



CENTRE for
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NOTE ON EXPORT PROCESSES & PROCEDURES

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CII Note on Export Processes and Procedures

Export Processes and Procedures

Export Operations

- Manufacturing Operations – Sourcing of raw material
- Quality Control
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Introduction

With an aim to identify sector wise issues currently faced by exporters in procedures and processes in the entire export ecosystem, the objective of this study is to identify the improvement areas in export-related processes and find solutions that will contribute to increasing exports in each sector.

The focus of the study is on the following sectors:

- Automotive, Auto Components & Electric Mobility
- Electronics
- Chemicals and Petrochemicals
- Textiles & Apparel
- Capital Goods
- Agriculture and Food Processing
- Pharmaceuticals

- Rubber

CII invited feedback from exporting companies, including from micro, small and medium enterprises (MSME) sector, regarding export-related processes. About 50 responses were received, which have been collated in this paper and provide a guide to the nature of issues that exporters are facing.

Suggestions to streamline the issues for the above sectors are also outlined in the paper, along with possible measures applicable to most manufacturing sectors. It further attempts to offer a few suggestions that need to be taken at the level of the State Governments for grassroots impact to catalyze exports.

Export processes and procedures have been broadly classified under three heads – (i) export operations, (ii) customs procedures and (iii) post exports. Each head is further divided into subprocesses.

In general, exporters did not report issues with Customs, Risk Management System (RMS), ICEGATE and documentation.

Primarily, the challenges faced by exporters relate to refunds of IGST (in certain cases), RoDTEP, and Duty Drawback. Logistics issues were also mentioned.

General issues and suggestions are given below, followed by specific sectoral recommendations.

1. Export Operations

(i) Manufacturing operations – sourcing of raw material

Issues

- ITC HS codes for classification of goods vary in different countries at 6/8 digit levels, causing confusion in interpretation across countries and affecting rules of origin.
- Classification of imports is reopened without notice and import duty is to be paid which cannot be taken from customers down the value chain. This leads to litigation.
- Bureau of Indian Standards (BIS) certification for overseas suppliers, which is mandatory for certain imports, should not be required when the item is being used for exports, as overseas suppliers find it difficult to obtain these and it takes time.
- There is long list of pending cases of redemption with respect to Advance Authorization scheme due to pre-import conditions.

- Under current Foreign Trade Policy, there is no timeline for norms fixation under Advance Authorization applied on self -declaration basis. Norms committee is taking longer than usual time for ratification of norms.
- Manufacturing and Other Operations in Customs Warehouse (MOOWR) facilitates duty free imports for exports under the Customs bonded warehouse. There is dual monitoring under the Export Oriented Units (EOU) of Foreign Trade Policy. Scope of operations, depreciation for capital goods, etc are not clear.

Recommendations

- Reopening of classification of imports should be avoided, especially for imports made several years previously.
- There is a need to build a large component and intermediate inputs ecosystem in the country. Coordination among different ministries and Government departments is required to address the current challenges.
- The Government should work with Quality Council of India and BIS for faster clearing of certifications.
- A dedicated digital portal must be set up where exporters can raise specific issues such as delays. Tamil Nadu has set up BizBuddy, which addresses issues of industry in a time bound manner and most issues are addressed within the stipulated time.
- A nodal agency is required to address classification of imported and exported products to interpret the code numbers.
- In the medium term, the import duty structure may be modified to facilitate imports of components that are of lower costs and encourage exports of value-added goods. A 3-tier import duty structure, with raw materials and inputs at zero or low duties, intermediates in a higher slab and final goods at the standard rate of about 7.5% would help.
- Blanket export and import duties levied may be carefully calibrated so that they do not affect manufacturing industry.
- Withdrawing the pre-import condition retrospectively is required under Advance Authorisation scheme. If this is not possible, examination of pre-import condition should be limited to the actual violation based on actual import with respect to export and should not be based on the licensing period. Pending cases should be resolved in a time bound manner
- A simple methodology for conversion of existing units under EOU scheme into MOOWR scheme is required.
- There is need to provide greater clarity and explanation of laws, rules, orders, regulations and technical specifications for imports stipulated in Para 2.03 of

the existing FTP. Also a separate appendix in the Handbook of Procedures covering all compliances under various domestic laws is required.

- Directorate General of Foreign Trade (DGFT) should have fixed time lines for fixation of norms say 3-4 months from application. In case norms are not fixed within the stipulated time period norms applied by exporters should be treated as final. This clause for Advance Authorization issued under self-declaration basis should be adhered strictly by DGFT. This provision was available in FTP 2009-14, however it has been omitted in FTP 2015-20

(ii) Quality Control and Adherence to Global Standards

Issues

The exporter makes arrangements for inspection by the concerned agency and obtains certificate of inspection which is required by the customs for ensuring a check on quality controls before allowing shipment of goods.

Currently, exporters need to get multiple certifications for quality and standards' measurement as per various exporting destinations and product specifications. Exports have been severely impacted due to lack of equivalence between Indian and global standards.

Schemes such as CBTL¹ are not available in India. As such certificates are mandatory for exports to markets including the Middle East, the US and European markets, Indian exporters lose out in terms of exports.

The cost of obtaining certain international certifications such as REACH (a European regulation for chemicals) is quite high, prohibiting MSME from exporting.

There is also lack of awareness and information on standards and compliances for exports.

BIS certification is required for obtaining duty drawback which takes time.

Recommendations

- Ensuring overseas acceptability of test certificates from Indian accredited labs must be enhanced.
- More certification bodies need to get accredited with international standards like National Organic Program (NOP) of the US, Canada Organic Regime (COR), etc.
- More testing laboratories for global certifications such as CBTL for electrical equipment need to be set up for various sectors

¹ CB Certification (CBTL) is an international product testing and certification conformity scheme developed by IECCE (International Electrochemical Commission for Electrical Equipment for mutual acceptance of product safety test results and certificates for electrical and electronic equipment around the globe. The scheme offers one stop testing for marketing electrical goods worldwide.

- A scheme to assist exporters in accessing certifications and provide loans for enabling firms to obtain certifications is required.
- A wide-ranging awareness dissemination program on standards and compliances for exports should be in place.
- The cost of obtaining international certifications should be addressed for low-income countries / MSME through consultations with international bodies.

(iii) Export Finance

Issues

The Interest Equalization Scheme (IES) extends pre- and post-shipment export credit for all MSME manufacturers and other exporters. The extension of the Interest Subvention Scheme for Pre and Post Shipment Rupee Credit (Scheme) upto 31 March 2024 is a much-needed support for exporters to remain competitive.

- Electronic Data Processing and Monitoring System (EDPMS) set up by RBI faces delays as banks do not make entry in the portal promptly.
- Each bank levies different charges and SME exporters do not have the capability to study and negotiate such charges.
- Exporters feel that export financing is not flexibly available and there is an absence of opportunity for getting Pre-Shipment Credit in Foreign Currency (PCFC) against export orders.
- The companies availing Production Linked Incentive (PLI) scheme are unable to take benefit of Interest Subvention Scheme which is reducing the avenues for financing. Current PLI rates are not enough for large scale exports.
- Risk management for bankers and exporters is required.

Recommendations

- Government may increase the Interest Subvention Scheme rate to 5%. It may consider interest rate subvention for indirect MSME exporters as well.
- A reduction in the PCFC/ Packing Credit Rupee Equivalent (PCRE) interest rate can help support the small exporters.
- Banks should empanel retired expert engineers and senior management professionals to appraise, mentor and help resurrect struggling MSMEs.
- The export financing must be flexibly available with an opportunity for getting PCFC against export orders.
- The accruals in Exchange Earners' Foreign Currency (EEFC) account should be allowed to be retained for a longer period with more frequent use. Further, the interest benefit on credit balance should also be made available to make PCFC more effective and usable for exporters.

- A platform similar to Trade Receivables Discounting System (TREDS) for exports may be considered to reduce risk. A portal with combined Export Credit Guarantee Corporation (ECGC) and TREDS facilities can immediately provide the revenue to the exporter without lengthy procedures of reporting to RBI.

(iv) Obtaining certificate of origin

Issues

Certificate of Origin is a document used to avail the preferential tariff rates as per some agreements, such as Generalised System of Preferences. The common digital Certificate of Origin (CoO) platform is not satisfactory in terms of operation and is a concern for many exporters. Shipments are often held up due to digital CoO.

Recommendations

- Fast tracking and simplification of processes required for faster issuance of digital CoOs.

(v) Logistics

Issues

- The logistics infrastructure should be improved as currently, the lead time for Indian exports is much longer as compared to China. Particularly, the logistics infrastructure is a huge negative for the Indian exporters in landlocked and away from port locations.
- Connectivity is a big challenge due to complex port operations. There are delays of shipments in reaching the destination and the transit delays amount to almost 3 to 4 days. Payments for deliveries as a result are delayed by 20-30 days.
- It is critical to reduce dependency on overseas ports, such as Singapore, Colombo and Dubai.
- South India needs more ports as it depends on Colombo, Singapore and Port Klang for transshipment of outbound goods. Congestion in Colombo and other ports has increased transit times for shipments from South India.
- Transshipment takes longer and payment based on arrival of goods gets delayed, adding to working capital.
- The non-availability of containers and the skyrocketing sea freights has been the reason behind stalled exports. High inland transportation cost for exporters is also an issue.
- Presently, there are not many shipping lines of Indian origin operating on high seas.
- Another issue is that when the shipment arrives, often there is no space for the shipment in the berth. This results in huge cost to exporters.

- The lack of integrated logistics facilities and multimodal logistics parks is a drawback for exporters.
- Certain authorities have implemented a system of manual register for entry of inward consignments leading to delay in movement of consignments to all units.
- Exit from Special Economic Zones (SEZ) takes a long time due to no-objection certificate (NOC) from state government being delayed. National Single Window System should include this.

Recommendations

- Fast track dedicated railway freight corridors for enhancing seamless connectivity and reducing lead times.
- To reduce time taken at airports, ULD palletization of air cargo can be handed over to private operators.
- The Government may consider carving out planned funds for developing export infrastructure such as inland container depots, upgradation of port infrastructure, warehousing facilities near ports, and expansion of road and railway facilities at key industrial hubs.
- It is important to fast-track efforts to create transshipment hubs in India.
- Trade Infrastructure for Export Scheme (TIES) may be expanded with higher caps on projects.
- Infrastructure gaps such as lack of space after the arrival of the shipment must be addressed, especially through schemes such as PM Gati Shakti.
- Develop adequate warehousing infrastructure in the fringe areas of major metropolitan trade hubs of the country and in high commerce corridors.
- More digital and online processes need to be put in place for facilitating faster processes and avoiding delays.

2. Customs Procedures

As per the Time Release Study of ports, Customs clearances post the Let Export Order receipt are often very long and this can be further delayed depending on the nature of consignment and evacuation infrastructure available. This may be addressed at all exit points.

Following are the steps for customs procedures and customs house clearance.

- Quota Allocation
- Arrival of Goods at Docks
- System Appraisal of Shipping Bills

- Customs Examination of Export Cargo
- Sample check

(i) Processing of Shipping Bill

Issue

Multiplicity of processes and complex documentation requirements result in delays in issuing and processing of shipping bills.

The cancellation of duplicate shipping bills and amendment is a tedious and exhaustive activity which needs to be rectified.

Authorised Economic Operator (AEO) system is not working well in some cases. Earlier, there was a nodal officer for AEO.

Recommendations

- The Government must aim at minimizing the documentation involved in the export processes and must provide an option for amending the shipping bills.
- In shipping bills post Export General Manifest (EGM), the option to correct small mistakes should be allowed. For instance, claiming of export incentives like DBK & RoDTEP, correction/ mentioning of Export Promotion Capital Goods (EPCG) & advance authorization numbers, and declaration of IGST payment.
- There needs to be an enabling provision at the Customs end to modify the shipping bills and upload the correct shipping bill under intimation to DGFT portal.
- AEO system should have nodal officer to facilitate and fast-track processes.
- All documentation should be uploaded on an online portal for availability to different agencies. There should be doing away with the practice of physical submission and assessment of documents at all ports and customs offices. A single dedicated trade facilitation portal could be set up to integrate all concerned ministries, banks, ports, etc and provide all information relating to trade requirements.
- All the important PGAs (Partner Government Agencies) must be linked with SWIFT (Single Window Interface for Trade), and they should allow for clearances of goods under the Risk Management System (RMS). Currently, only 9 out of 54 PGAs are part of SWIFT. As a result, physical examination of cargo is still prominent.
- There is a need for effective implementation of various provisions of the Trade Facilitation Agreement, especially with respect to increasing the membership of the Authorised Economic Operator (AEO) Programme, which offers several benefits to traders in speedier clearances of cargo.

- Introducing uniformity of customs procedures, across geographical locations and enhancing the effectiveness of online grievance redressal mechanism for trade facilitation related matters at the national level in a time bound manner is important. Currently, such grievance redressal mechanisms exist only at major ports and customs, and they are mostly able to solve grievances at local level.

(ii) Customs House Clearance

Issues

Companies still have to submit a large amount of paperwork for each export shipment. In spite of significant digitization of processes, customs procedures need to be further upgraded.

The process for filing the Export General Manifest (EGM) is available online but delays in the uploading of EGM document by Customs leads to issues in the release of Duty Drawback (DBK), which then has to be resolved offline.

A 24-hour free period is granted to the exporter to process the Customs' cleared export cargo to the custodian at the cargo terminal, which is currently insufficient due to the carrier unavailability at different nodes across the globe.

Certain customs authorities sometimes insist major exporters to clear all bonded warehouse purchase at the same time. This stops exporters from clearing their imports in tranches and puts the condition to clear all imports within 15 days from the date of bond transfer document.

Recommendations

- The processing time of export shipments by customs at ports should be improved drastically to put shipments on board the sailing vessel within a week, as is the global standard.
- The e-MPS System (e-Miscellaneous Payment System) of DGFT may be modified to capture all the details of the exporter such as IEC Number, Name and purpose of payment for proper reconciliation.

(iii) Sample Check

Issues

- There is a need to ensure export cargo is accepted as per the destination market regulations on arrival at destination ports.
- Certain port authorities insist on doing sample check for inward consignments to allow for filing Bill of Entry documents. These result in inward consignments being put on hold for 3 days.
- Further, certain inward consignments are made to undergo compulsory sampling check, particularly applicable to sealed containers ready for exports, without giving any proper circular/intimation. This often leads to missing of scheduled vessels and export orders.

Recommendations

- The Government should take proper steps to sample the export cargo as per the destination's market regulations to avoid rejections on arrival at the destination ports.
- The sampling and approval during exports from India should be as per global standards.

(iv) Generation of Shipping Bills

Issues

In case a new shipping bill is filed for a previously cancelled shipping bill, the old one remains open on the RBI portal as there is no option available to remove the old shipping bill. This requires coordination with the Customs department involving several complexities.

Sometimes, several shipping bills are not visible on Authorized Dealer (AD) portal, after being successfully transmitted from ICEGATE. This then requires follow up with ICEGATE, AD bank and Custom's port separately.

Recommendations

- There needs to be an enabling provision at the Customs end to modify the shipping bills and upload the correct shipping bill under intimation to DGFT portal.
- The ICEGATE and DGFT portal may be integrated with EDPMS (Export Data Processing and Monitoring System) to ensure seamless flow of data, thereby negating the requirement of separate submission of documents.

3. Post Exports

Post shipment, it is obligatory to present the documents to the bank within a period of 21 days for onward dispatch to the foreign bank for arranging payment (listed below). These documents have to be drawn under Collection/Purchase/Negotiation under L/C as per the case.

Post exports operations involve the following processes.

(i) Submission of documents to Bank:

- Bill of Exchange
- Invoice
- Letter of Credit (L/C)
- Bill of Lading / Packing List Airway Bill
- Declaration under foreign exchange

- Certificate of Origin/GSP; Inspection Certificate
- Additional documents as per the requirement in the L/C or by the buyer

Issues

Multiple documentations and procedures result in increased costs and delays in various stages.

Recommendations

- The Government must aim at minimizing the documentation involved in the export processes and must provide an option for amending the shipping bills.

(ii) Export of Goods under Claim for Drawback

Issues

After actual export of the goods, the Drawback claim is processed through Electronic Data Interchange (EDI) system on first come first served basis. The Duty Drawback (DBK) scheme reimburses exporters on customs and central excise duties paid on inputs.

However, the exporters receive the export benefits at a later stage as banks do not issue the Bank Realization Certificate (BRC) timely.

Almost every exporter receives letters from Customs and banks, to reconcile Shipping Bills and BRCs dating back to several years, which information is otherwise in the public domain.

Recommendations

- The entire database of administrative departments should be made readily available digitally to the other counterpart agencies/departments for monitoring and review purposes.

(iii) Claiming of Export Benefits

Issues

The RoDTEP scheme reimburses exporters for embedded central, state, and local taxes and duties that were not rebated previously. The exporters keen on availing the rebate must declare their intention in the shipping bill.

However, the incentive rates under RoDTEP are significantly less than the tax cost, thereby leading to tax cascading and resulting in an increase in the cost of exports, making products uncompetitive in the export markets.

The RoDTEP credit is given in the form of e-Scrips which cannot be set off with other duties and lacks marketability.

Furthermore, exports under EOU, MOOWR, SEZ and Advance Authorization schemes are not eligible for RoDTEP.

The unreasonable delay in RoDTEP scroll generation and crediting in electronic credit ledger is also an issue being faced by exporters. The credit is not reflected for a huge number of shipping bills even after two years.

The process of availing benefits of the scheme is cumbersome and often the DGFT site is not updated timely, leading to delays of the RoDTEP benefits.

Recommendations

- An increase in the RoDTEP percentage is desirable for maintaining the competitiveness of Indian exports.
- Increase rebate under RoDTEP scheme.
- The benefits may be extended to EOU, SEZs, MOOWR and Advance Authorization holders.
- The Government could create an online portal for trading of scrips rather than depending on brokers.
- The RoDTEP scroll generation and crediting in electronic credit ledger may be streamlined. Moreover, the option of regeneration/ deletion/ addition or editing must be enabled for the generated scrips.

(iv) Realization of Export Proceeds

Issues

Under the GST Act, exporters are eligible for claiming the IGST refund from the Customs Department. The procedure for GST refund in case of exports is currently quite complicated.

While the Government has put forth a framework for swiftly processing the GST refund for the claim applications, on a practical level there are still delays in processing the refund for claims.

The companies are facing difficulties in receiving deemed export benefits particularly with regard to refund of the GST. The refund does take place but at the cost of time. Moreover, hidden costs are also involved.

Requirement of BIS certification under Duty Drawback route adds to delays.

Project exports under self-ratification scheme is not properly implemented and often goes to norms committee for ratification.

The delayed Input Tax Credit (ITC) reimbursement by the GST department also blocks a large part of the exporters working capital since the process of ITC refund applications is still not streamlined to efficiently pay refunds on time.

GST refunds under advance authorisation scheme are not under GST Network.

Recommendations

- Refunds under Advance Authorisation scheme should be brought under GSTN.

- There should be a star system for addressing the GST delays, that will help in getting loans for working capital also.
- In certain cases, streamlining refunds of GST credit and addressing delays in refunds may require to be examined.
- The IT system should be reframed to allow automatic grant of refund or 90% of the refund amount if the application is not processed within 60 days period [as per Section 54(7) of the CGST Act]. Alternatively, a system of grant must be placed which gets credited automatically once the refund is not processed within 60 days period.
- The GST credit can be set off with other duties or can be reimbursed through GST refunds. It is suggested that the GST refund should be made an automatic process based upon GST, ICEGATE and BRC's from banks. A separate cell should be created in the GST regime to develop software/code for automatic refunds of GST at the end of financial year.

4. Sectoral Recommendations

Automotive, Auto Components & Electric Mobility	
Area	Recommendation
Export Financing	The export financing must be flexibly available with an opportunity for getting PCFC against export orders.
RoDTEP/RoSCTL	The rates under RoDTEP should be re-looked and revised upwards to at least match the tax cost borne by the industry. Specially, automotive component industry has got RoDTEP rates in the range of 0.50% to 0.80%, which requires urgent attention and upward revision. Furthermore, banks should issue the realization certificate of gross amount without deducting bank charges or must charge fixed nominal amount.
Taxation (including inverted duties, import duties, GST refunds, etc)	The IT system should be reframed to allow automatic grant of refund or 90% of the refund amount if the application is not processed within 60 days period [as per Section 54(7) of the CGST Act]. Alternatively, a system of grant must be placed which gets credited automatically once the refund is not processed within 60 days period.
Trade Facilitation	The compliances in MOOWR scheme must be made simpler for exporters and the reduction in reporting requirement is also recommended.
Simplification of Exports Processes and Procedures	In shipping bills post EGM, the option to correct small mistakes should be allowed such as claiming of export incentives like DBK & RoDTEP, correction/ mentioning of EPCG & advance authorization nos., and declaration of IGST payment.
Foreign Trade Policy	The new Foreign Trade Policy (FTP) may consider incorporating a scheme to promote duty free / concessional import and domestic procurement of capital goods (in line with EPCG Scheme). This will promote the build-up of capex in the country.

Electronics	
Area	Recommendation
Export Financing	The cascading effect of falling domestic demand and shrinking exports have put the domestic manufacturing industry under unprecedented challenges. Hence, the government may introduce more measures to support MSME exporters and may also consider increasing the rate of the interest

	<p>equalisation scheme on pre & post shipment rupee export credit to 5% from the current 2%.</p> <p>Further, a reduction in the PCFC/PCRE interest rate can help support the small exporters.</p>
Logistics	<p>Air freight cargo is delayed due to palletisation in the airport premises. This should be done by private entities outside the airport for faster clearance. Connectivity from Dadri to Nhava Sheva takes a long time due to passenger traffic.</p> <p>Inland Container Depots across the country need to be more efficient.</p> <p>Connecting to ports from Bengaluru takes a lot of time and should be improved with more facilities.</p>
RoDTEP/RoSCTL	<p>RoDTEP rates should be based on FOB value of the shipment and not with capping on the threshold limit. Additionally, the provision to report a reduction in the RoDTEP value in case of rejection/credit note/part realisation at a later date, must be ensured.</p> <p>Moreover, the taxes reimbursed under RoDTEP should be allowed for payment against IGST payment along with the basic custom duty.</p>
Standards	<p>A single global lab certification for standards' certification may be introduced by the government. Additionally, efforts towards ensuring acceptability of test certificates from Indian accredited labs must be enhanced.</p> <p>Urgently need to bring India under the CBTL scheme for electrical and electronic equipment which will help Indian exporters access bigger markets.</p>
Taxation (including inverted duties, import duties, GST refunds, etc)	<p>Permit a refund of the ITC accumulated on account of input capital goods under the inverted rate structure. Rule 89(5) of the CGST Rules, 2017 and SGST Act(s), 2017 may be amended to allow the refund of the accumulated ITC on capital goods. Further, notification no. 5/201 of the central tax (rate) restricting refund in the context of railway parts to also be suitably amended.</p> <p>Moreover, the process of automated refund mechanism in the monthly GST returns needs to be designed for excess ITC balance or excess payment of taxes. Accordingly, the processing time limit for refund applications may also be devised.</p> <p>The release of IGST claims stuck against exports must be expedited.</p>
Simplification of Exports Processes and Procedures	<p>The Advance Authorization Scheme allows the imports of goods to be duty free, which are physically incorporated in the exported products. In order to encourage ease of doing business, the Government has done away with the "Pre-import" condition and thereby simplified the flow of transactions. It is recommended to enhance the import validity of the Advance Authorization to 24 months which will support the objective of the scheme.</p> <p>There are differences between MEITY and Ministry of Finance on classifications of products.</p>
Additional issues	<p>The Special Chemicals, Organisms, Materials, Equipment and Technologies (SCOMET) list includes products such as valves, machined components and castings that feed into process plants across the world and require export licenses. The Government could create a positive list of export items for such engineering products where End User Certificate need not be required at time of export.</p>

Chemicals and Petrochemicals	
Area	Recommendation
RoDTEP/RoSCTL	The Government may re-evaluate the incentive rates under RODTEP scheme. Further, it is recommended that the rates must be based on the FOB value of the shipment.

<p>Logistics Infrastructure</p>	<p>Regional imbalances in India lead to difficulties in transport and there should be a cluster model as in Jurong, Singapore.</p> <p>The movement of goods from both sides of the Petrapol-Benapol Border must be eased for decreased time in exporting to neighboring countries.</p> <p>Kandla SEZ is facing issues in movement of consignments.</p> <ol style="list-style-type: none"> Customs authorities want chemical exporters to clear all bonded warehouse purchase at one time rather in tranches as required and within 15 days of date of bond transfer document. Compulsory sampling check from sealed containers is being insisted and outward cargos stopped. Sudden implementation of manual register entry of inward consignments is leading to delays
<p>Standards, Certification, etc</p>	<p>Mutual recognition agreements with other countries are required and should be fast-tracked</p>
<p>Market access</p>	<p>Exports to China face non-tariff barrier as sometimes it is seen that the Customs authorities call importers to discourage them from taking supplies from India.</p>
<p>Simplification of Export processes & procedures</p>	<p>Change in export processes without notice should be avoided.</p> <p>Inspection of imported goods should be expedited.</p> <p>Some pesticide items which are not to be used for pesticide but for other purposes should not be subject to clearance from insecticide board, or else clearance should be valid for 24 months.</p>

<p>Textiles & Apparel</p>	
<p>Area</p>	<p>Recommendation</p>
<p>Export Financing</p>	<p>Under EPC scheme, interest subsidy should also be available on Yarn Business Products and lower rates are suggested for EPC credit.</p>
<p>RoDTEP/RoSCTL</p>	<p>The RoDTEP/RoSCTL benefits may be credited to bank accounts and a provision for utilization of RoDTEP credit e-scrip for the payment of IGST may be considered. In addition, the value cap for textiles may be removed.</p>
<p>Logistics Infrastructure</p>	<p>The Government must establish at least one ICD at Baddi with containers from all shipping lines.</p> <p>Direct connectivity to Mumbai port is required from Tiruppur.</p>
<p>Trade Facilitation</p>	<p>Free trade agreement/bilateral agreement with Europe/USA must be expedited to leverage export benefits/incentives.</p>
<p>Standards, Certification, etc.</p>	<p>More certification bodies need to get accredited with international standards like NOP, COR etc.</p>
<p>Market Access – Policy issues</p>	<p>The Government must take the initiative of getting the export duty on cotton yarn removed in South Korea. Moreover, the exemption of custom duty on imported yarn should continue to boost exports.</p> <p>The Government of India must engage with US on restoration of National Programme for Organic Production (NPOP) with US National Organic Program (NOP) standard.</p>
<p>Market Access – Promotion</p>	<p>Presently, the world is unaware of the advantages of Indian wool and therefore, the need to conduct more buyer seller interactions to fulfill the market potential of Indian wool is suggested. Indian wool should be promoted, marketed, and advertised correctly in the right category of products in western world.</p>
<p>Taxation (including inverted duties, import duties, GST refunds, etc)</p>	<p>The GST credit can be set off with other duties or can be reimbursed through GST refunds. It is suggested that the GST refund should be made an automatic process based upon GST, ICEGATE and BRCs from banks. A separate cell should be created in the GST regime to develop software/code for automatic refunds of GST at the end of financial year.</p>

Simplification of Exports Processes and Procedures	It is imperative to incentivize entrepreneurs to form shipping lines/containers of Indian origin to lower the ocean freights including haulage from ICD to the ports.
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Capital Goods	
Area	Recommendations
Export Financing	Government may increase the Interest Subvention Scheme rate to 5%.
RoDTEP/RoSCTL	Extend the benefits under RoDTEP to 100% EOU also. The government could create an online portal for trading of scrips rather than depending on brokers. It is recommended to reconsider the inclusion of steel under the RODTEP scheme.
Logistics Infrastructure	A dedicated freight corridor will give a boost to the exporters as well as save time and money. For exports through inland waterways to Bangladesh, rationalization of taxation rates is suggested for port charges and bunkers.
Trade Facilitation	The Government should work on providing access to Central Asian countries like Uzbekistan through Chabahar port and inland connectivity should be ensured for last mile delivery efficiency.
Market Access – Policy issues	Export duties on steel may be removed in order to boost steel exports, thereby facilitating better utilization of installed capacities in the country, thus enhancing the competitiveness of Indian steel exports.
Market Access – Promotion	Brand India should be more aggressively promoted through Indian embassies.
Taxation (including inverted duties, import duties, GST refunds, etc)	The companies are facing difficulties in receiving deemed export benefits particularly with regard to refund of the GST. The refund does take place but at the cost of time. Moreover, hidden costs are also involved. It is recommended that customs duty refund be allowed if the imported components are re-exported as it is or after manufacturing.
Simplification of Exports Processes and Procedures	Allow EoUs to migrate to the new MOOWR 2019 scheme for ease of doing business. Project exports self-ratification often does not work and goes to norms committee. A mechanism should be developed wherein deemed export benefits should flow to the manufacturer within a stipulated period. Single registration for all ports and airports of India should be implemented instead of the current requirement of doing it individually for every port.
Additional Recommendations	A special drive may be conducted for addressing issues under erstwhile MEIS scheme. A special R&D incentive package should be announced for MSME exporters and also, for investment in foreign markets. Overseas suppliers do not bother to take BIS certification for specialty steel supplying to Indian market, hence this may be waived to enable imports of such products. Modules could be developed for Rupee settlements, particularly, for exports to Bangladesh. In addition, the government should also consider introducing export benefits for Rupee exports.

Agriculture and Food Processing	
Area	Recommendation
RoDTEP/RoSCTL	The RoDTEP benefits may be extended for EOU, SEZs, MOOWR and Advance Authorization holders.

	Also, the RoDTEP scroll generation and crediting in electronic credit ledger may be streamlined. Moreover, the option of regeneration/ deletion/ addition or editing must be enabled for the generated scrips.
Logistics Infrastructure	<p>The Government should intervene in ensuring the availability of shipping containers and also keep tabs on the rates charged by the shipping lines for the export of goods from India.</p> <p>The Tuticorin port needs a major overhaul and requires a deep seaport to help improve the ease of doing business for exporters in the southern districts. This will also help to reduce the time and costs for exporters.</p>
Trade Facilitation	<p>The Spices Board should conduct more B2B meetings involving stakeholders in the spices export sector.</p> <p>Instead of having 3 clearances from Customs, FSSAI & Plant quarantine departments, setting up a common agency would speed up the entire process and can clear shipments without many delays.</p>
Standards, Certification, etc.	The Government should take proper steps to sample the export cargo as per the destination's market regulations to avoid rejections on arrival at the destination ports. The sampling and approval during exports from India should be on a global standard.
Market Access – Policy issues	The Indian agriculture terrain should be familiarized with EU standards with an aim of attaining the same with GAP and GMP. The widespread gap in critical regulations should be minimized for the agricultural produce to qualify for the export markets.
Market Access – Promotion	<p>Steps to deliberate with the concerned departments in Mexico to resume chili exports to Mexico are desirable.</p> <p>Levy of specific duty on Indian branded basmati rice in UK should be removed.</p>
Simplification of Exports Processes and Procedures	<p>For powdered items, the sampling for Spices Board and Plant Quarantine department can be done at the same time to avoid procedural delays. Further, the format of health certificates issued by the Spices Board needs to be simplified.</p> <p>DBK/RODTEP/IGST refund needs to be permitted based on the IGM filed or a statutory deadline must be given to all shipping lines to rectify the errors in the EGM.</p> <p>Integration of Authorised Dealer (AD) portal with the ICEGATE website must be devised or a one-point helpdesk must be provided for all solutions.</p>
Additional Recommendations	A check on the domination of unorganized companies in the domestic market is desirable.

Pharmaceuticals	
Area	Recommendation
RoDTEP/RoSCTL	Leaving out Pharma from the RoDTEP benefits affects the "Make in India" initiative undertaken by the Government of India. By considering the contributions made by Pharma, the sector is required to be included for the scheme with immediate effect.
Logistics Infrastructure	<p>There is a critical need for the logistics service providers to ensure timely and reliable delivery of materials on the project. IT systems can play an important role in coordination and planning of such logistics activities.</p> <p>It is further suggested to establish an organized inventory of all logistics and supply chain documentation for the purpose of claim substantiation which will be necessary at the time of arbitrations and disputes.</p>
Market Access – Policy issues	The central government must provide a direct market access interface to manufacturers.
Taxation	The input tax credit on capital goods forms a substantial value addition and by not refunding the same accumulates a lot of credit. The tax paid on input

	of capital goods may be permitted as cash refund and rules be amended accordingly.
Simplification of Exports Processes and Procedures	<p>A 24-hour free period is granted to the exporter to process the customs' cleared export cargo to the custodian at the cargo terminal, which is currently insufficient due to the carrier unavailability at different nodes across the globe.</p> <p>The cancellation of duplicate shipping bills and amendment is a tedious and exhaustive activity which should be rectified.</p>

Rubber	
Area	Recommendation
Export Financing	<p>Priority Sector Lending for export credit: The recently delayed and extended payment terms by overseas clients make it necessary to review and restructure the credit terms for priority sector lending for export credit.</p> <p>Moreover, for export financing, the Government's approach should be to realign lending institutions to be more analytical in their approach for appraising MSMEs as fit cases for lending. Banks can empanel retired expert engineers and senior management professionals to appraise, mentor and help resurrect struggling MSMEs.</p>
Market Access - Promotion	<p>The foreign Missions and trade offices should put together a list of the top 20 imported items in their region. Thereafter, Indian companies should be identified in these product categories and a match making exercise must be started, to make India's presence and capability felt, wherever possible.</p> <p>At the same time, an authentic MSME database in India would allow collating of data of the top 500 imported items in India and match make them with Indian companies having capability to replicate the imports.</p>
Additional Recommendations	<p>An ecosystem to create a central pool of professionals through a BPO concept especially for MSMEs must be envisaged wherein the promoter could outsource all the compliance work and focus on his business.</p> <p>The Government could consider the use of CSR funds by corporates for upskilling the workforce including those not working for them to help create a substantive skilled humans' resource pool.</p>



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Confederation of Indian Industry

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