SUBJECT – Export Import Management
Syllabus and Notes

Unit I	**Import-Export Management: Overview** Import Export Management Introduction; Concept Key Feature; Foreign Trade - Institutional Framework and Basics; Trade Policy; Foreign Trade; Simplification of Document; Reduction in Document to Five for Custom Purpose; Exporting; Importing Counter Trade; the Promise and Pitfall of Exporting; Improving Export Performance; Counter Trade.
Unit II	**International Marketing: Environmental and Tariff Barrier** <u>International Marketing</u>: Definition, Components of International Marketing Management; <u>Trade Barrier definition</u>: Components of trade barrier, Objectives of Trade barrier. Non-Tariff barriers; Government Participation in Trade; Quota; Ad valorem Duty; Specific Duties and their Differences. **Export and Import Financing, Procedure, and Primary Consideration** Export and Import Financing Procedures;14 Steps for Conducting Export Transaction; Export Assistance; Export-Import Primary Consideration.
Unit III	**Import Export Documentation** Import and Export Documentation: Introduction, Freight Forwarder's Powers of Attorney, Bill of Lading, Certificates of Origin, Letter of Credit. Processing of Export Order; Nature and Format of Export Order; Examination and Confirmation of Export order; Manufacturing or Procuring Goods; Central Excise Clearance; Pre Shipment Inspection; Appointment of Clearing and Forwarding Agents; Transportation of goods to Port of Shipment; Port formalities and Customs Clearance; Dispatch of Documents by forwarding Agent to the Exporter; Certificate of Origin and Shipment Advice; Presentation of Documents to Bank; Claiming Export Incentives; Excise Rebate; Duty Drawback.

UNIT I

Introduction to Export-Import Management

Export-Import Management –

Export-Import Management refers to the planning, organizing, and controlling of activities related to the movement of goods and services across international borders. It involves understanding global trade regulations, logistics, documentation, and market dynamics.

Export	Selling goods/services to a foreign country
Import	Buying goods/services from a foreign country
Trade Balance	Difference between a country's exports and imports
Tariffs	Taxes imposed on imported goods
Incoterms	International commercial terms defining buyer/seller responsibilities
Customs Clearance	Official permission to move goods across borders

Importance of Export-Import in Business

- Market Expansion: Helps businesses reach international customers.
- Revenue Growth: Increases sales and profitability.
- Risk Diversification: Reduces dependence on domestic markets.
- Global Competitiveness: Encourages innovation and quality improvement.
- Foreign Exchange Earnings: Boosts national economy through currency inflow.

Major Functions of Export-Import Management

- Product Selection: Choosing goods suitable for international markets
- Market Research: Identifying demand, competition, and regulations
- Pricing Strategy: Setting competitive and profitable prices
- Documentation: Preparing invoices, shipping bills, certificates of origin, etc.
- Logistics & Shipping: Managing transportation and delivery
- Compliance: Following international trade laws and customs regulations

Essential Documents in Export-Import

- Commercial Invoice
- Bill of Lading
- Packing List
- Certificate of Origin
- Letter of Credit
- Insurance Certificate
- Customs Declaration

Government Support & Institutions

- DGFT (Directorate General of Foreign Trade): Regulates and promotes foreign trade in India
- EXIM Bank: Provides financial assistance to exporters and importers
- Customs Department: Ensures legal movement of goods
- Export Promotion Councils: Help exporters with market access and incentives

Modes of Transport in International Trade

- Sea Freight: Cost-effective for bulky goods
- Air Freight: Fast but expensive
- Land Transport: Used for neighbouring countries
- Multimodal Transport: Combination of two or more modes

Career Opportunities in Export-Import

- Export Manager
- Import Coordinator
- Logistics Executive
- Customs Broker
- International Marketing Analyst
- Trade Compliance Officer

Foreign Trade - Institutional Framework and Basics

Institutional Framework for Foreign Trade in India

India's foreign trade is managed by a network of government bodies, financial institutions, and promotional councils. Here's a breakdown:

1. Ministry of Commerce and Industry

- Apex body responsible for formulating trade policy
- Oversees export promotion and trade negotiations

2. Directorate General of Foreign Trade (DGFT)

- Implements the Foreign Trade Policy (FTP)
- Issues Importer Exporter Code (IEC)
- Regulates licensing and export incentives

3. Reserve Bank of India (RBI)

- Regulates foreign exchange transactions under FEMA
- Monitors payment mechanisms like Letters of Credit

4. Customs Department

- Ensures compliance with import/export regulations
- Collects duties and taxes
- Manages customs clearance

5. Export Promotion Councils (EPCs)

- Sector-specific bodies that promote exports

- Examples: Apparel EPC, Engineering EPC, etc.

6. Commodity Boards
- Promote specific commodities like tea, coffee, spices
- Examples: Tea Board, Coffee Board, Spices Board

7. Indian Institute of Foreign Trade (IIFT)
- Research and training institute for foreign trade
- Supports policy development and capacity building

8. Export Credit Guarantee Corporation (ECGC)
- Provides export credit insurance
- Protects exporters against payment risks

9. EXIM Bank
- Offers financial assistance for export/import activities
- Supports overseas investment and joint ventures

Institution / Department	**Current Head / Position**
Ministry of Commerce and Industry	Shri Piyush Goyal – Cabinet Minister
	Shri Jitin Prasada – Minister of State
	Shri Sunil Barthwal – Commerce Secretary
Directorate General of Foreign Trade (DGFT)	Shri Ajay Bhadoo – Director General
Reserve Bank of India (RBI)	Shri Sanjay Malhotra – Governor (since Dec 2024)
Customs Department (CBIC)	Shri Manas Ranjan Mohanty – Chief Commissioner (ad hoc) Shri Naveen Kumar Jain – Chief Commissioner (regular)
Export Promotion Councils (FIEO)	Mr. S.C. Ralhan – President, FIEO Dr. Ajay Sahai – Director General & CEO, FIEO
Indian Institute of Foreign Trade (IIFT)	Prof. Rakesh Mohan Joshi – Vice Chancellor
Export Credit Guarantee Corporation (ECGC)	Shri Sristiraj Ambastha – Chairman & MD
Export-Import Bank of India (EXIM Bank)	Ms. Harsha Bangari – Managing Director

Legal Framework
India's foreign trade is governed by:
- Foreign Trade (Development & Regulation) Act, 1992
- Customs Act, 1962
- Foreign Exchange Management Act (FEMA), 1999

- Export Quality Control & Inspection Act, 1963

These laws ensure trade compliance, quality standards, and protection against unfair practices like dumping.

Foreign Trade Policy (FTP)

India's Foreign Trade Policy is a strategic document issued by the DGFT to:

- Promote exports
- Simplify trade procedures
- Align with global standards

Foreign Trade Policy 2023–2028 (FTP 2025): Key Features

India's Foreign Trade Policy (FTP) 2023–2028 marks a strategic shift from incentive-based schemes to a remission and facilitation-based approach, aligning with global trade norms and WTO commitments. It was launched on March 31, 2023, and is designed to be dynamic, responsive, and tech-driven, with a strong emphasis on ease of doing business, digitization, and inclusive growth.

1. Shift to a Paperless, Online Trade Ecosystem

- FTP 2025 emphasizes **end-to-end digitization** of trade processes.
- Introduction of automated approval systems for various applications like status holder certification, duty remission schemes, and export authorizations.
- Integration with Customs ICEGATE, GSTN, and other government portals for seamless data exchange.

Reduces human interface, speeds up approvals, and enhances transparency.

2. Districts as Export Hubs

- Each district is identified as a potential export growth center.
- Focus on product and service specialization at the district level.
- Creation of District Export Action Plans and capacity-building for local exporters.

Promotes decentralized export growth and empowers MSMEs and rural entrepreneurs.

3. Boost to E-Commerce Exports

- FTP 2025 introduces a dedicated framework for e-commerce exports.
- Simplified procedures for warehouse-based exports, payment reconciliation, and returns management.
- Plans to increase the e-commerce export value limit from ₹5 lakh to ₹10 lakh per consignment.

Encourages startups and small businesses to access global markets via digital platforms.

4. Support for MSMEs and Emerging Sectors

- Simplified norms for status holder certification to recognize high-performing MSMEs.
- Enhanced access to export finance, insurance, and capacity-building programs.
- Special focus on green technology, renewables, electronics, and pharmaceuticals.

Makes global trade more inclusive and future-ready.

5. Remission-Based Schemes (WTO-Compliant)

- FTP 2025 replaces incentive schemes with remission schemes like:
  - RoDTEP (Remission of Duties and Taxes on Exported Products)
  - RoSCTL (for textile exports)
- These schemes refund embedded taxes and duties not refunded through GST.

Ensures compliance with WTO norms while supporting exporters.

6. Facilitation for Exporters

- Introduction of Special Advance Authorisation Scheme for apparel and garments.
- Faster processing of Export Obligation Discharge Certificates (EODC).
- Self-certification for certain categories of exporters to reduce compliance burden.

Improves ease of doing business and reduces turnaround time.

7. Dynamic Policy with Continuous Updates

- FTP 2025 is not static—it allows for real-time updates and sector-specific interventions.
- DGFT can issue notifications and amendments without waiting for a full policy cycle.

Makes the policy more agile and responsive to global developments.

8. Promotion of Services Exports

- Expansion of the Services Export from India Scheme (SEIS) framework.
- Focus on IT, education, healthcare, tourism, and professional services.
- Encouragement of Mode 1 and Mode 2 services (cross-border and consumption abroad).

Diversifies India's export basket beyond merchandise.

9. Sustainability and Green Trade

- Promotion of environmentally sustainable exports.
- Incentives for green technology, EVs, solar products, and organic goods.
- Alignment with India's climate commitments and global ESG standards.

Positions India as a responsible global trade partner.

10. Trade Security and Compliance

- Strengthening of risk management systems and compliance monitoring.
- Enhanced coordination with Customs, RBI, and FEMA authorities.
- Focus on anti-dumping, quality control, and export standards.

Protects domestic industry and ensures global competitiveness.

The FTP 2025 is a forward-looking, tech-enabled, and inclusive policy that aims to:

- Achievement $2 trillion in exports by 2030 (goods + services)
- Empowered MSMEs, startups, and district-level entrepreneurs
- Aligned India's trade practices with global standards and WTO rules
- Promoted sustainable and diversified exports

India's Foreign Trade –2025

Exports

- Merchandise Exports: USD 36.2 billion
- Top Export Items: Engineering goods, petroleum products, chemicals, textiles

Imports

- Merchandise Imports: USD 58.1 billion
- Top Import Items: Crude oil, electronics, gold, machinery

Trade Deficit = Exports – Imports = USD 21.9 billion

Simplification of Export-Import Documentation in FTP 2025

The simplification of documentation under FTP 2025 is a game-changer for Indian trade. It:

- Reduces bureaucracy

- Enhances transparency
- Speeds up export-import cycles
- Empowers MSMEs and startups
- Aligns India with global best practices

India's Foreign Trade Policy 2025 introduces a major shift toward digitization, automation, and ease of compliance. The goal is to eliminate redundant paperwork, reduce approval delays, and create a seamless experience for exporters and importers.

1. End-to-End Digitization

- Paperless Trade Initiative: Most documentation processes are now digital, reducing manual errors and physical submissions.
- Online Portals: DGFT's revamped portal allows exporters to apply for licenses, authorizations, and certificates online.
- Integration with Customs & GSTN: Real-time data sharing between DGFT, Customs (ICEGATE), and GST Network ensures faster validation and fewer duplications.

Impact: Saves time, lowers costs, and improves transparency.

2. Reduced Documentation Requirements

- Self-Certification for Status Holders: Recognized exporters can self-certify certain documents, avoiding repeated scrutiny.
- Single Document Upload: Exporters can upload common documents once and reuse them across applications.
- Simplified Forms: Application formats for schemes like Advance Authorization and EPCG have been condensed and standardized.

Impact: Less paperwork, faster approvals.

3. Automated Approvals & AI-Based Scrutiny

- Auto-Approval for Routine Applications: Many applications are now processed without manual intervention.
- AI-Based Risk Management: High-risk transactions are flagged automatically, while low-risk ones are fast-tracked.

Impact: Reduces human bias and speeds up processing.

4. Harmonization Across Ministries

- Trade regulations are being aligned across ministries to avoid overlapping compliance.
- Common standards for documentation and digital signatures are being adopted.

Impact: Creates a unified and predictable trade environment.

5. Customs Reforms

- Faceless Assessment: Customs clearance is now done remotely, reducing physical interface.
- Pre-Arrival Processing: Documents can be submitted before goods arrive, speeding up cargo release.
- Electronic Bill of Lading & e-Invoice: Promoted for faster reconciliation and tracking.

Impact: Reduces port congestion and dwell time.

6. Support for MSMEs & E-Commerce

- Simplified Export Declarations for small consignments and e-commerce shipments.
- Relaxed Documentation Norms for MSMEs under specific schemes.

Impact: Makes global trade more accessible to small businesses.

Key Documents Now Digitized

Document	Status under FTP 2025
Importer Exporter Code (IEC)	Fully online
Shipping Bill	Electronic via ICEGATE
Bill of Lading	Digital formats encouraged
Certificate of Origin	Issued online for many FTAs
Export Obligation Reports	Auto-generated and uploaded

Reduction in Document to Five for Custom Purpose

The **Foreign Trade Policy (FTP) 2023–2028** introduced a landmark reform by reducing the number of mandatory documents required for customs clearance to just five. This move is part of India's broader strategy to simplify trade procedures, enhance ease of doing business, and align with global best practices.

Reduction to Five Key Customs Documents

Earlier, exporters and importers had to submit a large number of documents—often duplicative—for customs clearance. FTP 2025 streamlines this by mandating only five essential documents for both exports and imports.

The Five Mandatory Documents

Purpose	Document Name	Description
1. Identity	Importer Exporter Code (IEC)	Unique 10-digit code issued by DGFT to identify exporters/importers.
2. Shipment	Shipping Bill / Bill of Entry	Legal document filed with Customs for export (Shipping Bill) or import (Bill of Entry).
3. Transport	Commercial Invoice	Details of goods, value, buyer/seller info—used for valuation and taxation.
4. Origin	Certificate of Origin (CoO)	Certifies the country of origin; required for availing trade agreement benefits.
5. Payment	Packing List	Itemized list of goods in the shipment; helps Customs verify contents.

Impact of Document Reduction -

1. Elimination of Redundancy

- Many documents previously overlapped in content.
- FTP 2025 removes duplication and focuses on core data points.

2. Faster Clearance

- Fewer documents mean quicker scrutiny and reduced dwell time at ports.
- Supports **faceless assessment** and **pre-arrival processing**.

3. Digital Submission

- All five documents can be submitted electronically via portals like ICEGATE and DGFT.
- Promotes paperless trade and minimizes physical interaction.

4. Global Alignment

Matches international standards set by WTO Trade Facilitation Agreement and UNESCAP.

- Enhances India's credibility and competitiveness in global trade.

Supporting Reforms

- Proof of Origin replaces Certificate of Origin under CAROTAR 2020 for trade agreements.
- ICETAB system enables automated cargo examination and digital image uploads.
- Self-certification allowed for status holders to reduce compliance burden.

Impact on Stakeholders

Stakeholder	Benefit
MSMEs	Easier entry into global trade
Exporters	Reduced compliance cost and faster refunds
Customs	Streamlined operations and better risk profiling
Logistics Firms	Quicker cargo movement and reduced delays

Exporting Importing Counter Trade

Exporting - the process of selling goods or services produced in one country to another. It helps:

- Earn foreign exchange
- Expand market reach
- Boost domestic production

Importing - the act of buying goods or services from another country. It allows:

- Access to advanced technology
- Fulfillment of domestic shortages
- Competitive pricing for consumers

India trades with over 220 countries, exporting engineering goods, textiles, pharmaceuticals, and importing crude oil, electronics, and machinery.

Countertrade: An Alternative Trade Mechanism

Countertrade is a form of international trade where goods and services are exchanged directly—without using money as the primary medium. It's especially useful when:

- Countries face foreign exchange shortages
- Trade involves politically sensitive regions
- Conventional payment systems are restricted

📃 Types of Countertrade Arrangements

Type	Description
Barter	Direct exchange of goods/services without money
Counterpurchase	Exporter sells goods and agrees to buy unrelated goods in return

Type	Description
Buyback	Exporter supplies equipment and receives output from that equipment
Offset	Common in defense deals; seller agrees to invest or source locally
Switch Trading	Third party buys and resells obligations between two countries
Clearing Agreements	Bilateral trade settled through clearing accounts, often in local currency

India has used countertrade in sectors like **defense, energy, and infrastructure**, especially with countries facing currency constraints.

Pros	Cons
Conserves foreign exchange	Difficult valuation and pricing
Enables trade during sanctions	Limited demand for exchanged goods
Secures critical imports	Time-consuming negotiations
Builds diplomatic and trade ties	No formal policy framework in India

Countertrade in India: Policy & Practice

RBI Guidelines

- Countertrade must comply with Foreign Exchange Management Act (FEMA).
- Transactions must be priced at international market rates.
- Escrow accounts in USD may be used, but no interest is paid on balances.

Institutional Support

- EXIM Bank of India promotes countertrade for resource security and development partnerships.
- India uses countertrade to access critical minerals, technology, and infrastructure services from emerging economies.

Strategic Benefits for India

- Diversifies export markets beyond traditional cash-based trade
- Strengthens diplomatic ties with developing nations
- Secures resources like oil, gas, and rare earths
- Supports MSMEs by opening non-traditional trade routes

Challenges

- Complex negotiations and legal frameworks
- Risk of unequal value exchange
- Limited scalability in high-tech or perishable goods

Countertrade is a powerful tool in India's foreign trade arsenal—especially in times of global financial uncertainty or geopolitical tension. While traditional exporting and importing remain dominant, countertrade offers flexibility, resilience, and strategic depth.

Promise and Pitfall of Exporting

Exporting has long been a cornerstone of India's economic strategy, offering immense potential while also presenting complex challenges.

The Promise of Exporting in India

1. Economic Growth & Foreign Exchange
- Exporting fuels GDP growth and brings in valuable foreign currency.
- India earned over $450 billion in exports in recent years, with sectors like IT, pharmaceuticals, and textiles leading the charge.

2. Market Diversification
- Exporting reduces dependence on domestic demand.
- Indian businesses can tap into global markets like the US, EU, and ASEAN, spreading risk and increasing resilience.

3. Higher Profit Margins
- Global markets often offer better pricing than domestic ones.
- For example, Indian agricultural products like spices and basmati rice fetch premium prices abroad.

4. Boost to Employment
- Export-oriented industries create jobs in manufacturing, logistics, and services.
- MSMEs (Micro, Small & Medium Enterprises) benefit significantly from export incentives.

5. Government Support
- Schemes like RoDTEP (Remission of Duties and Taxes on Exported Products) and MEIS (Merchandise Exports from India Scheme) offer financial incentives.
- Exporters also receive support through EXIM Bank, DGFT, and SEZs (Special Economic Zones).

The Pitfalls of Exporting in India

1. Complex Documentation & Compliance
- Exporting from India involves numerous documents—from shipping bills to certificates of origin—which can be overwhelming.
- Regulatory clarity is often lacking, especially for new exporters.

2. Infrastructure Bottlenecks
- Port congestion, poor road connectivity, and outdated logistics systems slow down shipments.
- Inland transport costs in India are among the highest globally.

3. Global Competition
- Indian exporters face stiff competition from countries like China, Vietnam, and Bangladesh.
- Price wars and quality expectations can be difficult to match.

4. Limited Awareness of Schemes
- Many exporters are unaware of government benefits and trade agreements.
- Lack of training and outreach limits participation, especially among rural and small-scale producers.

5. Currency Fluctuations
- Volatile exchange rates can erode profit margins.
- Hedging tools exist but are underutilized by smaller exporters.

6. Trade Barriers & Protectionism

- Tariffs, anti-dumping duties, and non-tariff barriers in importing countries can restrict access.
- Geopolitical tensions (e.g., with China or the EU) may impact trade flows.

Strategic Takeaways

Promise	**Pitfall**
Expands market reach	Complex compliance and documentation
Enhances profitability	Infrastructure and logistics challenges
Strengthens national economy	Fierce global competition
Creates jobs and innovation	Limited awareness of export schemes
Government incentives available	Vulnerability to currency and policy shifts

Improving Export Performance in India

Improving India's export performance is not just about increasing volumes—it's about building resilience, competitiveness, and global relevance. Here's a detailed breakdown of **strategic suggestions**, backed by examples and insights from recent policy and industry trends:

1. Strengthen Export Infrastructure

- Modernize ports and logistics hubs to reduce turnaround time.
- Develop dedicated freight corridors and cold chain networks for perishables.
- Expand dry ports and inland container depots in landlocked regions.

Example: The **Sagarmala Project** aims to enhance port connectivity and reduce logistics costs, especially for coastal states like Gujarat and Tamil Nadu.

2. Digitize Trade Processes

- Implement end-to-end digital documentation for customs, shipping, and compliance.
- Use blockchain for secure and transparent trade records.
- Integrate exporters with platforms like India Stack for seamless data sharing.

Example: The **ICEGATE portal** by CBIC allows online filing of shipping bills and customs documentation, reducing delays and paperwork.

3. Boost MSME Participation

- Provide easy access to trade finance through digital platforms and alternate products like cross-border factoring.
- Offer capacity-building programs on global standards, packaging, and branding.
- Create cluster-based export hubs for textiles, handicrafts, and agro-products.

Example: The **One District One Product (ODOP)** initiative promotes unique local products for export, such as **Banarasi silk** from Varanasi or **Mango pulp** from Ratnagiri.

4. Diversify Export Markets

- Reduce overdependence on traditional markets (US, EU) by exploring Africa, Latin America, and Central Asia.
- Sign bilateral trade agreements with emerging economies.
- Use Export Preparedness Index to identify state-level strengths and target new geographies.

Example: India's **FTA with UAE** (CEPA) has boosted exports of gems, jewellery, and textiles by reducing tariffs and improving market access.

5. Invest in Innovation and R&D

- Encourage product innovation tailored to global demand.
- Support tech-driven sectors like biotech, EV components, and green energy.
- Provide R&D grants for export-oriented startups.

Example: India's **pharmaceutical exports** surged due to innovation in generic drugs and vaccines, especially during the COVID-19 pandemic.

6. Improve Data and Market Intelligence

- Create a centralized export dashboard for real-time analytics.
- Offer AI-driven insights on global demand trends, competitor pricing, and regulatory changes.
- Train exporters to use data tools for strategic decision-making.

Example: Platforms like **Trade Intelligence Portal** by DGFT help exporters identify HS codes, tariff rates, and market opportunities.

7. Policy and Regulatory Reforms

- Simplify GST refund processes for exporters.
- Harmonize standards with international norms (ISO, Codex).
- Create a single-window clearance system for all export-related approvals.

Example: The **RoDTEP scheme** refunds embedded taxes not covered by other schemes, making Indian goods more competitive globally.