

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY
(DEPARTMENT OF COMMERCE)

RAJYA SABHA
UNSTARRED QUESTION NO. 695
ANSWERED ON 25/07/2025

TRADE PROMOTION AND GROWTH OF MSME

695. SHRI AKHILESH PRASAD SINGH

Will the Minister of Commerce and Industry be pleased to state:

- (a) the initiatives taken to expand export opportunities for the country's MSMEs this fiscal year;
- (b) the status of new trade agreements or FTAs under negotiation with key global partners; and
- (c) the measures to support local industries in adapting to global quality and sustainability standards?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SHRI JITIN PRASADA)

- (a) The Government has undertaken a series of initiatives during the current fiscal year to expand export opportunities for India's Micro, Small and Medium Enterprises (MSMEs), focusing on enhancing export readiness, improving global market access, and providing institutional support. Key measures include:
 - i. The Ministry of MSME is implementing the International Cooperation (IC) Scheme, under which financial assistance is provided on a reimbursement basis to eligible Central/State Government organizations and industry associations. This support facilitates the participation of MSMEs in international exhibitions, fairs, and buyer-seller meets abroad, and in organizing international conferences and seminars in India.
 - ii. Under the IC Scheme, a specific component titled Capacity Building of First-Time Exporters (CBFTE) has been launched in June 2022. This provides reimbursement for costs incurred by new Micro and Small Enterprises (MSEs) on a horizontal basis for obtaining Registration-cum-Membership Certificates (RCMCs) from Export

- Promotion Councils, export insurance premiums, and testing and quality certification expenses related to exports.
- iii. Other key schemes such as the Prime Minister's Employment Generation Programme (PMEGP), Credit Guarantee Scheme (CGTMSE), Micro & Small Enterprises - Cluster Development Programme (MSE-CDP), SFURTI, ZED, LEAN Manufacturing, IPR, and the Procurement and Marketing Support (PMS) Scheme, also contribute to enhancing the competitiveness of MSMEs in the export ecosystem.
 - iv. The Remission of Duties and Taxes on Exported Products (RoDTEP) Scheme, implemented since 1st April 2021, currently covers 10,642 tariff lines (at 8-digit ITC(HS) level). For FY 2025-26, the budget allocation is ₹ 18,232.50 crore. The remission of duties and taxes under RoDTEP are extended to exports from Domestic Tariff Area (DTA) units until 30th September 2025 in compliance with the WTO Agreement on Subsidies and Countervailing Measures (SCM Agreement), applying the verification method to ensure that the remission under the RoDTEP Scheme does not exceed the actual incidence of duties and taxes borne by the exported product.
 - v. The Rebate of State and Central Taxes and Levies (RoSCTL) Scheme, operational since March 2019, allows reimbursement of State and Central taxes and levies paid in the manufacturing of the exported products in the labour-intensive textile sector.
 - vi. The Districts as Export Hubs (DEH) initiative identifies products with export potential in each district, addresses supply-side constraints, and supports capacity-building of local producers/exporters.
 - vii. The Trade Connect ePlatform has been being improved upon regularly to provide comprehensive digital interface that connects Indian exporters with Indian Missions abroad, as well as domestic trade promotion bodies, to offer support services and address trade-related queries.
 - viii. Indian Missions abroad are playing a proactive role in promoting India's trade, tourism, technology, and investment interests.
 - ix. Export performance is being regularly reviewed in coordination with Indian Missions, Export Promotion Councils (EPCs), Commodity Boards, and industry associations. Corrective actions are taken where necessary.

(b) India continues to pursue trade agreements in alignment with its strategy of expanding market access while protecting domestic interests. The status of ongoing negotiations with key global partners is as follows:

- i. India-UK FTA – India and the United Kingdom launched negotiations in January 2022. After multiple rounds of negotiations held covering a broad range of issues including goods, services, investment, rules of origin, sanitary and phytosanitary (SPS) measures, technical barriers to trade (TBT), intellectual property rights, and legal and institutional provisions, India and the UK announced the successful conclusion of India-UK FTA negotiations in May 2025.
- ii. India-EFTA TEPA: India and the European Free Trade Association (EFTA) announced Trade and Economic Partnership Agreement (TEPA) in March 2024.

EFTA countries comprise of Switzerland, Norway, Iceland, and Liechtenstein. Once the TEPA comes into force it will provide improved market access to the exporters of MSME sector in the EFTA markets. The TEPA provides an opportunity to the Indian exporters to integrate into the EU markets. It will empower our exporters' access to specialised inputs and create conducive trade and investment environment. It will also facilitate technology collaboration and access to world leading technologies in precision engineering, health sciences, renewable energy, Innovation and R&D.

- iii. India-EU FTA: Negotiations for a Free Trade Agreement between India and the European Union were relaunched in June 2022. Since then, 12 rounds of consultations have been held, with the latest round taking place in July 2025. Both sides are engaged to work out a trade deal that is fair, equitable and mutually beneficial, which takes into consideration the ambitions and sensitivities of both the sides.
 - iv. India- United States of America (USA) Bilateral Trade Agreement - India is engaged in active negotiations with USA. Negotiations were launched in March 2025 and 5 rounds of negotiations have been held with the latest round taking place in July 2025.
 - v. India-Peru Free Trade Agreement(FTA): Negotiations for a comprehensive trade agreement covering goods and services began in 2017. Seven rounds have been held to date, with the 7th round conducted in April 2024. Both sides exchanged views on mutual priorities and concerns and are exploring the scheduling of the 8th round.
 - vi. India-Chile Comprehensive Economic Partnership Agreement (CEPA): India and Chile have an operational Preferential Trade Agreement (PTA) since 2006, which was expanded in 2017. During the State visit of the Hon'ble President of Chile, in April 2025, both countries agreed to negotiate a CEPA. Terms of Reference for CEPA were signed, and the first round of negotiations was held in May'2025 in New Delhi.
 - vii. India-Oman Comprehensive Economic Partnership Agreement (CEPA): Negotiations for a CEPA between India and Oman commenced in November 2023. Substantial progress has been made, and both sides are currently engaged in securing internal clearances.
 - viii. India- New Zealand Free Trade Agreement (FTA) – Trade negotiations have been initiated in March 2025. 2 rounds of negotiations have been held till date.
- (c) The Government is also supporting industries in aligning with global quality and sustainability standards through multiple policy instruments and capacity-building initiatives:

Under the Foreign Trade Policy 2023, the Niryat Bandhu Scheme continues to mentor aspiring exporters on the nuances of international trade through counselling, training, and outreach programs, in collaboration with industry associations, Export Promotion Councils (EPCs), and knowledge partners.

DGFT has conducted targeted outreach events under the Districts as Export Hubs initiative to enhance awareness on Export logistics, e-commerce onboarding, and export documentation. These events have been held in collaboration with State Governments and trade bodies. Regional Authorities of DGFT are actively organizing training seminars, awareness sessions, and consultations to assist local enterprises in adapting to technical standards, sustainability requirements, and international quality norms.

Additionally, emphasis is placed on digital enablement, product standardisation, and export preparedness through coordination with certification bodies. To facilitate wider access, the Trade Connect ePlatform is compiling and disseminating country-specific information on quality and sustainability standards for the benefit of Indian exporters.
