GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY
DEPARTMENT OF COMMERCE
LOK SABHA
UNSTARRED QUESTION NO. 3865
ANSWERED ON 11/08/2026

MSMEs IN EXPORT OPPORTUNITIES

3865. SHRI SURESH KUMAR SHETKAR:

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

(a) whether the Government has made any assessments regarding the participation of MSMEs in export opportunities created under Foreign Trade Agreements, if so, the details thereof and if not, the reasons therefor;
(b) whether the Government has established mechanisms to ensure Indian exporters fully utilize tariff concessions under Foreign Trade Agreements, if so, the details thereof and if not, the reasons therefor;
(c) whether the Government has reviewed challenges preventing Indian companies from realizing full benefits under Foreign Trade Agreements, if so, the details thereof and if not, the reasons therefor;
(d) whether the Government provides technical and financial support to Indian exporters for leveraging Foreign Trade Agreements, if so, the details thereof and if not, the reasons therefor; and
(e) whether the Government has assessed the impact of Foreign Trade Agreements on India's trade balance with partner countries, if so, the details thereof and if not, the reasons therefor?

ANSWER
वाणिज्य और उद्योग मंत्रालय में राज्यमंत्री (श्री जितिन प्रसाद)
THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SHRI JITIN PRASADA)

(a) to (d) Free Trade Agreements (FTAs) are economic instruments aimed at expanding trade, enhancing competitiveness and deepening economic integration. FTAs provide calibrated market access through tariff elimination at Entry into Force (EIF), phased tariff reductions or elimination and exclusion lists to protect the interests of the domestic industry. Market access for Micro, Small and Medium Enterprises (MSME) intensive sectors includes textiles and apparel, leather and footwear, engineering goods, food processing, gems and jewellery, chemicals, and other manufacturing sectors.

Assessment of the impact of FTAs is an ongoing exercise. Before entering into new FTA negotiations, the Government ensures that sector-specific stakeholder consultations, including for the MSMEs, are held at all stages of the negotiations. FTAs are negotiated with the endeavour to deliver comprehensive, balanced, fair and mutually beneficial outcomes. It also enables a preferential, stable and predictable trade ecosystem for Indian exporters in the trading partner countries. In addition to this structured approach, post-implementation, the Government is continuously engaged with all stakeholders to ensure effective FTA utilization through trade promotion, trade facilitation and addressing challenges, if any.

Recent FTAs signed by the Government contain provisions on MSMEs to facilitate their greater participation in international trade. These provisions provide for cooperation in areas such as information sharing, capacity building, export assistance, improving access to international markets, promoting integration of MSMEs into global value chains, and addressing issues affecting their ability to benefit from FTAs. For instance, the India–UAE Comprehensive Economic Partnership Agreement (CEPA) and India–UK Comprehensive Economic and Trade Agreement contain chapters on MSMEs.

Government has undertaken various policy and facilitation measures to ensure Indian exporters fully utilize tariff concessions under Foreign Trade Agreements (FTAs), particularly for Micro, Small and Medium Enterprises (MSMEs), startups, artisans and other small exporters. Government is actively working with industry associations, Export Promotion Councils (EPCs), academic institutions such as IIFT and other stakeholders from time to time to create awareness on the utilisation of Free Trade Agreement (FTA) benefits. Government holds regular outreach programmes on FTAs, including sector-specific sessions, MSME cluster programmes, etc., with concerned stakeholders, including through the Indian Missions abroad, the Export Promotion Councils, the trade associations, the concerned ministries or departments and States to disseminate the opportunities under the FTA. These initiatives cover key aspects for dissemination and collaboration such as market access in sectors/commodities and tariff concessions, Rules of Origin, certification procedures and compliance requirements, and are conducted in coordination with industry bodies and global partners wherever relevant. Key initiatives include:

(i) Export Promotion Mission (EPM): The Export Promotion Mission (EPM) was launched in 2025 to strengthen India’s export competitiveness with a total outlay of ₹25,060 crore for the period FY 2025–26 to FY 2030–31. The EPM shall operate through two integrated sub-schemes:

- NIRYAT PROTHSAHAN, focused on improving access to trade finance through instruments such as interest subvention, export factoring, collateral guarantees for export credit, credit guarantee for e-commerce exporters, and credit enhancement support; and

- NIRYAT DISHA, focused on other trade enablers such as export quality and compliance support, international branding and packaging, market access initiatives, export logistics & warehousing, and trade intelligence.

(ii) Implementation of the E-Commerce Export Hub (ECEH) initiative on a pilot basis to create an integrated ecosystem for e-commerce exports by facilitating logistics, customs clearances and other export-related services.

(iii) The District Export Hub (DEH) Initiative provides the district-level framework for decentralised export promotion. In each district, the effort is to identify and prioritise 3–5 products/services with viable export potential for targeted interventions.

(iv) Reforms to simplify exports through courier mode and reduce compliance burden:
- The Reserve Bank of India (RBI) has relaxed export reconciliation requirements for small-value exports up to ₹10 lakh by permitting closure of export transactions in the Export Data Processing and Monitoring System (EDPMS) on the basis of declarations furnished by exporters and reconciliation undertaken by banks.
- The per-consignment value limit of ₹10 lakh for exports through courier mode has been removed vide DGFT Notification No. 67/2025–26 dated March 27, 2026 and CBIC Notification No. 34/2026 dated March 31, 2026.
- CBIC Notification No. 33/2026 dated March 31, 2026 has simplified reverse logistics by facilitating the re-import of export rejects and returned goods in respect of cross-border e-commerce exports.

(v) PM Gati Shakti National Master Plan (NMP) was launched to facilitate data-based decisions related to integrated planning of multimodal infrastructure, thereby reducing logistics cost.

(vi) Refund of Duties and Taxes on Exported Products (RoDTEP) Scheme aims to refund currently un-refunded duties/taxes/levies borne on the export product, including prior stage cumulative indirect taxes on goods and services used in production of the exported products.
(vii) The Ministry of Micro, Small and Medium Enterprises has established 65 Export Facilitation Centers (EFCs) in its field offices across the country with the aim of providing requisite mentoring and handholding support to MSMEs in exporting their products and services.

(viii) International Cooperation (IC) Scheme of Ministry of MSME aims to build capacity of MSMEs by facilitating their participation in international exhibitions/fairs/conferences/seminar/buyer-seller meets abroad as well as reimbursement of various costs.

(e) The operationalization of Free Trade Agreements (FTAs) has strengthened India's trade engagement with key partner countries. Despite persistent global challenges, including geopolitical tensions and supply chain disruptions, India's exports increased from US$ 776.4 billion in FY 2022-23 to US$ 863.1 billion in FY 2025-26. Merchandise exports to major FTA partner countries and trade blocs have been substantial at US$ 179.1 billion in FY 2025-26, accounting for 40.5% of India's total merchandise exports. Merchandise export to recent FTA partners also indicated significant export growth. For example, exports to the UAE increased from US$ 16.7 billion in FY 2021-22 (prior to CEPA implementation) to US$ 37.4 billion in FY 2025-26, while exports to Australia rose from US$ 4.0 billion in FY 2021-22 to US$ 7.3 billion in FY 2025-26 following the implementation of ECTA. Similarly, exports to EFTA countries increased from US$ 1.64 billion in FY 2019-20 to US$ 1.76 billion in FY 2025-26.

Further, trade trends, including for exports and imports, continue to be shaped by a multitude of global and domestic factors, including economic growth, geopolitical developments, industry demand, domestic needs, commodity price movements and evolving supply chains.

Country-wise details of export, import, trade balance may be sourced at https://tradestat.commerce.gov.in/eidb/.

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