

Rethink on five-year export target

OUR BUREAU

New Delhi, Oct. 7: The commerce ministry will revisit the \$900-billion exports target for 2019-20 as growth in shipments was slow in the first three years of the target period.

After holding an over three-hour long meeting with exporters yesterday, commerce secretary Rita Teotia said there was certainly a need to revisit the five-year export target because nobody factored in the swing in global commodity prices and currency fluctuations.

"We are certainly not going to aim for the same target because we have not been able to show that growth rate in the first three years," she told reporters here.

On April 1, 2015, the government had announced a slew of incentives and new institutional mechanisms as part of the new Foreign Trade Policy (2015-2020) to nearly double the

country's goods and services exports to \$900 billion by 2019-20.

India exports goods worth around \$300 billion per financial year, while services exports amounted to around \$150 billion annually.

On whether the ministry would come out with a mid-term review of the foreign trade policy, Teotia said commerce and industry minister Suresh Prabhu would take a call after returning from Morocco, where he is going for a WTO (World Trade Organisation) meeting.

"Whether we will issue a formal statement of intent (on the policy), the minister has to take a view on that," she said.

However, she added that the mid-term review is on and some issues got addressed through the goods and services tax (GST).

Speaking to reporters, Prabhu said it was agreed in the meeting that each export promotion council (EPC)

STOCK-TAKING

Export target for 2019-20:
\$900-billion

Why review?

- Growth in shipments was slow in the first three of five-year period

What's the trigger?

- Swing in global commodity prices and currency fluctuations

Indian exports (annual)

- Goods: \$300 billion
- Services: \$150 billion

"is now going to prepare a concrete strategic action plan for what can be done in the foreseeable future" to boost exports.

He said the ministry would act on the suggestions made by the stakeholders.

"We will together act on those in-

puts in the next two-three weeks and, therefore, we will also prepare a plan," he said.

Most of the issues are related to the finance ministry and "we are going to take up those issues with them", Prabhu added.

People who participated in the meeting include leading exporters, export promotion councils and industry associations.

Minister for textiles Smriti Irani also participated in the meeting.

Prabhu also stressed the importance of export-led growth and called for enhancing competitiveness and integration with the global value chain. The deliberations flagged global and domestic challenges faced by the exporters.

GST related issues regarding working capital blockage, delay in refunds and usability of the MEIS/SEIS (Merchandise Exports from India Scheme and Service Ex-

ports from India Scheme) scrips were raised by the exporters.

In the context of the mid-term review of the FTP, exporters requested that more products be included under the MEIS and the interest subsidy scheme and sought an increase in the rates of incentive.

The meeting also provided inputs for a new export strategy to integrate India into the regional and global value chain, focus on high and medium technology sectors of exports and unleash potential of services such as tourism and e-commerce.

In a series of tweets, Prabhu said: "We must align our standards with global standards. Benchmarking will stimulate exports, ensure India's integration with the global value chain".

"We are working on short, medium and long term strategies. There can be short-term challenges but the future belongs to India," he said.