

Exporters' Awareness Program,
13th August, 2024 in Pilibhit, U.P

The office of the Directorate General of Foreign Trade (DGFT), Department of Commerce organized an Exporters' Awareness Program in Pilibhit, Uttar Pradesh, on August 13, 2024. This was aimed at generating awareness and boosting export activities in the region. The event brought together key stakeholders to discuss the challenges and opportunities for local industries in contributing to India's export growth.

One of the primary discussions focused on India's ambitious goal of reaching \$2 trillion in exports by 2030, with a balanced contribution from both service and merchandise sectors. Uttar Pradesh, with its own export target set for 2028, was identified as a crucial player in achieving this national objective. The Pilibhit and Bareilly regions, in particular, were highlighted as significant contributors, with small-scale industries such as glassware, bangles, and leather goods expected to play a pivotal role. The push for digitizing and connecting local exporters to the global market was emphasized, along with the importance of identifying and supporting local products under the Districts as Export Hub (DEH) initiative led by DGFT.

The current state of exports in Uttar Pradesh was reviewed, noting that from 2017 to 2023, the state's exports nearly doubled. However, the lack of awareness among exporters about various schemes and support systems remains a significant challenge. For instance, the Export Promotion Bureau's initiatives, such as the Market Development Scheme, are underutilized due to limited knowledge. An example of success was cited where vegetables were exported to Dubai in just ten days, demonstrating the potential for rapid expansion in various sectors, including essential oils and basmati rice.



The Hon'ble Minister of State Shri Jitin Prasada noted that while Western and Southern India have made significant strides in exports, Uttar Pradesh still has a long way to go to catch up. He pointed out that cities like Banaras, known for saree exports, and Kanpur, recognised for leather goods, serve as benchmarks for other regions within the state. The minister also stressed the importance of developing One District One Product (ODOP) initiatives further, citing that there is still much work to be done in this area. Moreover, he mentioned the challenges faced in exporting software from the state, an area that requires focused attention and development.

During the event, several systemic problems were discussed, including the issues of re-KYC for the Importer Exporter Code (IEC) and the need for a more responsive helpline system, which currently lacks the necessary human touch. Concerns were raised about the impact of synthetic menthol on the natural mint industry, and the financial strain caused by manual refunds from the GST Department, which often result in cash flow problems for manufacturers. There was also a

mention of the certification process for certain products that must be conducted abroad, adding to the complexity and cost for exporters.

The spice sector was another area of focus, with detailed insights into India's position as a leading producer, consumer, and exporter of spices. The importance of quality control, particularly regarding the adulteration of mint products with synthetic substitutes, was highlighted as a critical issue affecting export credibility. The state of Uttar Pradesh was noted for its significant contribution to the national spice industry, with specific emphasis on mint cultivation, which occupies a large area of production in the state.

The discussions also covered the broader trends in India's export growth, which saw a substantial increase from \$435 billion in FY 2016 to \$760 billion in FY 2023. However, the Bareilly Division, encompassing the districts of Bareilly, Budaun, Pilibhit, and Shahjahanpur, has experienced a sharp decline in exports in recent years. For instance, Pilibhit, known for its flute-making industry, which accounts for 95 percent of India's flute production, has seen a decrease in its export numbers. Despite its strategic location near the Nepal border, which offers trade advantages, the district's total exports have not kept pace with expectations. The same trend was observed in Bareilly, Budaun, and Shahjahanpur districts, each facing unique challenges in maintaining and growing their export outputs.

In addressing these challenges, the DEH initiative was discussed as a critical tool for targeting export promotion, manufacturing, and employment generation at the grassroots level. The initiative has identified specific products from each district that have the potential to drive export growth. For example, Bareilly is known for its Zari and Zardozi embroidery, while Pilibhit is recognized for its rice and flute production. The program aims to assist local industries by providing information and support specific to the products identified in each district.



Additionally, the role of e-commerce in enhancing exports was explored, with the promotion and facilitation of e-commerce being a key strategy. The establishment of designated e-commerce hubs with warehousing facilities is expected to aid in the smooth processing of exports, including customs clearance and returns. The introduction of last-mile processing facilities for tasks such as marking, labelling, packaging, and testing is also expected to streamline export operations.

Other key entities such as India Post, through its Dak Ghar Niryat Kendras (DNKs), are playing a pivotal role in facilitating exports, particularly for rural artisans, MSMEs, and ODOP sellers. The DNKs simplify the export process, offering a digitized and low-cost structure, and have been established across various districts in Uttar Pradesh.

Finally, the challenges faced by MSMEs in participating in global value chains were discussed, particularly in terms of technology gaps, skill shortages, and access to finance. The Exim Bank's Ubharte Sitaare Programme (USP) was highlighted as a valuable initiative in identifying and supporting MSMEs with high export potential, offering both financial and advisory services to help them realize their full potential.

In conclusion, the DGFT Exporters' Awareness Program in Pilibhit underscored the importance of strategic initiatives and coordinated efforts to enhance the export potential of Uttar Pradesh. With focused attention on resolving systemic issues, increasing awareness of support schemes, and leveraging the strengths of local industries, the state is poised to make significant contributions to India's export targets in the coming years.



The officers from both Moradabad SEZ and Noida SEZ also participated in this awareness programme. The aim was to provide information on the opportunities available for setting up SEZ units in both Moradabad and Noida. In this context, one to one meeting with stakeholders were held and a one page flyer was distributed. The officers also visited the various stalls of potential

export products from the region. Some of the key aspects of SEZs highlighted in these flyers were the infrastructure facilities, inhouse customs clearances with a facilitatory approach, online approvals, duty free import and procurement of inputs and capital goods and performance parameters of these zones.