A BRIEF STUDY OF EXPORT RELATED ORGANIZATIONS IN INDIA

Government of India has been busy in giving strength and direction to the country's exports. During the World War II, Britain imposed many restrictions on imports and exports which later came to be known as Import and Export Trade Regulation Act 1947. Our balance of payment had worsened after the World War II. for the first time, Indian government in July 1949, formed the Export Promotion Council which brought to light some fundamental requirements of export promotion. This was met with some criticism as it showed the existing machinery in a bad light.

This council made a few suggestions related to lifting of restrictions on export worthy goods. Following these suggestions, the government gave permission to export more goods under open general licensing and increased the tenure of Import-Export Regulation Act 1947 for another five years. In the same way, the government formulated another committee in 1949 which recommended the establishment of Trade Boards. Taking heed of these recommendations, government lifted export duty from many goods. The commerce and industry minister formed yet another committee on export promotion on February 1, 1957. This committee submitted its report on August 31, 1957. The committee, for the first time, delved on the question of export promotion recommended lifting of export duty on tea, presented blueprints of export duty on tea, presented blueprints of bilateral and multilateral trade agreements and made the export revenue tax free. The committee recommended establishment of Export Credit Guarantee Corporation and marketing development fund. The government accepted most of these recommendations and began extensive plans for export promotion. Various export promotion committees for specific products have also been formed. These committees promote active participation of the government and give definite direction to exports.

For the development of the economy and exports of a country, import of capital goods, technology and consumer goods in huge quantity is essential. The payments of these imports should be made by the beneficiary exporters and this necessitates big export houses. To enable constant development of export, facilitation of imports necessities and full foreign exchange availability should be made sure.
The government from time to time has taken many steps for export promotion. These include establishment of several such bodies which help in the exports, boosting of export markets, transportation facilities, market research training, rationalization of existing restrictions, own technology development apart from that by the UN and friendly nations, setting joint-industries in foreign countries and helping with export promotion.

For enabling exports, a few societies/bodies have been formed. The major ones are being discussed herewith.

3.1 MINISTRY OF COMMERCE: DEPARTMENT OF COMMERCE

The Department is headed by a Secretary who is assisted by two Special Secretaries, two Additional Secretaries, seven Joint Secretaries and three Joint Secretary level officers and a number of other senior officers. Beside formulating and implementing the foreign trade policy, the Department is also entrusted with responsibilities relating to multilateral and bilateral commercial relations, state trading, export promotion measures and development and regulation of certain export oriented industries and commodities.

Subjects which are under the administrative control of the Department of Commerce:

Functional Divisions

The Department of Commerce Consists of the following nine principal functional divisions:

- Administrative and General Division
- Finance Division
- Economic Division
- Trade Policy Division
- Foreign Trade Territorial Division
- Export Products Division
- Export Industries Division
- Export Services Division
- Supply Division

The subjects under administrative control area:

1. International Trade

1. International Trade and Commercial Policy including tariff and non-tariff barriers.
2. International Agencies connected with Trade Policy (e.g. UNCTAD, ESCAP, ECA, ECLA, EEC, EFTA, GATT/WTO, ITC and CFC).

3. International Commodity Agreements other than agreements relating to wheat, sugar, jute and cotton.

4. International Customs Tariff Bureau including residuary work relating to Tariff Commission.

II. Foreign Trade (Goods and Services)

5. All matters relating to foreign trade

6. Import and Export Trade Policy and Control excluding matters relating to -
   a) import of features films
   b) export of Indian films-both feature length and shorts and
   c) import and distribution of cine-film (unexposed) and other goods required by the film industry.

III. State Trading

7. Policies of states training and performance of organizations established for the purpose and including
   a) The State Trading Corporation of India Limited and its subsidiaries excluding Handicrafts and Handlooms Export Corporation and Central Cottage Industries Corporation; the Tea Trading Corporation of India Limited and the Spices Trading Corporation of India Limited.
   b) Projects and Equipment Corporation of India Limited (PEC)
   c) India Trade Promotion Organization and its subsidiaries
   d) Minerals and Metals Trading Corporation and its subsidiaries

8. Production, distribution (for domestic consumption and exports) and development of plantation crops, tea, coffee, rubber spices, tobacco and cashew.


10. a) Tea Board
    b) Coffee board
    c) Rubber Board
    d) Cardamom Board
    d) Tobacco Board

IV. Trading with the Enemy: Enemy Property
11. Trading with the enemy: enemy firms and enemy property reparations (other than German industrial equipment); control of enemy trading; controller of enemy firms: custodian of enemy property for Indian.

V. **Management of the Indian Trade Services (ITS)**
12. Cadre management of the Indian Trade Service and all matter pertaining to training, career planning and manpower planning for the services.
13. Cadre management and Indian supply service and all matter pertaining to training, career planning and manpower planning for the service.
14. Cadre management and Indian Inspection service and all matter pertaining to training, career planning and manpower planning for the service.

VI. **Special Economic Zones**
15. All matters relating to development, operation and maintenance of special economic zones and units in special economic zones, including export and import policy, fiscal regime, investment policy, other economic policy and regulatory framework.

All fiscal concessions and policy issues having financial implications are decided with the concurrence of the Department of Economic Affairs (Ministry of Finance) or failing such concurrence with the approval of the Cabinet.

VII. **Export Products and Industries and Trade Facilitation**
16. Setting up of Export Processing Zones (EPZ)/Agricultural Export Zones (AEZ) and 100% Export Oriented Units (EOUs).
17. Gems and Jewellery.
18. Matters relating to Export Promotion Board, Board of Trade and International Trade Advisory Committee.
19. Matters relating to concerned Export Promotion Councils/Export Promotion Organizations.
21. Indian Diamond Institute and Footwear Design and Development Institute.
22. Coordination for export infrastructure
23. Development and expansion of export production in relation to all commodities, products, manufacturers and semi-manufacturers including
   a) Agricultural produce within the meaning of the Agricultural Produce (Grading and Marking) Act, 1937 (1 of 1937)
   b) Marine products
c) Industrial products (engineering goods, chemicals, plastics, leather products etc.)

d) Fuels, minerals and mineral products

e) Specific export oriented products (including plantation crops, etc. but excluding jute product and handicrafts which are directly under the charge of this Department)

24. All organizations and institutions connected with the provision of services relating to the export effort including

a) Export credit and export insurance including export credit and guarantee corporation limited

b) Export inspection council, standards including quality control

c) Directorate general of commercial intelligence and statistics

d) Free trade-zones

25. Projects and programmes for stimulating and assisting the export efforts.

VIII. Attached and Subordinate Offices


27. Administration of Directorate General of Supplies and Disposals, New Delhi.


29. Directorate General of Commercial Intelligence and Statistics

IX. Statutory Bodies

30. Marine Products Export Development Authority

31. Agricultural and Processed Food Products Export Development Authority.

X. Miscellaneous

32. Purchase and inspection of stores for Central Government Ministries/Departments including their attached and subordinate offices and Union Territories, other than the items of purchase and inspection of stores which are delegated to other authorities by general or special order.

3.2 ATTACHED AND SUBORDINATE OFFICES

The attached and subordinate offices of the Department of Commerce are Directorate General of Foreign Trade directorate General of Supplies and Disposals (DGS & D) Office of the Chief Controller of Accounts (CCA) Directorate General of Commercial Intelligence and Statistics, Kolkata, Export Processing Zones/Special Economic Zones Office of the Custodian of Enemy Property, Mumbai and Branch
Office at Kolkata, Directorate General of Anti Dumping and Allied duties Pay and Account Office.

i) **Directorate General Foreign Trade**

   This directorate is headed by the Director General of Foreign Trade and responsible for execution of the Exim Policy announced by the Government from time to time for promotion of exports. In addition, it also looks after the work relating to issue of licenses and monitoring of export obligations etc. The Directorate has its Headquarters at New Delhi and has 32 regional offices.

ii) **Directorate General of Supplies and Disposals (DGS & D)**

   It is the executive arm of the Supply Division of the Department of Commerce for conclusion of Rate Contracts for common user items, procurement of stores, inspection of stores, shipment and clearance. The Director General heads the Directorate.

iii) **Office of the Chief Controller of Accounts (CCA)**

   The payment and accounting functions of the supply division, including those of DGS & D are performed by the CCA under the Departmentalized Accounting System. The Organization is one of the largest in the country in so far as payment of suppliers’ bills is concerned.

iv) **Directorate General of Commercial Intelligence and Statistics, Kolkata**

   This Directorate is the primary Government agency for collection, compilation and publication of the foreign, inland and ancillary trade statistics and dissemination of various types of commercial information. The Directorate brings out a number of publications, particularly on trade statistics, which are utilized in framing economic policies, formulating trade agreements with foreign countries and monitoring these agreements. These publications also used by the trading public and research scholars. It maintains a commercial library which is used by the exporters, importers, research scholars, Govt. and semi Govt. agencies, etc.

v) **Special Economic zones**

   SEZs, set up as enclaves separated from domestic tariff areas by physical barriers, are intended to provide a duty free environment for export promotion. Each Zone is headed by a Development Commissioner. A scheme for setting up SEZs to promote export was announced on 31st March, 2000. Units may be set up in SEZ for manufacture, trading, re-conditioning, and repair or for service activity. The units in the zone have to be a net foreign exchange earner but they shall not be subjected to any
predetermined value addition or minimum export performance requirements as in the case of EOU.s. Sales in the Domestic Tariff Area by the SEZ units shall be Government has since converted all the existing Export Processing Zones located at Kandla and Surat (Gujarat), Santa Cruz (Maharashtra), Cochin (Kerala), Chennai (Tamil Nadu), Noida (Uttar Pradesh), Falta (West Bengal) and Visakhapatnam (Andhra Pradesh) into Special Economic Zones.

The Special Economic Zones are responsible for administration of the Export-Oriented units located within the zones.

vi) Office of the Custodian of Enemy property, Mumbai and branch office at Kolkata

The enemy properties in India are being administered by the Custodian of Enemy Property for India, Mumbai who is entrusted with the custody, management and administration of enemy properties arising out of Indo-Pak conflict of 1965 and 1971 in accordance with the provisions of the Enemy Property Act, 1968, as amended in 1977.

The Office of the Custodian of Enemy Property is located at Mumbai with a branch office at Kolkata. As the enemy properties are scattered throughout the country, the work relating to their day to day preservation and management is being done through the Revenue Departments of various State Governments. Both movable and immovable properties of Pakistani Nationals are vested in the Custodian appointed by the Central Government under Section 3 of the Enemy property (amendment) Act, 1968 as amended in 1977. Enemy properties comprising both movable and immovable properties of Pakistani Nationals were valued at Rs. 29.40 crores in 1971 and are vested with the Custodian in the form of:

i) Land/Estates buildings, vested firms etc. scattered throughout the country.
ii) Securities, shares, debentures, etc.
iii) Bank balances, insurance premium etc.
iv) Providence fund balances, gratuity and cash balance

As per the provision of the Enemy Property Act, 1968 the Custodian of Enemy Property is authorized to levy fees equal to two percent on the gross income from the properties vested in the custodian of enemy property for India.

The Custodian is also entrusted with the work relating to settlement of claims for ex-gratia payments to Indian nationals/companies whose properties were
seized by Pakistan during and after Indo-Pak conflict of 1965.

vii) Directorate General of Anti-Dumping and Allied Duties

The formal set up of DGAD came into existence in April 1988 in the Department of Commerce. It is responsible for carrying out investigations and to recommend, where required, under the Customs tariff Act, the amount of anti-dumping duty/countervailing duty on the identified articles which would be adequate to remove injury to the domestic industry. The Directorate General of Anti-Dumping and Allied Duties is headed by a Designated Authority of the level of Additional Secretary to the Government of India.

3.3 INDIAN TRADE PROMOTION ORGANISATION

As the premier trade promotion agency of the government of India, India Trade Promotion Organization provides a broad spectrum of services to trade and industry so as to catalyze the growth of bilateral trade, particularly India's exports, and technological upgradation and modernization of different industry segments. ITPO's programmes are carried out in close cooperation with the Indian industry whose promotional needs it seeks to serve.

As an apex agency of the Government, ITPO accords approvals for holding of international trade fairs in India in order to ensure and facilitate, inter alia, customs clearance of imported exhibits. ITPO has been conferred the status of Mini Ratna by the Government of India. This honor is bestowed on select Public Sector Enterprises which register profits for three years in a row.

ITPO has taken a lead in promoting the fair culture all over the country. Major initiatives have been taken through negotiations and discussions with the State Governments for setting up of exhibition complexes in West Bengal, Assam for the North-Eastern region. The significant achievement in this direction has been the setting up of Regional Trade Promotion Centres of Chennai in January 2001 and at Bangalore in September 2004. The Chennai Trade Centre has been set up as a joint venture between ITPO and Tamilnadu Industrial Development Corporation (TIDCO). Similarly Trade Centre at Bangalore has been set up as a joint venture between ITPO and Karnataka Industrial Area Development Board (KIADB). This is in consonance with ITPO's policy to provide an impetus to the country's overall export efforts.

ITPO manages India's only world class exhibition complex which is being renovated, modernized and upgraded from time to time to keep it in a high standard of air-worthiness. Spread over 149 acres of prime land in the very heart of
India's capital and bustling mega polis, New Delhi, Pragati Maidan offers 62650 sq. meters of covered exhibition space in 17 halls besides 10000 sq. meters of open display area. New halls have been added recently.

These state of the art exhibition halls have enhanced the appeal of Pragati Maidan as an ideal business proposition for an increasing number of fair organizers and business visitors from different parts of the world. In general, Pragati Maidan offers the kind of ambience that is conducive to an increasing variety of exhibitions featuring gigantic machinery and equipment to delicate exhibits like watches and jewellery having handle-with-care tags besides a whole range of precision engineering products. Every year as many as 50 exhibitions are organized at Pragati Maidan by ITPO and other agencies.

**Main Activities and Services of ITPO**

- Organizing various trade fairs and exhibitions at its exhibition complex, Pragati Maidan, and other centres in India.
- Extending the use of Pragati Maidan for holding trade fairs and exhibitions by other fair organizers both from India and abroad.
- Identifying and nurturing specific export products with long range growth prospects.
- Cultivating overseas buyers through timely and efficient services.
- Establishing durable contacts between Indian suppliers and overseas buyers.
- Assisting Indian companies in product development and adaptation to meet buyers’ requirements.
- Organizing buyer-seller meets and other exclusive India shows in order to bring buyers and sellers together.
- Organizing India promotions with department stores and mail order houses abroad.
- Participating in overseas trade fairs and exhibitions.
- Arranging product displays for visiting overseas buyers.
- Inviting overseas buyers and organizing their meetings with Indian suppliers.
- Providing assistance in locating suitable foreign collaborators for transfer of technology, joint ventures, marketing tie-ups and investment promotion.
- Organizing seminars/conferences/workshops
- Encouraging and involving small and medium scale units in export promotion efforts.
• Conducting in-house and need-based research on trade and export promotion.
• Enlisting the involvement and support of the State Governments in India for promotion of India's foreign trade.
• Promoting establishment of facilities and infrastructure for holding trade fairs in State Governments concerned.

3.4 FEDERATION OF INDIAN EXPORTERS ORGANIZATION

The Federation of India Export Organizations provides the content, direction and thrust to India's expanding international trade. It expresses all the dynamism and resurgence that are the hallmark of India's open, liberal and progressively market-friendly economic and trade regime, representing the Indian export promotion effort in its entirety. Its membership, largely comprising professional exporting firms with strong credentials, called Government-recognized Export Houses, Trading Houses, Star Trading Houses and Super Star Trading Houses, and Consultancy Exporting Firms, contributes a major share of India's total annual exports.

FIEO represents, directly or indirectly, over 100000 exporters across India. Exports by FIEO members comprise a wide spectrum of products viz. Gems & Jewellery, Textiles, Garments, Engineering Goods, Leather and Leather and Leather Products, Handicrafts, Chemicals and Allied Products, Cosmetics, Drugs and Pharmaceuticals, etc., as well as a wide range of Consultancy Services covering Infrastructure, Engineering Industries, Cement, Leather, Paper and Rubber Industries, Agro-based industries, Small Scale Industries etc., besides the larger services sector like the Information Technology, Entertainment (films/TV), super-specialty hospital services, general healthcare, education, tourism etc. The activities of our members also include manufacturing, investment overseas in independent and joint ventures etc. For any foreign investor, buyer or seller, FIEO is the one-stop organization which will put him in touch with a trade partner of high repute, backed by its own credentials as an organization of excellence in India.

FIEO members are also large buyers of raw material and products from abroad as inputs in their export production processes and products.

Links with Trade and Industry Bodies

FIEO has forged strong links with counterpart organizations in several countries as well as international agencies to enable direct communication and interaction between India and world businessmen. It has access to information/data originating from UN bodies and world agencies link IMF. ADB, ESCAP, WORLD
BANK, FAO, UNIDO, UNCTAD and others. In addition, it has bilateral arrangements for exchange of information as well as for liaison with several overseas chambers of commerce, and trade and industry associations.

**FIEO's ACTIVITIES/PROGRAMMES**

As FIEO's interests and objectives cover the entire gamut of India's international trade with special focus on exports, its activities and programmes are multiple and directed towards assisting its members to extend their global reach and increase their exports. In this endeavor, FIEO's status as the apex export promotion organization in India calls for its active involvement with the Central and State Governments in constantly improving and upgrading the export policy and the associated administrative, financial and operational machinery of the Central and State Governments, as well as the infrastructural and fiscal support available to exporters.

**Seminars/Workshops/Trade Fairs etc.**

FIEO keeps a tab on developments in the global markets as well as in the domestic arena, thereby keeping its members posted regularly about latest developments in all aspects of exports and imports, as well as investment opportunities, collaborations, joint ventures etc. by organizing seminars, workshops, presentations, visits of multi-product delegations to prospective markets overseas, hosting foreign business delegations in India, organizing buyer-seller meets in India and abroad, arranging Indian product and catalogue displays overseas, sponsoring participation by its members in select international trade fairs and exhibitions, providing advisory services to its members as well as foreign buyers, and arranging regular interaction of exporters with various Central and State Government departments.

**Interaction with Government**

The Federation interaction with prominent policy and decision-makers translates into discussion of issues in-depth, evolution of suitable action plans to promote Indian exports, and also formulation and dissemination of export-related Government policies to trade and industry at large. In this whole exercise of raising exports, FIEO naturally works closely with exporters and Government departments in having their individual and collective problems and difficulties resolved.

**Specialized Divisions**

The Federation has a number of specialized divisions handling a broad spectrum of activities related to Exim Policy and Procedures, Customs and Excise; Market Research and Development; Services; Banking and Direct Taxes; Market
Development Assistance (MDA) Scheme: Electronic Data Interchange and E-Commerce, besides Publicity and Publications, and Membership.

Diverse Database

A large and diverse database maintained by FIEO provides useful information on India's export sector, both on the individual company and the industry level, and city and State-wise. Information on India's markets - commodity and port-wise-is also available on request, besides assistance to foreign buyers keen to source their products and services from India.

Nodal Agency for Service Exports

As mentioned earlier, the Federation is the nodal agency nominated by the Government of India for promoting exports of consultancy and other services. As the share of services in India's GDP has risen to 54% and is likely to go up further, the Federation has sharpened its focus on raising the country's share in exports of services to the world by enlarging its membership of service providers and projecting their capabilities to provide a diverse range of services globally.

Market Development Assistance

The Federation is also the agency nominated by the Government of India for processing applications and also disbursing grants given by the Ministry of Commerce to recognized exporters viz., Super Star Trading Houses, Star Trading Houses, Trading Houses and Export Houses, for sales-cum-study tours, participation in exhibitions and fairs overseas, bringing out publications for use abroad, and for advertising in foreign media (brand publicity).

Interaction with Banks/Financial Institutions

The Federation interacts closely with Banks, RBI, financial institutions, Foreign Exchange Dealers Association of India as well as the ECGC in its endeavor to strengthen the rapport, and upgrade the business relationship of such professional institutions with the exporting community in their joint endeavor to promote and protect India's international trade interests.

Public Relations

Through its Publicity and Publication Division, the Federation provides information and insights into India's export capabilities and capacity as well as its market interests globally, besides informing, instructing and educating its membership about trade-related developments across the globe. The Federation disseminates all important information on FIEO’s significant programmes and events and also views of
its office bearers on export related developments in the national print and electronic media. FIEO's public-relation activities include offer of assistance to overseas buyers, sellers, investors and others interested in trade with India.

3.5 INDIAN INSTITUTE OF PACKAGING

The Indian Institute of Packaging is a national enterprise set up in May 1966 by the Indian Packaging and allied industry and the Government of India, Ministry of Commerce. The Institute's endeavor is to improve the standards of packaging needed for the promotion of exports and help create infrastructural facilities for overall packaging improvement in India through Research and Development, problem solving consultancy and testing, training and education, industrial co-ordination, information dissemination and other promotional efforts.

The Indian Institute of Packaging was established in the year 1966 jointly by the Ministry of Commerce, Government of India and the Packaging and Allied Industries in the country. The Institute was registered as a Society under the Societies Registration Act 1860, on 14th May, 1966. The Institute successfully introduced a number of services and kept on increasing the sphere of services already introduced. The objective set for the Institute was to bring about and sustain appropriate improvements in the standards of packaging particularly for exports.

The Institute is striving its best in this direction since its inception through various activities covering Applied Research, Training and Education, Information Services, Testing, Quality Control facilities, Package Development, Feasibility projects, Graphic design, Data Centre, Technical and Techno Commercial publications etc. in the field of packaging. This has gone a long way in improving the standards of packaging in the country. In fact, the institute today possesses a considerable wealth of information and technical know-how in the field of packaging.

The institute is constantly trying to improve the standards of packaging both to the domestic needs and exports and is in touch with the industries and trade bodies and endeavor to programme its activities to meet the current needs and those anticipated in the future in the field of packaging.

The institute has nearly 1000 members on its roll comprising of industries in diverse fields having the common bond of interest in packaging. Today, packaging in fact embraces almost every industry activity. It is for this reason that the membership of the Institute includes not only the producers of packaging materials and packaging machineries or converters of packaging materials into packages but also very
large number of manufacturers of various goods.

3.6 INDIAN INSTITUTE OF FOREIGN TRADE

The IIFT, registered under the Societies Registration Act 1860 as Society is headed by the Director General. The Institute became functional on 1st April, 1964. It is engaged in the following activities:

- Training of personnel in modern techniques of international trade
- Conducting market research in problems of foreign trade
- Organization of marketing research, area surveys, commodity surveys, market surveys; and
- Dissemination of information arising from its activities relating to research and market studies.

The IIFT has been accorded the "Deemed to Be University" status by the Ministry of Human Resource.

3.7 EXPORT INSPECTION COUNCIL

The Export Inspection Council (EIC) was set up by the Government of India under Section 3 of the Export (Quality Control and Inspection) Act, 1963 (22 of 1963), in order to ensure sound development of export trade of India through Quality Control and Inspection and for matters connected thereof.

EIC is an advisory body to the Central Government, which is empowered under the Act to:

- Notify commodities which will be subject to quality control and/or inspection prior to export
- Establish standards of quality for such notified commodities, and
- Specify the type of quality control and/or inspection to be applied to such commodities.

Besides its advisory role, the Export Inspection Council, also exercises technical and administrative control over the five Export Inspection Agencies (EIAS), one each at Chennai, Delhi, Kochi, Kolkata and Mumbai established by the Ministry of Commerce, Government of India, under Section 7 of the Act for the purpose of implementing the various measures and policies formulated by the Export Inspection Council of India.

Export Inspection Council, either directly or through Export Inspection Agencies, its field organization renders services in the areas of:

i. Certification of quality of export commodities through
installation of quality assurance systems (In-process Quality Control and Self Certification) in the exporting units as well as consignment wise inspection.

ii. Certification of quality of food items for export through installation of food Safety Management System in the food processing units.

Issue of certificates of origin to exporters under various preferential tariff schemes for export products.

3.8 EXPORT CREDIT GUARANTEE CORPORATION OF INDIA LIMITED

Export Credit Guarantee Corporation of India Limited was established in the year 1957 by the Government of India to strengthen the export promotion drive by covering the risk of exporting on credit.

Being essentially an export promotion organization, it functions under the administrative control of the Ministry of Commerce & Industry, Department of Commerce, Government of India. It is managed by Board of Directors comprising representatives of the Government, Reserve Bank of India, banking, insurance and exporting community.

ECGC is the fiftieth largest credit insurer of the world in terms of coverage of national exports. The present paid-up capital of the company is Rs. 800 crores and authorized capital Rs. 1000 crores.

The functions performed by ECGC are

- Provides a range of credit risk insurance covers to exporters against loss in export of goods and services
- Offers guarantees to banks and financial institutions to enable exporters to obtain better facilities from them.
- Provides overseas investment insurance to Indian companies investing in joint ventures abroad in the form of equity or loan.
- Offers insurance protection to exporters against payment risk.
- Provides guidance in export-related activities
- Makes available information on different countries with its own credit ratings
- Makes it easy to obtain export finance from banks/financial institutions
- Assists exporters in recovering bad debts
- Provides information on credit-worthiness of overseas buyers
3.9 EXPORT IMPORT BANK

Exim Bank is managed by Board of Directors, which has representatives from the Government, Reserve Bank of India, Export Credit Guarantee Corporation (ECGC) of India, a financial institution, public sector banks, and the business community.

The Bank's functions are segmented into several operating groups including:

- **Corporate Banking Group** which handles a variety of financing programmes for Export Oriented Units (EOUs), Importers, and overseas investment by Indian companies.

- **Project Finance/Trade Finance Group** handles the entire range of export credit services such as supplier's credit, pre-shipment credit, buyer's credit, finance for export of projects and consultancy services, guarantees, forfeiting etc.

- **Lines of Credit Group** Lines of Credit (LOC) is a financing mechanism that provides a safe mode of non-recourse financing option to Indian exporters, especially to SMEs, and serves as an effective market entry tool.

- **Agri Business Group**, to spearhead the initiative to promote and support agri-exports. The group handles projects and export transactions in the agricultural sector for financing.

- **Small and Medium Enterprises Group** to the specific financing requirements of export oriented SMEs. The group handles credit proposals from SMEs under various lending programmes of the bank.

- **Export Services Group** offers variety of advisory and value-added information services aimed at investment promotion.

- **Fee based export marketing services** Bank offers assistance to Indian companies, to enable them establish their products in overseas markets.

Besides, these, the support services groups, which include: Research and Planning, Corporate Finance, Loan Recovery, Internal Audit, Management Information Services, Information Technology, Legal, Human Resources Management and Corporate Affairs.

3.10 EXPORT PROMOTION COUNCIL AND COMMODITY BOARDS

Many export promotion councils and commodity boards were established in the country. These were established with a view to promotion of exports of certain specific products or product community.
i) **Export Promotion Council**

There are at present eleven Export Promotion Councils under the administrative control of the Department of Commerce and nine export promotion councils related to textile sector under the administrative control of Ministry of Textiles. These Councils are registered as non-profit organisations under the Companies Act/ Societies Registration Act. The Export Promotion Councils performs both advisory and executive functions. These councils are also the registered authorities under the Export Import Policy, 1997-2002. These councils have been assigned the role and functions under the said policy.

The Committee constituted to look into the aspects of rationalization of election procedure of the Export Promotion Councils (EPCs) and the criteria to be adopted for their restructuring so that they retain their relevance to the national export effort in the context of globalization and economic liberalization has made recommendations to streamline and strengthening the functioning of the EPCs. The Government has since accepted the recommendations of the Committee and issued Model Bye-Laws and guidelines to all EPCs for adoption.

**Following is a brief description of the individual Export Promotion Councils**

a) **Synthetic and Rayon Textile Export Promotion Board (SRTEPC)**

SRTEPC is a Government of India sponsored organization backed by the Indian synthetic and rayon textile industry and having nearly 3000 member exporters. SRTEPC has been instrumental over the last five decades in helping many overseas buyers from an enduring and profitable business relationship with Indian exporters of synthetic and rayon textiles from India and performs a match-making function.

**The council**

- Introduces them to the right Indian manufactures/exporters
- Identifies the manufactures of product of interest to facilitate sourcing.
- Provides them with up to date product information.
- Circulates their trade inquiries
- Organizes buyer-seller meets for them.
- Organizes exhibitions/fairs in select overseas markets
- Invites trade delegations to India and organizes visit of Indian delegations to overseas markets.

SRTEPC acts as a consultancy organization and helps to promote exports of man-made fiber textiles from India. The services to Indian exporters are designed to
achieve this objective.

The Council

- Introduces them to appropriate overseas buyers
- Provides up to date information and identifies markets for their products.
- Undertakes integrated export promotion programmes in select countries through special promotional displays, organizing Trade Fairs/Exhibitions and Buyer-Seller Meets.
- Conducts market studies and surveys and keeps the exporters updated on market information, trade opportunities etc.
- Conducts publicity abroad to create awareness and build up goodwill for the Indian Products.
- Liaison with Govt. authorities to create conducive policy framework for smooth export.
- Provides information on the overseas market trends for product development and adaptation.
- Conducts workshops, seminars, concerning overseas marketing/management, export finance, export/import policies and procedures and facilitation schemes.

b) The Agricultural and Processed Food Products Export Development Authority (APEDA)

The Agricultural and Processed Food Products Export Development Authority (APEDA) came into existence in 1986 to further develop our agricultural commodities and processed foods, and to promote their exports. Its objectives are to maximize foreign exchange earnings through increased agro exports, to provide better income to the farmers through higher unit value realization and to create employment opportunities in rural areas by encouraging value added exports of farm product.

APEDA went about achieving these by identifying new markets, providing better support systems to our exporters and manufactures, and introducing new products to the international market.

APEDA offers financial assistance under various schemes which seek to promote and develop agro-exports. Financial assistance under these schemes is available to exporters, growers, trade association, governmental agencies etc. Some of the activities which are eligible for financial assistance are:

- Export promotion and market development through supply of samples to potential importers, brand publicity etc.
• Strengthening of market intelligence and data base through studies, surveys etc.
• Quality up gradation
• Development of infrastructural facilities
• Research and development
• Development of packing quality
• Up gradation of meat processing facilities

c) The Carpet Export Promotion Council of India (CEPC)

The Carpet Export Promotion Council of India (CEPC) was set up by the Government of India in 1982 with a view to promote the exports of hand knotted carpets and other floor coverings.

The Council advises the government on export promotion measures and helps the exporters' community in bringing their problems and requirements to the notice of the government. It provides expertise in many spheres both for the Indian exporters and foreign buyers.

The Council is a high profile body consisting of senior Trade Representatives and Government officials. It provides the necessary assistance to the Indian exporters. It identifies the markets, provides financial assistance, sponsors participation in fairs and exhibitions and also conducts publicity abroad.

For overseas buyers/importers, the CEPC locates suppliers of repute and standing and provides credibility reports on Indian exporters. It also arranges buyer seller meets and assists in trade disputes.

iii) The Apparel Export Promotion Council (AEPC)

The council is a nodal agency sponsored by the Ministry of Textiles, Govt. of India entrusted with the dual responsibility of monitoring garment exports quotas and promotion of exports of readymade garments from India.

Over the last 25 years, the council has been continuously involved in the task of promoting exports by organizing buyer-seller meets, leading trade delegations to potential markets globally, participating in specialized international fairs, organizing the India International Garment Fair biannually, organizing seminars on fashion and workshops on technical aspects of the industry. In its constant endeavor to promote and expose Indian garments in the International Market for greater visibility and choice of products.
d) **Chemicals and Allied Products Export Promotion Council**

Capexil, a non-profit making organization, was set up in March 1958 by the Ministry of Commerce, Government of India to promote export of Chemical and Allied Products from India. And since then has been the voice of Indian business community. With the headquarters at Kolkata, and regional offices at New Delhi, Mumbai, Kolkata and Chennai, CAPEXIL has more than 3500 members across the country. One of the fascinating aspects of CAPEXIL is the overwhelming variety of products it deals with.

CAPEXIL is an ardent advocate of exporters to the Government and the primary focus is to provide export assistance to its member exporters.

It sends trade delegation to all major and developing markets around the world, showcases Indian exports all over the world through exhibitions, fairs.

It can help the sourcing needs of an importer anywhere in the world, and also the selling needs of Indian exporters and is an ISO 9001:2000 certified organization.

e) **Cotton Textile Export Promotion Council (TEXPROCIL)**

Since its inception in 1954 as an autonomous, non-profit export promotion body, TEXPROCIL has become the international face of Indian Cotton Textiles successfully facilitating exports. For the foreign buyer, it has opened the entire range of Indian cotton yarns, fabrics and made-ups and has become the one-stop source for it. While for the discerning Indian seller it has brought within reach the opportunities afforded by the global market. The ever-increasing quantum of exports and diversity of markets tapped bear testimony to the success of TEXPROCIL.

f.) **The Council for Leather Exports**

The Council for Leather Exports was set up in July 1984. A non-profit company registered under the Indian Companies Act, 1956, the Council functions under the Ministry of Commerce, Government of India. The council is entrusted with export promotion activities and Joint Ventures in the Indian leather industry. The CLE serves as a bridge between Indian leather exporters and buyers all over the world.

**Council's services to the Indian leather Industry:**

- Collecting, collating and disseminating world market intelligence.
- Updating the information on global trends in fashion & design, product development and adaptation.
- Dissemination of information of commercial and technological nature through
seminars, news bulletins and magazines.

- Organizing participation of Indian exporters in international fairs and buyer-seller meets.
- Sponsoring sales-cum-study teams and trade delegations.
- Inviting foreign experts for providing technological inputs to Indian leather exporters.
- Organizing international leather fairs in India.

Council's services to overseas buyers include:

- Serving as a focal point for dissemination information on Indian manufacturers and exporters.
- Organizing visits of buyers’ delegations from different countries.
- Liaising with various international organisations dealing with trade information.
- Providing trade and commercial information on Indian leather industry.

g.) Shellac export promotion council

Shellac Export Promotion Council (Sponsored by the Ministry of Commerce, Govt. of India) is a premier Export Promotion Council which handles export of lac in various forms like Shellac, both Hand Made and Machine Made, Dewaxed Shellac, Seediac, Aleuritic Acid, Bleached Lac and Shellac Wax.

In its role of an export facilitator, shellac EPC acts as a bridge between the Trade and the Government. International developments and Govt. Policies often dictate the course of exports, Shellac EPC activates its umbrella network to monitor and analyze these trends and accordingly policy anomalies are either modified or changed in their interests of exports.

It is the only Export Promotion Council in India which is doing quality control at export stage, conducting research and looking after the interests of the growers at the grass root level and thus performing the activities of a commodity Board.

h) Project Export Promotion Council of India

As the name suggests, PEPC is an export promotion council which was set up by the Government of India in 1984 (as Overseas Construction council of India).

PEPC in line with the Foreign Trade Policy of the Government (of India) not only undertakes the necessary export promotion initiatives but also provides necessary technical information, guidance and support to Indian construction and
process engineering contractors and consultants - in public or private sector - to set up overseas project in and of the following modules of engineering service:

- Civil construction projects.
- Turnkey projects (engineering, procurement and construction from concept to commissioning including civil work, civil construction and all supplies specific to these turnkey projects)
- Process and engineering consultancy services relating to above.

These projects have to be executed in conformity with the guidelines as laid down by the Reserve Bank of India as detailed in their manual designated as Memorandum - PEM.

Besides, PEPC also provides the necessary technical and market information, guidance and export promotion facilitation to the traders/manufacturers of various Project Construction Items (excluding steel and cement).

As an apex nodal co-coordinating agency facilitating project exports as well as export of project construction items. PEPC serves to fulfill the following objectives:

- To provide commercially useful information and assistance to members in developing and increasing project exports as well as export of project construction items.
- To offer professional advice to members in areas such as technology up-gradation, quality and design improvement, standards and specifications, product development, innovation etc.
- To organize visits of delegations of members abroad to explore overseas market opportunities.
- To organize participation in trade fairs, exhibitions and buyer-seller meets in India and abroad.
- To promote interaction between the exporting community and the Government both at the Central and State levels.
- To organize participation in trade fairs, exhibitions and buyer-seller meets in India and abroad.
- To promote interaction between the exporting community and the Government both at the Central and State levels
- To build a database on the exports and imports of members.
i) **Marine Products Export Development Authority: (MPDEA):**

MPDEA functions under the ministry commerce, Government of India and different acts as a coordinating agency with central and state Government establishment engaged in fishery production and allied activities. Export of marine products has taken place through 18 seaports/airports during the year 2005-06. Two new ports were emerged this period. They are Ahmedabad and Agartala. Chennai kept its position as the largest port in terms of value with a share of 19.17%. However, there was a decline in the export to the tune of 3.51% in value and 1.06% in US$. The largest port in terms of volume was JNP with a share of 23.53% and in value wise it hold third place with share of value and third largest port in terms of quantity. Exports form ports like Kochi, JNP, Vizag, Pipavav, Mundra, Managalore/ICD, Goa, Trivandrum, Calicut etc. registered a positive growth where as Chennai, Tuticorin , Mumbai, Kandala, Haldia, Nasic, Porbandar etc. showed negative growth.

j) **Handloom Export Promotion Council**

Handloom Export Promotion Council (HEPC) is a statutory body constitutes under the ministry of Textiles, Government of India to promote the exports of all handloom products like fabrics, home furnishings, carpets and floor coverings, etc. HEPC was constituted in the year of 1965 with 65 members and its present membership is around 2000 spread all over the country. The Handloom industry mainly exports fabrics, bed linen, table linen, toilet and kitchen linen, towels, curtains, cushions and pads, tapestries and upholstery’s, carpets and floor coverings, etc. The basic objective of HEPC is to provide all support and guidance to the Indian Handloom exporters and International buyers for trade promotion and International marketing. HEPC has its head office at Chennai and regional at New Delhi and Mumbai.

**OBJECTIVES OF HEPC:**

- Organizing participation in trade fairs, exhibitions and buyer-seller meets in India and Abroad.
- Providing guidance, consultancy and support to handloom exporters to promote handloom exports.
- Conducting propaganda regularly and popularise Indian handloom products abroad though various means of publicity.
- Collect, collate and disseminate trade data and commercial intelligence to exporters.
- Facilitate the upgrading, popularization and adoption of technology, quality and
diversification and innovations, etc.

- Undertaking market studies in individual foreign countries.
- Sending trade missions to the foreign countries.
- Bringing out useful publications like color catalogue, color trends catalogue, importers and exporters directories etc.
- Laying down standards of quality and packaging in respect of Indian Handlooms for export.
- Approving agents, representatives or correspondence in foreign markets for continuously and regularly reporting the price, market preferences and reception accorded to Indian Handloom products.
- Undertaking or assisting in research on schemes of technological nature designed to improve the efficiency of the handloom sector.
- To advise the Government, local authorities and public bodies on the policies adopted by them relation to their effect on industry of commerce and other measure including direct and indirect taxations in so far as such policies of measure having a bearing directly or otherwise on export of Indian Handloom products.

Inquiring and investigating into complaints receives from foreign buyers or Indian exporters and act as arbitrators if asked for it.

k) Export Promotion Council for Handicrafts

Export promotion Council for Handicrafts (EPCH) has been established under the Exim Policy of Govt. of India in 1986-87 and is a non-profit earning organization. EPCH is an apex organization of trade, industry and government sponsored by ministry of Textile, government of India for promotion of handicraft from country and projected India's image abroad as a reliable supplier of high quality of handicraft goods & services and ensured various measures keeping in view of observance of international standards and specifications. The Council has created necessary infrastructure as well as marketing and information facilities, which are availed both by the member exporters and importers.

The council is run and manages by team of professionals headed by Executive Director. The committee of Administration consists of eminent exporters, professionals. The Export Promotion Council for Handicrafts has a rarest distinction of being considered as MODEL COUNCIL which is self sustaining and where all the
promotional activities are self financed.

I) Building Materials and Technology Promotion Council

In order to bridge the gap between research and development and large scale application of new building material technologies, the erstwhile Ministry of Urban Development, Government of India, had established the building materials and technology promotion council in July 1990.

The Council strives to package proven innovative technologies for the benefit of entrepreneurs interested in setting manufacturing units in tiny, small, medium and large scale sectors.

There has been a demand for setting up such an apex institution in order to provide an inter-disciplinary platform to various agencies under Central and State Governments and the private sector for scaling up proven technologies to enhance their wide-spread use and for assisting commercial production as well as systematic dissemination of appropriate technology for the benefit of the construction of appropriate technology for the benefit of the construction agencies and different sections of the population. The council is structured to undertake the task of the extension and application of technologies and materials developed by research institutions on the ground with the backing of financial institutions and enabling regulatory environment.

m) Cashew Export Promotion Council of India

It was established in the year 1995, with the active cooperation of the cashew industry with the object of promoting exports of cashew kernels and cashew nut shell liquid from India. By its very set up, the Council provides the necessary institutional frame-work for performing the different functions of cashew kernels and cashew nut shell liquid.

The Council provides the necessary liaison for bringing together foreign importers with member exporters of cashew kernels. The Council provides the necessary liaison for bringing together foreign importers with member exporters of cashew kernels. The enquiries received from the foreign importers are circulated amongst Council members.

The Council undertakes publicity abroad with a view to projecting the 'Product Image' which serves to highlight and focus attention on the high quality and superiority of Indian cashews.

The Council participates in specialized International Food Fairs/
Exhibitions and general fairs abroad. As the Council represents the whole industry, it arranges display of products received from members free of cost. The enquiries received are circulated amongst the members for them to contact the parties abroad for business negotiations.

n) **Engineering Export Promotion Council (EEPC);**

Way back in 1955-56, the nascent Indian engineering sector was in the process of diversifying and restructuring the narrow export base of the industry and it needed a strong push - the Engineering Export **Promotion Council (EEPC)** was set up in 1955 under the sponsorship of Ministry of Commerce, Govt. of India, for export promotion of engineering goods, Projects and services from India. Initially started with a few hundreds of engineering units as a small outfit, with a passage of time it has grown to be the largest Export Promotion Council having membership of nearly 12,000 from amongst large Corporate Houses, Star Trading Houses, Small & Medium Scale Units (SME), Trading Houses, etc. Out of the total membership of the Council, 60% constitutes the SMEs.

The steady growth in the export of engineering goods from India has been the continuous innovation and setting up quality standards in manufacturing and in delivering services - this is evident as a large number of exporters are ISO 9000 or equivalent accredited. EEPC - right from its inception has been insisting the exporting community on the quality parameter Engineering exports from India has been steadily growing and the performance has probably exceeded all expectations ever since the birth of the Council. Apart from being one of the largest stakeholders in the total exports out of India, - the engineering exporters are the foremost net foreign exchange earner in the country. As the engineering sector is extremely diversified, the Council has set up different Product Panels with a view to ensure that all possible & potential Indian products reach out to the global markets.

o) **Gem and Jewellery Export Promotion Council**

Gem and Jewellery Exports Promotion Council was started in 1966 at Mumbai. The council is an apex body, serving the Diamond industry at both national and international levels. It represents over 7,000 exporters of gems and jewellery from India. The council is governed by the Ministry of Commerce and elected representatives from the industry. It has helped take the Indian Diamond industry from a Rs 22 crore industry in 1966, to a Rs 3,000 crore industry in 1999-2000.

The Council is involved in the promotion of the export of diamonds,
colored gemstones, processed and polished pearls, precious metal jewellery, fashion and costume jewellery, non-gold / silver jewellery and cut and polished synthetic stones. The Council also promotes sale to foreign tourists visiting India. It is therefore one of the largest foreign exchange earners for the country. The Council is an effective link between foreign buyers interested in importing gems and jewellery form India. If the foreign buyer writes to the Council indicating the jewellery that he wishes to buy form India, the information is circulated among Council members and the replies form Indian exporters among with product details is promptly sent to the buyer. The Council also provides letters of introduction and lists of foreign buyers to Indian exporters of gems and jewellery. Member firms who are planning a trip abroad to promote the exports of gem and jewellery can write to the Council giving details of the products they wish to sell. The Council then provides a list of possible buyer's abroad.

p) Plastics Export Promotion Council (PLEXCONCIL)

The Plastic Export Promotion Council (popularly known as PLEXCONCIL) sponsored by the Ministry of Commerce & Industry, Department of Commerce, Government of India represents the exporting community of the Indian Plastics industry. The export promotion strategies evolved since 1955, the year when PLEXCONCIL was born, have fetched rich dividends, which is exhibited in the form of high export growth rates. From a meager export turnover of 16.5 million US Dollars worth of exports in 1955-56 the exports from the Indian plastic industry has reached about 2,633 million US Dollars in 2005-2006 and is poised to well exceed the three billion US Dollars mark in the near future.

These achievements represent the dedicated efforts of the over 2000-strong PLEXCONCIL members who are always in the process of creating a niche for themselves in the world markets by virtue of their determination to achieve technological excellence, a sense of commitment to satisfy their customers requirements and their inherent entrepreneurial qualities. The PLEXCONCIL on its part is committed to support the efforts of its members to achieve export excellence and service the overseas buyers to find appropriate trade partners in the Indian plastic industry.

In its pursuit to achieve export excellence, various export promotional activities are undertaken by PLEXCONCIL. These include participation in international trade fairs; sponsoring delegations to target markets; inviting business delegations from the overseas to India; organizing buyer-seller meets both in India and the overseas etc
and servicing the needs of its members.

Products from the Indian plastic industry are exported to over 150 countries round the globe with the major trading partners being USA, United Arab Emirates, Italy, United Kingdom, Russia, Saudi Arabia, Belgium, Singapore, Sri Lanka, Hong Kong, Germany, South Africa, Egypt, the Netherlands and Spain.

q) **Sports Goods Export Promotion Council (SGEPC)**

The Sports Goods Export Promotion Council, established in 1958 and sponsored by the Ministry of Commerce & Industry, Government of India, is dedicated to promote the exports of sports goods and toys from India.

The Council works to facilitate and support the Indian sports goods and toys industry to extend its global presence and offers the following services to its members:

The Council provides a platform for its members to be projected as a part of India's sports goods & toy industry, at the international level. The Council records the annual export figures of the exporters, hence, is also a reliable source for buyers to get an authenticated feedback on the exporters.

The Indian Missions abroad, route all the enquiries of relevant buyers, looking for reliable suppliers, to the Council. The Council further processes these enquiries and informs its members through its newsletter and website.

The Council is the key link between the industry and the Government. It channelises the assistance offered by the Government to the industry and also provides feedback of the industry to the Government, thereby assisting the Government to evolve an effective National Policy on Foreign Trade.

The Council organizes Indian participation in international fairs and forms the India Pavilions, where the Indian exhibitors are provided with thematic stands. Promotional support in terms of placing advertisements in fair directories or trade publications and/or distribution of brochures containing participators profile, etc. is also provided to the participants.

The Council organizes Buyer Seller Meets in potential markets with the help of the Indian Missions and/or local marketing consultants. A buyer mobilization strategy is undertaken before the event to ensure meetings of individual participants with relevant buyers. The Council also organizes Buyer Seller Meets for foreign buyers in India.

The Council regularly disseminates market information to its members.
through regular contact programmes, Council's newsletter 'XSPORTS', and also electronically through its website www.sportsgoodsindia.org.

The Council undertakes studies as well as product development projects for the research and up gradation of the Indian sports goods and toys industries.

r) **Electronics and Computer Software Export Promotion Council (ESC)**

Electronics and Computer Software Export Promotion Council (ESC) is India's largest electronics and IT trade facilitation organization sponsored by Government of India. ESC has over 2300 member companies across the length and breadth of the country in several IT sub sectors.

As a representative organ of Corporate India, ESC - the principal voice of Indian IT industry both with the policy makers and the international business community, articulates the genuine, legitimate needs and interests of its member IT exporters.

Set up in 1989, when India's export in IT was barely a few million dollars and that too mainly to North America, ESC has come a long way in catapulting the export to USD 19 billion in 2004-05 and to nearly 200 global economies, establishing the hallmark of India's quality and competitiveness.

With its heterogeneous membership, ESC is acknowledged as the most dynamic, proactive institution equipped to meet the aspirations of both Indian and global IT industry in the fast changing technology world. With Industry-Government partnership assuming significant importance, ESC assists in creating a conducive environment for ICT industry and to speed up the economic, industrial and social development of the nation.

ESC shoulders the responsibility of serving its constituents more efficiently and effectively as follows:

- as the bridge between exporters and policy markers.
- as a proactive matchmaker between exporters and global buyers
- Catalyzing growth by participating in specialized IT meets.
- as a one-step-shop for research and information Centre of Excellence
- the voice and concerns of ESC are heeded by policy makers and legislators
- be proactive on policy initiatives that are in consonance with their mission.
- provide a network of relationships at national and international forums.
- remain sensitive to the development needs and concerns of its members
ii) Commodity Boards

There are five stationary commodity boards under the department of commerce. These boards are responsible for production, development and export of tea, coffee, rubber, spices and tobacco.

a) Tea Board

The Tea Board of India, a commodity board under the administrative control of the Ministry of Commerce, Government of India, was established by the enactment of the Tea Act, 1953.

The constitution of the Board represents various interest groups of the tea industry such as owners of tea estate and producers of tea, consumers of tea, government representatives from the tea growing states of India viz. Assam, West Bengal, Tripura, Tamil Nadu, Kerala and Himachal Pradesh, Members of Parliament, exporters and internal traders of tea, persons employed in tea estates/gardens, persons representing other interests.

The functions of the Board are defined by the provisions of the Tea Act. It is primarily concerned with the development of the tea industry and trade of tea, extension of area under tea cultivation, research activities concerned with improvement in the quality of tea production and cultivation methods, promotion of exports, other licensing activities aimed at containing adulteration and other undesirable activities, interception and behalf of workers for adoption of welfare measures etc.

OBJECTIVES

The functions and activities of the Board are performed by the following departments:

- Secretariat and establishment for administrative work and co-ordination of the activities of the various other departments.
- Finance for internal audit and maintenance of the Board's accounts.
- Development for the administration of financial assistance scheme and assistance to the industry for procurement for distribution and movement of essential inputs.
- Research for administering grant loans to research organisations and maintaining internal research facilities.
- Licensing for regulation of production and export and implementation of the Tea Waste (Control) order.
- Promotion for the marketing of tea in India and increase of exports.
- Labor welfare for the implementation of welfare measures in the tea industry
- Law for dealing with various miscellaneous legal matters arising in functional departments.

b) **Coffee Board**

The Coffee board of India is an autonomous body, functioning under the Ministry of Commerce and Industry, Government of India. The Board serves as a friend, philosopher and guide of the coffee industry in India. Set up under an Act of the Parliament of India in the year 1942, the Board focuses on research, development, extension, quality upgradation, market information, and the domestic and external promotion of Indian coffee.

Till 1995, the Coffee Board had a monopolistic control over the marketing of coffee in India. However, the winds of liberalization swept the Indian coffee industry, and since 1995, marketing of coffee is strictly a private sector activity. In fact, the Coffee Board went through a massive down-sizing and two-thirds of its employees were retired under a voluntary retirement scheme.

The Coffee Board conducts basic and applied research on coffee and can boast of 75 glorious years in coffee research. The Central Coffee Research Institute in the Chickmagalur district, Karnataka State, has been in the forefront of coffee research over the years and continues to remain one of the premier institutes of the world as far as coffee research is concerned.

The Research Department publishes various journals and periodicals. It also offers various services to growers and exporters.

The Board also has a vast extension network spread over the three main producing states of Karnataka, Kerala, and Tamil Nadu, as well as in the non-traditional areas of Andhra Pradesh, Orissa, and the seven North-eastern states. The extension setup provides the day-to-day link with the grower community, and this wing facilitates the transfer of technology from lab to land.

The Board also encourages the consumption of coffee in India and abroad. Towards this end, the Board participates in food and beverage exhibitions abroad. The Board also runs 14 India Coffee Houses in the country. The India Coffee House brand of coffee powder is well known in India for its quality and aroma.

The Board has for long years worked on the quality of Indian coffee. The Board runs two quality control laboratories in Bangalore and Hassan, which control and advise the industry on quality issues. The labs are equipped with the best roasting and
brewing machines. The best cup-tasters and quality evaluators keep a strict vigil on the pre and post harvest processes with a view to ensure that the quality of Indian coffee is maintained.

**Economic & Market Intelligence Unit**

The Board has an Economic & Market Intelligence Unit functioning from its head office at Bangalore. The unit undertakes various activities related to market information & intelligence, market research studies, crop forecasting and coffee economics aspects. The unit also undertakes studies on research related to the coffee trade including WTO issues. Notable publications include the daily market intelligence report, a comprehensive database on coffee (Bimonthly) and market intelligence report (Quarterly). The periodical reports that are already completed include Coffee Consumption in Urban India 2001 and Coffee Consumption in India 2003. The unit is currently coordinates a study on logistics and competitiveness of coffee producing countries (India, Vietnam & Brazil) and a manual on coffee retailing. The unit also in the process of implementing a project on price risk management for coffee growers.

c) **Tobacco Board**

India has a prominent place in the production of tobacco in the world due to varied agro-climatic conditions. Fluecured Virginia tobacco is one of the important commercial crop of Indian tobacco. *Indian tobacco* exports to over 80 countries across the globe. India ranked third in production of tobacco. Indian tobacco contributes as much as Rs. 8382 crores as excise duty and Rs. 1413 crores in terms of foreign exchange to the national exchequer.

**Activities**

Recognizing the need to regulate production, promotion of overseas marketing and to control recurring instances of imbalances in supply and demand, which lead to market problems, the Government of India established the Tobacco Board, in place of Tobacco Export Promotion Council, under the Tobacco Board Act of 1975. The Board came into existence from 1-1-1976 with its head quarters at Guntur in Andhra Pradesh, India.

The Tobacco Board Acts aims at the planned development of Tobacco Industry in the country. Various activities of the Board outlined in the Act for the promotion of the industry are:

- Regulating the production and curing of Virginia Tobacco with regard to the demand in India and abroad.
• Constant monitoring of the Virginia tobacco market, both in India and abroad and ensuring fair and remunerative price to the growers and reducing wide fluctuations in the prices of the commodity.

• Sustaining and improving the existing international markets and developing new markets overseas for Indian Virginia Tobacco and its products and devising marketing strategies in consonance with demand for the commodity including group marketing under limited brand names.

• Establishing auction platforms for sale of Virginia tobacco by registered growers and functioning as an auctioneer at auction platforms either established by it or registered with it.

• Recommending to the Central Government the minimum prices to be fixed for exportable Virginia tobacco with a view to avoiding unhealthy competition amongst the exporters. (under its Exim policy, Government has decided to abolish fixation of M.E.P. with effect from 1.4.1993).

• Regulating in other aspects of Virginia tobacco marketing in India and export of Virginia tobacco having due regard to the interests of growers, manufacturers, dealers and the Nation.

• Propagating information useful to the growers, dealers and exporters (including packers) of Virginia tobacco and manufacturers of tobacco products and other concerned.

• Purchasing Virginia tobacco from growers when the same is considered necessary or expedient for protecting the interests of the growers and disposing it in India or abroad as and when considered appropriate.

• Promoting tobacco grading at the level of growers and Sponsoring, assisting, co-coordinating or encouraging scientific, technological and economic research for promotion of tobacco industry.

d) **Spices Board**

Out of the 109 spices listed by the ISO, India produces as many as 75 in its various agro climatic regions. India accounts for about 45% (2,50,000 tons-2002-03) of the global spice exports, though exports constitute only some 8% of the estimated annual production of spices at 3.2 million tons (2002). Over all, spices are grown in some 2.9 million hectares in the country, is undertaken in millions of tiny holdings and determine the livelihood of large number of the rural population.
Spices Board was constituted on 26th February 1986 under the Spices Board Act 1986 (No. 10 of 1986) with the merger of the erstwhile Cardamom Board (1968) and Spices Export Promotion Council (1960). Spices Board is one of the five Commodity Boards functioning under the Ministry of Commerce & Industry. It is an autonomous body responsible for the export promotion of the scheduled spices and production development of some of them such as Cardamom and Vanilla.

**MAIN FUNCTIONS OF SPICES BOARD ARE:**

- Research, Development and Regulation of domestic marketing of Small & Large Cardamom
- Research & production development of vanilla
- Post harvest improvement of all spices
- Promotion of organic production, processing and certification of spices
- Development of spices in the North East
- Provision of quality evaluation services
- Export promotion of all spices through support for:
  - Technology up gradation.
  - Quality up gradation
  - Brand promotion
  - Research & product development
  - Quality certification
  - Quality control
  - Registration of exporters
  - Collection & documentation of trade information
  - Provision of inputs to the Central Government on policy matters relating to import & export of spices

**Rubber Board**

Commercial cultivation of natural rubber was introduced in India by the British, although the experimental efforts to grow rubber on a commercial scale in India were initiated as early as 1873 at the Botanical Gardens, Calcutta. The first commercial *Hevea* plantations in India were established at Thattekadu in 1902. The importance of rubber production in India for strategic and security reason had been realized by the government during the Second World War period. The rubber growers in India were encouraged to produce the maximum rubber required for the use during war. After the war, there were growing demands from the growers for setting up a permanent...
organization to look after the interests of the industry. Thereupon the government set up an ad-hoc committee in 1945 to study the situation and to make appropriate recommendation. On the recommendation of this ad-hoc committee, the government passed the Rubber (Production and Marketing) Act, 1947, on 18th April 1947, and the “Indian Rubber Board” was constituted forthwith. The Rubber Production and Marketing (Amendment) Act, 1954, amended the name of the Board as “The Rubber Board”.

**Functions of the Rubber Board**

The functions of the Board as defined under the Act are:

1) To promote by such measures as it thinks fit the development of the rubber industry through
   a) Undertaking assisting or encouraging scientific technological and economic research.
   b) Training students in improved methods of planting, cultivation, manuring and spraying.
   c) The supply of technical advice to rubber growers.
   d) Improving the marketing of rubber.
   e) The collection of statistics from owners of estates, dealers and manufacturers.
   f) Securing better working conditions and the provisions and improvement of amenities and incentives for workers.
   g) Carrying out any other duties which may be vested in the Board under rules made under this act.

2) It shall also be the duty of the Board:
   a) to advise the Central Government on all matters relating to the development of the rubber industry, including the import and export of rubber;
   b) to advise the Central Government with regard to participation in any International Conference or scheme relating to rubber;
   c) to submit to the Central Government and such other authorities as may be prescribed half yearly report on its activities and the working of this Act;
   d) to prepare and furnish such other reports relating to the rubber industry as may be required by the Central Government from time to time.

3.11 **Board of Trade**

The Board of Trade on May 5, 1989 Department of Commerce was formed with a view to provide an effective mechanism to maintain continuous dialogue
with Trade and Industry in respect of major development in the field of International Trade. The Board of Trade has been reconstituted on 05.02.1999. The Commerce and Industry Minister is Chairman of the Board of Trade. The official membership includes Secretaries of the Ministries of Commerce and Industry, Finance (Revenue), External Affairs(ER), Textile; Chairman of ITPO, Chairman/MD of ECGC, MD, Exim Banks and Deputy Governor of Reserve Bank of India. The non official members are President of FICCI; ASSOCHAM, CII, FIEO, All India Handloom Farmers Marketing Co-operative Society, representatives of various Trade and Industry sectors, media and other eminent personalities in the field of Export and Import Trade.

The broad Terms of reference of the Board of Trade are as follows:

1. To advise the Government on policy measures for preparation and implementation of both short and long term plans for increasing exports in the light of emerging national and international economic scenario.
2. To review export performance of various sectors, identify constraints and suggest measures to be taken both by Government and industry/trade consistent with the need to maximize export earnings and restrict imports.
3. To examine the existing institutional framework for exports and suggest practical measures for re-organization/streamlining it with a view to ensure co-ordinated and timely decision making.
4. To review the policy instrument, package of incentives and procedures for exports and suggest steps to rationalize and channel incentives to areas where they are most needed.

3.12 Export Promotion Board

There is an Export Promotion Board under the Chairmanship of the Cabinet Secretary to provide policy and infrastructural support through greater coordination among concerned Ministries for boosting the growth of exports. All Ministries directly connected with facilitating foreign trade are represented by their Secretaries. This, however, includes Secretary, Department of Commerce, Secretary, Ministry of Finance; Secretary, Department of Revenue; Secretary, Department of Industrial Policy & Promotion; Secretary Ministry of Textile; Secretary; Department of Agriculture & Cooperation; Secretary, Ministry of Civil Aviation; Secretary, Ministry of Surface Transport and others according to requirements of Inter-Ministerial coordination and to give the required impetus to the export sector as truly national priority activity.
3.13 **State Trading Corporation of India**

The State Trading Corporation of India Ltd. (STC) is a premier international trading house owned by the Government of India. Having been set in 1956, the Corporation has developed vast expertise in handling bulk international trade. Though, dealing largely with the East European countries during the early years of its formation, today it trades with almost all the countries of the world.

By virtue of infrastructure and experience possessed by the Corporation, it plays important role in arranging import of essential items into India and developing exports of a large number of items from India. It exports a large number of items ranging from agricultural commodities to manufactured products from India to all parts of the world. Because of Corporation’s in depth knowledge about the Indian market, STC is able to supply quality products at most competitive prices and ensure that the goods reach the foreign buyer within the prescribed delivery schedule. It also imports bulk commodities for Indian consumer as per demand in the domestic market.

STC exports a diverse range of items to a number of destinations throughout the world. Exports by STC vary from traditional agricultural commodities to sophisticated manufactured products.

Besides negotiating, contracting and shipping, STC seeks to introduce new products, explore new markets and undertake wide ranging ancillary functions such as Product Development, Financing, Quality Control and Import of machinery and raw materials for export production.

STC makes purposeful use of its world-wide connections, abundant experience, up-to-date information about the market trends and long term perspective on various commodities to ensure competitive prices, right quality and adherence to delivery schedules to the buyers abroad.

3.14 **World Trade Organization**

The WTO came into being on January 1, 1995, and is the successor to the General Agreement on Tariffs and Trade (GATT), which was created in 1947, and continued to operate for almost five decades as a *de facto* international organization.

The World Trade Organization deals with the rules of trade between nations at a near-global level; it is responsible for negotiating and implementing new trade agreements, and is in charge of policing member countries’ adherence to all the WTO agreements, signed by the bulk of the world's trading nations and ratified in their parliaments. Most of the WTO's current work comes from the 1986-94 negotiations
called the Uruguay Round, and earlier negotiations under the GATT. The organization is currently the host to new negotiations, under the Doha Development Agenda (DDA) launched in 2001.

The WTO is governed by a Ministerial Conference, which meets every two years; a General Council, which implements the conference's policy decisions and is responsible for day-to-day administration; and a director-general, who is appointed by the Ministerial Conference. The WTO's headquarters are in Geneva, Switzerland.

The WTO's predecessor, the General Agreement on Tariffs and Trade (GATT), was established after World War II in the wake of other new multilateral institutions dedicated to international economic cooperation—notably the Bretton Woods institutions now known as the World Bank and the International Monetary Fund. Although an agreement covering trade was not negotiated at Bretton Woods, the Conference did recognize the need for a comparable international institution. In December 1945, the United States invited its war-time allies to enter into negotiations to conclude a multilateral agreement for the reciprocal reduction of tariffs on trade in goods. At the proposal of the United States, the United Nations Economic and Social Committee adopted a resolution, in February 1946, calling for a conference to draft a charter for an International Trade Organization (ITO). A Preparatory Committee was established in February 1946, and worked until November 1947 on the charter of an international organization for trade. By October 1947 an agreement on the GATT was reached in Geneva, and on October 30, 1947 twenty three countries signed the "Protocol of Provisional Application of the General Agreement on Tariffs and Trade".

In March 1948, the negotiations on the ITO Charter were successfully completed in Havana. The Charter provided for the establishment of the ITO, and set out the basic rules for international trade and other international economic matters. The ITO Charter, however, never entered into force; while repeatedly submitted to the US Congress, it was never approved. The most usual argument against the new organization was that it would be involved into internal economic issues. On December 6, 1950 President Truman announced that he would no longer seek Congressional approval of the ITO Charter. In the absence of an international organization for trade, the GATT would over the years "transform itself" into a de facto international organization.

Mission, functions and principles

The WTO's stated goal is to improve the welfare of the peoples of its member countries, specifically by lowering trade barriers and providing a platform for
negotiation of trade. Its main mission is "to ensure that trade flows as smoothly, predictably and freely as possible". This main mission is further specified in certain core functions serving and safeguarding five fundamental principles, which are the foundation of the multilateral trading system.

**Functions**

Among the various functions of the WTO, these are regarded by analysts as the most important:

- It oversees the implementation, administration and operation of the covered agreements.
- It provides a forum for negotiations and for settling disputes.

Additionally, it is the WTO's duty to review the national trade policies, and to ensure the coherence and transparency of trade policies through surveillance in global economic policy-making. Another priority of the WTO is the assistance of developing, least-developed and low-income countries in transition to adjust to WTO rules and disciplines through technical cooperation and training. The WTO is also a center of economic research and analysis: regular assessments of the global trade picture in its annual publications and research reports on specific topics are produced by the organization. Finally, the WTO cooperates closely with the two other components of the Bretton Woods system, the IMF and the World Bank.

**Formal Structure**

According to WTO rules, all WTO members may participate in all councils, committees, etc., except Appellate Body, Dispute Settlement panels, and plurilateral committees.

**Highest level: Ministerial Conference**

The topmost decision-making body of the WTO is the Ministerial Conference, which has to meet at least every two years. It brings together all members of the WTO, all of which are countries or separate customs territories. The Ministerial Conference can make decisions on all matters under any of the multilateral trade agreements.

**Second level: General Council**

The daily work of the ministerial conference is handled by three groups: the General Council, the Dispute Settlement Body, and the Trade Policy Review Body. All three consist of the same membership - representatives of all WTO members - but each meets under different rules.
1. The General Council- is the WTO’s highest-level decision-making body in Geneva, meeting regularly to carry out the functions of the WTO. It has representatives (usually ambassadors or equivalent) from all member governments and has the authority to act on behalf of the ministerial conference which only meets about every two years. The council acts on behalf on the Ministerial Council on the entire WTO affairs.

2. The Dispute Settlement Body - Made up of all member governments, usually represented by ambassadors or equivalent.

3. The Trade Policy Review Body (TPRB) - the WTO General Council meets as the Trade Policy Review Body to undertake trade policy reviews of Members under the TRPM. The TPRB is thus open to all WTO Members.

**Third level: Councils for Trade**

The Councils for Trade work under the General Council. There are three councils - Council for Trade in Goods, Council for Trade-Related Aspects of Intellectual Property Rights, and Council for Trade in Services - each council works in different fields. Apart from these three councils, six other bodies report to the General Council reporting on issues such as trade and development, the environment, regional trading arrangements and administrative issues.

1. Council for Trade in Goods- The workings of the General Agreement on Tariffs and Trade (GATT) which covers international trade in goods, are the responsibility of the Council for Trade in Goods. It is made up of representatives from all WTO member countries.

2. Council for Trade-Related Aspects of Intellectual Property Rights- Information on intellectual property in the WTO, news and official records of the activities of the TRIPS Council, and details of the WTO’s work with other international organizations in the field.

3. Council for Trade in Services- The Council for Trade in Services operates under the guidance of the General Council and is responsible for overseeing the functioning of the General Agreement on Trade in Services (GATS). It’s open to all WTO members, and can create subsidiary bodies as required.

**Fourth level: Subsidiary Bodies**

There are subsidiary bodies under each of the three councils.

1. The Goods Council- subsidiary under the Council for Trade in Goods. It has 11 committees consisting of all member countries, dealing with specific subjects
such as agriculture, market access, subsidies, anti-dumping measures and so on. Committees include the following:

- Information Technology Agreement (ITA) Committee
- State Trading Enterprises
- Textiles Monitoring Body - Consists of a chairman and 10 members acting under it.
- Groups dealing with notifications - process by which governments inform the WTO about new policies and measures in their countries.

2. The Services Council- subsidiary under the Council for Trade in Services which deals with financial services, domestic regulations and other specific commitments.

3. Dispute Settlement panels and Appellate Body- subsidiary under the Dispute Settlement Body to resolve disputes and the Appellate Body to deal with appeals.

**Other committees**

- Committees on
  - Trade and Environment
  - Trade and Development (Subcommittee on Least-Developed Countries)
  - Regional Trade Agreements
  - Balance of Payments Restrictions
  - Budget, Finance and Administration

- Working parties on
  - Accession

- Working groups on
  - Trade, debt and finance
  - Trade and technology transfer

India can increase its exports substantially if it works in London with WTO. Being a developing nation, there are some handicaps which need to be overcome. To source new technology and find new buyers for its products and services, it is necessary that India makes every possible effort to align with WTO.