



सत्यमेव जयते

**Directorate General of Foreign Trade
Department of Commerce
Ministry of Commerce and Industry**

Developing Districts as Export Hubs



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“Each district of our country has a potential equal to that of one country, each of our districts has the capacity equal to a small country in the world. . why should each district not think of becoming an export hub? . . Each of our districts has a diverse identity and potential for global market”

**-Hon'ble Prime Minister Shri. Narendra Modi
(2019 Independence day Speech)**



REFORM – WHY IS IT NEEDED?

The foreign trade today constitutes 45% of India's GDP. Special focus and dedicated attention needs to be paid to India's export promotion in its economic policies to leverage trade for higher sustained growth. Given the diverse elements that contribute towards an enabling and conducive foreign trade environment, any policy/strategy to boost exports requires active support of the State Governments. Thus, States need to be engaged actively in the export promotion activities and exports cannot exponentially increase without their active involvement.

The call of the Hon'ble Prime Minister of India to convert each district into an export hub from the ramparts of Red Fort in his Independence Day Speech in 2019 redirected focus towards making Districts as active stakeholders in promotion of exports of goods/services produced/manufactured in the District.

Earlier, the export promotion, as a subject was dealt by only the Central Government without any active, credible mechanism involving the State or District level stakeholders into the decision making process to promote goods and services produced at the grassroots level. The export promotion activity had to be decentralized to boost local production and make Districts active stakeholders in driving export growth of local products/services. This will also help in filling the existing gaps and bottlenecks in exporting identified products/services from the Districts.

The objective is to enable MSMEs, farmers and small industries to get benefit of export opportunities in the overseas markets and shift focus on District led Export Growth for self-sufficiency and self-reliance. It should

attract investment in the District to boost manufacturing and exports and provide ecosystem for Innovation/ use of Technology at District level to make the exporters competitive. It should also help reduce transaction cost for the exporter at various stages of export cycle and generate employment in the District. The focus on the Districts should also provide platforms for wide and global reach of products and services from the district through E-commerce and Digital marketing.

APPROACH – DECENTRALISING EXPORT PROMOTION

Every District has products and services which are being exported, and can be further promoted, along with new products / services, to increase production, grow exports, generate economic activity and achieve the goal of *AtmaNirbhar Bharat, Vocal for local and Make in India*. Department of Commerce, through Directorate General of Foreign Trade (DGFT) is working with the State / UT Governments in a phased manner to achieve this objective.

In the initial phase, product/services (GI products, agricultural clusters, toy clusters etc.) with export potential in each District have been identified and institutional mechanism in the form of State Export Promotion Committees (SEPC) at the state level and District Export Promotion Committees (DEPCs) at the district level are being created to provide support for export promotion and to address the bottlenecks for export growth in the Districts. Specific action plan to grow exports are being finalized by the DEPC in each District through District Specific Export Action Plans. State export strategy/policy and state agricultural plans are also being finalized by the States/UTs. The District-wise export data is now being generated by the ICEGATE/DGCIS to track the export performance from each District.

Products/services with export potential have been identified in 725 Districts across the country (Including Agricultural & Toy clusters and GI products in these Districts).

INSTITUTIONAL MECHANISM IN DISTRICTS

District Export Promotion Committees (DEPCs) to be constituted in each District. DEPCs may be headed by DM/Collector/DC/District Development Officer of the District and co-chaired by designated DGFT Regional Authority.

All key officers related to agriculture, horticulture, livestock, fisheries, handicrafts, handlooms and industry in the district and the Lead Bank Manager along with key Export Promotion Councils, Quality and Technical Standards Bodies, Government of India departments like MSME, Heavy Industry, Revenue and Textiles will be part of the DEPC. The initial meetings in the identified Districts are being conducted by the DGFT Regional Authorities in collaboration with the District and State Authorities.

DEPC will focus on the specific actions required to support local exporters / manufacturers in producing exportable products in adequate quantity and with the requisite quality, and reaching potential buyers outside India. The primary function of the DEPC is to prepare and act on District Specific Export Action Plans in collaboration with all the relevant stakeholders from the Center, State and the District.

District Export Promotion Committees have been notified in the Districts of all the States except West Bengal.

NOTIFYING THE ACTIONABLE TARGETS

The District Export Action Plans will include clear identification of products (goods and services) with export potential in the District. The plan may include institutional/other responsibilities, specifics of policy, regulatory and operational reform, and infrastructure/utilities/logistics interventions required across the entire chain from producer/farm to the export destination, to cover aspects like production, productivity/competitiveness, improvements required in design, tie up of producers with exporters, aggregation, sorting, testing, certification, packaging, transportation through cold chain or otherwise, import export formalities, fulfillment of destination countries standards etc. It will also include identifying bottlenecks/Issues in GI production, registration, marketing and its exports.

The plan will also include the support required by the local industry in boosting their manufacturing and exports with impetus on supporting the industry from the production stage to the exporting stage.

Regional Authorities of DGFT are coordinating with the District Administration in each District to convene DEPC meetings and take steps to ensure that deliberations on the draft District Export Action Plans are held in these meetings and based on the inputs received from all the stakeholders, these plans are adopted by the DEPCs for its execution.

Draft District Export Action Plans have been prepared by DGFT RAs in 451 Districts.

DISTRICTS AS EXPORT HUBS



WHAT WILL BE THE IMPACT?

Districts as Export Hubs is the first such initiative of Government of India which tries to target export promotion, manufacturing and employment generation at grass root level and has made States and Districts accountable for the export growth from the Districts in the country. Export promotion was never a focus area in the rural areas or far fledged areas of the country. Through this initiative, Government of India intends to contribute to the *AtmaNirbhar* mission by significantly increasing the manufacturing and exports from urban areas while focusing on generating interest and economic activity in the rural hinterland and small towns in the country to push new businesses to export.

Coordinated and synergized effort towards trade and export promotion by the Central Government, State Governments and the District administration would enhance manufacturing activities, promote goods and services exports, support MSMEs and local artisans/craftsmen, broaden coverage of e-commerce linkages with Districts, promote GI products, improve logistics & agricultural sectors and support employment opportunities in the Districts, leading to wide-ranging economic benefits, including investment, manufacturing & export growth.

The creation of institutional framework in the form of SEPC and DEPC will further consolidate the efforts for export promotion and trade facilitation through single window to provide accessible information and support to exporters. The implementation of District Export Action Plans will lead to improvement in trade logistics and infrastructure, information dissemination among local business to scale up and start exporting. The quantifiable targets identified in the DEAPs will guide the various

government agencies both at the Center and the State/UT to work collectively to resolve issues faced by the exporters of the District.

District wise baseline data has been started from September 2020 onwards. This will help in monitoring the progress made in terms of export performance from the Districts.

In the next 3 to 5 years, it is targeted that export growth of double digits is registered from 500 Districts of the country, with significant growth in the exports of identified products/services from each District.

WAY FORWARD

The District Export Action Plans notified by the DEPCs in each District will be translated into tangible action on ground and adequate support will be provided by the Department of Commerce/DGFT to assist States/Districts in this regard. DGFT has developed a “Developing Districts as Export Hubs” Portal to monitor the progress under this initiative. A database of all potential exporters in each District will be developed and an interface with the Indian Missions abroad will be built to provide them access to exporters in each District for them to market it outside India and find potential buyers. DGFT’s District Export hub portal will be developed to further assist local industry to seek information specific to the products identified in the District and showcase their products.

State/ UTs Government will be assisted by DGFT in preparing an annual “Export Ranking Index” of different districts in a particular State/ UT to rank each district on its export competitiveness. A “District as Export Hub” Mobile App for easy access of Export related information under this initiative is also being planned.

Commerce ministry preparing district export plan to boost shipments

Foreign trade policy to focus on districts

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DGFT to finalize draft export promotion plan

Economy

District Export Hubs initiative to form part of new Foreign Trade Policy

JKTPO organizes Webinar on District as Export Hub initiative

MADURAI

Centre to set up export hub for jasmine: MP
