

# Govt Sets \$500-B Export Target by 2014

To focus on growth & labour-intensive sectors and market diversification

ANURAG BHARGAVA  
NEW DELHI

India plans to double its merchandise exports to \$500 billion within three years by focusing on high-value sectors and new markets, buoyed by a record growth in the last fiscal.

Exporters say the target is achievable if there is a stable policy regime and adequate infrastructure support. To reach \$500 million in FY14, exports need to grow at a compounded average growth rate of 26.7% over the next three years from \$246 billion in 2010-11.

The commerce department will discuss its strategy to boost exports with key ministries, including textiles, agriculture, chemicals, finance and micro, small and medium enterprises over the next two months, commerce and industry minister

Anand Sharma told reporters on Tuesday. "We will work in close coordination with all line ministries. We will approach the finance minister for more funds when the need arises," he said.

The strategy will be to focus on growth sectors like engineering, drugs, chemicals and electronics, and market diversification. "We expect the share of the engineering, chemicals and electronics sectors to increase to over 39% from 32%," commerce secretary Rahul Khullar said.

The government plans more incentives to increase presence in growing markets like Latin America, Africa and Asia as its move to diversify the export basket helped India register record growth even when demand was low in Europe and the US. Sharma said: "These were parts that were not majorly affected by the global economic crisis. We have to increase our presence in these markets." Traditional markets, including the US, Japan and the EU, would continue to be important, though.

More attention will be paid to labour-intensive sectors like gems & jewellery, leather and textiles. "We have already start-

## Sectoral Targets For 2013-14

	EXPORTS (2010-11) QUICK EST.	SHARE IN TOTAL EXPORT (%)	PROJECTED EXPORTS (2010-13)	SHARE IN TOTAL PROJECTED EXPORTS (%)
Gems & jewellery	33.54	16.27	70	14
Engineering goods	50.15	18.21	125	
Textiles	21.02	10.23	42	8.4
Electronic goods	7.38	3.05	17	3.4
Pharma & chemicals	10.32	5.02	25	5
Agri products	16.99	7.06	22	4.4
Total exports	245.87		500	
Values in \$ billion				

ed placement linked schemes at design centres for leather that are providing 100% employment," he said, adding that more such initiatives would be taken.

The government will also provide low-cost credit for investment in capital goods, build skill development facilities, simplify procedures, and push for a national shipping regulator to break cartels and cut shipping charges.

Indian Institute of Foreign Trade director-general KT Chacko said: "It is an ambitious target; though in the past year

the figures are good, one has to remember that they were over a low base."

Fico president Ramu Deora said it was an achievable target but a stable policy regime was still a "distant dream". The end of the interest subvention or discount scheme for exporters and switchover to the base rate system of pricing credit had pushed up the cost of credit from 7% to 10.5%. There was also no clarity on whether the popular input duty reimbursement scheme for exporters, the DEPB, would be extended.

GCH