Seminar Report

On

Exim policies and promotional activities with reference to fisheries in India

Submitted by

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Introduction

Exim Policy or Foreign Trade Policy is a set of guidelines and instructions established by the DGFT in matters related to the import and export of goods in India. The foreign trade policy of India is guided by the Export Import in known as in short Exim Policy of the Indian Government and is regulated by the Foreign Trade Development and Regulation Act, 1992.

DGFT (Directorate General of Foreign Trade) is the main governing body in matters related to Exim Policy. The main objective of the Foreign Trade (Development and Regulation) Act is to provide the development and regulation of foreign trade by facilitating imports into, and augmenting exports from India. Foreign Trade Act has replaced the earlier law known as the imports and Exports (Control) Act 1947.

Indian Exim Policy contains various policy related decisions taken by the government with respect to imports and exports from the country and more especially export promotion measures, policies and procedures related thereto. Trade Policy is prepared and announced by the Central Government (Ministry of Commerce).

The Exim consists of general provisions regarding exports and imports, promotional measures, duty exemption schemes, export promotion schemes, special economic zone programs and other details for different sectors. Trade policy is prepared and announced by the Central Government (Ministry of Commerce) every five years.
History of Exim Policy of India

In the year 1962, the Government of India appointed a special Exim Policy Committee to review the government previous export import policies.

The committee was later on approved by the Government of India. Mr. V. P. Singh, the then Commerce Minister and announced the Exim Policy on the 12th of April, 1985. Initially the EXIM Policy was introduced for the period of three years with main objective to boost the export business in India

Exim Policy Documents

The Exim Policy of India has been described in the following documents:

- Interim Exim Policy
- Exim Policies
- Handbook of Procedures Volume I
- Handbook of Procedures Volume II
- ITC(HS) Classification of Export- Import Items

An exporter uses the Handbook of Procedures Volume-I to know the procedures, the agencies and the documentation required for export business to take advantage of a certain provisions of the Indian EXIM Policy. The Handbook of Procedures Volume-II provides very crucial information in matters related to the Standard Input-Output Norms (SION). Such Input output norms are applicable for the products such as electronics, engineering, chemical, food products including fish and marine products, handicraft, plastic and leather products etc. Based on SION, exporters are provided the facility to make duty-free import of
inputs required for manufacture of export products under the duty exemption Scheme or duty remission Scheme.

The export import policy regarding import or export of a specific item is given in the ITC- HS Codes or better known as Indian trade clarification code based on Harmonized System of Coding was adopted in India for import-export operations. Indian custom uses an eight digit ITC-HS codes to suit the national trade requirements. ITC-HS codes are divided into two schedules. Schedule I describe the rules and Exim guidelines related to import policies whereas export policy schedule II describe the rules and regulation related to export policies. Schedule I of the ITC-HS code is divided into 21 sections and each section is further divided into chapters. The total number of chapters in the schedule I is 98. The chapters are further divided into sub-heading under which different HS codes are mentioned. ITC (Hs) Schedule II of the code contain 97 chapters giving all the details about the export Import guidelines related to the export policies.

**Common objectives of the Exim policy**

- To accelerate the economy from low level of economic activities to high level of economic activities by making it a globally oriented vibrant economy and to derive maximum benefits from expanding global market opportunities.
- To stimulate sustained economic growth by providing access to essential raw materials, intermediates, components,' consumables and capital goods required for augmenting production.
- To enhance the techno local strength and efficiency of Indian agriculture, industry and services, thereby, improving their competitiveness.
- To generate new employment.
➢ Opportunities and encourage the attainment of internationally accepted standards of quality.
➢ To provide quality consumer products at reasonable prices.
➢ The overall objective of Exim policy is to promote exports to the maximum extent

**Governing Body of Exim Policy**

The Government of India notifies the Exim Policy for a period of five years (1997-2002) under Section 5 of the Foreign Trade (Development and Regulation Act), 1992. The Exim Policy is updated every year on the 31st of March and the modifications, improvements and new schemes became effective from 1st April of every year.

All types of changes or modifications related to the EXIM Policy is normally announced by the Union Minister of Commerce and Industry who co-ordinates with the Ministry of Finance, the Directorate General of foreign trade and network of Dgft regional Offices.

Presently DGFT India office is presided over by Mr. P.K. Chaudhery, Director General of foreign trade. There are 12 DGFT Regional Offices located in New Delhi, Mumbai, Kolkata, Chennai, Ahmedabad, Bangalore, Kanpur, Ludhiana, Hyderabad, Cochin, Jaipur and Moradabad in India.

**Exim Policy 1992 -1997**

In order to liberalize imports and boost exports, the Government of India for the first time introduced the Indian Exim Policy on April I, 1992. In order to bring stability and continuity, the Export Import Policy was made for the duration of 5 years. However, the Central Government reserves the right in public interest to make any amendments to the trade Policy in exercise of the powers conferred by Section-5 of the Act.
Such amendment shall be made by means of a Notification published in the Gazette of India. Export Import policy is believed to be an important step towards the economic reforms of India.

**Highlights of the Exim Policy 1997-2002**

1. **Period of the Exim Policy** - This policy is valid for five years instead of three years as in the case of earlier policies. It is effective from 1st April 1997 to 31st March 2002.

2. **Liberalization** - A very important feature of the policy is liberalization. It has substantially eliminated licensing, quantitative restrictions and other regulatory and discretionary controls. All goods, except those coming under negative list, may be freely imported or exported.

3. **Imports Liberalization** - Of 542 items from the restricted list 150 items have been transferred to Special Import Licence (SIL) list and remaining 392 items have been transferred to Open General Licence (OGL) List.

4. **Export Promotion Capital Goods (EPCG) Scheme** - The duty on imported capital goods under EPCG Scheme has been reduced from 15% to 10%. Under the zero duty EPCG Scheme, the threshold limit has been reduced from Rs. 20 crore to Rs. 5 crore for agricultural and allied Sectors.

5. **Advance Licence Scheme** - Under Advance License Scheme, the period for export obligation has been extended from 12 months to 18 months. A further extension for six months can be given on payment of 1 % of the value of unfulfilled exports.

6. **Duty Entitlement Pass Book (DEPB) Scheme** - Under this scheme an exporter may apply for credit, as a specified percentage of
FOB value of exports, made in freely convertible currency. Such credit can be utilized for import of raw materials, intermediates, components, parts, packaging materials, etc. for export purpose.

Main Elements of Exim Policy

Permeable of Exim Policy: It is a speech given by the Ministry of Commerce and Industries.

Legal Framework of Exim Policy

1. Preamble

The preamble spells out the broad framework and is an integral part of the foreign trade policy.

2. Duration

In exercise of the powers conferred under section 5 of The foreign trade (development and regulation act), 1992 (no. 22 of 1992), the central government hereby notifies the Exim policy for the period 2004-2009 incorporating the export import policy for the period 2002-2007, as modified. This policy shall come into force with effect from 1st September, 2004 and shall remain in force up to 31st March, 2009, unless as otherwise specified.

3. Amendments

The central government reserves the right in public interest to make any amendments to this policy in exercise of the powers conferred by section-5 of the act. Such amendment shall be made by means of a notification published in the gazette of India.

4. Transitional Arrangements

Notifications made or public notices issued or anything done under the previous export / import policies and in force immediately before the
commencement of this policy shall, in so far as they are not inconsistent with the provisions of this policy, continue to be in force and shall be deemed to have been made, issued or done under this policy. Licenses, certificates and permissions issued before the commencement of this policy shall continue to be valid for the purpose and duration for which such licence; certificate or permission was issued unless otherwise stipulated.

5. Free export import

In case an export or import that is permitted freely under export import policy is subsequently subjected to any restriction or regulation, such export or import will ordinarily be permitted notwithstanding such restriction or regulation, unless otherwise stipulated, provided that the shipment of the export or import is made within the original validity of an irrevocable letter of credit established before the date of imposition of such restriction.

**Special focus initiative of Exim policy**

For doubling our percentage share of global trade within 5 years and expanding employment opportunities, especially in semi urban and rural areas, certain special focus initiatives have been identified for agriculture, handlooms, handicraft, gems & jewellery, leather and Marine sectors. Government of India shall make concerted efforts to promote exports in these sectors by specific sectoral strategies that shall be notified from time to time.

**General provisions regarding exports and imports**

The export import policy relating to the general provisions regarding exports and imports is given in chapter-2 of the Exim policy. Countries of imports/exports - unless otherwise specifically provided, import/
export will be valid from/to any country. However, import/exports of arms and related material from/to Iraq shall be prohibited. The above provisions shall, however, be subject to all conditionality, or requirement of licence, or permission, as may be required under schedule ii of ITC (HS).

**Promotional measures of Exim policy**

The government of India has set up several institutions whose main functions are to help an exporter in his work. It would be advisable for an exporter to acquaint him with these institutions and the nature of help that they can provide so that he can initially contact them and have a clear picture of what help he can expect of the organized sources in his export effort.

**Duty exemption / remission schemes of Exim policy**

The duty exemption scheme enables import of inputs required for export production. It includes the duty drawback, excise duty refund, octroi exemption, duty entitlement pass book scheme, duty free replenishment certificate (DFRC) schemes and duty free import authorisation or DFIA.

**Export promotion capital goods scheme (EPCG)**

Introduced in the Exim policy of 1992-97. Export promotion capital goods scheme (EPCG) enable exporters to import machinery and other capital goods for export production at concessional or no customs duties at all. This facility is subject to export obligation, i.e., the exporter is required to guarantee exports of certain minimum value, which is in multiple of total value of capital goods imported.
Special economic zone (SEZ)

A special economic zone is a geographically distributed area or zones where the economic laws are more liberal as compared to other parts of the country. SEZs are proposed to be specially delineated duty free enclaves for the purpose of trade, operations, duty and tariffs. SEZs are self-contained and integrated having their own infrastructure and support services. The area under ‘SEZ’ covers a broad range of zone types, including export processing zones (EPZ), free zones (FZ), industrial estates, free trade zones (FTZ), free ports, urban enterprise zones and others.

Free trade & warehousing zones of Exim policy

Free trade & warehousing zones (FTWZ) shall be a special category of special economic zones with a focus on trading and warehousing. Its main objective is to provide infrastructure for growth of the economy and foreign trade. Free trade & warehousing zones (FTWZ) plays an important role in achieving global standard warehousing facilities as free trade zones. Free trade & warehousing zones is a widely accepted model with a history of providing substantial encouragement to foreign trade and warehousing activity.

Deemed exports

Deemed export is a special type of transaction in the Indian Exim policy in which the payment is received before the goods are delivered. The payment can be done in Indian rupees or in foreign exchange. As the deemed export is also a source of foreign exchange, so the government of India has given the benefit duty free import of inputs.
Exim policy 2015-2020

Valid from 1st April 2015 to 31st March 2020. The vision of this Exim policy is to make India significant partner in world trade by 2020 and the government aims to increase India’s exports of merchandise and services from USD 465.9 billion in 2013-14 to USD 900 billion 2019-20. Raise India’s share in world exports from 2 percent to 3.5 percent by the initiatives such as “Make in India”, “Digital India” and “Skills India” to create an “Export Promotion Mission” to provide a stable and sustainable policy environment for foreign trade.

MPEDA

The Marine Products Export Development Authority (MPEDA), nodal agency for promotion of marine exports from India. It was constituted in 1972 under the marine products exports development authority act 1972 and Headquartered in Kochi.

Services offered by MPEDA

- Registration of infrastructure facilities for Seafood Export trade
- Collection and dissemination of trade information
- Projection of Indian marine products in overseas markets by participation in overseas fairs and organising international seafood fairs in India
- Implementation of development measures/ schemes
- Promotion of brackish water aquaculture for production of prawn for export
- Promotion of deep sea fishing projects through test fishing, joint venture and equity participation
EIA – Export Inspection Agency

(EIA) set up by the GoI under Section 3 of the Export (Quality Control and Inspection) Act, 1963 (22 of 1963) and it is constituted by the Central Government. It main aims that the development of export trade of India through Quality Control and Inspection. EIA Offices located in Delhi, Chennai, Kochi, Kolkata and Mumbai.

Services offered by EIA

Certificate of origin, health certificate, authenticity certificate, phytosanitary certificate, pre-shipment inspection, laboratory testing for export products.

Technical assistance schemes for export promotion of aquaculture

- Conduct workshops, seminars, symposia, farmers’ meets, antibiotic-campaigns etc. for the benefit of farmers and entrepreneurs.
- Organising International events like India International Seafood Show (IISS), aquaculture trade fairs etc.
- Registering of qualified and experienced Technical Consultants for Aquaculture
- Registering of hatcheries to follow Code of Practices
- Promoting diversification in export-oriented aquaculture

Other promotional measures

- Central assistance to States for development of critical infrastructure for export such as roads, inland container depots, container freight stations, Export promotion industrial parks and for equity participation in infrastructure projects
• Encouragements to state governments for setting up export zones
• Declaration of towns of export excellence to encourage setting up of critical infrastructure for export production, encourage common service providers and facilitate availability of better technological services and integrate benefits under the other schemes of Exim policy for the units in such towns
• Market access initiative schemes for encouraging increased marketing efforts by exporters and brand promotion
• Schemes to promote the Concept of Total Quality Management
• Development of minor ports and jetties
• Assistance in setting up of common effluent treatment facilities
• Stabilizing power supply.

Suggestions to promote fisheries export

1. To facilitate the domestic producers in the export - subsidy, schemes, promotional measures
2. To develop diversified fishery products for export
3. To promote the shrimp and scampi production in our country
4. Try to export our indigenous ornamental fishes
5. To concern the inland sector also.

Conclusion

The marine products export fetches several crores of foreign currency to our country and provides employment opportunities to our people so the production of the marine products must be increased to increase the exports into global level which can improve our economy.
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