



Wednesday, December 06, 2017

To

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Mid-Term Review of Foreign Trade Policy 2015-2020

The Minister of Commerce and Industry, Shri Suresh Prabhu released the much-awaited Mid-term Review of the Foreign Trade Policy (FTP) 2015-20 in New Delhi.

The review was released in the presence of the Minister of State for Commerce and Industry, Shri CR Chaudhary, Finance Secretary, Shri Hasmukh Adhia, Commerce Secretary, Smt. Rita Teotia, Secretary Department of Industrial Policy & Promotion, Shri Ramesh Abhishek and the Director General of Foreign Trade, Shri Alok Chaturvedi.

Shri Prabhu in his keynote address, said that the FTP will leverage the long-term advantages of the historic reform of the GST, in terms of reduced compliance and logistics costs. The FTP will focus on exports from labour intensive and MSME sectors by way of increased incentives in order to increase employment opportunities. Emphasis will be given on 'Ease of Trading' across borders. Information based policy interventions will be ensured through a State-of-the-Art Trade Analytics Division. While share in traditional products and markets will be maintained, the focus will be on new products and new markets. The Commerce Minister focused on transparency and trust with the industry and maintenance of Quality Standards to succeed in the international market.

The Minister of State for Commerce stated that the revised FTP will help in making Indian exports more competitive. Under the dynamic and visionary leadership of the Prime Minister the government has made schemes for boosting manufacturing and exports. The issue of working capital blockage due to GST has also been resolved. Shri Chaudhary stressed on the need to diversify the export basket. The Export of agricultural products will be encouraged for increasing farmers' incomes.

The Finance Secretary emphasized that the Government has been very sensitive towards exporters. The Export Package was approved by the GST Council resolving the problem of blockage of working capital. He further stated that ITC and IGST refunds for exporters are being expedited and explained in detail the process and procedure for refund of IGST claims for

exporters. He reiterated that GST will be very beneficial for exporters in the long run. The Ministry of Finance will continue to work in collaboration with the Department of Commerce and exporters to address their operational issues.

The Commerce Secretary stated that the FTP will continue with 'Whole of Government' approach involving all Ministries and State Governments. Over the last 10 years, exports have grown at a CAGR of 8 percent which is fairly creditable. The government recognizes that the Medium and Small scale industries require handholding and thus rates for MEIS for such sectors have been enhanced. An important consideration in framing this Policy has been the need to ensure that the FTP is aligned with both India's interests in trade negotiations, as well as its obligations and commitments under various WTO agreements. The biggest challenge, however, is to address constraints within the country, such as infrastructure bottlenecks, high transaction costs, complex procedures, constraints in manufacturing and inadequate diversification in our services. Towards this end, she stated, the Department of Commerce has set up a new Division to promote integrated and streamlined logistics development in the country. For addressing gap in infrastructure sector, the Trade Infrastructure for Exports Scheme has been launched

Highlights of Mid Term Review of FTP is attached in the link below for information of the members.

<http://assochem.tv/static.assochem.tv/upload/product1/1512539468.pdf>

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