



**Inputs and Suggestions  
Submitted to  
Hon'ble Commerce and Industry Minister  
Government of India**



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At the outset PHDCCI greatly appreciates India's robust and resilient exports performance amidst global economic headwinds.

- **Appreciate dynamic policy environment:** We highly appreciate the dynamic policy environment and transformative initiatives of the government including launch of a comprehensive Trade Connect e-Platform, enhanced insurance cover for MSME exporters, launch of the E-Commerce Export Hub (ECEH) and expansion of ICEGATE portal to all non-IT/ITES SEZs units, among others, which have greatly enhanced the ease of doing exports, paving the way for a breakthrough in India's foreign trade trajectory.
- **Significant rise in India's Exports:** India's exports (merchandise + services) trajectory has accelerated significantly from USD 676 billion in 2021-22 to USD 778 billion in 2023-24, supported by continuous handholding by the government.
- **PHDCCI envisions that India's exports trajectory will surpass USD 800 billion in FY 2024-25 and USD 1 trillion in the next few years:** Despite global headwinds, we anticipate that the exports will surpass USD 800 billion in FY 2024-25 and USD 1 trillion in next few years.

At this juncture, PHDCCI would like to provide the following suggestions to further improve the policy environment, ease of doing business and make India an attractive destination for investment.

1. **Realizing the full potential of FTAs for the benefit of businesses and people:** The government has recently signed FTAs with Mauritius, UAE, Australia and the European Free Trade Association comprising Switzerland, Iceland, Norway & Liechtenstein (TEPA). FTAs with the EU and UK are also in the pipeline. In this regard, we request to organize stakeholders' consultations, particularly with MSMEs as these are the major growth drivers of the Indian economy. In light of the fact that more than 75% of our stakeholders are MSMEs, we request you to use PHDCCI as a platform for such consultations. The objective is to create fruitfulness of the FTAs for the Indian economy to boost trade and the welfare of the people.
2. **Potential export products across Indian States:** PHDCCI identified 75 potential export products (in 2022) and markets to increase India's merchandise exports to USD 1 trillion by 2030. (Annexure-I attached)

We are organizing capability building program of exporters to increase the volumes of export items which are already produced in India. We organized a mega program



in Chandigarh in collaboration with NITI Aayog, One-Day Workshop on "States as Drivers of Export-led Growth" under 'NITI for States', on 12<sup>th</sup> March 2024. The next two programs are also planned in Chandigarh and Pune in February and March 2025.

3. **MSE Facilitation Councils should cover Medium Enterprises:** PHDCCI recommended that the MSE Facilitation Councils, which currently cover only Micro and Small Enterprises, should also be extended to cover Medium Enterprises. This would help address the delayed payment issues faced by these enterprises, allowing them to settle dues within 45 days if no specific payment date is mentioned in the purchase order. This change would provide much-needed relief to MSMEs, which often face liquidity constraints due to delayed payments from large buyers.
4. **Special marketing facilities for MSMEs in the export markets through Indian missions abroad:** Micro, Small, and Medium Enterprises (MSMEs) are vital to India's economy, contributing significantly to employment and GDP. They generate a large number of jobs, particularly in rural and semi-urban areas. Therefore, we recommend creation of the Special Marketing Facilities for Micro, Small, and Medium Enterprises (MSMEs) in export markets, facilitated through Indian missions abroad. They can play a crucial role in enhancing the global presence of these businesses.
5. **Enhanced awareness about India's products in the foreign markets:** India is a prominent exporting country in the World and to further increase India's participation in the global value chains, we suggest the creation of strong trade sections in foreign embassies, manned by dedicated personnel. These individuals would focus on identifying opportunities and linking potential clients with Indian businesses, aiding them in navigating market identification.
6. **Change in Classification Norms of MSMEs for NPAs:** PHDCCI suggested extending the classification norms of MSMEs for Non-Performing Assets (NPAs) and the Restructuring Scheme for MSMEs, as approved by the Reserve Bank of India (RBI). Currently, dues for MSMEs are classified as overdue after 90 days, which can adversely affect their ability to access credit from banks. We recommend extending this period to 180 days to allow MSMEs more time to manage their financial challenges without facing NPA classifications.
7. **Introducing uniformity and digitalization in documentation:** Presently, banks and financial institutions are obtaining various security physical documents without any standardization besides the physical presence of all directors/partners and guarantors. This process involves huge paperwork and documentation formalities.



PHDCCI recommends standardization and digitization of the entire process of documentation to make the whole process simple and uniform.

- 8. Reduction of time period for registration of foreign companies for BIS norms:** In light of the notification released by the Ministry of Heavy Industries, Government of India, regarding the 'Machinery and Electrical Equipment Safety (Omnibus Technical Regulation) Order, 2024' dated August 28, 2024, it is proposed that the registration timeline for foreign companies adhering to BIS norms be shortened. A more efficient, time-bound registration process is essential to prevent an increase in cost of doing business and to ensure the continued availability of raw materials. Currently, registration is a time-consuming process.
- 9. Interest equalization scheme for service exporters:** The Interest Equalization Scheme on Pre and Post-Shipment Export Credit is for the MSME manufacturer and merchant exporters only as eligible beneficiaries for interest subvention. Banks are not giving this benefit to the services exporters. Since the country has set a higher target for service exports for the coming years, the Government should include service exports in the eligibility for interest equalization as extended to other sectors.
- 10. Removal of inverted duty structure:** The inverted duty structure should be removed which currently exists in several industries, particularly in sectors such as cement, aluminum, steel, packaging material, paper and paperboard industry. The inverted duty structure leads to higher costs for domestic manufacturers, hindering their competitiveness in the global market.
- 11. Duty anomalies such as countervailing duties (CVD) imposed by advanced countries:** Duty anomalies, such as countervailing duties (CVD), often imposed by advanced countries, create significant challenges for international trade. For example, the US imposes CVD on Indian exports of Paper Industry (Notebook) and Frozen Shrimp to US. The duty creates an uncompetitive market for India in the World vis-à-vis other countries. Moreover, high import duties on the food industry including additional duty on food products distort the international trade. Thus, removing trade barriers is essential to creating a more equitable and efficient trading environment.

As we look to the future, India stands at the cusp of becoming a global exports powerhouse. By leveraging institutional mechanisms, fostering innovation, and embracing digital technologies, we can unlock new avenues for growth and prosperity.

## Annexure-I

### India's 75 potential export products identified by PHDCCI

S.no	HS Code	Products	F22	FY23	FY 24
1	90111	Coffee Neither Roasted Nor Decaffeinated	0.7	0.7	0.8
2	30617	Other Shrimps And Prawns : Frozen	5.2	4.8	4.3
3	20230	Boneless	2.9	2.9	3.4
4	100590	Other Maize (Corn)	1	1.1	0.4
5	100630	Semi/Wholly Miled Rice	8.3	10	10
6	170114	Other Cane Sugar	2	2.7	0.6
7	210690	Other Food Preparation	0.6	0.6	0.7
8	230400	Oil-Cake And Other Solid Residue	0.6	0.9	1
9	260111	Iron Ores	1.2	0.9	2.4
10	260112	Iron Ore And Concentrates Agglomerated	2.1	0.9	1.5
11	270799	Other Oil And Oil Products Of Distillation Of high Temp Coal	0.2	0.5	0.3
12	271012	Light Oils And Preparations:	24.1	28.5	23.3
13	271019	Other Petroleum Oils And Oils Obtained	42.6	68	59.9
14	271600	Electrical Energy	0.6	1.2	1.1
15	290243	P-Xylene	1.9	1.1	0.3
16	293339	Other : Derivatives Of Pyridine	1	1.1	0.9
17	293359	Other Mtrcyclic Compounds Cntng A Pyrimidine Ring	0.8	0.6	0.5
18	293399	Other Heterocyclic Compounds With Nitrogen Hetro Atom	0.8	1	2.5
19	293499	Other Heterocyclic Compounds	0.6	0.5	0.5
20	300220	*Vaccines For Human Medicine	1	0	1.2
21	300420	Other, Containing Antibiotics	1.1	1.1	1.3
22	300490	Other Medicine Put Up For Retail Sale	14.6	15	16.7
23	380893	Herbicides	1.8	2.2	1.6
24	390110	Polyethylene Hvng A Spfc Grvty Below 0.94	0.2	0.2	0.2
25	390120	Polyethylene Hvng A Spfc Grvty 0.94 /More	0.2	0.1	0.1
26	390210	Polypropylene	0.7	0.4	0.4
27	392190	Othr Plts,Shts,Film Foil,Strip Etc	0.4	0.3	0.3
28	392690	Other Articles Of Plastics	0.8	0.7	0.8
29	401120	New Pnmtc Tyres Used On Buses/Lorries	0.7	0.7	0.7
30	420221	Handbags With Outer Surface Of Leather Of Composition	0.4	0.4	0.4
31	520100	Cotton	2.7	0.7	1
32	610910	T-Shirts Etc Of Cotton	1.8	1.8	1.6
33	620342	Trousers Bib And Brace	0.5	0.5	0.4
34	630790	Other Made Up Articles	0.4	0.3	0.3
35	640391	Other Ankle Covered Footwear	0.8	0.9	0.6
36	710231	Non-Industrial Diamonds	1	0.9	0.9
37	710239	Others :	24.4	22	15.9
38	711319	Artcls Of Othr Prcs	8.8	9.3	11.6
39	720839	Flt-Rold Prdcts In Coils Of A Thckns Of <3mm	3	0.7	0.8
40	730890	Other Structrs And Parts Of Structrs Etc	0.8	0.9	1

S.no	HS Code	Products	F22	FY23	FY 24
41	732690	Other Articles Of Heading	1	0.9	0.9
42	760110	Aluminium-Not Alloyed	6.1	5.1	4
43	760120	Aluminium Alloys	2.3	1.3	1
44	761699	Others Articles Of Aluminium (Others).	0.4	0.4	0.5
45	840991	Prts Suitbl Fr Use Solely/Prncply Wth Spark-Igntn Intrnl	0.4	0.4	0.4
46	840999	Parts Of Other Engines(Dsl/Smi Dsl)	1	1.1	1.1
47	841112	Turbo-Jets Of A Thrust>25 Kn	2.8	2.7	3.7
48	841391	Parts Of Pumps	0.5	0.6	0.6
49	841480	Other Pumps	0.4	0.5	0.5
50	841490	Prts Of Air/Vacum Pumps,Cmprssrs And Fans	0.5	0.5	0.6
51	843149	Othr Mchn Prts Of Hdg	0.6	0.7	0.8
52	847989	Othr Mchn Andmchncl Applncs	0.6	0.5	0.6
53	848180	Other Appliances :	0.8	1	1.1
54	848190	Parts Of The Items Undr Hdg 8481	0.5	0.7	0.8
55	848340	Gears And Gearng,Excl Toothd Wheels	0.8	0.8	0.9
56	850300	Parts Sutbl Fr Use Solely/Prncply	0.8	1.2	1.3
57	850440	Static Converters	1.4	1.7	1.6
58	851712	Telephones For Cellular Networks	4.8	0.2	0
59	851762	Machines For The Reception	0.7	0.9	0.9
60	851770	Parts:	0.7	0	0
61	853710	Bords Etc For A Voltage<=1000 Vlts	0.4	0.5	0.6
62	853890	Other Parts Of Hdg 8538	0.5	0.6	0.7
63	854449	Other Electric Conductors < 1000v Not Fitted With	0.4	0.6	0.6
64	870321	Vhcl Wth Sprk-Igntn Intrnl Cmbstn	1.5	1.4	1.3
65	870322	Vehicles With Spark-Ignition Internal Combustion	3.1	3.6	4.3
66	870323	Vehicles With Spark-Ignition Internal Combustion	1.1	1.3	0.7
67	870830	Brakes And Servo-Brakes	0.6	0.7	0.8
68	870850	Drive Axles	0.6	0.7	0.7
69	870899	Otr Prts andaccsrs Of Vhcls Of Hdg 8701-8705	3	3.2	3.4
70	880100	Balloons And Dirigibles	0	0	0
71	890120	Tankers	0.2	0.7	0.6
72	901839	Catheters And The Like; Other Needles	0.3	0.4	0.4
73	901890	Othr Instrmnts and applncs Of Medical Science	0.4	0.4	0.5
74	940360	Other Wooden Furniture	0.9	0.7	0.7
75	950300	Tricycles, Scooters, Pedal Cars	0.2	0.2	0.2
<b>Total of 75 products</b>			<b>200.1</b>	<b>222.9</b>	<b>208.7</b>
<b>India's merchandise exports</b>			<b>422</b>	<b>451</b>	<b>437</b>
<b>% Share of 75 products in India's trade</b>			<b>48</b>	<b>50</b>	<b>48</b>

Source: PHD Research Bureau, PHD Chamber of Commerce and Industry, data compiled from Ministry of Commerce and Industry Government of India

### India's share in World exports of 75 potential products for 2023-24 (Value in USD billion)

S. No	Products Category	India Exports to World (USD Billion)	Total World Exports (USD Billion)	% Share of India in World exports
		(2023-24)	(2023-24)	
1	Agriculture	21.2	220.0	9.6
2	Minerals and Fuels	88.5	901.8	9.8
3	Chemicals and Allied Products	28.4	679.7	4.2
4	Textile and Footwear	3.9	79.0	4.9
5	Metals and Non Metals	36.6	345.9	10.6
6	Machinery and Mechanical Appliances	16.8	1091.4	1.5
7	Transport /Automobiles	11.8	529.9	2.2
8	Optical Photographic & Cinematographic	1.6	119.4	1.3
9	Toys, Games & sports Requisite	0.2	57.9	0.3
<b>Total</b>		<b>209</b>	<b>4025</b>	<b>5.2</b>

Source: PHD Research Bureau, PHD Chamber of Commerce and Industry, data compiled from Ministry of Commerce and Industry, Government of India.



PHDCCI has been working as a catalyst for the promotion of Indian industry, trade and entrepreneurship for the past 120 years. It is a forward looking, proactive and dynamic PAN-India apex organization. As a partner in progress with industry and government, PHDCCI works at the grass roots level with strong national and international linkages for propelling progress, harmony and integrated development of the Indian economy.

PHDCCI, acting as the “Voice of Industry & Trade” reaching out to more than 1,50,000 large, medium and small industries, has forged ahead leveraging its legacy with the industry knowledge across multiple sectors to take Indian Economy to the next level.

At the global level, we have been working with the Embassies and High Commissions in India and overseas to bring in the International Best Practices and Business Opportunities.

## **PHD CHAMBER OF COMMERCE AND INDUSTRY**

PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi - 110016