3. Export Promotion Mission- Economy

The Ministry of Commerce introduced seven additional interventions under the Export Promotion Mission.These are meant to strengthen micro, medium and small enterprises (MSMEs) to compete in global markets

1. Background And Rationale

Announced in the Union Budget 2025–26, the Export Promotion Mission (EPM) represents a strategic recalibration of India's export policy architecture in response to rising protectionism, tariff escalations, and tightening non-tariff barriers (NTBs).It aligns with India's broader objective of achieving $2 trillion in exports by 2030 (goods and services combined).Designed as a whole-of-government initiative, EPM seeks to strengthen export competitiveness, especially for MSMEs and labour-intensive sectors.

2. Institutional Architecture

Inter-Ministerial Framework

1. Jointly driven by -
    1. Ministry of Commerce and Industry
    2. Ministry of MSME
    3. Ministry of Finance
2. This coordination reduces policy fragmentation between trade facilitation, credit support, and industrial policy.

Implementing Agency

1. Directorate General of Foreign Trade (DGFT) will -
    1. Oversee application processing.
    2. Approve disbursals.
    3. Ensure compliance and monitoring.
2. Operates via a dedicated digital platform, integrated with -
    1. ICEGATE (customs system)
    2. GSTN
    3. Export credit databases
    4. Trade analytics systems

This ensures transparency, real-time tracking, and reduced transaction costs.

3. Strategic Objectives of EPM

1. Improve access to affordable trade finance.
2. Strengthen export resilience against tariff and non-tariff barriers.
3. Support sectoral recovery amid global trade disruptions.
4. Promote district-level export diversification.
5. Increase MSME integration into global value chains (GVCs).
6. Generate employment in export-intensive sectors.

4. Priority Sectors

EPM extends targeted support to sectors affected by global tariff escalations -

1. Textiles and garments
2. Leather and footwear
3. Gems and jewellery
4. Engineering goods

5. Marine products

These sectors are -

1. Labour-intensive.
2. MSME-dominated.
3. Highly exposed to external market shocks.

5. Major Components of EPM

A. Financial Support Measures

1. Credit Guarantee Scheme for Exporters (CGSE)

1. 100% credit guarantee coverage by National Credit Guarantee Trustee Company Ltd (NCGTC).
2. Covers additional export credit up to ₹20,000 crore.
3. Key features -
    1. Collateral-free credit.
    2. Reduced risk perception for banks.
    3. Enhanced working capital liquidity.
    4. Lower borrowing costs.

Impact - Encourages banks to expand lending to small exporters.

2. Integration of Existing Schemes

EPM consolidates -

1. Interest Equalisation Scheme -
    1. Provides interest subvention on pre- and post-shipment export credit.
    2. Lowers effective cost of borrowing.
2. Market Access Initiative (MAI) -
    1. Financial support for participation in trade fairs.
    2. Market research and promotion.

Digital integration improves -

1. Efficiency.
2. Elimination of duplication.
3. Outcome-based monitoring.

B. Non-Financial Support Measures

1. Addressing Non-Tariff Barriers (NTBs)

Funding for -

1. Quality certification (ISO, HACCP, CE marking, etc.).
2. Product testing.
3. Environmental and sustainability compliance.
4. Technical standards alignment.

Significance - NTBs increasingly act as de facto protectionist tools.

2. Market Acquisition & Branding Support

Assistance for -

1. International exhibitions.
2. Brand positioning.
3. Product packaging upgrades.
4. E-commerce exports.

This enhances value addition and reduces overdependence on low-margin exports.

3. Logistics Cost Reduction

Support for -

1. Supply chain digitisation.
2. Warehousing infrastructure.
3. Trade facilitation reforms.
4. Multimodal logistics optimisation.

India's logistics cost (historically 13–14% of GDP) affects export competitiveness; EPM complements PM Gati Shakti and National Logistics Policy.

6. Expected Economic Impact

A. MSME Competitiveness

1. Reduces financial constraints.
2. Improves compliance capacity.
3. Enables integration into global supply chains.

B. Export Diversification

1. Promotes exports from -
    1. Non-traditional districts.
    2. Aspirational districts.
    3. Emerging sectors.
2. Aligns with the Districts as Export Hubs (DEH) initiative.

C. Employment Generation

1. Labour-intensive sectors (textiles, leather, marine products) see expansion.
2. Indirect employment in -
    1. Logistics
    2. Warehousing
    3. Packaging
    4. Trade finance services

D. Strengthening Trade Resilience

1. Shields exporters against -
    1. Global tariff wars.
    2. Trade remedy measures.
    3. Regulatory protectionism.
2. Enhances India's positioning in -
    1. Free Trade Agreements (FTAs).
    2. Global value chains (GVCs).

7. Structural Significance

EPM reflects -

1. Transition from incentive-driven exports to ecosystem-based export competitiveness.
2. Greater focus on -
    1. Compliance.
    2. Standards.
    3. Brand value.
    4. Financial risk mitigation.

It complements -

1. Production Linked Incentive (PLI) schemes.

2. Make in India.
3. Atmanirbhar Bharat.
4. National Logistics Policy.
5. Foreign Trade Policy 2023.

8. Potential Challenges

1. Effective coordination across ministries.
2. Ensuring credit flow to genuine MSMEs.
3. Avoiding misuse of 100% credit guarantee.
4. Managing fiscal implications.
5. Building export awareness in smaller districts.

9. Way Forward

1. Develop sector-specific export roadmaps.
2. Integrate digital trade documentation and blockchain certification.
3. Strengthen trade diplomacy for NTB mitigation.
4. Build export intelligence systems for MSMEs.
5. Align with sustainability and green trade standards (CBAM, ESG norms).

Conclusion

The Export Promotion Mission represents a comprehensive export facilitation framework combining financial risk mitigation, regulatory compliance support, and market access assistance.

If implemented effectively, it can -

1. Enhance MSME export capacity.
2. Reduce structural trade bottlenecks.
3. Increase export diversification.
4. Strengthen India's global trade competitiveness.

Source - https -//www.thehindu.com/news/national/govt-announces-seven-measures-to-help-boost-exports/article70655312.ece