



सत्यमेव जयते

Electronic Governance & Trade Facilitation Reforms

Directorate General of Foreign Trade
Ministry of Commerce & Industry

January 2021

We are particularly keen to develop India into a knowledge based, skill supported and technology driven society. Our mantra is reform, perform and transform. We want to do better and better

**- Hon'ble Prime Minister Shri. Narendra Modi
during the program on EODB on 04.11.2017**

Many nations are watching India as a centre for their supply-chain operations. Now, we have to internalise the motto of 'Make for the world' alongside 'Make in India'

**-Hon'ble Prime Minister Shri. Narendra Modi
in the 2019 Independence day Speech**



Foreign Trade, being a dynamic subject, needs to keep responding from time to time to the changing global environment. Various permissions granted under the Foreign Trade Policy required paper submissions from the exporting community and follow-up with various Government authorities including the Directorate General of Foreign Trade. Moreover, consultations with other Departments for obtaining technical opinion to arrive at norms, No-objection certificate etc. were largely manual processes based on a paper trail.

Various certificates, licences and permissions being issued had a paper trail with repetitive submissions of similar documents in different departments like Customs etc.

All this led to a time consuming environment which needed improvements for ease of doing business and quicker service delivery with a view to reduce transaction costs and expedite cargo clearances.

Trade Facilitation, simplification and automation of processes are some of the areas where the Ministry of Commerce & Industries keeps making incremental improvements on regular basis.

➤ **Simplification and automation of processes**

▪Imbibing the motto of “**Minimum Government, Maximum Governance**”, the Directorate General of Foreign Trade (DGFT) under Ministry of Commerce has embarked upon trade facilitation initiatives for reducing of high cost of imports and exports by integrating India’s cross-border trade with the global value chain.

▪By leveraging Information Technology tools for reduction in manual processes with focus on paperless and automated processing, DGFT has undertaken initiatives to route all trade related formalities through a single online portal, simplification of procedures for trade clearance related activities and paperless filing of documents.

▪Electronic communication for real-time and electronic data exchange for streamlining clearance procedures has led to the doing away with paper copy for various export Schemes being operated by DGFT.

▪While bringing in transparency in the processes, it has consistently improved the credibility of its service delivery while restoring the trust of the exporters in a system which has minimized corruption by reducing manual intervention/discretion.

➤ **Upgraded IT Systems**

The new IT System under implementation has a paperless design covering the entire lifecycle of export promotion schemes with data analytics & business intelligence solutions and a chat-bot facility. In the new IT modules, decision making will largely be trust based with emphasis on ‘risk’ and a post audit check.

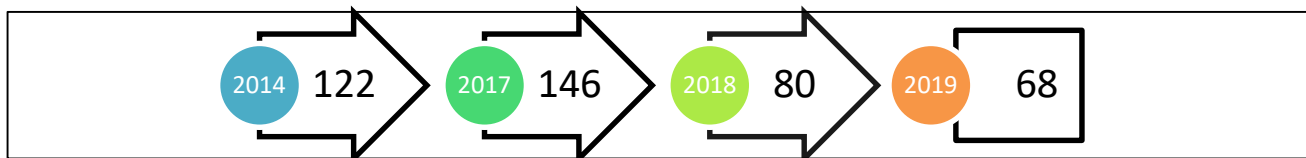
Present DGFT environment is already exchanging online data with departments/agencies like Income tax, Customs, MCA, Banks, UIDAI, SEZs etc. which e-sign based non-repudiation. This provides confidence in the online environment with no requirement of submitting same data at multiple places.

➤ **UN Global Survey on Digital and Sustainable Trade Facilitation**

The given survey covered 128 economies and 53 measures related to the TFA as well as paperless trade initiatives. In the latest 2019 report UN has reported that India has improved its overall trade facilitation score from 69 per cent to 80 per cent and outperformed other countries in Asia-Pacific and South and South-west Asia region.

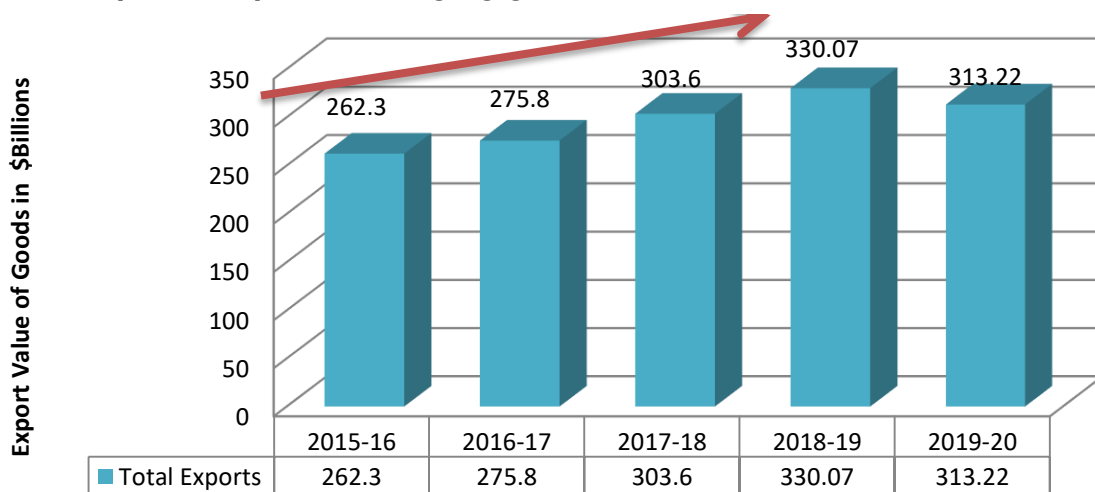
➤ Ease of Doing business (EODB) in Trading Across Borders

Improved Ranking in Trading across Borders



India's Trading Across Border rank as assessed by World Bank improved to 68 in 2019 starting from 122 in 2014. It has improved by 68 ranks in 2017-18 followed by an improvement of 12 ranks in 2018-19. It has largely been possible by the introduction of system driven paperless processes such as in DGFT.

➤ Exports growing consistently since 2015-16. It is likely that India would achieves a new peak despite challenging global scenario.



➤ **Logistics Performance Index (LPI)** which tracks improvement on trade logistics showed significant improvement from 2014 onwards on account of e-governance reforms and Tracking and Tracing initiatives.

India's performance on Logistics Performance Index (2014-2018)



Chart: KPMG in India • Source: Logistics Performance Index, World Bank • Created with Datawrapper

➤ Summary of measures taken for improving ease of trading:

24X7 Auto Issuance of e-IEC (Importer Exporter Code)

- Total time from application to IEC issuance is less than 30 minutes

Online Platform for e-issuance of Preferential Certificates of Origin

- The average time for availing a CoO has been on a steady reduction

Duty Exemption schemes Such as AA/EPCG made paperless

- Data is exchanged between DGFT, Customs, SEZ without any paper issuance
- Transparency for the Exporter

Helpdesk Services for Exporters & Importers

- Communication Channels - Phone, Email, Ticketing Systems, Social Media
- All Suggestions, Feedback, Complaints are monitored & time-bound

System based, faceless auto approval of export benefits like MEIS

- Online issuance & Electronic Transfer of Duty Credit Scrips

Online module for Quality Complaints or Trade Disputes

of Indian as well as Foreign Importers and Exporters

Steel Import Monitoring System (SIMS) for advance intimation of Steel imports

- More Import Monitoring Systems planned

E-issuance of licences for import/export of restricted items

Two-way online communication, paperless processing, e-verification of the authenticity of DGFT issued documents.

- Rules-based Risk Management for IEC

Continuous Review for simplification of Policy and Procedures based on exporters' suggestions

➤ Trade Facilitation during the Covid-19 Pandemic

- COVID-19 Helpdesk for 'International Trade Issues' was set up on 26 March 2020 for extending immediate support to the trade community. Out of 1300 requests received on helpdesk more than 900 were resolved
- The Foreign Trade Policy was extended by one-year. Validity for imports and exports under the various authorisations was immediately increased and Policy Provisions was suitably relaxed to minimise the impact of Value chain disruptions for Indian Exporters.
- While Export restrictions were added for some essential medical & health items, the same were relaxed as soon as possible to open up export opportunities.

While much progress on the e-governance and trade facilitation initiatives has been made since 2014 we need to strive for more. Our endeavour through the National Trade Facilitation Plan 2020-23 is --



To transform the cross-border trade eco-system through efficient, transparent, risk based, coordinated, digital, seamless and technology driven procedures which are supported by state-of-the-art IT infrastructure and data integrations.



To bring down the overall issuance and approval time:

- * For Export benefits
- * For Export Promotion Schemes
- * For Import/Export Licences for Restricted Items
- * For Norms Fixation



- * Improve India's ranking in Trading Across Borders indicator of the World Bank's Doing Business ranking to less than 50
- * Enable a truly paperless regulatory environment
- * Increased Trade promotion role through a single window approach
- * Establish transparent and predictable policy regimes

➤Evolving Trade Governance and a forward looking DGFT

❑ The goal is to address various regulatory, technology and infrastructure issues to reduce the time and cost of trade logistics to add to India's export competitiveness.

❑With newer IT systems to be rolled out in a phased manner by March 2021 a virtual DGFT Offices would be **faceless, contactless and paperless**. Reduced physical location of offices is also being planned.

❑DGFT would be transformed further into more trade promotion roles so that it acts as a **single-window for trade promotion** activities.

❑While all processes online, DGFT would move more and more in the direction of data-driven and empirical policy formulations. This would provide for **agile trade policy formulations**, which are more responsive to changing scenarios of international trade.

❑DGFT would be moving to a paradigm where business would lead and not be held back while waiting for specific confirmations. The usual process of queuing up for benefits and approvals would be removed wherever possible. The exporter or importer would not have to wait on DGFT for any business approval. DGFT would be implementing post-issuance audit systems for managing any risks for such a business-friendly, flexible system.

❑The new IT systems would provide a **360°-view** for the Exporter/Importer and the government. The Exporter or Importer would be able to track and monitor all their past and present actions as well as the actions taken by the department at different points of time. The Department of Commerce would also have such access to the firms' performance and other credentials.

The commerce ministry has designed an online platform for issuance of a key document required for exports to those countries with which India has trade agreements, with a view to facilitate shipments during the COVID-19 crisis.

AI chatbot is facilitating India's foreign trade

Highlights

The DGFT has deployed an AI-powered virtual assistant VAHEI on its portal to promote and facilitate foreign trade by instantly helping importers and exporters with their queries.

DGFT LAUNCHES NEW PLATFORM FOR DIGITAL DELIVERY OF IEC RELATED SERVICES

Exports to improve in the coming months due to collaborative efforts of all stakeholders: DGFT