



Confederation of Indian Industry



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# **Doubling Exports from West Bengal: A Roadmap**

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## I. Executive Summary

West Bengal is on a drive to achieve higher exports and has targeted doubling of exported value from the state to achieve higher output and employment.

West Bengal enjoys a unique confluence of entrepreneurial spirit, large and competitive talent pool, and wealth of natural resources. Its close connectivity by land and sea to India's vibrant and rapidly growing eastern neighborhood and access to waterways and seaports accords it an unparalleled advantage in terms of economic development.

Given the current geopolitical and global trade context, the state of West Bengal is ideally situated to emerge as the next global FDI destination on the fundamentals of its workforce, natural resources, agricultural prowess, and ports.

It can play a strategic role in tapping into global supply chains and emerging as the next global manufacturing destination.

West Bengal's mission statement on exports is to facilitate the rapid and sustained growth of exports and to increase its share in all India exports. Towards this, it has outlined a well-articulated policy in 2018 for export promotion.

The paper outlines the potential for exports across several sectors as below:

### Manufacturing

- Automotives, auto components and electric mobility
- Chemicals and petrochemicals
- Defence equipment
- Gems and jewellery
- Leather and leather products
- Textiles and apparel
- Pharmaceuticals
- Steel
- Medical equipment and devices

### Agriculture and food processing

- Agriculture
- Fruits and vegetables
- Marine products
- Food processing
- Dairy and poultry
- Tea

### Services

- IT and ITES

- Medical value travel
- Education
- Ecommerce
- Tourism and hospitality
- Financial services

The recommendations in the report are centered around the below:

Pillar 1: Facilitating business

- Ease of doing business
- Skill development
- Creation of industrial parks and SEZs
- R&D and innovation
- Worker facilitation

Pillar 2: Facilitating exports

- Ease of logistics
- Brand Bengal
- Global quality certifications and standards
- Trade facilitation

Export Promotion requires a holistic and comprehensive approach from all stakeholders including ministries, departments, district administration, businesses and exporters.

West Bengal with its long history of external engagement, robust entrepreneurial culture and large workforce can assume a lead role in India's globalisation journey and act as a role model for other states with conducive and effective policies for export promotion.

CII can support the export endeavour through various initiatives and activities in partnership with the state government and looks forward to actioning the export mission.

## II. Introduction

West Bengal is often known as the cradle of Indian business as the first modern enterprises in India took root here. Since the mid-19<sup>th</sup> century, it has a distinguished and outstanding record of business experience, and many storied corporate houses are based in the state.

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The Indian government's foreign policy, with its tenet of Act East, focus on Indo-Pacific, maritime development policies and infrastructure connectivity projects with proximate neighbors adds up to further West Bengal's strategic position.

Free trade agreements of India are currently mostly to its east, including Japan, South Korea, and ASEAN. Including the recent interim FTA with Australia, these FTAs provide an excellent vehicle for West Bengal to expand its external engagement.

With this as the backdrop, the present note highlights the current status of exports in West Bengal and suggests measures to enable it to attract the requisite investments and manufacturing facilities that will accelerate its exports.

Located in the eastern part of India, the state's topography includes both the unique heritage of the mangrove forests, the Sundarbans, as well as the mountainous region of the Himalayan range. Its geographical area is about 89 thousand square kilometers spread across 23 administrative districts. The state comes in at the 6<sup>th</sup> largest in India in terms of gross state domestic product, standing at US\$ 207 billion with a growth rate of 12.6% between 2015-16 to 2020-21.

West Bengal has two major ports at Kolkata and Haldia with a combined traffic of 64 million tonnes. While Kolkata port handled close to 10,000 containers in 2019-20, Haldia processed over 3000 containers. Coal was primarily handled by Haldia, followed by POL, other liquids, and iron ore.

The state's geographical, strategic and economic vantage points are briefly summarised below:

- Long sea border and an international land border
- Route to northeastern states

- Large land area with diverse agri climatic zones
- Home to minerals such as iron ore, coal, china clay, apatite, etc
- Rapid state output growth
- Wide spectrum of manufacturing industries
- Strong services sectors
- Large and young workforce
- Numerous advanced educational institutions

**Table 1: West Bengal Demographics, Select Indicators**

Population	
Indicator	Value
Population, as per 2011 census	91.28 million
Literacy rate, 2011	76.3%
Number of universities, 2019-20	47
Number of colleges, 2019-20	1411
Technical education institutions, 2019-20	153
Gross enrolment ratio for higher education	20%

Source: Economic Survey 2021-22

**Table 2: West Bengal Economy, Select Indicators**

Economy		
Gross state value added composition	Value	Growth rate 2011-12 to 2020-21, per cent
Primary sector	23%	9.5%
Secondary sector	20%	7.6%
Tertiary sector	57%	12.1%
Total road length, March 2019	316,730 km	NA
National highways, March 2019	3,664 km	NA
Railway network, March 2019	4235 km	NA
Installed power capacity, August 2021, MS	11,176	NA
FDI inflows, Oct 2019-June 2021	US\$ 746 million	NA

Source: IBEF

A targeted approach to strengthen the advantages and overcome the challenges can help the state to double its exports. A comprehensive and coordinated mission plan with continuous monitoring to align with emerging global and national developments would consolidate the state's export position.

In order to do this, West Bengal must action multiple dimensions, extending both to strengthening its manufacturing economy as well as specific actions to boost exports and export infrastructure.

In addition, to leverage its large workforce and ensure that sufficient high-quality jobs in the export sector are made available to workers, the state must build its infrastructure of education and skill development.

As the state enjoys very good port connectivity to ASEAN and eastern Asia, there is need for it to build an attractive investment climate that would encourage foreign investors to set up

manufacturing bases within its territory. FDI is critical for scaling up imports and ensuring that West Bengal emerges as a critical part of the supply chains in the region.

This report outlines actions at the domestic level within the state borders as well as actions to build its brand and market its products. It outlines sectors of potential in the country and their potential from the state. It suggests a district-wise list of specific products that can be exported from that district.

It may be noted that several critical growth drivers for exports are external to West Bengal. While areas such as foreign policy, trade policy, free trade agreements and foreign exchange management are in the purview of the central government, the overall global trading environment, geopolitical forces, external trade facilitation and others are issues which would need to be taken as a given. Therefore, despite best efforts, limiting factors may arise in the geopolitical context.

### III. India's Exports

West Bengal's export status also derives from India's overall export performance as a whole. In this section, the national level exports are explored as a basis for the standing of exports from the state. Over 2021-22, India has achieved its highest exports ever at \$418 billion. This comes in the backdrop of global trade surge, which, in turn, arises from repressed demand in the pandemic era now coming to the fore as coronavirus impact on the global economy wanes. It is expected that world trade growth would remain higher than its trendline for the next few years.

In this scenario, India's exports would continue to remain buoyant. The challenge for India is to capture a higher share of global exports rather than rely on global trade growth for its export performance. Similarly, West Bengal too would enjoy a benign global growth climate but must also expand its export share.

In 2020-21, India's bilateral trade exceeded US\$ 686 billion, with total exports valued at around US\$ 292 billion and total imports at US\$ 395 billion, as per Ministry of Commerce data. Total bilateral trade for India was estimated at around US\$ 835 billion during the April-Jan period of 2021-22. During this period, India's exports stood at US\$ 340 billion, while imports stood at US\$ 494 billion (Table 3).

**Table 3: India's Total Trade (US\$ billion)**

Year	Exports	Imports	Total Trade	Trade Balance
<b>2020-21</b>	291.81	394.44	686.24	-102.63
<b>2021-22 (Apr-Jan)</b>	340.27	494.34	834.62	-154.07

Source: Department of Commerce, Ministry of Commerce and Industry

India's top export commodity during 2020-21 as well as the April-Jan 2021-22 period was mineral oil and fuels (HS 27), recording total exports worth US\$ 27 billion and US\$ 52.47 billion respectively. Other top exports were in the broad HS 2-digit level categories of gems and jewellery (HS 71); pharmaceutical products (HS 30); machinery and appliances (HS 84); organic chemicals (HS 29); and electrical machinery and equipment (HS 85), among others (Table 2).

**Table 4: India's Top 10 Export Products (US\$ billion)**

HS Code	Commodity	2020-2021	2021-2022 (Apr-Jan)
<b>27</b>	Mineral fuels	26.91	52.47
<b>71</b>	Gems and Jewellery	26.16	32.29
<b>30</b>	Pharmaceutical products	19.38	16.03
<b>84</b>	Machinery and mechanical appliances; parts thereof.	18.95	20.51
<b>29</b>	Organic chemicals	17.95	18.11
<b>85</b>	Electrical machinery and equipment and parts	14.21	16.00

<b>87</b>	Vehicles and parts and accessories thereof.	13.64	16.11
<b>72</b>	Iron and steel	12.12	19.25
<b>10</b>	Cereals	10.10	10.31
<b>39</b>	Plastic and articles thereof.	6.87	7.53

Source: Department of Commerce, Ministry of Commerce and Industry

India's top export partner during 2020-21 was USA with India's total exports valued at US\$ 51.62 billion (Table 5). USA's export share as a percentage of India's total exports stood at more than 17%. India's other top export partners during the same period were China with Indian exports valued at US\$ 21.19 billion (7.26%), UAE with US\$ 17 billion (5.72%), Hong Kong with US\$ 10.16 billion (3.48%) and Bangladesh with US\$ 9.7 billion (3.32%).

Three of India's top 5 export destinations are therefore located to the east of India, giving West Bengal a competitive advantage.

**Table 5: India's Top 5 Export Partners in 2020-21**

Country	Total Exports 2020-21 (US\$ billion)	Exports Share (as % of India's Total Exports)
<b>USA</b>	51.62	17.69
<b>China</b>	21.19	7.26
<b>UAE</b>	16.68	5.72
<b>Hong Kong</b>	10.16	3.48
<b>Bangladesh</b>	9.69	3.32
<b>India's Total Exports</b>	291.81	

Source: Department of Commerce, Ministry of Commerce and Industry

As per latest trade statistics, recorded till the Apr-Jan period of 2021-22, India's top five export partners were USA, UAE, China, Bangladesh and the Netherlands (Table 6). Total exports from India to the US, India's largest export partner during the period, stood at US\$ 62.28 billion, with a share of 18.30% as percentage of India's total exports.

**Table 6: India's Top 5 Export Partners in 2021-22**

Country	Total Exports 2021-22 (Apr-Jan) (US\$ billion)	Exports Share (as % of India's Total Exports)
<b>USA</b>	62.28	18.30
<b>UAE</b>	22.36	6.57
<b>China</b>	18.40	5.41
<b>Bangladesh</b>	12.96	3.81
<b>Netherlands</b>	9.27	2.73
<b>India's Total Exports</b>	340.27	

Source: Department of Commerce, Ministry of Commerce and Industry

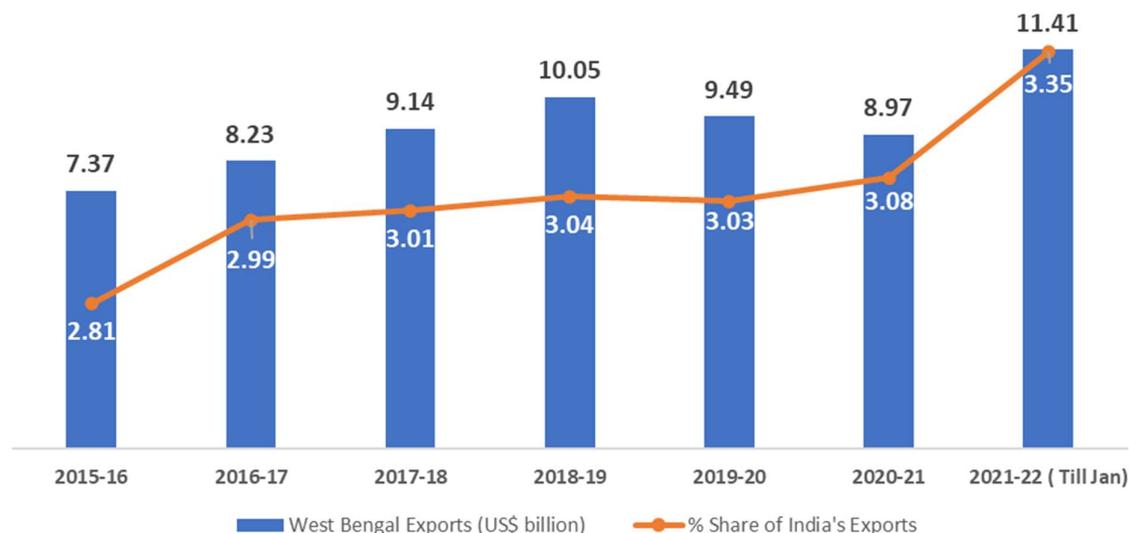
## IV. West Bengal’s Trade: Current Status and Advantages

West Bengal, with its location along the Bay of Bengal and bordering the countries of Bangladesh, Nepal and Bhutan, serves as one of the best channels for trading across borders for India as well servicing countries seeking support in utilizing West Bengal’s Sea/Land route channel for enabling their international trade. With its bountiful natural resources, high-skilled people and state of the art infrastructure support, West Bengal is shaping up as one of the most attractive destinations in India for businesses in East India, seeking to shift their bases or for investors interested in enhancing their global markets from India for its robust trade infrastructure ecosystem.

Its strategic location on the East coast makes it the ‘Gateway to SE Asia and NE India’. The state has consistently ranked among the top 10 exporting states of India over the last decade.

The following chart (Chart 1) captures West Bengal’s export performance in the recent years, which indicates that it has been consistently improving its share of India’s exports. The state exported total merchandise worth US\$ 11.41 billion during April 2021 to January 2022.

**Chart 1: Export Performance of West Bengal**



Source: Ministry of Commerce & Industry, DGCI&S

Following are the top 10 principal commodities that were exported from West Bengal over the past 5 years, i.e., 2017-18 to 2021-22\*:

West Bengal’s top export commodity over the last five years have been iron and steel, recording total exports worth US\$ 6.67 billion. Other top exports were in the broad HS 2-digit level categories of Gold & other Precious Metal, Products of Iron & Steel, Leather Goods, Marine Products, Petroleum Products, Rice (other than Basmati), Plastic Raw material, Iron Ore and Organic Chemicals.

**Table 7: West Bengal's Top 10 Export Products (US\$ billion)**

Principal Commodity	Total cumulative export value (2017-18 to 2021-22*)
Iron & Steel	6.67
Gold & other precious metal	3.19
Products of Iron & Steel	2.94
Leather Goods	2.84
Marine Products	2.81
Petroleum Products	2.67
Rice (other than Basmati)	2.13
Plastic Raw material	1.71
Iron Ore	1.05
Organic Chemicals	0.84

Source: DGCI&amp;S, \*till January 2022

West Bengal's top export partners over last 5 years have been Bangladesh, Nepal, USA, China, Germany, Vietnam, Japan, UK, Italy and Malaysia (Table 8).

**Table 8: West Bengal's Top 10 Export Destinations (US\$ billion)**

Principal Commodity	Total cumulative export value (2017-18 to 2021-22*)
Bangladesh	8.04
Nepal	4.52
USA	3.68
China	3.87
Germany	1.38
Vietnam	1.27
Japan	1.22
UK	1.13
Italy	1.09
Malaysia	1.00

Source: DGCI&amp;S, \*till January 2022

## V. Current Policy<sup>1</sup>

West Bengal's mission statement on exports is to facilitate the rapid and sustained growth of exports and to increase its share in all India exports by enabling investment and infrastructure in export-oriented sectors and enhancing the ease of doing exports, leading to higher productivity, higher income and greater employment generation in the state.

Government of West Bengal have set the following objectives:

1. To boost exports from the existing focus sectors where West Bengal has competitive advantage through increased market penetration as well as explore new products and markets to diversify and extend the export basket of the State.
2. To enhance ease of doing exports through creation of simple, effective and efficient institutional mechanisms, simplified processes and more efficient organisation and coordination of export promotion efforts.
3. Strengthening of export infrastructure such as Inland Container Depots (ICDs) Common Facility Centers, Cold Storage facilities, quality testing labs, rail-road-waterways connectivity to ports, trade facilitation centers, etc with the help of Public Private Partnership models.
4. Enhance exportability of goods from state by promoting value addition through promotion of R&D, innovation in product lines, technology upgradation and promotion of domestic and international quality standards and certifications.
5. Creating a better framework for effective and business-oriented export promotion programmes along with initiative-taking, streamlined and coordinated implementation.
6. Encouraging and motivating sectors / industries which possess export potential through proper guidance, awareness creation and streamlined information dissemination.
7. Skill upgradation and employment creation with special focus on improving the quality and performance of existing export training institutes and establishing more training programmes aligned to cater the export markets.
8. Boosting exports from the labour intensive MSME sector with special emphasis on Agribusiness, Food Processing, Organic cultivation, Engineered Goods (Iron & Steel), Textiles & Apparel, Leather, and Handicrafts to ensure inclusive and sustainable development in the State.
9. Promoting service exports to utilize the State's large pool of available skilled human capital.

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<sup>1</sup> West Bengal Export Policy 2018

Apart from the Export Promotion Policy, the state offers several other sector specific policies and schemes, which directly or indirectly, focus on improving the trade scenario including Logistics Park Development and Promotion Policy, Design Policy, Start-Up Policy, MSME Policy, Textile Policy, Incentive Scheme for Tourism Units, Fisheries Investment Policy, Investment & Industrial Policy, State Support for Industries Scheme, and ICT Policy, besides others.

## VI. Potential Sectors for Exports

### Manufacturing

#### Automotives, Auto Components & Electric Mobility

The automotive industry in India constitutes 7.1% of GDP and 49% manufacturing GDP while generating 37 million direct and indirect jobs. The Automotive Mission Plan 2016-26 positions the Automotive Industry in India at contributing 12% to GDP and deploying a workforce of 65 million by 2026.

This industry is dominated by Original Equipment Manufacturers (OEMs) in West Bengal with the presence of several steel plants serving as an ideal auto hub and comprising of units manufacturing nuts and bolts to radiators, axles, and shafts. This sector is strengthened by the easy availability of iron and steel in West Bengal and is facilitated by a skilled labour force available at low costs, thereby providing an added advantage for future growth and exports from this sector.

The prospering allied industrial parks like the Rubber Park in Howrah district, Plasto-Steel Park in Bankura district and several engineering & multi-product parks along with the plug and play infrastructure available at the State makes it a promising contributor to exports. The State Government is also financing medium & large-scale industries through different loan schemes and catalysing business, trade and industrial links with domestic as well as foreign institutions. Focus is also on development of modern industry-specific parks with state-of-the-art infrastructure along with disbursement of incentives provided by state and the dissemination of information related to trade prospects.

#### Chemicals & Petrochemicals

The chemicals and petrochemicals industry in India ranks 6<sup>th</sup> in the world, comprising of more than 8000 commercial products. The production volume of key chemicals and petrochemicals stood at 935,513 MT and 1,716,781 MT respectively in August 2021. India is also the fourth largest supplier of agrochemicals and accounts for roughly 16% of the global production of dyestuffs and dye intermediates. Global demand for Chemicals and Petrochemicals has been increasing over a few years due to increasing penetration, urbanisation, and growing demand from the rural sector. However, the pandemic induced a decline in domestic demand with many producers shifting their sales orientation towards exports. The Indian chemicals industry is expected to reach US\$ 304 billion by 2025 recording a CAGR of 9.3% while the demand for chemicals is expected to increase by 9% per annum<sup>2</sup>. The chemical industry is expected to contribute US\$ 300 billion to India's GDP by 2025.

West Bengal is home to several major petrochemical and chemicals companies and has developed industrial parks and regions for the sector. Kalyani, 50 km north of Kolkata and Kharagpur - Haldia belt, 100 km south of Kolkata are two chemical industry hubs of West Bengal having great potential for expansion and growth.

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<sup>2</sup> IBEF, <https://www.ibef.org/industry/chemical-industry-india>

## Defence

The Indian defence manufacturing sector recorded a CAGR of 3.9% between 2016 and 2020. The arms exports from India have grown by six times since 2014 with Rs 11,607 crore worth exports in 2021-22. Over the last five years, the government has undertaken many reforms to modernise armed forces, reduce external dependency for defence procurement, ensuring ease of doing business in the sector and accounting a rise in defence exports. India ranked 19<sup>th</sup> in the list of top defence exports globally as of 2019 and exported defence products to 42 countries. Consequently, the government has set a production target of US\$ 25.00 billion by 2025 including US\$ 5 billion worth exports.

The state of West Bengal has its feet rooted in defence since 1787, when the first modern gunpowder factory was established in Ichapur by the East India company. A century later, in 1902, it was converted into a rifle factory playing a significant role in the first World War. Currently, West Bengal has five public sector defence production units namely Garden Reach Shipbuilders & Engineers Ltd., Gun & Shell Factory Cossipore, Ordnance Factory Dum Dum, Metal & Steel Factory Ishapore and Rifle Factory Ishapore. Additionally, (eight) licenses have been issued by the Government to private companies for manufacturing defence items in West Bengal under I(D&R) Act, 1951 and Arms Act, 1959 / Arms Rules, 2016.<sup>1</sup> The defence manufacturing industry in West Bengal is likely to spurt with rising concerns of national security and demand for defence equipment.

## Gems & Jewellery

The gems and jewellery sector contributes nearly 7% to India's overall GDP<sup>3</sup> and employs nearly 50 lakh workers. The sector recorded about 10% share in the US\$ 400 billion exports of India in the current fiscal. While acknowledging the huge potential of the sector in advancing exports, the government has urged the sector to target US\$ 100 billion worth of exports in the years ahead. Accordingly, exporters have been requesting the government to extend support measures in the subsequent foreign trade policy (FTP), 2020-25, such as easing procedures pertaining to issuing of license and reviewing the restricted and prohibited list of goods.

The state of Bengal is bestowed with a rich tradition of craftsmanship of light weight gold jewellery with the largest segment of skilled artisans in jewellery making in India. Although West Bengal has a large pool of skilled artisans, states such as Gujarat, Rajasthan and Maharashtra continue to dominate trade across the country. Accordingly, the West Bengal government had initiated setting up of a common facility centre (CFC) in Kolkata, establishing a skill development centre by the Gem and Jewellery export promotion council, and extending the provision of modern facilities at the gems and jewellery industrial parks in the state. Jewellery from Bengal is famous worldwide by the sobriquet "Calcutta Jewellery" and focusing on this sector would be the right stride in intensifying manufacturing and enabling a greater export share.

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<sup>3</sup> source: <https://indbiz.gov.in/gems-jewellery-exports-rise-by-71/>

## Leather & Leather Products

India is the second largest producer of footwear in the world and enjoys a natural advantage in leather and leather products due to the presence of a huge livestock reserve including buffaloes, cows, goats, pigs, sheep, and camels, aggregating about 536 million as per the Livestock Census 2019. The sector employs about 4.2 million workers, including a large proportion of women workers. As the Indian footwear and leather industry has significant potential to boost exports, it is imperative to provide conducive infrastructure and appropriate incentives. Accordingly, the Indian Government has extended the “Indian Footwear, Leather & Accessories Development Programme” (IFLADP) for 2021-26 for the development of infrastructure and expanding production in the sector and facilitating greater investments.

West Bengal is the hub of leather goods and accounts for a 50% share of total Leather Goods exports from India. West Bengal has about 26.6% of the total of 2020 tanneries in India with a number of 230 and 436 Leather Footwear and Leather Goods Units in India. The Mega Footwear Park is another lucrative attraction for investors to set up base in West Bengal for business. The overall turnover of leather and leather products from West Bengal stands at US\$ 3 billion. This provides an ample opportunity for companies to invest in West Bengal for supplying to the leather sector. The Government of West Bengal has set up an integrated leather complex on the eastern fringe of Kolkata, spread over 1,100 acres which is Asia’s largest integrated leather complex with centralised effluent treatment plant. Currently, there are close to 443 units inside (including tannery), employing close to 3.5 lakh people. Further, 437 tannery units are upcoming.

The industry employs 2.5 million people, and a large part (nearly 60%-65%) of the production is in the small/micro sector.

## Textiles & Apparel

The textile industry in India, equipped with an unmatched raw material endowment is on one of the largest in the world. The strength of the industry lies in both, its unparalleled hand-woven as well as capital intensive mill sector. The textiles and apparels sector is also the second largest employer, after agriculture sector, being a labour-intensive sector. The Government of India has introduced several export-promotion schemes for the textiles sector such as allowing 100% FDI in the sector under the automatic route. However, India expects an increasing trend of integrated manufacturing hubs, and hence, the share of end-use products in total trade value growth over the next five years is forecasted by 88 percent. With 90 percent of this absolute jump in trade value expected from apparel exports, India will need to over-index on apparel exports. This requires positioning India as a regional fabric hub pivoting on cotton wovens. India must target to gain a 5 to 6 percent point share of global woven (natural) trade.

The West Bengal government have taken various measures such as providing fiscal incentives for units setting up in various Textile Parks, such as capital investment subsidy, power tariff subsidy, reimbursement of VAT, interest subsidy, reimbursement of electricity duty, Entry Tax concession, exemption of stamp duty, etc. The state also provides additional fiscal incentives

on technical textiles exports and has constituted an exclusive single window. All these measures envisage in developing West Bengal as a competitive textile hub and shall contribute to greater exports.

The positive triggers in West Bengal for the textile industry's development include ample production of chemicals and local dyes, availability of power, cheap labour and presence of export facilities due to ports and airports. The state has also received a proposal for a poly-fibre manufacturing unit in Haldia.

## Pharmaceuticals

The Indian Pharmaceutical industry is the third largest in the world in terms of volume and is the largest supplier of generic drugs globally, having transformed into a global research and manufacturing hub. The pharmaceuticals market in India is dominated by generic drugs constituting 70% of the market whereas 21% and 9% is the share of OTC medicines and patented drugs respectively. With greater health awareness, the mounting healthcare market and the accelerated primacy of lifestyle diseases, this sunrise industry has great export potential which can be leveraged by unleashing India's entrepreneurial spirit and creating a stable policy ecosystem. To leverage this potential, India plans to set up a US\$ 1.3 billion fund to encourage companies to manufacture pharmaceutical ingredients domestically by 2023.<sup>4</sup>

The pharmaceutical industry's origin in India could be traced back into West Bengal in the year 1901 when the eminent scientist, Acharya Prafulla Chandra Ray laid the foundation stone of Bengal Chemical & Pharmaceutical Works Ltd. (BCPW) in Bengal. Presently, West Bengal has two out of the four factories under the aegis of Bengal Chemicals & Pharmaceuticals Ltd. West Bengal could soon become a pharmaceutical hub with a target large population in the eastern and north-eastern states. With prime medical facility in Kolkata, Durgapur and Siliguri for patients, West Bengal serves as the prime location for exports to neighbouring countries, especially Bangladesh, Nepal, and Bhutan. The significant raw material base and the availability of skilled workforce also provides West Bengal a definite comparative advantage.

## Steel

The finished steel exports from India were recorded at 10.78 million tonnes in 2020-21 as against 8.3 million tonnes in 2019-20. In the last fiscal year, the consumption of steel stood at 94.89 million tonnes while a total of 96.2 million tonnes of steel was produced in India. In the ten-month period of FY22, 11.142 million tonnes of finished steel were exported from India.

West Bengal is a preferential destination for the steel industry since years, facilitated by the large endowment of raw materials like coal and iron ore in the state. The sector employs over three lakh workers in the state and is a hub of steel SMEs in the State. Bengal exports semi-finished items such as sponge iron and billets to its major export destinations such as Bangladesh and Nepal and resides immense export potential owing to the expected rise in global consumption levels of steel with the expansion of infrastructure construction and the thriving railways and automobile sector.

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<sup>4</sup> IBEF, <https://www.ibef.org/news/india-to-spend-us-13-billion-to-boost-pharmaceutical-production>

Currently, there is shortage of steel in the European, Middle Eastern and African markets and the gap will be filled partly by exports from India. This calls for an urgent focus on West Bengal's steel sector to accelerate exports from the state.

## Medical Devices & Equipment

The Indian medical device industry recorded noteworthy developments in the past decade and is estimated at \$10 billion owing to new technological implementation and modifications to newer designs. India is highly dependent on imports for many types of medical devices and imports about 80 percent of its medical devices, particularly higher end equipment such as ultrasonic scans, medical imaging, cancer diagnostics, and PCR technologies. The Indian Ministry of Health and Family Welfare (MOHFW) and Central Drugs Standard Control Organisation (CDSCO) have implemented various initiatives such as the re-examination and implementation of Schedule MIII, clinical evaluation and adverse reporting clarification, system for export labelling, creating a list of manufacturers with export licensing in order to increase exports of medical devices.

The growing emphasis towards early diagnosis and acceleration of chronic diseases has led to the advancement of diagnostic and surgical procedures undertaken by patients. This outgrowth requires focusing on the medical devices and equipment sector of West Bengal and concentrating on technological and equipment advancement which the state has the potential to congregate. Rising number of medical facilities in the state will boost the demand for medical devices in the market. The state has a Surgical Equipment Cluster in Baruipur with more than 250 units.

## Agriculture and Food Processing

### Agriculture

Agriculture has been the chief occupation of the people of West Bengal. In West Bengal, productivity growth in agriculture, particularly in food grain production, contributed significantly to the overall economic growth of the State since the early 1980s.

Rice, potato, jute, sugarcane, and wheat are the top five crops of the state. Rice is the principal food crop of West Bengal, and it is the largest producing State in the country. Other major food crops in the State include rapeseed & mustard, maize, onion, pulses, and coconut. The State stands first in the country in terms of jute production. Tea is another important cash crop in the State.

The major destinations of Agriculture exports of West Bengal are Vietnam, Malaysia, China, Singapore, UAE, Cote D' Ivoire, Ukraine, Sri Lanka, Togo, Timor-Leste, Papua New Guinea, Sudan, Indonesia, Qatar, Saudi Arabia, Kenya, Sierra Leone, Israel and Gambia.

### Fruits & Vegetables

This sector has some intrinsic strength in West Bengal as the state is the highest producer of vegetables in the country and accounts for 30% in the national production of potatoes, 27% in the production of pineapples, 12% in the production of bananas. Additionally, fruits like mangoes, papayas, guava and jackfruit and vegetables like tomatoes, cauliflower, cabbage, eggplant and pumpkin are available in plenty.

West Bengal produced 29.55 million tons of vegetables in 2018-19 and exported 143000 mt. Despite being top state in vegetable production, West Bengal accounts for only around 20% of country's total export of fruits and vegetables. There is a large scope for exporting green chillies, okra, beetle leaf, gandharaj and kagji. The bulk of vegetables and fruits are exported from the Netaji Subhash Chandra Bose Airport. They are exported to mostly Dubai, Qatar, Singapore, France, Italy, and other European countries.

In a major boost to India's exports of farm produce, consignments of mineral rich 'dragon fruit', sourced from farmers of West Bengal, have found their way to markets in the Kingdom of Bahrain recently.

### Marine Products

West Bengal produced 1.63 lakh tons of marine fish and 16.19 lakh tons of inland fish from 2019-20. Fish seed production ranges around 124550 lakhs fry. The total disposition of fish catches in West Bengal ranges around 17.15 lakh tons. Upto March 2020, 128150 tons of fish has been exported from the state.

West Bengal is endowed with rich water bodies. Ever increasing demand and assured market for fish require high yielding aqua farming. In the state, investment returns can start within a cycle of 3 months. Harvest can be planned according to the market demand with the objective of fetching better prices. Setting up of Ornamental Fishery Hub, as in Singapore and Hong Kong, under PPP/ JV mode would position the sector in the global map.

### Food Processing

Food processing industry can flourish in West Bengal due to numerous factors. Firstly, there is vast availability of agro raw material resources. Secondly, the climate of West Bengal is suitable for the plantation of various citrus fruits. Thirdly, being situated near river Ganga there is abundant supply of water and fertile alluvial soil. Fourthly, low-cost skilled labour is readily available in the State. Lastly, its location is perfect for large domestic markets and easy access to markets of Asia Pacific.

This sector has some intrinsic strength in West Bengal as the State is the highest producer of vegetables in the country.

The advantage of the sector is that most of the industries are low pollutant generators, having all kinds of markets (domestic/national/export), enjoying high "multiplier effects", easy raw material availability, and do not need much specialized skill sets.

## Dairy & Poultry

The state of West Bengal now leads in total cattle population (9.85 percent) and requires 16.9 million litres of milk daily. Kolkata and nearby suburbs alone have a milk demand of 2.4 million litres daily. Supply of milk from organized sector throughout the State is 1.2 million litres per day. Thus, there is a shortfall, which is met mostly by the unorganized sector. Investors in this case would have a wonderful opportunity to establish processing units and marketing of liquid milk and milk products in potential areas by way of procuring milk from the potential milk producing areas of the State.

The scope is enormous since consumer preferences, in tune with the global trends, are moving towards the value-added milk products. These include ice cream, flavoured yoghurt, processed cheese and cheese powder, flavoured milk, butter and cream. West Bengal is one of the leaders in poultry meat production in the country. West Bengal is contributing 12% to the meat production and currently, the State has about 53 million poultry birds. Organized poultry farming is a highly profitable and economically viable proposition for the investors in the State.

## Tea

West Bengal is the second-largest tea growing state in India. Total tea production in West Bengal stood at 415.89 million kgs in FY20, accounting for 30.56% of India's total production. Tea gardens in the state are located in Darjeeling and Jalpaiguri, the two northern districts of West Bengal.

Darjeeling tea has a geographical indication (GI) status that is recognized globally. It is regarded by connoisseurs as the Champagne of Teas. Government introduced Tea Tourism and Allied Business Policy, 2019, to utilize unused tea gardens and boost tourism in the state. The average price realized per kilo of tea was higher in 2020 at Rs 249.63, compared to 2019 when it was Rs 227.55. Still, the tea industry earned Rs 500 crore less through exports in 2020 compared to 2019. In 2019, the Indian tea industry produced 1,390.08 million kilos of tea. In 2020, the figure was 1,257.53 million kilos, down by around 133 million kilos. The pandemic-induced lockdown and inclement weather during monsoon months contributed to this dip.

The major exports destination of Tea from West Bengal are Russia, Iran, UAE, Germany, Iraq, Japan, USA, Netherland, China and UK.

## Services

### Information Technology & Information Technology Enabled Services

The Indian Information Technology (IT) and Information Technology Enabled Services (ITES) industry occupy a leading position in the world. The industry has largely contributed to India's growth story by generating significant job opportunities, contributing to exports, and positioning India as a preferred investment destination among global investors.

India is the topmost offshoring destination for IT companies across the world. The IT/ITES industry in India is expected to grow to US\$ 19.93 billion by 2025.

The IT industry accounted for around 8% of India's GDP in 2020 and software exports from IT companies amounted to US\$ 16.29 billion in the first quarter of FY 2022<sup>5</sup>. Business revenue for the IT and business service industry during the first half of 2021 was estimated at around US\$7 billion, while the export revenue stood at US\$ 150 billion in FY2021. India's software services exports in FY2021 increased by 4% relative to FY 2020 and were estimated at around US\$134 billion during 2020-21.

The state of West Bengal contributes to the growth of the IT and ITES sector significantly, at the national level. With the presence of many global software majors including IBM, TCS, PwC, British Telecom, HSBC, WIPRO etc., presence of prominent IT sector domains such as software development, IT infrastructure support, Big Data and Analytics System Integration and presence of many hardware companies, West Bengal has become a leading investment choice for domestic as well as global investors today.

Total IT exports from the state was estimated at US\$ 3.28 billion in 2018-19<sup>6</sup>. The West Bengal Government introduced the West Bengal Information Technology and Electronic policy in 2018 which envisages the state as one of the leaders in India in the IT, ITES, Information and Communication Technology (ICT) and Electronics System Design and Manufacturing (ESDM) sectors.

## Education

India's education market is expected to be worth US\$ 225 billion by FY2025<sup>7</sup>. The sector has huge potential and many opportunities, given that India has the largest population in the 5-24 age group, estimated at around 500 million. The edtech market in India is expected to grow to US\$ 4 billion by 2025, from US\$ 750 million in 2020. India is also the second-largest market for E-learning, after the US<sup>8</sup>. As per data released by Department for Promotion of Industry and Internal Trade (DPIIT), Foreign Direct Investment (FDI) flows stood at US\$ 6.15 billion between the April 2000 and June 2021 period.

In April 2021, India joined the United Nations' E9 initiative, which is the first of a three-phased process to co-create an initiative on digital learning and skills, targeting marginalized children and youth, particularly girls. By driving rapid changes in the education system, the E9 initiative aims to accelerate recovery and advance the Sustainable Development Goal 4 which seeks to ensure inclusive and equitable quality education and promote lifelong opportunities for all.

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<sup>5</sup> <https://www.ibef.org/industry/information-technology-india>

<sup>6</sup> <https://www.ibef.org/states/west-bengal#:~:text=Total%20export%20from%20IT%20sector,ITeS%2C%20ICT%20and%20ESDM%20sectors>

<sup>7</sup> <https://www.ibef.org/industry/education-sector-india#:~:text=Market%20Size,-India%20has%20the&text=The%20education%20sector%20in%20India%20was%20estimated%20at%20US%24%2091.7,India%20reached%2039%2C931%20in%20FY19>.

<sup>8</sup> <https://www.ibef.org/industry/education-sector-india#:~:text=Market%20Size,-India%20has%20the&text=The%20education%20sector%20in%20India%20was%20estimated%20at%20US%24%2091.7,India%20reached%2039%2C931%20in%20FY19>.

The state of West Bengal has made some rapid strides in the sector and has taken several steps to boost the sector further. As per the Economic Review 2020-21 state report, 732 virtual classrooms have been setup in the Government and Government aided colleges to create a space for e-learning. Wi-Fi and internet facility is also provided to the students. Since 2015-16, all admission processes for UG and PG level courses were made online. A comprehensive portal called 'Bangalar Uchchashiksha' is being developed which will cater to Universities and Colleges for collecting, compiling, and sharing of data<sup>9</sup>. All these efforts could make West Bengal reach its true potential as an Educational Hub and attract foreign students, thereby boosting the education services exports from the state.

## E-Commerce

India's e-commerce market is expected to reach US\$ 200 billion by 2026 and US\$ 350 billion by 2030<sup>10</sup>. The e-commerce market is expected to exhibit robust growth, with the rising internet penetration and increasing digital literacy, which has led to increasing investments in the sector. The rising investments received by the sector is also an outcome of the liberal FDI policies such as 100% FDI in B2B commerce and 100% FDI under the automatic route allowed in the E-commerce marketplace model.

The Government of India introduced several initiatives and schemes such as Digital India, Start-up India, Make in India, Skill India and Innovation Fund, which facilitate and support the growth of the Indian e-commerce market.

The Government e-Marketplace (GeM) portal served around 8 million orders worth US\$ 20.40 billion to more than 55, 433 buyers from 3.06 million registered sellers, as of November 2, 2021<sup>11</sup>. The Government has also made significant investments in the rolling out of 5G fiber network which is likely to provide a further impetus to the growth of the sector.

West Bengal has a flourishing e-commerce sector with large companies and new startups active in the state. It can become a hub for MSME e-commerce exports to neighbouring countries of Nepal, Bangladesh and Bhutan at competitive prices. Border rules regarding returns of goods and better financial technologies as well as last mile connectivity can help in this regard.

## Tourism & Hospitality

Offering a diverse range of niche tourism products – from adventure to medical tourism, India's tourism and hospitality sector is a fast-growing sector with huge potential. The Indian travel market is projected to reach US\$ 125 billion in FY 2027 from an estimated US\$ 75 billion in FY 2020<sup>12</sup>. The industry's contribution to India's GDP in 2020 was around US\$ 122 billion, which is forecasted to reach US\$ 512 billion by 2028.

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<sup>9</sup> [http://www.wbpcpm.gov.in/SiteFiles/Publications/1\\_08Feb2021459PM.pdf](http://www.wbpcpm.gov.in/SiteFiles/Publications/1_08Feb2021459PM.pdf)

<sup>10</sup> <https://www.ibef.org/industry/e-commerce>

<sup>11</sup> <https://www.ibef.org/industry/e-commerce>

<sup>12</sup> <https://www.ibef.org/industry/indian-tourism-and-hospitality-industry-analysis-presentation>

India received a rank of 34 in World Economic Forum's Travel and Tourism Competitiveness Index of 2019, up from its rank of 40 in 2017<sup>13</sup>.

The tourism and hospital sector in India is also responsible for generating significant employment opportunities, with the sector creating around 32 million jobs in 2020, accounting for around 7.3% of the country's total employment.

The Indian Government has launched several initiatives such as 'Incredible India' and 'Atithi Devo Bhava' along with facilitating e-tourist and medical visas, to further boost the growth of the sector. For inviting greater investments, the Government has allowed 100% FDI into the sector, through the automatic route.

While the sector took a hit during the Covid-19 crisis, with the world economy opening up and expected increases in tourist arrivals and the support provided through various initiatives by the Government, the sector is expected to post strong growth in the coming years.

The state of West Bengal is a land of many unique diversities and with its beautiful landscapes, heritage architecture, colourful folk festivals, beautiful arts and crafts industries and several travel destinations, is a brilliant travel spot for domestic as well as foreign tourists. In 2019, domestic tourist arrivals in the state was around 92.36 million, while foreign tourist arrivals crossed 1.65 million<sup>14</sup>. The Government allocated around US\$ 63.20<sup>15</sup> million as per the State Budget of 2021-22, for developing tourism in the state. The Government also introduced tea tourism in 2019 to utilise unused tea garden and also for boosting tourism in the state<sup>16</sup>.

The state is endowed with good travel infrastructure and offers smooth connectivity to other parts of India and rest of the world through the international airport, located at DumDum and a wide network of national and state highways, railways and roads.

### Medical Value Travel

Strong fundamentals including rising incomes and higher affordability, increasing awareness about health and preventive care, etc., are expected to drive strong growth of the Indian healthcare sector. A rising segment under the healthcare sector is medical tourism. The medical tourism industry was estimated at US\$9 billion in 2020<sup>17</sup>. Low cost of medical services is attracting patients from across the world and has led to a rise in the demand for medical value travel. Further, the presence of world class hospitals and high-skilled medical professionals have also contributed to India emerging as a global destination for medical tourism. Yoga, meditation, ayurveda and other traditional treatment methods are also some major offerings from India that attract medical tourists from across the world. A conducive business environment, a liberal FDI policy and low cost of clinical research have also helped India to become a major R&D hub for international players.

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<sup>13</sup> <https://reports.weforum.org/travel-and-tourism-competitiveness-report-2019/country-profiles/#economy=IND>

<sup>14</sup> <https://www.ibef.org/download/West-Bengal-March-2021.pdf>

<sup>15</sup> <https://www.ibef.org/download/West-Bengal-March-2021.pdf>

<sup>16</sup> <https://www.ibef.org/states/west-bengal-presentation>

<sup>17</sup> <https://www.ibef.org/industry/indian-tourism-and-hospitality-industry-analysis-presentation>

The Ministry of Tourism has recently formulated a National Strategy and Roadmap for Medical and Wellness Tourism for promoting India as a Medical and Wellness Tourism destination. It seeks to create a robust framework and promote synergies between the Central and State Governments and the private sector<sup>18</sup>. Medical visas, along with E-Medical Visa and E-Medical Attendant Visa have been introduced to facilitate medical treatment for foreign travellers under the programme.

With excellent connectivity to other states and rest of the world and robust medical infrastructure, West Bengal is fast emerging as a hotspot for medical tourism. With increasing number of medical colleges, rapidly growing health infrastructure, quality and affordable medical care and several leading private healthcare establishments, West Bengal could become an excellent market for medical tourists.

### Financial Services

India's financial services sector has witnessed exponential growth in the last few years, with the sector receiving more than US\$ 8 billion of investments across various stages of investment in 2021<sup>19</sup>. Increasing incomes, rise in digital technology and robust demand have been some of the factors driving the growth of the industry. Several reforms have been introduced by the Government to liberalize, regulate and strengthen the sector and for facilitating ease of access to credit. Total assets under management (AUM) by the Indian mutual funds industry stood at more than US\$ 500 billion in October 2021, with total number of accounts at 114.4 million<sup>20</sup>. The insurance industry, another critical component of the financial sector has also been expanding rapidly in India with premiums of life insurance companies reaching around US\$ 37 billion in FY 2020. Premiums from new businesses of life insurance companies stood at US\$ 17.6 billion in FY 2022.

With rapid expansion of mobile and internet services, India is poised to become one of the largest digital markets in the world. India has seen tremendous growth in the Digital Payments front and registered over 5.7 billion transactions worth US\$ 2 trillion in September 2021<sup>21</sup>. More than 2100 fintech companies are currently operational in India and it is among the largest fintech markets in the world, with the fintech industry valued at US\$ 50-60 billion<sup>22</sup>.

West Bengal has achieved significant improvement in extending its outreach activity in the context of financial services.

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<sup>18</sup> <https://pib.gov.in/PressReleaseFramePage.aspx?PRID=1805825>

<sup>19</sup> <https://www.investindia.gov.in/sector/bfsi-fintech-financial-services>

<sup>20</sup> <https://www.ibef.org/industry/financial-services-india>

<sup>21</sup> <https://www.investindia.gov.in/sector/bfsi-fintech-financial-services>

<sup>22</sup> <https://www.investindia.gov.in/sector/bfsi-fintech-financial-services>

## VII. Recommendations for Doubling Exports

The recommendations for doubling exports from West Bengal can be placed in two primary pillars of intervention with specific areas to be addressed:

### Pillar 1: Facilitating business

- Ease of doing business
- Skill development
- Creation of industrial parks and SEZs
- R&D and innovation
- Worker facilitation

### Pillar 2: Facilitating exports

- Ease of logistics
- Brand Bengal
- Global quality certifications and standards
- Trade facilitation

## **Recommendations for Facilitating Business**

### **A. Ease of Doing Business**

- West Bengal should work on attracting investments from domestic and global corporates. For this, a facilitative and welcoming investment climate should be built up with quick access to land, speedy clearances and approvals and time-bound systems. It is also important to facilitate the creation of ancillaries that will support large businesses. This is especially vital for building up presence in global supply chains.
- Single Window Clearance is an area that needs to be specifically addressed along with addressing power costs and power availability.
- E-case management systems, digitization of records, facility for real time registration for shops and similar establishments and removal of inspection for registration of shops or trade licenses are some of the key thrust areas that require speedy implementation.
- Faster adoption of integrated online systems for expediting construction permits is also an area that needs attention.
- The West Bengal Government recently announced several new online services including the single window system for the issuance of building plan approval, issuance of trade license and municipal mutation and assessment. Effective and

speedy implementation of these services along with regular reviews and monitoring is required.

## **B. Skill Development**

- West Bengal must take steps to build the quality of its human resources to make workers more productive and attuned to requirements of global markets. Higher education enrolment needs to be built up to create a cadre of professionals that can integrate with world businesses and be a resource for multinational companies.
- Studies must be conducted that identify requirements of skill development specific to export sectors, with the support of various skill development institutes in the state.
- Workshop and training programme for exporters, improving skills sets of smaller exporters and providing systematic training to SME exporters with regards to exporting issues faced by them, etc. are required. These could include training modules on production capabilities, market research, logistics, marketing plans, banking, international law, searching for partners, and the export process.

## **C. Creation of SEZs and Industrial Parks with World-Class Facilities**

- Development of plug and play industrial parks with all facilities and clearances provided in advance can help attract new investors.
- Since the modalities of operations of both manufacturing and service based SEZs are different based on the very nature of their activities, there is an inherent need to develop separate policy frameworks for both service and manufacturing based SEZs. The state needs to work with the Central Governments to develop separate policy frameworks for Manufacturing and Service based SEZ.
- Draw up a comprehensive list of projects required for improving facilities at key export manufacturing centres, SEZs, and industrial parks to link with ports.
- Upgrade SEZ units into electronic data interface (EDI).
- Ensure accurate categorization of EXIM data. It is crucial to collate and present data on exports and imports from SEZs by sectors. The manufacturing sectors should be represented with proper classification so that exports and imports from SEZ and DTA can be calculated and monitored. The SEZ developers and units submit this data to the Development Commissioners office which can be utilised for the purpose of this exercise.
- Leverage SEZs for integration into Global Value Chains by first permitting sensitive sectors to first operate in these zones, experiment with them and only after their success, integrate them in the domestic manufacturing market. SEZs are deemed

foreign territories, thereby, it provides opportunity to the authorities to develop the roadmap before opening to much wider markets.

#### **D. Technology and R&D**

- Each state ministry can be provided with a fund for R&D and tech-based innovations including through incubation cells for startups.
- To promote public private partnerships, a Technology Fund could be created through which the Government could fund R&D and innovation projects, with the private sector contributing 60% and 40% coming from the Technology Fund.
- It is important to protect the results of investments by securing Intellectual Property Rights and commercialization of IP. An IP revolution can be considered. IP Facilitation Centres could be created in select key districts.
- MSME should be encouraged to consider filed patents and registered design as important differentiators. Tie-ups with state universities could be considered for product development.

#### **E. Worker Facilitation and Labour**

- Ease of doing business under labour regulations such as returns, inspections, and other issues should facilitate enterprises to grow. If possible, special labour enclaves can be created where labour regulations are easy and promote employment at scale.
- State Rental Housing Policy that caters to all age and income groups of workers is important. Private sector participation must be facilitated for establishing good quality and affordable houses, particularly at locations close to industrial and export hubs. Innovative financial instruments for financing rental housing and provision of long-term finance would be important aspects for the faster development of rental housing.
- The workers must be provided with affordable transport services and efficient public transport system that are well connected with the work locations.
- Good quality roads with adequate width surrounding the lead firm facilities with linkages to ancillary units must be constructed. Convenient road linkages must also be developed that would promote ease of access to workers for industrial districts. This in turn would encourage migrant workers from all districts.
- To encourage maximum flows of people, highways to key large cities and industrial hubs must be developed.

## Recommendations for Facilitating Exports

### A. Ease of Logistics

- The state needs to undertake district specific interventions so that the sectors/commodities of potential specific to the particular district can play a key role in the overall growth of exports. The linkage of these products to evacuation points at inland container depots and ports should be made speedy and efficient. The district wise list of sectors/commodities of significant export potential is enclosed as **Annexure I**.
- Upgrade existing facilities and add digital technologies wherever required at ports.
- Set up cold chains and warehouses.
- Draw up a comprehensive strategy for hinterland connectivity and reducing port dwell time.
- Activate the program for Coastal Economic Zones with special regulatory provisions through SPVs. These should work towards rapid creation of infrastructure to be provided to large manufacturing companies and ancillaries in a plug-and-play mode.
- Build the inland water system to enable trade through an eco-friendly and cheap means of bulk transport.

### B. Promote Brand Bengal

- Expand funds for marketing promotion, particularly in major markets in advanced countries where it has the potential to capture share from other countries.
- Set up a task force for marketing and promotion with private players.
- Marketing and promotion activity should be given out to an industry body. This could be partly funded by Government and partly by industry for services availed. It could also help in connecting with overseas investors in those markets and provide information, handholding and facilitation services.
- Organize targeted sectoral business delegations to identified countries.
- Develop a protocol for Indian missions overseas to take up including trade talks, market access, business meetings, trade shows (including virtually), trade and tender information, and so on.
- Provide inputs to Government of India for protecting the interest of focus products of West Bengal during FTA negotiation.

### C. Quality Certification and Standard Testing Facilities

- Create a wide-ranging awareness dissemination program on standards and compliances for exports.
- Set up a scheme to assist exporters in accessing certifications and provide loans for enabling firms to obtain certifications.
- Draw up a plan for setting up certification bodies in proximity of manufacturing hubs or making their services available to firms easily.

### D. Trade Facilitation

- One of the key focus areas of trade facilitation is digitization of procedures and lower human intervention. While several initiatives have been undertaken in this regard, there are issues in on-ground implementation. The state government needs to work with the Central government towards Digitization of Trade Procedures.
- There is a need to undertake standardization of customs procedures at ports and to reduce the dwell time and transaction cost for the industry.
- There is a need for a common online portal for issue of circulars pertaining to various ports and locations to ensure standardization.
- Speedy and efficient valuation and classification requires domain experts who specialize in a range of particular products. Creation of Valuation/ Assessment Centers of Excellence could help in this regard.
- Automation of all gates of the ports must be undertaken to enable e-exit of containers allowing to pass without checking of physical hard copy for exports.

## Sectoral Recommendations

### A. Manufacturing

**Automotives, Auto Components & Electric Mobility:** Review overall cost of doing business across sectors and analyse against global competition and global costs to understand underlying issues. Facilitate world-class automobile design studios to open offices in West Bengal to create a holistic automobile cluster. Leading automobile companies and component manufacturers in India can be encouraged to open auto tech centres in West Bengal. Policy measures may be introduced to develop R&D capability by Industry, Academia and Research Institutes and encouraging in-house R&D to develop absorptive capacity and benchmarking with international standards. The Government may also look at establishing Centres of Excellence (CoEs) to provide inputs for regulation on various aspects such as carbon

neutrality, advance safety technology assessment, accident data analysis, and pollution source apportionment.

**Chemicals & Petrochemicals:** Initiatives must be undertaken for the chemicals and petrochemicals sector to attract investment from countries such as Korea and Japan who are pursuing to diversify supply chains outside China. Implement skills training programmes in the state in collaboration with the Rubber, Chemical, Petrochemical Skill Development Council (RCPSDC) to develop skills in emerging areas such as specialty chemicals, water specialty and processing chemicals, absorbents, absorbents, catalysts etc. Develop compliance of manufacturing quality products benchmarked equivalent to global standards.

**Defence:** The state government must create Industry – Defence linkages forums for MSMEs to identify opportunities and handhold them on how to do business in the defence space. A promotional webinar series could be conducted for educating the industry to understand the defence requirements of other countries and identify potential business opportunities.

**Gems & Jewellery:** Rather than importing quality machines by paying extra cost, focus should be on making quality machines indigenously for producing exportable products. Brand the unique handcrafted jewellery produced in West Bengal by incentivising incisive marketing tools and promoting R&D in designs. Strategizing diversification of exports by laying greater focus on designing and collaborating with other economies for cost-effective methods to enhance production of Indo-western jewellery.

**Leather & Leather Products:** Footwear clusters must be developed with shared infrastructure including modern tanneries and effluent management systems as well as good inland connectivity. Facilitate business tie-ups and buyer-seller meets, host leather expos to showcase products and bring world-class designs to the state. As many changes in tanning technology are taking place along with development of new types of leathers, the revision of finished leather norms is critical for the survival of the finished leather segment and revival of exports.

**Textiles and Apparel:** Create a dedicated task force that can boost foreign direct investment outreach efforts by reaching out to the right investors and pitching West Bengal as the ideal investment destination. Branding all new textile parks as “green parks” (where the bulk of power is consumed via renewable sources) could be a significant gesture in this direction. Continue making investments in sustainability and traceability, which are becoming key expectations from global customers and could be West Bengal’s most important differentiators.

**Pharmaceuticals:** Focus on generic drugs and thrust on Rural Development programmes are expected to fuel the exports growth of the sector. Government may come up with a scheme for new drug development for diseases prevalent in countries importing Indian drugs. Financial assistance could be provided for upgradation of selected pharmaceutical manufacturing facilities including biopharmaceuticals to the Highly Regulated markets of USA, UK and Australia.

**Steel:** The deep seaport at Tajpur is of utmost importance for boosting steel exports. Kolkata being riverine port has critical issues of its own which has a limit of improvement. Further, the process of land acquisition, environmental and forest clearances and a mechanism for mining allocations must be simplified to give an impetus to investment plans.

**Medical Devices & Equipment:** Government needs to promote medical technology park in Eastern India to decrease the costs of the healthcare equipment and research for new vaccines. Strengthen linkages between Government and the Private Sector participants involved in Healthcare Delivery and Medical Technology sector on issues like CGHS, ESI, Insurance and Duty Structure on Medical Equipment Industry and promote the concept of Corporate Wellness. A single-window approval system may be put in place to ease manufacturing of medical devices. To ensure traceability of the manufactured medical devices, mandating registry of medical devices is imperative.

## **B. Agriculture and Food Processing**

**Agriculture:** Add value added products to the mix of export basket. Additionally, focus also needs to be on finding new markets for fresh & value-added products. Enhance farmers skills and capabilities to produce export quality produce or raw material to produce exportable products. Support market development efforts by giving specific subsidies for marketing abroad and provide a weighted deduction for brand promotion.

**Fruits and Vegetables:** Strong backward linkages need to be established under a cluster approach. Strong network of testing infrastructure needs to be established with stringent quality control mechanisms. Setting up of integrated post-harvest, processing facilities, collection centre, cold storage, pack-houses, testing laboratories etc., with support from schemes of MoFPI (PMKSAMPADA) / DoC (TIES) / DACF&W (MIDH) / DAHDF (IDMF) etc. will be critical.

**Marine Products:** Enablers such as ease of doing aquaculture farming, simplification of registration and renewal process of aquaculture farms, attracting large scale investment for upstream and downstream capacity building, besides others are some of the identified interventions for bringing opportunities to meet the export targets. Enablement of adequate credit and working capital towards input costs & capital expenses as well as loan under priority lending sector will help aquaculture entrepreneurs to increase the production and thus the exports. Also, Power Tariff for fisheries and aquaculture should be at par with tariff on agriculture activities.

**Food Processing:** Spices Board to provide details of the list of specific spices and their overall level to enable exporters to clearly identify the export shipments that are exempted from Spices Board Certification. To reduce the transaction cost burden on exporters, the processes for issue of the certification should be fast tracked. Government must also consider doing away with the Mandatory Physical Inspection and Verification of Organic Imports by APEDA.

**Dairy and Poultry:** Intensify skill development in the poultry sector and reduce the gap required. Develop Marketing Intelligence domestically and internationally in collaboration

with ICAR and other Department/ agencies. Facilitate Industry- Academia partnership to enable transfer of technology at the grassroots level.

**Tea:** There is a need to devise promotion schemes and conduct overseas roadshows to promote West Bengal Tea. Capacity building of the small tea growers is critical as they are not technically sound and having lack of proper knowledge in tea cultivation, thereby falling behind in terms of global standards. Further, almost the entire cultivation is dependent on private initiative of individual owners and therefore Government may look at providing institutional finances to boost this sector.

### C. Services

**IT and IT Enabled Services:** Internally, freedom to operate with minimal reporting, using macro indicators like growth, employment opportunities, sustainability awareness etc. will need to form basis for policy rather than complex compliances. Additionally, conducive Labour policies, SEZ reforms, and favorable taxation ecosystem for promoting Research and Innovation can go a long way in augmenting the efforts of the IT Services industry.

**Medical Value Travel:** A commitment to quality enhancement throughout the whole of the health care system involving all professional and service groups is essential to ensure that high quality in health care is achieved, while minimizing the inherent risks associated with modern health care delivery. Setting up of standards in all health facilities is critical.

**Education:** The pandemic has led to the development of online education platforms at a large scale. West Bengal could position itself as a high quality and affordable education hub, under various modes of supply of services. The education sector can be encouraged and supported to push towards engaging in exports amid the acceptance of online education in the post Covid world.

**E-Commerce:** With an aim to support the growth of the e-commerce sector, the facility for bulk clearance of export is required for e-commerce exports. Additionally, a simplified process in case of return shipments would also help in promoting the growth. The State may look at launching a dedicated e-commerce policy which would help in the growth of the exports of e-commerce services.

**Tourism & Hospitality:** The potential of West Bengal's travel and tourism sector requires targeted policy interventions in the realms of building service infrastructure, ensuring safety and security of foreign tourists, and reductions in the levels of air pollution in cities. More investment needs to be encouraged for star category and budget hotels at different destinations. Hill tourism can be further encouraged by introducing new trekking routes and setting up additional viewpoints and mall roads. A marketing campaign can be initiated to provide commercial support to these destinations.

**Financial Services:** Abundant talented professionals and technology up gradation could promote the exports of financial services from India including West Bengal. To enable development of emerging fintech technologies, it is important to promote technology

absorption and incubation which is a function of education, knowledge, skills, experience and training. West Bengal can enter into partnerships with industry, universities in other countries thereby facilitating technology absorption. Such collaborations will help the state in adoption of best practices crucial for bringing about structural changes in areas like- capacity building, resource development and benchmarking of occupational and skill standards.

## VIII. Conclusion & Way Forward

Export Promotion requires a holistic and comprehensive approach from all stakeholders including ministries, departments, district administration, businesses and exporters. In addition, states must work closely with the central government to make known their specific requirements in terms of additional infrastructure, necessary actions at the port and customs authorities, and tariff structure.

West Bengal with its long history of external engagement, robust entrepreneurial culture and large workforce can assume a lead role in India's globalisation journey and act as a role model for other states with conducive and effective policies for export promotion.

Industry and Government need to work together for the following activities and initiatives:

- Developing targeted policies
- Developing country profiles
- Managing export promotion through overseas delegations
- Organizing investor meets on a regular basis with global businesses
- Promoting linkages between industry of the state and key global markets
- Providing handholding services to entrepreneurs
- Assisting with information on key markets and on standards and certification requirements overseas

With a strong and wide partnership of West Bengal state government and industry, the ambitious export target of doubling exports from the state can be achieved going forward.

# **Annexure I**

## **POTENTIAL PRODUCTS ACROSS THE DISTRICTS OF WEST BENGAL**

<b>Districts</b>	<b>Products</b>
<b>Darjeeling</b>	<ol style="list-style-type: none"> <li>1. Noodles</li> <li>2. Wooden Furniture</li> <li>3. Cane Furniture</li> <li>4. Pineapple products</li> <li>5. Herbal Incense sticks</li> <li>6. Herbal aromatic oil</li> <li>7. Ginger Powder</li> <li>8. Handicraft, brass metal, white metal etc.</li> <li>9. Cardamoms in shell dried Pluk</li> </ol>
<b>Jalpaiguri</b>	<ol style="list-style-type: none"> <li>1. Husked or Brown Rice</li> <li>2. Tea</li> <li>3. Jute Products</li> <li>4. Wooden furniture</li> <li>5. Natural Honey</li> <li>6. Woollen Carpet</li> <li>7. Wholly Milled Rice</li> <li>8. Vegetable, fruit nuts and preserved by sugar</li> <li>9. Woven fabrics of Cotton</li> <li>10. Bamboo Flooring Panel</li> <li>11. Natural grass</li> </ol>
<b>Siliguri</b>	<ol style="list-style-type: none"> <li>1. Embroidery works</li> <li>2. Immitation Jewellery</li> <li>3. Jute Bags</li> <li>4. Sweet meat</li> <li>5. Pickles</li> </ol>
<b>Kalimpong</b>	<ol style="list-style-type: none"> <li>1. Cardamom</li> <li>2. Ginger &amp; Turmeric</li> <li>3. Artistic Handicrafts items</li> <li>4. Herbal aromatic</li> <li>5. Agarbathi</li> </ol>
<b>Coochbehar</b>	<ol style="list-style-type: none"> <li>1. Vegetable, fruit nuts and preserved by sugar</li> <li>2. Woven fabric of Cotton</li> <li>3. Bamboo Flooring Panel</li> <li>4. Natural Honey</li> <li>5. Woollen Carpet</li> <li>6. Wholly Milled Rice</li> </ol>
<b>Alipurduar</b>	<ol style="list-style-type: none"> <li>1. Vegetable, fruit nuts and preserved by sugar</li> <li>2. Bamboo Flooring Panel</li> <li>3. Woollen Carpet</li> <li>4. Natural Honey</li> </ol>

	<ol style="list-style-type: none"> <li>5. Wooden furniture</li> <li>6. Wholly milled rice</li> </ol>
<b>Uttar Dinajpur</b>	<ol style="list-style-type: none"> <li>1. Wholly milled rice</li> <li>2. Teracota ornaments</li> <li>3. Woollen Carpet</li> <li>4. Woven fabrics of Cotton</li> <li>5. Bamboo Flooring Panel</li> <li>6. Wooden furniture</li> <li>7. Natural Honey</li> <li>8. Vegetable, fruit nuts and preserved by sugar</li> <li>9. Turmeric Powder</li> <li>10. Jute Bag</li> <li>11. Maize</li> </ol>
<b>Dakshin Dinajpur</b>	<ol style="list-style-type: none"> <li>1. Jute Products</li> <li>2. Husked or Brown Rice</li> <li>3. Tea</li> <li>4. Wooden furniture</li> <li>5. Natural grass</li> <li>6. Natural honey</li> </ol>
<b>Malda</b>	<ol style="list-style-type: none"> <li>1. Woolen carpet</li> <li>2. Natural Honey</li> <li>3. Makhana</li> <li>4. Silk Sarees</li> <li>5. Jute Bags</li> <li>6. Mango Leather (dried mango)</li> <li>7. Wooden Furniture</li> <li>8. Bamboo Crafts</li> <li>9. Carpet</li> </ol>
<b>Murshidabad</b>	<ol style="list-style-type: none"> <li>1. Woolen carpet</li> <li>2. Silk Sarees</li> <li>3. Natural Honey</li> <li>4. Makhana</li> <li>5. Jute Bags</li> </ol>
<b>Birbhum</b>	<ol style="list-style-type: none"> <li>1. Stone Chips</li> <li>2. Broken Rice</li> <li>3. Leather Goods</li> <li>4. Potato</li> <li>5. Sand</li> <li>6. Kanthastitch</li> </ol>
<b>Hooghly</b>	<ol style="list-style-type: none"> <li>1. Fusible Embroidery, motifs</li> <li>2. Babnan chicken</li> <li>3. Embroidery works</li> <li>4. Brass Decorative items</li> <li>5. Artificial Flower products</li> <li>6. Imitation Jewellery</li> </ol>

	<ol style="list-style-type: none"> <li>7. Pickles</li> <li>8. Jute bags and packaging materials, carpets</li> <li>9. Sweet meat</li> </ol>
<b>Paschim Bardhaman</b>	<ol style="list-style-type: none"> <li>1. Bread, Pastry, Cakes, biscuits and other bakers wears</li> <li>2. Portland Slag</li> <li>3. Refractory Bricks, blocks, tiles or similar refractory ceramics</li> <li>4. Imitation Jewellery</li> <li>5. Refractory Cements, Mortars, concrete and similar composition</li> <li>6. Other furniture and parts thereof, other metals, furniture of steel</li> <li>7. Rice (Parboiled Rice)</li> </ol>
<b>Purba Bardhaman</b>	<ol style="list-style-type: none"> <li>1. Portland Slag</li> <li>2. Rice (Parboiled Rice)</li> <li>3. Refractory brick</li> </ol>
<b>Bankura</b>	<ol style="list-style-type: none"> <li>1. Incense stick</li> <li>2. Silk and Tasar scarf</li> <li>3. Button Lac</li> <li>4. Singing bowl</li> <li>5. Wooden Handicraft</li> </ol>
<b>Purulia</b>	<ol style="list-style-type: none"> <li>1. Singing bowl</li> <li>2. Silk and Tasar scarf</li> <li>3. Wooden Handicraft</li> <li>4. Incense stick</li> <li>5. Button Lac</li> <li>6. Raw Cane sugar</li> <li>7. Granite</li> <li>8. Fresh Tomatoes</li> <li>9. Quartz</li> </ol>
<b>Jhargram</b>	<ol style="list-style-type: none"> <li>1. Silk and Tasar scarf</li> <li>2. Singing bowl</li> <li>3. Incense stick</li> <li>4. Wooden Handicraft</li> <li>5. Bottom lac</li> </ol>
<b>Paschim Medinipur</b>	<ol style="list-style-type: none"> <li>1. Granite</li> <li>2. Button Lac</li> <li>3. Raw Cane sugar</li> <li>4. Fresh Tomatoes</li> <li>5. Quartz</li> </ol>
<b>Purba Medinipur</b>	<ol style="list-style-type: none"> <li>1. Handicrafts (Horn Products)</li> <li>2. Lentil dumplings</li> <li>3. Roasted Cashew</li> <li>4. Human Hair(washed)</li> </ol>

<b>South 24 Parganas</b>	<ol style="list-style-type: none"> <li>1. Natural Honey</li> <li>2. Fabrics Garments and clothing accessing</li> <li>3. Article of apparels and leather</li> <li>4. Dried Mango</li> <li>5. Articles of Bamboo</li> <li>6. Kids garments and accessories</li> <li>7. Leather Products, Ladies purses</li> <li>8. Surgical Instruments (Forcep, clamps, clips, needle holder, etc.)</li> <li>9. Incense Stick (Agarbati and other odoriferous products)</li> <li>10. Silver Products and Zari-Embroidery items</li> </ol>
<b>North 24 Parganas</b>	<ol style="list-style-type: none"> <li>1. Paper</li> <li>2. Shirt</li> <li>3. Mustard Oil</li> <li>4. Wooden Furniture</li> <li>5. Readymade Garments</li> <li>6. Jewellery Box</li> <li>7. Leather gloves</li> <li>8. Musical Instruments</li> <li>9. Frozen Food Products &amp; Vegetables</li> </ol>
<b>Kolkata</b>	<ol style="list-style-type: none"> <li>1. Sweets (Rosogolla)</li> <li>2. Leather Products</li> <li>3. Fan all Types</li> <li>4. Readymade Garments</li> <li>5. Processed food items</li> </ol>
<b>Howrah</b>	<ol style="list-style-type: none"> <li>1. Anchors bolt, grapnels and parts thereof iron &amp; steel</li> <li>2. Cast Iron Manhole Covers</li> <li>3. Embroidery on textile fabric ground in piece, strips or motifs</li> <li>4. Rubber cork sheet</li> <li>5. Gold jewellery</li> <li>6. Shuttle cock (Sport Goods)</li> </ol>



## Confederation of Indian Industry

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