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**SELECT INDIA - EoDB**  
**Decoded FTP 2023**

by  
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## PREFACE

Dear Readers,

We are happy to present to our readers a Ready Reckoner on “Ease of Doing Business in India”

The author, Mr. P Muthusamy is an Indian Revenue Service (IRS) officer with an outstanding career of 30+ years of experience and expertise in all niche areas of Indirect Taxes covering a wide spectrum including GST, Customs, GATT Valuation, Central Excise and Foreign Trade.

His expertise also extends to Trade Related Intellectual Property Rights (TRIPS), Joint ventures/Collaborations especially in related company valuation and related party transactions, Indirect Tax Advisory, Tax Compliance, Foreign Trade Advisory and IP Management. He has a super specialization in sectors such as Health, Construction, Automotive, Pharmaceuticals, Agriculture, STEM, Information Technology, Transport and e-Commerce. He served in various capacities as AO/AC/DC/JC with distinction in Tamil Nadu and Andhra Pradesh reaching the position of ‘Commissioner-Central Excise, Customs and GST’ during which he adjudicated a large number of cases related to the above areas.

During his stint in Tamil Nadu, he held senior positions including Head Central intelligence unit and vigilance wing, Joint Director of National Academy of Customs, Excise & Narcotics and Systems Manager of the Commissionerate during the implementation of Automation of Central Excise and Service Tax (ACES) and ICES 1.5.

While in Andhra Pradesh, he took on the challenging task of leading the GST implementation team. As the Zonal Unit Approval Committee Member, he approved a number of SEZs and 100% EOU Units in MEPZ, STPI, Mahindra City SEZ, SRI City and Vizag SEZ’s.

Hope our readers would find the resource material highly informative.

April 2023

**Suguna Ramamoorthy**  
Secretary General IJCCI

## **SELECT INDIA - EoDB Decoded FTP 2023**

India is changing fast and becoming a Global Village. Goods and Services supply following the ‘one rate, one nation and one market’ principles. Manufacturing for Local and Global supply is improving. Improved Healthcare, Financial Discipline, stability in Foreign Exchange reserves and Trade, Industry, Agriculture and its allied sectors growth lead India to become a hub for skilled and young working population in the globe. World is following the changing India. Millennial, Zillennials are also following the Change. Business Connect is changing.

India is becoming the Centres of Excellence in STEM areas combined with traditional knowledge. In all parts of India Sectoral Deveopments are taking place in a faster mode. Central and State Governments are working together in a true Co-operative Federalism in all areas. Major developments especially in Infrastructure Development, Multimodal Transportation, Ease of Doing Business, Decarbonisation and Cross Border Trade Facilitation measures are helping the Trade and Industry to face any challenge.

Strong Education, Inherent Savings habits, Vaccines production, stricter Healthcare measures , stable growth in Agriculture and its allied sectors like Dairy, Poultry, Fishery, Forestry etc. have helped India to face the

COVID19 Pandemic. India is resilient and has become a stable democratic, mixed economy.

E-Governance Mission Mode Project measures - SMART Governance following the principles of Simplified Procedures, Moral, Accountable, Responsive and Transparent measures helped India for the smooth implementation of Indian Customs EDI Systems (ICES-1997), Automation of Central Excise and Service Tax (ACES-2007) and Goods and Service Tax (GST-2017). These measures helped for better tax compliance, improved service delivery standards and higher revenue realisation of Customs and GST. Gross revenue realisation with a monthly average of Rs 1.4lakh Crore, hitting an all time high of Rs1.87 lakh crore in April 2023-CGST is Rs 38340 crore, SGST is Rs 47412 crore, IGST Rs 89158 crore ( including Customs 34972 crore on import of goods)and Cess is Rs 12025 crore. India is emerging as a Hub for Manufacturing , Services, and Supply of Goods and Services. Private and Public participation in all major sectors of business Viz. Infrastructure, Transport, Skilling, Education is implemented. Free Trade Agreements and Cooperation Agreements are signed between different countries to facilitate Cross Border Cooperation and Trade.

India is fast emerging as a Manufacturing and Service Hub for local and global Supply of Goods and Services. EoDB in India is improving. Three shocks viz. the pandemic induced contraction of the global economy, Russian - Ukraine conflict and the rate hike by the Federal Reserve have hit the global economy since 2020. According to the World Bank , India ranked 63rd in 2022, in EoDB across the world among 190 countries based on the Ten different parameters studied viz. Starting a Business, Dealing with Construction Permits, Electricity Availability, Property Registration, Credit Availability, Protecting Minority Investors, Paying Taxes, Trading Across Borders and Resolving Insolvency affecting a business through its life cycle. Central Government targets to the Top 50 in EoDB rankings. India reduced 39000+ compliances for EoDB ( Economic Survey 2022-23.)

Reducing the Compliance Burden on businesses and citizens is a continuous exercise to step to the next level of governance excellence and improve Ease of Doing. Central Ministries, States and UTs have collectively decriminalised more than 3500 provisions related to minor technical and procedural defaults as of January 2023 and minor economic offences under the Companies Act 2013. Further the Central Government launched India's National Single Window System ( NSWS ) in September 2021. A number of State Governments followed NSWS and adopted the State Single Window System. The reforms in Customs, GST, FTP, Insolvency and Bankruptcy, Labour laws, Foreign Investment and other structural reforms helped to improve the EoDB in India.

**Select India** programs are initiated by Central and State Governments to attract FDI, FII and Establishment of JV / Collaborative companies in new areas in Automobile, Electronics, Semiconductors, EV, Solar, Cell phone Manufacturing, Pharma, Neutraceuticals, Automation in Industrial production and Service sectors, especially in Fintech, Banking, Financial Services and Insurance. Up to 100% FDI has been allowed through automatic route for Greenfield pharmaceutical projects. For Brownfield pharmaceutical projects, FDI allowed is up to 74% through automatic route and beyond that, through government approval.

### **Pharma Sector**

The cumulative FDI equity inflow in the Drugs and Pharmaceuticals industry is US\$ 20.96 billion during the period April 2000-September 2022. This constitutes almost 3.35% of the total FDI inflow received across sectors. Indian pharma companies have a substantial share in the prescription market in the US and EU. The largest number of FDA-approved plants outside the US is in India.

Agriculture is the foundation of livelihood, civilization, culture and heritage of India. With a population of 1.42 billion, India is the world's most populous country, leaving China behind. It is the 7th largest country

geographically in the world with 328 Mha area. India has about 160 Mha of arable land, second largest after the United States of America and experiences all the 15 prominent climates with 46 out of 60 soil-types that exist on the earth. About 50% of its total geographical area is cultivated which ranks it among the top user of the land for agriculture. In the more geographically suitable Indo-Gangetic Plain (IGP) and the deltas of the eastern coast, the proportion of cultivated to total geographical area often exceeds 90%. Indian agriculture, one of the oldest systems of the world is diverse, heterogeneous, unorganized and often subjected to vagaries at various phases from 'seed to market'. It is the critical sector of economy for the sustainable and inclusive economic growth of the country. The sector engages 49.6% of the workforce, often seasonally, under-employed and accounts for about 17% share in India's Gross Domestic Product (GDP). Indian agriculture began as early as 11,000 BP with the domestication of animals and early cultivation of plants as evidenced in the ancient literature.

The Green Revolution facilitated institutional and social changes in rural areas and provided opportunities for self-sustaining economic growth, reduced poverty, averting hunger for millions of people, reduction in import of food grains, and industrial growth. A significant contribution of green revolution is the change in the attitudes of farmers, enhancing the status of agriculture from a low-level subsistence activity to a commercial one. This contributed to the transformation of the state from food import into self-sufficiency and food export country. The White Revolution in India was successful in transforming the country from a milk deficient nation to a world leader in milk production. It helped dairy-farming become India's largest self-sustaining industry and also, India's largest rural employment provider. India achieved near-self-sufficiency in edible oils from the yellow revolution and there was significant turnaround in oilseed production from 10.83 million tons in 1985-86 to 38.50 million tons in 2021-22. The Blue Revolution, with its multi-dimensional activities, focuses mainly on increasing fisheries production and productivity from aquaculture and

fisheries resources: inland, fresh water and marine. Average milk, egg, fruit, vegetable, meat consumption improved over the decades leading to diversified food systems, nutrition security with increased life expectancy. Other revolutions in the country were the outcome of the technologies introduced and policies framed and implemented with strong backup from leadership and institutional strength of ICAR.

### **Defence Industrial Corridor**

In Tamil Nadu Defence Industrial Corridor (TNDIC), 05 (five) nodes namely Chennai, Coimbatore, Hosur, Salem and Tiruchirappalli have been identified. Arrangements have been made through Memorandum of Understanding (MoUs) for potential investment of Rs 11,794 crore by 53 Industries & Organisations in TNDIC. As on date, Rs 3,861 crore have already been invested by the Industries/Organisations. The setting up of new industries in an area generates opportunities for direct and indirect employment. The UPDIC is planned across 6 nodes namely – Lucknow, Kanpur, Jhansi, Agra Aligarh, Chitrakoot, which spreads across Central, East, West region of Uttar Pradesh and along the Golden Quadrilateral connecting Delhi - Kolkata supported by networks of expressways - Yamuna Expressway and Agra - Lucknow Expressway. Defence Corridor has been planned to attract MSME manufacturers for supply to Defence sectors. Tamil Nadu Defence Corridor to become a hub for aerospace components, the State already is an important hub for auto components is expected to be good in aerospace too and also its proximity to Bangalore. Tamil Nadu saw Rs. 4,900 Cr investment in aerospace and defense sectors in the last two years. TIDCO - common engineering facility centre will come up at Rs. 400 Cr in Coimbatore.

### **Tourism Sector**

Central Ministry of Tourism has taken several steps to promote India as a Medical and Health Tourism Destination. National Medical & Wellness Tourism Board constituted to promote Medical/Wellness Tourism, AYUSH. ‘E- Medical Visa’ and ‘E-Medical Attendant Visa’ introduced for

166 countries. Assistance provided under Market Development Assistance (MDA) Scheme to medical/wellness Tourism Service Providers & Centres. Medical & Health Tourism promoted at World Travel Mart (London), ITB, Berlin, Arabian Travel Mart etc.

## **Health Sector**

India's achievements in Health Sector in Medical Tourism, As a Generic Pharmacy of the world and India has been a hub for cost effective solutions for medical issues, Jaipur Foot by Ram Chandra in 1968 was designed and developed. India emerged as Vaccines Hub, with 60% of world vaccines are made in India. Indian made ROTAVAC vaccine prequalified by the WHO. Serum Institute, Pune, Bharat BioTech, Hyderabad etc. produced COVID-19 vaccines for local and global supply. Major Health Indicators have improved like India's MMR at 167 with a target of 100 and under 5, mortality rate has declined to 49/1000 live births etc. National Health Policy 2017 aims to raise health care expenditure to 2.5% of GDP by 2025, from current 1.2 with more than two thirds of those resources going towards primary health care. Government has launched National Ayush Mission and Yoga Day Smile India Foundation- Door Step Health Care, Rural Health Care Foundation and Seva Nilayam to reduce MMR in rural areas are the efforts by CSOs., and International Organisations like the WHO, UNDP, FAO, Bill and Melinda Foundation, aimed at enhancing healthcare and reducing poverty. 'Doctors Without Borders' projects in conflict zones and countries affected by endemic diseases are implemented. Globally acknowledged health care models - Kerala and Tamilnadu Insurance Model by State Government bearing the Insurance Premium, Delhi Mohalla Clinic for primary health care, Odhisha e-health care - 127 telemedicine Centers and ASHA Model for Preventive Health Care.

## **Socio Cultural Diversity**

Unity in Diversity is the state of togetherness or oneness in spite of presence of immense diversity. The epitome of the World of Geographical Unity,



Political Unity, Religious Unity, Cultural Unity in Diversity exist in India. Historic Tax Reform (GST-01 Jul 2017), Digitisation Drive, New Insolvency Code, Institutional Reforms, Radical changes in FDI policy regime , Infrastructure Push , Technology Readiness , EV Mobility and focused Renewable Energy etc. are the key developments which lead India to attract more investments in Manufacturing and Service sectors.

### **Authorised Economic Operator (AEO)**

AEO Scheme has been devised by the Government in pursuant to guidelines of WCO adopted in SAFE FoS (Framework of Standard)in 2005. AEO programme or similar programmes which share a common objective of ensuring security in global supply chain from the point of origin i.e. the point of export to the point of import in the receiving country, keeping in view national requirements of respective administrations.It is a voluntary Programme. In other words, those business entities in the global supply chain, who are interested in getting benefits of the programme, may apply for authorization or certification as per the procedure prescribed by the Government.

The objective of the AEO Programme is to provide businesses with an internationally recognized quality mark which will indicate their secure role in the international supply chain and that their Customs procedures are efficient and compliant. An entity with an AEO status can, therefore, be considered a ‘secure’ trader and a reliable trading partner.Consistent with the “SAFE Framework” developed by the WCO, the Indian Customs administration has developed an AEO Programme It was introduced for the first time in India (vide CBEC Circular No. 37/2011. Customs, dated 23.08.2011 and later, revised Guidelines for AEO Programme were issued vide CBEC Circular No. 28/2012-Customs, dated 16.11.2012 as amended vide Circular No. 21/2015- Customs, dated 19.08.2015, in supersession of CBEC Circular dated 23.08.2011). As on 1.1.2015, 19 business entities have been granted AEO status.

### **Single category status holder**

- Importer = 1
- Exporter = 0
- Logistic Service Provider = 2
- Custodian or Terminal Operator = 5
- Custom House Agent (Customs Brokers) = 7
- Warehouse Operator = 1

### **Multiple category status holder**

- Importer & Exporter = 1
- Logistic Service Provider & Warehouse Operator = 1
- Logistic Service provider & Custom House Agent (Customs Broker) = 1  
(<https://aeoindia.gov.in/SourceCode/Website/about.html>)

### **MOOWR Scheme**

India allows manufacturing and other operations in a bonded manufacturing facility under Section 58A read with Section 65 of the Customs Act 1962, to promote India as the manufacturing hub globally and the commitment towards ease of doing business. Under Section 65 of the Customs Act, 1962 provides for manufacturing as well as carrying out other operations in a bonded warehouse. The Board has prescribed “Manufacture and Other Operations (MOOWR) Rules 2019”.

The import of raw materials and capital goods are allowed without payment of duty for manufacturing and other operations in a bonded manufacturing facility. The MOOWR scheme is delinked to the quantum / obligation of exports and the benefit is also extended to the importers who import the goods for domestic clearance / selling.

Central Board of Indirect Taxes and Customs (CBIC) have launched a revamped and streamlined program to attract investments into India and strengthen Make in India. This program is based upon Section 65 of the

Customs Act 1962 which enables conduct of manufacture and other operations in a customs bonded warehouse. The program has been introduced vide the Manufacture and Other Operations in Warehouse (No. 2) Regulations, 2019, (hereinafter referred to as MOOWR, 2019) and explained through Circular - 34/2019 - Customs dated 01st October, 2019.

Under this program a unit can import goods (both inputs and capital goods) under customs duty deferment with no interest liability. There is no investment threshold or export obligation. The duties are fully remitted if the goods resulting from such operations are exported. Import duty is payable only if the resulting goods or imported goods are cleared in the domestic market (ex-bonding).

The salient features of the program are :

- i. No geographical limitation on where such units can be set up.
- ii. A single application cum approval form for uniformity of practice with a single point of approval to set up the operations of such units.
- iii. Improved liquidity with deferment of import duty and no interest liability.
- iv. Allows procurement of GST compliant goods from the domestic market for use in manufacture and other operations in a Section 65 unit.
- v. A single digital account for ease of doing business and easy compliance.
- vi. Enables efficient capacity utilization, as there is no limit on quantum of clearances that can be exported or cleared to the domestic market.

(<https://old.cbic.gov.in/resources//htdocs-cbec/customs/FAQ-Section-65-october-2020.pdf>)

### **Ease of Doing Business in Customs**

CBIC's broad approach in designing these reforms based on the entire 'life-cycle' of cargo clearance from filing of import/export declarations or

manifest to Customs clearance to identify appropriate interventions such as advance filing, pre-arrival processing, Single Window, Direct Port Delivery and Direct Port Entry, Integrated Declarations and electronic submission of mandatory documents as also Repository of Licenses, Permits, Controls and Orders (e-Sanchit). Use of risk management techniques is an integral part of our strategy. Apart from full facilitation of risk-free cargo, the intensity of controls is determined based on segmentation of importers by their risk profile so that accredited/ compliant clients such as Authorised Economic Operators (AEOs) are facilitated. Efforts have been made to shift controls from the clearance to post clearance stage (Post Clearance Audit). Besides, CBIC has been following a “Whole of Government” and “Coordinated Border Management” approach where all regulatory agencies and cargo handling entities including shipping lines, terminals, custodians, Customs brokers etc. involved in the clearance of cargo work in concert to achieve measurable outcomes. CBIC also measures outcomes of these efforts through the annual National Time Release Study and publishes the results thereof, so that we can foster a healthy tradition of competing with ourselves to improve upon our performance. A robust three-tiered architecture for making trade facilitation an ongoing initiative has been established with the formation of National Committee on Trade Facilitation (NCTF), Customs Clearance Facilitation Committees (CCFC) at the zonal level and Permanent Trade Facilitation Committees (PTFC) in Customs Houses. All Government, private and stakeholder representatives are members of this consultative process. In order to infuse efficiency, speed and transparency in our core business processes, CBIC have deployed IT tools and analytics under the ‘Turant’ Customs program comprising three pillars of contactless, paperless and faceless Customs.

([https://old.cbic.gov.in/resources//htdocs-cbec/implmntin-trade-facilitation/Customs%20EODB%20Compendium%202022\\_Final.pdf](https://old.cbic.gov.in/resources//htdocs-cbec/implmntin-trade-facilitation/Customs%20EODB%20Compendium%202022_Final.pdf))

## **Foreign Trade Policy 2023 Decoded**

FTP 2023 is a dynamic and open ended Policy that will accommodate the emerging needs with a vision to increase exports manifold ie. to take India's exports to 2 trillion dollars by 2030. India's overall exports including services and merchandise exports, has already crossed US\$ 750 Billion and is expected to cross US\$ 760 Billion this year. The remarkable achievement in the overall export figure of crossing US\$ 760 Billion in these challenging times across the world has been the result of enthusiasm and encouragement given by Central Government and States. Every opportunity for export must be captured and utilised effectively is the Focus . During India's G20 presidency there should be a massive concerted outreach with the world both sector-wise and country-wise.

The Key Approach to the policy is based on 4 pillars: (i) Incentive to Remission, (ii) Export promotion through collaboration - Exporters, States, Districts, Indian Missions, (iii) Ease of doing business, reduction in transaction cost and e-initiatives and (iv) Emerging Areas - E-Commerce Developing Districts as Export Hubs and streamlining SCOMET policy.

Foreign Trade Policy (2023) is a policy document which is based on continuity of time-tested schemes facilitating exports as well as a document which is nimble and responsive to the requirements of trade. It is based on principles of 'trust' and 'partnership' with exporters. In the FTP 2015-20, changes were done subsequent to the initial release even without announcement of a new FTP responding dynamically to the emerging situations. Hereafter, the revisions of the FTP shall be done as and when required. Incorporating feedback from Trade and Industry would also be continuous to streamline processes and update FTP, from time to time.

The FTP 2023 aims at process re-engineering and automation to facilitate ease of doing business for exporters. It also focuses on emerging areas like dual use high-end technology items under SCOMET, facilitating e-commerce export, collaborating with States and Districts for export

promotion. The new FTP is introducing a one-time Amnesty Scheme for exporters to close the old pending authorizations and start afresh. The FTP 2023 encourages recognition of new towns through “Towns of Export Excellence Scheme” and exporters through “Status Holder Scheme”. The FTP 2023 is facilitating exports by streamlining the popular Advance Authorization and EPCG schemes, and enabling merchanting trade from India.

### **Process Re-Engineering and Automation**

Greater faith is being reposed on exporters through automated IT systems with risk management system for various approvals in the new FTP. The policy emphasizes export promotion and development, moving away from an incentive regime to a regime which is facilitating, based on technology interface and principles of collaboration. Advance Authorisation, EPCG etc. under FTP 2015-20, would be continued along with substantial process re-engineering and technology enablement for facilitating the exporters. FTP 2023 codifies implementation mechanisms in a paperless, online environment, building on earlier ‘ease of doing business’ initiatives. Reduction in fee structures and IT-based schemes will make it easier for MSMEs and others to access export benefits.

Duty exemption schemes for export production will now be implemented through Regional Offices in a rule-based IT system environment, eliminating the need for manual interface. During the FY23-24, all processes under the Advance and EPCG Schemes, including issue, re-validation, and EO extension will be covered in a phased manner. Cases identified under risk management framework will be scrutinized manually while majority of the applicants are expected to be covered under the ‘automatic’ route initially.

### **Towns of Export Excellence**

Four new towns, namely Faridabad, Mirzapur, Moradabad, and Varanasi, have been designated as Towns of Export Excellence (TEE) in addition to

the existing 39 towns. The TEEs will have priority access to export promotion funds under the MAI scheme and will be able to avail Common Service Provider (CSP) benefits for export fulfillment under the EPCG Scheme. This addition is expected to boost the exports of handlooms, handicrafts, and carpets.

### **Recognition of Exporters**

Exporter firms recognized with 'status' based on export performance will now be partners in capacity-building initiatives on a best-endeavor basis. Similar to the 'each one teach one' initiative, 2-star and above status holders would be encouraged to provide trade-related training based on a model curriculum to interested individuals. This will help India build a skilled manpower pool capable of servicing a \$5 Trillion economy before 2030. Status recognition norms have been re-calibrated to enable more exporting firms to achieve 4 and 5-star ratings, leading to better branding opportunities in export markets.

### **Promoting export from the districts**

The FTP aims at building partnerships with State governments and taking forward the Districts as Export Hubs (DEH) initiative to promote exports at the district level and accelerate the development of grassroots trade ecosystem. Efforts to identify export worthy products & services and resolve concerns at the district level will be made through an institutional mechanism - State Export Promotion Committee and District Export Promotion Committee at the State and District level, respectively. District specific export action plans to be prepared for each district outlining the district specific strategy to promote export of identified products and services.

### **Streamlining SCOMET Policy**

India is placing more emphasis on the “export control” regime as its integration with export control regime countries strengthens. There is a wider outreach and understanding of SCOMET (Special Chemicals,

Organisms, Materials, Equipment and Technologies) among stakeholders, and the policy regime is being made more robust to implement international treaties and agreements entered into by India. A robust export control system in India would provide access of dual-use High end goods and technologies to Indian exporters while facilitating exports of controlled items/technologies under SCOMET from India.

### **Facilitating E-Commerce Exports**

E-commerce exports are a promising category export potential in the range of \$200 to \$300 billion by 2030. FTP 2023 outlines the intent and roadmap for establishing e-commerce hubs and related elements such as payment reconciliation, book-keeping, returns policy, and export entitlements. The consignment wise cap on E-Commerce exports through courier has been raised from Rs. 5Lakh to Rs. 10 Lakh in the FTP 2023. Integration of Courier and Postal exports with ICEGATE will enable exporters to claim benefits under FTP. The comprehensive e-commerce policy addressing the export/import ecosystem would be elaborated. Extensive outreach and training activities to build capacity of artisans, weavers, garment manufacturers, gems and jewellery designers to on board them on E-Commerce platforms and facilitate higher exports.

### **Facilitation under Export Promotion of Capital Goods (EPCG) Scheme**

The EPCG Scheme, which allows import of capital goods at zero Customs duty for export production, is being further rationalized.

Some key changes being added are : Prime Minister Mega Integrated Textile Region and Apparel Parks (PM MITRA) scheme has been added as an additional scheme eligible to claim benefits under CSP(Common Service Provider) Scheme of Export Promotion capital Goods Scheme (EPCG). Dairy sector to be exempted from maintaining Average Export Obligation - to support dairy sector to upgrade the technology. Battery Electric Vehicles (BEV) of all types, Vertical Farming equipment, Wastewater Treatment and Recycling, Rainwater harvesting system and Rainwater Filters, and Green



Hydrogen are added to Green Technology products - will now be eligible for reduced Export Obligation requirement under EPCG Scheme.

### **Facilitation under Advance authorization Scheme**

Advance authorisation Scheme accessed by DTA units provides duty-free import of raw materials for manufacturing export items and is placed at a similar footing to EOU and SEZ Scheme. However, the DTA unit has the flexibility to work both for domestic as well as export production.

### **Facilitation Provisions in the present FTP such as**

Special Advance Authorisation Scheme extended to export of Apparel and Clothing sector under para 4.07 of HBP on self-declaration basis to facilitate prompt execution of export orders – Norms would be fixed within fixed timeframe. Benefits of Self-Ratification Scheme for fixation of Input-Output Norms extended to 2 star and above status holders in addition to Authorised Economic Operators at present.

### **Merchanting trade**

To develop India into a merchanting trade hub, the FTP 2023 has introduced provisions for merchanting trade. Merchanting trade of restricted and prohibited items under export policy would now be possible. Merchandising trade involves shipment of goods from one foreign country to another foreign country without touching Indian ports, involving an Indian intermediary. This will be subject to compliance with RBI guidelines, and won't be applicable for goods/items classified in the CITES and SCOMET list. In course of time, this will allow Indian entrepreneurs to convert certain places like GIFT city etc. into major merchanting hubs as seen in places like Dubai, Singapore and Hong Kong.

### **Amnesty Scheme**

Government is strongly committed to reducing litigation and fostering trust-based relationships to help alleviate the issues faced by exporters. In line with “Vivaad se Vishwaas” initiative, which sought to settle tax

disputes amicably, the government is introducing a special one-time Amnesty Scheme under the FTP 2023 to address default on Export Obligations under EPCG and Advance Authorizations. All pending cases of the default in meeting Export Obligation (EO) of authorizations mentioned can be regularized. (<https://www.dgft.gov.in/CP/?opt=ft-policy>)

Ease of Doing Business in Customs, GST and Passenger : The clearances are made by using EDI Systems which are trust based risk management systems which helps Facilitation of Cross Border Trade.

Select India - Select Tamilnadu, AP, UP, Telengana, Karnataka, Maharashtra, Delhi, Rajasthan, Gujarat etc. states are encouraging.

India is emerging, encouraging to attract foreign FDI, FII, Investments through JVs, and Technical Collaboration Agreements for Indigenous manufacturing and global supply. Educating and empowering women, Tier II cities Development, SMART Cities Programs , Sea port , Air Port, CFS , ICDS Developments lead India to improve Cross Border Trade and Brain Gain measures. India is resilient and adoptable to any situation.

Japanese companies can contact, connect and collaborate with Indian companies for advanced manufacturing and service sectors. Focus areas in Artificial Intelligence adoption in Automobile, Textiles, Robotics, LiDAR, Block Chain Technology use, Computer Vision and Machine Learning/ Deep Learning and establishing Semiconductor, Solar, Wind Energy and Medical Equipments manufacturing industries. High end Research and Development Centres establishment on Built, Operate, Own and Transfer mode can be explored.

Select India - Select Tamilnadu, AP, UP, Telengana, Karnataka, Maharashtra, Delhi, Rajasthan, Gujarat etc. for manufacturing and service sectors; investments are in an encouraging mode.

India is rich in history, culture and natural beauty and many villages are home to unique tourist attractions. Rural crafts can be a significant attraction

for tourists visiting India which also provides opportunities for skill development and entrepreneurship. Eight craft villages that have been selected under linking Textile with Tourism initiative are

1. Raghurajpur- Odhisha
2. Tirupati - Andhra Pradesh
3. Vadaj- Gujarat
4. Naini- Uttrapradesh
5. Anegundi- Karnataka
6. Mahabalipuram-Tamilnadu
7. Taj Kanjan - Uttar Pradesh
8. Amer - Rajasthan

Government is supporting rural artisans. Fostering Rural Crafts through One District One product of India is basically an augmented version of a Japanese business development concept “One Village One Product” model 1979, aimed to promote localised products and services to improve the standard of living of the local people and local contributions in nation building. Pottery, Stone craft, Metal craft, Wood carving, woven, embroidered, painted, printed Textiles and Jewellery are some of the prominent crafts of India. The Handloom and Handicrafts sector is an labour intensive, next only to Agriculture in terms of employment opportunities. Green Revolution, White and Blue revolution made India self sufficient in food production and allied sectors of production for local consumption and exports. Marine exports, especially frozen shrimps exports a major revenue earner.

The G20 can play a vital role in portraying Indian handicrafts , manufacturing, service sectors in the global ecosystem by providing market access, financial assistance, skill development, intellectual property protection and cultural diplomacy.

