



Speech of Commerce and Industry Minister Smt. Nirmala Sitharaman at the 2nd meeting of Council for Trade Development and Promotion.

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Hon'ble Ministers and senior officials from the States and other Ministries welcome to the second meeting of the Council for Trade Development and Promotion.

As you are aware, the objective of this Council is to develop partnerships with the States with the aim of boosting international trade.

Last January 8th we had a very constructive dialogue with the State Ministers regarding measures for creating and augmenting an enabling environment in the States to boost International trade.

In my invitation letter dated 31st Oct, I had annexed the status and action taken on the various issues raised by you in the first meeting of this council in last January

Though, since last January we have managed to contain our trade deficit due to controls on imports, there is an immediate need to synergize our efforts and jointly take appropriate steps to boost India's exports - which is the only sustainable way in today's international trade environment

As you already know, there is a slowdown in world economy which has resulted in decrease in some of India's traditional exports.

We would welcome your suggestions on steps required to improve the export competitiveness of our products and on how can we partner in the adoption of such measures to create an environment conducive for exports.

I exhort the Members to use this platform to articulate their perspective on the Trade Policy and work jointly with us to address impediments to trade and infrastructure gaps which adversely affect India's exports.

One such area which requires immediate intervention is that of facilities for testing, certification, trace-back, packaging and labelling.

As some of you may have seen on the Indian trade portal, a hundred to hundred and fifty SPS notifications and a similar number of TBT notifications are being issued by WTO member countries each month. Around 50% to 60% of these measures have the potential to impact our trade.

There Sector Specific needs can broadly be categorised into interventions required for agri and marine products, for forest produce and for industrial products.

I request the States to enhance their co-operation with Central Agencies for setting up common facilities like testing labs, training institutes as well as packaging and storage support to industry.

In the last meeting I had requested the States to consider higher allocation of resources for export infrastructure from their increased devolution of funds to which I expected that at least the ongoing ASIDE projects would be completed by the States from their resources. I am still awaiting an affirmative action on this from the States.

However, since almost all the states had expressed their wish for a central scheme which supports export infrastructure, we have acted on your suggestion and are trying to formulate a scheme which could provide financial support and supplement your efforts to create export infrastructure.

I hope we can soon succeed in achieving a consensus for the roll out of this scheme, which is very aptly titled as TIES or Trade Infrastructure for Export Scheme. This would surely strengthen our TIES with the States

States have also been requested to develop their Export Strategy aligned with the National Policy trade. So far seventeen States have prepared their export strategy. I request the balance States to kindly expedite their export strategies.

Also Export Commissioners have been designated by twenty eight states. The remaining States may kindly expedite. I would request the States to use these export commissioners as focal points for institutionalised interactions with the Exporters from the State.

I would also like to draw the attention of the States towards our services exports where we not only have a steady trade surplus but also a lot of untapped potential.

Our services trade surplus offsets our merchandise trade deficit to an extent and along with overseas remittances, keeps our current account deficit in check.

While IT and IT enabled services have an overwhelming predominance in our services exports, these are largely restricted to the US and EU markets and are therefore vulnerable to any changes imposed by these two trading blocks.

There is thus a need to diversify our services exports basket by enabling more sectors and to breach more markets.

Other areas like Medical tourism, nursing and healthcare, education, audio-visual media also afford an excellent potential which can be harnessed.

For this, we need to develop the right competencies like language skills for the East and North East Asian markets.

I would like to take this opportunity to exhort the State Governments to develop and pursue appropriate export strategies in line with national Foreign Trade Policy and we would be happy to associate in such efforts.

In conclusion, I would also like to reiterate my request to all the States to consider organizing bimonthly meetings with the exporters in their States to sort out their infrastructure and tax related issues which would go a long way in improving our trade competitiveness.

MJPS

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