

Foreign Trade Policy 2015-2020

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The Foreign Trade Policy aims to make India a significant participant in world trade by the year 2020 and to enable the country to assume a position of leadership in the international trade discourse. The Government **aims to increase India's exports of merchandise and services** from USD 465.9 billion in 2013-14 to approximately USD 900 billion by 2019-20 and to **raise India's share in world exports** from 2% to 3.5%.

Key Features of the Foreign Trade Policy

- FTP 2015-20 provides a framework for increasing exports of goods and services as well as **generation of employment and increasing value addition** in the country, in line with the 'Make in India' programme.
- The Policy aims to enable India to **respond to the challenges of the external environment**, keeping in step with a rapidly evolving international trading architecture and make trade a major contributor to the country's economic growth and development.
- It introduces two new schemes, namely '**Merchandise Exports from India Scheme (MEIS)**' for export of specified goods to specified markets and '**Services Exports from India Scheme (SEIS)**' for increasing exports of notified services.
- **Duty credit scrips** issued under MEIS and SEIS and the goods imported against these scrips are **fully transferable**.
- For grant of rewards under MEIS, the countries have been categorized into 3 groups, whereas the **rates of rewards under MEIS range from 2% to 5%**. Under SEIS the selected services would be rewarded at the rates of 3% and 5%.
- Measures have been adopted to nudge **procurement of**

capital goods from indigenous manufacturers under the EPCG scheme by reducing specific export obligation to 75% of the normal export obligation.

- Measures have been taken to give a boost to exports of defense and hi-tech items.
- **e-Commerce exports of handloom products, books/periodicals, leather footwear, toys and customised fashion garments** through courier or foreign post office would also be able to get benefit of MEIS (for values up to INR 25,000).
- Manufacturers, who are also status holders, will now be able to **self-certify their manufactured goods** in phases, **as originating from India** with a view to **qualifying for preferential treatment** under various forms of bilateral and regional trade agreements. This 'Approved Exporter System' will help manufacturer exporters considerably in getting fast access to international markets.
- A number of steps have been taken for encouraging manufacturing and exports under 100% export oriented unit (EOU)/ Electronics Hardware Technology Park Scheme (EHTP)/ Software Technology Technology Parks of India (STPI) schemes. The steps include:

- . fast track clearance facility for these units
- . permitting them to share infrastructure facilities
- . permitting inter unit transfer of goods and services
- . permitting them to set up warehouses near the port of export
- . use duty free equipment for training purposes
- **108 MSME clusters** have been identified for focused interventions to boost exports. Accordingly, '**Niryat Bandhu Scheme**' has been galvanised and repositioned to achieve the objectives of 'Skill India'.