

STUDY OF ROLE AND CONTRIBUTION OF LATEST EXIM POLICY IN THE DEVELOPMENT OF INDIA'S INTERNATIONAL TRADE

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ABSTRACT

Foreign trade plays an important role in the Indian economy, to the point that foreign trade policy deserves special attention and consideration as a key component of India's economic policy. The new EXIM Policy (2015-2020) provides the basis for increasing exports of goods and services, as well as for creating jobs and increasing added value in the country in accordance with the "Make in India" concept. The policy provides a stable and sustainable environment for foreign trade in goods and services. It also links export-import rules, procedures and incentives to other initiatives such as 'Make in India', 'Digital India' and 'Skills India', thereby helping different sectors of the economy to achieve worldwide competitiveness and create architecture for India's participation. The policy also supports World trade in order to expand its markets and better integrate the major regions. The objective of this work is to study and understand and evaluate the role of the new EXIM policy in the expansion of exports from India to the rest of the world. The paper also evaluates various actions taken in current policy to increase the flow of Indian exports on the world market.

KEYWORDS

EXIM Policy , Export, Import, Global Competitiveness

[1] INTRODUCTION

The export and import policy (EXIM policy), announced in accordance with the 1992 Foreign Trade Law (Development and Regulation Law), will reflect the degree of regulation or liberalization of foreign trade and indicate measures to boost export. . The new policy EXIM was announced in order to augment the export scenario, enhance production and support concepts such as Make in India and Digital India.

In the past two decades, the integration of the national economy through the two channels of trade and capital flows has accelerated, which has instead led to the growth of the Indian economy with 32 trillion rupees (US \$434.37 billion) in 2004, where as it was 153 trillion (US \$ 2.3 trillion) in 2016.

Even the per capita income has also tripled over the years, this shows tremendous growth of economy in a decade.

Total goods and commodities exports from India increased 4.48% year-over-year to \$ 25.83 billion in February 2018, while the merchandise trade deficit increased by 23.11% in year over year compared to \$ 13.235 billion in April - February 2016-17 up to \$11.979 billion between April - February 2017-18, according to the Ministry of Trade and Industry.

According to Mr. Suresh Prabhu, Minister of Trade and Industry, the Indian government seeks to increase exports and create more jobs for youthful, brilliant, knowledgeable and even semi-skilled and unskilled people of India.

- **Capital Inflows**

According to data released by the Reserve Bank of India (RBI), India's foreign exchange reserves amounted to US dollars. 4,108,450,000,000 as of March 2018.

- **Foreign Direct Investment (FDI)**

Between April 2000 and December 2017, India has registered a total foreign investment (including capital in-flows, retained earnings and others) of \$532 6 billion. The country was one of the major attraction for FDI inflows from Asian subcontinents, Mauritius represented 34%, Singapore, 17% and Japan and the United Kingdom, 7% of total foreign investment.

- **Foreign Institutional Investors (FII)**

FII net investments in equity, debt and hybrid Indian assets amounted to 145,068 million rupees (22. 34 billion dollars) in 2017-18, respectively.

- **Outdoor Sector**

The external sector of India has a bright future because global trade is expected to grow by 4% in 2018, against 2.4% in 2016. Bilateral trade between India and Ghana is growing exponentially and is expected to increase to 3 billion dollars. US up 5 billion dollars. United States for the next three years, said Mr. Aaron Mike Okway Jr., Ambassador of Ghana to India. India has reviewed its proposal to facilitate trade in services (TFS) with the World Trade Organization (WTO) and has launched a new project whose content is more important and acceptable to other member

countries. The Cabinet of the Government of the Union of India has approved the draft memorandum of understanding (MOU) between the Export-Import Bank of India (EXIM Bank) and the Export-Import Bank of Korea (KEKSIM).

The network of products and services (GSTN) signed a memorandum of understanding (MOU) with Mr. Ajay K. Bhalla, director general of foreign trade (DGFT), for the exchange of data made from currency codes and Import-Export, The more efficient processing of taxpayer export transactions in the Goods and Services Tax (GST) system increases transparency and reduces the human interface. In March 2017, the Council of Ministers approved the signing of the Customs Convention on the International Carriage of Goods by Routine International Transport (IRR), after which India became the 71st country to sign the treaty, which will allow. The transport of goods to all these countries in Asia and Europe. This will allow the country to take full advantage of the North-South International Transport Corridor (INSTC) at its fullest.

Mr. Richard Verma, Ambassador of the United States to India, reiterated that trade, the defense Indo-American and social relations will be among the main priorities of the administration of the newly elected President of the United States, Mr. Donald Trump.

[2]INFORMATION FOR EXPORT FROM INDIA

According to the IMF's outlook for global economic development (January 19, 2016), India and the other emerging market economies in general are expected to continue growing rapidly. Economic outlook Depending on the expected GDP growth for the 2015-2016 period, the years 2015-2016 should be between 7% and 7.6 %. In the international economic environment which is seen as unusual in pattern and bit of instability is also observed. Markets have started to fluctuate for fear that the global economic recovery will slow, while the risk of extreme events increases. India stands out in this dark landscape as a haven of stability and an outpost of opportunities. The macroeconomics of the country is a commitment governmental stable in favor of fiscal consolidation and low inflation. Its economic growth is one of the highest in the world, facilitated by the reorientation of public spending towards the necessary public infrastructures.

These results are remarkable, especially since they were achieved in the context of global unrest and the second consecutive season of low rainfall. According to the current assessment for 2014, India is the 19th exporter (with a share of 1.7 %) and the 12th importer (with a share of 2.4%) of world merchandise trade. Volume of commercial export services India was the eighth largest exporter in 2014. Imports of commercial services in India are 10 in rank at global level with a participation of 2.6 %. Out of India total commodity exports for in the year 2014-15 is high at US \$ 31033 billion against that of the States which was recorded at US \$ 314.40 billion in 2014 reveal the negative of growth at 1.29%. If we take the scenario of the imports in 2014-15 it was reduced to US \$ 448.03 billion US \$ 450.20 billion in 2013-14 registering a negative growth of 48% of the trade deficit in 2014-15 Done 137,69 billion dollars. Exports in January 2016 were estimated at \$21.1 billion, 13.60% below the level of \$24.4 billion in January 2015. The total value of exports for the period April-January 2015-16 was 217.7 billion in United States against \$264.3 billion dollars. Non-oil exports in January 2016 are estimated at \$19.1 billion compared to \$21.4 billion in January 2015, down 10.55%. Non-oil exports from April to January 2016 are estimated at \$192.4 billion, compared to \$212.7 billion for the corresponding period of 2015, with a decrease of 9.6%. Petroleum imports in January 2016 were estimated at \$5.0 billion, 39.01% lower than petroleum imports, which was estimated at \$8.2 billion for the corresponding period last year. Oil imports in April of January 2015-16 were estimated at 73.1 billion dollars.

[3]EXPORT OF TRADE POLICY DEVELOPMENT

On April 1, 2015, a new FTP for the period 2015-2020 was announced, which aims to support the export of production and services, as well as to improve the “ease of doing business”. It aims to increase the exports to India at 900 billion dollars between 2019 and 2020. It also provides a road map adopted by the government to improve the “ease of doing business”.

- The government has reduced the number of documents required for export and import to three, which is comparable to international standards. The business world can apply various plans business in line. Pay the online credit/ debit card application fees and electronic funds transfer from 53 banks.

- Customs Single Window Initiative: India's Budget 2014-2015, introduced the Customs Single Window project to facilitate trade has been announced. This project requires importers and exporters in electronic format to present their customs clearance documents in one place to customs. Any authorization required by other regulatory bodies (such as animal quarantine, plant quarantine, the Drug Control Committee and the Textiles Committee) can be obtained online without having to contact these agencies separately from the importer/exporter. Therefore, a one-stop shop will provide importers/exporters with a single interface for customs clearance of imported and exported goods, thereby reducing the personal interface with government agencies, the time and cost of doing business. On April 1, 2015, an electronic exchange mechanism between Customs and Food Safety and the Indian Standards Administration (FSSAI), the Department of Plant Protection, Quarantine and Storage (PQIS) was created at the Jawaharlal Nehru Port Trust (JNPT), Inland Container Warehouse (ICD), Tuglakabad and ICD for online messages, including the absence of certificates of objection (NOC) with these agencies. Other regulators, such as animal quarantine, the textile committee, the Indian drug controller and the wildlife authorities, are also subject to customs clearance through a single window.
- 24 X 7 customs clearance. As of December 31, 2014, a 24/7 customs clearance mechanism had been put in place for certain types of imports, namely goods subject to "simplified" imports and specific exports, namely shipping containers. Factory and exported goods at free shipping rates are available in 18 seaports. Likewise, the possibility of customs clearance 24/7 for a specific import, i.e. goods covered by simplified entry tickets, and all exports, i.e. goods covered by all invoices, has been extended to 17 sets of goods. This will accelerate the processing of imported and exported goods; reduce delays and the costs of transaction.
- It has created a new opportunity to upload documents to the exporter/importer profile, so that exporters do not have to come back to send documents this system will reduce the hassle faced by exporter and importer.

- Attention has also been paid to the simplification of the different forms of “ayat niryat”, the clarification of various provisions, the elimination of ambiguities and the strengthening of electronic control .
- The Directorate General for Foreign Trade (DGFT) has launched a new website which makes it easier to use and navigate. The DGFT website has a large dynamic component, thanks to which the trading community can request the importer-exporter code (IEC) and various other DGFT schemes online. Exporters can also view the status of their electronic bank sales certificates in near real time.
- The website contains a large number of documents related to FTP, and the system operation to assess complaints about trade related disputes.
- In June 2015, the DGFT launched the DGFT mobile application. The application allows exporters/importers to access foreign trade policies and other related documents in an easy to find format and to check the status of transfers for various authorizations and delivery invoices, etc.
- Training and other important dissemination programs for exporters: The Niryat Bandhu circuit has been galvanized with a view to achieve the objectives of Skill India. Promotion events are organized in MSME groups (micro, small and medium enterprises) with the help of Export Facilitation Advice (EPC) and other interested “industrial partners” and “knowledge partners”.
- More than 20,000 businessmen have received information from regional offices of the DGFT through the Bandhu NIRYAT system. In September 2015, the DGFT, in collaboration with the Indian Institute of Foreign Trade (IIFT), launched

the NIRYAT Bandhu on your desktop, a certification program of import and export in line. The program produced an excellent response. Four programs have been completed.

- The Commerce Department (DOC) has launched an ambitious outreach program for exporters located in major export groups / cities. The program focuses on Training of exporters in the use of free trade agreements (FTAs). Obtain information from exporters on negotiated FTAs, such as Integrated Regional Economic Policy (RCEP).
- The Promotion Board and Trade Development was established in July 2015 to ensure continuous dialogue with the governments of states/territories (UT) of the EU on measures to ensure an environment conducive to trade internationally and create Partner States active in the in support of India's export. The first meeting of the board of directors was held on January 8, 2016.

[4]IMPROVEMENT OF EXPORT MEASURES AT THE FTP REVISION CENTER (2015-2020)

- In the medium-term review of foreign trade policy (FTP) for 2015-2020, the Ministry of Trade and Industry increased exports of goods from India (MEIS) and exports of services from India. In India (SEIS), incentives for MEIS have increased. for the clothes and the clothes made by 2 per cent, which increases the incentive for Feb. 6 percent and extending the duration of the receipt of the credit from 18 months to 24 months. All activities related to exports and imports, regulated by the Foreign Trade Policy (FTP), which aims to increase the country's exports and use the expansion of trade as an effective tool for economic growth and the creation of places of work.
- The Commerce Department announced increased support to the export of various products and has included some additional products in the program of export of goods.
- The Central Excise and Customs Commission (CBEC) has developed an "integrated declaration" process which will result in the creation of a single window which will

provide importers and exporters with a single interface for customs clearance of imported and exported goods.

- As part of its strategy to expand the FTP market, India has signed a global economic partnership agreement with South Korea to provide better market access for Indian exports. These trade agreements are consistent with the policy Indies Oriental. To modernize the infrastructure of the export sector, “cities of export excellence” and its units will receive additional support and incentives.
- RBI has streamlined the rules for loans to exporters, now allowing them to receive long-term advances from banks for up to 10 years to honor their contracts. This will not only help exporters to enter into long-term contracts but also support improving the overall performance of exports.
- The Indian government is expected to announce an interest subsidy program for exporters to boost exports and expand into new markets.

[5]INFLUENCE ON THE ECONOMY

- (1) The policy 2015-2020 of Exim should double the share of India in world trade from its current level of 3% by 2020. To simplify the existing multiple systems, the new policy has created new plans and six MEIS reduce complexity and encourage entrepreneurship. Likewise, the use of compliance technology reduces transaction costs and manual errors.
- (2) This policy also aimed to forgo subsidies. By extending the benefits of EPCG to domestic purchases and offering them new products under MEIS, this policy also aims to boost exports.
- (3) This policy should guarantee the creation of new jobs and provide consumers with quality products at reasonable prices. In summary, the EXIM policy will help to increase the

productivity of the country and also help to get the residues export the rate of export competitive.

[6]CONCLUSION

India is considered as one of the major economy in the global trade and international business environment. With the advent of technological and infrastructural development in the country India has become competent enough to strengthen its economic and commercial sectors in the years to come. EXIM policy of 2015-20 is highly indicative of whatever has been mentioned, as it concentrates on the growth and development of the exports as well as it creates very favourable balance of payments of the Indian Economy.

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