1970-79, 1986-90, 1993-97, and 2002-05 and found that India's export growth had not witnessed a significant high growth during the post-reform period (1993-2005), though it has accelerated since 2002. **Bhat (2011)** showed that during the post economic reforms exports and imports both grew, while such growth is due to a rise in factor productivity, rise in world trade, increase in intra trade industry trade and not due to the external sector reforms undertaken. The study also highlighted that the gap between exports and imports widened leading to widening of BOP deficit in recent years.

There are few studies which have exclusively discussed the various trade reforms undertaken during the different regimes. **Roy and Banerjee et al., (2013)** explained the matter as Phase 1 -Pre-Independence Trade Policy wherein an overview of the institutional choices which the country had made in political-economic context was outlined; Phase 2 – Economic Liberalization and India's Trade Policy during the post-1980s when minor reforms were taken and the 1990s when such reforms were accelerated under the pressure of external developments; Phase -3 Integrating India with world market during early 2000s when India joined the bandwagon of bilateral agreements sweeping across the world. **Bhat (2011)** described the foreign trade regime of six decades as Phase-1 Historical Backdrop (Pre/Early Independence) when India's external trade was majorly characterized with the agricultural economy ; Phase -2 Foreign Trade in 2nd and 3rd plan characterized with restrictive import policy regime to make the country self-reliant but with export promotion measures including reduction in export duties, exploring export market, setting up of export promotion councils, devising special export schemes and devaluation of rupee among others; Phase-3 Development of complex system as the trade regime was based on licensing system which later was transited from quantitative import controls to protective system based on tariffs accompanied with a renewed emphasis on export promotion; Phase-4 Trade liberalization discussed about the structural shift of India's approach from being restrictive to liberalized , globalized and privatized which gave a new direction to the economic growth and development. The author remained critique however, in the context of the nature of India's exports, its underlying challenges and foreign trade policy framework/ measures. **Mathur (2006, 2015)** comprehensively discussed structural changes in the pattern of international trade since theend of the second world war as Phase-1 Post Independence Trade Policy, Phase -2 EXIM Policy 1992-1997, 1997-2002 and 2002-2007 and Phase 3 Foreign Trade Policy 2004-09, 2009-14 and 2015-20. Measures undertaken during the said periods under the ambit of EXIM and Foreign Trade Policy were described to reflect an eventual shift in India's foreign trade regime.
In several other studies, **Virmani (2001), Panagariya (2004), Mukherjee and Mukherjee (2012)** evolution of economic reforms were studied and analyzed.

IV. INDIAN EXPORT PROMORIONAL PROGRAMS : AN OVERVIEW

Based on the review of literature it has been observed that there have not been adequate studies in a direction of evaluating the progression of changes in the export promotional programs undertaken by the Government during the different points of time. Hence, the research paper is focused extensively upon studying and evaluating all the EXIM/Foreign Trade Policies commenced in terms of their orientation, focus and objectives of undertaking export promotional efforts during the different regimes since the post-independence period. This would enable the scholar to understand the progression of EPPs undertaken by the Government and growth in merchandise exports corresponding to eventual enlargement of the export promotional efforts during the different FTP regimes:

The entire analysis has been conducted as per the following phases:

a. Phase 1 (1949-1991) Overlooking of India's Foreign Trade and Policy: A way to protectdomestic industry and autonomy until the outbreak of the macroeconomic crisis.
b. Phase 2 (1991-92 – 2007-08) - A gradual shift of inward-looking strategy to outward-looking strategy until the eruption of Global Crisis
c. Phase 3 (2008-09 – 2018-2019) – Shifting from general to specific export promotionmeasures during the post-global crisis.
d. Phase 4 (2019-2020- present) – Extended exports promotional measures during the Covid-19 and w.r.t New India

4.1 Phase 1 (1949-1991) Overlooking of India's Foreign Trade and Policy: A way to protect domestic industry and autonomy until the outbreak of macro-economic crisis.

India's export position during the post-independence had witnessed a gradual deterioration. This was reflected in its exports which turned relatively lower than its imports and resulted in a huge trade deficit of around (-) US$4 million in 1950-51, (-) US$1.31 billion during 1974-79 and (-) US$5.9 billion during 1989-92 **(Table-1).** Even, the year 1990-91 was earmarked as a Balance of Payment (BoP) crisis, triggered due to high fiscal deficit, rising CAD (currentaccount deficit) and huge external loans as a result of internal and external shocks. A significant decline of its export share to 0.52 percent in overall world exports by the 1990s was also witnessed, which was around 2 percent at the time of independence **.**

Table- 1 Different Plan Periods and India's Approach towards Foreign Trade

Plans	*Plan Objective/Focus*	*Approach towards foreigntrade(export and imports)*	*Foreign Trade Performance(BoT)*
First (1951-1956)	Agricultural development and Reconstruction andDevelopment	Restrictive Trade Policy which includes control and regulation of export and import so as to conserve foreign exchange	1950-51 (-) US$4million
Second (1956- 1961)	Industrialization	Import Substitution and Export Promotion so as to attain self sufficiency	1960-61 (-)US$1007 million
Third (1961-1965)	Speed up industrialization process	Import Substitution and ExportPromotion	1965-66 (-) US$1251 million
AnnualPlans (1966- 1969)	Reduce BoP deficit pressures	Moderate Import Liberalization andExport Promotion Green Revolution Devaluation of Rupee Extension in export policies Setting up of EPZs	1968-69 (-) US$726 million
Fourth (1969-1974)	Enhancing manufacturing capabilities to promoteexports	Moderate Import Liberalization andExport Promotion	1973-74 (-)US$549 million
Fifth (1974-1979)	Modernization of industries to widen theforeign market base	Moderate Import Liberalization andExport Promotion	1978-79 (-) US$1322 million
Sixth (1980-1985)	Reduce BoP deficit via enhancing productioncapacities	Partial Import liberalization andExport Promotion • EXIM bank was set up • Trading House SchemeLaunched	1984-85 (-) US$4534 million
Seventh (1985-1990)	Facing international challenges with strong trade performance	Partial Import L iberalization andExport Promotion • 3-year EXIM Policyinitiated	1989-90 (-) US$4607 million
Annual (1989-91)	Achieve macroeconomic stability	Trade Liberalization andGlobalization • 5-year EXIM Policy was initiated with several majorforeign trade reforms	1990-91 (-)US$5932 million

Source : Author's Analysis

Measures to encourage exports play an important role in improving exports. However, various five-year economic programs developed and implemented to develop the Indian economy during the post-independence were highly restrictive. These programs were characterized by import substitution and export pessimism owing to the several reasons. First, Indian policymakers were apprehensive of British as they had just gained independence and did not prefer to establish trade linkages ; Second, growth and development of agriculture sector was the prime objective of the government as 2/3rd of Indian population was dependent on the farming occupation for their livelihood , third the industrialization process in the country began in the 1950s and several sectors including iron and steel, telecom, construction, were at the early stages of their development , hence required protection from the imports. Therefore, Indian policy makers in order to protect national sovereignty and the domestic industry had adopted restrictive trade policy. In the 1960s and 1970s; political wars, natural disasters, population growth and industrial development had caused significant rise in the imports of defense goods, food grains, raw materials, machinery, tools and technological knowledge. However, India's inability to produce goods of international standards restricted the exports from the country and resulted in huge Balance of Payment (BoP) deficit, increased borrowings and severe pressure on Indian currency.

Given the continuing pressure on the balance of payments, promotion of exports andliberalization of imports became a major objective of economic policy of the government. The government resorted to the devaluation of the rupee by 36.5 percent, green revolution andestablishing export promotion zones (EPZs) to lessen the imports volume, promote exports and create favorable BoT (Balance of Trade) and BoP

(Balance of Payment).These measures corrected India's BoT deficit by the early 1970s, but soon due to two major oil shocks in 1973-74 and 1979-80, investments, production and exports in the country were adversely impacted and forced the Government of India to approach the IMF for a huge loan. This was the time when the importance of exports and liberalimport policy was realized to enhance the export capacity of the economy. This was a turning point in India's approach from following import restriction to import liberalization and export pessimism to export promotion. Overall, wecan say that an era of partial liberalization has started. The approach was well reflected in various measures undertaken by the GoI including setting up of EXIM Bank during 1981-82 and announcement of 3-year EXIM (Export-Import Policy) in 1988. However, the BoP continued to be under pressure due to its repayment obligations borrowed from the IMF.

This adverse situation raised an urgent need for India to undertake macroeconomic stability and structural reforms including foreign trade reforms. This was the beginning of era of trade liberalization and globalization in the country. All later strategies, policies, objectives were started aligning to the new structural approach of the Government. The period had witnessed commencing various measures for the promotion of exports while, these measures were not undertaken in a planned, structured and strategic manner rather in a forced manner due to the occurrence of the urgent situation of correcting macroeconomic imbalances resulted from huge fiscal as well trade deficit.

The **Table 1** shows that corresponding to changes in India's approach towards foreign trade during the different plan period; India's foreign trade had witnessed a change. India's exports increased from US$1269 million in 1950-51 to US$1381 million in 1960-61, US$2031 million in 1970-71, US$8486 million in 1980-81 and US$18145 million in 1990-91. Similarly, imports of merchandise in India also increased from US$1273 million, US$2353 million, US$2162 million, US$15869 million and US$24073 million in different periods of time respectively. **(Table-2).** The trade to GDP ratio which is an indicator of openness of an economy also registered a change from 0.45 percent in 1950-51 to 5.62 percent in 1990-92. At the backdrop of this change in exports, imports and openness, we can say that before the economic reforms of 1991 gradual steps towards partial liberalization resulted in positive changes in overall foreign trade of India. While we could notice a considerable change in India's exports post undertaking the LPG reforms in 1991.

Table- 2- India's Merchandise Exports, Imports and Openness Ratio - 1950-51 – 1990-91

Year	*Exports (US$million)*	*Export Growth percent*	*Imports (US$million)*	*Import Growth percent*	*Trade to GDP Ratio (percent)*
1949-1950	1016		1292		
1950-1951	1269	24.9	1273	-1.5	0.45
1951-1952	1490	17.4	1852	45.5	0.59
1952-1953	1212	-18.7	1472	-20.5	0.41
1953-1954	1114	-8.1	1279	-13.1	0.35
1954-1955	1233	10.7	1456	13.8	0.38
1955-1956	1275	3.4	1620	11.3	0.41
1956-1957	1259	-1.3	1750	8.0	0.43
1957-1958	1171	-7.0	2160	23.4	0.48
1958-1959	1219	4.1	1901	-12.0	0.39
1959-1960	1343	10.2	2016	6.0	0.42
1960-1961	1346	0.2	2353	16.7	0.43
1961-1962	1381	2.6	2281	-3.1	0.41
1962-1963	1437	4.1	2372	4.0	0.42
1963-1964	1659	15.4	2558	7.8	0.44
1964-1965	1701	2.5	2813	10.0	0.44
1965-1966	1693	-0.5	2944	4.7	0.47
1966-1967	1628	-3.8	2923	-0.7	0.68
1967-1968	1586	-2.6	2656	-9.1	0.62
1968-1969	1788	12.7	2513	-5.4	0.62
1969-1970	1866	4.4	2089	-16.9	0.53

1970-1971	2031	8.8	2162	3.5	0.54
1971-1972	2153	6.0	2443	13.0	0.58
1972-1973	2550	18.4	2415	-1.1	0.65
1973-1974	3209	25.8	3759	55.7	0.88
1974-1975	4174	30.1	5666	50.7	1.25
1975-1976	4665	11.8	6084	7.4	1.36
1976-1977	5753	23.3	5677	-6.7	1.47
1977-1978	6316	9.8	7031	23.9	1.53
1978-1979	6978	10.5	8300	18.0	1.60
1979-1980	7947	13.9	11321	36.4	2.09
1980-1981	8486	6.8	15869	40.2	2.41
1981-1982	8704	2.6	15174	-4.4	2.54
1982-1983	9107	4.6	14787	-2.6	2.66
1983-1984	9449	3.8	15311	3.5	2.73
1984-1985	9878	4.5	14412	-5.9	2.97
1985-1986	8904	-9.9	16067	11.5	3.01
1986-1987	9745	9.4	15727	-2.1	3.08
1987-1988	12089	24.1	17156	9.1	3.46
1988-1989	13970	15.6	19497	13.6	4.02
1989-1990	16612	18.9	21219	8.8	4.92
1990-1991	18145	9.2	24073	13.5	5.62

Source : Handbook of Statistics of Indian Economy, RBI

4.2 Phase 2 (1991-92 – 2007-08): A gradual shift of inward to outward-looking strategy until the eruption of Global Crisis

The Economic Reforms of 1991 brought major structural changes in terms of dismantling of bureaucratic controls and procedures (Liberalization), entry of the private sector in the development process of the country (Privatization) and enhancing integration of domestic economy with the world economy (Globalization). These reforms reflected a major shift from inward-looking to outward-looking strategy of driving the growth of Indian economy and thus impacted the overall orientation of foreign trade policy of the Indian economy. In August 1991, the GoI embarked upon various changes in the trade policy in terms of increasing export incentives, abolishing the licensing system and introducing 5 years' Export Import Policy as a part of the overall industrial policy of the country. It was considered as a real beginning of the export promotion and import liberalization regime in the country whereby tariff and non-tariff barriers were removed, several trade commodities were decanalized , export incentives were announced, general measures in the direction of marketing, quality improvements, liberalization of controls and licenses were undertaken , specific measures for increasing exports at the sector/state level were initiated, WTO was joined and various bilateral and regional agreements were signed among others.

Salient features of all the policies for the promotion of exports are described here below:

I Pre EXIM-Policy 1992-97

Restrictive trade policy was observed to be one of the major causes of India's exports in-competitiveness in the international market. To address this concern during 1991 the Government made various changes in the trade policies which were the pre-cursor to the Economic Reforms of 1991 and first five-year EXIM Policy 1992-1997 in the country. Key trade policy measures are highlighted here below:

1. Exim scrips –To simplify the import licensing system, characterized by bureaucratic delays, uncertainties and procedural complexities in July 1991, the Import Replenishment License (REP) was replaced with EXIMSCRIP whereby 30 percent of the merchandise exports were permitted to be utilized towards importing the rough and intermediate material.

2. Advance Licenses – Advance license mechanism was devised to provide exporters the duty-free access to inputs so as to enable the exporters to enhance export competitiveness of their products in the world market and ultimately increase their exports.

3. Import of Capital Goods (CG) – Process of importing capital goods by the manufacturers was simplified. New units and the units going under extensive expansion were automatically provided the license for importing the capital goods without having required the permissions from various internal authorities, provided certain norms and conditions had been complied with by the manufacturing units.

4. Decanalization –Several commodities were decanalized meaning thereby several commodities permitted to be exported and imported only through the public sector agencies were reduced. This was to allow the exports of commodities without complying with the license formalities and shifting from Special Imperst License (SIL) to Open General License (OGL).

5. Tariff Rationalization – In India import tariffs were very high to the level of 300 percent which was resulting in high cost of production and uncompetitive exports in the international market. Having realized this the Government rationalized the tariffs by reducing from 300 percent to maximum 150 percent and also simplifying the tariff structure.

6. Foreign Currency Accounts – The Government had allowed the exporters to open foreigncurrency accounts in authorized banks and making foreign transactions i.e., raising external credit payment for export related imports, receipt of export proceeds through these accounts.

7. Exports Houses/ Trading Houses/Exports Processing Zones (EPZs) - Developing dedicated areas in terms as Export House/Trading Houses and EPZs was also one of the major objectives of the Government for enhancing trade capacity of the country. For this exclusive export promotional benefit were provided in terms of permitting several items to beimported by Export Houses, Trading Houses and Star Trading Houses against their additionallicenses, allowing supplementary entitlement of Exim Scrips and permitting 51 percent foreign equity for setting up of Trading House among others.

8. **EXIM Policy document** - In continuation of the above measures, a concrete policy as a document was introduced in the economy named as EXIM Policy aimed at focusing upon the promotion of foreign trade by promoting exports and liberalizing imports. All the 5 years EXIM policies were formulated based on the economic needs as well as the economic environment and hence their objectivity and focus varied from time to time. The EXIM/FTP which were undertaken after 1991 are briefly explained in the following sections.

II EXIM Policy 1992-97

EXIM Policy 1992-1997 was the first concrete Export Imports Policy document announced for the five-year time period while coinciding with the Eighth Five-Year Plan. The Policy was aimed at dismantling protectionist and regulatory procedures, eliminating import licensing, and providing export incentives and accelerating India's shift towards a globally oriented economy. A few of the key measures that were undertaken during the said period are stated here below:

1. Exim Scrips were replaced with Liberalized Exchange Rate Management System (LERMS)

EXIMSRIPS was replaced with LERMS which was a step towards partial convertibility of rupee meaning thereby exporters were permitted to convert 60 percent of their export remittances at the market rate and the balance 40 percent at the official exchange rate. This was followed by the unification of exchange rate and full current account convertibility resulting in providing freedom to the exporters to convert their entire export earnings at market -determined exchange rate. The objective of these exchange rate-related changes was to encourage exporters and induce a greater inflow of remittances in the country.

2. Improvements in Advance Licensing – Advance license system was improved by making it value based whereby export obligation was determined with reference to the prescribed value addition percentage. This allowed duty-free imports of essential raw materials and componentsup to a specified percentage of the value of exports.

3. Exports Promotion Capital Goods (EPCG) – The EPCG Scheme was launched specially for importing capital goods relatively at lower customs duty subject to certain export obligation conditions. The scheme was aimed at encouraging exporters to use advanced capital goods which could improve the quality of goods to be exported at internationally competitive prices due to reduced cost of procuring the imported capital i.e., exclusive of the payment of customs duty.

4. Tariff Rationalization – Peak level of tariff rates were further reduced to 110 percent from 150 percent in 1991-92 to make India's products export competitive in the world market.

5. Export Credit Policy – It is to ensure the availability of finance to exporters RBI informed the scheduled banks to grant at least 10 percent of the outstanding credit for exports at the special low-interest rate of 14 percent and 11 percent for refinancing facility**.**

6. Export Houses/ Trading Houses/Export Processing Zones (EPZs) - EOU/EPZ scheme was liberalized in terms export units in these duty-free enclaves could convert their entire earnings at market rates and 100 percent foreign equity participation was also permitted. Further, the units could enjoy corporate tax holiday for a period of any block of 5 years during the first 8 years of operations. Later, the electronic hardware technology park. (EHTP) scheme which permits 100 percent foreign investment in the electronics sector and provides benefits on par with EOU/EPZ units was also announced in 1993-94.

III EXIM Policy 1997-2002

EXIM Policy 1997-2002 (coincided with 9th Five Year Plan) was aimed at taking ahead the liberalization process by relaxing and easing the procedures and removing quantitative restrictions in a phased manner. The major objective of the policy was to speed up the economy's shifting to a vibrant global-oriented economy so as to maximize benefits by opening the national economy.
1. Financial export incentives extended – Financial export incentives were provided in terms of two major schemes Duty Exemptions and Duty Remissions. DutyExemptions financial incentive enabled the exporters to import the inputs without paying duty for production and exports. While, Duty Remission Scheme enabled the exporters to get the reimbursement of the duty paid in the import of raw material/intermediate goods consumed in exports products.
2. Advance License - An Advance License was issued under Duty Exemption Schemes to permit inputs imports those used in the exporting products.
3. Export Promotion Capital Goods – The Scope of EPCG was further extended to bio- technologies and small-scale engineering, chemicals, software, textiles, gem and jewellery, marine, handicrafts and leather sectors.
4. Tariff Rationalization - Tariffs were further rationalized in a way the high rate of basic customs duty was slashed to 35 percent and import of over 800 items were made license free and over 400 items were permitted to be imported with SIL (Special Import License). Quantitative restrictions (QRs) were also eliminated from 714 tariff lines including 58 reserved for Small Scale Industries (SSI).
5. Export Credit Policy-Rate of interest on pre-shipment and post-shipment export credit was reduced to 9 percent, the scheme of export credit in foreign currency was revamped, interest rate surcharge of 30 percent on import finance was withdrawn by RBI and refinance limits were increased among others.
6. Procedural simplification - Various measures towards procedural simplification viz. extension of e-filing of license applications, increase of green channel facility to all manufacturer exporters having green cards, authorizing regional licensing authorities for issuing certificates to trading houses were undertaken.
7. EOUs/EPZs /SEZs/EHTP/STPs/Agricultural Export Zone - Besides EOUs, Software Technology parks (STP) and Electronic Hardware Technology Parks Units (EHTP) were also initiated to provide hassle-free environment to exporters for doing production and exports of software products and electronic hardware products from the country. The conversion of EPZs into SEZ was a significant development of this period. Later in 2001 Agriculture Export Zone was introduced to give priority to the promotion of agricultural exports on the basis of specific products and specific geographical areas.
8. Market Promotional Support
a. Market Access Initiative (MAI) scheme - The Scheme was introduced with an objective of promoting Indian products and brands in the global market based on a "country-product focus" approach.
b. Initiation for promoting Brand India - Measures were also initiated to market/promote India's product in the foreign markets which included setting-up a committee with the objective of enhancing exports of branded products and launch of the Focus Product and Focus Market Schemes.
c. Focus on promotion of services exports - A major change that was witnessed during the 1997-92 plan period was the inclusion of promotion of export of services and various other significant sectors viz. agriculture, horticulture, pharmaceutical, biotech in EXIM Policy.
9. Assistance to State for Development of Exports Infrastructure and Allied Activity (ASIDE). This scheme was commenced to involve the States in the export effort by rendering support tothe State Govt. for creating conducive business environment to help in expansion of the exports from the country as a whole.

IV Foreign Trade Policy 2004-2009

Subsequent to undertaking constant measures for promoting exports from the country India's exports had shown rising growth trends during the first decade of economic reforms of 1991. India's exports rose from around US$18 billion in 1991-92 to around US$44billion in 2001-02. This export performance provided a major impetus to the Indian Government for setting up an ambitious target for India's trade. Thus, within 2004-09 policy a highly ambitious target of doubling India's share in global merchandising trade by 2009 and using trade policy as an effective tool of enhancing economic growth was set. The period coincided with the tenth five-year plan.
1. Financial Export Incentives – The 5-year Foreign Trade Policy 2004-2009 was also featured with the duty exemption and duty remission scheme wherein duty benefits were provided as (a) DFRCs (Duty-Free Replenishment Certificate) and (b) DEPB (Duty Entitlements Passbooks Schemes).
2. Advance License – This is an instrument to permit duty-free imports of input, utilized in the export product

under duty exemption scheme.

3. EPCG – The scheme was further improved in terms of providing relaxation for fulfilment of the export obligation, offering subsidies for upgradation of technology, abolishing the certification requirement from Central Excise. Permitting import of second-hand capital goods without restrictions and reducing the limit for depreciation in value of machinery from Rs.50 crore to Rs.25 crore.

4. Tariff Rationalization –Import duties for non-farm products were lowered from 15percent to 12.5 percent in 2006-07 and further to 10 percent in 2007-08.

5. Interest Subvention – This was to support the export sector having adversely impacted bythe global recession interest subvention of 2 percent to the traditional sectors of exports viz. textiles/handlooms, handicrafts, carpets, leather, gems and jewellery, marine products and small and medium enterprises were provided.

6. Procedural Simplification – Exporters having a minimum turnover of Rs.5 crores coupledwith a decent track record were exempted for giving bank guarantee to avail export promotional schemes. Validity of licenses and entitlements were also increased for various schemes, paper work was reduced, zonal and regional offices were empowered and electronic data interface (EDI) was introduced.

7. EOUs/BTP/SEZ– Additional benefits were offered to EoUs viz. exemption from taxes on service, authorizing to retain the entire earnings generated from exports in Exports Earners Foreign Currency (EEFC's) account and income tax benefits allowances on plant and machinery to DTA units those converted to EOU's/EHTP/STP/BTP units among others. A proposal to set up Biotechnology Park by granting all facilities of 100 percent EoU was also prepared, and Special Economic Zone (SEZ) Bill was passed by Parliament in June 2005.

8. Market Promotional Support - Brand India became a major component - Marketing/promotion of Brand India had becomea major component of the said policy. Therefore, major schemes viz. Market Development Assistance (MDA) and Markets Access Initiatives (MAI) were initiated to enable Indian traders to develop and enhance their international linkages and develop their businesses.

a.Market Access Initiative (MAI) scheme – New scheme MAI was commenced to increase exports of the identified focus commodities and to the identified focused countries. Under the ambit of the scheme, various activities were funded including i. Conducting markets study and surveys, ii. Establishing warehouse / showroom, iii. Taking part in fairs of international trade, iv. Exhibiting products at International departmental stores, v. Marketing and promotional campaigns vi. Promoting Indian brands. This was to support exporters due to a decline in demand in advanced nations because of the global crisis; the MAI scheme was given a significant focus.

b. Focus Products Schemes (FPS), Focus Markets Schemes (FMS), Market Linked Focus Products Schemes (MLFPS) were the major sub-schemes of the overall MAI. The objectiveof these schemes was to neutralize higher freights costs to improvise export competitiveness in the world market. Exports of all the products to the notified markets were made entitled to have issued transferable duty credits scrips equivalent to 2.50 percent of the FOB value of exports w.e.f 1st April 2006. Subsequent to this benefit, the scope of the scheme was expanded over the period of time.

c. Marketing Development Assistance (MDA) – The MDA Scheme was aimed at providing financial support for several export promotional activities viz. trade fairs, BSMs, Export promotional seminar among others planned and executed by EPCs, industry and associations.

9. Sector-specific export promotional measures:

a. Special Focus Initiatives – Foreign Trade Policy 2004-2009 was focused upon the promotion of sector-specific exports and hence certain key thrust areas/sectors having export and employment generation potential were identified including agriculture, handlooms and handicrafts, gemsandjewellery and leather and footwear sectors to develop and enhance their exports.

b. Categorizations of Status holders as Star Exports Houses

The FTP 2004 introduced a new simplified scheme for categorizations of status holders as Star Exports Houses, with a benchmark for export performance which is mentioned here below:

Export performance

One Star Export House : Rs. 15 crore

Five Star Export House : Rs 5000 crore

Star Export Houses were provided various privileged services including fast-track clearance procedures, exemption from providing bank guarantee, eligibility for consideration under Target Plus Scheme

India Merchandise Exports Imports and Openness Ratio - 1991-92 – 2007-2008

It can be observed that after undertaking various export promotional measures in terms of tariff rationalization, providing financial incentives, financial, market and technology support,creation of dedicated export infrastructure , merchandise exports and imports form the country has risen manifold from US$17865 million in 1991-92 to US$162904 million in 2007-2008 before the outbreak of global crisis in 2008-2009. Similarlyimports of merchandise imports rose from US$19411 million in 1991-92 to US$251439 million in 2007-2008 and the openness ratio increased from 6.72 percent to 24.24 percent meaning there by economy was opened 4-fold after the economic reforms of 1991 until the world economy encountered with the collapse of Lehman Brothers leading to global financialcrisis (**Table-3).**

Table 3-India Merchandise Exports Imports and Openness Ratio 1991-92 – 2007-2008

Year	Exports (US$million)	Export Growth %	Imports (US$million)	Import Growth %	Trade to GDP Ratio
1991-1992	17865	-1.5	19411	-19.4	6.72
1992-1993	18537	3.8	21882	12.7	8.13
1993-1994	22238	20.0	23306	6.5	9.38
1994-1995	26331	18.4	28654	22.9	10.66
1995-1996	31795	20.8	36675	28.0	13.18
1996-1997	33470	5.3	39132	6.7	13.74
1997-1998	35006	4.6	41484	6.0	14.53
1998-1999	33219	-5.1	42389	2.2	15.24
1999-2000	36822	10.8	49671	17.2	16.62
2000-2001	44560	21.0	50536	1.7	18.50
2001-2002	43827	-1.6	51413	1.7	18.35
2002-2003	52719	20.3	61412	19.4	21.48
2003-2004	63843	21.1	78150	27.3	23.51
2004-2005	83536	30.8	111518	42.7	15.99
2005-2006	103091	23.4	149166	33.8	18.88
2006-2007	126414	22.6	185735	24.5	22.10
2007-2008	162904	28.9	251439	35.4	24.24

Source : RBI Handbook of Statistics on Indian Economy

4.3 Phase 3 (2008-09 – pre-covid phase) – Moving from general to specific export promotion measures during the post-Global Crisis

V. Foreign Trade Policy 2009-2014

The financial crisis of USA resulted from the collapse of Lehman Brothers adversely affected exports from India. Merchandise exports which were recording a high growth rate of 29 percent in FY2008 declined to around 14 percent in 2008-2009 and turned negative in later years. At this juncture during the Foreign Trade Policy (2009-14) which coincided with the global crisis period forced the Indian Government to prevent the declining exports in the short run and to double the merchandise exports from US$250 billion in 2010-2011 to US$450 billion in 2013-14 and then to US$750 billion in 2016-17. The FTP 2009-2014 was centered on the following measures:

1.Financial Export Incentives – Duty Exemption/Duty Remission remained the part of the 2009-2014 policy.

2. Exports Promotion Capital Goods (EPCG) Scheme: The scope of EPCG scheme was enlarged in terms of fixing 25 percent export obligation for the products exported from north-eastern states and of the notified products.

3. Export Credit –Under 2 percent Interest Subvention Scheme which was earlier available for handlooms, handicrafts, carpets, and SMEs, was extended to traditional sectors including toys, sports goods, processed agricultural products, and readymade garments and around 100 tariff lines of engineering products were also included in the scheme.

4. Procedural Simplification /Trade Facilitation – Trade facilitation was one of the key objectives of the FTP 2009-2014. Therefore, various measures were undertaken towards digitization of trade procedures to reduce the time, cost and complexities for the exporters/importers while doing exports/imports. Few of the measures are mentioned here below:

a. For all the schemes it was made compulsory to file the application through EDI mode for obtaining various permission.
b. In order to avoid filing of physical copies of Registration cum Membership Certificate (RCMC) and reducing the transaction cost, export promotion councils were registered at DGFT website for uploading the Registration cum Membership Certificate (RCMC) data.
c. Online data entry mechanism was devised to file the advance authorization and EPCG applications in 2010 so as to make the process of filing applications easy, less time consuming and relatively cost effective for the exporters. This has improved operational efficiencies over a period of time.
d. Online tracking and monitoring of application file by the exporters to avail advance authorization and EPCG scheme was devised and uploaded at the DGFT website. The system was made accessible to all the Regional Licensing Authorities (RLAs) for monitoring the export obligation accrued to all the applicant exporters.
e. A notable development that had taken place in terms of commencing the 'e-BRC' was for transmitting the foreign exchange realization from the banks to the Directorate General of Foreign Trade (DGFT) electronically on daily basis. After this, exporters were not required to apply to the banks for issuing the bank export and realization certificate (BRC).

5. Marketing Promotional Schemes extended- With this regard, the government extended various policy measures viz. Focus Market Scheme (FMS), Market Linked Focus Product Scheme (MLFPS), Focus Products Scheme (FPS) to support the exporters for expanding into new export markets and new export products. This change occurred in the light of the overdependence of India's exports on few advanced markets which resulted in a sharp decline in its exports during the post-global crisis period. Market Diversifications through Focus Markets Scheme (FMS) and Market Linked Focus Products Schemes (MLFPS's).

VI Foreign Trade Policy 2015-2020

The new five-year Foreign Trade Policy 2015-2020 was aimed at enhancing exports of goods and services as well as the creation of jobs and enhancing value addition in the country in linewith the ambitious project 'Make in India' of the Government. The focus of the Government was to support the manufacturing and services sector with a special focus on improving the ease of doing business in the country. Prominent measures which were undertaken under FTP 2015-2020 are mentioned here below:

1. Financial Incentives

Duty exemption and Duty Remission Schemes remained the part of FTP 2015-2020.

2.Trade facilitation Measures:

a. The Foreign trade policy 2015-2020 with an objective of enhancing 'Ease of Doing Business' for exporters and importers combined 5 different schemes for incentivizing merchandise exports under the earlier policies into a single namely - Merchandise Exports from India Scheme (MEIS).
b. In order to improve 'Ease of Doing Business' the Government of India also reduced the requirement of the mandatory documents for import and export of goods to three documents each. Bill of lading and Airway bill, Commercial invoice cum packing lists and shipping bill/bill of export are the three compulsory documents for exporters and bill of lading/airway bill, commercial invoice cum packing lists and bill of entry are three documents for importers to be filed to the respective departments. Earlier, there was the requirement of filing 10 documents for exports and 7 documents for imports which used to be a tedious and time-consuming process. Thus, it was an important step in the direction of simplification of procedures and improvising ease of doing business in the country.
c. Filing of declarations by importers, exporters and customs agents by shipping and airlines via digital signatures with effect from 01-01-2016 was also started. Owing to this, around 97 percent of import and export declarations and manifests were being filed electronically with digital signatures and a balance of 3 percent was being filed through the service center.
d. An electronic messaging system between Shipping lines and Custodians for EDO (Electronic Delivery Order) replaced a paper-based Delivery Order.
e. Customs clearance facilities for 24*7 were expanded to 19 seaports and 17 Air Cargo complexes.
f. Electronic filing of records and digital signature facilitated exporters and importers in filing E-payment of refunds and rebates through Real Time Gross Settlement (RTEGS)/ National Electronic Funds Transfer (NEFT).
g. Commencement of the facility for online application and issuance of Import Export Code (IEC) w.e.f Apr1, 2016 was further facilitation to the exporters and importers in the direction of making business environment easy. IEC was integrated with eBIZ portal of the Department of Industrial Policy and Promotion (DIPP). In this manner, firms were provided a choice to use either DGFT or eBiz portal for making an application for IEC.
h. Introduction of EDI message exchange system enabled DGFT to quickly exchange the data with

Customs, Banks and Export Promotion Councils (EPCs) as the physical interface was reduced so as the fraud possibilities.

i. A mechanism of filing online applications for IEC, Advance License, MEIS, SEIS was also devised and implemented.

j. The use of the electronic bank realization certificate (eBRC) system was further extended. The eBRC system maintains details of the foreign exchange received by exporters through the banking channel. This data is shared with the state governments who could use it for processing Value Added Tax (VAT) refunds.

k. A user-friendly website that was easy to navigate and used by the exporters/importers for completing the operational procedures and complying with the policy norms was also launched.

l. xii. Government E-Marketplace (GeM) was introduced in August 2016 and fully functional by October 2016. Over 4000 products in 86 categories and hiring of transport service were made available on GeM portal and over 1600 product sellers and service providers and about 1500 Government officials are registered on GeM. GeM is a tool to encourage Maximum Governance, Minimum Government, Make in India, Ease of Doing Business and Digital India.

m. DGFT signed a Memorandum of Understanding (MoU) with the Goods and Services Network (GSTN) for sharing the data related to foreign exchange realization and IEC so as to strengthen the processing of export transactions of taxpayers under GST, enhance transparency and reduce human interface.

3. Market Promotional Measures

a. MEIS and SEIS - Two schemes i.e. Merchandise Exports from India Scheme (MEIS) and Service Export from India Scheme (SEIS) were launched for the promotion of product commodities and services commodities exports replacing the earlier FMS and FPS schemes. The objective of schemes under this chapter is to provide incentives to exporters to adjust infrastructural inefficiencies and associated costs involved and to provide exporters with a level playing field. Under these schemes Duty Credit Scrips are given as incentive under MEIS and SEIS. The Duty Credit Scrips and goods imported / domestically procured against them are freely transferable. A summary of the key export promotional measures which were undertaken by the Government during the different time-periods is presented in **Table-4** as annexure.

The **Table -5** shows that though due to the global financial crisis exports declined by -2.2 percent to US$178751 million in 2009-2010, however merchandise exports and imports revived back to US$330526 million and US$514078.4 million in 2018-2019 before the outbreak of Covid-19 in February 2020 in India. Likewise, the openness ratio also witnessed a rise from 31.23 percent in 2008-2009 to 42.18 percent in 2018-2019.

Table 5 - India Merchandise Exports Imports and Openness Ratio 2008-2009 to 2019-2020

Year	Exports (US$million)	Export percent Growth	Imports (US$million)	Import percent Growth	Trade to GDP Ratio(percent) Openness
2008-2009	185295	13.7	303696.3	20.8	31.23
2009-2010	178751.4	-3.5	288372.9	-5.0	28.88
2010-2011	251136.2	40.5	369769.1	28.2	34.05
2011-2012	305963.9	21.8	489319.5	32.3	43.63
2012-2013	300400.6	-1.8	490736.6	0.3	46.71
2013-2014	314415.7	4.7	450213.6	-8.3	47.14
2014-2015	310352	-1.3	448033.4	-0.5	44.01
2015-2016	262291.1	-15.5	381007.8	-15.0	37.00
2016-2017	275852.4	5.2	384357.0	0.9	35.97
2017-2018	303526.2	10.0	465581.0	21.1	37.72
2018-2019	330078.1	8.7	514078.4	10.4	42.18

Source : Handbook of Statistics on Indian Economy, RBI

4.4 Phase Four - Exports Promotional Measures during Covid-19 and w.r.t New India

2019-nCov - A Virus, which was identified on 31st December 2019 in Wuhan, a small city of Hubei Province of China had rapidly spread and caused an unprecedent global health, social and economic menace to the entire World. In order to curb spread of the Coronavirus, countries started imposing tight restrictions over the movement of people and economic activities within and outside the countries. In this manner the entire world had eventually engulfed into the deep health and economic crisis and finally the Great Lockdown; characterized with stalled production operations, squeezed exports, rising unemployment, volatility in financial markets, wiping of customers from the markets and choking of the market forces i.e. demand and supply at the domestic and global level.This subdued social and economic environment resulted in merchandise exports declining by (-)5.1 percent from the peak of US$ 330.1 billion in 2018- 19 to US$ 313.4 billion in 2019-20 and further to US$291 billion in 2020-2021. However, due to the prompt measures undertaken by the Government of India amid Covid-19 for supporting the entire industry and low base effect, the exports revived back to US$422 billion in 2021-2022. This has further resulted in a rise in the trade openness ratio to 52.39 which in indicator of substantial rise of the importance of foreign trade in overall GDP of the country (Table-6).

Table-6- India's Exports-Imports and Openness Ratio – 2018-2019: 2022-2023

Year	Exports (US$million)	Export percent Growth	Imports (US$million)	Import percent Growth	Trade to GDP Ratio (percent) Openness
2018-2019	330078	8.7	514078.4	10.4	42.18
2019-2020	313361	-5.1	474709.3	-7.7	38.45
2020-2021	291809	-6.9	394435.9	-16.9	37.43
2021-2022	422004	44.6	613052.1	55.4	52.39

Source : Handbook of Statistics on Indian Economy, RBI

However, in order to mitigate the adverse impact caused by COVID-19 pandemic on trade various measures were undertaken by the Government.

a. In order to provide policy stability during the pandemic period, Foreign Trade Policy (FTP) 2015-20 was extended for the year 2021-22 i.e. up to 31st March 2022.

b. Districts as Export Hubs' (DEH) Initiative under which products and services with export potential have been identified in all districts of the country. An institutional mechanism has been set up in each District in the form of District Export Promotion Committees (DEPCs). The primary function of the DEPC is to prepare and act on District Specific Export Action Plans in collaboration with all the relevant stakeholders from the Centre, State and District levels.

c. A Central Sector Scheme 'Transport and Marketing Assistance (TMA) for Specified Agriculture Products' for providing assistance for the international component of freight, to mitigate the freight disadvantage for the export of agriculture products, and marketing of agricultural products, is under implementation.

d. Market Access Initiative (MAI) Scheme is an Export Promotion Scheme envisaged to act as a catalyst to promote India's exports on a sustained basis. The scheme is formulated on focus product-focus country approach to evolve specific market and specific product through market studies/survey. Assistance would be provided to Export Promotion Organizations/ Trade Promotion Organizations/ National Level Institutions/ Research Institutions/ Universities/ Laboratories, Exporters , for enhancement of exports through accessing new markets or through increasing the share in the existing markets.

e. In addition, assistance to the exporters of agricultural products is also available under the Export Promotion Schemes of Agricultural and Processed Food Products Export Development Authority (APEDA), Marine Products Export Development Authority (MPEDA), Tobacco Board, Tea Board, Coffee Board, Rubber Board and Spices Board.

f. Trade Infrastructure for Export Scheme (TIES) is operational from FY 2017-18 with the objective of assisting Central and State Government agencies in creation of appropriate infrastructure for growth of exports.

g. The Government has introduced the Remission of Duties and Taxes on Exported Products (RoDTEP). This scheme seeks remission of Central, State and Local duties/taxes/levies at different stages at the Central, State and local level, which are incurred in the process of manufacture and distribution of exported products but are currently not being refunded under any other duty remission scheme.

h. Exemption from Integrated Goods and Service Tax and Compensation Cess under Advance Authorizations (AA)/ EPCG, EOU scheme extended up to 31st March 2022.

i. Common Digital Platform for Certificate of Origin to facilitate trade and increase FTA utilization by exporters.

j. To match the growing expectations of the trading community, DGFT has initiated the process of revamping its present ICT ecosystem to move to a large extent paperless, seamless interface with all its stakeholders.

k. Promoting and diversifying services exports by pursuing specific action plans for the 12 Champion Services Sectors.

VII Foreign Trade Policy 2023

The Key Approach to the policy is based on these 4 pillars: (i) Incentive to Remission, (ii) Export promotion through collaboration - Exporters, States, Districts, Indian Missions, (iii) Ease of doing business, reduction in transaction cost and e-initiatives and (iv) Emerging Areas E-Commerce Developing Districts as Export Hubs and streamlining SCOMET policy. Brief of the policy measures are as follows :

a. Process Re-Engineering and Automation - Greater faith is being reposed on exporters through automated IT systems with risk management system for various approvals in the new FTP. The policy emphasizes export promotion and development, moving away from an incentive regime to a regime which is facilitating, based on technology interface and principles of collaboration. Considering the effectiveness of some of the ongoing schemes like Advance Authorisation, EPCG under FTP 2015-20, they will be continued along with substantial process re-engineering and technology enablement for facilitating the exporters. FTP 2023 codifies implementation mechanisms in a paperless, online environment, building on earlier 'ease of doing business' initiatives. Reduction in fee structures and IT-based schemes will make it easier for MSMEs and others to access export benefits.

Duty exemption schemes for export production will now be implemented through Regional Offices in a rule-based IT system environment, eliminating the need for manual interface. During the FY23-24, all processes under the Advance and EPCG Schemes, including issue, re-validation, and EO extension, will be covered in a phased manner. Cases identified under risk management framework will be scrutinized manually, while majority of the applicants are expected to be covered under the 'automatic' route initially.

b. **Towns of Export Excellence -**Four new towns, namely Faridabad, Mirzapur, Moradabad, and Varanasi, have been designated as Towns of Export Excellence (TEE) in addition to the existing 39 towns. The TEEs will have priority access to export promotion funds under the MAI scheme and will be able to avail Common Service Provider (CSP) benefits for export fulfilment under the EPCG Scheme. This addition is expected to boost the exports of handlooms, handicrafts, and carpets.

c. Recognition of Exporters -Exporter firms recognized with 'status' based on export performance will now be partners in capacity-building initiatives on a best-endeavor basis. Similar to the 'each one teach one' initiative, 2-star and above status holders would be encouraged to provide trade-related training based on a model curriculum to interested individuals. This will help India build a skilled manpower pool capable of servicing a $5 Trillion economy before 2030. Status recognition norms have been re-calibrated to enable more exporting firms to achieve 4 and 5-star ratings, leading to better branding opportunities in export markets.

d. Promoting export from the districts-The FTP aims at building partnerships with State governments and taking forward the Districts as Export Hubs (DEH) initiative to promote exports at the district level and accelerate the development of grassroots trade ecosystem. Efforts to identify export worthy products and services and resolve concerns at the district level will be made through an institutional mechanism – State Export Promotion Committee and District Export Promotion Committee at the State and District level, respectively. District specific export action plans to be prepared for each district outlining the district specific strategy to promote export of identified products and services.

e. SCOMET Policy -India is placing more emphasis on the "export control" regime as its integration with export control regime countries strengthens. There is a wider outreach and understanding of SCOMET (Special Chemicals, Organisms, Materials, Equipment and Technologies) among stakeholders, and the policy regime is being made more robust to implement international treaties and agreements entered into by India.A robust export control system in India would provide access of dual-use High end goods and technologies to Indian exporters while facilitating exports of controlled items/technologies under SCOMET from India.

f. Facilitating E-Commerce Exports -E-commerce exports are a promising category that requires distinct policy interventions from traditional offline trade. Various estimates suggest e-commerce export potential in the range of $200 to $300 billion by 2030. FTP 2023 outlines the intent and roadmap for establishing e-commerce hubs and related elements such as payment reconciliation, book-keeping, returns policy, and export entitlements. As a starting point, the consignment wise cap on E-Commerce exports through courier has been raised from ₹5Lakh to ₹10 Lakh in the FTP 2023.

f. under Advance authorization Scheme -Advance authorisation Scheme accessed by DTA units provides duty-free import of raw materials for manufacturing export items and is placed at a similar footing to EOU and SEZ Scheme. However, the DTA unit has the flexibility to work both for domestic as well as export production. Based on interactions with industry and Export Promotion councils, certain facilitation provisions have been added in the present FTP such as Special Advance Authorisation Scheme extended to export of Apparel and Clothing sector under para 4.07 of HBP on self-declaration basis to facilitate prompt execution of export orders – Norms would be fixed within fixed timeframe.

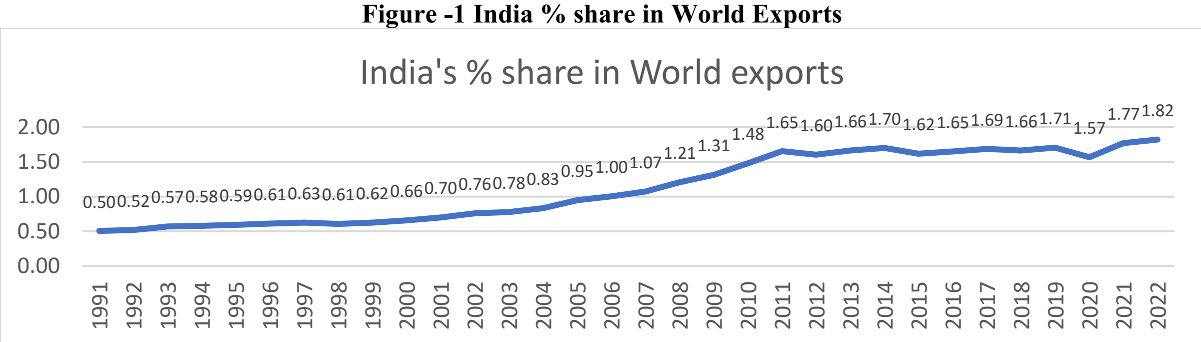
g.Merchanting trade -To develop India into a merchanting trade hub, the FTP 2023 has introduced provisions for merchanting trade. Merchanting trade of restricted and prohibited items under export policy would now be possible. Merchanting trade involves shipment of goods from one foreign country to another foreign country without touching Indian ports, involving an Indian intermediary. This will be subject to compliance with RBI guidelines and won't be applicable for goods/items classified in the CITES and SCOMET list. In course of time, this will allow Indian entrepreneurs to convert certain places like GIFT city into major merchanting hubs as seen in places like Dubai, Singapore and Hong Kong.

h. Amnesty Scheme -Finally, the government is strongly committed to reducing litigation and fostering trust-based relationships to help alleviate the issues faced by exporters. In line with "*Vivaad se Vishwaas*" initiative, which sought to settle tax disputes amicably, the government is introducing a special one-time Amnesty Scheme under the FTP 2023to address default on Export Obligations. This scheme is intended to provide relief to exporters who have been unable to meet their obligations under EPCG and Advance Authorizations, and who are burdened by high duty and interest costs associated with pending cases. All pending cases of the default in meeting Export Obligation (EO) of authorizations mentioned can be regularized on payment of all customs duties that were exempted in proportion to unfulfilled Export Obligation. The interest payable is capped at 100 percent of these exempted duties under this scheme. However, no interest is payable on the portion of Additional Customs Duty and Special Additional Customs Duty and this is likely to provide relief to exporters as interest burden will come down substantially. It is hoped that this amnesty will give these exporters a fresh start and an opportunity to come into compliance.

V. CONCLUSIONS

An in-dept analysis of various foreign trade regimes show that the objective of the foreign trade policies of the country especially after the 1991 witnessed changes time to time from dismantling protectionist measures, simplifying procedures, doubling the share in the world exports to providing greater trade facilitation through technology, automation and continuous process re-engineering. Pertaining to export promotional measures, various financial, marketing, quality, trade facilitation measures were eventually widened which included current/capital account convertibility, advance license, duty exemption and remission schemes, EPCG (Export Promotion Capital Goods) scheme, FPS (Focus Product Scheme), FMS (Focus Market Scheme) , MAI (Market Access Initiative) , RoDTEP and RoSCTL among others schemes were undertaken. Over the period of last three decades all the key sectors from agriculture, horticulture, floriculture and labor-intensive sectors i.e. leather, gem and jewellery, handicrafts, handlooms, garments to capital intensive sectors i.e. electronics, IT, engineering, pharmaceutical, chemicals, service sector and green sectors have been intensely focused for the promotion of exports. Dedicated infrastructure and facilities viz. EoU (Export Oriented Unit), SEZ (Special Economic Zone), STP (Software Technology Park), BTP (Biotechnology Parks), Electronics Hardware Technology Parks (EHTP) were set up to create an eco-system for the promotion of exports. In this manner, all the segments primary, secondary (micro, small, medium, large), territory sectors were covered under the foreign trade policies for the promotion of several commodities. In the present digitized world, enlarging exports through e-commerce/post-office platforms in addition to focusing upon one product from one district and post-offices have gained a significant attention. The paper found that post the liberalization of trade in 1991 merchandise exports have increased from merely US$18.14 billion in FY1991 to US$422 billion in FY2022 meaning thereby exports have risen by 23 times over the last three decades. In relation to GDP, trade openness ration has noticed to be increased from 6.72 in 1991-92 to 52.3 in 2021-2022. This reflects the increased importance of trade in India's GDP over a period of time. This is despite of the fact that, India's exports have increased substantially after undertaking/widening the trade promotional programs in the country however, its share in total world exports rose only from 0.5 percent in 1991 to 1.82 percent in 2022 (Table-7 and Figure -1).

Figure -1 India % share in World Exports



Source : UNCTAD

Table – 7 India's percent share in World Exports

Year	World Exports (US$billion)	India's Exports (US$billion)	India's percent share in World exports
1991	3516.77	17.73	0.50
1992	3786.84	19.63	0.52
1993	3781.83	21.57	0.57
1994	4321.10	25.02	0.58
1995	5176.36	30.63	0.59
1996	5411.02	33.11	0.61
1997	5599.75	35.01	0.63
1998	5509.92	33.44	0.61
1999	5723.11	35.67	0.62
2000	6452.63	42.38	0.66
2001	6195.30	43.36	0.70
2002	6499.96	49.25	0.76
2003	7590.16	58.96	0.78
2004	9223.98	76.65	0.83
2005	10502.73	99.62	0.95
2006	12127.84	121.81	1.00
2007	14021.11	150.16	1.07
2008	16147.77	194.83	1.21
2009	12557.46	164.91	1.31
2010	15297.25	226.35	1.48
2011	18335.03	302.91	1.65
2012	18504.18	296.83	1.60
2013	18942.48	314.85	1.66
2014	18999.68	322.69	1.70
2015	16554.29	267.95	1.62
2016	16035.88	264.54	1.65
2017	17740.89	299.24	1.69
2018	19549.33	324.78	1.66
2019	19014.26	324.34	1.71
2020	17648.37	276.41	1.57
2021	22343.93	395.43	1.77
2022	24904.59	453.48	1.82

Source : UNCTAD

VI. LIMITTAIONS OF THE STUDY

There have been various studies which have covered the Indian foreign trade reforms but the modus of gauging the progression of the trade promotional measures across different categories of schemes, sectors, areas, is unique. Furthermore, integrating the growth in exports, imports and total foreign trade with such progression can be useful information for the readers, though the relationship between the two has not been empirically established in this study. While, the study apparently confirms the positive impact of export promotional measures on the exports of an economy at the macro level. At this backdrop, this is really critical for the Indian Government to assess the effectiveness of the various foreign trade promotion measures in terms of its awareness, usage and increasing exports from the country. However, the present study suffers from the following limitations:

a. The study was focused only upon developing a comprehensive understanding about the various trade promotional measures which were undertaken by the GoI over a period, however its efficacy in terms of increasing exports has not been determined at any level – economy, sector and firm.
b. Export performance presented in the paper reflected the broad level changes in the exports, imports and trade, however the relationship between the export performance and export promotional measures was not empirically established.
c. The study presented the change in exports/imports in value terms, however, changes occurred at the sectoral level had not been captured for analysis.
d. Awareness and usage of the programs by firms is a prerequisite to have an imapct on the exports, however the study does not cover this aspect too.

VII. DIRECTION OF FUTURE RESEARCH

In the light of the above limitations, the scholar suggested the following direction of future research :
a.Though, various studies have been undertaken to determine the impact of EPPs on the export performance of India (Kathuria, 1996, Anonyms 1996; Ghemawat and Patibandla, 1998; Kumar,2010 ; Banik, 2001 ; Virmani, 2001; Bhat,2011; Veeramani, 2007 and Veeramani,2012) while, all these research studies have assessed the export performance of India majorly at the macro level. Since, the GoI had taken various sector-specific export promotional initiatives, therefore the study can be extended to conduct to determine the effectiveness of sector specific EPPs.
b. EPPs are ultimately used by Indian firms (large or MSMEs), however there are very few studies wherein the impact of export promotional measures, undertaken by the on the export performance at the firm level have been empirically assessed. Therefore, determining the effectiveness of EPPs at the firm level is much required area of research.
a. Albaum (1983), Czinkota and Ricks (1981), Czinkota (1982), Kedia and Chhokar (1986), Samiee and Walters (1990) and Vanderleest (1996) by using survey methods made an attempt to determine awareness, usage and benefit level of the EPPs for the exporting firms. In India, various EPPs had been undertaken during the different regimes from the restrictive to the liberalized, however, very limited studies have been undertaken to determine the level of awareness of the exporters about such schemes or measures in Indian context. As awareness of the EPPs is a pre-requisite to their use, therefore this is critical to determine to what extent exporters are aware about the various EPPs which have been continuously undertaken by the Government since long and especially after the commencement of the economic reforms. Awareness and usage level of the EPPs amongst the firms can be determined in Indian context.
c. The study had shown that EPPs of varied categories viz. marketing, financial, technology upgradation, quality development, trade facilitation, therefore a study can be conducted to determine the effectiveness of these different categories of the EPPs on export performance. This would enable the various stakeholders to emphasize more on the EPP's categories for the allocation of funds and enahnicng their usage in order of their effectiveness.
d. Various dedicated trade zones viz. EPZ/EoU/SEZ/EHTP had been set up as a part of the overall trade promotional program of India. Impact of these dedicated export oriented areas can be determined for enahnicng the exports from the country.
e. There have been a number of studies done in India, including Verghese (1978) and Mehta (1997), Wadhwa (1998), Veermani (2007), Bhat (2011), Kanagasabapathy et al., (2013), to examine the impact of government initiatives on export performance at various points in time. While these studies are having the limitation of using simple growth methods to measure the impact of the promotional programs on India's exports. As the Government of India spends huge funds to encourage exports; therefore, there is a need to determine its impact with more objectivity by using advanced mathematical tools and techniques namely. structural equation modeling, deference in difference esters (DID) and more.
f. Many studies have been undertaken to systematically conduct the gap analysis between the export promotional support required by the exporters and what the government provides to the exporters. In this context, (Czinkota and Ricks, 1981; Arthur ,1988; Kotabe and Czinkota ,1992) had tried to find that gap or difference between the perceived requirements for export funding and the actual support provided by the Government. The Government of India had consistently brought various measures to increase exports from the country and also to increase its share in world exports by 1.6 percent. However, no such analysis of the gap in relation to the aspirations of Indian exporters and the support received from the Government had been undertaken which could be useful in assessing the overall effectiveness of Government EPPs.
g. The Government has initiated various new export promotional schemes and trade facilitation initiatives viz. RoDTEP, Common Digital Platform for Certificate of Origin, One District One Product, National Single Window System Evaluating the effectiveness of these programs for increasing exports holds a wide scope for future research.

In this manner, this paper has set the backdrop of moving towards determining the impact of Export Promotion Programs (EPPs) on exports to the country, sectoral and firm level. An empirical investigation into this subject matter will generate insights pertaining to the efficacy of the government measures which is one of the major factors for increasing exports of the country. Furthermore, impact of the new initiatives that the Government is highly focusing upon in the present i.e. one district one product and e-commerce among others would also be required to be determined to assess the contribution of these new programs towards enlarging exports and country's share in the world exports.

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