

ENHANCING STATE ENGAGEMENT IN INDIA'S EXPORT MISSION

DEFINING THE SUPPORT STRUCTURE



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This paper has been prepared by Sharmila Kantha, Principal Consultant, CII and Rituparna Roy, Deputy Director, CII

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The Mantosh Sondhi Centre; 23, Institutional Area, Lodi Road, New Delhi 110003, India

Tel: +91 11 45771000; Email: info@cii.in; Web: www.cii.in

Executive Summary

Indian exports performed exceptionally well over the last few years, despite significant global headwinds. The Government's continued emphasis on incentivizing exports, with policies such as the Production Linked Incentive (PLI) schemes, Remission of Duties and Taxes for Exported Products (RoDTEP), interest equalization scheme for MSME exporters, and Foreign Trade Policy 2023, among others, have created an enabling environment, conducive for exports growth. With supportive policies and concerted efforts, India achieved a new peak of US\$ 776 billion in goods and services exports in FY 2022-23.

A critical determinant of overall export performance is the export competitiveness of the Indian states. Greater engagement from the states to step up export activity can enhance overall exports and enable India to achieve higher targets, while also leading to faster economic growth and reduced disparities among states.

Given this setting, the paper studies seven different economic parameters including Gross State Domestic Product (GSDP), Foreign Direct Investments (FDI), Ease of Doing Business (EoDB), innovation status, port connectivity, healthcare outcomes (used as proxy for worker productivity), and state Export Performance Index (EPI) across the states and examines their links with state export levels. Based on the analysis, it is found that Gujarat, Maharashtra, Tamil Nadu, Karnataka, and Uttar Pradesh emerge as top five states in terms of export performance as well as in terms of their ranks across these economic indicators.

Export potential of states

Assigning scores to the different states based on their rankings on economic indicators, the paper identifies Telangana, Haryana, Andhra Pradesh, West Bengal, and Punjab as the next-five high-potential exporting states, given state specific interventions are undertaken to boost exports.

The paper also undertakes an analysis to estimate India's potential exports in 2030-31, given all Indian states were to raise their export/GSDP ratio. It is found that if all high potential states were to raise their export/GSDP ratios to the average of that achieved by top 5 states in 2021-22 and the average-potential states were to raise their export/GSDP ratio to 4/5ths of the top states' average, there would be a potential increase of 2.76 times in India's overall exports in 2030-31, as compared to 2021-22.

This gives an export potential figure of US\$ 1.63 trillion, taking exchange rates at INR 90 to a dollar.

Recommendations

The paper presents several policy recommendations for states to boost their export potential as follows:

- Modernize and expand export-oriented infrastructure including digital infrastructure, based on state specific opportunities
- Strengthen state health policies to build a healthy and productive work force
- Provide greater tax incentives and concessions at the state level for encouraging R&D and innovation and attracting knowledge-based investments
- Design industry specific curriculums for enhancing greater skill development in consultation with academic and industrial institutes
- Facilitate greater Ease of Doing Business in specific areas such as strengthening and financing of port infrastructure, elimination of outdated processes, etc.
- Ensure availability of reliable data for undertaking more market research for accurately assessing state capacity and conducting policy research
- Promote effective coordination between State and Central Governments, industry associations and export bodies for devising state specific export promotion policies
- Strengthen state export promotion councils and boards for addressing exporter concerns
- Institute marketing strategies and branding of exports with a focus on states, e.g., 'Made in Karnataka'/ 'Made in Jharkhand' on the lines of Make in India
- Design state specific and comprehensive MSME plans for promoting MSMEs which have significant potential to enhance exports
- Set up a state portal that can provide relevant information to exporters and also function as a networking platform between importers and exporters
- Create and strengthen training centres to impart necessary skills at specific export clusters
- Organize awareness sessions on schemes to help exporters and MSMEs tap into both domestic and global markets
- Promote innovative financing tools for enhancing access to credit for exporters, particularly MSMEs

Finally, the paper includes a section on policy recommendations, especially focused on addressing the challenges of India's North-Eastern (NE) states. These states despite significant potential and their locational advantage have not been able to scale exports due to several geographical and developmental challenges. The paper provides several policy actions specific to addressing the needs of the NE states, which include developing a holistic policy framework based on export capacities of each state; improving intra-state connectivity with rest of India and other neighbouring countries; boosting agricultural exports through necessary interventions and facilitating new bilateral/plurilateral partnerships, while reviewing existing ones for stepping up exports internationally.

Introduction

India has prioritized exports as a driver of economic growth and job creation and has revamped its export promotion strategies over recent years. The Government has entered into free trade agreements with Mauritius, the UAE, Australia and most recently signed a Trade and Economic Partnership Agreement (TEPA) with the European Free Trade Association (EFTA) countries. The Government is also working on negotiations with other countries and regions such as the UK and EU.

India's diplomatic missions overseas and export promotion councils and trade bodies have been urged to step up export engagement. Policies such as Remission of Duties and Taxes for Exported Products (RoDTEP), interest equalization scheme for MSME exporters, and trade finance availability have been introduced.

The Government is also aiming to attract greater overseas and domestic investments with a view to enhancing manufacturing and exports. For example, the Production Linked Incentive Scheme (PLI) invites large-scale manufacturing investments in 14 identified sectors. This is supported by the 2023-24 Union Budget's priority on developing infrastructure with higher outlays to Rs 10 trillion, the third time in a row when over 30% of the Budget outlay was marked for infrastructure construction. The capex target was further raised to INR 11.11 trillion, during the 2024-25 Interim Union Budget.

With these encouraging policies and a global economy that rebounded after the pandemic-linked restrictions, India achieved the remarkable feat of US\$ 676 billion exports of goods and services in 2021-22, a new peak after several years of range-bound export levels. During 2022-23, this figure further crossed US\$ 776 billion.

Current global conditions are propitious to expanding India's exports, as global value chains are in the process of diversification and de-risking, with India being perceived as a stable and reliable partner.

The Foreign Trade Policy brought out on 31 March 2023 attached high importance to widening India's export efforts across the country, with a separate chapter on Districts as Export Hubs. With India's states responsible for important economic policies and strategies, their engagement in the export mission will be central to its overall success.

The Economic Survey 2017-18 established that states which engage more in international trade are relatively richer than others. Thus, enhancing export competitiveness of

With India's states responsible for important economic policies and strategies, their engagement in the export mission will be central to its overall success.

states can bring in significant benefits such as improvement in standards of living and reduced regional disparities through export led growth.

The spirit of India's competitive cooperative federalism with effective coordination between the Central and State Governments has the potential to promote state capacities, address issues and bottlenecks, and unlock greater potential to bolster exports.

Given this backdrop, this paper examines the current status of merchandise exports from India's states¹. These are then related to seven key economic parameters across the states:

- i. Gross state domestic product (GSDP) and per capita income
- ii. Foreign domestic investments (FDI)
- iii. Ease of doing business (EODB)
- iv. Innovation status
- v. Port connectivity
- vi. Healthcare outcomes as a proxy for worker productivity
- vii. State Export Performance Index as presented in NITI Aayog paper

The paper presents an estimate of potential national exports if all states were to raise their export-to-GSDP ratios to their current best levels. It is found that if all high-potential states were to raise their export/GSDP ratios to the average of that achieved by the top 5 states in 2021-22, and the average-potential states were to raise their export/GSDP ratios to 4/5ths of the top states' average, there would be a potential increase of 2.76 times in exports in 2030-31 as compared to 2021-22.

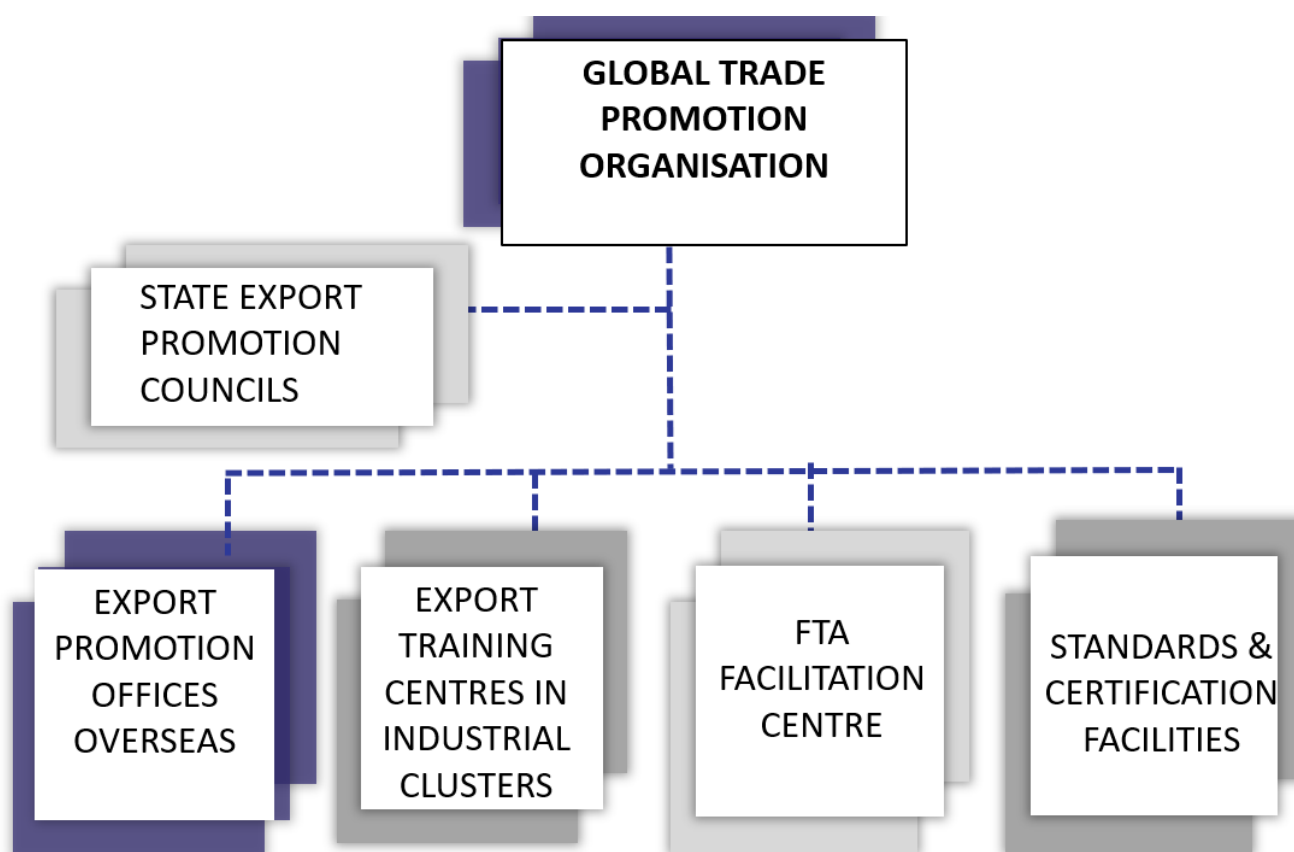
Taking exchange rates at INR 90 to a dollar, this gives a potential export of US\$ 1.63 trillion. This is an indicative estimation of the big boost that states can provide to exports, given a concerted effort to expand their product baskets and export efforts.

The study also looks at the Next-Five, identifying a group of emerging exporting states which have the most potential to add to their exports, given a concerted policy effort. These include Telangana, Haryana, Andhra Pradesh, West Bengal and Punjab.

Finally, the paper prescribes several policy suggestions in various areas of critical importance to exports where support can be considered to states. Given the challenges of the North East region, a special section looks at how exports from the region can be encouraged.

CII has previously suggested a comprehensive institutional architecture for export promotion. The present paper details the role of states in the export endeavour.

¹ Given the paucity of data on services exports, these are not covered in the present paper



India's Exports: National and State Level

India's Exports: Last 10 Years

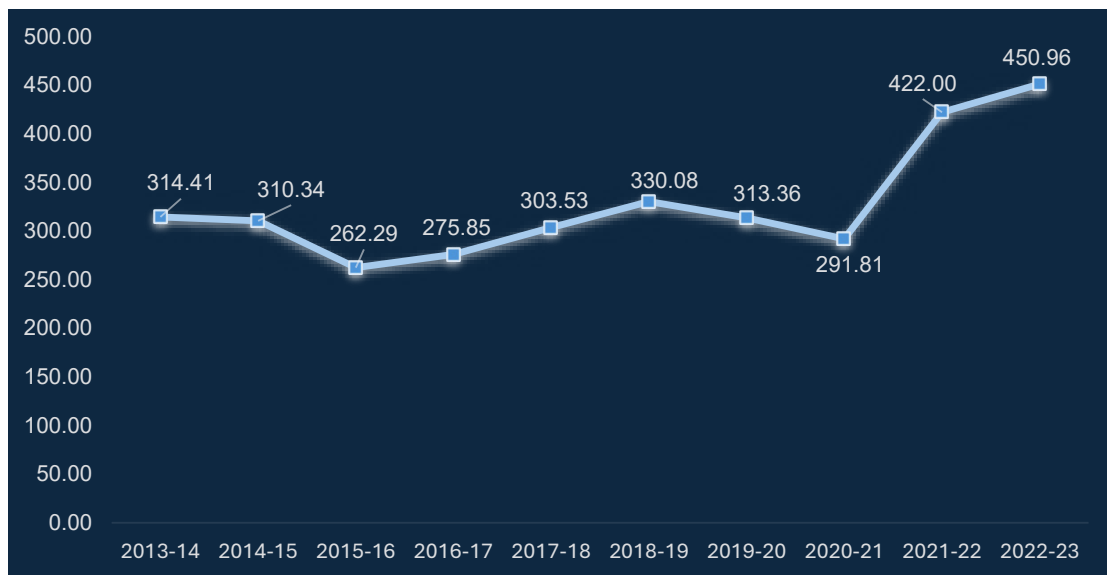
Post the pandemic, merchandise exports posted strong growth, and stood at US\$ 422 billion in 2021-22 and further increased to US\$ 451 billion in 2022-23.

India's exports have exhibited a strong performance in the recent past, even amidst major global headwinds and an uncertain global economic environment. Before the pandemic, Indian exports stood at around US\$ 330 billion in 2018-19.

Post the pandemic, merchandise exports posted strong growth, and stood at US\$ 422 billion in 2021-22 and further increased to US\$ 451 billion in 2022-23. During the five-year period between 2018-19 and 2022-23, Indian exports recorded a compound annual growth rate (CAGR) of 8.11%.

Overall, for the last 10 years, CAGR came in at 4.1%.

Chart 1: Indian Exports: Last 10 Years, US\$ billion



Source: Ministry of Commerce & Industry

State Exports

India's 28 states and 8 Union Territories (UTs) display wide diversity in their export performances.

Gujarat recorded the highest value of exports, at around INR 12,000 billion during 2022-23, with a share of more than 33% in India's total exports. Gujarat's top exports are petroleum products and due to the rise in the value of petroleum products in 2022 due to the Russia-Ukraine war, Gujarat's export figures jumped. Further, Gujarat has the second highest number of ports among the states and is well connected both domestically and internationally, which in turn promotes maritime trade. Gujarat was followed by Maharashtra and Tamil Nadu, which recorded exports at INR 5,814 billion and INR 3,267 billion respectively, during the same period, as per official estimates.

Gujarat recorded the highest value of exports, at around INR 12,000 billion during 2022-23, with a share of more than 33% in India's total exports.

Table 1: State Exports and Shares

States	Exported Value in 2021-22 (INR billion)	% share in 2021-22	Exported Value in 2022-23 (INR billion)	% share in 2022-23
Gujarat	9,457.96	30.05	12,000.02	33.14
Maharashtra	5,450.84	17.32	5,814.39	16.06
Tamil Nadu	2,623.23	8.34	3,267.11	9.02
Karnataka	1,930.64	6.13	2,238.95	6.18
Uttar Pradesh	1,568.97	4.99	1,740.37	4.81
Andhra Pradesh	1,438.43	4.57	1,593.68	4.40
Haryana	1,159.73	3.69	1,273.73	3.52
West Bengal	1,036.00	3.29	1,021.96	2.82
Telangana	819.70	2.60	917.67	2.53
Odisha	1,272.32	4.04	897.74	2.48
Rajasthan	720.00	2.29	777.71	2.15
Madhya Pradesh	584.07	1.86	658.78	1.82
Delhi	616.12	1.96	655.58	1.81
Punjab	529.03	1.68	528.53	1.46
Kerala	341.58	1.09	351.17	0.97
Dadra & Nagar Haveli	285.95	0.91	313.64	0.87
Chhattisgarh	252.41	0.80	214.15	0.59
Bihar	172.20	0.55	208.95	0.58
Goa	181.30	0.58	197.20	0.54
Himachal Pradesh	160.09	0.51	175.43	0.48
Uttarakhand	144.14	0.46	143.11	0.40

States	Exported Value in 2021-22 (INR billion)	% share in 2021-22	Exported Value in 2022-23 (INR billion)	% share in 2022-23
Jharkhand	182.47	0.58	111.75	0.31
Daman & Diu	53.96	0.17	52.15	0.14
Puducherry	36.67	0.12	41.60	0.11
Assam	33.58	0.11	40.04	0.11
Jammu & Kashmir	18.35	0.06	17.07	0.05
Chandigarh	7.37	0.02	10.89	0.03
Andaman & Nicobar	0.09	0.00	4.86	0.01
Sikkim	1.41	0.00	1.53	0.00
Tripura	0.90	0.00	1.20	0.00
Meghalaya	0.64	0.00	0.82	0.00
Arunachal Pradesh	0.13	0.00	0.36	0.00
Nagaland	0.08	0.00	0.11	0.00
Manipur	0.07	0.00	0.06	0.00
Mizoram	0.29	0.00	0.00	0.00
Ladakh	0.00		0.00	0.00
Lakshadweep	0.01	0.00	0.00	0.00
India's Total Exports	31,470.21	100.00	36,206.31	10.00

Source: Ministry of Commerce and Industry

Karnataka, Uttar Pradesh and Andhra Pradesh are among other top Indian states with significant export values.

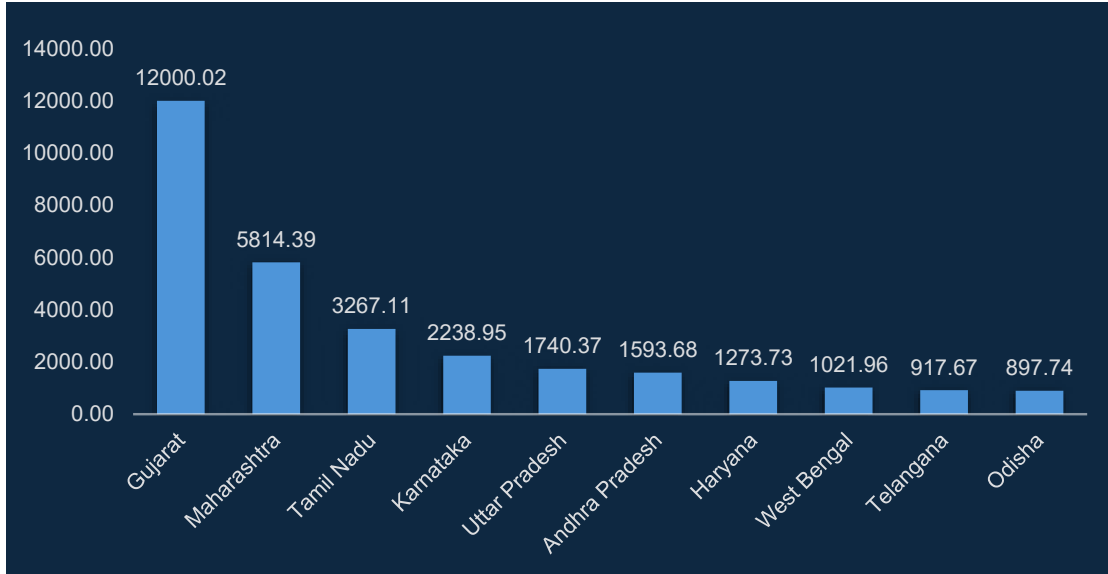
On the other hand, large and populous states such as Chhattisgarh, Bihar and Jharkhand recorded much lower export values at INR 214 billion, INR 209 billion and INR 112 billion respectively.

As exports are critical for achieving higher economic growth, stepping up export potential of states recording lower exports is essential.

The chart below represents the top ten exporting states in India during FY 2022-23, in terms of export values reported in INR billion. The top 10 Indian states in terms of export values account for more than 85% of India's total exports value².

² Unspecified category has been dropped while determining top exporting Indian states.

Chart 2: Top 10 Exporting States in India during 2022-23 (in Rs. billion)



Source: Ministry of Commerce & Industry

While it cannot be expected that states should have similar export profiles, as this depends on their attributes, the wide range of export performances among the states is of concern. In particular, the low-performing states are also states with large populations and enjoy resources that can derive immense value from value addition for exporting. For example, Jharkhand and Chhattisgarh have high mineral resources, and Bihar and Punjab enjoy strong agriculture sectors.

As per the list of top 30 exporting districts for the period April-September 2021-22 (Annex), Jamnagar in Gujarat led by a huge margin with over US\$ 19 billion of exports of petroleum products.

Surat stood second with its strong gems and jewelry industry leading its exports. The 30th ranking district of Jaipur had about US\$ 1.4 billion worth of exports in the 6-month period.

Of the 30 top districts, 8 belonged to Gujarat, 7 to Maharashtra, 4 to Tamil Nadu, 3 to Karnataka, and 2 to Andhra Pradesh. The remaining were in states that had 1 district present in the list, including Gautam Buddha Nagar in Uttar Pradesh (electronics), Gurugram in Haryana (engineering goods), Kolkata in West Bengal (gems and jewelry), Jharsuguda in Odisha (engineering goods), Dadra and Nagar Haveli (man-made yarn and madeups) and Jaipur in Rajasthan (gems and jewelry).

While it cannot be expected that states should have similar export profiles, as this depends on their attributes, the wide range of export performances among the states is of concern.

Overview of State Economies

This section explores key economic indicators of the states which could have a bearing on their export activity and current position with respect to promoting external trade. The important determinants of exports that are examined in this regard include:

- i. Gross state domestic product (GSDP) and per capita net state domestic product
- ii. Foreign Direct Investment (FDI) inflows
- iii. Innovation capacities
- iv. Ease of doing business
- v. Port connectivity
- vi. Health which can act as a proxy for worker productivity

These indicators throw some light on the issues to be addressed to reduce state level disparities in exports.

State GDP

India's GDP growth rate reached 7.2% for 2022-23. For 2021-22, this rate stood at 9.1%, which reflects the statewise data available as of that year.

Statewise GSDP figures for the most recent year i.e. 2021-22 along with the decadal growth rates are presented in Table 2 below.

Table 2: Statewise GSDP and Decadal Growth Rates

State\UT	GSDP at constant prices, 2021-22 (US\$ billion)	Decadal Growth Rate % (2012-13 to 2021-22)
Maharashtra	20279.71	4.81
Gujarat	13825.30	8.49
Tamil Nadu	13451.08	6.03
Karnataka	12297.13	7.43
Uttar Pradesh	11813.61	5.11
West Bengal	7877.58	4.32
Rajasthan	7389.22	5.50
Andhra Pradesh	7048.89	6.49
Telangana	6606.60	6.41

State\UT	GSDP at constant prices, 2021-22 (US\$ billion)	Decadal Growth Rate % (2012-13 to 2021-22)
Madhya Pradesh	6006.89	6.75
Delhi	5977.65	5.79
Kerala	5735.91	4.79
Haryana	5680.86	6.81
Bihar	4280.65	5.72
Punjab	4234.17	4.78
Odisha	4217.19	6.34
Chhattisgarh	2676.81	5.50
Assam	2625.23	6.32
Jharkhand	2368.16	4.81
Uttarakhand	1934.12	5.40
Himachal Pradesh	1244.00	5.59
Jammu & Kashmir	1215.46	3.38
Goa	555.48	3.41
Tripura	404.80	7.90
Chandigarh	298.61	4.93
Puducherry	270.11	5.02
Meghalaya	256.97	2.65
Sikkim	206.72	6.44
Nagaland	203.15	5.29
Arunachal Pradesh	202.83	6.42
Manipur	193.85	4.23
Mizoram	161.28	8.64

Source: MOSPI

As per official estimates, Maharashtra had the highest GSDP measured in constant prices, at INR 20,280 billion in 2021-22, followed by Gujarat and Tamil Nadu at INR 13,825 billion and INR 13,451 billion, during the same period. Karnataka, Uttar Pradesh, and West Bengal were other top states in the GSDP ranking.

The spatial distribution of the growth rate is uneven across the states. Among the large states, the ten-year average growth rate of state domestic product from 2012-13 to 2021-22 varied from 8.49% in Gujarat, 7.43% in Karnataka and 6.82% in Haryana to less than 5% in Maharashtra, West Bengal and Kerala.

A similar pattern emerges when comparing the ten-year average growth rates of statewise per capita income between 2012-13 and 2021-22. Among the larger states, Gujarat leads with an average growth rate of 7.2%, followed by Karnataka and Andhra Pradesh at 6.28% and 5.58% respectively. Telangana, Odisha and Tamil Nadu are other top states recording high growth rates in per capita incomes during the ten-year period.

Some of the richer states in terms of per capita output like Goa and Delhi come in at lower export levels, while poorer states like Uttar Pradesh and West Bengal figure among the top 10 exporting states.

With a historical bias persisting, the differential growth rate has translated into a wide disparity in Gross State Domestic Product (GSDP) and per capita incomes. The per capita income in Bihar comes in at less than 10% of that in the higher income states such as Sikkim and Goa. Similarly, Uttar Pradesh, Jharkhand, Manipur and Meghalaya have per capita income levels at less than Rs 1 lakh as compared to states such as Delhi, Telangana, Haryana and others which have more than twice that level.

This is indicative of the need to work towards inclusive regional growth.

It may be noted that some of the richer states in terms of per capita output like Goa and Delhi come in at lower export levels, while poorer states like Uttar Pradesh and West Bengal figure among the top 10 exporting states. Therefore, although per capita income may not mirror export performance, a better export level from poorer states would help to increase incomes and jobs.

Table 3: Statewise Per Capita Net State Domestic Product, 2021-22

State\UT	Per Capita Net State Domestic Product
Sikkim	4,72,543
Goa	4,72,070
Delhi	3,89,529
Chandigarh	3,49,373
Telangana	2,65,942
Karnataka	2,65,623
Haryana	2,64,835
Gujarat	2,50,100
Tamil Nadu	2,41,131
Kerala	2,28,767
Arunachal Pradesh	2,15,897
Maharashtra	2,15,233
Uttarakhand	2,11,657
Puducherry	2,09,890
Himachal Pradesh	2,01,854
Andhra Pradesh	1,92,587
Mizoram	1,88,839
Punjab	1,61,888
Nagaland	1,42,363
Tripura	1,40,803

State\UT	Per Capita Net State Domestic Product
Rajasthan	1,35,962
Odisha	1,28,873
West Bengal	1,24,798
Madhya Pradesh	1,21,594
Chhattisgarh	1,20,704
Jammu & Kashmir	1,16,619
Assam	1,02,965
Meghalaya	90,638
Manipur	84,345
Jharkhand	78,660
Uttar Pradesh	70,792
Bihar	49,470

Source: PIB Press Release

FDI

Foreign Direct Investment inflows are considered as a critical driver for economic growth as well as exports. It is an important source of external finance, which helps host countries to overcome financial constraints, supplements domestic capital formation and links them to international trade flows by expanding exports as well as imports.

Increased FDI inflows are also linked to positive benefits such as higher efficiency in production through various channels such as knowledge and tech transfers. FDI flows enhance export competitiveness of the host country through various channels including upgrading skills and knowledge, and creating employment opportunities, among others, which in turn impacts overall economic growth.

Given the important link between exports and FDI, the study looks at the statewise FDI equity inflows in India between 2019 and the latest available year 2023.

FDI flows enhance export competitiveness of the host country through various channels including upgrading skills and knowledge, and creating employment opportunities, among others, which in turn impacts overall economic growth.

**Table 4: Statewise Cumulative FDI Equity Inflows from
October 2019 - June 2023**

States	Amount (In USD billion)	% age of total FDI Equity inflow (in USD terms)
Maharashtra	58.43	29.32
Karnataka	45.93	23.05
Gujarat	32.63	16.37
Delhi	27.06	13.58
Tamil Nadu	9.13	4.58
Haryana	8.32	4.17
Telangana	5.58	2.80
Jharkhand	2.67	1.34
Rajasthan	2.17	1.09
West Bengal	1.48	0.74
Uttar Pradesh	1.38	0.69
Punjab	1.01	0.51
Andhra Pradesh	0.85	0.43
Kerala	0.81	0.41
Madhya Pradesh	0.54	0.27
Himachal Pradesh	0.25	0.12
Bihar	0.21	0.11
Dadra and Nagar Haveli and Daman and Diu	0.17	0.09
Odisha	0.16	0.08
Uttarakhand	0.15	0.07
Goa	0.14	0.07
Chandigarh	0.08	0.04
Puducherry	0.06	0.03
Assam	0.02	0.01
Arunachal Pradesh	0.01	0.00
Chhattisgarh	0.00	0.00
Meghalaya	0.00	0.00
Jammu and Kashmir	0.00	0.00
Tripura	0.00	0.00
Ladakh	0.00	0.00
Nagaland	0.00	0.00
Manipur	0.00	0.00
Total	199.27	

Source: Department for Promotion of Industry and Internal Trade



Maharashtra, Karnataka, Gujarat, Delhi and Tamil Nadu were the top five states receiving highest FDI inflows between October 2019 and June 2023.

Maharashtra received the highest FDI at US\$ 58 billion during the period, with a share of around 30% in India's total FDI inflows. Karnataka and Gujarat came in at distant second and third ranks, recording around US\$ 46 billion and US\$ 33 billion respectively and accounted for about 23% and 16% of India's total FDI inflows.

The top five states together accounted for more than 87% of India's total FDI inflows, again highlighting the state-level disparities in investment climate.

As can be seen, some of the top-ranking states in terms of FDI inflows are also some of India's leading exporting states, reflecting the close association between economic performance and exports growth. For example, Maharashtra, Karnataka, Gujarat, and Tamil Nadu, the top states in terms of cumulative FDI inflows, are also India's top exporting states.

It is noteworthy that Uttar Pradesh and Andhra Pradesh, which perform well in terms of exports, do not receive commensurate FDI, despite being home to manufacturing and services enterprises.

As a state's investment potential is closely linked to the business environment, the next section assesses state performance in terms of ease of doing business parameters.

Ease of Doing Business

A sound and conducive business environment is an imperative for boosting the seamless movement of goods and services, both domestically and internationally. Simplification in regulatory procedures, a facilitative logistics infrastructure providing seamless connectivity, and access to finance, among others, are some critical factors that help promote a business-friendly environment. This in turn boosts export competitiveness by promoting innovation and entrepreneurship and attracting greater investments.

Among the many Government initiatives to boost investments, the Business Reform Action Plan (BRAP) was a key activity undertaken by the Indian Government. BRAP, a collaborative exercise started in 2014 by the Department of Industrial Policy and Promotion (now DPIIT) in partnership with the World Bank Group, ranked Indian states and UTs on their Ease of Doing Business (EoDB) performance. The broad objective of the exercise is to promote healthy competition between the states by introducing a system of assessment based on their performance in implementation of the BRAP.

Simplification in regulatory procedures, a facilitative logistics infrastructure providing seamless connectivity, and access to finance, among others, are some critical factors that help promote a business-friendly environment. This in turn boosts export competitiveness by promoting innovation and entrepreneurship and attracting greater investments.

The fifth edition of BRAP or BRAP 2020 included 301 reform points covering 15 business regulatory areas including Access to Information, Single Window System, Labour, Environment, and Land Administration, among many others. Sectoral reforms were added in the exercise for the first time which were spread across different categories including Healthcare, Telecom, Tourism, Trade License, etc.

The 2020 BRAP exercise ranked states across four categories of Top Achievers, Achievers, Aspirers and Emerging Business Ecosystem, based on their performance as presented below.

Table 5: Categorization of States as per BRAP 2020

Top Achievers	Achievers	Aspirers	Emerging Business Ecosystem
Andhra Pradesh	Himachal Pradesh	Assam	Andaman & Nicobar
Gujarat	Madhya Pradesh	Chhattisgarh	Bihar
Haryana	Maharashtra	Goa	Chandigarh
Karnataka	Odisha	Jharkhand	Daman & Diu, Dadra & Nagar Haveli
Punjab	Uttarakhand	Kerala	Delhi
Tamil Nadu	Uttar Pradesh	Rajasthan	Jammu & Kashmir
Telangana		West Bengal	Manipur
			Meghalaya
			Nagaland
			Puducherry
			Tripura

Source: PIB Press Release

By creating a favorable business environment through ease of doing business reforms, the firms in the states will have an opportunity to expand their export capabilities. As can be seen, the top achievers as well as achiever states including Gujarat, Tamil Nadu, Karnataka, Maharashtra, and Telangana, among others, also reported high value of exports during the year.

Some of the top achieving states such as Gujarat, Karnataka and Tamil Nadu are also the top states receiving highest FDI inflows, as already established in the earlier section.

Innovation Index

Investments in R&D and innovation lead to new products and processes, which in turn expand the productive capacity of firms. Empirical evidence has also shown that firms investing in higher R&D and innovation have a higher probability of exporting³. Innovating firms are more likely to be successful as innovation reduces costs and

3 https://www.gla.ac.uk/media/Media_232346_smxx.pdf



increases productive efficiencies. Thus, greater investments in R&D must be one of the top priorities for policymakers for boosting export potential.

In terms of innovative capacities, Indian states exhibit significant disparities. The Indian Innovation Index, brought out by NITI Aayog ranks Indian states and UTs in terms of their innovation performance to stimulate healthy competition among Indian states. The India Innovation Index (III) 2021 is the third edition of the index and was brought out in 2022. Based on the framework of the Global Innovation Index, III 2021 used 66 indicators to rank states on innovation performance.

There are 7 basic pillars of the index (Table 6), among which five are categorized as 'enablers', while the other two measure performance and capture all relevant macroeconomic and microeconomic indicators of the state. Each of the key pillars is then sub-divided into several sub-pillars which are different economic indicators capturing the key pillar.

Innovating firms are more likely to be successful as innovation reduces costs and increases productive efficiencies. Thus, greater investments in R&D must be one of the top priorities for policymakers for boosting export potential.

Table 6: India Innovation Index 2021 Framework

India Innovation Index 2021 Framework	
Enablers	Human Capital Investment Knowledge Workers Business Environment Safety and Legal Environment
Performance	Knowledge Output Knowledge Diffusion

The index captures 28 Indian states and 8 UTs. The states and UTs are again classified into three categories of Major States; North-Eastern and Hill States; and UT and City states.

Category wise ranking of Indian states is provided in the tables below.

Table 7: India Innovation Index Rankings (Major States)

Major States	III 2021	Rank
Karnataka	18.01	1
Telangana	17.66	2
Haryana	16.35	3
Maharashtra	16.06	4
Tamil Nadu	15.69	5
Punjab	15.35	6

Major States	III 2021	Rank
Uttar Pradesh	14.22	7
Kerala	13.67	8
Andhra Pradesh	13.32	9
Jharkhand	13.10	10
West Bengal	12.98	11
Rajasthan	12.88	12
Madhya Pradesh	12.74	13
Gujarat	12.41	14
Bihar	11.58	15
Odisha	11.42	16
Chhattisgarh	10.97	17

Table 8: India Innovation Index State Rankings (NE and Hill States)

NE and Hill States	III 2021	Rank
Manipur	19.37	1
Uttarakhand	17.67	2
Meghalaya	16.00	3
Arunachal Pradesh	15.46	4
Himachal Pradesh	14.62	5
Sikkim	13.85	6
Mizoram	13.41	7
Tripura	11.43	8
Assam	11.29	9
Nagaland	11.00	10

Table 9: India Innovation Index State Rankings (UT & City States)

UT & City States	III 2021	Rank
Chandigarh	27.88	1
Delhi	27.00	2
Andaman & Nicobar Islands	17.29	3
Puducherry	15.88	4
Goa	14.93	5
Jammu & Kashmir	12.83	6
Dadra and Nagar Haveli & Daman and Diu	12.09	7
Lakshadweep	7.86	8
Ladakh	5.91	9

Source: India Innovation Index 2021

With an innovation score of 27.88, Chandigarh ranks as the top state in terms of innovation performance in 2022, closely followed by Delhi, in the category of UT and city states. The high scores of these two city states confirms the benefits of urban clustering to drive innovation. Possibly other large cities such as Mumbai, Bengaluru and Hyderabad would also enjoy similar or higher rankings, if considered separately.

Karnataka, Telangana, Haryana, Maharashtra, and Tamil Nadu are the top five states in terms of innovation performance among the major states. These states also feature among the top ten exporting states of India, indicative of the innovation capacities and export performance link. However, the gaps in the scores of states as compared to city states is rather high.

It may be noted that Gujarat, which has the highest exports of any state, comes in at 14th rank in the innovation capability of major states. This is because of its overwhelmingly high exports of petroleum products from Jamnagar district. Given its FDI inflows, better investment climate and diversified industrial base, giving greater importance to R&D and innovation could yield significantly higher exports.

The innovation potential of states scoring lower than the average innovation score of 14.56, can be stepped up. These include, among others, the states of Bihar, Chhattisgarh, Nagaland, and Assam.

Port Connectivity

With around 90%⁴ of world trade conducted over sea routes, maritime transport is considered as the backbone of international trade and the global economy⁵. Ports play a central role in maritime trade and in bolstering exports by supporting the growth of manufacturing centres and logistics, expanding market access, and boosting employment, and thereby contributing to the overall social and economic development of an economy. Therefore, having the requisite port infrastructure in place is an important element for good outward connectivity and enhancing the competitiveness of exports and should be considered a crucial pillar of an effective exports strategy.

With a coastline of 7,516 km, India is the sixteenth largest maritime country in the world⁶. India has a sizeable maritime sector, with 12 major and more than 200 minor and intermediate ports⁷. Indian ports handle around 95% of India's external trade by volume and around 68% in value terms⁸. In FY 2023, the major ports in India handled 784 million tonnes

Ports play a central role in maritime trade and in bolstering exports by supporting the growth of manufacturing centres and logistics, expanding market access, and boosting employment.

4 <https://www.oecd.org/ocean/topics/ocean-shipping/>

5 <https://www.nature.com/articles/s41467-022-32070-0>

6 <https://www.ibef.org/industry/ports-india-shipping>

7 <https://www.ibef.org/industry/ports-india-shipping>

8 <https://www.makeinindia.com/sector/ports>

of cargo traffic, of which 600 million tonnes related to overseas cargo and the rest being coastal cargo⁹.

The largest port in terms of overseas cargo handled was expectedly Deendayal Port (Kandla) in Gujarat, followed by Jawaharlal Nehru Port Authority (JNPA) in Maharashtra, Paradip in Odisha and Vishakhapatnam in Andhra Pradesh.

The Indian Government has undertaken several initiatives to support the growth of ports in the country in terms of improving operational efficiencies and upgrading port infrastructure. Sagarmala is the flagship programme of the Ministry of Ports, Shipping and Waterways and aims to promote port-led development by improving port infrastructure development in a holistic manner. Several projects have been implemented and are underway under the Sagarmala Programme spanning areas such as port modernization, port connectivity, port led industrialization and coastal community development.

The statewise distribution of ports across the eastern and western coastlines of the country is presented below along with the value of state exports to assess the links between exports and port connectivity. While Andaman & Nicobar Islands and Lakshadweep have 23 and 10 ports respectively and thereby are well endowed in terms of port connectivity, the smaller/UT states are not considered for the current study, as these states contribute a lower share to national GDP as well as exports, owing to their size.

Table 10: Statewise Number of Ports

State	Number of Ports	Total Exports in 2023 (INR billion)
Gujarat	40	12000.02
Maharashtra	53	5814.39
Tamil Nadu	15	3267.11
Karnataka	10	2238.95
Andhra Pradesh	12	1593.68
West Bengal	1	1021.96
Odisha	2	897.74
Kerala	13	351.17
Goa	5	197.2

Source: Indian Ports Association

Using the number of ports as a proxy of port connectivity, one can see a high correlation between the number of ports and export value, from the above table. Gujarat, the top exporting state, ranks second highest in terms of number of ports, while Maharashtra, the state with second highest exports, occupies second place in terms of port connectivity. Other coastal states such as Tamil Nadu and Karnataka with significant number of ports also feature among the top five export producing states

⁹ <https://shipmin.gov.in/sites/default/files/1%20Major%20Ports%20March%202023.pdf>

in the country. States such as Andhra Pradesh and West Bengal also are significant exporters. Therefore, it can be stated that port connectivity is one of the measures of export performance, as coastal states with good port connectivity also tend to fare better in terms of export value.

Health and Exports

A healthier economy is endowed with a more productive workforce and therefore has a higher ability to engage in international trade.

NITI Aayog in collaboration with the Ministry of Health and Family Welfare (MoHFW) and the World Bank first brought out the Health Index in 2017 for assessing the health performance of states and UTs. The Health Index is a weighted composite score incorporating 24 indicators which tracks both overall and year-on-year incremental performance of Indian states and UTs, covering the three main domains of (i) Health outcomes (ii) Governance and information and (iii) Key inputs and processes.

A healthier economy is endowed with a more productive workforce and therefore has a higher ability to engage in international trade.

For ensuring comparability among similar states, the Health Index categorizes ranks as per Larger States, Smaller States and Union Territories.

As per the 3rd edition of the Health Index for 2019-20, the state of Kerala achieved the highest rank overall, in terms of overall performance in health among the larger states, followed by Tamil Nadu, Telangana and Andhra Pradesh. The states of Maharashtra and Gujarat also achieved high scores in terms of overall health performance and occupied top ranks to become front runners in terms of health performance.

While Tamil Nadu, Maharashtra and Gujarat are among top exporting states, Kerala ranks low for exports despite having a long coastline. It has also ceded its top position as an exporter of human talent receiving inward remittances and had just one-third of remittances being received by Maharashtra¹⁰.

Table 11: Statewise Rankings based on Health Performance

State	Category	Overall Index Score	Overall Index Rank	Performance Category (Overall Index)
Kerala	Larger	82.2	1	Front-runner
Tamil Nadu	Larger	72.42	2	Front-runner
Telangana	Larger	69.96	3	Front-runner
Andhra Pradesh	Larger	69.95	4	Front-runner
Maharashtra	Larger	69.14	5	Front-runner

¹⁰ https://www.indiaonline.com/article/general-blog/how-the-colour-of-nri-remittances-into-india-is-changing-122072200395_1.html

State	Category	Overall Index Score	Overall Index Rank	Performance Category (Overall Index)
Gujarat	Larger	63.59	6	Achiever
Himachal Pradesh	Larger	63.17	7	Achiever
Punjab	Larger	58.08	8	Achiever
Karnataka	Larger	57.93	9	Achiever
Chhattisgarh	Larger	50.7	10	Achiever
Haryana	Larger	49.26	11	Achiever
Assam	Larger	47.74	12	Aspirant
Jharkhand	Larger	47.55	13	Aspirant
Odisha	Larger	44.31	14	Aspirant
Uttarakhand	Larger	44.21	15	Aspirant
Rajasthan	Larger	41.33	16	Aspirant
Madhya Pradesh	Larger	36.72	17	Aspirant
Bihar	Larger	31	18	Aspirant
Uttar Pradesh	Larger	30.57	19	Aspirant
Mizoram	Smaller	75.77	1	Front-runner
Tripura	Smaller	70.16	2	Front-runner
Sikkim	Smaller	55.53	3	Achiever
Goa	Smaller	53.68	4	Achiever
Meghalaya	Smaller	43.05	5	Aspirant
Manipur	Smaller	34.26	6	Aspirant
Arunachal Pradesh	Smaller	33.91	7	Aspirant
Nagaland	Smaller	27	8	Aspirant
Dadra & Nagar Haveli and Daman & Diu	UT	66.19	1	Front-runner
Chandigarh	UT	62.53	2	Front-runner
Lakshadweep	UT	51.88	3	Aspirant
Puducherry	UT	50.83	4	Aspirant
Delhi	UT	49.85	5	Aspirant
Jammu & Kashmir	UT	47	6	Aspirant
Andaman & Nicobar	UT	44.74	7	Aspirant

Source: Healthy States Progressive India, Report on the Ranks of States and Union Territories

Telangana and Assam achieved the most improved status in terms of incremental performance among the larger states.

While states like Gujarat, Himachal Pradesh and Haryana achieved high scores in terms of overall performance, Madhya Pradesh and Bihar achieved the lowest scores and ranks in the category of larger states. States of Rajasthan and Uttar Pradesh also achieved low ranks in health performance during 2019-20. The low labour productivity of these states also shows up in their lower per capita incomes.



Mizoram and Tripura were frontrunners in terms of overall health performance and were the top-ranking states in the smaller states category.

Delhi and Jammu and Kashmir achieved the most-improved status among the UTs in terms of incremental performance.

Export Preparedness Index

Apart from the above indicators, there are many other factors that determine the capacity of states to export. Central and state economic policies and their effectiveness are important factors. Additionally, infrastructure of the state and connectivity are key elements that determine export potential of states.

Some of these important determinants are captured by the Export Preparedness Index, prepared by NITI Aayog.

NITI Aayog released the third edition of the Export Preparedness Index (EPI) for 2022 in July 2023, which presents a comprehensive analysis of the export preparedness and export readiness of Indian states and union territories (UTs). The EPI 2022 goes beyond states and examines exports at the district level.

Infrastructure of the state and connectivity are key elements that determine export potential of states.

The report evaluates the export performance of states across the four main pillars of Policy, Business Ecosystem, Export Ecosystem and Export Performance. Around 56 indicators are used to examine the export preparedness of states and UTs at both state and the district level.

Export Preparedness Index Framework

Under the four key dimensions, there are additional sub-pillars on which the state's export performance is evaluated. The basic dimensions of the index along with the sub-pillars, and the weights assigned to each of the pillars are presented in the table below.

Table 12: EPI Framework

Policy (20%)	Business Ecosystem (40%)	Export Ecosystem (20%)	Export Performance (20%)
Export Promotion Policy (10%)	Business Environment (15%)	Export Infrastructure (5%)	Growth & Orientation (10%)
Institutional Framework (10%)	Infrastructure (10%)	Trade Support (10%)	Export Diversification (10%)
	Transport Connectivity (15%)	R&D Infrastructure (5%)	

Source: Export Preparedness Index 2022

Another important dimension of the Index is the classification of states as per their spatial distribution into the four categories of coastal, landlocked, Himalayan and Union Territory/City states. This is a helpful categorization as it acknowledges the various complexities arising due to the geographical location and spatial segregation of states.

Table 13 below presents the ranking of states and UTs as per the Export Preparedness Index of 2022. The table provides overall EPI rank, the ranks across the four key pillars and the state categories. The states are sorted as per state export values recorded during 2021-22.

Table 13: State Rankings as per EPI Index

State	Export Preparedness Index Rank	Category Rank	State Category
Tamil Nadu	1	1	Coastal
Maharashtra	2	2	Coastal
Karnataka	3	3	Coastal
Gujarat	4	4	Coastal
Haryana	5	1	UT/Small States
Telangana	6	2	Landlocked
Uttar Pradesh	7	3	Landlocked
Andhra Pradesh	8	5	Coastal
Uttarakhand	9	1	Himalayan
Punjab	10	4	Landlocked
Odisha	11	6	Coastal
Madhya Pradesh	12	5	Landlocked
Rajasthan	13	6	Landlocked
West Bengal	14	7	Coastal
Himachal Pradesh	15	2	UT/Small States
Goa	16	1	UT/Small States
Jammu and Kashmir	17	7	UT/Small States
Delhi	18	2	UT/Small States
Kerala	19	8	Coastal
Jharkhand	20	8	UT/Small States
Assam	21	9	UT/Small States
Bihar	22	10	UT/Small States
Manipur	23	3	Himalayan
Andaman and Nicobar Islands	24	3	UT/Small States
Chhattisgarh	25	11	UT/Small States
Tripura	26	4	Himalayan
Sikkim	27	5	Himalayan



State	Export Preparedness Index Rank	Category Rank	State Category
Nagaland	28	6	Himalayan
Ladakh	29	4	UT/Small States
Chandigarh	30	5	UT/Small States
Meghalaya	31	7	Himalayan
Puducherry	32	6	UT/Small States
Arunachal Pradesh	33	8	UT/Small States
Dadra and Nagar Haveli & Daman and Diu	34	7	UT/Small States
Mizoram	35	9	Himalayan
Lakshadweep	36	8	UT/Small States

Source: Export Preparedness Index 2022

Tamil Nadu was the top-ranking state in terms of overall export preparedness and occupied the top ranks in the export ecosystem and export performance pillars. Other top states in terms of overall EPI rank in 2022 were Maharashtra, Karnataka and Gujarat.

A strong correlation can be observed between coastal states and their export performance. Access to a coast is a critical determinant of export performance as it leads to better connectivity and enhances export operations. These coastal states are also endowed with port infrastructure which has also expanded in the recent past, leading to positive export outcomes. The top three states of Gujarat, Maharashtra and Tamil Nadu are all coastal states and together accounted for more than 55% of India's total value of exports during 2021-22.

On the other hand, due to difficult terrain, many Himalayan states including Arunachal Pradesh, Mizoram, Meghalaya, and Nagaland, among others, recorded poor export performance.

Among the UT/City states, Ladakh and Lakshadweep secured low EPI ranks, on account of poor performance across business ecosystem and export ecosystem pillars.

A strong correlation can be observed between coastal states and their export performance. Access to a coast is a critical determinant of export performance as it leads to better connectivity and enhances export operations.

Next-Five Emerging States

From the above analysis, Gujarat, Maharashtra, Tamil Nadu, Karnataka and Uttar Pradesh emerge as the top five states in terms of export performance as well as in terms of their ranks in most other economic indicators.

Some of the findings from the above sections are compiled in the below table, to examine the links and patterns between export performance, as measured by total exported value and various economic indicators including GSDP, FDI, innovation capacities, health performance, port connectivity and Ease of Doing Business (EoDB) measures. The ranks of the states for each category are considered. For EoDB rankings under BRAP, rank 1 is assigned to top achievers, 2 for achievers, 3 for aspirers and 4 for emerging business ecosystem.

Table 14: Ranks based on Export Performance and Economic Indicators

States	Export Value	GSDP	FDI	Innovation Capacity	Health Performance	Port Connectivity	EODB (BRAP)	Export Preparedness
Gujarat	1	2	5	14	6	2	1	4
Maharashtra	2	1	2	4	5	1	2	2
Tamil Nadu	3	3	4	5	2	4	1	1
Karnataka	4	4	1	1	9	7	1	3
Uttar Pradesh	5	5	12	7	19	NA	2	7

It can be seen that the states' export positions also generally align with their overall economic performance. Gujarat and Maharashtra are top exporting states, which also rank high in terms of GSDP, FDI inflows and Ease of Doing Business reforms.

From the above table, it can be seen that the states' export positions also generally align with their overall economic performance. Gujarat and Maharashtra are top exporting states, which also rank high in terms of GSDP, FDI inflows and EoDB reforms. Karnataka is a major exporting state that occupies the top rank in innovative capacity, one of the major drivers of export performance. Karnataka also occupies a leading position in attracting FDI inflows. Tamil Nadu's consistent performance in categories including health, FDI, innovative capacity and GSDP is reflective of its high export performance.

A strong healthcare system indicates a strong and productive workforce, which in turn contributes to higher exports. Major exporting states including Tamil Nadu, Maharashtra and Gujarat rank high on this index. Tamil Nadu and Karnataka, along with

Gujarat have also successfully undertaken some major ease of doing business reforms and are top achievers in this category.

Based on the business ecosystem and export policies, Tamil Nadu is the top state in terms of export preparedness, followed by Maharashtra, Karnataka and Gujarat.

On the other hand, some states also lag behind in terms of certain economic indicators. For example, Gujarat ranks low in terms of innovation capacity, while Uttar Pradesh records a poor performance in terms of both health and attracting FDI.

Innovation and health are important drivers of export growth and therefore strategies to promote these parameters must be effectively adopted to bolster exports at the state level. In general, there is a need to identify parameters where states are not performing well and take appropriate action to address these gaps for driving better export performance.

In general, there is a need to identify parameters where states are not performing well and take appropriate action to address these gaps for driving better export performance.

An analysis of all the major states in terms of export potential is also done on the basis of all the economic indicators considered in this study, to identify the next five emerging states.

Table 15: Ranking of states as per economic indicators

States	Export Rank	FDI Rank	Innovation Rank	GSDP Rank	Health Rank	Export Preparedness	BRAP	Total Score	Category
Maharashtra	2	1	4	1	5	2	2	17	Leader
Tamil Nadu	3	5	5	3	2	1	1	20	Leader
Karnataka	4	2	1	4	9	3	1	24	Leader
Gujarat	1	3	14	2	6	4	1	31	Leader
Telangana	9	7	2	9	3	6	1	37	Emerging
Haryana	7	6	3	13	11	5	1	46	Emerging
Andhra Pradesh	6	13	9	8	4	8	1	49	Emerging
West Bengal	8	10	11	6	NA	14	3	52	Emerging
Uttar Pradesh	5	11	7	5	19	7	2	56	Leader
Punjab	14	12	6	6	8	10	1	57	Emerging
Rajasthan	11	9	12	7	16	13	3	71	Significant Potential
Kerala	15	14	8	12	1	19	3	72	Significant Potential
Madhya Pradesh	12	15	13	10	17	12	2	81	Significant Potential
Odisha	10	19	16	16	14	11	2	88	Significant Potential
Bihar	18	17	15	14	18	22	4	108	Significant Potential
Chhattisgarh	17	26	17	17	10	25	3	115	Significant Potential

In Table 15, all major Indian states¹¹ are ranked in terms of all the economic parameters considered in this study. These include export values, inward FDI, innovation capacity, state GSDP, health performance, export preparedness and EoDB. The states have been assigned rankings on each of these parameters to arrive at a total score on the basis of which the export potential of each state has been determined. The lower the total, the better is the export capacity of the state.

It must be noted that port connectivity as an indicator is not included in the computation of the final score, as land-locked states without ports will be at a disadvantage, even though they may have export capacity. The parameter is captured to a certain extent in the EPI index. It is suggested that dry ports and inland container depots as well as road connectivity for port evacuation be strengthened in the non-coastal states.

Each state in this exercise has been categorized into the three categories of 'leaders', 'emerging' and states with 'significant potential'. The top performing states in terms

of export values – the already established and leading export states, namely Maharashtra, Tamil Nadu, Karnataka, Gujarat, and Uttar Pradesh - are categorized as leaders.

States obtaining a score below 60, namely the states of Telangana, Haryana, Andhra Pradesh, West Bengal¹² and Punjab are categorized as emerging states with large export potential. These are the next five emerging states of the country which require significant focus from both State and Central governments for enhancing their capacities.

The rest of the states, with a score above 70 are classified as states with significant potential, indicating the need for state intervention for stepping up the performance of these states across the economic indicators and export capacities. States such as Rajasthan, Kerala, Madhya Pradesh, Odisha, Bihar and Chhattisgarh feature in this category.

Telangana, Haryana, Andhra Pradesh, West Bengal and Punjab are categorized as emerging states with large export potential. These are the next five emerging states of the country which require significant focus from both State and Central governments for enhancing their capacities.

¹¹ Smaller states, hill states and UTs have not been included in this exercise, both due to data limitations as well as their different orientation and landscape, for which a separate policy framework is needed, as done for the NE states. Delhi has significant potential for service exports but is not included in the current study as there is no significant scope for expanding manufacturing industry presence in the city-state.

¹² In the final scoring, the rank for West Bengal under health performance has been assigned NA due to non-availability of data. However, it is categorized as an emerging state due to its high performance in the categories of innovation, GSDP and export values.

Current Policy Landscape

Foreign Trade Policy 2023

The Foreign Trade Policy (FTP) 2023 was announced in March 2023, which envisages boosting India's exports while promoting EoDB for exporters, taking cognizance of the emerging needs of the time. The key approach of the policy rests on the four pillars of (i) incentive to remission (ii) export promotion through collaboration (iii) ease of doing business and (iv) focus on emerging areas.

FTP 2023 introduces several new schemes such as the one-time Amnesty Scheme to provide relief to exporters burdened by high duty and interest costs associated with pending cases¹³. The FTP also aims to promote automation and re-engineering to facilitate EoDB for exporters.

Another crucial aspect of the policy is to promote exports in a collaborative manner with exporters, states, districts, and Indian Missions. The policy aims to build partnerships with the State Governments to take forward the One District One Product (ODOP) initiative and promote district-specific export plans.

The FTP 2023 also places wider emphasis on understanding and streamlining of SCOMET (Special Chemicals, Organisms, Materials, Equipment and Technology) policy¹⁴.

The policy is expected to create a conducive environment for Indian exporters as well as MSMEs to access export benefits and place India on the global map as a leading exporter.

The Foreign Trade Policy (FTP) 2023 was announced in March 2023, which envisages boosting India's exports while promoting ease of doing business for exporters, taking cognizance of the emerging needs of the time.

RoDTEP scheme

The RoDTEP Scheme stands for Remission of Duties and Taxes on Export Products. It came into effect on January 1, 2021, replacing the existing MEIS (Merchandise Exports from India Scheme), which was not compatible with World Trade Organisation (WTO) rules.

13 <https://pib.gov.in/PressReleaselframePage.aspx?PRID=1931084>

14 <https://www.investindia.gov.in/team-india-blogs/indias-foreign-trade-policy-2023-roadmap-boost-exports>



The new scheme which is WTO compatible aims to ensure that exporters receive refunds on embedded taxes and duties including at state level which were previously non-recoverable. The refund is issued in the form of transferable electronic scrips, which are maintained and tracked through an electronic ledger. The RoDTEP Scheme covers most sectors to ensure uniformity across all areas. Manufacturer exporters and merchant exporters (traders) are both eligible for the benefits of this scheme. There is no particular turnover threshold to claim the RoDTEP.

The benefits under RoDTEP were extended to iron and steel, organic and inorganic chemicals, and pharmaceutical sectors in December 2022. Exports under advance authorisation scheme, export oriented units and special economic zones are not eligible for RoDTEP. The scheme was set to expire on 30th September 2023, and in a recent announcement, it was extended to 30th June 2024.

One District One Product (ODOP) Initiative

The Central Government has undertaken the One District One Product (ODOP) initiative which focuses on selecting, branding, and promoting at least one product from each district of the country to foster regionally balanced development and enabling socio-economic growth across all regions. The initiative aims to promote exports in every district of the country and has identified products with export potential from all 765 districts across the country¹⁵.

The ODOP initiative has been merged with the Districts as Exports Hub (DEH) initiative of the DGFT (Directorate General of Foreign Trade). The DGFT has been working with the states/UTs and the districts directly for creating institutional mechanisms to facilitate exports of identified products from the districts.

The ODOP initiative has been merged with the Districts as Exports Hub (DEH) initiative of the DGFT (Directorate General of Foreign Trade). The DGFT has been working with the states/UTs and the districts directly for creating institutional mechanisms to facilitate exports of identified products from the districts. District export plans have been prepared for identified products and services with export potential for overseas markets which include specific actions to support local exporters and manufacturers. These include facilitating the procurement of ODOP products through greater engagement with Indian embassies, export training workshops, trade promotion activities, and organizing buyer-seller meets and exhibitions both at domestic and overseas locations, among others.

Jamnagar (Gujarat), the top export district with total exports at US\$ 22.11 billion in April-September 2022, has identified its top five commodities for exports including petroleum products, organic and inorganic chemicals, plastic and linoleum, engineering goods, and minerals¹⁶.

15 <https://pib.gov.in/PressReleaseDetail.aspx?PRID=1897408>

16 <https://pib.gov.in/PressReleaselframePage.aspx?PRID=1780245>

The list of the top 30 districts for exports detailed in the Annex shows that these are primarily exporting engineering goods, electronic goods, gems and jewellery, pharmaceuticals, chemicals, ready-made garments, and plastics. The list of priority exports includes both high value-added goods and traditional products.

The exports from a single district in a state can make a considerable difference to its overall exports. For example, the development of an SEZ in Gautam Buddha Nagar, Uttar Pradesh, helped in attracting Samsung, which built its largest plant and produces for the Indian and overseas markets¹⁷. Similarly, Gurugram in Haryana has emerged as a key export hub with engineering goods and automotive exports despite being a landlocked state.

According to the website of DGFT, 462 district action plans have been prepared with 706 products identified for export promotion.

The ODOP program has forerunners in the One Village One Product program of Japan and the One Tambon One Product program in Thailand, which were aimed at local economic development rather than export promotion. Several studies indicate that they have not been as effective as envisaged¹⁸.

The tables below lists out the top districts and top products with export potential as identified under the Districts as Exports Hub initiative, for the top five emerging states identified in the previous section.

Table 16: Top Districts and Top Products

State	District	Products/Services identified with Export Potential
Telangana	Adilabad	Toys, Paintings and Furniture, Cotton, Bales, Adilabad Dokra
	Bhadradi-Kothagudem	Paddy, Cotton, Maize, Red Gram, oil, Palm, Chillies, Mango, Cashew
	Hyderabad	Gems and Jewellery/Pearls
	Jagtial	Mango
	Jangaon	Rice
	Jayashankar - Bhupalpally	Chillies, Laterite, Fish and Eco Tourism
	Jogulamba Gadwal	Ground Nut, Gadwal Saree
	Kamareddy	Rice, Soya, Sugar, Cotton
	Karimnagar	Mango, Polish Slabs, Silver Filigree of Karimnagar, Granite, Rough Blocks,
	Khammam	Chillies, Granite

17 <https://www.india-briefing.com/news/india-incentives-schemes-it-electronics-boost-manufacturing-exports-26711.html/>

18 <https://www.iseas.edu.sg/articles-commentaries/iseas-perspective/2022-35-can-otop-support-northeastern-thailands-post-pandemic-recovery-by-alexandra-dalferro/>

State	District	Products/Services identified with Export Potential
	Komareem Bheem Asifabad	Cotton
	Mahabubabad	Chillies, Turmeric
	Mancherial	Mango, Cotton
	Mehbubnagar	Mango, Jowar, General Engineering, Fabrication
	Medak	Sweet Corn, Tomato, Rice, Vegetables, Quartz, Fish
	Medchal	Pharma, Mines, Fisheries
	Mulugu	Chillies
	Nagarkurnool	Mango, Groundnut, Readymade Garments
	Nalgonda	Rice, Cotton
	Nirmal	Cotton Bales Nirmal Toys, Nirmal Furniture, Nirmal, Paintings
	Narayanpet	Cotton Textiles/Sarees
	Nizamabad	Turmeric, Rice, Seed, Granite Blocks
	Peddapalli	Wooden Furniture
	Rangareddy	Mango, Biscuits & Confectionery, Pharma & Healthcare, Packing Material, Manufacturing of Aero - Structures, Electronic Item, Assembling/Electronic Components/Precision Engineering Products, Quartz & feldspar, Kraft Papers, Quartz Surface Slabes, Spices, Chilli Liquid and Powder, Flooring Tiles & Carpets, Gerkins Processing, Lead Acid Batteries, Lubricant Additives, Manufacturing of IC Engine Values, Non Dairy Whipping, Cream, Socks, Solar Modules, Telecom Duct Pipes
	Rajanna Sircilla	Fisheriers, Handlooms, Textlies, Dairy Products from Agenda
	Sangareddy	Mango, General engineering products, seeds
	Siddipet	Cheriyal Painting, Gollabama Sarees, Mangoes
	Suryapet	Chilli, Laterite, Fish and Eco Tourism
	Vikarabad	Stone Cutting, Polishing Slabs, Fullers Earth Granules and Powder, Pulses, Vegetables
	Wanaparthi	Mango, Groundnut
Warangal Rural	Teja Chillies, Rice-RNR15048, Mango, Warangal Durries,	
Warangal Urban	Chillies, Mango, Warangal Durries,	
Yadadri-Bhuvanagiri	Silk Cotton	



State	District	Products/Services identified with Export Potential
Haryana	Ambala	Rice and Scientific instruments, Agriculture
	Bhiwani	Agriculture
	Charkhi Dadri	Agriculture
	Faridabad	Auto Components, Light and Engineering goods
	Fatehabad	Agriculture
	Gurugram (Gurgaon)	Home Furnishing & Engineering Goods
	Hisar	Flat Steel Products (Engineering sector)
	Jhajjar	Footwear Cluster
	Jind	Agriculture
	Kaithal	Agriculture
	Karnal	Horticulture and Rice
	Kurukshetra	Agriculture/Tourism
	Mahendragarh	Agriculture
	Nuh	Agriculture
	Palwal	Agriculture/Industries
	Panchkula	Agriculture
	Panipat	Handloom , Carpet, Textiles
	Rewari	Industry Hub
	Rohtak	Engineering items
	Sirsa	Agriculture
Sonipat	Industries	
Yamunanagar	Plywood, Kitchen Utensils	

State	District	Products/Services identified with Export Potential
Andhra Pradesh	Anantapur	Readymade Garments (Jeans, T-shirt, Trousers etc.), MS Steel Tubes (MS Pipes, GI Pipes etc.), Automobiles (Cars, Engines etc.), Banana, Pomegranate, Andhra Pradesh Leather Puppetry, Dharmavaram Handloom Pattu Sarees And Paavadas
	Chittoor	Polished Granite and Granite Monuments, Textile and Garments, Mango and Fruit Pulp, Mango, Srikalahasthi Kalamkari, Tirupathi Laddu
	East Godavari	Coir and Coir Products, Rice, Sugar, Frozen Shrimp, Coir Fibre and Coir Pith, Uppada Jamdani Sarees
	Guntur	Tobacco, Cotton Yarn, Chillies, Turmeric, Textiles, Guntur, Sannam Chilli
	Krishna	Cotton Yarn, Bed Sheets, Grey Cloth, Bulk Drugs & Intermediates, Processed Prawns, Motive Power Batteries, Herbal Products, Fish and Fish Products, Mango, Kondapalli Toys

State	District	Products/Services identified with Export Potential
	Kurnool	Hydrogenated Castor Oil, Hydroxy Steric Acid, Caustic Soda flakes, Potassium Hydroxide Flakes, Calcium Hypo Chloride, Pomegranate, Mango
	Prakasam	Granite (Block Galaxy, Steel Grey, Block Parl), Aqua Products, Cashew Products
	SPSR Nellore	Udayagiri Wooden Cutlery, Quartz, Feldspar, Processed Prawn/Shrimp, Rice
	Srikakulam	Cashew Kernals, Granite, Pharma Products
	Vizianagaram	Bulk Drugs and Intermediaries, Cashew Processing, Active Pharmaceutical Ingredients, Quartz Grits and Silica Powder, Bobbili Veena
	Visakhapatnam	Coconut based products, Alloy wheels, Cashew, Black Pepper, Sea foods, Turmeric, Honey, Handicrafts like Etikoppakka Toys, Minerals and Mineral Based Products (Apatite, Crystalline Lime Stone, Quartz, Vermiculite, White Clay, Ruby, Mica, Calcite, Red and Yellow Ochre), Silver Oak wood, Araku Coffee, Ginger Powder, Etikoppaka Toys
	West Godavari	Cotton Yarn, Processed Prawns/Shrimp, Aqua Feed, Human Hair, Aspirin, Ceramic, Sanitaryware Products, Cashewnut, Coir Pith, Coffee, Crochet lace products
	YSR Kadapa (Cuddapah)	Barium Chloride, Portland Cement, Banana

State	District	Products/Services identified with Export Potential
West Bengal	Alipurduar	Wooden Products
	Bankura	Bankura Panchmura Terracotta Craft, Bengal Patachitra
	Birbhum	Agricultural goods (paddy)
	South 24 Parganas	Leather, Garments, Honey, Joynagar, Moe, Bengal Patachitra
	Cooch Behar	Pineapple
	Darjeeling	Darjeeling Tea, Tourism
	Dakshin Dinajpur	Pineapple
	Hooghly	Agriculture & Food Processing, Jute
	Howrah	Engineering & Foundry, Jute, Gem and Jewellery, Forging Industry, Textiles
	Jalpaiguri	Tea, Logistics, Pineapple
	Jhargram	Tourism
	Kalimpong	Tea, Tourism
	Kolkata	Engineering, Leather, IT/ITES

State	District	Products/Services identified with Export Potential
	Malda	Lychee, Malda Laxman Bhog Mango, Malda Khirsapati (Himsagar) Mango, Malda Fazli Mango
	Murshidabad	Agriculture & Food Processing, Lychee, Mango
	Nadia	Gems & Jewellery
	North 24 Pargana	Leather, Jute, Engineering Goods, Food & Beverages
	Paschim Medinipur (West Medinipur)	Rice, Madur kathi
	Paschim (West) Burdwan (Bardhaman)	Rice, Bardhaman Sitabhog, Bardhaman Mihidana
	Purba Burdwan (Bardhaman)	Rice, Bardhaman Sitabhog, Bardhaman Mihidana
	Purba Medinipur (East Medinipur)	Food Processing, Petrochemicals
	Purulia	Shellac, Brass, & Bell Metal, Purulia Chau Mask
	Uttar Dinajpur (North Dinajpur)	Pineapple

State	District	Products/Services identified with Export Potential
Punjab	Amritsar	Tourism, Rice, Blanket, Shawls
	Barnala	Terry Towel, Cotton, Cotton Yarn, Agri implements
	Bathinda	Kinnow, Textiles
	Faridkot	Rice
	Fatehgarh Sahib	Re-rolled steel ingots, Hosiery, Agri Implements, Jaggery, Rolling Mill Parts, Sewing Machine Parts
	Fazilka	Rice, Kinnow,
	Ferozepur	Rice
	Gurdaspur	Lathe Machine, Haldi Powder, Meat, Jaggery
	Hoshiarpur	Natural Honey, Tractor and Tractor parts, Potato
	Jalandhar	Sport goods, Natural Honey, Hand tools, Potato
	Kapurthala	Potato Seeds, Rice, Diesel Engine parts, Auto parts, Potato
	Ludhiana	Readymade Garments, Hosiery, Shirts and T-Shirts, Woolen Yarn, Bakery, Hand Tools, Bicycles
	Mansa	Agri implements, Shrimp, Cotton
	Moga	Rice, Agri implements
	Pathankot	Rice, Litchi
Patiala	Phulkari, cutting tools, Guava	

State	District	Products/Services identified with Export Potential
	Rupnagar	Religious/Environmental Tourism, Kinnow, Honey, Potato, Maize
	Sahibzada Ajit Singh Nagar/ Mohali	Pharmaceuticals & IT Sector, Punjabi Entertainment
	Sangrur	Rice, Wheat, Mushroom, Vegetable Oil, Chilled Rolls, Agricultural Implements, badges.
	Nawashahar (Shahid Bhagat Singh Nagar)	Pulses, Rice, Pharmaceuticals, Peas, Potato
	Muktsar	Paper, Rice, Shrimp, Agricultural Implements.
	Tarn Taran	Honey, Kinnow, Cotton Yarn, Pears
	Uttar Dinajpur (North Dinajpur)	Pineapple

Source: Healthy States Progressive India, Report on the Ranks of States and Union Territories

Estimating Potential State Exports

The international trade arena is a place of relentless and extremely high competition, demanding a very strong and comprehensive export focus to make inroads into the markets. A price differential of just 1-5 percentage points can render a country's products unacceptable in global markets, which are constantly seeking higher margins.

Further, global trade which is projected to slow down in the next two years, is also facing significant shifts and changes. India can take advantage of these shifts if it strategizes in a cohesive manner with the participation of all stakeholders to address the next level of exports.

India's exports account for around 22.4% of India's GDP¹⁹. India's global share of exports has also stayed low at around 1.85%. Therefore, there is a need to step up India's export potential, both domestically as well as internationally for India to achieve its ambitious target of US\$1 trillion of merchandise exports by 2030. As state performance is an important driver of national exports, strengthening state capacity for engaging in international trade would be critical for stepping up India's share of exports both as a percentage of GDP as well as in terms of global shares.

This paper undertakes an exercise to estimate the potential level of exports if all states were to perform better.

Since there is a data gap in the export data for states which is available only for the last 2 years, the paper analyses the export-to-GSDP ratio for all states to estimate potential exports. The following steps are carried out:

- Find Exports/GSDP ratio of all states as of 2021-22.
- Find average of top 5 states Exports/GSDP ratios as of 2021-22.
- Forecast all states GSDP as of 2030 based on CAGR of all states calculated for the period 2008/09-2018/19 GSDP²⁰. The pandemic years' GSDP of 2019-20 and 2020-21 is excluded while calculating CAGR, and the projection is made basis GSDP as of 2021-22.
- Divide states as per top-performers (top 5), high potential and average potential as per their export/GSDP ratios.

¹⁹ <https://data.worldbank.org/indicator/NE.EXP.GNFS.ZS?locations=IN>

²⁰ Projected GSDP figures are estimated for all states for the years 2021-22 to 2030-31, based on the future value formula $FV = PV(1 + i)^n$, where FV is the future value or projected GSDP for the state, PV is the present value or the current GSDP value for the state for the current year and i is the CAGR of the state for the period 2008/09-2018/19

- For top-performers, apply average exports/GSDP ratio of top 5 states to the forecasted GSDP to determine export level in 2030. States which had higher ratio than the average were calculated as per their original export/GSDP ratio.
- For high-potential states, apply the same average exports/GSDP ratio of top 5 states to forecasted GSDP.
- For average-potential states, apply 80% of average exports/GSDP ratio of top 5 states to determine export level.

It is found that current average export-GSDP ratio as of 2021-22 stands at just over 8%, which is much lower than required.

The above analysis yields the estimates for 2030-31 as below:

Business as usual scenario	INR trillion	Estimates as per higher export/GSDP ratio	INR trillion
Projected GDP for 2030-31	659.66	Projected GDP for 2030-31	659.66
Projected Exports based on 2021-22 average exports/GSDP ratio	52.91	Projected Exports based on new exports/GSDP ratios	146.44

It is found that if all high-potential states were to raise their export/GSDP ratios to the average of that achieved by the top 5 states in 2021-22, and the average-potential states were to raise their export/GSDP ratios to 4/5^{ths} of the top states' average, there would be a potential increase of 2.76 times in exports in 2030-31 as compared to 2021-22.

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Taking exchange rates at INR 90 to a dollar, this gives a potential export of US\$ 1.63 trillion. This is an indicative estimation of the big boost that states can provide to exports, given a concerted effort to expand their product baskets and export efforts.

With states as proactive partners in the export mission, India can go on to surpass its target of US\$ 1 trillion by 2030-31 by a significant margin. Therefore, there is need for states to gear up for driving their agriculture and manufacturing sectors to enhance their global participation.

To obtain quick outcomes, it is suggested that the Next-Five exporting states be especially targeted for increasing exports. The exports-GSDP ratio is relatively high at over 7% for these 5 states and the other parameters considered in this paper are also ranked high. A separate study on key policies and initiatives based on mapping their industry and export strengths can outline specific strategies for these next five emerging exporting states.

Policy Recommendations

The below section provides some suggested actions for boosting the export potential of Indian states.

A separate policy framework has been suggested for boosting export potential of North East (NE) Indian states in the next section.

The recommendations for boosting the export potential of Indian states are classified under three heads:

- i. Export Ecosystem
- ii. Export Support
- iii. Information

Creating a robust export ecosystem

A robust export ecosystem requires the identification of high potential exports at the state level. On similar lines as the ODOP initiative, each state requires a targeted export promotion policy that identifies an export basket with products with the highest export potential. Once the products/sectors have been identified, sector-specific export development plans can be developed focused on enhancing the competitiveness of the products over the long term, which in turn can bolster India's global shares in such products. In this, states must also include emerging sectors of potential such as electric vehicles, solar panels, 3D printing, etc.

While many states such as Tamil Nadu, West Bengal, Karnataka, etc. have come up with their own state export promotion policies, there are many other states which are yet to announce their policies to boost exports. It is important that all states across India develop and announce their own state export policies at the earliest, so that Indian exports at the national level can gather the necessary momentum. For states which have already announced their policies, it is important to ensure their speedy implementation as well as their regular reviews on a yearly basis for necessary updating as per current requirements.

The state export promotion policies can be developed after extensive consultations and gathering inputs from all relevant stakeholders including State Governments, Central Governments, and industry bodies.

It is important that all states across India develop and announce their own state export policies at the earliest, so that Indian exports at the national level can gather the necessary momentum.

However, beyond ODOP, where states focus on promoting a few products with export potential, it is also important to focus on diversification of export baskets to include products that are in high demand in the world. The states must also devise export diversification strategies, as this is one of the critical ways to ensure stable export revenues in the face of adverse trade shocks. The pandemic highlighted the importance of export diversification for reducing vulnerabilities to external shocks and this is particularly important in today's global environment for ensuring sustained economic growth.

The Export Preparedness Index captures the degree of export diversification by states to a certain index, which has been used in the present analysis. However, the index attaches a score of only 10%. Therefore, there is a need for attaching greater attention to export diversification at the state level and using appropriate measures to capture this aspect.

The model as in Uttar Pradesh, where a single SEZ has imparted huge impetus to exports, is instructive.

The comprehensive export promotion strategy at the state level must focus on the following elements that would be critical to boost exports. As these different elements will vary across the different states, weights must be attached accordingly, depending on the state requirements.

- (i) **Export-oriented infrastructure:** Indian exporters are often faced with significant infrastructural constraints which adversely affect their exporting capabilities. Infrastructural deficiencies at the levels of ports and airports and other logistical inefficiencies lead to delays and added costs, making it difficult for exporters to meet the rigorous demands of international trade on time. Further, exporters are faced with challenges such as container and equipment shortages, lack of technical expertise, and poor maintenance, among others, that also impact their export competitiveness. Inadequate infrastructure is particularly a problem for the landlocked as well as Himalayan states, where exporters lack good connectivity to gateway ports.

Each state in India must identify its export opportunities in products and export-oriented infrastructure must be developed accordingly. There is a need to modernize and expand export-oriented infrastructure, which in turn can reduce turnaround time and ease the export processes. Public-private partnerships can be facilitated in developing competitive export infrastructure.

The Indian Government's Gati-Shakti-National Infrastructure Pipeline (NIP)-National Monetisation Pipeline (NMP) trinity is playing an important role in bolstering India's exports, by facilitating seamless and efficient movement of goods

and services within the country and integrating and upgrading nation-wide

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infrastructure. The effective and timely implementation of the projects under the programme must be a priority in this regard.

The Ministry of Commerce and Industry has been implementing the Trade Infrastructure for Export Scheme (TIES) since FY 2017-18 for assisting Central and State Government agencies financially for creating appropriate infrastructure for aiding exports growth. During FY 2019-20 to FY2022-23 financial assistance for 40 export infrastructure projects has been approved²¹.

The Department Related Parliamentary Standing Committee on Commerce has pointed to the insufficient budget allocated for TIES²² and it is evident that with exports as a mission mode endeavour of the Government, the outlay of Rs 360 crores spread over 5 years needs to be enhanced. The scheme should be remapped as a targeted program for creation of export related infrastructure on priority basis by states on the ground.

Firstly, enhanced allocation for the TIES outlay is suggested by at least 50-100 times, for creating significant impact on export infrastructure.

Second, it is suggested that for greater project visibility, export related infrastructure be specifically placed under the National Infrastructure Pipeline (NIP), which currently has over 9000 identified projects with an outlay of US\$ 2 trillion.

Third, while the Union Budget has prioritized infrastructure over the years with high allocation to projects, it is suggested that a special budget for export related infrastructure needs to be in place which would include infrastructure related to customs, upgradation of IT facilities for clearances and approvals, overall trade facilitation infrastructure, and quality and testing certification facilities, among others.

Fourth, upgradation and modernization of facilities and warehousing at ports, digitalization of procedures, and related processes must be fast-tracked through enhanced infrastructure allocations, for improving port turnaround times significantly.

Fifth, states may undertake development of industrial hubs and modernization of existing manufacturing centers through TIES, using the funds for uninterrupted power facilities, local transportation, migrant worker housing infrastructure, etc.

A special budget for export related infrastructure needs to be in place which would include infrastructure related to customs, upgradation of IT facilities for clearances and approvals, overall trade facilitation infrastructure, and quality and testing certification facilities, among others.

²¹ <https://pib.gov.in/PressReleasePage.aspx?PRID=1907322>

²² Department Related Parliamentary Standing Committee on Commerce report on 'Augmenting infrastructure facilities to boost exports' 7-9-2021 https://sansad.in/getFile/rsnew/Committee_site/Committee_File/ReportFile/13/141/164_2022_5_15.pdf?source=rajyasabha

Sixth, there is also a need to focus on soft infrastructure in the form of enhanced online approvals and clearances, tracking of cargo, quality training, and skills for exports. It is suggested that funds be allocated for building such soft infrastructure capabilities that will promote export offtake by enterprises, particularly small enterprises.

Finally, several states have not utilized TIES funds while other large states have inadequately resorted to TIES. States must be encouraged to seek TIES financing for creating requisite export infrastructure. This may entail some support from the Central Government in the form of cross-state projects, linkages with national level infrastructure, detailed project reports, etc.

- (ii) **Digital infrastructure:** Digital infrastructure is also equally important as physical infrastructure as digital connectivity is a critical pillar for gaining access to both local and global markets. Facilitating broadband infrastructure and ensuring broadband connectivity in the remotest corners are also crucial, particularly for promoting e-commerce and digital payments.

Facilitating broadband infrastructure and ensuring broadband connectivity in the remotest corners are also crucial, particularly for promoting e-commerce and digital payments.

Under the Digital India programme, the Indian Government aims to provide high-speed internet connectivity through the length and breadth of India. However, many challenges still remain, including the internet speed, lack of skilled manpower in the field of digital technology, lack of user education and challenges faced by the MSMEs in adopting new technology. Concerted efforts at both the state and the district level will be required to address these challenges in terms of providing training sessions and increasing user

awareness to bridge the digital divide faster.

- (iii) **Health infrastructure:** Poor health worsens an individual's economic prospects over the life cycle. A stronger health system, on the other hand, can lead to improved health outcomes and a healthy and productive workforce, which in turn is a crucial factor that can boost economic growth and exports over the longer term. In countries such as China and Vietnam, healthcare and education reforms preceded export endeavours, creating a high-productivity workforce²³. Healthier states, as also seen in the findings of this paper, tend to have higher growth rates and higher export capacities. The Covid-19 pandemic highlighted the many vulnerabilities of public health systems and brought to light the need for strengthening robust healthcare systems and building greater capacities.

In India, around one third of health expenditure, comes from the public sector, which is relatively low as compared to other developing and developed countries²⁴. Therefore, there is a need for stepping up public finances in health in India.

²³ For details, seen <https://ilostat.ilo.org/topics/labour-productivity/>

²⁴ <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC10044314/#:~:text=Public%20health%20expenditure%20in%20India,figure%20to%202.5%25%20by%202025.>



Secondly, high quality Universal Health Care is paramount. While in India several schemes are in place to ensure affordable healthcare, it is important to address bottlenecks such as financing gaps, equitable service delivery, lower enrollment rates, utilization, etc. for their effective implementation. Achieving Universal Health Coverage requires a localized approach and the role of states is critical in this regard. Therefore, state health policies, state specific insurance schemes, state health apps and health councils, state partnerships for facilitating worker training could be some of the effective ways to create a strong health system.

The states have a strong role to play in building effective health systems and can become a catalyst in transforming health systems and creating a strong and healthy workforce.

Finally, creation of emergency response systems, innovative technologies, infectious disease control and inexpensive pharmaceutical products are also critical imperatives. The states have a strong role to play in building effective health systems and can become a catalyst in transforming health systems and creating a strong and healthy workforce.

- (iv) **Innovation & R&D infrastructure:** As noted earlier, there are wide disparities in capacities across Indian states. Many states such as Bihar, Odisha, and Jharkhand lag behind in innovative capabilities.

While there are several initiatives including Start-up India and Atal Innovation Mission at the Central level, State Governments must also play an active role in promoting R&D and innovation to expand exporting capacities of states. The states can consider providing their own R&D tax reliefs in the form of tax exemptions or tax credits for firms undertaking research and innovation activities. These tax incentives may in turn attract knowledge-based investments by enhancing competition across regions.

The states can consider providing their own R&D tax reliefs in the form of tax exemptions or tax credits for firms undertaking research and innovation activities.

In addition to tax incentives offered by the Central Governments, state level tax concessions can spur innovation activity by reducing the cost of business research and enhance productive and export capacities.

State Governments can also be involved in setting up incubation centres and IT parks for start-ups and MSMSEs. Incubation centres can be set up in emerging areas including electric vehicles, shared mobility, electric power etc. that cater to global markets. Customized capacity-building programmes and training modules can be organized across the states for knowledge dissemination on best export practices among start-ups and entrepreneurs.

- (v) **Skill development infrastructure:** Each state must take up necessary measures for encouraging skill training and capacity building initiatives for developing a

The State Governments in consultation with relevant academic organizations and industrial training institutes (ITIs) can design relevant, industry specific curriculums that help students in upgrading their skills knowledge and find appropriate employment.

future ready and highly productive workforce. The State Governments in consultation with relevant academic organizations and industrial training institutes (ITIs) can design relevant, industry specific curriculums that help students in upgrading their skills knowledge and find appropriate employment. Training programmes and workshops must be facilitated to give impetus to exports through workforce training and skilling in relevant areas such as production techniques, contemporary design, etc. Technical courses must be upgraded particularly in new and emerging areas including robotics, Artificial Intelligence (AI), language courses etc. The skills gap must be addressed by imparting necessary skills that are aligned to global requirements and public-private partnerships must be encouraged in this area.

- (vi) **EoDB for Exporters:** The Government's Business Reform Action Plan (BRAP) has been a significant reform in spurring ease of doing business at the state level. The BRAP framework by ranking states and UTs based on designated reform indicators, has enthused a competitive spirit across the states and has encouraged states to welcome greater investments. However, there are a few areas where the states can undertake an active role in aggressively pushing reforms to enhance exports.

First, as more than 70% of the value of Indian trade is carried out through maritime transport, strengthening and financing of port infrastructure is a critical aspect. Direct port delivery, RFID based automation system for container trailers, e-delivery orders, and installation of container scanners are some of the steps that can be taken up by the State Governments in this regard.

As more than 70% of the value of Indian trade is carried out through maritime transport, strengthening and financing of port infrastructure is a critical aspect.

Second, elimination of outdated, unnecessary and complex processes must be accorded high priority and periodic reviews must be undertaken across all departments and ministries at both central and states levels to ensure this.

Third, as some states have performed remarkably well across all EODB parameters, knowledge sharing sessions can be organized periodically, so that best practices can be disseminated.

Fourth, state investment meetings can be organized to understand the grievances of investors, which can then be taken up and addressed in a time bound manner to attract greater investments.

Finally, states can undertake timely and appropriate actions for addressing difficulties faced by exporters on seeking approvals, permissions and clearances to enhance reliability and predictability.



- (vii) **Better data for undertaking market research:** For undertaking greater market research at the state level and accurately assessing their exporting capabilities and export performance, there is a need for better availability of reliable data, particularly on state exports and other related variables influencing export capacities. Data needs to be updated in a systematic manner that is easily available and usable for data analysis, which will enable better projections of export potential of different states. Easily available and reliable data would help in conducting appropriate research and policy analysis and thereby the designing of effective policy tools and interventions for boosting exports. The Central Government in collaboration with all State Governments can undertake a nation-wide data exercise to collect and gather all relevant data and upload the same in a readily usable format on relevant government websites.
- (viii) **Effective coordination among State and Central Governments, industry associations and export bodies:** Facilitating effective coordination between all relevant departments at the State and Central levels, industry associations and export bodies will be critical in devising state specific export promotion policies. Meetings and regular reviews of issues and challenges with specific agendas must be set up at regular intervals, involving all relevant stakeholders. This is a critical imperative for facilitating effective interactions and giving fruition to creating successful and relevant export policies across all states.

Easily available and reliable data would help in conducting appropriate research and policy analysis and thereby the designing of effective policy tools and interventions for boosting exports.

Supporting export enterprises and organizations

- (i) **Strengthening of state export promotion bodies:** Export promotion bodies have an important role to play in boosting exports by helping specific industries become more competitive in the international market by offering a host of services, including export assistance, advisory services, and lobbying. Accordingly, the state export promotion councils and boards will have to be strengthened so that these can partner with the State Governments in creating a strong network with all exporters of the state and help address their concerns. Training and workshops must be organized at regular intervals for the employees working with the departments of export promotion.

The export agencies must be proactively involved in consultation with various export and relevant sectoral associations for developing sector specific export strategies and focus on enhancing the competitiveness of high potential sectors and exports in the global markets. A large part of this exercise will include trade promotion

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and market assistance including participation in national and international trade fairs and conferences and undertaking of market research on focus products, top destinations, and markets. The timely implementation of the state-specific export strategies must also be accorded top priority.

- (ii) **Market promotion and assistance:** Each state must undertake aggressive marketing strategies for promoting exports. Branding of state exports with a focus on the

Branding of state exports with a focus on the states, for example 'Made in Karnataka' / 'Made in Jharkhand' on the lines of Make in India, can be promoted.

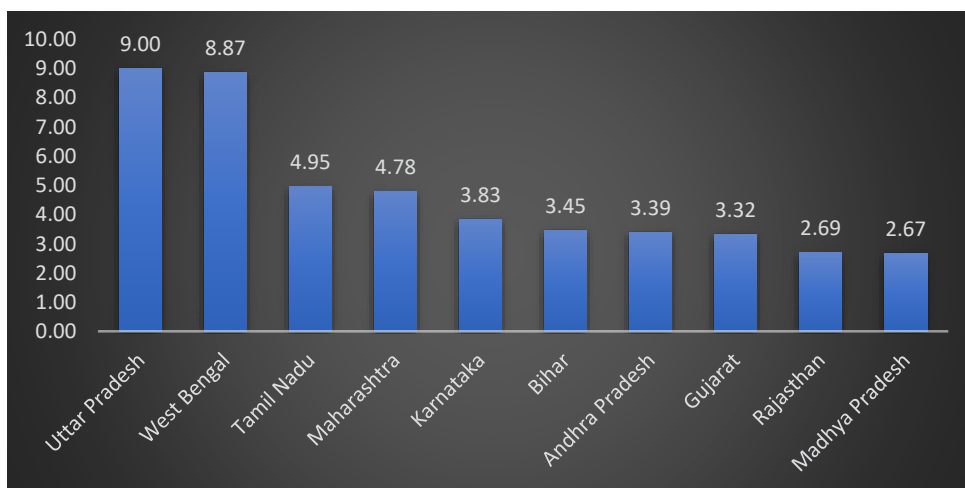
states, for example 'Made in Karnataka' / 'Made in Jharkhand' on the lines of Make in India, can be promoted. Dedicated export cells may be set up in each state which will provide market assistance to exporters with respect to export procedures, particularly for the MSMEs.

The export cells can also help in the development and promotion of GI (Geographical Indication) tagged products. The export cells will also be responsible for raising awareness on meeting global quality and standards and accordingly provide assistance to exporters for the same.

- (iii) **Boosting MSMEs:** The MSMEs in India are a crucial driver of India's economic growth and development. With more than 60 million units spread across the country²⁵, Indian MSMEs contributed to more than 45% of overall Indian exports in FY 2021-22²⁶.

Uttar Pradesh is the top state in India with leading number of MSMEs, closely followed by West Bengal. Tamil Nadu, Maharashtra, Karnataka, Bihar, Madhya Pradesh, Gujarat, Rajasthan also have a significant presence of MSMEs. The top 10 Indian states with number of MSMEs are presented below.

Chart 3: Statewise Distribution of MSMEs (in Mn)



Source: Annual Report, Ministry of Small and Medium Enterprises, 2022-23

25 Annual Report, Ministry of Micro, Small and Medium Enterprises, 2022-23 <https://msme.gov.in/sites/default/files/MSMEANNUALREPORT2022-23ENGLISH.pdf>

26 <https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1884734>

The top 10 states account for more than 74% share of total MSMEs in the country while the rest of the states and UTs combined account for 26% of total share.

At present while many State Governments have several schemes to support MSMEs, such piecemeal policies are not enough for realizing the massive untapped potential of MSMEs. Only a few other states have comprehensive action plans for supporting MSME growth.

Therefore, given the immense potential of MSMEs in enhancing India's exports, state specific and comprehensive MSME plans can be formulated for promoting MSMEs across states. While the MSME action plans must be designed for all Indian states, the top 10 states with MSMEs must be accorded top priority, as this set also coincides with the states identified in the paper with significant export potential. The state policies must envisage creating a conducive environment where MSMEs can thrive and must identify the primary areas where policy actions are required along with addressing the challenges faced by these enterprises through surveys.

Given the immense potential of MSMEs in enhancing India's exports, state specific and comprehensive MSME plans can be formulated for promoting MSMEs across states.

Key themes of the policy framework must include providing financial assistance, skill training and workforce development, technology assistance, awareness on various MSME schemes at central/state level, market promotion and strategies, addressing infrastructural challenges, procurement of raw materials and compliance and regulatory support.

- (iv) **State export portal:** Each state can consider setting up of a state export portal which contains comprehensive and relevant information related to exports, provides market assistance, as well as market intelligence and industry reports that have useful information for exporters. The portal can contain all information related to export procedures including compliance and standards and certification requirements, information on various schemes and incentives and important links related to exports and policies. The portal can also be used as an important networking platform between importers and exporters and can be used to conduct webinars and information awareness sessions online, organizing virtual buyer seller meets, locally as well as internationally. The portal can include a grievance redressal system for addressing all export related concerns of Indian exporting units. Many firms and exporters in India face challenges with respect to accessing relevant information on government schemes, and the portal can serve as an important platform for strong information dissemination in this regard.
- (v) **Training centres at export clusters:** Creating and strengthening training centers for imparting necessary skills and technical assistance, through capacity building programmes for product specific export clusters are critical for boosting exports. As empirical evidence suggests that certified firms are more likely to export and export on a larger scale, relevant courses and training for better understanding

of standards and certifications related to specific sectors and their use and implementation would be key for enhancing exports. Customizing such courses tailored to the needs of exporters is also essential. The role of states and relevant state departments will be critical for the effective implementation of the training programmes.

Promoting awareness and information

- (i) **Promoting awareness on export incentives and schemes:** Export schemes and incentives play an important role in encouraging exporters by offering them several benefits to offset the costs they incur while exporting.

As empirical evidence suggests that certified firms are more likely to export and export on a larger scale, relevant courses and training for better understanding of standards and certifications related to specific sectors and their use and implementation would be key for enhancing exports.

The Government of India provides several schemes and export incentives to Indian exporters. Some of the key incentives include Rebate of Duties & Taxes on Exported Products (RoDTEP) scheme, Advance Authorization Scheme (AAS), Duty Drawback Scheme (DDS), Export Promotion Capital Goods Scheme (EPCG), and others. Recent Government initiatives such as the Production Linked Incentive (PLI) schemes also offer financial incentives to boost domestic manufacturing across 14 key sectors. Further, FTA Facilitation Cells at the state level can be set up to raise awareness on opportunities arising from FTAs, including the new ones as they come up.

However, lack of access to information on such schemes increases the information asymmetry problem and is a major problem facing exporters, particularly for the MSMEs. Thus, handholding is required when it comes to such schemes for exporters, particularly for the MSMEs for them to be able

tap into global markets and facilitate market access. At the same time, there is a need to strengthen the information infrastructure, where the states can play an active role by organizing awareness sessions on schemes.

- (ii) **Facilitating access to export credit/finance:** One of the longstanding problems faced by Indian exporters, particularly MSMEs is the lack of access to trade

finance and export credit. According to World Bank, access to finance is one of the key constraints to SME growth²⁷. The exporters face several financial obstacles to various degrees while accessing finance, namely, high interest rates and high costs of certification, high collateral, and complex documentation processes as well as lack of information.

Thus, there is a need to promote innovative financing methods and instruments for enhancing access to credit for exporters. Designing and implementation partial credit

There is a need to promote innovative financing methods and instruments for enhancing access to credit for exporters.

²⁷ <https://www.worldbank.org/en/topic/sme/finance>

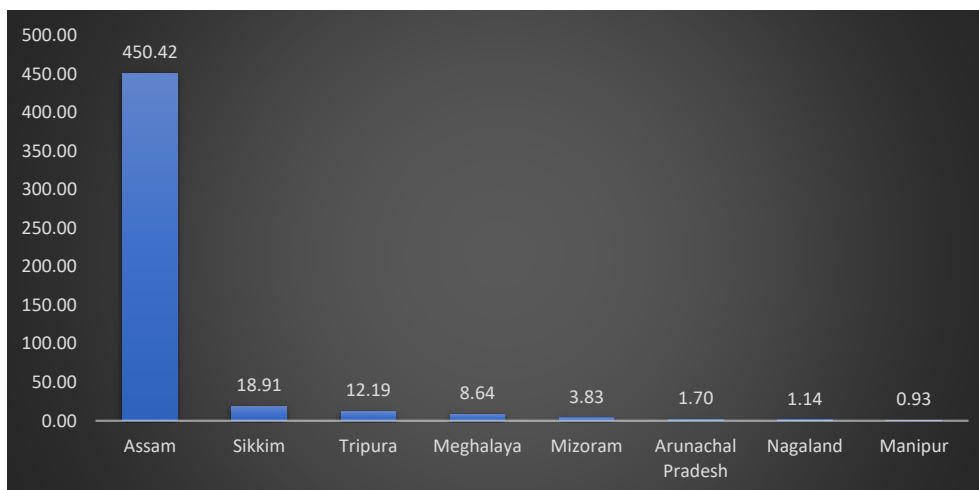


guarantee schemes (PCGS), early-stage innovation funds and various credit enhancement schemes can be explored in this regard. The state can conduct financial sector assessments to determine areas of improvement and accordingly implement interventions to strengthen credit infrastructure. Leveraging greater private sector participation can lead to greater investments and mobilizing funds.

Policy framework for stepping up exports in North-East States

The eight states in the North-Eastern (NE) part of India, namely Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, and Tripura, record relatively low exports as compared to other states. The NE states together produced around US\$ 498 million exports in FY 2021-22, which was around only 0.12% of India's total export value. Assam alone exported US\$ 450 million of exports in FY 2021-22, while the rest of the states recorded very low exports, as can be seen from the table below.

Chart 4: Exports of North-Eastern Indian States, US\$ mn



Source: Ministry of Commerce

Export Potential of the NE States

The North-Eastern states have significant export potential because of their geostrategic location, which connects these states to the Southeast Asian markets. These states share land borders with neighboring countries including Bangladesh, Bhutan, Nepal, China, and Myanmar, which have significant export demand for Indian products. In addition, the North East Region (NER) can also access dynamic markets of the ASEAN and East Asia through the sea route with access to ports. Despite the locational advantage, none of the states has a presence in these markets.

The NER is endowed with natural resources and has several advantages in terms of possessing biodiversity, availability of competitive and skilled labour, and rich minerals, among others.

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Further, conducive agroclimatic conditions give an impetus to the agricultural exports' potential in these states. In recent times, agricultural exports in these states have witnessed a significant increase, recording US\$ 17.2 million in 2021-22, up from US\$ 2.52 million in 2016-17, as per official estimates²⁸.

However, the NER also faces significant geographical and developmental challenges which constrain its exports. The opening of the routes via Chittagong/Mongla ports in Bangladesh in 2023 provided NER a huge impetus to the potential of connecting to markets. The proposed Matarbari port with Japanese support is also expected to be ready by 2027, supporting greater port access to the region.

Currently, none of the North-Eastern states have dedicated export strategies. This therefore necessitates the need for an export policy framework, that exclusively focuses on stepping up the export potential of India's North Eastern states by addressing the challenges faced by these states. Some of the major challenges faced by India's NE states are listed below.

Challenges

The NE states face two significant challenges when it comes to cross-border trade.

- (i) **Weak Infrastructure:** The states lack adequate infrastructure and have poor connectivity with other states as well as other neighboring countries. Lack of investments in infrastructure have deepened the disconnect between the North-

East and rest of India. According to an Asian Development Bank Report²⁹, infrastructural deficits at four broad levels including borders, customs, non-tariff measures and institutional challenges³⁰ have adversely impacted export capacities of the NE states.

Firstly, when it comes to border infrastructure, congested roads, inefficient traffic management and limited connectivity to ports lead to long delays at borders, leading to increased costs for consumers, impacting the competitiveness of

products from these states. Lack of comprehensive infrastructure facilities including hurdles such as limited space at warehouses, absence of equipment, lack of testing laboratories in vicinity, limited truck parking areas, lack of 24 hours

Lack of investments in infrastructure have deepened the disconnect between the North-East and rest of India.

28 <https://pib.gov.in/PressReleaseSelfframePage.aspx?PRID=1840990#:~:text=The%20NE%20region%20witnessed%20an,East%2C%20the%20UK%20and%20Europe.>

29 <https://www.adb.org/sites/default/files/publication/850711/improving-trade-facilitation-ne-india.pdf>

30 <https://www.adb.org/sites/default/files/publication/850711/improving-trade-facilitation-ne-india.pdf>



electricity supply³¹ etc. also cause significant inefficiencies and hamper seamless movement of goods and services across borders.

Second, customs infrastructural development, particularly for overland trade, is also a challenge facing the NE states. While the Indian Government has undertaken significant efforts for improving customs facilities, the process has been slow for land borders. The NE states have continued to undertake operations manually and have missed out on the benefits of automation, mainly on account of a dearth of Information and Communication Technologies (ICT)³².

Third, these states have also been subjected to several non-tariff measures including Technical Barriers to Trade (TBT) and Sanitary and Phytosanitary (SPS) measures from neighboring countries of Bangladesh, Bhutan and Myanmar. The lack of testing and certification facilities and inspection facilities are major infrastructural hurdles in this regard.

Finally, smaller exporters in the region also face significant institutional challenges. Lack of access to relevant institutions for information, difficulty in understanding technical aspects of exports, lack of efficient human resources and complying with several international standards and regulations are some of the major hurdles facing exporters of the region.

- (ii) **Difficult terrain, security concerns & related costs:** The Himalayan states face challenges owing to the rough terrain that hinders access to education and healthcare facilities. In addition, the region is prone to both internal and external security concerns and is faced with frequent social and economic unrest. This has significantly damaged the entrepreneurial spirit and innovation ecosystem in the region. Further, several projects, including many in infrastructure, have been stalled as a result of frequent agitations in the region.

Recommendations

- (i) **Develop holistic policy framework:** All the eight states in NE India have their respective strengths and diverse growth and development prospects. Therefore, a policy framework which assesses all relevant factors and economic indicators of the state to determine the export potential of each state is necessary. For targeted export growth in the region, a holistic approach is required that assesses export capacities of each state, both at the domestic as

NE states have continued to undertake operations manually and have missed out on the benefits of automation, mainly on account of a dearth of Information and Communication Technologies (ICT).

For targeted export growth in the region, a holistic approach is required that assesses export capacities of each state, both at the domestic as well as international levels while addressing the several challenges facing the exporters of the region.

³¹ <https://www.adb.org/sites/default/files/publication/850711/improving-trade-facilitation-ne-india.pdf>

³² <https://www.adb.org/sites/default/files/publication/850711/improving-trade-facilitation-ne-india.pdf>

well as international levels while addressing the several challenges facing the exporters of the region.

- (ii) **Improve infrastructure and logistical efficiencies:** To realize the true potential of India's NER, it is critical to address the infrastructural bottlenecks and improving

intra-state connectivity of the region with the rest of India as well as the neighboring countries. The strategic location of the NER ideally places the region to serve the Indian Government's vision as encompassed in the Act East Policy.

Facilitating greater economic integration with the neighboring countries of Bangladesh, Myanmar and Bhutan through developing export-oriented infrastructure and upgrading border infrastructure is a critical imperative. The timely implementation of the infrastructure projects must be ensured both by the State and the Central Governments.

Simplifying custom procedures at land border stations will also greatly enhance both intra-industry and border trade.

The states in collaboration with the Central Government

must take up interventions to improve ICT related infrastructure and improved automation with the help of digital technologies, which are essential for improving cross-border trade. Training and awareness on technology and educating exporters and workers on digital aspects must be accorded top priority by the states, in consultation with academic and industrial training institutes.

There is also a need to develop adequate testing and certification facilities, and training staff and workers on technical aspects working in these facilities is also a critical imperative. Raising awareness on non-tariff measures and regular negotiations with the governments of the neighboring countries must also be taken up by the State Governments.

- (iii) **Boosting agriculture exports:** The NER has great untapped potential in the agricultural sector. However, the region lags behind in agricultural development

compared to national levels, as a result of infrastructural inadequacies, lack of modern technology and equipment and the lack of a strong sectoral strategy to boost agricultural produce.

Necessary interventions including processing, marketing and distribution of agricultural produce, establishment of food parks, storage and cold chain infrastructure, among others must be taken up at the state level. The Central Government must provide greater incentives for boosting production in top exported segments such as fruits and vegetables, dairy processing and poultry, spices and dried fish from NER.

The state export promotion boards/councils and agencies

Facilitating greater economic integration with the neighboring countries of Bangladesh, Myanmar and Bhutan through developing export-oriented infrastructure and upgrading border infrastructure is a critical imperative.

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can take up branding, marketing and promotion of these products and ensure meeting global standards and quality. Skills training and awareness sessions on technology must be organized for the workers in the sector.

- (iv) **Forging bilateral/plurilateral partnerships:** Forging new bilateral/plurilateral partnerships and reviewing existing ones, in consultation with the relevant State Governments in a necessary step for improving trade and exports at the international level.

The India-Myanmar Border Trade Agreement may be reviewed in this regard for expanding the scope of the agreement and for increasing trade through regular channels. Streamlining trade procedures, setting up currency agreements and digital payment systems, B2B meetings between traders across border states and mechanisms for regular consultations between border officials may help in enhancing trade and exports between the regions.

The BBIN (Bangladesh, Bhutan, India and Nepal) Motor Vehicles Agreement for regulation of passenger, personal and cargo vehicular traffic between the participating countries will be critical for facilitating trade and people to people ties. The Agreement therefore must be expedited, and the respective governments must ensure the timely conclusion of the agreement.

Similarly, negotiations must be fast-tracked for accelerating the implementation of the India-Myanmar-Thailand Motor Vehicle Agreement (IMT-MVA) for facilitating and regulating the seamless movement of cargo and passenger vehicular traffic between the participating countries.

Further, the India-Myanmar-Thailand Trilateral Highway (IMT-TH) project has faced roadblocks since its inception. The project presents a significant opportunity for enhancing connectivity and regional integration between the NE and the countries of Thailand and Myanmar, and the successful completion of the project must be prioritized for enhancing trade between the regions.

While efforts are ongoing for enhancing infrastructure in NER, an export dimension can also be considered for competitiveness of the region's products.

Forging new bilateral/ plurilateral partnerships and reviewing existing ones, in consultation with the relevant State Governments in a necessary step for improving trade and exports at the international level.

Conclusion

The post-pandemic export period is characterised by slower trade, tendencies towards protectionism and increased importance of resilient and inclusive supply chains³³. Within this shifting global environment, a clear opportunity lies for India in leveraging exports as a growth driver. With a country as large as India, the sub-regional economies gain

enhanced strategic importance in a vital national endeavour such as exports. India aims to achieve US\$ 1 trillion each in goods and services exports by 2030. This cannot be achieved without the proactive and relentless efforts of State Governments, supported by policies from the Central Government.

While global demand, supportive policies and interventions have helped promote exports notably in the last few years, significant disparities can be observed in the export capacities of different states.

With a country as large as India, the sub-regional economies gain enhanced strategic importance in a vital national endeavour such as exports.

This paper carried out a detailed analysis of Indian states on the basis of different economic parameters to assess their links with export production. It was found that the top exporting states of India also recorded high growth, attracted higher foreign investments, had high innovation capacity, had high export preparedness in terms of export policies and performed well in terms of health and EoDB parameters, thereby highlighting the importance of these parameters in boosting exports as well as economic growth.

The paper also presents a projection of export levels provided all states raise their export/GSDP ratios. This gives an estimate that is 2.76 times that of the 'business as usual scenario', coming in at US\$ 1.63 trillion for 2030-31.

The paper provides detailed recommendations for improving export performance at the state level by designing state specific export promotion policies. Further, the paper provides recommendations for promoting exports specific to the North-Eastern states of India. The paper also provides recommendations that require the support and coordination of Central and State governments to boost export potential of Indian states.

With concerted actions, India's export mission can achieve the target level, while integrating closely with global value chains and augmenting its growth rate.

³³ B20 India Task Force on Inclusive GVCs for Resilient Global Trade and Investment report <https://www.b20india2023.org/b20Documents>

Top Export Districts, April-September 2021-22

S. No.	Districts/ States	Top 5 Commodities	Value of Export (in US\$ Million)	Products/Services identified with Export Potential
1.	Jamnagar (Gujarat)	1. Petroleum Products	19260.20	Jamnagari Bandhani, Brass Articles
		2. Organic And Inorganic Chemicals	1794.57	
		3. Plastic And Linoleum	410.54	
		4. Engineering Goods	218.68	
		5. Mica, Coal and Other Ores, Minerals Including Process	116.59	
		Total of top 5 commodities	21800.58	
		Total export of District	22110.60	
2.	Surat (Gujarat)	1. Gems And Jewellery	6872.54	Textile, Banana, Surat Zari Craft, Pomegranate
		2. Engineering Goods	1262.74	
		3. Man-Made Yarn/Fabs./ Madeups Etc.	336.75	
		4. Organic And Inorganic Chemicals	255.52	
		5. Cotton Yarn/Fabs./ Madeups, Handloom Products Etc.	191.04	
		Total of top 5 commodities	8918.59	
		Total export of District	9693.91	
3.	Mumbai (Maharashtra)	1. Gems And Jewellery	3363.15	Gems and Jewellery, Engineering, Pharmaceuticals, Chemicals, Textile, Leather, Plastics, Financial Services and Accounting & Auditing Services, Legal Services, Transport and Logistics Services, Management consulting services
		2. Engineering Goods	1604.98	
		3. Petroleum Products	582.94	
		4. Rmg Of All Textiles	536.04	
		5. Organic And Inorganic Chemicals	265.67	
		Total of top 5 commodities	6352.78	
		Total export of District	7823.18	

S. No.	Districts/ States	Top 5 Commodities	Value of Export (in US\$ Million)	Products/Services identified with Export Potential
4.	Mumbai Suburban (Maharashtra)	1. Gems And Jewellery	6745.53	Gems and Jewellery, Engineering, Pharmaceuticals, Chemicals, Textile, Leather, Plastics, Financial Services and Accounting & Auditing Services, Information Technology & Information Technology enabled Services (IT &ITeS), Communication Services (Audio Visual Services - Motion picture and Video Tape production and distribution service), Management consulting Services, Engineering Services
		2. Engineering Goods	465.91	
		3. Rmg of All Textiles	85.17	
		4. Organic and Inorganic Chemicals	83.79	
		5. Meat, Dairy And Poultry Products	74.47	
		Total of top 5 commodities	7454.87	
		Total export of District	7717.53	
5.	Pune (Maharashtra)	1. Engineering Goods	3528.83	Purandhar Fig, Automobile and Engineering Goods, Agriculture products, Pharmaceuticals, Electronics products, Pomegranate, Grapes
		2. Drugs and Pharmaceuticals	464.78	
		3. Electronic Goods	366.04	
		4. Organic and Inorganic Chemicals	215.47	
		5. Plastic and Linoleum	87.61	
		Total of top 5 commodities	4662.73	
		Total export of District	5392.86	
6.	Bharuch (Gujarat)	1. Organic and Inorganic Chemicals	2268.54	Chemicals, Banana
		2. Engineering Goods	810.39	
		3. Plastic and Linoleum	570.46	
		4. Drugs And Pharmaceuticals	406.06	
		5. Cotton Yarn/Fabs./Made- ups, Handloom Products Etc.	108.01	
		Total of top 5 commodities	4163.46	
		Total export of District	4695.14	

S. No.	Districts/ States	Top 5 Commodities	Value of Export (in US\$ Million)	Products/Services identified with Export Potential
7.	Kanchipuram (Tamil Nadu)	1. Engineering Goods	3442.30	Engineering and Auto components, Silk weaving, Textile garments, Software, Food Processing, Tourism - Heritage and medical, Kanchipuram Silk
		2. Electronic Goods	653.98	
		3. Drugs And Pharmaceuticals	105.03	
		4. Rmg Of All Textiles	80.47	
		5. Plastic And Linoleum	70.02	
		Total of top 5 commodities	4351.80	
		Total export of District	4587.56	
8.	Ahmedabad (Gujarat)	1. Drugs And Pharmaceuticals	1218.54	Pharma, Textile, Engineering, Plastics
		2. Engineering Goods	1139.32	
		3. Cotton Yarn/Fabs./Madeups, Handloom Products Etc.	418.41	
		4. Organic And Inorganic Chemicals	259.31	
		5. Rice	247.95	
		Total of top 5 commodities	3283.53	
		Total export of District	4439.12	
9.	Gautam Buddha Nagar (Uttar Pradesh)	1. Electronic Goods	1294.45	Readymade Garments, Basmati Rice, Meat, Electronic Goods, Engineering Goods
		2. Engineering Goods	859.66	
		3. Rmg Of All Textiles	706.85	
		4. Gems And Jewellery	104.24	
		5. Handicrafts Excl. Hand Made Carpet	98.42	
		Total of top 5 commodities	3063.62	
		Total export of District	3769.42	

S. No.	Districts/ States	Top 5 Commodities	Value of Export (in US\$ Million)	Products/Services identified with Export Potential
10.	Bengaluru Urban (Karnataka)	1. Electronic Goods	1294.45	Processed Foods, Vegetables and Flowers, Engineering Machine tools/ Automobile & Auto components/ Aerospace components / Precision components, Earth moving machinery, Defence manufacturing, Electrical machinery, etc., ESDM products. Pharma & Biotech, Electrical machinery, Plant extracts, FIBC bags & packaging products, Readymade garments/Textiles. Services-Hospital/ Health/ Wellness/ Educational, Engineering Services, Global Research & Development, Hub for manufacturing/ Global Development Centre, IT/ITES.
		2. Engineering Goods	859.66	
		3. Rmg Of All Textiles	706.85	
		4. Gems And Jewellery	104.24	
		5. Handicrafts Excl. Hand Made Carpet	98.42	
		Total of top 5 commodities	3063.62	
		Total export of District	3769.42	
11.	Devbhumi Dwarka (Gujarat)	1. Petroleum Products	3676.8	Marine & Fisheries
		2. Organic and Inorganic Chemicals	4.79	
		3. Marine Products	2.97	
		4. Engineering Goods	2.08	
		5. Ceramic Products and Glassware	0.92	
		Total of top 5 commodities	3687.56	
		Total export of District	3688.76	

S. No.	Districts/ States	Top 5 Commodities	Value of Export (in US\$ Million)	Products/Services identified with Export Potential
12.	Kutch (Gujarat)	1. Engineering Goods	821.72	Mango, Kutch Embroidery, Kutch Shawls, Marine Products, Castor
		2. Organic and Inorganic Chemicals	477.16	
		3. Rice	391.44	
		4. Cotton Yarn/Fabs./ Madeups, Handloom Products Etc.	331.5	
		5. Mica, Coal and Other Ores, Minerals Including Process	191.56	
		Total of top 5 commodities	2213.38	
		Total export of District	3448.67	
13.	Thane (Maharashtra)	1. Engineering Goods	1051.52	Chemicals, Plastics related, Pharmaceuticals, Engineering, Textiles, Plastics related, Transport and Logistics Services, Information Technology & Information Technology enabled Services (IT &ITeS), Communication Services (Audio Visual Services - Motion picture and Video Tape production and distribution service), Management consulting Services, Engineering Services
		2. Organic and Inorganic Chemicals	452.62	
		3. Drugs and Pharmaceuticals	329.61	
		4. Cotton Yarn/Fabs./Madeups, Handloom Products Etc.	192.02	
		5. Rmg of All Textiles	157.58	
		Total of top 5 commodities	2183.35	
		Total export of District	3023.22	

S. No.	Districts/ States	Top 5 Commodities	Value of Export (in US\$ Million)	Products/Services identified with Export Potential
14.	Visakhapatnam (Andhra Pradesh)	1. Engineering Goods	845.96	Coconut based products, Alloy wheels, Cashew, Black Pepper, Sea foods, Turmeric, Honey, Handicrafts like Etikoppakka Toys, Minerals and Mineral Based Products (Apatite, Crystalline Lime Stone, Quartz, Vermiculite, White Clay, Ruby, Mica, Calcite, Red and Yellow Ochre), Silver Oak wood, Araku Coffee, Ginger Powder, Etikoppakka Toys
		2. Organic and Inorganic Chemicals	777.27	
		3. Drugs and Pharmaceuticals	469.45	
		4. Marine Products	239.71	
		5. Petroleum Products	137.76	
		Total of top 5 commodities	2470.15	
		Total export of District	2755.02	
15.	Raigad (Maharashtra)	1. Engineering Goods	920.64	Iron & Steel Products, Chemicals, Pharmaceuticals, Engineering, Fisheries, Marine & Food Processing, Ganesh Idol (Handicraft), Transport and Logistics Services, Information Technology & Information Technology enabled Services (IT & ITeS), Tourism and Hospitality Services, Education Services
		2. Organic and Inorganic Chemicals	572.19	
		3. Drugs and Pharmaceuticals	188.1	
		4. Plastic and Linoleum	164.12	
		5. Meat, Dairy and Poultry Products	153.49	
		Total of top 5 commodities	1998.54	
		Total export of District	2675.44	
16.	Chennai (Tamil Nadu)	1. Engineering Goods	758.57	Biotechnology, Food processing, Marine products, Jewellery products, Apparels, Software and software services
		2. Petroleum Products	344.39	
		3. Leather and Leather Manufactures	294.42	
		4. Gems and Jewellery	259.32	
		5. Rmg of All Textiles	148.16	
		Total of top 5 commodities	1804.86	
		Total export of District	2563.29	

S. No.	Districts/ States	Top 5 Commodities	Value of Export (in US\$ Million)	Products/Services identified with Export Potential
17.	Dakshina Kannada (Karnataka)	1. Petroleum Products	1266.19	Cashew nuts (Ullal 1,2,3) and Spices, Marine products, Jack Fruit, Plastic components, Light Engineering (Auto components, Electrical, Plastic machinery etc.), Tourism, Value added plastic items (Woven Sacks/FIBC), optical items, Moulded& extracted items, packaging items, plastic components.
		2. Organic and Inorganic Chemicals	767.47	
		3. Iron Ore	243.08	
		4. Marine Products	52.6	
		5. Engineering Goods	39.6	
		Total of top 5 commodities	2368.94	
		Total export of District	2488.41	
18.	East Godavari (Andhra Pradesh)	1. Engineering Goods	1495.16	Coir and Coir Products, Rice, Sugar, Frozen Shrimp, Coir Fibre and Coir Pith, Uppada Jamdani Sarees
		2. Marine Products	342.89	
		3. Rice	305.78	
		4. Electronic Goods	40.1	
		5. Meat, Dairy and Poultry Products	13.05	
		Total of top 5 commodities	2196.98	
		Total export of District	2427.22	
19.	Gurugram (Haryana)	1. Engineering Goods	1186.03	Home Furnishing & Engineering Goods
		2. Rmg Of all Textiles	533.66	
		3. Electronic Goods	124.85	
		4. Leather and Leather Manufactures	85.06	
		5. Cotton Yarn/Fabs./Madeups, Handloom Products Etc.	67.28	
		Total of top 5 commodities	1996.88	
		Total export of District	2366.98	
20.	Tiruppur (Tamil Nadu)	1. Rmg Of all Textiles	1846.14	Hosiery Garments & Apparels
		2. Cotton Yarn/Fabs./Madeups, Handloom Products Etc.	178.14	
		3. Organic and Inorganic Chemicals	36.38	
		4. Engineering Goods	15.03	
		5. Plastic and Linoleum	8.57	
		Total of top 5 commodities	2084.26	
		Total export of District	2143.14	

S. No.	Districts/ States	Top 5 Commodities	Value of Export (in US\$ Million)	Products/Services identified with Export Potential
21.	Kolkata (West Bengal)	1. Gems and Jewellery	529.11	Lychee, Malda Laxman Bhog Mango, Malda Khirsapati (Himsagar) Mango, Malda Fazli Mango
		2. Engineering Goods	409.47	
		3. Leather and Leather Manufactures	263.21	
		4. Marine Products	149.71	
		5. Rmg Of all Textiles	84.64	
		Total of top 5 commodities	1436.14	
		Total export of District	2125.50	
22.	Vadodara (Gujarat)	1. Engineering Goods	583.44	Pharmaceuticals, Engineering
		2. Organic and Inorganic Chemicals	461.69	
		3. Drugs and Pharmaceuticals	220.65	
		4. Petroleum Products	170.69	
		5. Plastic and Linoleum	127.52	
		Total of top 5 commodities	1563.99	
		Total export of District	2010.32	
23.	Valsad (Gujarat)	1. Organic and Inorganic Chemicals	643.9	Chemical and paper, Mango, Marine Products
		2. Engineering Goods	297.87	
		3. Cotton Yarn/Fabs./Madeups, Handloom Products Etc.	222.27	
		4. Plastic and Linoleum	177.37	
		5. Drugs and Pharmaceuticals	140.26	
		Total of top 5 commodities	1481.67	
		Total export of District	1970.23	
24.	Jharsuguda (Odisha)	1. Engineering Goods	1949.61	Aluminium, Products, Chilly, Ginger
		2. Ceramic Products and Glassware	16.12	
		3. Organic and Inorganic Chemicals	1.78	
		4. Others	0.06	
		5. Mica, Coal and Other Ores, Minerals Including Process	0.01	
		Total of top 5 commodities	1967.58	
		Total export of District	1967.59	

S. No.	Districts/ States	Top 5 Commodities	Value of Export (in US\$ Million)	Products/Services identified with Export Potential
25.	Dadra And Nagar Haveli (Dadra & Nagar Haveli)	1. Man-Made Yarn/Fabs./ Madeups Etc.	418.37	Yarn, Fabrics, Pharmaceuticals, Cables, Rubber, Plastic Products, Readymade garments, Engineering products
		2. Engineering Goods	403.13	
		3. Plastic and Linoleum	385.18	
		4. Drugs and Pharmaceuticals	182.17	
		5. Organic and Inorganic Chemicals	119.3	
		Total of top 5 commodities	1508.15	
		Total export of District	1843.43	
26.	Bellary (Karnataka)	1. Engineering Goods	1714.84	Granite, Jeans Pant, Apparels Jute products, Engineering products, Electrical Machinery and Transport Equipment, Engineering/Iron ore based value added products, Pomegranate, Chillies
		2. Rice	15.26	
		3. Mica, Coal and Other Ores, Minerals Including Process	12.93	
		4. Fruits and Vegetables	6.4	
		5. Organic and Inorganic Chemicals	5.55	
		Total of top 5 commodities	1754.98	
		Total export of District	1769.36	
27.	Aurangabad (Maharashtra)	1. Engineering Goods	1062.07	Engineering, Pharmaceuticals and Agriculture products, Engineering services, Paithani Sarees and Fabrics, Marathwada Kesar Mango, Beed Custard Apple
		2. Drugs and Pharmaceuticals	217.39	
		3. Plastic and Linoleum	149.9	
		4. Organic and Inorganic Chemicals	43.69	
		5. Meat, Dairy and Poultry Products	41.53	
		Total of top 5 commodities	1514.58	
		Total export of District	1734.22	
28.	Palghar (Maharashtra)	1. Engineering Goods	913.11	Chemicals, "Chikoo" (Sapodilla), Pharmaceuticals, Iron & Steel and Engineering Products, Textiles, Plastics related, Fisheries, Marine & Food Processing, Fruits & vegetables, Warli Painting (Handicraft) Focus Services - Tourism and Hospitality Services, Transport and Logistics Services
		2. Drugs And Pharmaceuticals	246.77	
		3. Organic And Inorganic Chemicals	168.62	
		4. Man-Made Yarn/Fabs./ Madeups Etc.	65.01	
		5. Plastic and Linoleum	53.08	
		Total of top 5 commodities	1446.59	
		Total export of District	1636.50	

S. No.	Districts/ States	Top 5 Commodities	Value of Export (in US\$ Million)	Products/Services identified with Export Potential
29.	Coimbatore (Tamil Nadu)	1. Engineering Goods	767.38	Engineering Products such as Foundry, Motors & Pumps, Automobile Engineering Components, Iron Castings, Aluminium Castings, Wet Grinders & Home Appliances, Textiles such as Yarn & Fabrics, Poultry Products, Vegetables, Coconut & Coir Products, KovaiKora Cotton Sarees, Coimbatore Wet Grinder (Banana)
		2. Cotton Yarn/Fabs./Madeups, Handloom Products Etc.	232.4	
		3. Rmg Of All Textiles	84.58	
		4. Tea	56.58	
		5. Organic And Inorganic Chemicals	39.74	
		Total of top 5 commodities	1180.68	
		Total export of District	1489.44	
30.	Jaipur (Rajasthan)	1. Gems And Jewellery	419.24	Gems & Jewellery, Garments, Furniture, Services Exports and others, Toys, Blue Pottery of Jaipur
		2. Engineering Goods	243.95	
		3. Rmg Of All Textiles	109.42	
		4. Mica, Coal And Other Ores, Minerals Including Process	94.12	
		5. Cotton Yarn/Fabs./Madeups, Handloom Products Etc.	49.6	
		Total of top 5 commodities	916.33	
		Total export of District	1380.09	

Source: MOSPI



Confederation of Indian Industry

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Confederation of Indian Industry

The Mantosh Sondhi Centre

23, Institutional Area, Lodi Road, New Delhi – 110 003 (India)

T: 91 11 45771000 | E: info@cii.in • W: www.cii.in

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