



GS SCORE

An Institute for Civil Services

The Big Picture EXPORT PREPAREDNESS INDEX 2020

Gist of **RStv** Debate
RAJYA SABHA



www.iasscore.in

IAS 2021-22

GS FOUNDATION

LIVE & INTERACTIVE CLASSES

IAS 2021
GS FOUNDATION
PRELIMS *cum* MAINS
ONLINE CLASSES
LIVE & INTERACTIVE
BATCH STARTS
15 SEPTEMBER
2020

IAS 2021
GS MAINS
FOUNDATION
BASICS TO ADVANCE
GS PAPER 1, 2, 3, 4 & ESSAY
+ MAINS TEST SERIES
BATCH STARTS
15 SEPTEMBER
2020

IAS 2021
BATCH 2
GS MAINS
ADVANCE
GS PAPER 1, 2, 3, 4 & ESSAY
+ MAINS TEST SERIES
BATCH STARTS
21 SEPTEMBER
2020

IAS
2021

OPTIONAL FOUNDATION

BATCH -3
POLITICAL SCIENCE
FOUNDATION
By: Dr. PIYUSH CHOUBEY
BATCH STARTS
15 SEPTEMBER
2020

BATCH -2
HISTORY
FOUNDATION
By: PIYUSH KUMAR
BATCH STARTS
15 SEPTEMBER
2020

BATCH -1
GEOGRAPHY
FOUNDATION
By: PRINCE MISHRA
BATCH STARTS
01 OCTOBER
2020

📍 1B, 2nd Floor, Pusa Road Karol Bagh, New Delhi-110005,
(Adjacent to Karol Bagh Metro Gate No. 8)

✉ info@iasscore.in  [/iasscore](https://www.facebook.com/iasscore)

Visit:  www.iasscore.in

 **8448496262**

THE BIG PICTURE EXPORT PREPAREDNESS INDEX 2020

INTRODUCTION

- Gujarat has topped the Niti Aayog's Export Preparedness Index 2020 followed by Maharashtra and Tamil Nadu in the second and third place respectively, according to the government think tank's report released last week.
- According to the report, six of eight coastal states feature in the top ten rankings, indicating the presence of strong enabling and facilitating factors to promote exports.
- Among the landlocked states, Rajasthan has performed the best, followed by Telangana and Haryana.
- Among the Himalayan states, Uttarakhand topped the chart, followed by Tripura and Himachal Pradesh; the report said adding that across Union Territories, Delhi has performed the best, followed by Goa and Chandigarh.
- The report noted that Chhattisgarh and Jharkhand are two landlocked states that had initiated several measures to promote exports.

About the Report:

- NITI Aayog in partnership with the Institute of Competitiveness released the Export Preparedness Index (EPI) report 2020.
- It ranks export preparedness of Indian states in 4 different categories as well as India as a whole.
- Ranking Parameter: The index ranked states on four key pillars:

- ▶ Policy: A comprehensive trade policy providing a strategic direction for exports and imports.
- ▶ Business Ecosystem: An efficient business ecosystem helping states attract investments and create an enabling infrastructure for individuals to initiate start-ups.
- ▶ Export Ecosystem: Assess the business environment, which is specific to exports.
- ▶ Export Performance: This is the only output-based parameter and examines the reach of export footprints of States and Union Territories.
- Sub-pillars: The index also took into consideration 11 sub-pillars - export promotion policy; institutional framework; business environment; infrastructure; transport connectivity; access to finance; export infrastructure; trade support; R&D infrastructure; export diversification; and growth orientation.
- The EPI is a data-driven effort to identify the core areas crucial for export promotion at the sub-national level (states and union territories).
- The report is going to make the state aware of where they stand vis-a-vis the best performing states and provide the avenue for them to try to improve and also learn best practices from them.

The service sector was not covered in the index which accounts for approx. \$215 billion worth of exports from the country.

EDITED EXCERPTS FROM THE DEBATE



What are the factors affecting export?

- The existing policy framework and institutional framework are the backbone for export promotion (34% weightage in the index).
- The business ecosystem (highest weightage in the index) including transport connectivity, general infrastructure, access to finance etc. are a major factor affecting exports from the country.
- Export ecosystem which includes export infrastructure and other factors and export diversification and what kind of growth has the state been showing in the past in terms of export.
 - ▶ Good policy and good business ecosystem has put coastal states in top of the ranking (6 out of 10).
- Against an index of 100 (max), the country's index has only an average of 39 in which the first 2 pillars has done recently done well in many states but lacked behind in the export ecosystem and export diversification.



What is the status of export and impact of current pandemic?

- The exports have gone down radically but what is more alarming is that there is not only the general contraction of GDP but also by the dip in exports by about 13-32% as projected by the trade organisations.
- If we look back 5-6 years, the exports in India have been hovering around between \$270 billion to a maximum of \$330 billion. So effectively speaking, we haven't had much growth.

IAS 2021 TEST SERIES (PRELIMS & MAINS)

IAS 2021

BATCH 3

**INTEGRATED
TEST SERIES**

for **PRELIMS & MAINS**
SINGLE SOURCE FOR
INTEGRATED PREPARATION

STARTS

25 SEPTEMBER
2020

**IAS 2021
MAINS TEST SERIES**
GS MAINS
QA

Complete GS & ESSAY through
Test Series
1500+ Topics of
GS Paper 1, 2, 3, 4 Covered

BATCH STARTS

12 SEPTEMBER
2020

IAS MAINS 2021

**ETHICS & ESSAY
TEST SERIES**

BY: MANOJ K. JHA

**A Solution for
500 Marks**

BATCH STARTS

03 OCTOBER
2020

OPTIONAL TEST SERIES 2021

**POLITICAL SCIENCE
TEST SERIES 2021**

By: **Dr. PIYUSH CHOUBEY**

TEST STARTS

04 OCTOBER
2020

**HISTORY
TEST SERIES 2021**

By: **PIYUSH KUMAR**

TEST STARTS

10 OCTOBER
2020

**GEOGRAPHY
TEST SERIES 2021**

By: **PRINCE MISHRA**

TEST STARTS

11 OCTOBER
2020

- Exports are a critical aspect for the development of any economy. The states which are performing better on the trade front are actually performing better on competitive front, they are adding more value and growing faster.
- If we keep focusing on the labour intensive industry and low value addition, the exports will become stagnant and sliding downwards in a few years.



Issues with Export Industry in India

- Only 9 states have got their project approved for Trade Infrastructure for Export Scheme for infrastructure improvement. This is something which is lacking in most of the states especially the landlocked and Himalayan states.
- Many government schemes like the Merchandise Exports from India Scheme (MEIS) cannot be implemented as they are not WTO compatible.
- A lot of import dependant export items from India are facing a supply chain challenge.
- Because imports are declining, the availability of containers is a big issue.
- The export in agriculture is a big opportunity and there is an Agri-Export policy in place but it could not be properly executed because of the backend reforms like the APMC, Essential Commodity Act were not in place.
- Research & Development, diversification are some of the fields where we have not fared well. In finance, the availability has been 0.6%, which is very low and it goes to a maximum of 6.5% in the best state.



What needs to be done?

- The things that India needs to focus on are innovation & research and product diversification which is based on innovation & research and look for new market.
- A best practice manual can be brought up by NITI Aayog for the states.
- There is a need to quickly put in place and announce and expand the locally embedded taxes, provide interest subventions, export finance, reimbursement of electricity duty (Gujarat Model).
- There is a need for enhancing the export insurance and guarantee coverage.
- Enabling policy, state finance, infrastructure, improving the business environment for exports is an immediate requirement that needs to be taken care of.
- Having the backend reforms in place and huge agricultural surplus, a target based policy can be put in place for the agricultural exports.
- Given the current geo-political situation where people are looking for an alternative supply value and supply chain, India has to take advantage of this.
- The report ranks the states according to various pillars and sub-pillars and the analysis of these pillars can act as a best practice for other states. For ex. In export finance, West Bengal has come out at top with 2%. In creating growth and drivers, Jharkhand and Chhattisgarh came out at top which other states can learn.
- Most of the states don't have a trade promotion policy. So, there is a need to promote export infrastructure, trade support and innovation as we go forward.

- The next set of policy reforms, to a significant extent, will have to be at a state level. The New Industrial Policy of Gujarat has been launched recently which have a very major focus on exports.

WAY FORWARD

There are many items that have a great export potential but we don't have the capability to give scale. So, the first thing we need is to promote scale.

No matter what the centre does, unless the states work in partnership and in support of each other, there won't be any significant growth in the export basket.

The combined centre and state efforts are exponentially more powerful than a state or a centre individual. So, cooperative federalism has to come at full strength taking the best out of the competitive positions and overall enhancing the competitiveness of India.

The per capita exports in India stood at about USD 241, as compared to USD 11,900 in South Korea and USD 18,000 in China. Therefore, Indian economy has a huge potential to become a strong exporter on the world stage. This can be achieved by making India's states and union territories active participants in the country's export efforts.

The private sector can also play an important role in export promotion.

The intention of Atmanirbhar Bharat Package is about making India globally competitive and that is where the emphasis should lie i.e. research and development, improving infrastructure, raising productivity by skill development across the board..

GS SCORE

An Institute for Civil Services



CSE RESULTS

TOP 100
ALL INDIA RANKING
CSE 2019

3	6	10	11	16	17	21	22	28			
30	33	38	39	42	44	46	53	54	59	66	69
70	72	77	78	80	82	84	86	87	94	97	98

SUCCESS IS A PRACTICE WE DO!

TOP 100
ALL INDIA RANKING
CSE 2018

2	3	5	7	27	36	37	40	44	49		
51	52	56	58	62	74	81	89	92	94	98	100

TOP 100
ALL INDIA RANKING
CSE 2017

3	10	19	31	33	35	40	41	44	45	48		
97	100	54	57	63	64	68	71	75	77	80	83	93

TOP 100
ALL INDIA RANKING
CSE 2016

5	6	9	15	26	29	43	48	53	59	67
---	---	---	----	----	----	----	----	----	----	----

TOP 100
ALL INDIA RANKING
CSE 2015

9	13	26	34	39	75	77	78	89	91
---	----	----	----	----	----	----	----	----	----