



Government of Rajasthan

Rajasthan Export Promotion Policy - 2021



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1. Preamble

To sustain a long-term growth potential of its economy, India adopted an economic policy focused on exports of domestic products and services. The Central Government's vision to stimulate exports is reflected in the new Foreign Trade Policy (FTP) 2021-26 which shall provide a sustainable policy environment for the growth of foreign trade in merchandise & services and thus shall boost employment opportunities in the country.

Rajasthan has traditionally exhibited strength in the export of Handicrafts, Gems and Jewellery, Dimensional Stones, Agro & Food products, and Textile products. To impart impetus on exports, measures targeted at promotion of export-oriented units have been included in earlier notified industrial and sectoral policies of Rajasthan. Rajasthan's current share in India's total merchandise exports is approximately 2% and it stands 12th in terms of the value of exports from the country.

Considering the role of export sector in uplifting Rajasthan's economy and its potential to catalyze large-scale job creation, the State Government has decided to come up with a dedicated "Export Promotion Policy 2021". The policy envisages strengthening of existing institutional arrangement for exports along with a range of measures for easing the business environment, infrastructure strengthening, market promotion and fiscal support which shall create a favorable environment for exports and spur economic prosperity.

2. Overview of Export Scenario of Rajasthan

Rajasthan has traditionally been a strong base in the production of Handicrafts, Gems and Jewellery, Dimensional Stones, Agro & Food Products and Textile products. Presently the top five export items from Rajasthan, accounting for nearly two-thirds of exports, are Textiles (including readymade garments), Gems and Jewellery, Engineering Goods, Chemical and Allied Products (including synthetic rubber), and Handicrafts. Agro and Food Products, Dimensional Stones comprising of Marble, Granites and articles of Stone, Mica, Metals, Electronics and Computer Software are the other key commodities holding a share of more than 5% each in Rajasthan's exports. The State today exports to more than 200 countries in the world with top destinations like USA, UK, Hong Kong, Germany, UAE, China, Korea, Japan, and Bangladesh accounting for around 50% of the importing nations.

3. Vision

To increase the exports of the State by 1.5 times (INR 80,000 Crores) of the current achievement (INR 52,764 Crores for FY 2020-21) by enhancing & diversifying the export base, raising the global competitiveness of exporters thereby promoting sustainable and inclusive economic development.

4. Strategic Objectives

- 4.1 Enhancing exports through large-scale facilitation for diversification and strengthening the export base of the State.
- 4.2 Promoting exports and establishing linkages with national and international export organizations, export promotion councils and other associations to build a collaborative partnership and develop trade-related network.
- 4.3 Improving the quality of exports by encouraging exporters to adopt Quality and Environment Management Systems to get an edge in the global market.
- 4.4 Undertaking skill development and export awareness programs as per the specific requirements of different industries.
- 4.5 Develop and strengthen Social, Institutional, Financial, and Physical infrastructure for export promotion.

5. Operative Period of Policy

The Policy shall come into effect from the date of its notification in the Official Gazette and shall remain in force until it is amended or superseded by the State Government.

6. Institutional Strengthening to Support Exports

The State Government has recently renamed the 'Department of Industries' to 'Department of Industries and Commerce'. The office of Commissioner, Industries and Commerce shall be the nodal office for export-related matters. The institutional structure for export development and promotion of the State is:

- i. Rajasthan Export Promotion Coordination Committee (REPCC)
- ii. Rajasthan Export Promotion Council (REPC)
- iii. District Level Export Promotion Committees (DEPCs)

The Rajasthan Export Promotion Coordination Committee is the apex body for trade & investment promotion headed by the Chief Secretary, Government of Rajasthan.

The REPC shall periodically review the export strategy and operational plan of the State and take charge of future developments in this sector.

The roles & responsibilities, power, and organizational linkages of each agency are as below.

5.1 Rajasthan Export Promotion Council (REPC)

The State Government has established an autonomous body known as 'Rajasthan Export Promotion Council', with active support from industry, to provide export facilitation across all sectors. It shall provide inputs to the State and Central Government on matters such as infrastructure, policy formulation and issues to be taken up with the Central and State Government for the benefit of exporters. The Department of Industries & Commerce, Rajasthan State Industrial Development and Investment Corporation Ltd. (RIICO) and REPC have collectively initiated "Mission Niriyatak Bano" in the State. The REPC, under "Mission Niriyatak Bano", shall take following export promotion initiatives.

- i. Skill Trainings: The REPC shall undertake measures for skill training and capacity building of the industrial workforce.
- ii. Quality/Technology Support: The REPC shall take up initiatives for technological up-gradation, quality improvement and assisting units in complying with the most advanced international quality standards by engaging private players / private labs.
- iii. Mega Trade Fairs / Expos: To boost export from the State, REPC shall provide support by organizing mega trade fairs/expos of all majorly exported commodities of the State.
- iv. Export Connects: The REPC shall reach out to the potential importers in the foreign markets and highlight the advantages of trade and commerce with Rajasthan. REPC shall also work for creating a demand for various exportable goods of the State. REPC shall work closely with trade organizations in the country and abroad to further promote exports from Rajasthan.
- v. Export & Logistics Infrastructure Development: REPC shall analyze and give necessary suggestions for the requirements related to export and logistics

infrastructure, identify its potential impact on export from the State and submit it to REPCC.

5.2 District Level Export Promotion Committees (DEPCs)

District Level Export Promotion Committees have been constituted under the chairmanship of the District Collector for monitoring the implementation of the District Export Hub, ODOP Scheme and District Export Action Plans (DEAPs). DEPCs shall regularly review the progress and provide necessary inputs to the State Government for all these initiatives.

7. Ease of Doing Exports

6.1 The State Government has established one stop shop facility with IT application 'RAJNIVESH' for all investment related matters such as business information to investor, investor queries, expediting regulatory approvals, facilitating meetings with relevant Government departments, hand-holding support for matters related to fiscal incentives and investor's feedback.

6.2 State Government shall co-ordinate between the State and Central Government departments related to exports and develop a mechanism for improving inter departmental co-ordination.

6.3 An export guide having details about export procedures, international market and their import patterns, market demand, tariff and Non-Tariff Measures (NTM), bilateral relationships and potential export linkages shall be prepared. This knowledge shall be made accessible to all State exporters through a digital platform with regular updates and on ground facilitation.

6.4 State Government shall organize awareness camps / seminars / workshop to impart skill/trainings and knowledge regarding export procedures, documentation, finance, marketing etc. in collaboration with leading institute such as IIFT / DGFT / IIM / EPCs / IIP and subject matter experts.

6.5 State Government shall establish Export Information Centres / Niryat Sookhana Kendra at all District Industries & Commerce Centres (DICCs) of the State. The proposed centres shall provide information related to export procedures,

documentation, compliances of different countries, market intelligence, buyers connect, connect with the export facilitating service providers, etc.

8. Interventions for Strengthening of Export Infrastructure

7.1 Multi Modal Logistics Park: To ensure seamless movement of cargo, the State currently has one functional MMLP with export facility at Khatuwas (CONCOR), Alwar. MMLP at Swaroopganj (CONCOR), Sirohi is under implementation and Kishangarh (Adani), Ajmer is also available for domestic freight. In addition, MMLPs at Kishangarh & Rohat (DMIC node of Marwar Industrial cluster (MIC)) under DMIC project and at Jaipur & Kota under Bharatmala project are proposed to be developed in future. The State Government shall provide assistance for establishment of MMLP at Dausa, nearby the Delhi-Mumbai Expressway. The State Government shall continue to explore opportunities for the establishment of new MMLPs on need basis.

7.2 Inland Container Depots (ICDs): Rajasthan currently has a strong network of ICDs with facilities at Jaipur, Bhiwadi, Jodhpur, Bhilwara, Kota, Ajmer and Hindaun City. The State Government shall continue to explore opportunities for establishment of new ICDs on need basis.

7.3 Air Cargo Complex: The State Government, with help of Rajasthan Small Industries Corporation Limited and Airport Authority of India – Cargo Logistics and Allied Services Company (AAI – CLAS), shall upgrade the air cargo complex located at Jaipur International Airport. The State Government shall also explore opportunities for development of Air Cargo Complexes at Jodhpur, Udaipur and Kota airports.

7.4 To boost the creation of Logistics and Warehousing infrastructure in the State, the State Government shall also formulate a separate Logistics and Warehousing Policy.

9. Export Promotion

8.1 “Export Development & Promotion Portal” shall be developed for providing information related to export procedures, policies, schemes, export analytics and export events to the exporters of the State.

8.2 The State Government shall provide additional incentives to 100% Export Oriented Units (EOUs) for value-added exports.

8.3 Brand building and communication support shall be provided to exporters for promoting their products in overseas markets.

8.4 Identification of the products with high export potential shall be done, apart from products identified under the One District One Product (ODOP) and DEH scheme. Rajasthan Export Promotion Council (REPC) and Department of Industries & Commerce shall develop an export promotion strategy for promotion of identified products and connecting the producer with the potential buyers.

10. Support to Achieve Global Competitiveness

9.1 For modernization of existing technology and to promote the use of advanced technologies in MSME, under RIPS-2019, the State Government provides a one-time reimbursement of 50% of cost incurred to acquire advanced technology from premier national institutes such as Indian Institute of Science (IIS), Indian Institute of Technology (IIT), National Institute of Technology (NIT), National Institute of Design (NID), The Council of Scientific and Industrial Research (CSIR) or any other institute set up by Government of India, subject to a maximum of INR 10 Lakhs.

9.2 To achieve production efficiency, under RIPS-2019, the State Government provides a one-time reimbursement of 50% of the investment made on plant and machinery and testing equipment for obtaining Silver or Gold or Diamond or Platinum rating under Zero Effect Zero Defect (ZED) Certification Scheme of Government of India, subject to a maximum of INR 5 lakhs.

9.3 Efforts shall be made to collaborate with national laboratories of NIFT, NID, Indian institute of packaging etc. to set up testing & certification infrastructure in the State.

9.4 To boost export from the State, Government provides One-time reimbursement of 50% of the cost incurred on obtaining quality certification for manufacturing or processes or certification related to export, issued by any Government agency or any

agency authorized by Central or Government of Rajasthan, subject to a maximum of INR 25 lakh, under RIPS-2019.

9.5 Government shall implement 'One District One Product' and 'District Export Hub' programmes to encourage local artisans and producers to develop export quality material. An action plan for each district shall be developed for enhancing district-wise exports.

9.6 The State Government shall increase awareness for schemes of Central Government for the adoption of cutting-edge technology and processes by MSMEs such as Credit Linked Capital Subsidy Scheme (CLCSS), Technology and Quality Upgradation Scheme (TEQUP), Lean Manufacturing, Quality, Management Standards and Quality Technology Tools (QMS and QTT), Zero Effect Zero Defect (ZED) etc.

9.7 The State Government shall encourage exporters to adopt the latest technologies as well as to set up facilities such as – Tool Rooms, Testing Labs, R & D centres, etc. to improve their in-house product quality. The State Government shall provide grant on the value of capital cost incurred on the establishment of such facilities if it obtains accreditation from a national or international level Accreditation Board/ Authority.

9.8 The State Government shall establish Centre for Skill and Entrepreneurship Development (CSED) which shall organize training programmes related to quality production in collaboration with subject matter experts / leading Institutions / Research Centres / industries in every district of Rajasthan.

11. Fiscal Support

10.1 For first time exporters (for exporting goods manufactured in Rajasthan), reimbursement of freight @ INR 10,000/- per TEU (Twenty-foot Equivalent Unit), subject to a maximum of INR 5 lakh per unit per year, shall be provided on trade through Rajasthan's Inland Container Depots or transporting of goods to the ports.

10.2 For first time exporters (for exporting goods manufactured in Rajasthan) reimbursement of up to INR 5000/- per shipment of handling charges, on the Gems

and Jewellery export cargo shipments effected from Air Cargo Complex (ACC) in Rajasthan, shall be done subjected to a maximum of INR 1.5 lakh per unit per year.

10.3 Reimbursement of up to 50% subject to a maximum of INR 1.5 lakh per annum per unit against premium paid for Export Credit Guarantee Corporation of India (ECGC) insurance.

10.4 The State Government shall provide fund-based support of up to 100% of the total cost subject to a maximum of INR 2 Crores to REPC, for organizing international level export trade fairs which shall be held every alternate year for the policy period.

10.5 For first time exporters (for exporting goods manufactured in Rajasthan), the State Government shall provide reimbursement against expenditure incurred on compulsory markings such as Conformity European (CE), China Compulsory Certificates (CCC) etc. up to 50% subject to a maximum of INR 2.00 Lakh per unit per year.

10.6 Support for Research & Development Centre: The State Government shall facilitate setting up of new R&D centres with support from private sector entities. The centres shall cater to 3D design development, technology up-gradation, packaging, software development etc. The State Government shall provide financial assistance of 50% of project cost subject to a maximum of INR 2 Crores for setting up such R&D Centres. The total outlay for setting up of R&D Centres shall be INR 6 Crores.

10.7 Exemption from Electricity Duty: 100% EOUs, located in Special Economic Zones (SEZs), shall be exempted from the payment of Electricity Duty for 10 years from the date of commencement of commercial production.

Incentives mentioned at point no. 10.7 shall be available only for the Units commencing commercial production during the operative period of this policy.

12. Market Development Support

11.1 The State Government shall promote participation of MSMEs in international / domestic trade fairs, exhibitions, buyer-seller meets, workshops, seminars, etc. To achieve the active engagement of MSMEs in such events, the State Government shall leverage Central Government schemes such as International

Cooperation Scheme, Marketing Assistance Scheme etc., through REPC, Industrial Associations, Trade Associations and MSME institutions / clusters.

11.2 Export Development Assistance to MSMEs and Women Entrepreneurs:

The State Government encourages exporters of the State to participate in International Level Trade Fairs / Exhibitions. It shall assist exporters by reimbursing expenses incurred towards foreign travel and setting up the stall in the international exhibition outside India. The quantum of assistance shall be as follows:

- i. For MSMEs (having valid Registration Cum Membership Certificate (RCMC) with any Export Promotion Councils (EPCs) and Udyog Aadhar) support to the tune of 75% of stall charges / space charges / participation fees shall be reimbursed subject to a maximum of INR 2,25,000 per unit per annum
- ii. For women export entrepreneurs (having valid RCMC with EPC and Udyog Aadhar) support to the tune of 90 % of stall charges / space charges / participation fees shall be reimbursed subject a maximum of INR 2,70,000 per unit per year
- iii. For participation in such events, the State Government shall also reimburse airfare up to 90% of the cost of Air Travel by economy class subject to a maximum of INR 60,000/- per exporting unit per year.
- iv. An outlay of INR 2.5 Crores per year shall be earmarked for MSMEs and women entrepreneurs which shall be given on First-Come-First-Serve Basis.

13. Implementation of the Policy

The **Department of Industries and Commerce** shall act as the nodal coordinating, monitoring, and implementing department. Any matter pertaining to interpretation of any clause of the policy shall be referred to the Department of Industries & Commerce, Government of Rajasthan and the decision of the Department of Industries & Commerce, Government of Rajasthan shall be considered final in this regard.