

# Draft Export Policy

for

## Govt. of Orissa

### 2008-2009



Prepared by :

**Federation of Indian Export Organisations**

**(Set up by Ministry of Commerce, Govt. of India)**

(Eastern Region )

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## **DRAFT EXPORT POLICY FOR GOVERNMENT OF ORISSA-2008-09**

### **BACKGROUND:**

The ongoing process of opening up of the Indian economy, changing Industrial and trade policies over the last decade and the formation of WTO have together given rise to stiff challenges as well as tremendous opportunities for Indian Industry. While the challenges are the result of liberalised imports of raw materials, components and finished products from across the globe in an increasingly reducing tariff regime, the opportunities arise from the opening up of the world markets for Indian industry.

The Govt. of India has in the recent past, initiated a number of measures to promote exports of both primary and manufactured products as also services. Allocation of funds for export development by States, Export Promotion Industrial Park Scheme, Critical Infrastructure Balance Scheme, Export Intensive Area scheme, Market Development Scheme and setting up of Special Economic Zones, in important locations are some of the initiatives taken by the Govt. of India. The recent ASIDE (Assistance to States for Infrastructure Development and Allied Activities) programme merges most of these initiatives of the Govt. of India under one head. Assistance under ASIDE can be utilised by the State for development of infrastructure related to promotion of exports. Assistance under the scheme can also be used for EPIP and Special Economic Zone projects. Allocation to the States under ASIDE is linked to export performance of the State. The State Level Export Promotion Committee has been empowered to sanction schemes under ASIDE. It is, therefore, necessary that the State fully utilise the opportunities that are thrown open by the initiatives of the Govt. of India and formulates a comprehensive policy and appropriate strategies for promoting exports from the State.

Potentially, Orissa is very rich in minerals, agricultural and other natural resources. Compared to the national reserves Orissa has 34% Iron Ore, 50% of Bauxite, 95% of Nickel, 98% of Chrome, 24% of Coal, 32% of Mineral Sand, 77% of Graphite, 21% of Pyrophyllite and 29% of Manganese. Orissa has got majority of its land mass under agricultural and forest coverage. More than 60% of its population is engaged in agricultural and allied activities. Orissa has got 500 Kms long coast line, 682 kms of river, 1.96 lakhs hectare of water reservoir, 1.8 hectares of lake, having tremendous potential for pisci-culture and downstream industries. Orissa has a rich cultural and architectural heritage along with deep forest coverage offering tremendous scope for aesthetic as well as adventure tourism and hotel industry.

**India's Export Scenario:**

India's export scenario during April-March 2007 is given as below:

Dated: 27/11/2007

Values in Rs. Crores

Commodity	Apr-Mar 2006	Apr-Mar 2007	%Growth	%Share
A) PLANTATION	3,319.41	3,925.17	18.25	0.69
B) AGRI & ALLIED PRDTS	31,960.37	38,711.16	21.12	6.77
C) MARINE PRODUCTS	7,035.91	7,889.84	12.14	1.38
D) ORES & MINERALS	27,288.34	31,824.59	16.62	5.57
E) LEATHER & MNFRS	11,943.45	13,272.10	11.12	2.32
F) GEMS & JEWELLERY	68,752.59	70,524.45	2.58	12.34
G) SPORTS GOODS	595.87	569.26	-4.47	0.10
H) CHEMICALS & RELATED PRODUCTS	69,148.93	80,148.73	15.91	14.02
I) ENGINEERING GOODS	85,462.14	118,337.18	38.47	20.70
J) ELECTRONIC GOODS	10,039.90	12,648.81	25.99	2.21
K) PROJECT GOODS	654.81	595.50	-9.06	0.10
L) TEXTILES	68,823.32	72,930.45	5.97	12.76
M) HANDICRAFTS	2,045.34	1,682.15	-17.76	0.29
N) CARPETS	3,774.55	4,015.49	6.38	0.70
O) COTTON RAW INCL WASTE	2,904.35	6,101.84	110.09	1.07
P) PETROLEUM PRODUCTS	51,532.80	83,946.45	62.90	14.69
Q) UNCLASSIFIED EXPORTS	11,135.77	24,518.72	120.18	4.29
<b>Total</b>	<b>456,417.88</b>	<b>571,641.88</b>	<b>25.25</b>	<b>100.00</b>

Data Source: DGCIS, Kolkata

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Orissa's Export Performance during the year 2006-07:

*Rs.in crores*

Sl.no.	Product Group	2006-07(est.)
1.	Metallurgical Products	1690.40
2.	Engineering/ Chemical & Allied Products	66.73
3.	Mineral Products	8884.74
4.	Agricultural & Forest products	6.88
5.	Marine Products	740.00
6.	Handloom Products	0.55
7.	Handicrafts	0.64
8.	Textiles	--
9.	Gems & Jewellery	--
10.	Pharma Products	0.88
11.	Electronics	1460.94

12.	Service providers	--
13.	<b>TOTAL</b>	<b>12851.76</b>

Estimates based on provisional figures provided for 6 months ended Sept'06 by Directorate of E.P.& M, Govt. of Orissa .

Orissa's contribution to the export trade as is reflected from the figures above is 2.21%(approx.). The growth trend of exports from Orissa is on an average around 22%. Going by the present trend, exports from Orissa during 2007-08 is estimated to touch Rs. 15679.15 crores(approx.). Exports from India reflect a growth rate of 35%(approx.) till November 2007 which when compared to the previous years' trend is higher by nearly 10%.This perhaps includes exports of services and bulk commodities. Textiles and handicrafts have shown a negative growth. The downtrend can be attributed to Rupee appreciation against the US Dollar, the decline in overall global trade and the growing price of petroleum crude which is reflecting on the inflationary pressure in the economy of most of the countries. However, these are reflected on commodities which are traded around the globe regularly. These cannot be a reflected on new products or marginal products for which there is still room for the country/state. By this trend, it may be concluded that the Orissa government can achieve the target an export trade of nearly double the figures.

**Target recommendations:**

The twin forces of liberalization of Indian economy with opening up of the Indian market and globalisation i.e. greater integration of the Indian economy with the global economy, poses several challenges as well as opportunities. The entire world today is one market place. The defining principle of international trade today is competitiveness. The future of exports for Orissa will be predicted upon an intense interplay between the domestic policy environment and the enormous external trading opportunities. Under the multilateral trading regime, the ability of the State to sieze the opportunities that are opening up in the global market will be driven primarily by the primacy of technology in domestic industry, price and quality competitiveness and achieving global standards in products and processes. The principles of National Treatment and Most Favoured Nation governing the WTO regime will require the domestic export community to aggressively compete with its counter parts in the rest of the world.

The EXIM policy of the Govt. of India provides a national policy framework. At the same time, the State Govt. needs to provide focused facilitation to enable rapid growth of exports from Orissa in sectors in which the State enjoys competitive advantages. It is in this context that a policy framework to give impetus to establishing best practices, providing for capacity building and facilitating quality and competitiveness of domestic exporters becomes critical.

Orissa's mission statement on exports is to facilitate the rapid and sustained growth of exports from Orissa and to increase Orissa's share in all India exports from the present level of 2.21% to 10% by 2012. This will be achieved by:

- i) Providing an effective, proactive and supportive Institutional mechanism for the rapid growth of exports.
- ii) Operationalising sustainable medium term Export Promotion Sectoral Strategies.
- iii) Building effective and competitive export Infrastructure.

World trade is approx US\$10159 billion(approx)(2005) of which the priority sectors are:

Category A - Machinery, Telecom, Computer, Automotive, Other Transport Equipment, Food Products And Fuels. India has only 0.4% of this market.

Category B- Diamonds, Jewellery, Textiles, Clothing, Iron And Steel Products, Ores, Minerals. Value wise more than 50% of India's trade fall in this category.

As per the brief provided by the Orissa Government (Letter no. I-SI-80/2007/14992/I, Bhubaneswar dated 4<sup>th</sup> October 2007), Orissa has basic strengths in Category B products which it would like to capitalize on by concentrating on developing MSMEs especially in the downstream and ancillary industries. Orissa has already attracted a total investment of Rs. 45 000 crores in Steel, Alumina, Aluminum, Petro-chemical , Power, IT & ITES, etc.

Government of Orissa, in this context, has outlined major areas that will focus on the Development of MSME in Orissa.

In achieving this Mission, the focus will be on the objectives set out below:

- a) To Collect, collate and analyse data with regard to exports from Orissa exhaustively. FIEO, Directorate of Export Promotion & Marketing and DGFT's office based at Cuttack and Kolkata as well as local banks can be mobilized to co-ordinate in this respect.
- b) To focus on existing exporting industries, and to provide them with necessary support to give further boost to exports from these industries.
- c) To motivate Industries in Orissa exporting through merchant Exporters in other States to export directly.
- d) To encourage industries/traders with products having good export potential to enter the export field.
- e) To provide a conducive environment for motivating new export oriented units to set-up their base in Orissa.
- f) To bring about technology and skill up gradation in the traditional export sectors

like Textiles, Metals, Mining and Handicrafts to enhance value addition and quality competitiveness.

- g) To enhance the export potential of non-traditional sectors like Electronics & Software, Services, Bio-Technology etc.
- h) To facilitate creation of hi-tech ITI clusters in different locations in the State.
- i) To encourage capacity building for consistently upgrading best practices in exports.
- j) To promote innovation for export of new value added products.
- k) To increase the unit realization of exports through technical and design inputs, modernization of production processes and skills.
- l) To provide institutional framework for developing pool of human resource talent in specialized trades.

To provide a simple transparent and responsive regulatory environment for unhindered growth in exports.

In order to achieve these objectives, the following strategy will be adopted:

- To create an exhaustive database for the reference by the State Government of Orissa. FIEO can coordinate the same from Eastern region ports.
- To create a strong networking with Export Promotion Councils, FIEO, and Product Sectoral Associations to give impetus to Public-Private partnership.
- To provide E-Governance support to exporters in Orissa.
- To establish a B2B exchange, which would facilitate even the small and tiny unit in the State to take up online trading activity.
- To create a strong analytical database on exports and exporters in Orissa.
- To promote Public-Private initiative in developing competitive export infrastructure.
- To setup an institutional mechanism in the State for promoting exports like State Level Export Promotion Council, State Level Export Promotion Committee and District level Export Promotion Committee.
- To strengthen and restructure Directorate of Export Promotion & Marketing as the Export Promotion Board of Orissa, which shall be the Nodal Agency to plan and execute strategies to sustain Orissa as a major hub for international trade.
- To focus on competitive advantages Orissa has in the global market by increasing its exports in Information Technology, Bio-Technology, Food Processing, Electronics & Communications, Garments, Machine Tools and Precision

Engineering Goods, besides the traditional exports.

- To identify sector specific support measures required for acceleration of exports in sectors in which the State has competitive advantages and to encourage them in consultation with the concerned sectoral association.

The proposals of FIEO are given as per the major areas outlined by the Govt. of Orissa:

**a) Agricultural & Processed Food Products**

Orissa is bestowed with good agro-Climatic zones. As already stated above, the food processing industry is part of the Category A exports which accounts for nearly US\$ 6600 billion of which India's share is negligible. There is little disposable surplus in Agro & Horticultural products for export. However, Orissa has the capacity to encourage growth in cash crops and off season vegetables which it can later process and convert to various high value chain processed agro products for exports. This can then be exported to SAARC/ASEAN bloc and other countries. Orissa is also in the process of upgrading the Bhubaneswar airport and Paradip port to cater to the processed food industry. All India growth in exports of Agri and Processed food is 21%.

**b) Electronics**

Growth in export of electronics products from India is 26%. Orissa, can capitalize on the requirement of computer hardware and telecom products. Thus instead of focussing on low cost labour, Orissa must consider efficiency in producing standard products as the dominant source of competitive advantage. The challenge lies in taking a larger pie in these sectors by taking advantage of scale, technology and marketing. Thus while rest of India is concentrating on export of software services, Orissa will have the advantage of manufacturing and exporting computer and computer peripherals and telecom products. This will also ensure employment generation amongst the youth in Orissa and growth in the education sector.

**c) Engineering Goods**

As pointed out above nearly 90% of the minerals and ores are existing in Orissa. Presently, Orissa is concentrating in mining and supplying to various parts of the India as well as the world. Orissa has the potential to open downstream industries and ancillary industries to manufacture Automotive components, Electrodes, Welding Equipments, Construction and

Earthmoving Equipments, Helicopter Spares, etc. Exports of this sector during 2006-07 is Rs. 118337 crores. from India and the sector is growing @ 38.47%. Hence, Orissa should concentrate less on supply of ores and minerals and should promote export of engineering products from India. This will only ensure optimum utilization of resources and help boost industrial investment in and around Rourkela, Orissa. Exports from this sector are expected to grow annually by 40%.

#### **d) Arts & Crafts**

Orissa has a rich variety of crafts, a considerable production base and a vast pool of talented and skilled crafts persons. Training in production techniques, focus on contemporary design and upgradation of craft clusters will constitute initiatives to give impetus to handicrafts exports. This will be done through the Orissa State Handicrafts Development Corporation, the NGOs, in the field and Export Promotion Council for Handicrafts. The effort will be to reach an export target of Rs. 50 crores in 2009-12 from the level of Rs. 1.19 crores in 2006-07. Raw material banks and design banks can be set up in order to enable the craftspersons to source quality raw materials at a low premium. Buyer seller meets can also be organized at various clusters in Orissa where buying agents based all over India can visit alongwith their counter parts from foreign countries to examine and guide the craftspersons to manufacture export quality products. A design data bank can also be maintained for the benefit of the artisans.

#### **e) Pharma Products**

Oil extracted from medicinal plants and herbs in and around Behrampore are sent to several part of India where products like scents, incense sticks are manufactured. Instead of supplying this valuable raw material Orissa can develop several clusters in and around Behrampore and other downtrodden areas for manufacture of these items which can then be exported to other countries. This will also pave the way of setting up of Bio tech industries in Orissa. R&D on pharma products will boost the way for utilization of intellectual skills in Orissa instead of the intellectuals catering to R & D industries elsewhere. Incentives for setting up of the Biotech and R& D centres should be lucrative enough to attract entrepreneurs to the State.

#### **f) Marine Products:**

The coast line of Orissa provides ample scope for encouragement of the pisci culture industry. Orissa govt. should encourage setting up of cold storages along the areas where



marine products are based to ensure dispatch of fresh frozen fish and other products from the port to countries abroad. Presently Orissa is exporting Rs. 740 crores worth of Marine products which is growing @ 13% annually. The Andhra model can be followed for the benefit of the marine sector exporters.

In collaboration with the sectoral export associations and in consultation with the related industry bodies, sectoral mid-term strategies will be commissioned to draw a road map to achieve the sectoral export targets envisaged.

## **INSTITUTIONAL MECHANISM FOR EXPORT FACILITATION**

### **Export Promotion Board of Orissa**

Under the Govt. of India, 29 Export Promotion Councils and Commodity Boards are engaged in export promotion of products coming under their jurisdiction. In Orissa, the Directorate of Export Promotion & Marketing a registered body functioning under the Directorate of Industries & Commerce is, at present, the Nodal Agency for promotion of Exports of all products from the State. D(E.P&M) is regularly conducting Seminars/Workshops/Training Programmes related to exports, resolving grievances of exporters etc., and is working in close co-operation with FIEO, ITPO, Export Promotion Councils/Commodity Boards, Customs and other related Central & State Govt. Depts./Organisations to promote exports from the State.

It is proposed to restructure Directorate of Export Promotion & Marketing as Export Promotion Board of Orissa which shall be the Nodal Agency to guide and provide assistance to exporters as well as facilitate in obtaining clearances from regulatory Departments and resolving operational problems of exporters in Orissa.

The following Policy making empowered Committees if not already existent, are proposed for functioning to facilitate the process of exports in the State.

The State Level Export Promotion Council(SLEPC) chaired by the Hon'ble Chief Minister, Govt. of Orissa.

The State Level Export Promotion Committee chaired by the Chief Secretary, Govt. of Orissa.

The following Committee is to function for resolving the operational problems of exporters. The Export Facilitation Co-ordination Committee, Central State inter departmental Committee chaired by the Secretary, Commerce, Govt. of Orissa.

In order to promote exports from all districts in the State, District Level Export Promotion Committee (DLEPC) are proposed for being setup. The functioning of DLEPCs will be monitored by the Sub-committee of SLEPC chaired by the Commissioner for Industrial Development and Director of Industries & Commerce and an authorized representative of FIEO(if required) which also renders secretarial services to the Policy making committees.

### **EXPORT PROMOTION STRATEGIES**

The Dept. of Commerce, Ministry of Commerce & Industry, Govt. of India have set a target of US\$ 160 billion for the exporters in the country to be achieved by the year 2007, in order to reach 1% share of the world trade. This Orissa policy should target at achieving an ambitious 10% share in the country's exports by 2012. Following strategies have been formulated to achieve this target

- a) Exporters in Orissa are mostly concentrated in few districts. All sections of exporters have their export associations. should closely and actively co-ordinate with all the export associations and take up the following measures.
- b) Evolve suitable export oriented strategies focusing on specific product sectors with inputs from the Export Associations/Exporters. This will include taking part in international Trade Fairs/Exhibitions, providing inputs on technology upgradation, packaging, quality, etc.
- c) Undertake market research on focus countries, markets and sectors and provide market information to the exporting community.
- d) Have a time bound action plan to implement the above strategies and accelerate export growth.
- e) For effective export promotion in the districts, the industries and traders may be classified into three categories in each district, as given below:
  - i) Industries/Traders who are already exporting
  - ii) Industries/Traders who are exporting through merchant exporters
  - iii) Industries/Traders who have not yet entered the export field.

Efforts will be made to upgrade industries/traders in categories (ii) & (iii) to take up direct exports.

f) A District Level Export Promotion Committee (DLEPC) in all the Districts will be constituted comprising:

- i) A senior level officer of the District Industries Centre
- ii) A representative of local Chambers/Industry Association
- iii) Two prominent exporters from the District
- iv) Lead Bank Manager
- v) Concerned Department's Officers
- vi) Authorized representative from FIEO
- vii) Authorized representative from the office of the DGFT, Cuttack.

The DLEPC will draw upon the expertise of Directorate of Export Promotion & Marketing in export promotion and chalk out a time bound and effective action plan to:

- Prepare a comprehensive database on existing exporters in the District
- Identify Industries/Traders who are exporting through other merchant exporters
- Identify the Industries/Traders with potential products for exports and
- Resolve local problems of exporting community
- Organise various dissemination programmes on export related information for the exporters in various thrust areas.

**g) DLEPCs will adopt following strategy to augment and accelerate exports:**

**(a)** Identify the bottlenecks/problems faced by the existing exporters and resolve them. The exports will increase significantly in a short period with the creation of a suitable export conducive environment.

**(b)** The Industries/Traders who are exporting their products through other merchant exporters will be trained to export directly by giving them intensive training in exports, providing regular market information and other related information on a regular basis from Directorate of Export Promotion & Marketing. Since their products have already been accepted in the overseas markets, these Industries/Traders are expected to become exporters within a short time and help in increasing exports significantly.

**(c)** After the DLEPC has identified the potential exporters in the District, Directorate of Export Promotion & Marketing will in co-ordination with local DIC/Chamber/Industry Association counsel and train the Industries/Traders to export their products. This will be a long term strategy.

**(d)** The DLEPC will also submit suitable proposals for developing export infrastructure in their Districts.

**(e)** The Commissioner for Industrial development, who is the chairman of the Subcommittee of SLEPC shall monitor the work of DLEPCs and ensure their effective functioning.

**(f)** E-Governance for International Trade: Since many Industries/Traders do not have the wherewithal to take up export activity due to lack of knowledge on the trade, it is proposed to establish an E-Governance facility at Directorate of Export Promotion & Marketing and connecting six major Districts to start with, which would facilitate the existing and potential exporters in Orissa and these districts to have online chatting/video conferencing with experts, concerned departments/organisations and obtain online updation of latest notifications, circulars, clarifying doubts/questions related to exports, generate online trade enquiries etc. at one single place without travelling.

**(g) Directorate of Export Promotion & Marketing B2B Exchange**

To capitalise on the potential for exporting through the internet, it is proposed to upgrade the existing Directorate of Export Promotion & Marketing trade portal to a full fledged B2B exchange, which would facilitate even the small and tiny unit in the State to take up online trading activity.

**(h)** By suitable adoption of the above measures and proper co-ordination of the concerned Depts/Organisations with the exporting community, it is proposed to not only help the existing exporters of the State to export more, but also motivate new entrants in the field.

**(C ) EXPORT INCENTIVIES**

Following Schemes for export incentives are to be implemented by the State:

**a) Market Development Assistance (MDA) Scheme**

The MDA Scheme of the State Govt. shall focus on the small and medium manufacturing units who wish to enter export field and small merchant exporters of the State and would be administered by FIEO. This Scheme would include among others, financial support for visit of Trade Delegations to other countries, participation in International Trade Fairs/Exhibitions, Market Survey Reports, Publicity in foreign media etc. initially an outlay of Rs. 1.00 crore per year will be provided under the scheme. A consortium model can be followed to recommend MDA to various small and marginal exporters.

**b) Brand Equity Fund**

A brand equity fund with an allocation of Rs. 1.00 crore per year will be set up at

Directorate of Export Promotion & Marketing under the Scheme. This will be aimed at building strong globally competitive brands for products manufactured/produce originating from Orissa.

**c) Market Research Fund**

A Market Research Fund with an allocation of Rs. 1.00 crore per year will be set up at Directorate of Export Promotion & Marketing to activate a mechanism for providing live and timely market information on products and markets which will help the SME exporters to enter the export market directly.

**d) Export awards**

Directorate of Export Promotion & Marketing on behalf of Govt. of Orissa to award export awards to top exporters of various categories of products of the State for their excellence in exports. These awards will be in those sectors that are focus sectors for the State viz., IT, Food Processing, Precision Engineering, Electronics & Communications, Textiles and Machine Tools, Handicrafts and Marine Exports. A one time corpus fund of Rs. 1.00 crore will be set up for this purpose.

For the purpose of the incentives as per the above orders a unit is defined as an "Export Oriented Unit" if it exports a minimum of 75% of its production in any financial year and should be considered for waiver of electricity duty. Incentives for units set up in Special Economic Zone will however be governed by the Special Economic Zone Policy

**EXPORT INFRASTRUCTURE**

Creating good infrastructural facilities in potential export centres will receive utmost priority. Government will encourage participation of private sector in developing export infrastructure with a time bound implementation plan on suitable models like BOT, BOOT, BOST etc. In particular the following infrastructure projects will receive attention DGFT office should be made more pro-active for export data and reducing transaction costs.

**(a) Ports/ICD/CFS**

At present, there is one major Sea Port, the Paradip Port Trust at Paradip. The Dhamra port which is being set up is expected to cater to major exports in Orissa. In addition the Airport at Bhubaneswar may also be upgraded to cater to handle cargo from Orissa. ICDs may also be set up at various strategic locations in Orissa.

**(b) Special Economic Zone**

It is also proposed to establish SEZs in other parts of the State based on need and feasibility studies.

**(c) Food Parks/ Textiles Parks/Leather Parks** It is also proposed to establish Food Parks/ Textiles Parks/Leather Parks in other parts of the State based on need and feasibility studies. This may be set up by inviting private enterprise.

d) **Clusters** : Clusters for excellence in manufacture of should be encouraged in various areas in the state:

- handicrafts at Raghurajpur & Pipli
- Filigree work at Cuttack
- Engineering tools, tackles, spares, foundry at Rourkela
- For tribal arts & crafts at Kalahandi

Other centres may be added as and when felt necessary.

**(e) Permanent Exhibition/Trade Centre**

A permanent Exhibition Centre at Bhubaneswar, Orissa to be set up with the assistance of FIEO/IIFT/I & LFS/Local trade bodies i.e. Utkal Chamber of Commerce, etc.

**(f) Assistance to States for Developing Export Infrastructure and other Allied Activities (ASIDE) Scheme**

**The specific purpose for which the funds allocated under the Scheme can be sanctioned and utilised are as follows:**

- i) Creation of new Export Promotion Industrial Parks/Zones (including Special Economic Zones (SEZs)/Agri-Business Zones) and augmenting facilities in the existing ones.
- ii) Setting up of electronic and other related infrastructure in export conclave.
- iii) Equity participation in infrastructure projects including the setting up of SEZs.
- iv) Meeting requirements of capital outlay of EIPs/EPZs/SEZs.
- v) Development of complementary infrastructure such as roads connecting the production

centres with the ports, setting up of Inland Container Depots and Container Freight Stations.

vi) Establishing power supply through additional transformers and islanding of export production centres etc.

vii) Development of minor ports and jetties of a particular specification to serve export purpose.

viii) Assistance for setting up common effluent treatment facilities for which separate guidelines will be issued.

ix) Projects of national and regional importance.

x) Activities permitted as per EDF in relation to North East and Sikkim.

The proposals for the various export infrastructural projects required to be implemented for acceleration of exports and submitted by the DLEPC/ other concerned agencies will be scrutinised and cleared by the State Level Export Promotion Committee (SLEPC) headed by the Chief Secretary of the State.

### **DEREGULATING BUSINESS ENVIRONMENT**

Deregulation of business environment is imperative to enable exporters to operate in the State with ease. With the objective of providing an efficient, responsive and transparent administrative frame work the following is envisaged.

**a)** Directorate of Export Promotion & Marketing shall be the Nodal Agency to guide and provide assistance to the exporters as well as to facilitate clearances from regulatory departments and resolve operational problems of exporters. FIEO will provide necessary assistance to the Nodal agency in this respect.

#### **b) Public Utility Status**

The Govt. of Orissa will review existing legislations to assign Public Utility Status to exporting units who satisfy eligibility criteria as per relevant statistics.

#### **c) Green Card**

In order to enable exporters having good track record to move their export/import consignments freely without any hindrance from any of the Departments, the Govt. shall issue them with green card facility, as per following criteria:

Exporters in Orissa who are:

a) Manufacturers/Processors or

b) 100% EOUs as defined under EXIM Policy of Govt. of India or

c) Having Green Channel facility with the Customs and who qualify as per all the following criteria will be issued Green Card facility by the Govt. of Orissa.

Average Annual Export Turnover of Rs. 1 crore or more in the last 3 years

- The dealer should not have pending cases or tax dues beyond 6 months other than normal appeals
- Has not been ever convicted under cases of tax evasion or fraud
- Having at least 3 years of existence in business
- Prompt in payment of taxes by Self Assessment
- Prompt in depositing P.F. amounts

**VAT refunds and other clearances-** The State of Orissa should also ensure speedy clearance of state VAT and other duties payable to the exporters in order to ensure their working capital remains steady.

----- Thank You -----