

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

**LOK SABHA**  
**UNSTARRED QUESTION No. 3879**  
**ANSWERED ON 12/08/2025**

**STRENGTHENING INDIA'S GLOBAL TRADE POSITION**

**3879. Thiru Arun Nehru:**

Will the Minister of **COMMERCE AND INDUSTRY** (वाणिज्य एवं उद्योग मंत्री) be pleased to state:

- (a) the details of the India's exports and imports during the last five financial years along with the details of the trade surplus or deficit and the key factors contributing to this trend State and year-wise;
- (b) the details of the steps taken to integrate Indian MSMEs into global supply chains and support them through export financing, e-commerce and logistic reforms;
- (c) the details of the steps taken to promote rupee trade settlements with partner countries to strengthen India's trade autonomy and reduce dependency on hard currencies;
- (d) whether the Government is preparing a roadmap to reach \$2 trillion in exports by 2030 and if so, the strategic sectors and policy instruments identified to achieve this target; and
- (e) whether the Government is considering to promote green trade corridors, carbon compliant exports and digital trade facilitation zones to along with global sustainability standards, if so, the details thereof ?

**ANSWER**

वाणिज्य एवं उद्योग मंत्रालय में राज्यमंत्री (श्री जितिन प्रसाद)

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

- (a) India's merchandise goods and services trade data for the last five financial years, including exports, imports, and resulting trade balance, is as follows:

Value (in Million USD)

| Financial Year | Merchandise Trade |            | Services Trade |            | Overall Trade Balance |
|----------------|-------------------|------------|----------------|------------|-----------------------|
|                | Export            | Import     | Export         | Import     |                       |
| 2020-21        | 291,808.48        | 394,435.88 | 206,090.74     | 117,524.45 | (-)14,061.11          |
| 2021-22        | 422,004.40        | 613,052.05 | 254,527.71     | 147,011.98 | (-)83,531.92          |

|         |            |            |            |            |               |
|---------|------------|------------|------------|------------|---------------|
| 2022-23 | 451,070.00 | 715,968.90 | 325,329.70 | 182,046.04 | (-)121,615.24 |
| 2023-24 | 437,072.03 | 678,214.77 | 341,062.41 | 178,311.82 | (-)78,392.15  |
| 2024-25 | 437,511.75 | 721,320.48 | 387,540.49 | 198,716.66 | (-)94,984.90  |

*Source: Merchandise data- DGCIS, Services Data - RBI*

India's trade deficit from FY 2020-21 to 2024-25 is attributed to a range of structural and external macroeconomic factors. A significant contributor has been the persistent rise in imports, particularly of crude oil, electronics, and key industrial inputs. This trend reflects the strong domestic consumption demand coupled with growing domestic manufacturing capacity in certain sectors. The exports have also grown despite global challenges & disruptions including the Russia-Ukraine conflict, high logistics cost due to conflict in middle east, elevated inflation levels across major economies, rising trend of protectionist measures globally and subdued demand in key markets such as Europe and China.

**(b)** To facilitate greater integration of Indian MSMEs into global value chains, enhance their export competitiveness, and support their financing and market access needs, the Government has undertaken several initiatives across export credit, risk mitigation, digital enablement, and logistical facilitation:

- i. Enhanced cover of 90% for exporters / group with aggregate export credit working capital limit up to ₹80 Cr under its Short-term (ST) Whole Turnover -Export Credit Insurance for Banks (WT-ECIB) cover, to facilitate the availability of adequate and affordable export credit to exporters, particularly MSMEs.
- ii. 90% Insurance Cover for Collateral Free working capital export credit finance under its Short term (ST) WT-ECIB cover, for working capital export credit limits sanctioned up to ₹10 crore in respect of those Micro and Small exporter accounts which are not in a position to offer any collaterals or third-party guarantee, and shall be applicable for all segments and commodities.
- iii. Enhanced percentage of up to 100% cover to exporters who take policy directly without involving any alternate channels or brokers. This may be considered as a collateral by the bank for export credit lending, particularly to MSMEs, who avail policy directly without the involvement of alternate channels or brokers, thereby reducing collateral requirement for export credit sanctioned by banks.
- iv. In order to provide better service and improve the turnaround time for settlement of claims under Short Term ECIB, the procedure for settlement of ECIB Claims with net principal outstanding up to ₹10 crore for the exporter/group, has been simplified with reduced requirement of documents.
- v. Export Factoring Facility on non-recourse basis specifically designed for manufacturer MSMEs which provides a comprehensive package of financial services, including working capital financing, credit risk protection, sales ledger management, and the collection of export receivables, to support the MSME exporters by mitigating risks associated with exporting and facilitating access to finance, making it easier for MSMEs to participate in international trade.

- vi. Support to NBFC (Factors) through Exports Receivables Insurance Cover (ERIC) in Indian Rupees and in Foreign Currency (FC) to enable factoring companies to support exports to broader markets.
- vii. The Ministry of MSME supports MSME exports through schemes like the International Cooperation (IC) Scheme, including the Capacity Building of First-Time Exporters (CBFTE), offering reimbursement for export-related expenses.

(c) The Reserve Bank of India (RBI) has allowed invoicing and payments for international trade in Indian Rupee vide A.P (DIR Series) Circular No.10 RBI/2022-2023/90 dated 11.07.2022. In terms of the said RBI Circular, the framework has been put in place for any partner country seeking to undertake trade with India in INR. Accordingly, banks of partner countries can approach Authorized Dealer (AD) banks in India who in turn can seek approval from RBI with details of the arrangement. Various approvals have been granted by RBI to domestic and foreign AD Banks in the cases for opening of Special Rupee Vostro Accounts (SRVAs) of correspondent banks.

Amendments have also been made by DGFT in the Foreign Trade Policy to allow for invoicing, payment, and settlement of exports/imports in Indian Rupees. Amendments have also been made in the Foreign Trade Policy for grant of exports benefits and fulfilment of Export Obligation, for export realisations made in Indian Rupees as per the said RBI guidelines.

Additionally, a Local Currency Settlement (LCS) system has been signed in July 2023 with United Arab Emirates(UAE), to promote the use of the Indian Rupee (INR) and United Arab Emirates Dirham (AED) for cross-border transactions.

(d) While no target has been set, the Government is taking a number of initiatives for boosting India's merchandise and service exports. This vision is aimed at transforming India into a leading global hub for manufacturing, services, and trade. Several strategic interventions and sectoral enablers have been identified to advance this objective, as outlined below:

- Production Linked Incentive (PLI) Schemes - Implemented across 14 strategic sectors including electronics, IT hardware, pharmaceuticals, medical devices, textiles, food processing, telecom, auto and auto components, solar PV modules, and advanced chemistry cells. These schemes aim to enhance domestic manufacturing capabilities, promote scale and competitiveness, and integrate Indian industry into global value chains.
- Foreign Trade Agreements (FTAs) - India has adopted a calibrated approach to negotiating FTAs to expand market access while protecting domestic interests. Recent FTAs operationalised include the India–Mauritius Comprehensive Economic Cooperation and Partnership Agreement (CECPA) (2021), India–UAE Comprehensive Economic Partnership Agreement (CEPA) (2022) and the India–Australia Economic Cooperation and Trade Agreement (ECTA) (2022). Further, two major trade agreements have been recently concluded: the India–United Kingdom Free Trade Agreement and the India–

European Free Trade Association (EFTA) Trade & Economic Partnership Agreement (TEPA). Ongoing negotiations include:

- India–EU Free Trade Agreement
  - India–USA Bilateral Trade Agreement
  - India–Peru Free Trade Agreement
  - India–Chile Comprehensive Economic Partnership Agreement (CEPA)
  - India–Oman CEPA
  - India–New Zealand FTA
- Foreign Trade Policy(FTP) 2023 - FTP outlines long-term goals to support exporters through digitisation, quality compliance, and trade facilitation. Key initiatives include:
    - The proposed Export Promotion Mission(EPM) announced in the Union Budget 2025–26 is under inter-ministerial consultation. EPM aims to address MSME export challenges by improving cash flows, reducing transaction costs, and expanding access to global markets.
    - The Trade Connect ePlatform has been launched to provide comprehensive trade-related information to Indian exporters, particularly MSMEs. It acts as a unified digital hub connecting Indian Missions, Export Promotion Councils, Commodity Boards, and other trade bodies.
    - The Remission of Duties and Taxes on Exported Products (RoDTEP) Scheme has been operational since April 1, 2021. It covers 10,642 tariff lines with a budget allocation of ₹18,232.50 crore for FY 2025-26.
    - The Rebate of State and Central Taxes and Levies (RoSCTL) Scheme, operational since March 2019, promotes exports from the labour-intensive textile and apparel sector by reimbursing embedded taxes and levies.
    - E-Commerce Export Hubs (ECEHs) initiative, aims to provide dedicated zones for facilitating cross-border e-commerce exports from India. The objective is to support SMEs, artisans, and small businesses by reducing the cost and time associated with logistics, streamlining regulatory processes, and simplifying re-imports for e-commerce returns or rejects. ECEHs shall provide integrated services at a single location, encompassing customs clearance, quality certification, packaging, and off-port warehousing.
  - Logistics and Infrastructure Development - Implementation of the PM Gati Shakti National Master Plan and the National Logistics Policy to improve supply chain efficiency and reduce costs.

(e) Yes, the Government is taking multiple initiatives to promote green trade corridors, carbon-compliant exports, and digital trade facilitation zones in line with India's commitments under international frameworks such as the Paris Agreement and the United Nations Sustainable Development Goals (SDGs). The details are as follows:

- Efforts are underway to encourage the export of environment-friendly and sustainable products, including renewable energy components, electric vehicles, green hydrogen, eco-textiles, and organic goods. Initiatives also focus on promoting energy-efficient

and low-emission logistics infrastructure through programmes such as PM GatiShakti and the National Logistics Policy.

- Support is being extended to Indian exporters to meet international carbon standards through capacity-building programmes, certification support, and facilitation by Export Promotion Councils. Sustainable and low-emission manufacturing is being encouraged under sectoral policies, including Production Linked Incentive (PLI) schemes.
- The Government is advancing digitalisation of trade processes through paperless documentation, single-window systems, and integrated logistics platforms. Key initiatives include the Unified Logistics Interface Platform (ULIP), integration of Customs systems with Partner Government Agencies, and implementation of the National Trade Facilitation Action Plan (NTFAP 3.0) 2024-27, which emphasises paperless trade and faster border compliance.

These measures aim to ensure that India's trade ecosystem remains environmentally sustainable, digitally enabled, and globally competitive.

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