

Role of Trade Institutions in promotion of Import Export System in India

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ABSTRACT

Import Export requires special knowledge and business acumen. Exporters need guidance and assistance at different stages of the export effort. For this purpose, the Government of India should have to set up several institutions whose main functions are to help the exporter in his work. In this paper, the author has discussed about the role of these institutions in export promotion.

Keywords: economic development, import, export, Indian economy.

INTRODUCTION

Export marketing effort is of vital importance for the success of apart-promotion programme in any country. For undertaking international marketing operations" an exporter needs special guidance and assistance in critical areas like packaging, market promotion and publicity, quality certification, risk coverage, market intelligence, finance and credit support etc. It is only with the support and services rendered by specialised institutions, exporter is able to successfully convert his 'production' into 'sales in international market. Consequently, any country, including India, engaged in the task of export promotion, has to establish specialised institutions for strengthening export-marketing effort for the country as a whole. This along will have the way for creating an export environment and export- culture, on the foundation of which the export marketing effort at the corporate level can be effectively launched on an intensive and sustained basis.

With this object in view, Government of India have established a number of specialised institutions in the country for providing the necessary services and assistance to individual corporate unit for a successful export effort. In view of the widely diversifying nature of the export markets in different parts of the world and an equally diverse and varied nature of products and services traded in international market, Government of India have established specialised institutions at production/industry level for assisting exporters from different. sectors. Institutions engaged in export efforts fall in six distinct tiers. At the top is the Department of Commerce of the Ministry of Commerce. This is the main organisation to formulate and guide India's trade policy. At the second tier, there are deliberate and consultative organisations to ensure that export problems are comprehensively dealt with after mutual discussions between the Government and the Industry.

At the third tier are the commodity specific organisations which deal with problems relating to individual commodities and/or groups of commodities. The fourth tier consists of service institutions which facilitate and assist the exporters to expand their operations and reach out more effectively to the world markets. The fifth tier consists of Government trading organisations specifically set up to handle export/ import of specified commodities and to supplement the efforts of the private enterprise in the field of export promotion and import management. Agencies for export promotion at the State level constitute the sixth tier. Let us now discuss each of them in detail.

GOVERNMENT POLICY MAKING AND CONSULTATIONS

Appropriate government policies are important for successful export effort. In view of the increasingly important and critical role of foreign trade in economic development, a separate Ministry of Commerce has been entrusted with the responsibility of promoting India's interest in international market. The Department of Commerce, in the Ministry of Commerce has been made responsible for the external trade of India and all matters connected

with the same. The main functions of the Ministry are the formulation of international commercial policy, negotiation of trade agreements, formulation of country's export-import policy and their implementation. It has created a network of commercial sections in Indian embassies and high commissions in various countries for export-import trade flows. It has set up an "Exporters Grievances Redressal Cell" to assist exporters in quick redressal of grievances. 89 Board of Trade: For ensuring a regular consultation, monitoring and review of India's foreign trade policies and operations, Government of India have set up a Board of Trade with representatives from Commerce and other important Ministries, Trade and Industry Associations, and Export Service Organisations. It is an important national platform for a regular dialogue between the Government and the trade and industry.

The deliberations in the Board of Trade provide guidelines to the Government for: appropriate policy measures for corrective action. Cabinet Committee on Exports: With a view to ensure regular and effective monitoring of India's foreign trade performance and related policies, Cabinet Committee on Export has also been set up. Empowered Committee of Secretaries: For speedier and quicker decision-making, an Empowered Committee of Secretaries has also been established to assist the Cabinet Committee on Exports. Grievances Cell: Grievances Cell has been set up to entertain and monitor disposal of grievances and suggestions received. It is a cell meant for speedy redressal of genuine grievances. Grievances Committees headed by Director General of Foreign Trade and head of concerned Regional Licensing Authority have been constituted in the respective licensing offices. The Committee also include representatives of FIEO, concerned Export Promotion Council/Commodity Board and other departments and organisations. The grievances may be addressed to the Grievance Cell of the concerned Licensing Authority in the prescribed Performa. Director General of Foreign Trade (DGFT): DGFT is an important office of the Ministry of Commerce, to help the formulation of India's Export-Import policy and implementation thereof. It has set up regional offices in almost all States and Union Territories of India. These offices are known as Regional Licensing Authorities. There is an Export Commissioner in the DGFT office who functions as a nodal point for all export promotion schemes. The Regional Licensing offices also act as Export facilitation centres.

Director General, Commercial Intelligence & Statistics (DGCI& S): DGCI& S has been entrusted with the task of compilation and publication of data on India's Foreign Trade. It brings out various publications relating to Foreign Trade of India. The major publications are as under:

- i) Monthly Statistics of Foreign Trade of India
- ii) Monthly Press Notes on Foreign Trade'
- iii) Monthly Brochure of Foreign Trade Statistics of India (Principal Commodities and Countries)
- iv) Indian Trade Classification based on Harmonised Commodity Description and Coding System
- v) Indian Trade Journal

Ministry of Textiles: Ministry of Textiles is another Ministry of Government of India which is responsible for policy formulation, development, regulation and export promotion of textile sector including sericulture, jute and handicrafts, etc. It has a separate Export Promotion, Division, offices, advisory boards, development corporations, Export Promotion Councils, 90 and Commodity Boards. The advisory boards have been constituted to advise the government in the formulation of the overall development programmes in the concerned sector. It also devises strategy for expanding markets in India and abroad. The four advisory boards are as under:

- i) All India Handloom Board
- ii) All India Handicrafts Board
- iii) All India Powerloom Board
- iv) Wool Development Board

There are Development Commissioners, Handicrafts and Handlooms, who advises on matters relating to the development and exports of these sectors. There are Textile Commissioner and Jute Commissioner who advise on the matters relating to the growth of exports of these sectors. Textile Committee has also been set up for ensuring of textile machine manufactured indigenously, especially for exports. It also issues certificates of origin and other special certificates.

States Cell: The cell has been created under Ministry of Commerce. Its functions are to act as a nodal agency for interacting with state Government or Union Territories on matters concerning export or import from the

State or Union Territories. It provides guideline to State level export organisations. It assists them in the formation of export plans for each cases.

Development Commissioner, Small Scale Industries Organisation: The Directorate has the headquarter if! New Delhi and extension centres located in almost an States and Union Territories. They provide export, promotion services almost at the doorsteps of the small scale industries and cottage unit. The important functions are:

- to help the small scale industries to develop their export capacities
- to organise export training programmes
- to collect and disseminate information
- to help such units in developing their export markets
- to take up the problems and other issues. related to small scale industries

Besides, there are Directorates of Industries, National Small Industries Corporation and State Corporations for the promotion or exports from small scale industries.

INDIAN TRADE PROMOTION ORGANISATION (ITPO)

Indian Trade Promotion Organisation was set up by the Ministry of Commerce, Government of India, on 1st January 1992 with its headquarters at New Delhi after the merger of Trade Development, Authority (TDA) and Trade Fair Authority of India ,(TFAI). It has five regional offices at Mambai, Bangalore, Kolkata, Kanpur and Chennai and four in Germany, Japan, UAE and USA.

As a premier trade promotion agency of the Government of India, the ITPO provides a road spectrum of services to trade and industry so as to catalyse the growth of bilateral trade, particularly India's exports and technological upgradation and modernization of different industry segments.

FUNCTIONS OF INDIAN TRADE PROMOTION ORGANISATION

(a) Organises Trade Fairs and Exhibitions :- It organises various trade fairs and exhibitions at its exhibition complex in Pragati Maidan and other centres in India. It also extends the use of Pragati Maidan for holding pf trade fairs and exhibitions by other fair organisers both from India and abroad.

(b) Involves the State Governments: - It enlists the involvement and support of the State Governments for the promotion of India's foreign trade. It promotes establishment of facilities and, infrastructure for holding trade' fairs in state capitals or other suitable locations in India, in consultation with the State Governments concerned.

(c) Assists in Technological Up gradation and Product Development: - It provides assistance to Indian companies' in locating suitable foreign collaborators for transfer of technology, joint ventures, marketing tie-ups and investment promotion. It also assists Indian companies in product development and helps them to adapt to meet buyer's requirements.

(d) Helps in establishing Overseas Contacts: - It helps in establishing a durable contacts between Indian suppliers and overseas buyers. It organises 'buyer-seller meets with a view to bring buyers and sellers together. It also invites overseas buyers and organises their meetings with Indian suppliers.

(e) Other Services:

To identify and nurture specific export products with long-range growth prospects.

To conduct in-house and need-based research on trade and export promotion.

To participate in overseas trade fairs and exhibitions.

To organize seminars, conferences and workshops.

To encourage and involve small and medium scale units in export promotion efforts.

INDIAN INSTITUTE OF FOREIGN TRADE (IIFT)

Indian Institute of Foreign Trade was set-up in 1963 by the Government of India as an autonomous body registered under the Societies Registration Act. It was set up with the prime objective of professionalising the

country's foreign trade management and increase exports by developing human resource, generating, analysing and disseminating data and conducting research.

Functions of Indian Institute of Foreign Trade

(a) Training :- The IIFT has been recognised as a centre of excellence for imparting training and education in international business. Its specialisation in international business and a global outlook makes it unique among management schools in the country. It offers an inspiring learning environment, which transforms the bright young students into talented creative professionals.

(b) Collects and Supplies Information: - IIFT conducts market studies and surveys in the overseas markets. It tries to find out demand for Indian products in overseas market. It supplies this information to the exporters. The exporters can use such information while making their export marketing decisions. .

(c) Organises Seminars and Workshops :- IIFT organises seminars and workshops in a number of export marketing areas, such as export pricing, export promotion, etc. Exporters can take advantage of such workshops and seminars by taking active part in them.

(d) Trade Delegations: - IIFT sends delegates abroad to study overseas markets and also to interact with overseas importers. At the same time, it invites delegates from abroad, who can study Indian market conditions and can also interact with Indian exporters.

(e) Publications: A large part of the IIFT's research work is published in the form of study reports, monographs, status papers, etc. for wider dissemination among the business community, government departments and academic fields. The institute publishes : Foreign Trade Review (FTR), a quarterly journal. Focus WTO, a bimonthly magazine. Technology Exports, quarterly newsletter.

(f) Research and Consultancy: - IIFT has so far brought out over 570 research studies and surveys. It also acts as a consulting house for solving the problems of the exporters and importers. It analyses the international business environment and develops appropriate corporate strategies for the overseas markets.

(g) Management Development Programmes: - Combining a unique 'blend of research and consultancy, IIFT has been a pacesetter in addressing to the needs of business executives by continuously aligning the focus of its Management Development Programmes with the changing realities. As a result, its intensive short duration programmes have received the most enthusiastic response.

FEDERATION OF INDIAN EXPORT ORGANISATION (FIEO)

Federation of Indian directing and thrust to India's expanding international trade. As the apex body of all Indian export promotion organisations, FIEO works as a partner of the Government of India to promote Indian exports. Export Organisations (FIEO) is an apex body of various export promotion organisations. It was set up in October 1965. It represents the Indian entrepreneurs' spirit of enterprise in the global market. It has kept pace with the country's evolving economic and trade policies.

Functions of Federation of Indian Export Organisation

(a) International Linkage: It has forged strong links with counterpart organizations in several countries as well as international agencies to enable direct communications and interaction between India and world businessmen. It is registered with UNCTAD as a national non-government organisation, and has direct access to information and data originating from UN bodies and world agencies like the IMF, ADB, ESCAP, World Bank, FAO, UNIDO and others,

(b) Dissemination of Information: It has bilateral arrangements for exchange of information as well as for liaisoning with several overseas chambers of commerce and trade and industry associations.

(c) Liaisoning with the Government: It sends representations on policy matters to Central and State (Regional) Governments. It helps in establishing contacts between the government and commercial bodies both in India and overseas'.

(d) Market Development Assistance (MDAJ) : The Ministry of Commerce, Government of India, through FIEO, reimburses certain percentage of the expenditure incurred by the recognised exporters, such as all types of export houses, on sales-cum-study tours, participation in exhibitions and fairs abroad, advertisements in foreign media, etc.

(e) Market Research and Development Department: The Market Research and Development department offers the following services to the exporters community: Arranging meetings with diplomats, incoming delegations and buying missions. Inviting delegations. Organising trade fairs and exhibitions in India as well as abroad. Opening foreign offices and warehouses. Organising seminars for promotion of international trade. Opening new FIEO offices abroad.

(f) Publicity Department: - The Publicity department of FIEO performs the following functions : Bringing out various special supplements in Indian and overseas dailies in order to project the selected finished products in India and abroad. Creating and telecasting episodes in NEPC channel to promote India's prominent brands in various countries covered by the channel. It has published Directory of Foreign Buyers and Dictionary of Indian Exporters. It publishes a fortnightly magazine, "FIEO News", to cover developments in the field. of international trade concerning India.

M. VISVESVARAYA INDUSTRIAL RESEARCH & DEVELOPMENT CENTRE

The World Trade Centre, Mumbai has been named as the M. Visvesvaraya Industrial Research and Development Centre after the name of Dr. M. Visvesvaraya, an engineer and a scientist. It was established in 1970 as a non-profit company licensed under Sec. 25 of the Companies Act. The Council of Management comprising of industrialists, representatives from Central and State governments and apex Trade Promotion Organisations, governs it. MVIRDC became of a member of WTCA in 1971 after which it was known as WTC, Mumbai. It consists of three centrally air-conditioned building. The arcade comprises of various state Emporia, banks, offices, shops and showrooms. It also houses the prestigious Expo-Centre (exhibition hall). Centre- I comprises of areas leased to various organisations connected with world trade, business and industry such as EXIM bank, RBI, EPCs, etc. It also houses WTC offices as well as meeting rooms. Centre-II has been entirely leased out to the Industrial Development Bank of India. (IDBI)

Functions of World Trade Centre

(a) Trade Information Services:- WTC offers the IMPEX Data Bank facility. It is India's first ever computerised database on imports and exports. It comprises of details on export and import transactions. It helps in identifying products in demand for export or import, locate markets, evaluate competitive prices, understand the market players, etc.

(b) WTCA Online :- WTCA online is a unique internet based website, providing a one-stop source for global business information through strategic alliances with leading information and service providers. WTCA online offers quality products representing the best international trade information and services at discounted prices.

(c) Trade Education Services':- World Trade Institution (WTI), the educational wing of WTC Mumbai, was set up in 1991. It was the pioneer in introducing a six months Post Graduate Diploma in Foreign Trade (PGDFT) and Post Graduate Diploma in Foreign Exchange and Risk Management (PGDFERM). It has been certified as 'Best Practice Institute' by WTCA, New York.

(d) Foreign Trade Facilitation Cell :- A Foreign Trade Facilitation Cell has been set up in order to : To give advice on starting of import/ export business and authorities to be approached for solving import/ export problems. 100 To make recommendations to the government in regard to the EXIM Policy and procedure.

(e) International Trade Library :- It is an exclusive source of business information. Businessmen and students can easily access various sources of trade information through the large collection of trade directories, journals and related publications. Market reports on different products by ITC and cm are the main strengths of this library.

(f) Business Services :- Specific business meetings can be "Organized for the visiting overseas businessmen for their products of interest. A minimum two weeks advance notice is required. WTC also offers state of the art support facilities, video conferencing, Temporary office space, meeting rooms, translation capabilities, etc.

(g) Research and Development:- The Centre has conducted research work on diverse topics like Multimodal Transport, Agro-based Industries, European Union Market, etc. As a follow up to such studies the Centre has brought out research publications. Current thrust of Centre's research activity is on the implications of the WTO agreements on India's foreign trade.

(h) Other Services:- Apart from the above services, the WTC also provides exhibition facilities, facility of WTC clubs (lounge and dining services for members and guests) different publications' such as Trade Promotion Bulletin (monthly), Current Research and Development Briefs (Monthly), WTC Intercom (Quarterly), etc.

CHAMBER OF COMMERCE (COC)

Manufacturers, industrialists and traders in different regions as per their needs and requirements establish the Chamber of Commerce and Industry. The membership of Chamber of Commerce is open to all. They play a prominent role in the export promotion activities of trade and industry. They arrange periodic meetings which help in:

(a) An exchange of information and compilation of data, indicating the present state of the export activities in a particular trade or industry.

(b) An exchange of views and formulation of specific remedial policies, which will be taken up with the Government. Membership of the Chambers and Associations is open to all members of trade and industry.

The discussions therein are amongst professional people who have a thorough knowledge of a trade or an industry. This can be an excellent forum to project practical, viable and sound suggestions for removing impediments or changing policies in the national interest. Many of these Chambers or Associations have separate sections or cells dealing with the export trade, which are helpful in interpreting government policies to members, disseminating data on export markets and also making representations to the government.

CONCLUSION

Government of India has established a number of specialised institutions in the country for providing the necessary services and assistance to individual corporate unit for a successful export effort. In view of the widely diversifying nature of the export markets in different parts of the world and an equally diverse and varied nature of products and services traded in international market, Government of India have established specialised institutions at production/industry level for assisting exporters from different sectors.

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