

3. Export Preparedness Index- Report/ Economy

NITI Aayog Releases Export Preparedness Index (EPI) 2024 NITI Aayog has released the fourth Export Preparedness Index (EPI) 2024 to assess the export readiness of Indian States and UTs, structured around four key pillars to support the goal of \$1 trillion in merchandise exports by 2030. New dimensions like the MSME ecosystem were added, with Maharashtra and Tamil Nadu emerging as "Leaders" among Large States.

1. Introduction and Context

Release- NITI Aayog has officially released the fourth edition of the Export Preparedness Index (EPI) 2024.

Nature of the Index- It serves as a comprehensive assessment tool designed to measure and evaluate the export readiness of all Indian States and Union Territories (UTs).

2. Purpose and Vision

Primary Goal- The index is designed to support India's ambitious target of achieving USD 1 trillion in merchandise exports by 2030.

Broader Vision- It aligns with the national long-term vision of Viksit Bharat @2047, aiming to transform India into a developed nation through robust trade performance.

3. Strategic Framework of EPI 2024

The index is structured around Four Main Pillars, which are further divided into 13 sub-pillars and 70 specific indicators to provide a granular analysis.

The Four Main Pillars (Weights & Focus Areas)

Pillar	Weightage	Key Focus Areas
Business Ecosystem	40% (Highest)	Evaluates the environment for business growth, including Macroeconomy, Cost Competitiveness, Human Capital MSME Ecosystem, Access to Finance
Export Infrastructure	20%	Assess the physical setup required for exports, covering- Logistics connectivity Utilities availability Industrial Infrastructure
Policy & Governance	20%	Reviews the administrative support, including- State Export Policies Institutional Capacity Trade Facilitation measures
Export Performance	20%	Measures actual results, focusing on- Export Outcomes (Volume/Value) Diversification (Product/Market) Global Integration

4. Classification Methodology

To ensure fair comparison, States and UTs are categorized into distinct groups based on geography and size

1. Large States
2. Small States
3. North Eastern States
4. Union Territories

Within these categories, regions are further classified based on their performance scores

Leaders- Regions demonstrating high preparedness.

Challengers- Regions with moderate preparedness but significant scope for improvement.

Aspirers- Regions in the early stages of development regarding export readiness.

5. Key Changes Introduced in EPI 2024

New Dimensions Added- The 2024 edition has expanded its scope by incorporating new critical dimensions

- Macroeconomic Stability
- Cost Competitiveness
- Human Capital
- MSME Ecosystem

Focus on Districts- There is a shift towards a more localized approach, placing greater emphasis on districts as key units for driving export competitiveness, recognizing that export growth often stems from local clusters.

6. Key Findings and Rankings (EPI 2024)

The performance of states and UTs has been categorized as follows

Performance Category	Large States	Small States, North Eastern States & Union Territories
Leaders (High Preparedness)	Maharashtra Tamil Nadu Gujarat Uttar Pradesh Andhra Pradesh	Uttarakhand Jammu and Kashmir Nagaland Dadra and Nagar Haveli & Daman and Diu Goa
Challengers (Moderate with Improvement Scope)	Madhya Pradesh Haryana Kerala	Meghalaya Ladakh Delhi
Aspirers (Early-stage Development)	Odisha Chhattisgarh Rajasthan	Arunachal Pradesh Andaman and Nicobar Mizoram

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