

Concept Note and Activity Plan for Enhancing exports from NCT of Delhi

Submitted to Delhi State Industrial and Infrastructure Corporation



Contents

Introduction	3
Export Ecosystem in NCT of Delhi	4
<i>Institutional Support System</i>	4
<i>Export infrastructure</i>	4
<i>Export Promotion Initiatives taken by DSIIDC</i>	5
<i>Export Readiness of MSMEs</i>	5
<i>Policy Framework for Export</i>	5
<i>Summary of Export Preparedness Index (EPI) for NCT of Delhi</i>	5
Key Performing States and areas under improvement for enhancing exports (Case Studies)	6
<i>Gujarat</i>	6
<i>Maharashtra</i>	7
<i>Karnataka</i>	8
<i>Tamil Nadu</i>	9
<i>Haryana</i>	10
<i>Status of Services Export from Delhi</i>	13
<i>View of MSME Exporters in NCT of Delhi</i>	14
<i>Central Sector Schemes for Export Promotion in MSME Sector</i>	15
<i>Proposed Interventions for NCT of Delhi</i>	17
Strategic interventions	17
Operational Intervention	20

Introduction

The export has played a pivotal role in promoting Delhi's economy through employment generation, growth of enterprises and tax revenues. Electric machinery and equipment, ready-made garments, fibres & cotton and basmati rice are major products exported from NCT of Delhi¹. Furthermore, in NITI Aayog's Export Preparedness Index of 2021², Delhi is ranked 12th in the overall export performance, whereas it is placed as a top-performing state among other Union Territories and city-states. Despite being a landlocked state, the higher foreign direct investments, connected transport infrastructure & logistics and suitable business environment has allowed Delhi to create a favourable ecosystem of export in the region.

NCT of Delhi exports manufacturing products and services. Notable merchandise products that contribute to the exports of Delhi are auto component parts, iron and steel products, aircraft and spacecraft parts, rice (basmati), gold and other precious metal jewellery, electric machinery, readymade garment including handicrafts etc.

Table 1 - Top exported products from Delhi (2020-21)

S. No	Export Product	USD (Bn)	S. No	Export Product	USD (Bn)
1	Electric Machinery	2.0	6	Aircraft parts	0.3
2	Fibres	0.7	7	Telecom instrument	0.2
3	Cotton accessories	0.5	8	Textile	0.2
4	Rice	0.3	9	Biologicals	0.2
5	Gold	0.3	10	IC engines	0.2

The merchandise export figures for Delhi in last 5-6 years are ranging between USD 8-10.5 Bn. Its share in India's export is decreased by 0.74per cent though in absolute term the exports increased by USD 0.67Bn. The below table has shown the figures of exports values in USD Bn³

Table 2 - Delhi Exports (Merchandise) Data in last 6 years (Values in USD Bn)⁴

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Exports from Delhi	10.5	8.7	9.46	10.37	7.58	8.25
India's total exports	275.85	303.53	330.07	313.36	291.80	421.89
Delhi's Rank in India	8th	9th	10th	8th	11th	12th

1 DGCIS Analytics, India Brand Equity Foundation 2021 – Delhi Economic Profile

2 NITI Aayog 2021, Export Preparedness Index 2021

3 Monthly bulletin on Foreign Trade Statistics DGFT

4 Monthly bulletin on Foreign Trade Statistics DGFT

Share in India's export (%)	3.83	2.87	2.87	3.31	2.72	1.98
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Major export countries are UAE, USA, Singapore, Germany, UK, Belgium, France, Nepal, China and Afghanistan.

Delhi is a land-locked state. Hence, the exporters in Delhi have to spend extra in transportation of their goods from Delhi to nearest ports in Gujarat or Mumbai. It puts them in a disadvantageous position with respect to their counter parts operating from areas near the port's cities. Neighbouring state governments i.e. Haryana and Uttar Pradesh provides financial assistance/subsidy as part of freight charges to Gujarat and Mumbai ports. Further in recent times, there has been increase in container charges due to their shortage, which has led to significant increase in the cost of transportation of goods for export.

Export Ecosystem in NCT of Delhi

Institutional Support System

- Gov. of NCT of Delhi has constituted an Export Promotion Committee in 2018 to look into all trade related issues faced by the exporters in Delhi.
- Strategy formulation, implementation and monitoring of Delhi export policy, review of logistic issues, service & agriculture export, identifying/addressing gaps in trade related infrastructure and to facilitate engagement of exporters with the Delhi government. Secretary/Commissioner of Industries is the Export Commissioner of NCT of Delhi.
- District Export Promotion Committee (DEPC) of 11 districts provided assistance to the exporters in resolving their issues/concerns related to exports and prepared export strategy for the identified product and services. District action plans were prepared in each district. Electrical equipment, readymade garments, telecom products are three key products identified for export from these districts.
- SEPC, EEPC, Export Promotion Council for Handicrafts, Federation of Indian Export Organisations, Synthetic and Rayon Textiles Export Promotion Council are some of the key institutions actively participating in export promotion for Delhi.

Export infrastructure

Delhi is lagging behind with other states in terms of dedicated export infrastructure such as Export Promotion Zone, presence of knowledge and info portal for exporters etc. However, following are some of the infrastructures available in Delhi, which help in export promotion.

- The Air Cargo Hub located at Indira Gandhi International Airport is largest cargo hub in India and South Asia. The modern warehousing facility, logistics services and world class infrastructure has allowed the Delhi to become the most preferred air cargo destination.

- ICD is set up at Tughlakabad and Patparganj to efficiently handle exports and custom formalities. The depot acts as an integrated transport logistics hub and connects exports from logistics chains and enterprises.
- ITPO, a trade promotion organisation of Ministry of Commerce & Industry, GOI promotes, facilitates, encourages, and coordinates various activities and programmes to enhance India's share in exports.

Export Promotion Initiatives taken by DSIIDC

- Vanijya Saaptah was celebrated on 21-22 September 2021 in Delhi in association with Department of Commerce, GOI to commemorate 75 years of India's Independence and growth in exports over the decades. It was an exporters' conclave which includes technical sessions, interactive discussions, exhibition of export products etc.
- State Government decided to launch State Export Awards for MSMEs of NCT of Delhi.
- Export promotion councils organised national level programmes, buyer seller meet, exhibition (product specific) for exporters in Delhi.
- DGFT signed an MOU with Delhi Government for the use of Electronic Bank Realisation certificate, which would help in reducing transaction cost of exporters.

Export Readiness of MSMEs

MSME exporters majorly cater to buying agents. In this process, they miss out larger share of margins. Therefore, such MSMEs need to organise/arrange their business directly with Buyers/exporters with proper documentation, standardization of quality, testing etc.

Policy Framework for Export

Indian Institute of Foreign Trade has drafted an export policy for Delhi in 2021. However, at present, there is no export policy for Delhi. This is one of the reasons for poor performance of Delhi under Policy Pillar of Export Preparedness Index (EPI).

Summary of Export Preparedness Index (EPI) for NCT of Delhi

NITI Aayog publishes EPI to identify opportunities and challenges in the export sector at the State level. The index categorizes States and Union Territories under different heads viz. coastal, land locked, union territories/city-states, Himalayan States etc. The classification has enabled a comparison between similarly placed States/UTs and across States. NITI Aayog reviews the export policy, business ecosystem, export ecosystem and export performance of all the States and provide policy suggestions for future implementation. The index framework has been designed so that the States/UTs can inculcate export competitiveness by recognising strategic recommendations and enhancing the existing export policies.

Remarkably, top five states in overall export preparedness mentioned in NITI AAYOG EPI 2021 report are Gujarat, Maharashtra, Karnataka, Tamil Nadu, Haryana

with overall score 78.86, 77.14, 61.72, 56.84, 53.20, 51.09 respectively. Delhi ranked 12th with a score of 43.66. Delhi has made moderate progress in overall score on export preparedness index and jump to 12th position (EPI 2021) from 15th position (EPI 2020). At the same time, DGFT recorded a gradual decline of Delhi's rank in India for merchandise export from 8th (FY 2016-17) to 12th (FY 2021-22). The export share in India's export reduced from 3.83% to 1.98% between FY 2016-17 and FY 2021 -22.

According to EPI-2021, business environment, transport connectivity, common infrastructure, and comfortable access to finance made business ecosystem of Delhi very strong. However, Delhi is very weak in the category of export policy implementation in which Delhi scored very less due to lack of export promotion policy/sector specific export promotion policy, absence of state-centre coordination cell and establishment, functioning of empowered committee. Presence of full-time export commissioner and export promotion councils are positive indications recorded in policy category. Lack of hard and soft export infrastructure/export promotion industrial parks, absence of knowledge and information portal for exporters, lack of NABL accredited testing labs, limited attention to service exports etc are keeping Delhi behind its neighbouring states in export ecosystem and performance category.

Key Performing States and areas under improvement for enhancing exports (Case Studies)

Gujarat

Today Gujarat stands first in the country in terms of export, almost contributing 25 per cent of the total manufacturing export from the country. It also tops the list in agri-commodities export. Top 5 items in terms of export from Gujarat are – Mineral Fuel, Gems & Jewellery, Organic & Inorganic Chemicals, Pharmaceuticals & Plastic products. Gujarat tops the list of States in agri-commodities export. Gujarat exported agri-commodities of Rs. 1, 18,595 Cr, about 22 per cent of the total agri export in terms of value during last 3 years (2018-19 to 2020-21). During 2019-20 and 2020-21, castor oil, cotton-raw including waste, spices, sugar, groundnut oil and Basmati rice were the most exported agri-commodities (in value) from Gujarat. In the recent list of top export districts, 6 of 12 top export districts are from Gujarat – Jamnagar and Surat stand first and second in India, while Bharuch and Ahmedabad at 6th and 8th place.

Rank in India	District name	Top 3 products exported	*Total Value of Export from district (US \$ Million)
1	Jamnagar	Petroleum Product Organic and Inorganic Chemicals Plastic and Linoleum	22110.00
2	Surat	Gems and Jewellery Engineering goods Man-Made Yarn/Fabs/Made ups etc	9693.91

6	Bharuch	Organic and Inorganic Chemicals Engineering Goods Plastic and Linoleum	4695.14
8	Ahmedabad	Drugs and Pharmaceuticals Engineering Goods Cotton Yarn/Fabs/Madeups/Handloom products	3283.53

Gujarat is one of the leading states with respect to logistics infrastructure capacity per capita for inland container depots (ICDs), container freight stations (CFSs), private freight stations (PFTs), rail goods sheds, warehouses and cold storages. Gujarat has in place a favourable Export Promotion Policy, Export Infrastructure and Business environment. Tax concessions provided to units coming up in the SEZ. To promote export; State Government has developed 57 SEZs in the State with the maximum of 16 in Kachchh and 15 at Ahmedabad. These SEZs primarily consist of SMEs and have 100 EOUs catering to various sectors, covering textiles, pharma, engineering, chemicals, ceramics, gems and jewellery and IT/ITES sectors. Kandla SEZ is Asia's first and India's largest multi-product SEZ. Surat SEZ is country's first and only private sector SEZ set up by the Diamond and Gem Development Corporation. Gujarat Integrated Logistics and Logistics Park Policy 2021 aims to improve supply chain and infrastructure connectivity in the State, thus giving a thrust to export promotion industries.

Maharashtra

Maharashtra is the second largest exporter in the country with a 20.06% share, has facilitated export growth by focusing on initiatives such as Ease of Doing business and providing subsidies to SME's units. Maharashtra accounts for 28 per cent of FDI inflows in the country. Along with the increase in the FDI inflows, there is a correlation between a State's Gross State Domestic Product with its export Share in GSDP. Maharashtra GSDP stood at US \$366.67 billion in 2020-2021.⁵

Both Gujarat & Maharashtra have expanded their port infrastructure on the coastal line. With 48 ports, Maharashtra has the highest number of ports in the country, followed by Gujarat with 42 ports. The projects under "Trade Infrastructure for Export Scheme" (TIES) scheme have been approved for states like Maharashtra, Gujarat and Karnataka.

State is making consistent effort towards enhancing exports through following initiatives;

- Geographical Indicator (GI) products identification for every district.

⁵ Export Preparedness Index 2021 - | NITI Aayog

- One District One Product (ODOP) finalization to make every district an Export hub. Need to strengthen infrastructure for marketing and promotion of ODOP products.
- ODOP Initiative by Government of Maharashtra:
 - i. The scheme adopts ODOP approach to reap the benefit of scale in terms of procurement of inputs, availing common services and marketing of products.
 - ii. ODOP initiative is operationally merged with 'Districts as Export Hub' initiative being implemented by DGFT, Department of Commerce, with Department for Promotion of Industry and Internal Trade (DPIIT) as a major stakeholder.
 - iii. Industries Department have made it possible to connect a maximum number of stake holders through District Export Promotion Committee's (DEPC).
 - iv. Maharashtra has 116 ODOP products listed from 36 Districts after a rigorous stake holder consultation and field study assisted by trade specialists/consultants.
- Opportunity diversification study, for identified GI products conducted to locate potential markets.
- Heavy investments by state for Ease of Doing Business reforms implementation to encourage Entrepreneurs and support "Make in Maharashtra" campaign.
- To facilitate Export Promotion, Maharashtra Export Promotion Council (MEPC), District Export Promotion Council (DEPC) and Task force committees are constituted.
- Activities like Outreach programs, Export Haats, Virtual meet ups with Stake holders, Knowledge sessions organized by DEPC.
- 50% space rent subsidy to SME units for participation in Industrial Exhibition/Trade Fair in foreign countries.
- Export Award Scheme for best exporters in the State since 1971-72 to encourage exporters for better export performance.
- Establishment of Permanent Exhibition Centres - Three International Exhibition Centres established in Moshi, Pune-Nashik, in Shendra Industrial Estate, Aurangabad and in Ambazari Garden, Nagpur.

Karnataka

Karnataka is among the top exporting states in India. According to NITI Aayog's Export Preparedness Index, Karnataka is at Rank 3 among all the states. The state contributes more than 18% to the total export of India in value terms. The names of the institutions aiding the state to promote its exports sector are listed below:

- Visveswaraya Trade Promotion Centre (VTPC), Karnataka Trade Promotion Organisation (KTPO), Karnataka State Agricultural Produce Processing and Export Corporation Limited (KAPPEC).

The key activities conducted by VTPC, KTPO, and KAPPEC to promote export activities are as follows⁶⁷:

- Capacity Building Programme & Market Development Assistance, Facilitation Cell that provides procedural guidance for making export, furnish data on export.
- Helps entrepreneurs to participate in State, National and International Trade Fairs.
- KAPPEC is active in promoting agriculture export from Karnataka by conducting marketing and infrastructure development activities.
- The promotion of PMFME is majorly done by KAPPEC and it maintains the database for the same.

In the Industrial Policy 2020-25, Karnataka has taken up a project to prepare a Global Market Intelligence report. Additionally, the state will identify the Town of Export Excellence and thereby recognise industrial associations that will submit proposals for capacity building, marketing, and technical services. The objective is to increase export awareness and encourage entrepreneurs to enter the export market. Additionally, the state has declared incentive scheme for promoting export.

The state has 8 Custom Stations⁸, 38 SEZs, 2 Dry Ports/ Inland Container Depots and 205 Cold Storages⁹. Along with that, the state has Bangalore International Exhibition Centre¹⁰ and 762 exporters registered with VTPC till May 2021¹¹.

Tamil Nadu

Tamil Nadu has an advanced infrastructure and logistics ecosystem which includes seven passenger airports, four of which are international; over 25 seaports, including four major Indian ports; over 6,800 kilometres of rail track; a national highway density of 38.7 kilometres per 1,000 square kilometres of area; and seven inland container depots (ICDs).

In general, Tamil Nadu exports automobiles and components, machinery and instruments, electronic hardware and software, readymade garments and accessories, yarns, fabrics, and leather products. In the NITI Aayog's Export Preparedness Index 2021, Tamil Nadu ranks fourth. Between 2015-16 and 2020-21, the value of Tamil Nadu's merchandise exports was Rs.11.55 lakh crore (USD

6KTPO About US. <https://ktpo.karnataka.gov.in/info-1/About+Us/en>

7Visveswaraya Trade Promotion Centre, Home Page. <https://vtpc.karnataka.gov.in/english>

8CBIC Custom Stations. https://www.cbic.gov.in/resources/htdocs-cbec/deptt_offcr/Data_Table.pdf%20;jsessionid=1ACAE134AA55499BA8165607CBAE5807

9Karnataka Economic Survey 2021-22

10Bangalore International Exhibition Centre. <https://www.biec.in/>

11List of Exporters registered with VTPC as Members till May 2021. <https://vtpc.karnataka.gov.in/storage/pdf-files/List%20of%20Members%20of%20VTPC%20as%20on%2007-06-2021.pdf>

168.5 billion). The State government have identified six Champion sectors for exports viz. Textile & Apparel, Food Processing, Auto and Auto Components, Leather and footwear, Electronics, and Machinery. The Tamil Nadu Industrial Policy 2021 (TNIP 2021) provides investors with the option of customizing their incentive package based on their investment, employment, exports, spill-over effects on the ecosystem, and business requirements. The Government assists exporting organisations with market awareness, export compliances, marketing & branding strategies and trade policies.

Chennai, Kattupalli, Kamarajar and VOC Ports are the main ports in Tamil Nadu. VOCPT was the most important centre for textile/apparel exports from Tamil Nadu, followed by ICD Thoothukudi, Chennai airport, Chennai port, and ICD Chettipalayam (Tiruppur).

The State has six inland container depots (ICDs) in Coimbatore, Madurai, Chennai (2), Tirupur, and Thoothukudi, as well as four agricultural export zones in the districts of Dharmapuri, Krishnagiri, Nilgiris, Theni, and Cuddalore. In Tamil Nadu, warehousing space is provided by Tamil Nadu Warehousing Corporation (TNWC), Central Warehousing Corporation (CWC) and private players.

The state is pursuing a corridor and node-based development model, with a special emphasis on the Chennai-Kanyakumari Industrial Corridor along the coastal eastern and southern districts, the Chennai-Bangalore Industrial Corridor in the northern and western districts, and a Defence corridor to strengthen the state's capability in aerospace and defence manufacturing.

Establishing logistics parks with truck parking location and warehousing facilities in peri urban areas near cities. Ensure easy availability of land and a conducive environment for land conversion, including FSI / FAR relaxation for warehousing.

Haryana

The state has invested in the development of world class infrastructure facilities such as special economic zones (SEZs), Kundli Manesar-Palwal (KMP) global corridor and Delhi-Mumbai Industrial Corridor (DMIC). Haryana registered an export value of Rs. 1, 74,572 Cr in the FY 20-21. Major export products from Haryana are Basmati Rice, Automobiles, and their parts, Mattress support and articles of bedding, Motorcycles, toilet and kitchen linen, carpets and durries.

Haryana is the fourth largest producer of cotton in India. Easy availability of raw material provides the state with competitive advantage in the textiles sector, which provides employment to around one million people in Haryana. Districts such as Panipat, Gurugram, Faridabad, Hissar and Sonipat have developed as robust textile centres in Haryana. Haryana has approval for 25 SEZs; 22 are notified & +7 are operational.

Single-window clearance mechanism was established under the Haryana Industrial Promotion Act, 2005. The Investment Promotion Centers (IPC) located in New Delhi and Chandigarh and District Industries Centers

(DIC) at the district level serve as nodal agencies. Haryana State Electronic Development Corporation Limited (HARTRON) introduced a start-up warehouse on 10,000 sq. ft. of land in Gurugram.

Status of availability of some of the export related indicators as follows.

Sl No	Indicators	Gujarat	Maharashtra	Karnataka	Tamil Nadu	Haryana	Delhi
1	Existence of valid export promotion policy	√	√	√	√	√	×
2	Existence of valid sector specific policy for exports	√	√	√	√	√	×
3	Existence of district level export promotion policy/ district export action plan	√	√	√	×	√	×
4	Thrust sectors for exports	√	√	√	√	×	×
5	Policy emphasis on product quality and standard	√	√	√	√	√	×
6	Marketing support	√	√	√	√	×	×
7	7.1 Facilitating measures around export promotion (Performance Measurement system)	√	√	√	√	×	×
	7.2 Facilitating measures around export promotion (Excellence Award in Export)	√	√	√	√	√	×
8	Appointment of full-time export commissioner	√	√	√	√	√	√
9	Existence of a State -Centre coordination cell	√	√	√	√	√	×
10	International Access	√	√	√	√	√	×
11	Existence of Export Promotion Councils	√	√	√	√	√	√
12	Constitution of DEPC	√	√	√	√	√	×
13	Establishment and functioning of an Empowered Committee	√	√	√	√	√	×
14	News letters	√	√	×	√	√	×
15	Grievance Redressal	√	√	√	√	√	×

16	Ease of Doing Business Index	√	√	√	√	√	√
17	Investors Summits and MoU/ LoI signed in Summits	√	√	√	√	√	×
18	18.1 Cost of doing business (Power Cost)	√	√	√	√	√	√
	18.2 Cost of doing business (Single Window Clearance)	√	√	√	√	√	×
19	Labour Reforms	√	√	√	√	√	√
20	Innovative Capacity	√	√	√	√	√	√
21	Power Availability	√	√	√	√	√	√
22	Internet Facilities	√	√	√	√	√	√
23	Industrial corridors	√	√	√	√	√	×
24	Industrial land	√	√	√	√	√	√
25	Industrial clusters	√	√	√	√	√	√
26	IT/Software Technology Park/Food Park	√	√	√	√	√	√
27	LEADS Index	√	√	√	√	√	√
28	Multi-model logistic hubs	√	√	×	√	√	×
29	Area covered by air cargo facilities	√	√	√	√	×	√
30	Area covered by ICDs	×	√	√	×	×	×
31	Banking facilities	√	√	√	√	√	√
32	Loan schemes for exporters	√	√	√	√	√	×
33	Export credit to exporters	√	√	√	√	√	√
34	FDI inflow to State	√	√	√	√	√	√
35	Presence of knowledge and information portal for exporters	√	√	√	√	√	×
36	Area under Export Promotion Industrial Parks, Export Promotion Zones and Special Economic Zones	√	√	×	√	√	×
37	Total area under trade exhibition centers (as percentage of State Area)	√	×	√	√	×	×
38	Trade Guide	√	√	√	√	√	×
39	Agri-Export zones	√	√	√	×	×	×
40	Project Approved under TIES	√	√	√	×	√	×

41	Trade fairs conducted by government departments	√	√	√	×	√	×
42	Capacity building/ Orientation workshop	√	√	√	√	√	×
43	Membership of exporters in trade promotion council/ agencies	√	√	√	√	√	×
44	NABL accredited labs (per exporter), capacity and utilization of labs	√	√	√	√	√	√
45	Inspection agencies – NABCB certification	√	√	√	√	√	×
46	Research institute dedicated to Industry/ Export Specific Products	√	√	√	√	√	√
47	R&D spending by state as a % of state GDP	√	√	√	√	√	×
48	Professional colleges	√	√	√	√	√	√
49	Import- Export Code (as a percentage of total business)	√	√	√	×	√	×
50	Export as a percentage of state GDP	√	√	√	√	√	√
51	Manufacturing exports to GDP ratio	√	√	√	√	√	√
52	Increase in number of exporters	√	×	√	√	√	√
53	Export concentration	√	√	√	√	√	√
54	Market Penetration index	√	√	√	√	√	√

Status of Services Export from Delhi

Export of services broadly categorize in four categories viz. Cross Border, Consumption abroad, Commercial Presence and Movement of natural persons.

- Cross Border Service Exports take place when the service itself crosses the border from Delhi, India to other countries without movement of persons. Some examples of such services export from Delhi are management consulting, IT, marketing research, advertising, engineering consulting, health services, e-learning etc.
- Consumption Abroad Service Exports relates to the services provided to nationals of other country who require them to travel to Delhi for availing those services. Some examples on Delhi's context are tourism and travel related

services i.e. business tourism, medical value-added tourism, education tourism, etc.

- Commercial Presence refers to instances where a company from Delhi sets up subsidiaries or branches to provide services in other countries. Delhi have such service exporters who have set up branches of their investment companies, construction engineering project offices, information technology regional/ local offices in other countries to provide effective services.
- Movement of natural persons refers to individuals travelling from Delhi to supply services such as education and training, construction related activity, art & culture performances, consultancy services in other countries.

View of MSME Exporters in NCT of Delhi

During interaction with MSME exporters of NCT of Delhi possible measures to overcome such gaps were discussed. Some of them are;

- Special Economic Zone/Export Promotion Zone (SEZ/EPZ) – Exporters suggested to promote/develop Special Economic Zone/Export Promotion Zone (SEZ/EPZ) for non-polluting manufacturing and service sector.
- World Class Convention Centre - Exporters requested to build world class convention centre for conference and short-term exhibition in Delhi for promoting trade including short-visit travellers to participate in business opportunities.
- Health and Health Tourism – Services exporters informed that Delhi is now coming up a centre for world class medical facilities and therefore arrival of overseas patients is increasing day by day. The patients who are coming from other countries for medical treatment are being accompanied by their one or two family members as attendants. After admitting the patient in the hospital there is a problem of their stay, food etc at affordable cost including some entertainment/ recreation in the evening. Exporters suggested that Delhi Govt. may provide a facilitation centre /Help Desk at Indira Gandhi International Airport or at 3-4 suitable locations in Delhi for hand holding support to these patients including their attendants. Exporters also suggested that Delhi govt. may also looked into to set up some entertainment parks to have fun in the evening. There is a need to increase cultural and musical events in Delhi.
- Participation in International/National Exhibition - To promote export international/ national exhibitions need to be organized in Delhi. Exporters suggested Govt. of NCT of Delhi to allow MSME exporters to participate in about 3-4 international exhibitions every year. As desired, Delhi Govt. may reimburse 50% - 60% subsidy towards the stall charges including to and from economy class air fare limiting to Rs. 2.5 lakh per unit per three fairs in a year to micro category exporting enterprises.
- Setting up of common studio for Entertainment Industries – At present there are enterprises engaged in making films (short/long) in Delhi. Animation films

are also being developed in NCR region. Due to non-availability of modern studio equipment, the entrepreneurs are finding problems in the area like recording, editing, visual graphics etc. Service exporters suggested Govt. of Delhi to encourage entertainment industries by developing a small industrial park with ready to use in-house facility including a common studio with state-of-the-art facilities for making ad films, animation film, VFX, editing etc.

- Setting up of MRO Facilities at Delhi Airport–Service exporters suggested that Delhi Govt. may set up skill development training facility and encourage entrepreneurs to take up projects for maintenance-repair and overhaul (MRO) of airplanes. It will provide employments to thousands of technicians and engineers in Delhi.
- Promotion of Legal Services- Service exporters suggested legal services in Delhi may also get encouraged/promoted. At present legal services are being exported towards arbitration, civil and in other corporate affair matters.
- Promotion of Financial and Education Services - Delhi has largest number of Chartered Accountant/Accountants, Training schools etc. There is a big scope for export of these services by scaling and upgrading them to of global standard.
- Facilitation Centre– A facilitation centre may be setup for exporters to provide ready to use information on various notifications including handholding support on compliances and clearances etc.

Central Sector Schemes for Export Promotion in MSME Sector

Schemes	Support
Market Access Initiative (MAI) Scheme (Ministry of Commerce & Industry) Govt. of India	It provides assistance to Export Promotion Organizations/Trade Promotion Organizations/ National Level Institutions/ Research Institutions/ Universities/Laboratories, Exporters etc, for enhancement of exports through accessing new markets or through increasing share in existing market.
Transport and Marketing Assistance (TMA) (Ministry of Commerce & Industry) Govt. of India	It is for Specified Agriculture Products' and provide assistance to the international component of freight to mitigate freight disadvantages for the export and marketing of agriculture products.
Trade Infrastructure for Export Scheme (TIES) (Ministry of Commerce & Industry) Govt. of India	It provides assistance to Central and State Government agencies for creation of appropriate infrastructure for growth of exports.

Remission of Duties and Taxes on Export Products (RoDTEP) (Ministry of Commerce & Industry) Govt. of India	It provides remission of Central, State and Local duties/taxes/levies which incurred during process of manufacture and distribution of exported products but are currently not being refunded under any other duty remission scheme.
Rebate of State and Central Levies and Taxes (RoSCTL) (Ministry of Commerce & Industry) Govt. of India	To rebate all embedded State and Central Taxes/levies for meant for exports of made-up articles & garments.
Export Promotion Schemes (Ministry of Commerce & Industry) Govt. of India	Assistance to exporters of agricultural products is also available under Export Promotion Schemes of Agriculture & Processed Food Products Export Development Authority (APEDA), Marine Products Export Development Authority (MPEDA), Tobacco Board, Tea Board, Coffee Board, Rubber Board and Spices Board.
Software Technology Park Scheme (Ministry of Electronics & Information Technology) Govt. of India	Software Technology Parks of India (STPI), an autonomous society under the Ministry and provides statutory services, data communication services, incubation facilities, training and value added services, to software exporting community. Under STP scheme 100% foreign equity is permitted, unit can be set up in anywhere in India, refunds of GST on procurement of capital goods from domestic tariff area, single window clearance etc. are available.
Production Linked Incentive Scheme for Food Processing Industry (Ministry of Food Processing Industries) Govt. of India	This scheme is made to support creation of global food manufacturing enterprises in India and support Indian brands of food products in the international market.
Raising and Acceleration MSME Performance (Ministry of Micro, Small & Medium Enterprises) Govt. of India	The RAMP scheme has been conceptualised to support the overall COVID resilience & recovery programme of MoMSME and aims at improving access to market and credit, strengthening institutions & governance at the Center & State, improving Center–State linkages & partnerships, addressing issue of delayed payments and greening of MSMEs.
International Cooperation Scheme (Ministry of Micro, Small & Medium Enterprises) Govt. of India	Financial assistance is provided on reimbursement basis to the eligible State/ Central Government Organisations and Registered Industry Associations, societies/ trusts associated with promotion and development of MSME sector. The MSMEs can visit/ participate in international exhibitions/ trade fairs/ buyer-seller meet etc. abroad and also holding International conferences/ seminars/

	workshops in India, for technology infusion, exploring business opportunities, joint ventures etc.
Procurement and Marketing Scheme (Ministry of Micro, Small & Medium Enterprises)	Financial support for new market access initiatives viz organizing/ participation in national/ international trade fairs/ exhibition/ expos etc. held across the country.
Govt. of India	

Proposed Interventions for NCT of Delhi

It can be divided into two categories – 1. Strategic 2. Operational.

Strategic interventions

(i) Delhi Export Web Portal

Online portal for exporters is very much essential to give a one stop access to all the links for all the digital requirements and compliances. In first phase, the web portal may be prepared which may have information on MSME exporters, industrial estate and district wise exporter's profiles, GNCTD support initiatives for exporters, GOI notifications, export information, knowledge bank for national and international export trends. Based on the requirement and demand from stakeholders, the portal may add other information such as contact details of business development service providers (technical experts, management consultants, quality consultants, financial consultants), information about international events (seminars, workshops, national & international exhibitions) and govt. circulars/ notifications etc.

(ii) Export Facilitation Centre (EFC)

The objective is to provide assistance to existing and potential exporting MSMEs to target international customers and to provide knowledge on international markets. MSMEs are often faced number of challenges that restrict their entry into the international market. State Govt. may set up export facilitation centre at the Office of Commissioner of Industries/DSIIDC with 3-4 officers. The Export Facilitation Centre would facilitate MSME exporters to participate in the global value chain on its own. It would be one stop service point for MSMEs, who are interested in exporting their products and services.

1.1 Developing collaboration with Indian Missions, Technical Institutions, Export Promotion Organizations

State Govt. needs to be proactive in reaching out to Indian Missions for identifying buyers, markets, products, events in other countries. Export Promotion Organizations such as FIEO, EPCs and other chambers of industries needs to be approached with specific handholding tasks in line of their core expertise along with achievable targets. Technical institutions viz. IIFT shall help MSME exporters in foreign trade management, increase exports

by developing human resources, generating, analyzing and disseminating data, conducting research etc; IIP may help in developing packaging standards and specifications for export packaging, train MSME exporters in packaging for export markets, certify packaging material for export packaging etc. Delhi may develop collaboration with such technical institutions for benefits of MSME exporters. Export Facilitation Centre will undertake day-to-day work in developing collaboration with these stakeholders.

1.2 Fiscal Incentive

Delhi is having perennial challenge of extra transportation cost to export merchandise through ports. Exporters suggested that the Delhi Govt. may offer a reasonable subsidy as freight assistance to the eligible exporters to offset a part of this extra transportation charge. Freight assistance of 25 per cent of freight subsidy maximum up to Rs. 10000/- per TEU container (20ft container)/ 20000/-per TEU (40ft container) to exporting units for sending their goods by State ICD/CFS up to the gateway port may be beneficial. This recommendation is on similar lines as done by states like UP, Haryana etc.

The eligible merchandise export units would be provided financial assistance to promote green industrialization for undertaking measures/ implementing projects to conserve water, energy and environment, reuse of effluent water, health and safety systems/devices, installation of renewable power plant etc. Service exporters will be given incentives for standardization of practices to increase smooth delivery of services and reduce malpractices in supply chain.

1.3 State Export Excellence Award

Awards may be given to about top 15-20 exporters for excellence in exports in a financial year. An award committee may be formed under the Chairmanship of Export Commissioner.

2. Policy Reforms

2.1 Coordination with GOI for reimbursement of MEIS Refund to MSME exporters

Exporters claim their refunds under MEIS of GOI. The process of refund is slow and sometimes it creates financial crisis for exporters. It is suggested to develop a system within Export Commissioner Office of Delhi in which the State govt. would take up and pursue with Ministry of Commerce & Industries to expedite the refund to exporters from GOI based on submission of valid documents by the exporters.

2.2 Reforms in Factory Licensing Policy

Factory Licensing Policy being followed in Delhi also puts the exporters from Delhi in a disadvantageous position as these licenses are routinely issued for working in day time only while their counterparts in China, Korea etc. have adopted a 24x7 working culture giving them a distinct advantage in terms of production capacity, pricing, timely delivery. In addition to restrictions on usage of other floors except ground floors for machine installation also creates

inconveniences in Delhi. Modern factories in China are vertically placed and have integrated multi-storied manufacturing facilities providing clear edge in terms of convenience and ease of operations. Factory License matters pertains to MCD. Therefore, State Govt. may take up this matter with MCD and GOI for reform in Factory License Policy.

2.3 Export Industrial Infrastructure Fund

State Govt. may create an export industrial infrastructure fund to develop export promotion zone and export promotion hard infrastructure. MSME exporters are operating from conforming industrial areas which have infrastructure issues. This fund will be used for developing separate export promotion zone and crucial hard infrastructure viz. cold storage, warehouse, container depot, last mile connectivity, dedicated power feeder, water supply, e-charging stations, effluent treatment plant/ waste management unit etc.

2.4 Setting up Mini Export Clusters/ Network/ Group

State Govt. should develop mini export clusters within existing conforming industrial areas. Exporting units in a industrial area would be identified and be member of the mini export cluster. These units would get priority for all kind of compliances, licenses, renewals; certifications from State agencies provided they fulfill all criteria and rules levied by the State and Central Govt. State govt. may suggest financial institutions for finance at preferential rate of interest. State govt also either finance skill upgradation training and other such training for the human resource for exporting units or would arrange the same through state owned technical institutions. State Govt. would encourage exporters to implement ZED, Lean, IPR etc.

2.5 Promotion of Industrial Infrastructure Development in PPP mode

Industrial estates are developed and maintained solely by DSIIDC. The State govt. may take decision to develop green field industrial infrastructure for exports in Public-Private Partnership mode in which State Govt/DSIIDC may provide lands on lease for long term (30 years) to private entity under build-operate-transfer (BOT) contract. The private entity would finance, design, built, and operate the project for 30 years and after the project term returned to State Govt/ DSIIDC.

2.6 Setting up of Export Data Intelligence Committee

A high-power committee to be formed under the Chairmanship of Export Commissioner/Secretary Industries as Export Data Intelligence Committee. Representatives from DGFT, IIFT, IIP, EPC, MSME-DI, Industry office, are member of this committee. It will act as think tank for market intelligence, business intelligence related demand of products, brands, and services across the globe.

2.7 Seamless Flow of Cargo

Delhi is the largest and busiest airport having large catchment area. To promote Exports, there needs to be seamless flow of cargo to/from the Airport. In Delhi, currently there are restrictions for trucks movement during morning and evening hours (0600hrs to 1100hrs and from 1700hrs to 2300hrs). These

restrictions not only add challenges in logistics/operations but also impacts seamless flow and efficiencies of the supply chain. Unlike the unrestricted movement for certain vehicles like Ambulances, vehicles/trucks carrying Export Cargo to the Airport may be allowed to ply during restricted hours in metro cities to facilitate export logistics. Multi-facility logistic park has an option for seamless flow of cargo as it reduces traffic congestion, vehicular pollution and promotes small e-vehicle in arterial roads of the city.

Operational Intervention

1. State level database creation

There is a need to create a comprehensive database of exporters from NCT of Delhi. It will be electronically maintained with sync to dashboard of the state export web portal and will be dynamic, with constant updating of new IECs. Details of exporters and their products or services would be compiled in the document.

2. Single Window System

In order to address the numerous approvals and licenses required for setting up of export business, a single window system may be helpful. It will be a centralized system and implemented by industries department.

3. Certification

Industry Department/Export Commissioner will issue Green Exporter certificate to eligible MSME exporters after proper evaluation of their activities towards environment protection. This certificate will help MSME exporters to brand their products as Green Products in international market.

4. Delhi Export Pavilion

Delhi Export Pavilion may be set up in various national and international exhibitions to exhibit merchandise manufactured/traded exporters of Delhi.

5. Export Infrastructure

a. Export Promotion Zone for Export Oriented Units

There is a need for export promotion zones for MSMEs exporters. This zone may have discounted facilities such as subsidy on labour wages to become at par/competitive with neighbouring states, 24x7 uninterrupted electricity, water, hi-speed internet, green energy transport services, exemption in electricity duties and taxes, common facility centre (such as auditorium, display zone, accommodation and refreshment facilities) for entertaining foreign buyers, modern logistic facility at cheaper rates.

b. Common Facility Centre

Common Facility Centre which includes facilities viz. product development, export packaging, quality, testing, skill upgradation and cold storage may be set up near export promotion zone.

6. Promotional Material

Some promotional materials will be developed to enhance export from Delhi. It will include;

- a. **Brand Development** – Facilitate development of a brand for export products made by MSME exporters, which is directly connected to buyers.
- b. **Export Awareness** – Export potential and procedure awareness may be disseminated through programmes/events to encourage MSME exporters.
- c. **Market creation** – Promotional materials would be used in national and international exhibitions to attract buyers (B2B) and consumers (B2C).

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Small Industries Development Bank of India (SIDBI), established under an Act of Parliament in 1990, acts as the Principal Financial Institution for Promotion, Financing and Development of the Micro, Small and Medium Enterprise (MSME) sector as well as for co-ordination of functions of institutions engaged in similar activities. In the context of the changing MSME lending landscape, the role of SIDBI has been realigned through adoption of SIDBI Vision 2.0 which envisages an integrated credit and development support role of the Bank by being a thought leader, adopting a credit-plus approach, creating a multiplier effect and serving as an aggregator in MSME space.

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