

**REPORT
OF
TASK FORCE
ON
EXPORT SERVICES**



**GOVERNMENT OF INDIA,
MINISTRY OF COMMERCE
CIVIL SUPPLIES & CO-OPERATION,**

**NEW DELHI
MARCH 1979**

**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE
CIVIL SUPPLIES AND COOPERATION
DEPARTMENT OF COMMERCE**

**REPORT
of
TASK FORCE
on
EXPORT SERVICES**

**NEW DELHI
March 1979**

CONTENTS

PART I

CHAPTER	PAGE
I. Introduction	1
Ⓘ. Export Credit, Quasi-Credit Facilities and Other Miscellaneous Facilities	2-23
Ⓜ. Quality Control and Export Inspection	24-27
Ⓜ. Export Intelligence Service, Market Research and Commercial Presence Abroad	28-37
V. Product Development and Adaptation	38-41
VI. Settlement of Commercial Disputes	42-44
VII. Simplification of Export Documents and Procedures	45-50
VIII. Trade Fairs and Exhibitions	51-52
IX. Summary of Recommendations	53-62
Annexure	63-70

PART II

A Study of the Export Services In U. K. by Dr. V. Agnihotri	71-106
---	--------

PREFACE

The Task Force on Export Services was constituted on the 6th June, 1978 under my Chairmanship to review the existing policy and framework and to identify necessary changes in the policies for export assistance, export services and export infrastructure in order to achieve the export targets as envisaged in the Sixth Five Year Plan. The Task Force was asked to cover the following aspects of export services :—

1. Credit

Pre-shipment Credit
Post-shipment Credit
Long-term Credit.

2. Marketing

Advertising & Publicity
Exhibitions
Packaging
Export Documentation including drafting of export contracts
Export Insurance Procedures.

3. Product Development and Adaptation

4. Arbitration Procedures

5. Any other related areas which the Task Force may like to cover

The Task Force had the following members :—

- | | |
|--|-----------------|
| 1. Shri K.V. Seshadri
Chief Controller of Imports and Exports | Chairman |
| 2. Shri C.S. Swaminathan
Chairman,
Minerals & Metals Trading Corporation of India Limited | Member |
| 3. Dr. S.C. Bhattacharjee
Chairman,
State Trading Corporation of India Ltd. | " |

4. Dr. D.N. Saxena Director-General, Indian Institute of Foreign Trade	Member
5. Shri D.D. Sathe Chairman, Export Credit & Guarantee Corporation Ltd.	"
6. Km. Kusumlata Mittal Joint Secretary, Department of Banking, Ministry of Finance	"
7. Dr. V.L. Kelkar Economic Adviser, Ministry of Commerce, Civil Supplies and Co-operation	"
8. Shri Dillip K. Chatterjee Joint Secretary (F.T.), Department of Economic Affairs, Ministry of Finance	"
9. Shri P.K.K. Vydiar Secretary General, Federation of Indian Export Organisations	"
10. Dr. (Miss) S.K. Verghese Professor, National Institute of Bank Management, Bombay	"
11. Shri D.H. Pal Panandikar Secretary (Co-ordination), Federation of Indian Chambers of Commerce & Industry	"
12. Dr. V.R. Panchmukhi Economic Advisor, Committee on Controls & Subsidies, Ministry of Finance	"
13. Dr. V. Agnihotri Deputy Economic Adviser, Department of Commerce, Civil Supplies and Co-operation.	Convenor

At the first meeting, the Task Force identified the main issues and problems relating to its terms of reference. It was decided that the Task Force should cover all the aspects of credit, trade facilitation like quality control and settlement of disputes, commercial presence abroad and export documentation, product adaptation and development, advertising and publicity, packaging, etc. The Committee also co-opted Shri N.K. Bhardwaj, Executive Director, Trade Development Authority.

One of the major issues that faced the Task Force was on "Credit and Finance". In order to examine in depth this aspect of the Export Services, the Task Force prepared a comprehensive questionnaire on it. A copy of the questionnaire is annexed. This questionnaire was addressed to the various Chambers of Commerce, Trade Associations, Export Promotion Councils, Commodity Boards, FICCI, F.I.E.O. and some of the important Export Houses. A large number of institutions responded to this questionnaire. After the scrutiny and categorywise tabulation of the information received in response to the questionnaire, it was felt that there should be a direct exchange of views between the Members of the Task Force and the organisations which had responded to the questionnaire as well as individuals and institutions connected with export services. Accordingly, the Task Force visited Madras, Bombay and Calcutta and held discussions there. The representatives of I.D.B.I., E.C.G.C. and R.B.I. also participated in the discussions at Bombay. These discussions served the main purpose of interaction of the viewpoints of the various organisations and proved extremely useful to the Task Force in arriving at emphatical results.

In order to derive benefit out of the experience of certain foreign countries in which the export services had played a very significant role in the expansion of their exports, Dr. V. Agnihotri, Convenor of the Task Force visited the U.K. and Geneva. He held discussions with the authorities connected with British Department of Trade, British Overseas Trade Board, Export Credit Guarantee Department, London Chamber of Commerce, Import Opportunity Office, India, Pakistan and Bangladesh Association, etc. in U.K. In Geneva, he held discussions with the International Trade Centre authorities and UNCTAD officials. His report is appended separately.

The Task Force is grateful to the various Chambers of Commerce, Export Promotion Councils, Commodity Boards, Trade Associations, Banks and other Financial Institutions, and representatives of the exporting community for their co-operation in replying to the questionnaire and also for co-operating with the Task Force in its deliberations at short notices.

As Chairman of the Task Force, I wish to place on record my grateful appreciations for the co-operation I have received from my colleagues on the Task Force and also for the prompt preparation of the position papers by them. I wish to acknowledge in particular my deep appreciation and gratitude for the extremely useful services rendered by Dr. V. Agnihotri, Convenor of the Task Force, and Shri B.S. Bedi, Research Officer, who had to work very hard to collect and analyse the data required by the Task Force, in time. My thanks are also due to Shri N. Balasubramaniam, Deputy Secretary, Department of Banking and Shri L.S. Sharma, Deputy General Manager, I.D.B.I. who helped the Task Force in identifying the export services being provided at present.

K. V. SESHADRI

Chairman

TASK FORCE ON EXPORT SERVICES

New Delhi,
March, 1979.

CHAPTER

INTRODUCTION

In accordance with the terms of reference, the Task Force undertook its job in three phases. In the first phase, it reviewed the existing export services in order to clearly identify the areas of rationalisation and revision. For this purpose, a questionnaire was prepared and addressed to the various export organisations with a view to inviting comments/suggestions from them. In the second phase of work, the data received from the various export organisations, banks, etc. was analysed and based on this information, ideas were exchanged with the various Export Promotion Councils, Commodity Boards, Chambers of Commerce, Banks, E C G C., I.D.B.I., etc., at Madras, Bombay, Calcutta and Delhi. In the third phase of the work, the changes necessary in the existing export services and the additions/deletions required therein were identified after discussing the various options opened in this regard.

The Report is divided into nine chapters. While Chapter-I is the Introduction, Chapter-II deals with the Export Credit, Quasi-credit Facilities and other Miscellaneous Facilities in this regard. Chapter-III deals with the Quality Control and Export Inspection. Chapter-IV concerns the Export Intelligence Services, Market Research and Commercial Presence Abroad. Chapter-V deals with Product Development and Adaptation. Chapter-VI deals with Settlement of Commercial Disputes. Chapter-VII deals with Simplification of Export Documents and Procedures. Chapter-VIII deals with Trade Fairs and Exhibitions. Chapter-IX gives the Summary of Findings and Recommendations of the Task Force. The Task Force has attempted to cover important services rendered/needed for the growth of our exports and tried to find out solutions therefor.