



Strategy for unlocking export potential for MSMEs in West Bengal

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PART I
An Exploratory Analysis of
West Bengal MSME
Exports

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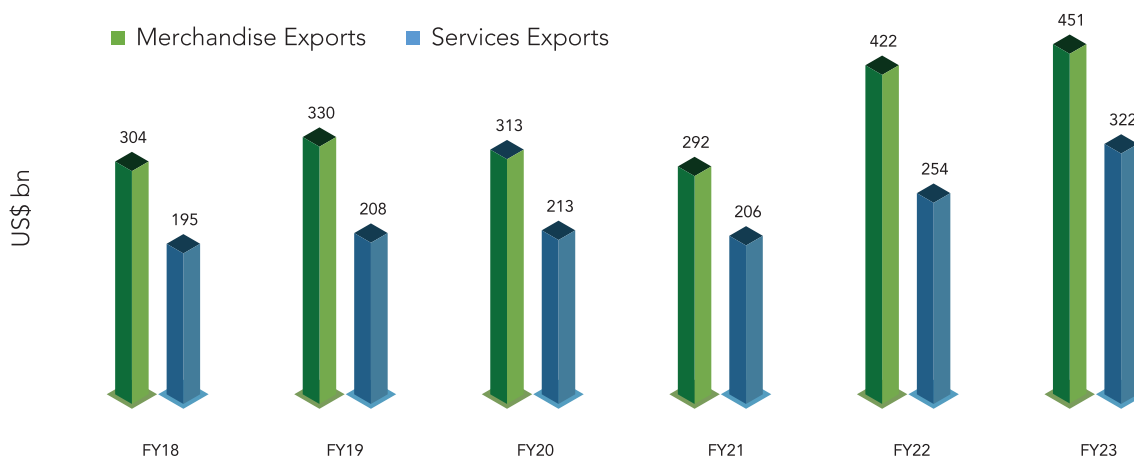
The Export Landscape of India

The external sector of India has achieved significant accomplishments, revealing the nation's resilience and its potential in the global market. Surpassing the export target of US \$750 billion, India's total exports surged to US \$773 billion during the fiscal year 2022-23, underscoring the need for creating a favourable trade and investment environment. To consolidate its position, India should embrace technological progress, enhance its competitiveness, and elevate its presence in high-tech manufacturing and services sectors. Notably, the service industry, particularly in software and business services, has made successful inroads into international markets, demonstrating

Their expanding influence across various sectors, catering to diverse domestic and global market demands, has led to a robust 42.7% share of MSME exports in India's total exports in August 2022. Key sectors such as leather, plastic, medicaments, auto components, engineering items, gems and jewellery, sports goods, and readymade garments have emerged as frontrunners in India's export portfolio, indicating significant potential for further growth and expansion.

In the fiscal year 2022, India ranked 18th among the globe's exporting nations with a share of 1.8% in world's merchandise exports. During the April-June period of fiscal year 2024, the nation achieved a record-breaking export value of US\$177 billion, with engineering goods accounting for the most substantial share at 23.9% of India's total exports. United States was

Chart 1: India's Export Trends



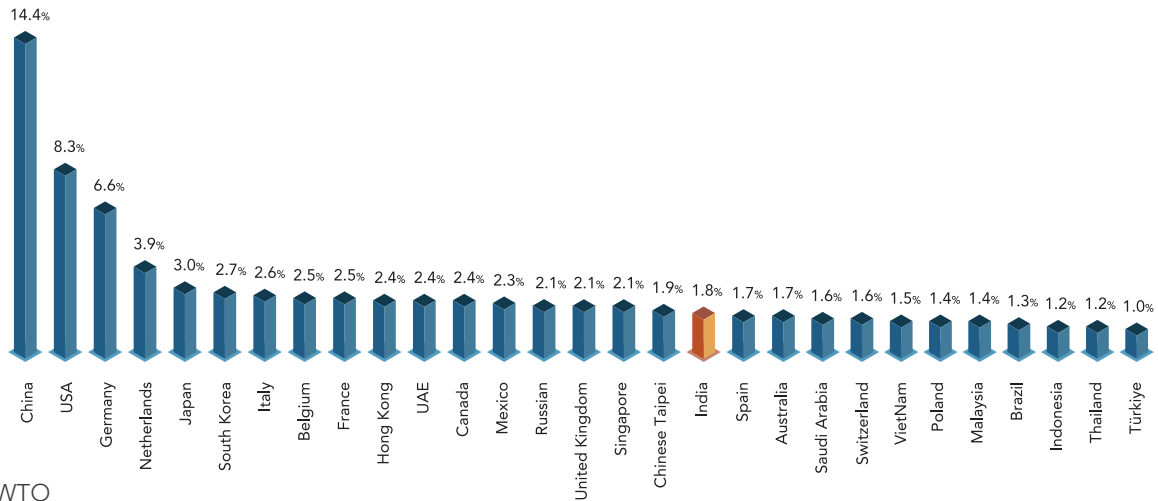
Source: Ministry of Commerce and Industry, Reserve Bank of India

India's ability to diversify and expand. This is also reflected in the government's policies on infrastructure development and the export sector, highlighting its dedication to strengthening domestic capabilities and promoting mutually beneficial global economic partnerships. India's Micro, Small, and Medium Enterprises (MSMEs) have played a pivotal and dynamic role in the national economy. Contributing significantly to the economic development, accounting for 45% to industrial production and 40% to exports, and generating direct employment of over 150 million individuals, MSMEs play a crucial role in driving entrepreneurship and job creation.

the largest export destination, with US\$79 billion, constituting a dominant 17.4% of the country's total export. Looking ahead, India has set its sights on the ambitious goal of attaining a two-trillion-dollar export figure, which will significantly enhance its global trade presence by the year 2030.

The FY2023 data on India's top exports to its major trading partners reveal pivotal insights into the nation's export dynamics. Notably, the United States (USA) received a substantial share of pearl, precious, and semiprecious stones, accounting for 11.72% of India's total exports to the USA. This was followed by drug formulations and

Chart 2: India's Share in World Trade Exports (FY 2022)

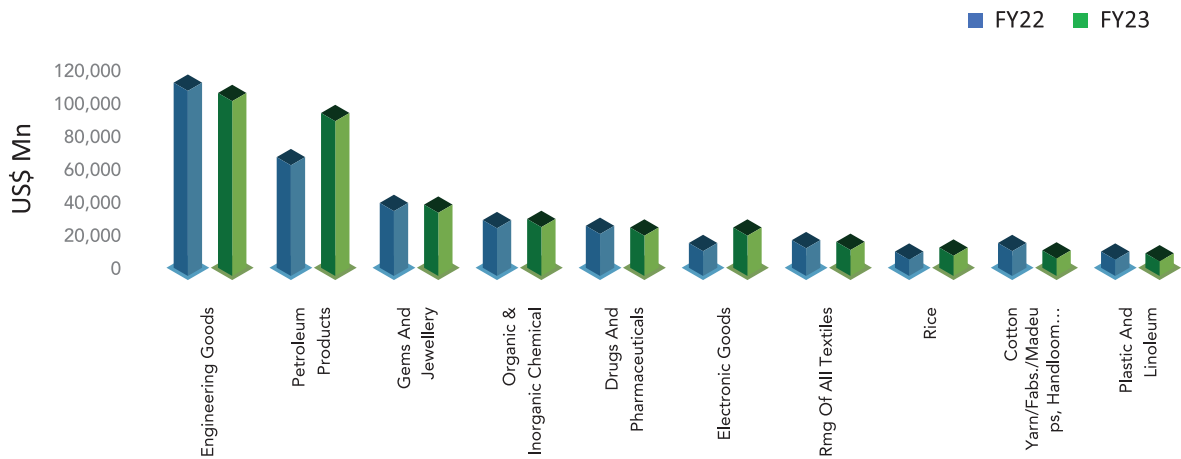


Source: WTO

biologicals at 8.63%, and petroleum products at 7.69%. The United Arab Emirates (UAE) primarily imported petroleum products, constituting a share of 25.48%. This was complemented by the share of gold and other precious metal jewellery at 10.19%, and telecom instruments at 8.57%. The Netherlands exported Indian petroleum products

as well, standing at a substantial 57.94% of India's exports to the country, while telecom instruments and aluminium products made up 5.8% and 3.96%, respectively. These statistics provide a glimpse of the primary export commodities fuelling India's trade with its top trading partners, highlighting areas of focus in international trade.

Chart 3: Top 10 Commodity Exports (FY 2023)



Source: Directorate General of Commercial Intelligence and Statistics

The Export Landscape of West Bengal

State Profile

State GDP

US\$ 221.37 billion in FY 2023 (6th in India)

Population

91,347,736 (7.55% of total population of India)

Literacy rate

77.1%

Urbanisation Rate

32%



Major industries

Iron & Steel, Heavy & Light Engineering products, Leather & Leather products, Chemicals & Petrochemicals, Textiles, Gems & Jewellery, Food Processing, Hospitality & Tourism, IT and IT enabled services, Automobile and Auto components, Drugs & Pharmaceuticals, Papers, Tea, Jute products, Electrical & Electronics, Infrastructure & Real Estate.

- Highlights:**
- The capital, Kolkata, ranked 7th city with "highest Employable Talent" in India Skills Report 2023
 - West Bengal ranked 11th in India Innovations Index 2021

The eastern state of West Bengal has been a consistent contributor in the country's export dynamics. Its strategic geographical location, diverse industries, and skilled workforce have established the state as an important contributor

to India's export landscape. The latest data from the Ministry of Commerce and Industry for the FY 2022-23 illustrates West Bengal's impressive performance, with merchandise exports reaching US\$12.7 billion, accounting for 2.8% of India's



Chart 4: West Bengal's Rank in India's Exports



Source: Ministry of Commerce and Industry

total merchandise exports. It ranked 8th among the leading states contributing to India's exports, an improvement from its 9th position in the previous fiscal year. Several of West Bengal's key exports are in line with India's priority sectors, including engineering goods, agricultural products, textiles, and gems & jewellery. There are several factors behind West Bengal's improved export performance –



Rich and Diverse Export Portfolio

West Bengal's export portfolio is diverse and multifaceted, encompassing a wide array of products and services across several sectors. The state actively engages in the export of engineering goods, agricultural products, manufacturing items, gemstones, jewellery, and petroleum services. Within this portfolio, the engineering goods sector stands out as a top contributor, accounting for one-third of West Bengal's total exports. Additionally, jewellery and agricultural products each command a substantial share, contributing approximately 11% of the state's export pie.



Driving Agricultural Exports

West Bengal plays a pivotal role in India's agricultural export sector, primarily known for its top-grade rice and globally renowned Darjeeling tea. These agricultural products find their way to numerous nations, contributing to the state's export prowess. As an example,

in fiscal year 2023, rice constituted 4.4% of West Bengal's overall exports, albeit a decrease from 6.4% share recorded in FY 2021.



Manufacturing Sector's Influence:

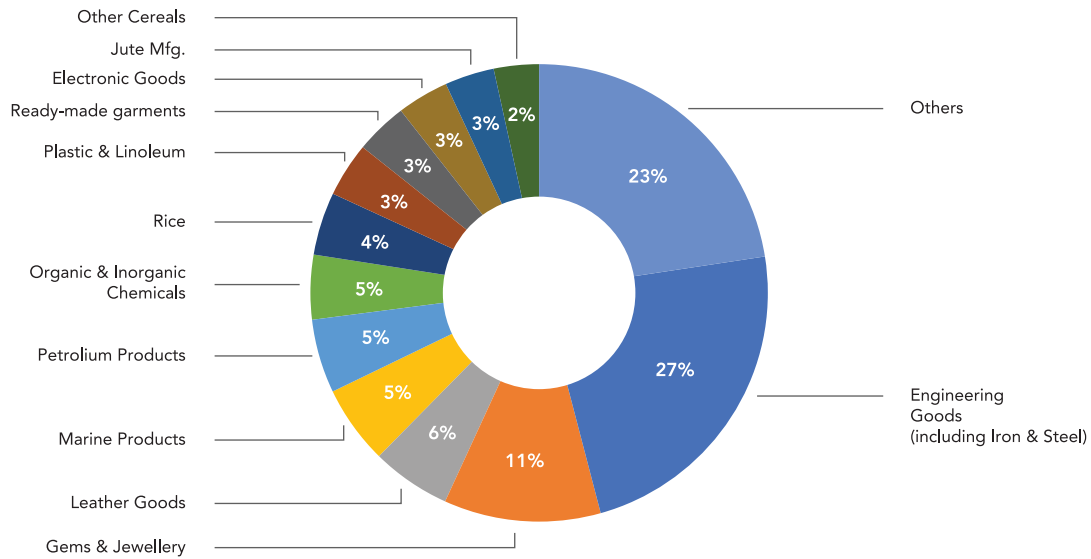
West Bengal's manufacturing sector also contributed significantly to India's industrial exports. This sector encompasses an array of commodities, including jute and jute goods, textiles, machinery, and engineering products. Leather manufacturing is another significant component of the state's exports. In fiscal year 2021, leather manufacturing contributed to 6% of West Bengal's total exports, which temporarily dipped to 5% in fiscal year 2022 but experienced a resurgence, reaching 5.7% in fiscal year 2023.



Leveraging a Strategic Location

The strategic geographical location of West Bengal, with access to the Bay of Bengal and shared borders with neighbouring countries, positions it favourably in international trade. While West Bengal may not rival export powerhouses like Gujarat, Maharashtra, Karnataka, Tamil Nadu, and Andhra Pradesh, it takes precedence over states such as Odisha and Kerala in India's export journey. This geographical advantage has allowed West Bengal to actively participate in cross-border trade, particularly with neighbouring nations.

Chart 5: Composition of West Bengal's Exports



Source: Ministry of Commerce and Industry

The export landscape comprises of several significant product categories:



Iron and Steel

In fiscal year 2023, raw iron and steel exports were valued at US\$1.6 billion, contributing 12.4% to West Bengal's total exports, slightly down from 13.3% in fiscal year 2022.



Gems & Jewellery

West Bengal is a notable exporter of gold and other precious jewellery, holding the second position among the state's top export commodities, with a substantial share of 10.4% in fiscal year 2023.



Leather Goods

The export of leather goods, which includes footwear and accessories, showcases the state's proficiency in the leather industry, contributing 5.3% to West Bengal's total exports in fiscal year 2023.

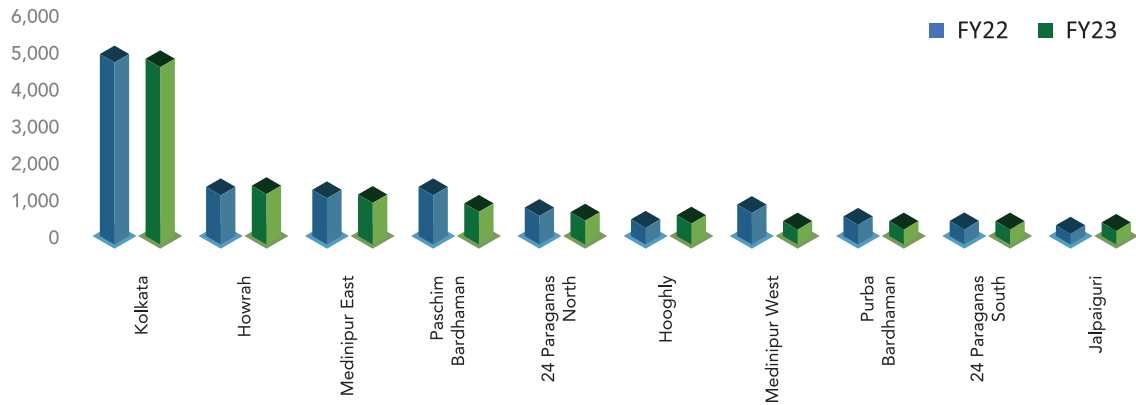


Marine Products

West Bengal's marine exports, including fish and seafood, have gained recognition in global markets, representing 5.2% of the state's overall exports in fiscal year 2023.

In FY 2023, West Bengal exhibited a diverse range of economic activities at the district level. Starting with Kolkata, the capital city and economic hub of West Bengal, the city exported a wide range of goods, including seafood, tea, leather goods, machinery parts, electronics, textiles, and more. Notable exports included shrimp, black tea, leather goods, machinery parts, and smartphones. Kolkata's diverse economy contributed significantly to West Bengal's trade. Howrah, known for its industrial and manufacturing sector, exported machinery parts, and iron & steel products. It also dealt in leather goods, gloves for industry, and smartphones. In 24 Paraganas North, shrimp was the dominant export item, accounting for US \$91.2 million in trade value. This district also had significant exports of wheat and related products like bran sharps, reflecting its involvement in the agriculture sector. Additionally, handbags and shopping bags of cotton and jute handbags/shopping bags were notable exports. Moving to 24 Paraganas South, seafood was a prominent export as well, with a focus on shrimp. Besides seafood, it engaged in the export of petroleum products, including high flash high-speed diesel fuel and plastics and related articles. Handbags, wallets, and leather goods were other key exports from this district. A relatively small but very important exporter, Darjeeling, renowned for its tea, primarily exported black tea. It also traded in various cereals and other food preparations.

Chart 6: West Bengal – Top 10 districts by exports

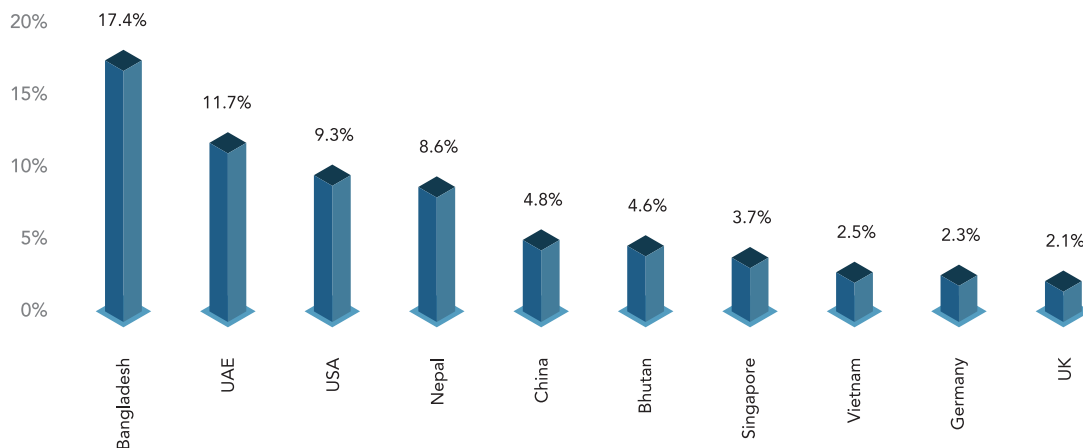


Source: Ministry of Commerce and Industry

Over the years, certain nations have consistently dominated the list of West Bengal’s export destinations. In fiscal year 2023, Bangladesh retained its position as West Bengal’s foremost export partner, making up 17.4% of the state’s total exports, while the UAE closely followed at 11.7%, with significant contributions from the USA

and Nepal at 9.3% and 8.6%, respectively. The preceding fiscal year, 2022, saw Bangladesh as West Bengal’s primary export market, constituting 19.7% of the state’s total exports, with Nepal claiming the second position at 9.7%. China and the UAE closely followed at 8.7% and 7.8%, respectively.

Chart 7: Top 10 export destinations



Source: Ministry of Commerce and Industry

D&B Data Insights

Dun & Bradstreet Global Data Cloud covers 550+ Million commercial entities (35+ Million Indian Businesses). Over 250,000 global and domestic customers across 200 countries inquire on D&B data.

Inquiry or Inquiries are the number of individual request(s) for information, which may include but is not limited to credit information, by a unique external customer(s) on a Dun & Bradstreet D-U-N-S® Number. More than one inquiry can

be made by each unique customer, which would indicate that some customers have inquired on such D-U-N-S Number multiple times and may be monitoring the associated business.

Key observations:

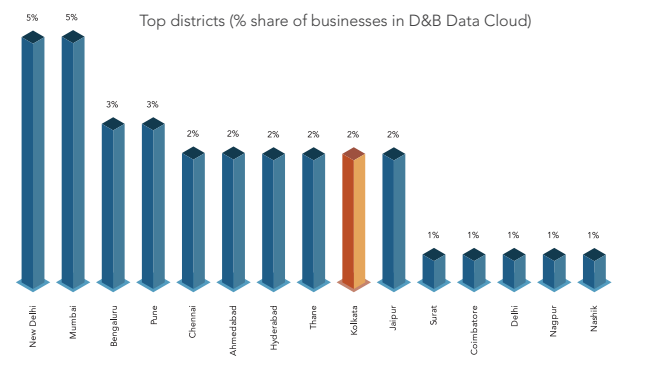
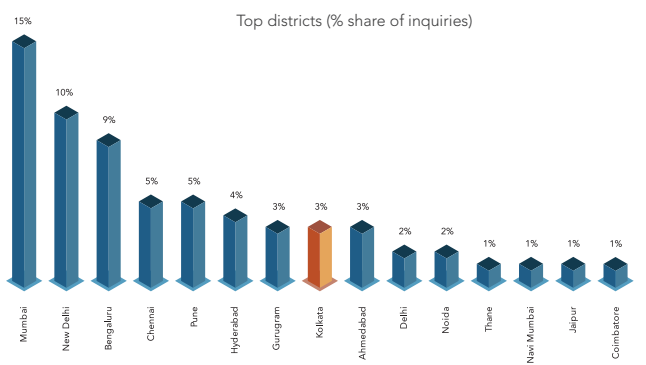
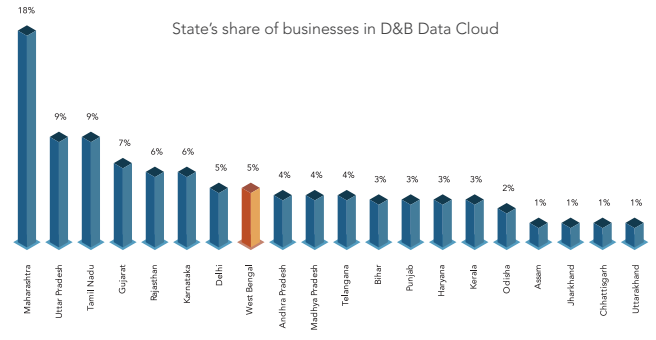
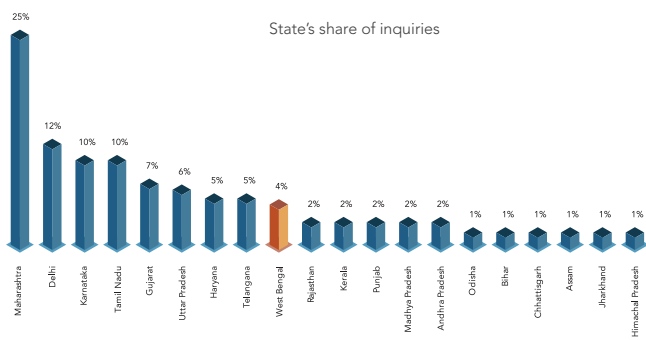
- Company Coverage in D&B Database: West Bengal is ranked 8th in terms of the number of companies covered in the D&B database, with approximately 1.61 million companies as of 12th October 2023.

- Inquiries on Companies: West Bengal is ranked 9th in India for the number of inquiries made on companies listed in the D&B database. On average, there are around 500 inquiries per day in FY 2023.
- Kolkata's Company Coverage: Kolkata, a district in West Bengal, holds the 9th position among all districts in India in terms of the coverage of companies. It is home to approximately 0.6 million companies.
- Inquiries in Kolkata: Among all the districts in India, Kolkata ranks 8th in terms of the

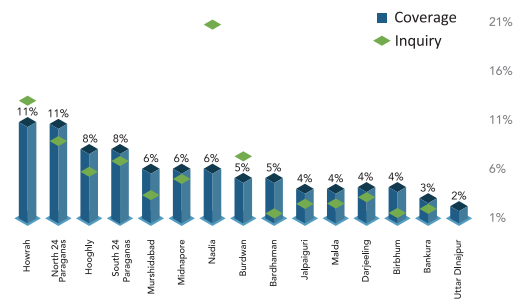
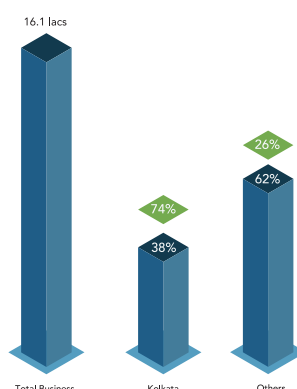
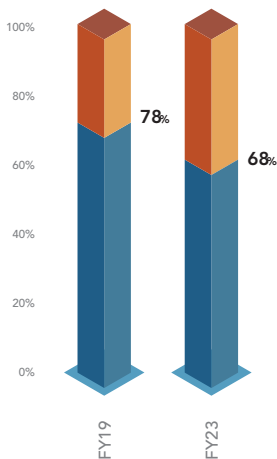
number of inquiries made on companies within the D&B database. There are approximately 360+ inquiries per day in Kolkata in FY 2023.

- Inquiries on MSMEs: There has been a significant increase in the number of inquiries specifically focused on Micro, Small, and Medium Enterprises (MSMEs). The count of inquiries related to MSMEs has increased two times since the fiscal year 2019.

Chart 8: Key Data on West Bengal



Share of Inquiries on MSME*



*Inquiry counts on MSME's have grown 2x times since FY19.

Source: Dun & Bradstreet

Niti Aayog - Export Preparedness Index

Niti Aayog's Export Preparedness Index (EPI) gauges the readiness of Indian states and Union Territories for exports, offering insights into their strengths and weaknesses. The primary dimensions considered in the report encompass policy effectiveness, business environment, export infrastructure, and actual export performance. Export Preparedness Index includes four Pillars and eleven Sub-pillars which enable precise and fair assessment of all the Indian States and Union Territories.

Policy: A comprehensive trade policy provides a strategic direction for exports and imports. Primarily, this pillar has been incorporated to evaluate whether a state has introduced enabling policy measures to steer export-led growth. Further, it looks into dimensions that will shed light on the exact measures and policy mechanisms that states have adopted to enable exporters to be competitive.

Business Ecosystem: An efficient business ecosystem can help states attract investments and create an enabling infrastructure for individuals to initiate start-ups. This pillar sheds light on the core infrastructure facilities, and how states fare in terms of creating such an ecosystem. Availability of such essential facilitating factors enable production units to enhance their production capacities and foster future growth of their

existing exporting capacities. The pillar manages to cover multidimensional aspects of fostering a successful business ecosystem such as labour, innovation, power, IT, logistics, banking and so on.

Export Ecosystem: This pillar aims to assess the business environment, which is specific to exports. An enabling export ecosystem can support different firms in all the states and Union Territories to increase productivity and boost competition. This pillar takes into consideration indicators that underline the research and development infrastructure, and the trade support available to the businesses in the states.

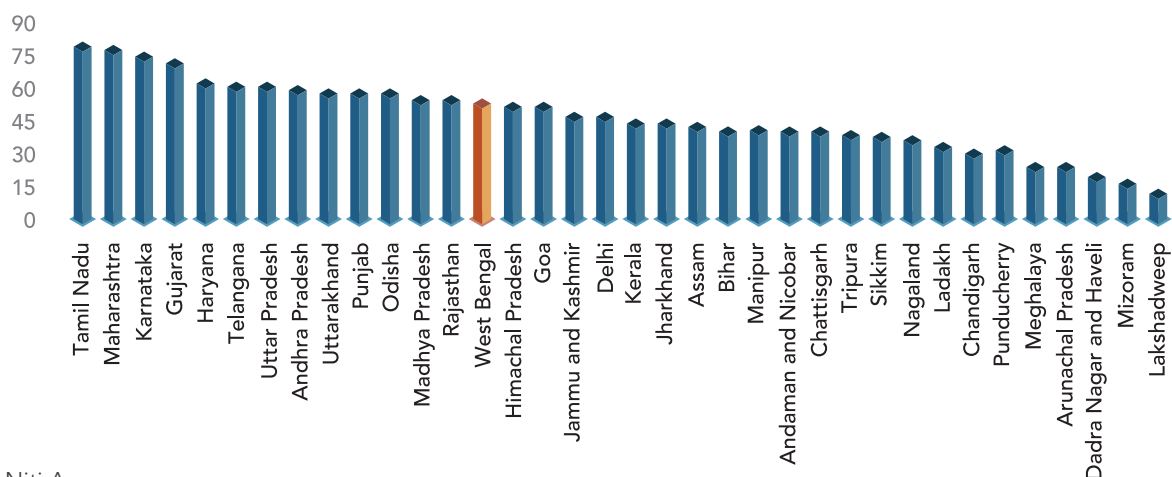
Export Performance: This pillar examines the export performance of states and Union Territories to identify focus areas and track improvements. This pillar focuses on two sub-pillars: Growth of Exports and Export Diversification

Overall Index 2022

Key metrics:

- India's composite EPI score for 2022 stands at 46.56, indicating a discernible variation in export preparedness levels across the nation, generally falling within the moderate range.
- In the EPI 2022 rankings, Tamil Nadu emerges as the frontrunner with an impressive score of 80.89, closely trailed by Maharashtra at 78.20 and Karnataka at 76.36.

Chart 9: Export Preparedness Index 2022



Source: Niti Aayog

- An interesting trend emerges as coastal states outshine their counterparts across all indicators, with four out of the top five states hailing from the coastal regions.
- The sub-pillar focusing on Export Promotion Policy assesses how effectively states have executed policies aimed at expediting exports and nurturing their expansion. Given India's extensive presence of Micro, Small, and Medium Enterprises (MSMEs), governmental support to facilitate collaboration between manufacturers and exporters becomes pivotal for global market entry.
- Nationally, the states have achieved an encouraging average score of 73.02, demonstrating a commendable adoption of export promotion policies and initiatives.
- However, West Bengal lags behind with a score of 76.29, indicating room for improvement, particularly in the development of district-specific export action plans, which are vital for enhancing export potential.

attributed to the state's robust policy framework and a conducive business environment. Notable features contributing to this success include a streamlined single-window clearance system for businesses, favourable export credit rates, the presence of dedicated industrial zones, and efficient air cargo terminals and storage facilities, all enhancing connectivity for trade.

Analysis By Pillar

This section analyzes the sub-pillars of the Export Preparedness Index, focusing on West Bengal's perspective. The analysis delves into the state's performance in various categories such as policy, (Detailed table in Annexure) institutional framework, business ecosystem, infrastructure, transport connectivity, export ecosystem, research and development (R&D) infrastructure, export performance, and export diversification. Each category highlights the state's strengths, areas for improvement, and noteworthy practices implemented by other states, including Maharashtra, Tamil Nadu, and Odisha. The section provides a comprehensive understanding of West Bengal's current status and potential avenues for growth in the export sector.

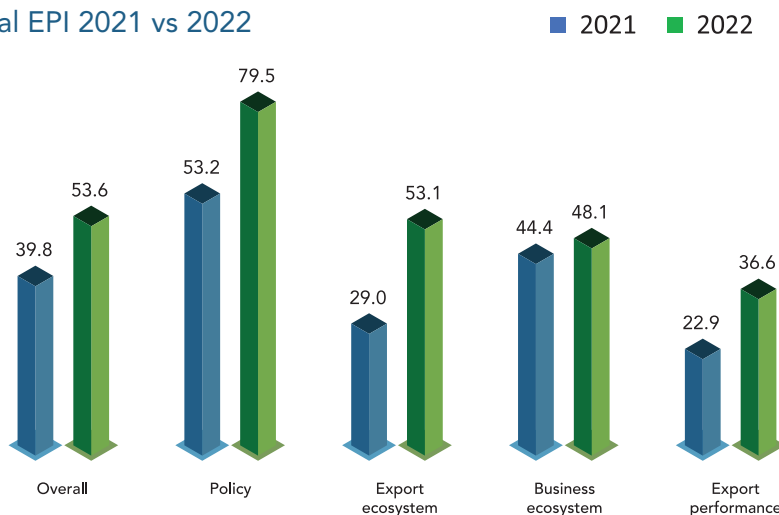
West Bengal's Performance

West Bengal secures the 14th position among all Indian States and Union Territories, achieving an overall score of 53.57. However, among the coastal states, West Bengal ranks 7th. The state has considerably improved its performance across all categories over the past year, most notably in improving the Export System. This can be largely

Policy

Export Promotion Policy : West Bengal's performance in this category presents an opportunity for improvement as it falls short of the coastal

Chart 10: West Bengal EPI 2021 vs 2022



Source: Niti Aayog

average. To enhance its score, the state should align its policies more effectively with central government schemes. The current score improved from 0 to 32.0 due to the implementation of district promotion plans, but the state should aim to introduce these plans for all districts to achieve a perfect score. West Bengal has successfully identified thrust sectors for exports, achieving a perfect score of 100. However, there's room for improvement in bringing more districts under the ODOP (One District, One Product) scheme.

Effective Strategies:

- Maharashtra has introduced the DEPC scheme and established Export Promotion Industrial Parks (EPIPs) to boost district-level exports and provide world-class infrastructure for export-oriented industries.
- Tamil Nadu has launched the Tamil Nadu Industrial Investment Promotion Scheme (TNIPS) with incentives for industries and conducted the TN Global Investors Meet to attract foreign investments and promote exports.

Institutional Framework : West Bengal demonstrates a robust institutional framework, scoring above the national average and just below the coastal average. The state maintains perfect scores in various sub-pillars, including the appointment of an Export Commissioner, the presence of a State-Center coordination cell, an export promotion website, and a functional online grievance portal for exporters. There's an opportunity to strengthen the District Export Promotion Council (DEPC) by adding more districts, which has shown improvement but can be further enhanced.

Effective Strategies:

- Tamil Nadu has established a dedicated Export Promotion Bureau and an Export Promotion Website to formulate and implement export promotion strategies and provide comprehensive information and resources to exporters.
- In Odisha, the MSME Department strives

to maximize Industry-Institution linkage by entrepreneurial education through empanelled Project Institutes such as Institutes of Higher learning, ITIs, and Entrepreneurship Development Centres under the National Scheme on Entrepreneurship Development.

Business Ecosystem

Business Environment : West Bengal's business environment provides an opportunity for improvement. While it performs slightly above the national average and closely aligns with the coastal average, it has consistently lagged in the Ease of Doing Business score. The state witnessed a decline from 96.23 in 2020 to 50.0 in 2022, although it's an improvement from 2021 (43.61). Addressing challenges related to high power costs for high-tension industries is crucial. While there has been satisfactory growth in Gross Value Added by manufacturing, West Bengal can further enhance its performance in attracting Foreign Direct Investment (FDI) and increasing export credit provided by banks.

Effective Strategies:

- Maharashtra has implemented the Single Window System for Industries and established the Maharashtra Industrial Development Corporation (MIDC) to streamline processes and provide infrastructure support, enhancing the business environment.
- Tamil Nadu introduced the 'Industrial Guidance and Export Promotion Bureau' and the 'Tamil Nadu Industrial Policy' to offer guidance, address industry concerns, and create a favorable business environment.

Infrastructure : West Bengal excels in infrastructure, maintaining performance at par with the coastal average and above the national average. The state boasts high power availability, but there's room for improvement in low internet facilities. While cluster strength is high, there has been a slight decrease in its value. The number of IT/Software technology/Food/Pharma/Textile, Plastic Parks is on the rise but lags behind peers,

indicating an area for potential improvement.

Effective Strategies:

- In Maharashtra's new MIDC industrial estates, 20% area shall be reserved for MSMEs. Out of this, 20% area shall be reserved for SC/ST entrepreneurs and 5% for women entrepreneurs and industrial units of Women's Savings Groups. For rehabilitation of Ex-Servicemen & to promote self-employment among Ex-Servicemen 2% plots will be reserved for Ex-servicemen.
- Tamil Nadu Small Industries Development Corporation Ltd., (TANSIDCO) will co-ordinate for the provision of water, sewage facilities, uninterrupted power supply, and road connectivity to industrial estates located in the recognized industrial corridors.

Transport Connectivity : The logistics sector is a specific area where West Bengal needs significant improvement. Its value in this category is lower than the national average and well below the average for coastal states. While the state performs averagely in the LEADS index, which assesses international trade logistics perception, there has been a noticeable decline in its value. West Bengal has only made marginal progress in establishing multi-modal logistics hubs and lacks Free Trade Zones, Free Trade Warehousing Zones, and Integrated Logistics Parks. The number of operational air cargo terminals, inland container depots, cold storage facilities, and export-oriented warehousing facilities needs to be increased.

Effective Strategies:

- Tamil Nadu has focused on the development of Inland Container Depots (ICDs) and Export-Oriented Warehousing Facilities to improve cargo handling and storage solutions for export-oriented industries.
- Odisha has invested in Cold Storage Facilities and operational Air Cargo Terminals to support the storage of perishable goods and facilitate air transportation, enhancing transport connectivity for industries in the

state.

Export Ecosystem

Export Infrastructure : West Bengal demonstrates a very strong export infrastructure, with potential for marginal improvement, surpassing both the coastal and national averages. The state has made significant strides in maintaining online portals for export promotion and information, setting up a Trade Guide, Agri-export zones, and reducing regional disparity. However, West Bengal lags in the establishment of Export Promotion Industrial Parks, Export Promotion Zones, and Special Economic Zones, offering room for improvement.

Effective Strategies:

- Tamil Nadu has invested in Export Promotion Industrial Parks (EPIPs) and established Trade Guides to improve infrastructure for export-oriented industries and provide guidance to exporters.

Trade Support : This area provides an opportunity for West Bengal. Although it lags behind the coastal average, it is well ahead of the national average. To improve its score, the state can apply for the Trade Infrastructure for Export Schemes (TIES), which is a straightforward means of enhancing its performance. West Bengal already maintains a district-wise/sector-wise database of exporters and conducts stakeholder interactions/meetings to understand exporters' concerns. However, the number of trade fairs/exhibitions and capacity-building or orientation workshops for exporters has declined compared to 2021, impacting the score.

Effective Strategies:

- Tamil Nadu focuses on developing Export Promotion Industrial Parks (EPIPs) and offers Capacity-Building and Orientation Workshops for Exporters to improve trade support.

R&D Infrastructure : West Bengal has an area for improvement in R&D infrastructure. Its overall score is low, both concerning the coastal and

national averages. To enhance this, the state can increase the number of NABL accredited laboratories and National Accreditation Board for Certification Bodies (NABCB) certification inspection agencies. West Bengal scores poorly in the India Innovation index, reflecting the state's capacity to diversify its products and compete in various markets. The number of research institutes dedicated to industry/export-specific products is also low.

Effective Strategies:

- Maharashtra collaborates with institutions for sector-specific skill development and has the Maharashtra State Innovation Society to enhance the R&D infrastructure.
- Tamil Nadu introduces the Tamil Nadu Innovation Initiative (TANII) and invests in specialized training units in large MSME clusters for research and innovation.

low. Products with Geographical Indications (GI) tagging are limited, affecting their premium pricing and brand equity. The number of new exporters added has decreased since 2021, contributing to the lower score. The ratio of the number of exporters availing Certificate of Origin certificates has been average.

Effective Strategies:

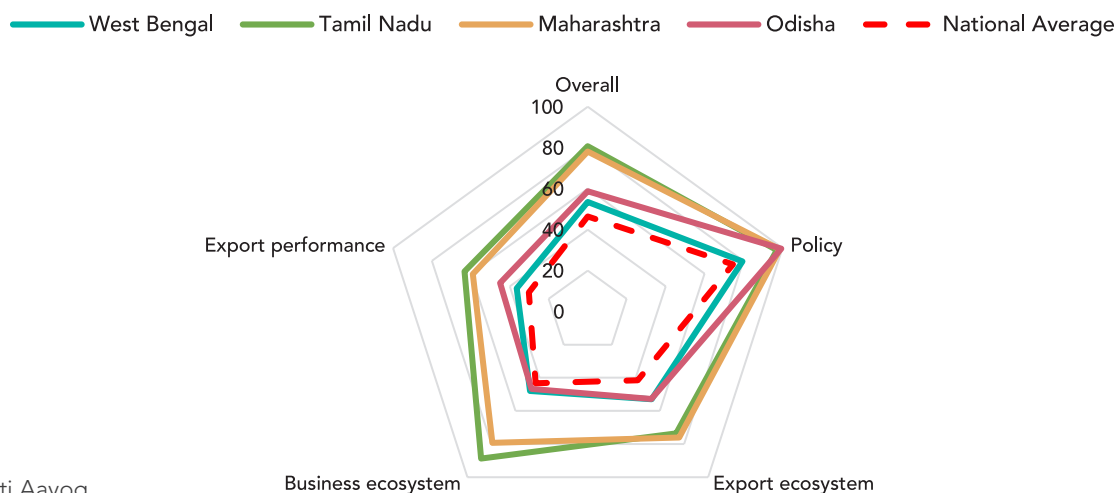
- Maharashtra encourages MSMEs to access public funding through Export Growth via stock exchanges and implements the Chief Minister Employment Generation Program (CMEGP) for job creation and growth.
- Tamil Nadu's Amma Skill Training and Employment Scheme and interest subvention schemes for EV component manufacturing contribute to business growth and export expansion.

Export Performance

Growth & Orientation : West Bengal's overall performance is satisfactory but leaves room for improvement. Its score is slightly above the national average but lags behind the coastal average. The state can increase the number of Import Export Code (IEC) holders as a percentage of total businesses. While the export growth over the past three years has been satisfactory, the merchandise exports to GDP ratio remains

Export Diversification : West Bengal needs to improve its performance in export diversification. Although it is marginally higher than the national average, it falls well below the coastal average. Export concentration has remained in the mid-20s over the past two years, indicating vulnerability to trade shocks. The Market Penetration Index has seen declines over the past three years, suggesting a decrease in the number of countries to which West Bengal exports particular products, in comparison to the total countries importing those products.

Chart 11: WB performance compared to National Average & Other Coastal States



Source: Niti Aayog

Effective Strategies:

- Tamil Nadu focuses on skill development and EV component manufacturing to diversify export products.

The Export Preparedness Index also offers the scope for specific recommendations to further bolster West Bengal's export readiness:

- **Strengthen District Export Promotion Committees:** Constituting District Export Promotion Committees for a higher percentage of its districts (currently at 44%) can enhance the coordination and support for exporters at the district level.
- **Establish Free Trade Zones:** Exploring the establishment of Free Trade Zones can stimulate trade and investment within the state, attracting businesses looking for tax incentives and trade benefits.
- **Organize Capacity Building Workshops:**

The state can consider organizing capacity-building workshops for its exporters. These workshops can impart knowledge and skills essential for businesses to engage in international trade effectively.

- **Increase Import Export Code Registrations:** Encouraging a greater number of businesses to obtain an Import Export Code can facilitate and streamline their participation in international trade activities.
- **Enhance District Export Action Plans:** Extend coverage of District Export Action Plans, which are currently in place for only 32% of its districts. Expanding this coverage can provide a more comprehensive roadmap for boosting exports at the local level.

Implementing these recommendations can further elevate West Bengal's position and foster a conducive environment for trade and export growth within the state.

Chart 12: S.W.O.T. (Strengths, Weaknesses, Opportunities, Threats) ANALYSIS

Strengths



Institutional Framework: West Bengal's institutional framework for export promotion is a significant strength. It maintains perfect scores in various sub-pillars, indicating strong support for MSMEs.

Infrastructure: The state's infrastructure is another strength, with high power availability, which is essential for MSME operations. Cluster strength, though declining, is high, showcasing opportunities for collaboration among MSMEs.



Export Infrastructure: West Bengal's export infrastructure is very strong, exceeding both the coastal and national averages. This provides a solid foundation for MSMEs to grow.

Trade Support: The state's performance in trade support is ahead of the national average, which benefits MSMEs. Maintaining a district-wise/sector-wise database of exporters and conducting stakeholder interactions reflects support for MSME concerns.

Weaknesses



Business Environment: Recent shifts in the Ease of Doing Business metrics suggest opportunities for enhancing the operating landscape for MSMEs. Current power tariffs and FDI patterns present areas where strategic interventions could help boost competitiveness.



R&D Infrastructure: The state's research and development framework shows potential for further development, particularly in supporting MSMEs' innovation journey and product development capabilities.

Export Performance: While West Bengal has maintained a steady presence in international markets, there are promising avenues for expanding the export portfolio, especially for MSMEs looking to broaden their global footprint.

Opportunities



Export Promotion Policy: By aligning policies with central government schemes and implementing district promotion plans across all districts, the state can significantly improve its export promotion policy and create a conducive environment for MSMEs.



Business Environment: Addressing the issues of high power costs and further improving FDI inflow can enhance the business environment for MSMEs.

Trade Support: Applying for the Trade Infrastructure for Export Schemes (TIES) and revitalizing trade fairs and orientation workshops can improve support for MSMEs' export activities.

Threats



Transport Connectivity: The logistics ecosystem presents opportunities for enhancement, particularly through the development of specialized zones like Free Trade and Warehousing facilities, which could strengthen MSMEs' distribution networks and supply chain efficiency.



Export diversification: Recent trends in the Market Penetration index suggest scope for reinvigorating presence in established markets, pointing to untapped potential in these proven territories.

Summary

In summary, India's export landscape is marked by a dynamic interplay of contributions from various states, with Gujarat, Tamil Nadu, and Karnataka emerging as the frontrunners in this race. On the other hand, West Bengal, leveraging its diverse industrial base and strategic geographic positioning, has shown significant progress in the export arena, securing the 8th position among India's exporting states. The state's standout exports encompass a wide spectrum, including engineering goods, agricultural products, textiles, and precious gems & jewelry. West Bengal's export prowess can be attributed to a multi-faceted export portfolio, a focused approach to agricultural exports, the substantial influence of its manufacturing sector, and its advantageous geographical location, facilitating cross-border trade.

In the forthcoming report, we will conduct a thorough exploration of West Bengal's MSME exports, delving into a granular comparative analysis. Our research will pinpoint specific product categories with the highest export potential and provide actionable recommendations in the form of SMART objectives, aimed at propelling West Bengal's export performance to new heights. Drawing on insights from the Niti Aayog's Export Preparedness Index, we will critically assess West Bengal's readiness for exports and furnish targeted recommendations to further elevate its position. Building upon the foundation laid out in this exploratory analysis, the subsequent report will offer an in-depth examination of West Bengal's export landscape. It will present not only a comprehensive understanding but also a strategic roadmap, replete with specific tactics and measures, to unlock West Bengal's export potential and enhance its competitive edge in the global marketplace.

PART II
A Strategy for West Bengal
MSMEs

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INTRODUCTION

In the report titled "An Exploratory Analysis of West Bengal MSME Exports," we examined West Bengal's export landscape and identified the state's standout exports, which encompassed a wide range of products, including engineering goods, agricultural products, textiles, and gems & jewellery. Leveraging its diverse industrial base and strategic geographic positioning, West Bengal has experienced significant growth in the export sector, moving up to the 8th position among India's exporting states in FY 2023.

In this follow-up report, we will conduct a comparative analysis of the prevailing local and global conditions for export promotion. The report will also provide recommendations for financing the high-growth agenda. To achieve this, the report will delve into a detailed comparison of West Bengal's MSME exports, pinpointing specific product categories with the highest export potential. Drawing on insights from our interactions with several prominent importers and exporters from the state, the report will assess West Bengal's readiness for exports and provide targeted recommendations to further enhance its position. The report will also present a comprehensive understanding of West Bengal's export landscape and a strategic roadmap, filled with specific tactics and measures, to unlock West Bengal's export potential and strengthen its competitive edge in the global marketplace. In order to achieve the goal of becoming one of the top five exporting states within the next five years, we will provide specific, measurable, achievable, relevant, and time bound (S.M.A.R.T.) objectives that can be implemented to improve West Bengal's export performance.



Comparative Landscape

There have been substantial changes in the global economic landscape, which have had a notable impact on the dynamics of international trade. This section provides a thorough analysis of the global factors that are influencing the exports of Micro, Small, and Medium Enterprises (MSMEs) in West Bengal. It explores the significance of Indian Free Trade Agreements (FTAs) and their potential to stimulate West Bengal's export

growth. Furthermore, it investigates the evolving patterns in global supply chains and how the state can effectively integrate into them. The analysis also takes into account the evolving geopolitical landscape and its potential consequences for West Bengal's exports, thereby preparing the state to adapt to these shifts and strategically enhance the global presence of its MSME export sector.



Free Trade Agreements

India has entered into a total of 13 free trade agreements (FTAs) with various partners, both at the bilateral and regional levels. Additionally, the country has forged 6 preferential trade agreements (PTAs) with limited coverage. These agreements have taken on growing significance in the context of global economic integration. They not only present an array of opportunities but also pose distinct challenges for different states across India.

West Bengal, for instance, has witnessed a favourable impact on its exports attributable to these FTAs, especially in sectors like textiles, leather, and iron & steel. Furthermore, West Bengal's seafood industry has seen a surge in exports to nations such as Japan and the EU, thanks to diverse FTAs. These agreements have acted as gateways to new markets for select agricultural products, including Basmati rice and specific fruits.

Table 1: FTAs in effect

Agreements	Countries/Trading Blocs	% of total WB exports FY23
Free Trade Agreements		
India-UAE CEPA	UAE	11.7%
India-Sri Lanka Free Trade Agreement (FTA)	Sri Lanka	0.5%
Agreement on South Asian Free Trade Area (SAFTA)	Pakistan, Nepal, Sri Lanka, Bangladesh, Bhutan, the Maldives, and Afghanistan	31.1%
India-Nepal Treaty of Trade	Nepal	8.6%
India-Bhutan Agreement on Trade, Commerce and Transit	Bhutan	4.6%
India-Thailand FTA - Early Harvest Scheme (EHS)	Thailand	0.0%
India-Singapore CECA	Singapore	3.7%
India-ASEAN CECA	Brunei, Indonesia, Cambodia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Vietnam	11.1%
India-South Korea CEPA	South Korea	0.0%
India-Japan CEPA	Japan	1.9%
India-Malaysia CECA	Malaysia	1.9%
India-Mauritius CECA	Mauritius	0.1%
India-Australia-ECTA	Australia	0.7%
Preferential Trade Agreements		
Asia Pacific Trade Agreement (APTA)	Bangladesh, China, South Korea, Sri Lanka	23.3%
Global System of Trade Preferences (GSTP)	41 countries	
SAARC Preferential Trading Agreement (SAPTA)	Bangladesh, Bhutan, Sri Lanka, Maldives, Nepal, Pakistan	31.1%
India - Afghanistan PTA	Afghanistan	0.0%
India - MERCOSUR PTA	Brazil, Argentina, Uruguay, and Paraguay	0.8%
India - Chile PTA	Chile	0.3%

The Government of India is actively negotiating the following countries to conclude the FTAs.

Table 2: FTAs under negotiation

Under Negotiation		
Agreements	Countries / Trading Blocs	% of total WB exports FY23
India EU Broad Based Trade and Investment Agreement (BTIA)	EU	3.7%
India Israel FTA	Israel	0.3%
India Canada CEPA	Canada	0.9%
India Peru FTA	Peru	0.1%
India New Zealand FTA	New Zealand	0.1%
India UK FTA	UK	2.1%
IBSA	Brazil, South Africa	0.9%
Bangladesh, India, Myanmar, Sri Lanka, Thailand Economic Cooperation (BIMSTEC)	Bangladesh, Myanmar, Sri Lanka, Thailand, Bhutan, Nepal	33.0%

Potential For West Bengal

India's Free Trade Agreements (FTAs) are pivotal instruments in driving export growth, and West Bengal, a key economic player, is poised to reap significant benefits from key agreements such as the India-UAE Comprehensive Economic Partnership Agreement (CEPA), the South Asian Free Trade Area (SAFTA), the India-ASEAN Comprehensive Economic Cooperation Agreement (CECA) and the Australia-India Economic Cooperation and Trade Agreement (ECTA).

Our analysis focuses on the above three crucial arrangements between India and its regional partners. Collectively, these FTAs cover more than 50% of West Bengal's exports by country. The India-UAE CEPA presents a substantial opportunity for West Bengal's export sector. Signed on February 18, 2022, and in force since May 1, 2022, this agreement eliminates duties on 97% of the UAE's tariff lines, offering immediate zero-duty access to labour-intensive sectors such as Gems and Jewellery, Textiles, Leather, and more. With the UAE accounting for 12% of West Bengal's exports in FY2023, this opens up significant market access for products with a competitive edge, especially in commodity groups encompassing Fish, Dairy Produce, Animal and Vegetable Fats, Sugars, and Chemical Products. The certification process by the UAE's Ministry of Economy ensures compliance with rules of origin criteria, securing the benefits.

West Bengal's exports to SAFTA (South Asian Free Trade Area) member countries, constituting over 30% of total exports in FY2023, are well-positioned to benefit from the trade arrangement. Established in 2004 and effective since January 1, 2006, SAFTA prioritizes substantial manufacturing processes, involving a Change of Tariff Heading (CTH) at the four-digit Harmonized System (HS) and a value content of 40% (30% for LDCs). West Bengal's strengths in key commodity groups make it a strategic player in enhancing exports to SAFTA nations. Another comprehensive framework which can help boost goods, as well as services exports to South Asia is the India-ASEAN CECA (Comprehensive Economic Cooperation Agreement), initiated on January 1,

2010, following six years of negotiations. Rooted in the 2003 India-ASEAN CECA, this agreement aims to deepen economic ties by reducing trade and investment barriers. West Bengal's diverse export basket, spanning textiles, chemicals, and machinery, positions it favourably to leverage the opportunities arising from the India-ASEAN CECA.

Signed on April 2, 2022, and effective since December 29, 2022, the Australia-India Economic Cooperation and Trade Agreement (ECTA) facilitates reciprocal trade, where Australia exports raw materials to India, and India exports finished goods. The agreement ensures that 96% of imports from India are tariff-free, a figure set to reach 100% by January 1, 2026. Notably, this grants duty-free access to numerous Indian goods, including textiles and leather, in the Australian market. It is estimated that the trade deal will help in almost doubling bilateral commerce to \$45–50 billion in about five years. The potential for closer economic ties between Australia and India is set to be enhanced through the Comprehensive Economic Cooperation Agreement (CECA), which will build upon the outcomes of the ECTA.

After an exhaustive analysis of commodities under preferential taxation across these trade agreements and tallying it with the major commodities exported by West Bengal, we've identified specific commodities (HS Code 2 digits) where West Bengal holds a competitive advantage:

- 1) HS Code 03 (Fish and crustaceans, molluscs, etc.)
- 2) HS Code 04 (Dairy produce, birds' eggs, etc.)
- 3) HS Code 05 (Products of animal origin)
- 4) HS Code 09 (Coffee, tea, mate, and spices)
- 5) HS Code 12 (Oil seeds and oleaginous fruits)
- 6) HS Code 13 (Lac, gums, resins, extracts, etc.)
- 7) HS Code 14 (Vegetable plaiting materials, etc.)
- 8) HS Code 15 (Animal or vegetable fats and oils)
- 9) HS Code 17 (Sugars and sugar confectionery)
- 10) HS Code 19 (Preparations of cereals, flour, etc.)
- 11) HS Code 21 (Miscellaneous edible preparations)

- 12) HS Code 23 (Residues and waste from food industries)
- 13) HS Code 24 (Tobacco and manufactured tobacco substitutes)
- 14) HS Code 26 (Ores, slag and ash)
- 15) HS Code 27 (Mineral fuels, mineral oils, etc.)
- 16) HS Code 29 (Organic chemicals)
- 17) HS Code 33 (Essential oils and resinoids, perfumery, etc.)
- 18) HS Code 34 (Soap, organic surface-active agents, etc.)
- 19) HS Code 38 (Miscellaneous chemical products)
- 20) HS Code 42 (Articles of leather, saddlery, etc.)
- 21) HS Code 51 (Wool, fine or coarse animal hair, etc.)
- 22) HS Code 53 (Other vegetable textile fibers, paper yarn, etc.)
- 23) HS Code 54 (Man-made filaments)
- 24) HS Code 55 (Man-made staple fibers)
- 25) HS Code 62 (Articles of apparel and clothing accessories, knitted or crocheted)
- 26) HS Code 63 (Articles of apparel and clothing accessories, not knitted or crocheted)
- 27) HS Code 67 (Prepared feathers and down, articles made of feathers or down)
- 28) HS Code 71 (Natural or cultured pearls, precious or semi-precious stones, etc.)
- 29) HS Code 72 (Iron and steel)
- 30) HS Code 73 (Articles of iron or steel)
- 31) HS Code 83 (Miscellaneous articles of base metal)

In addition to the aforementioned agreements, ongoing trade negotiations, such as the India-UK Free Trade Agreement (FTA), stand to yield significant advantages for West Bengal. The historical partnership between the UK and West Bengal is noteworthy. In 2023, the UK India Business Council (UKIBC) formalized this relationship by signing a Memorandum of Understanding (MoU) with the Government of West Bengal to facilitate business engagement. Notably, collaborative efforts extend to areas like electric mobility and green construction, with joint initiatives in progress. The UK is actively involved in knowledge-sharing on clean mobility strategies with the state transport corporation. In a testament to the strengthened ties, a substantial 55-member UK delegation participated in the

Bengal Global Business Summit (BGBS) held in Kolkata in November 2023. Furthermore, the UK is in the process of establishing an intelligent mobility skill centre in West Bengal.

West Bengal's major export commodities to the US, Canada, and EU member countries in FY2023 reveal promising opportunities for economic growth through FTAs. Notably, both the USA and the UK engage significantly in the trade of iron and steel products, and the implementation of FTAs could offer additional momentum to commodities such as fish and crustaceans, other cast articles of iron or steel, as well as jewellery and parts thereof. For EU countries, including the Netherlands, Germany, Spain, and France, diverse opportunities emerge, spanning luxury leather goods, handbags, and articles of non-malleable cast iron. The collaboration facilitated by this FTA could result in more efficient trade for commodities such as lead acid storage batteries, which West Bengal currently exports exclusively to Germany and lacks a presence in other European markets. These insights underscore the potential for a symbiotic and diversified trade ecosystem, strengthening ties between West Bengal and its international partners in the pursuit of mutual economic development.

Established in 2009, the ASEAN-India Free Trade Area (AIFTA) encompasses Vietnam among its member nations. Following India's decision to withdraw from the Regional Comprehensive Economic Partnership (RCEP), there is a need to reassess the India-ASEAN Free Trade Agreement (FTA) to address potential trade losses.

Emphasizing the importance of compensatory measures, there is a growing call to actively pursue a bilateral Free Trade Agreement (FTA) with Vietnam.

Supply Chain De-Risking

The global business landscape has undergone significant transformations in recent years, with two prominent trends: the diversification of supply chains to mitigate risks and the relocation of businesses from Mainland China. These developments have been prompted by various factors and hold substantial implications for international trade, global economics, and business strategies.

The COVID-19 pandemic has left an indelible mark on the world's supply chain landscape, exposing the vulnerabilities inherent in tightly integrated and concentrated systems. The World Trade Organization (WTO) reported a significant disruption in international trade flows, with a staggering 5.3% decline in global trade in 2020. This tumultuous period prompted businesses to undergo a profound re-evaluation of their supply chain strategies, underscoring the imperative for enhanced flexibility and resilience in the face of unforeseen challenges. One of the notable responses to this transformation is the Reshoring Initiative unfolding in the United States, symbolizing a noteworthy shift in global manufacturing dynamics. Companies are increasingly considering the relocation of their operations close to North America, not only to fortify the security of their supply chains but also in response to compelling economic factors.

Geopolitical tensions, notably the enduring discord between the United States and China, are also acting as a powerful catalyst in this evolving supply chain narrative. This ongoing trade dispute, with tariffs and counter-tariffs, is compelling companies to search for more stable and resilient supply chain alternatives. The International Monetary Fund (IMF) has highlighted the need for active exploration of new production bases in countries such as India, Vietnam, and Indonesia. These nations offer several advantages, including lower labour costs and favourable business environments, inviting companies to consider the feasibility of relocation. The burgeoning trend of the "China Plus One" strategy highlights this shift. The attractiveness of Southeast Asian economies over China is driven by several factors:

- **Increasing Labour Costs:** One of the primary motivators for companies considering a move away from Mainland China is the escalating labour expenses. As China's economy has expanded, so have wage expectations, prompting labour-intensive industries to explore countries with more cost-effective labour forces.
- **Trade Tariffs and Geopolitical Uncertainties:** The trade dispute between the United States and China resulted in the imposition

of tariffs and heightened uncertainties for businesses operating in China. This, in turn, drove many companies to explore alternative manufacturing locations to mitigate trade-related disruptions.

- **Diversification and Market Expansion:** Relocation provides companies with the opportunity to diversify their operations and access new markets. Many businesses that opted to move away from China have chosen Southeast Asian countries like Vietnam, Thailand, and Malaysia due to their proximity to thriving Asian markets.

Vietnam serves as a model worth emulating, particularly as a rising number of companies have begun to contemplate the prospect of relocating their manufacturing operations from China. It has emerged as an enticing destination for several reasons:

- **Cost Savings:** Vietnam offers a distinct advantage with significantly lower labour and operational costs compared to China. This financial benefit played a pivotal role in steering this strategic shift.
- **Skilled Workforce:** Vietnam's labour force boasts commendable technical expertise, especially in electronics manufacturing. This readily available pool of skilled employees simplifies the process of finding qualified professionals.
- **Geopolitical Stability:** Companies are increasingly concerned about the prolonged trade tensions between the United States and China and the uncertainties associated with political transitions. Vietnam's political stability and favourable relations with major trading partners offer a reassuring environment.
- **Infrastructure and Logistics:** The nation has made substantial investments in improving its infrastructure, including ports and transportation networks. This enhancement positions Vietnam as an attractive choice for efficient supply chain management.
- **Trade Agreements:** Vietnam's active participation in various trade agreements, most notably the Comprehensive and Progressive Agreement for Trans-Pacific

Partnership (CPTPP), grants easier access to international markets and reinforces its appeal as a manufacturing hub.

In terms of exports, Vietnam has experienced a remarkable growth trajectory. From US\$215 billion in exports in 2017, the country's exports surged to US\$371 billion in 2022, reflecting a robust compound annual growth rate (CAGR) of 11.5%. The nation's key exports encompass an array of products, including mobile phones and accessories, computers and components, spare parts for manufacturing equipment, footwear, wood products, seafood, and more. Notably, Vietnam secured its place among the top 30 global exporters in 2022, ranking 23rd, a testament to its rapidly expanding international trade activities.

India, specifically West Bengal, has also experienced the positive ripple effects of shifting supply chains. In particular, global textile industry leaders operating in Myanmar have begun winding down their operations, primarily due to mounting global sanctions in response to the military coup in 2021. The deteriorating working conditions characterized by reduced labour wages and extended working hours have rendered these textile giants increasingly inclined to view India as an attractive and viable alternative. Several key factors make West Bengal a compelling destination for these companies.

- **Political Stability:** India's stable political environment provides a sense of certainty and predictability that global textile companies find appealing. West Bengal, in particular, has solidified its position as one of the largest textile product manufacturers and exporters, bolstering its appeal in this evolving landscape.
- **Developed Infrastructure:** The state of West Bengal boasts a well-developed infrastructure, encompassing robust port facilities, efficient road networks, and a well-connected railway system. These vital components ensure the smooth and expedited transportation of finished products to global destinations.
- **Government Initiatives:** The Government of West Bengal has crafted and implemented incentive schemes tailored to the textile

sector, such as the "West Bengal Textile Incentive Scheme." This initiative extends various benefits, including support for land acquisition and registration, along with subsidies for investments and power, further enhancing the state's attractiveness to textile companies.

- **Abundant, Skilled and Low-Cost Labour Force:** West Bengal is home to a sizable and skilled labour force, particularly in the textile and garment industry. The availability of both skilled and semi-skilled workers at competitive wage rates provides a significant advantage for companies looking to establish or expand their operations.

Notably, Spanish multinational retail clothing chain Tempe Grupo Inditex, renowned for its Zara brand, has recently announced plans to expand its operations in West Bengal in collaboration with private entities. This expansion signifies a growing interest in the region. Additionally, other prominent players in the textile industry, such as H&M, Tesco, Mark & Spencer, and more, have initiated their exit strategies from Myanmar, further enhancing West Bengal's potential market base.

Potential For West Bengal

Another of West Bengal's strategic advantages lies in its geographical location, serving as a vital gateway to Southeast Asia via the Bay of Bengal. The state stands to gain immensely from enhanced infrastructure and logistics networks facilitated by FTAs, encompassing investments in ports, roadways, and connectivity projects. These investments will not only strengthen the state's trade and commerce but also bolster its strategic importance in the region. However, West Bengal's textile exports, while benefiting from access to new markets, face formidable competition from neighbouring nations like Bangladesh and Vietnam. These countries boast lower labour and production costs, making it imperative for West Bengal's textile industry to continually evolve and innovate to remain competitive on the global stage.

In response to these challenges, the state

government has proactively undertaken initiatives to attract investments and industries, with a particular focus on Information Technology and manufacturing sectors. The endeavour is to diversify the state's economic landscape and create a conducive environment for businesses to thrive. The ongoing challenge lies in ensuring that West Bengal maintains its competitive edge and remains an appealing destination for both domestic and international investors and industries.

Geopolitical Environment

The global stage is currently witnessing a series of profound geopolitical transformations, with recent escalations in the Middle East and the ongoing conflict in Ukraine heightening the risk of broader international turmoil. These shifts carry substantial implications, necessitating both governments and businesses to make judicious and well-informed decisions regarding their future plans and strategies. In the realm of contemporary global geopolitics, sanctions have gained increasing prominence as a tool of statecraft. The United States and its allies have collectively imposed a broad spectrum of sanctions on countries like Russia, Iran, and others. These measures are primarily designed to exert pressure on these nations, encouraging shifts in their policies and behaviour. However, the far-reaching impact of these sanctions extends beyond the targeted nations, significantly influencing the global economy. These sanctions have been levied across various sectors, encompassing energy products, communication and technology goods, metals and minerals, precious stones, among others.

A recent repercussion involves supply chain disruptions due to the heightened threat of attacks on ships in the Red Sea and the Suez Canal, which constituted about 12-15% of global trade in 2023. Major shipping companies are now redirecting vessels around the Cape of Good Hope to evade the Red Sea, causing substantial delays of 14-20 days. This alternative route has incurred higher freight and insurance costs, exacerbating pressure on exporters' margins. The sudden cost surge has disrupted established cost

structures and temporarily halted various export consignments.

Despite the sweeping geopolitical transformations and the widespread use of sanctions, the direct impact on West Bengal's export portfolio remains somewhat limited. West Bengal primarily focuses on soft sectors such as jute, textiles, and marine products in its export endeavours, which aren't extensively directed toward technology and products meant for the US or EU markets. However, the indirect repercussions are noteworthy, as sanctions can potentially lead to diminished global economic growth and disruptions in supply chains, indirectly influencing the region's exports. The export activities of West Bengal are more acutely affected by import tariffs, custom duties imposed by the US and EU, as well as alterations and reductions in trade concessions. In response to these dynamics, West Bengal is well-advised to vigilantly monitor regional geopolitics, with particular attention to neighbouring countries like Bangladesh and Nepal. Changes in regional dynamics can significantly impact trade routes and trade-related opportunities for the state. Furthermore, it would be prudent for West Bengal to explore participation in regional trade agreements that remain unaffected by the sanctions imposed by the US and EU, positioning the region strategically to navigate the complex and evolving terrain of international trade.

The convergence of strategic geographic location, untapped potential, and a proactive approach to economic development positions West Bengal as a dynamic and promising state poised for growth and transformation. It is a region where opportunities abound, and where innovation and competitiveness are the keys to unlocking its vast potential.

Methodology For Identifying Export Potential

The evaluation of export potential plays a critical role in the economic growth of regions, highlighting opportunities for maximizing trade efficiency and global market integration. In our analysis, we aim to leverage the Revealed Comparative Advantage (RCA) and Market Demand Index to identify key products among the ones mentioned above which hold the highest export potential for West Bengal. By delving into the competitive strengths and market demand trends of various commodities, we seek to provide insights that can guide strategic decision-making and foster the expansion of West Bengal's export capabilities on the global stage.

Revealed Comparative Analysis

Revealed Comparative Advantage (RCA) based on the Balassa index, serves as a framework to evaluate how individual countries perform in international trade concerning specific commodities. This approach is grounded in the idea that a nation's trade patterns not only stem from differences in relative costs but are also influenced by non-price determinants, effectively unveiling their comparative advantage. RCA is shaped by a range of economic factors, encompassing structural transformations, heightened global demand, and the specialization of trade. When interpreting the RCA, a value exceeding one signifies that a

country or region holds a comparative advantage in that product.

$$RCA_j = \text{Average}\{(X_j/X_w)/(Y_j/Y_w), (X_j/X_w)/(Z_j/Z_w)\}$$

- where X_j is West Bengal's export of commodity j ,
- X_w is West Bengal's total exports,
- Y_j is India export of commodity j ,
- Y_w is India total exports.
- Z_j is World's export of commodity j ,
- Z_w is World's total exports.

The calculation of the RCA index is founded on the export activities of West Bengal, in the context of global trade dynamics. The final index is the average of RCA with respect to India and RCA with respect to the world, offering a nuanced perspective on commodities in which West Bengal has a presence in both India's exports and the global arena. Our focus, in identifying products with export potential, is tuned to commodities with an established record of exports, aligning with our short-term objective of securing a position among the top five exporting states in India in the next three years.

In West Bengal's export portfolio, we've identified 149 distinct commodities at the HS 6-digit level, excluding agricultural items and petroleum products. These commodities span across 46 sectors at the HS 2-digit level, serving as the foundation for our RCA assessment. Our RCA analysis unveiled that out of the entire spectrum of exported products, 32 commodities exhibited an RCA index surpassing one. Among these commodities, the sectors most prominently represented, and showcasing a comparative advantage in the global marketplace, are primarily centred around agriculture and food processing (29 commodities), metal products (26 commodities), and chemicals (20 commodities).

Rank	HS Code 2 digit	Sector	RCA
1	67	Feathers and down, prepared; and articles made of feather or of down; artificial flowers; articles of human hair	379
2	53	Vegetable textile fibres; paper yarn and woven fabrics of paper yarn	333
3	63	Textiles, made up articles; sets; worn clothing and worn textile articles; rags	251
4	5	Animal originated products; not elsewhere specified or included	237
5	13	Lac; gums, resins and other vegetable saps and extracts	49
6	9	Coffee, tea, mate, and spices	40
7	72	Iron and steel	39
8	23	Food industries, residues and wastes thereof; prepared animal fodder	32
9	3	Fish and crustaceans, molluscs, and other aquatic invertebrates	32
10	51	Wool, fine, or coarse animal hair; horsehair yarn and woven fabric	31

Market Demand Index

The success of a nation's export industry doesn't solely rely on its ability to efficiently manufacture goods at a low cost. While cost-effective production is undeniably crucial, export viability is a complex interplay of various factors, and one of the pivotal elements in this equation is the presence of a robust global demand for the products being exported.

In essence, the volume of goods a country exports are shaped by the convergence of two fundamental forces: Supply and Demand. Supply represents a nation's inherent capability to export a specific product. It encompasses a range of factors such as the availability of resources, the technical expertise and infrastructure to produce the goods, and the efficiency of the production process. The supply side of the equation reflects a country's inherent potential to engage in international trade, and it forms the foundation upon which its export endeavours are built. On the other hand, Demand signifies the quantity of a particular product that a country is willing to import from international sources. This aspect of the equation depends on various variables including the preferences and needs of consumers, market trends, economic conditions, and the overall desirability of the product. A strong global demand for a product indicates that there is a market ready to receive and pay for those goods.

The relationship between Supply and Demand is dynamic and multifaceted. It's not just about producing goods efficiently; it's also about recognizing and capitalizing on market opportunities. A successful export strategy involves aligning a country's supply capabilities with the existing or potential demand in global markets. Moreover, it often entails identifying niches where a country can excel and cater to specific international needs. Understanding and balancing the interplay between Supply and Demand is fundamental for any country seeking to thrive in the competitive arena of international trade. It necessitates a keen awareness of global market dynamics and the agility to adapt to changing conditions. In essence, it's the ability to offer what the world wants, when it wants it, and

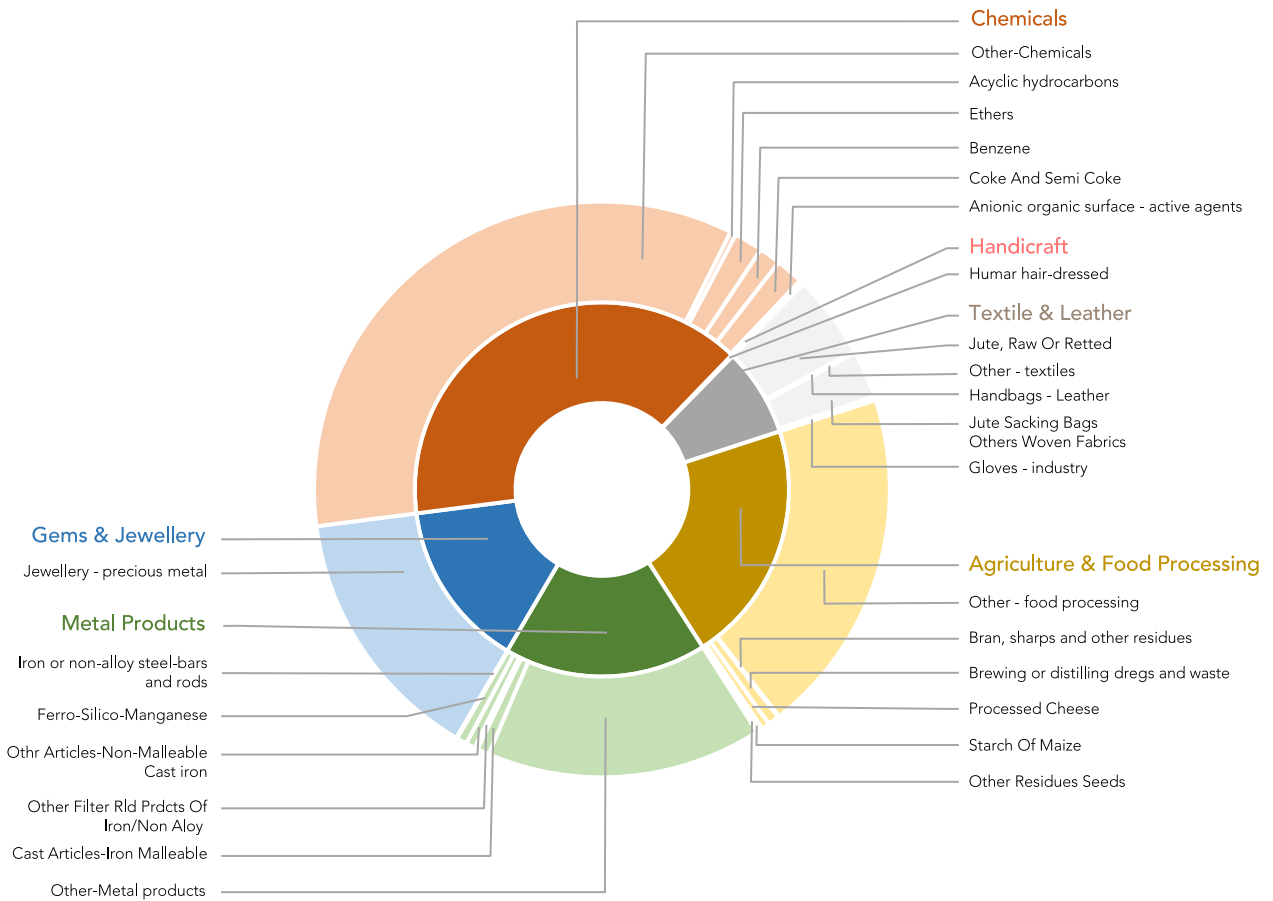
in a way that's economically viable for both the exporting country and its trading partners.

In our endeavour to identify and rank the key industry segments in West Bengal that have witnessed a significant surge in global demand, we've conducted an in-depth analysis of the worldwide appetite for various product categories. In essence, we've sought to understand the level of desirability and market demand that these commodities enjoy on a global scale.

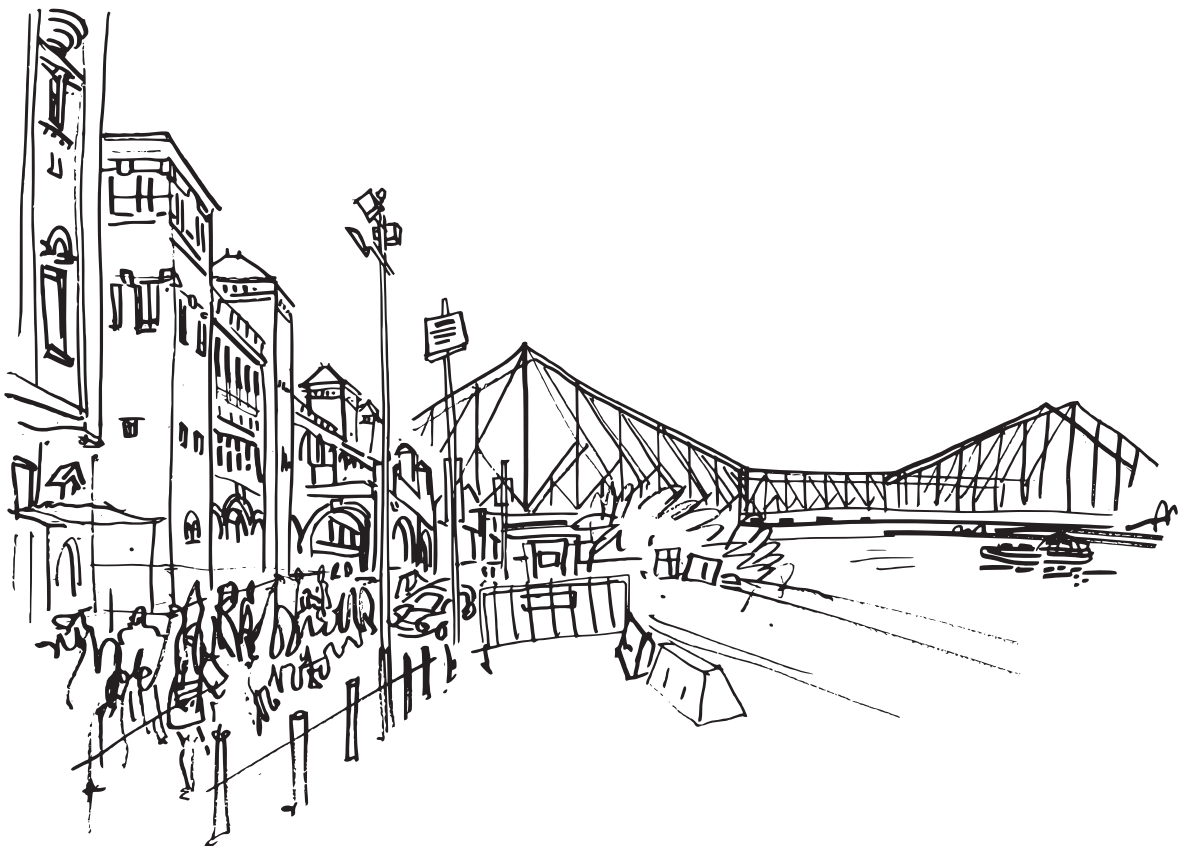
Our approach to this analysis involves the calculation of a comprehensive Market Demand Index, which is based on the Compound Annual Growth Rate (CAGR) spanning the fiscal years from 2021 to 2023. To carry out this assessment, we have computed the Market Demand Index for a total of 32 products at HS code 2-digit level for which we've identified that West Bengal possesses a revealed comparative advantage, signifying the state's capacity to excel in the production and export of these specific goods. This analysis allows us to rank major sectors, thus enabling a more accessible and holistic assessment of the industries that are experiencing a surge in global demand.

This diligent and data-driven analysis is instrumental in shedding light on the specific industry segments that are strategically positioned to harness the increasing global demand for their products. It not only provides valuable insights into West Bengal's export potential but also aids in the formulation of informed strategies and policies to support the state's economic growth and competitiveness on the international stage.

List of Top 5 commodities across 6 industry segments

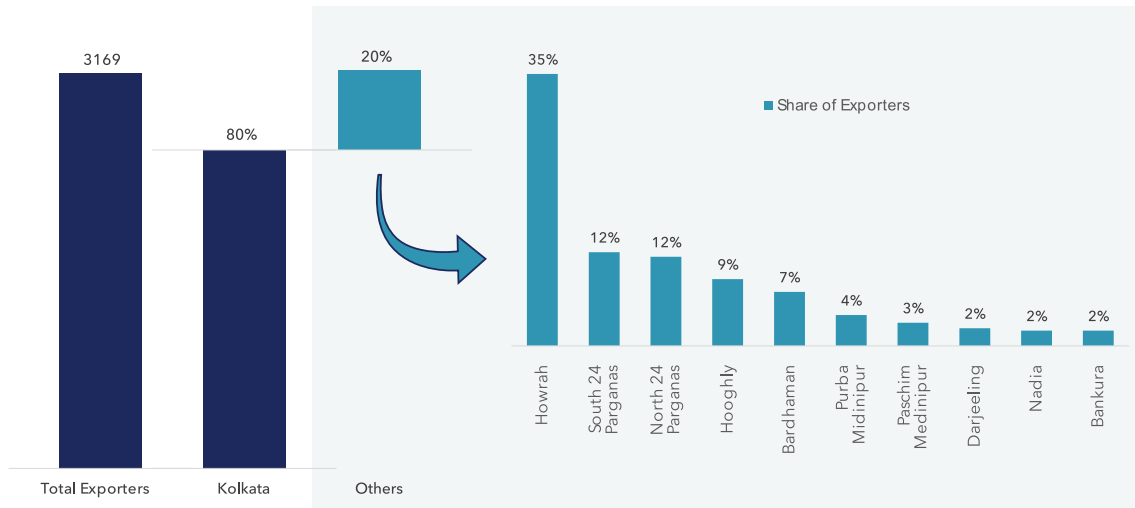


Source: Dun & Bradstreet



Key Exporters and Importers

According to Dun and Bradstreet's database, Kolkata accounts for 80% of the exporters in West Bengal. We offer a list of prominent exporters from Kolkata and other districts who can serve as mentors, providing valuable advice to Micro, Small, and Medium Enterprises (MSMEs) on strategies to enhance their export activities.



* Sectors included – Manufacturing, Mining, and Agriculture, Forestry, Fishing.

* Total 3169 Companies tagged as Exporters in West Bengal on the basis of Customs Shipping data and DUNS tagged as Exporter in D&B Data Cloud with turnover more than 50 cr



Kolkata	
Metal	
	Electrosteel Castings Limited
	Chloride Metals Limited
	Global Castings Private Limited
	Govind Steel Company Limited
	Crescent Foundry Company Private Limited

Textile	
	Ganges Jute Private Limited
	The Rajlakshmi Cotton Mills Private Limited
	Cheviot Company Limited
	Shaktigarh Textile & Industries Limited
	The Rajlakshmi Cotton Mills Private Limited

Paper and Paper products	
	Emami Paper Mills Limited
	Krishna Tissues Private Limited
	West Coast Paper Mills Limited
	Huhtamaki India Limited
	Ostern Private Limited



Howrah
Metal
Jindal (India) Limited
NSI (India) Limited
NIF ISPAT Limited
Kajaria Iron & Steel Company Private Limited
Mangal Steel Enterprises Limited

Textile
Ashoka Exports
Spv Commotrade Private Limited
Karnika Industries Limited
Bally Fabs International Limited
Recrust International

Chemical
Prabhu Poly Color Limited
Kkalpana Industries (India) Limited
H.B. Fuller India Adhesives Private Limited
Kausik Printing Ink
Weilburger Coatings (India) Private Limited

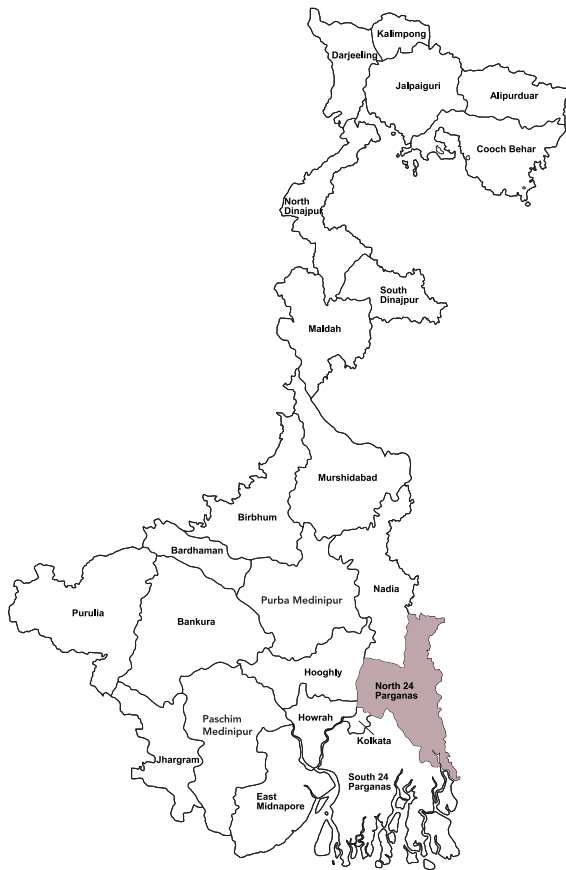
South 24 Parganas
Textile
Cheviot Company Limited
Pacific Jute Limited
Pasari Silk Industries Limited

Chemical
Wacker Metroark Chemicals Private Limited

Industrial Machinery and Equipment
Macneill Engineering Limited

Leather & Leather products
Kariwala Industries Limited
Superhouse Limited
Asg Leather Private Limited
Leather International Safety Products
Lbi Export Private Limited





North 24 Parganas	
Chemical	
Subham Oils & Resins Private Limited	
Asg Biochem Private Limited	
Pinkto Chemicals Private Limited	

Textile & Handbags	
Greeno Bags	
Acknit Industries Limited	
Nichiketa Garments Company	
Giriraj Nature Care Bags	
Medlife Fabrics & Co	

Leather & Leather products	
Ghosh Exports Private Limited	
Luminous International	
Workers Safety Uddyog	
Apex Safety Products	

Hooghly	
Metal	
Dinesh Brothers Private Limited	
Vikrant Forge Private Limited	
Bhushan Power And Steel Limited	
Arcvac Forge Cast Private Limited	
Century Industrial Products Private Limited	

Textile & Leather	
Sarat Industries Limited	
Grasim Industries Limited	
Jutex Industries Private Limited	





Bardhaman
Agriculture & Food Products
Samanta Enterprise
Baba Malleshwar Agro Products Private Limited
Joy Ma Tara Agro Oil
Nalinaksha Agro Products Private Limited
Chhajer Agro Products Private Limited
Bardhaman Agro Products (India) Private Limited

Metal
Jai Balaji Industries Limited
BST Infratech Limited
HMB Ispat Private Limited
Super Smelters Limited

Ferro-alloys
Sova Ispat Alloys Limited

Purba Medinipur
Metal
Primary Castings Private Limited
JNK India Limited
Tirupati Iron
Kharagpur Metal Reforming Industries Private Limited

Agriculture & Food Industry
Chhajer Agro Products Private Limited
S S Sea Food
Nahesh Marine Exports Limited
K. N. C. Agro Limited

Chemical
Swal Corporation
Tata Chemicals Limited
Kalimati Carbon Private Limited





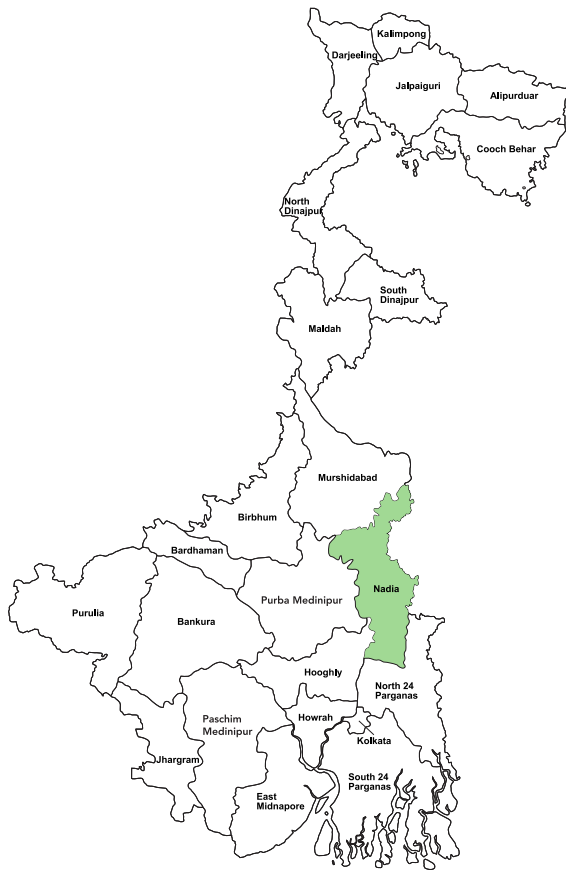
Paschim Medinipur
Metal
Allied Iron Products Private Limited
Durgapur Tubes Private Limited
Kharagpur Metal Reforming Industries Private Limited

Ferro - alloys
Karthik Alloys Limited
Allied Iron Products Private Limited
Sharp Ferro Alloys Limited
Shyam Ferro Alloys Limited
Nilkanth Ferro Limited

Darjeeling
Tea
Surajmukhi Tea Private Limited
M B Tea & Allied Products Private Limited
Roshni Tea Manufacturing Private Limited
Jay Shree Tea And Industries Limited
Nuxalbari Tea Company Private Limited

Agriculture & Food products
Purvata Foods Private Limited





Nadia	
Electrical Equipment	
Tdk India Private Limited	
East Coast Magnets Private Limited	
Royal International	
Vhel Industries Limited	

Agriculture & Food products	
Debnath International	
Sun Enterprises	

Ferro - alloys	
Surajit Enterprise	
Balaji Export Corporation	
Tulip Trading Co.	

Bankura	
Ferro - alloys	
Embee Ferro Alloy Private Limited	
Nilkanth Ferro Limited	

Chemical	
S I S Organo Chemicals	
Xpro India Limited	

Machinery & Equipment	
Kalimata Vyapaar Private Limited	
Diameter Casting Private Limited	

Clay products	
Misus Refractories And Allied Industries	

Agriculture	
Amargaram Farmers Producer Company Limited	



SECTOR-WISE LIST OF IMPORTERS:

We also provide a roster of key importers operating in West Bengal, these entities can be encouraged to explore sourcing required goods and products from local exporters/manufacturers. This initiative aims to stimulate domestic trade and bolster the state's economy. Opting to import from within West Bengal allows these importers to actively contribute to the growth of local businesses, promoting self-reliance, and mitigating dependency on imports from other countries.

Chemicals	
1	Wacker Chemie Ag
2	Phillips 66 Limited
3	Tata Chemicals Magadi Limited
4	Tronox Pigments Pty Limited
5	Abu Dhabi Polymers Co. Ltd (Borouge) - Sole Proprietorship L.I.c.
6	Momentive Performance Materials (Thailand) Limited
7	Kronos Canada, Inc.
8	The National Titanium Dioxide Company Limited
9	Grace Gmbh
10	Quaker Chemical Europe B.v.

Wood and Paper products	
1	Ricova International Inc
2	Kruger Inc
3	Vipa Lausanne S.a.
4	Wm Recycle America, L.I.c.
5	Services Ricova Inc
6	Ekman Recycling Limited
7	Anz Recycling
8	United Global Trading Fze

Metals	
1	Global Metcorp Limited
2	Electrosteel
3	Smartsrap Limited
4	Overdie Metals B.v.
5	Tempo Global Resources Llc
6	Sorin Corporation
7	Ferropem
8	Sackers Limited

Agriculture and Food products	
1	Agt Food And Ingredients Inc
2	Providence Grain Group Inc
3	Exim Promotion Inc
4	Dsm Nutritional Products Asia Pacific
5	Marina Commodities Inc

Notes: The given Company names might include HQ/Branch/Manufacturing unit.
Source: Dun & Bradstreet Data Cloud and USCBP Shipping Data.

Identified Export Opportunities

The analysis conducted by Dun and Bradstreet brings to light some fascinating trends in the realm of international trade. It's evident that several key sectors have experienced noteworthy growth in global demand, each with its unique characteristics and contributions.

The **gems and jewellery** sector, emerges as a shining star in this analysis. It stands out as the sector with the most significant growth in global demand. Within this sector, jewellery made of precious metals (excluding silver) and parts of these exquisite ornaments take centre stage. The allure of fine craftsmanship and the intrinsic value of precious metals have created a substantial and expanding international market for these items.

In close pursuit, the **textile and leather** sector showcase its importance in international trade. This sector boasts seven distinct commodities that have witnessed a surge in market demand. The diverse range of products in this sector attests to its resilience and adaptability in responding to global consumer preferences.

The **handicraft** sector, known for its intricate and artisanal creations, also makes a notable presence in the analysis. Wigs made of human hair or wool emerge as a dominant contributor to the growth of this sector. It reflects the appreciation of fine craftsmanship and the global market's inclination towards unique and skilfully crafted products.

The **metal products** sector also emerges as a robust player in this analysis, showcasing substantial growth and demand on the global stage. Among the diverse array of products within this sector, items crafted from iron and steel are particularly noteworthy, propelled by their durability and versatile applications. The enduring

appeal of these metal products, coupled with their intrinsic value, has fueled a significant and expanding international market for such commodities. In tandem with this, the sector's adaptability and resilience have positioned it as a key player in international trade.

The **chemical products** sector emerges as a pivotal force in West Bengal's export landscape as well. Within this dynamic sector, a diverse range of chemical products, including base chemicals, mineral fuels, organic chemicals, essential oils, and plastics, command attention on the global stage, propelled by their integral role in various industries, ranging from manufacturing to agriculture. The sector's ability to provide essential raw materials, specialty chemicals, and innovative solutions positions it as a key contributor to West Bengal's international trade.

The **agricultural products and food processing** sector, although experiencing some diversification, remains a vital component of West Bengal's export landscape. This sector plays a crucial role in generating foreign exchange revenue for the state. It's important to note that while there has been diversification in the products within this sector, the total value of commodities traded has seen a decline over the period under consideration. This presents an opportunity for further analysis and strategy development to ensure the sustained growth of this important sector.

In essence, this analysis underscores the dynamic nature of international trade and the evolving preferences of global consumers. It provides valuable insights that can guide strategic decisions for the state's economic growth and development. By understanding and responding to these trends, West Bengal can continue to capitalize on its strengths and explore new avenues for export success.

Industry Segment	HS Codes	World Export-FY23 (US\$ mn)	Share in world exports	CAGR FY21-23
Gems & Jewellery	71	89,552	0.4%	30.6%
Textile & Leather	42, 51, 53, 54, 55, 62, 63	47,083	0.2%	14.6%
Handicraft	67	771	0.0%	12.7%
Metal Products	72, 73, 83	108,015	0.4%	9.0%
Chemicals	26, 27, 29, 33, 34, 38	242,272	1.0%	-0.8%
Agri Products & Food Processing	3, 4, 5, 9, 11, 12, 13, 14, 15, 17, 19, 21, 23, 24	129,377	0.5%	-4.3%



- As per our analysis, West Bengal exhibits a pronounced concentration in "Jewellery of precious metal (excluding silver)" (HS 6 digit), signalling a distinct emphasis on this commodity.
- As per UNCOMTRADE, these commodities export across world was reported at US\$90 billion in FY23, representing 0.4% of world's total exports, indicating a room for potential expansion.
- The segment has reported growth at a CAGR of 30.6% over FY21-23.
- The share of this commodity has been in the range of 0.4%-0.5% over last 5 years, indicating a steady demand for this commodity in the global market.
- West Bengal's market share for this commodity is at 1.3%, reflecting the state's ability to compete effectively in a segment that represents a comparatively small share of the world export landscape.
- West Bengal exports gems & jewellery products of gold and precious stones to ~22 countries.

- Top 3 destination for the segment exports are UAE, Singapore, and USA, representing 93% of total segment exports.
- As part of the central government's "Districts as Export Hubs" initiative, Hooghly, Howrah and Nadia have been recognized as having the highest export potential.

Policy support

West Bengal boasts a rich heritage of crafting handmade gold jewellery, with a substantial presence of highly skilled artisans and goldsmiths. At Ankurhati, Domjur in the Howrah district, the West Bengal Industrial Development Corporation Limited (WBIDC) has constructed a Gems & Jewellery Park on a 5.76-acre property. The area boasts a sizable concentration of trained and semi-skilled artisans and is conveniently located from Kolkata. A 5,000 square foot plot of land has been given to the Gem and Jewellery Trade Federation for the construction of a skill-development centre within the park.

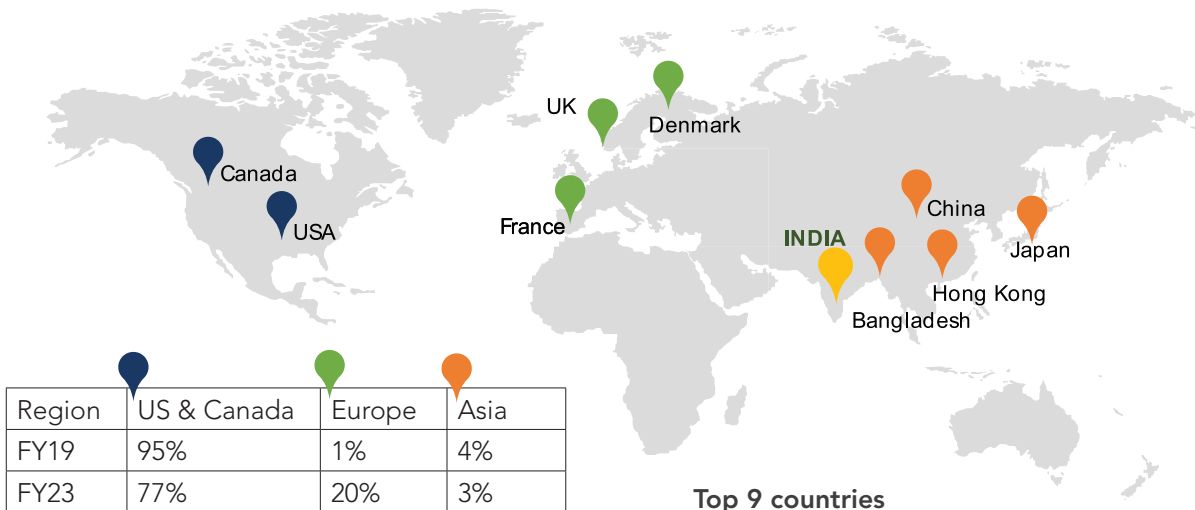
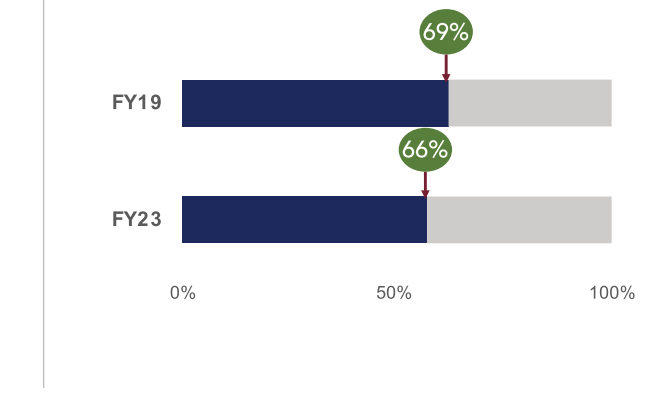
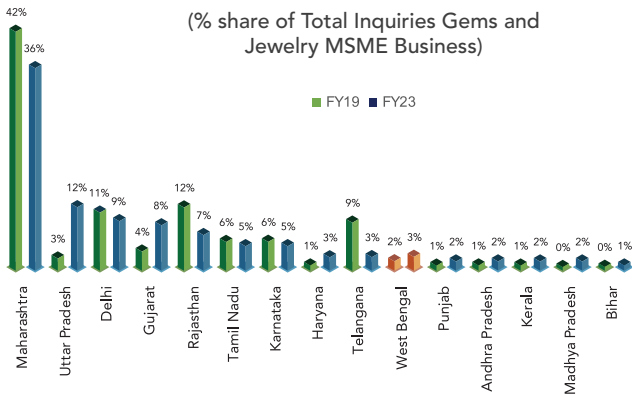
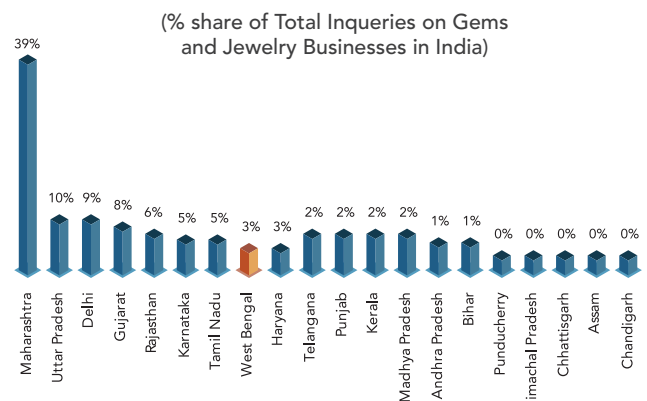
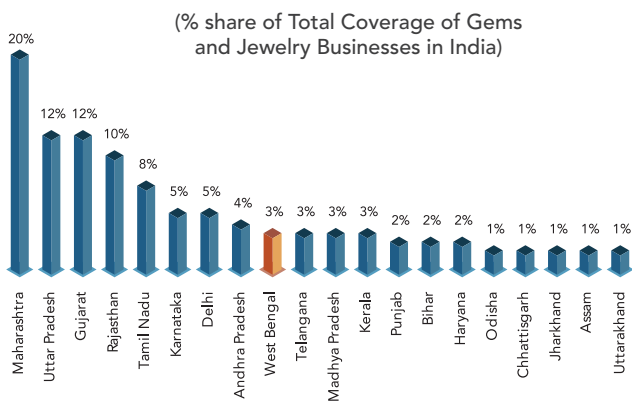
Rank	Commodity	HS 6	Market Demand (US\$ mn)	WB Exports – Avg FY22-23	WB - Market Share
1	Jewellery of precious metal (excluding silver)	711319	89,552	1,161	1.3%

D&B Data Insights

Key observations:

- West Bengal stands 9th in terms of coverage of Gems and Jewellery businesses in India with 14.5 thousand businesses as on 12th October 2023.
- West Bengal stands 8th where customers have shown interest on Gems and Jewellery businesses in India.
- West Bengal stands 10th where customers have shown interest on Gems and Jewellery MSME businesses in India.

- MSMEs account for close to 66% of the overall checks done by global customers on Gems and Jewellery companies in West Bengal. The count of inquiries related to MSMEs has increased five times since the fiscal year 2019.
- The count of inquiries on jewellery made of precious metals has increased nine times since the fiscal year 2019.
- Whilst 'USA' continues to be top inquirer on Gems and Jewellery MSMEs in West Bengal, we have observed increased interest by European countries. The most inquiring top 3 countries namely USA, UK, and Denmark account to 96% of total inquiries.



Top 9 countries



- As per our analysis, West Bengal exports 16 commodities (HS 6 digit) from our coverage commodities.
- As per UNCOMTRADE, these commodities export across world was reported at US\$47 billion in FY23, representing 0.2% of world's total exports.
- The segment has reported growth at a CAGR of 14.6% over FY21-23.
- The share of these commodities has been remained constant at 0.2% over last 5 years, representing stable demand in the international market.
- West Bengal's market share in "Jute sacking bags" category is very prominent, representing 25.48% of world export landscape, followed by 0.8% share in manufacturing of leather handbags for ladies.
- Given the growth in market demand across world, we see potential for expansion in other categories which are exported as well, where the market share is lower.
- West Bengal exports its textile items to ~100 countries.
- Top 3 destinations for textile and leather goods export for West Bengal are USA,

Germany, and UK, representing 38% of total segment exports.

- As part of the central government's "Districts as Export Hubs" initiative, North and South 24 Parganas, Hooghly, Kolkata and Murshidabad have been recognized as having the highest export potential.

Policy support

West Bengal is a prominent producer of jute textiles and hosts sectors such as hosiery, readymade garments, handlooms, and power looms. To further promote entrepreneurship in this domain and offer essential infrastructure, the West Bengal Industrial Development Corporation (WBIDC) has established the Paridhan-Garment Park. West Bengal also boasts a significant presence of leather industries. The Calcutta Leather Complex has been developed with an emphasis on pollution control, and both tanning and manufacturing units within the leather sector have been encouraged to relocate to this complex.

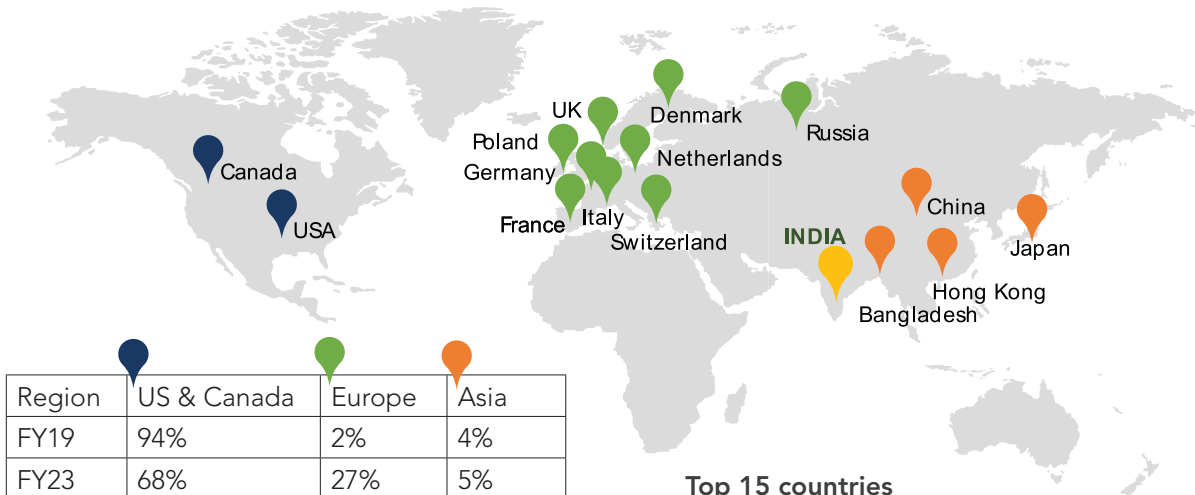
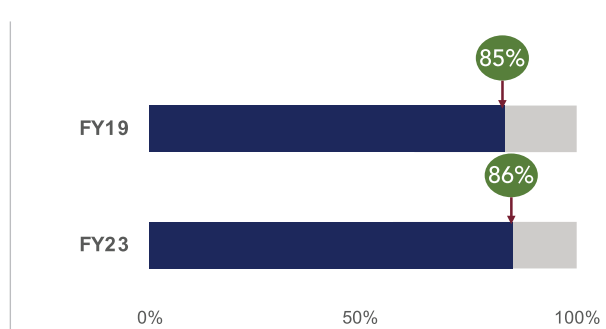
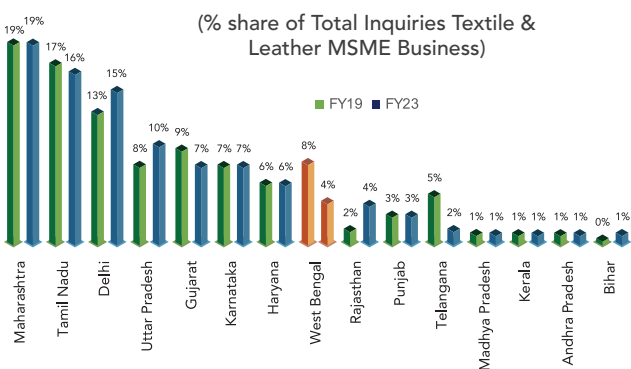
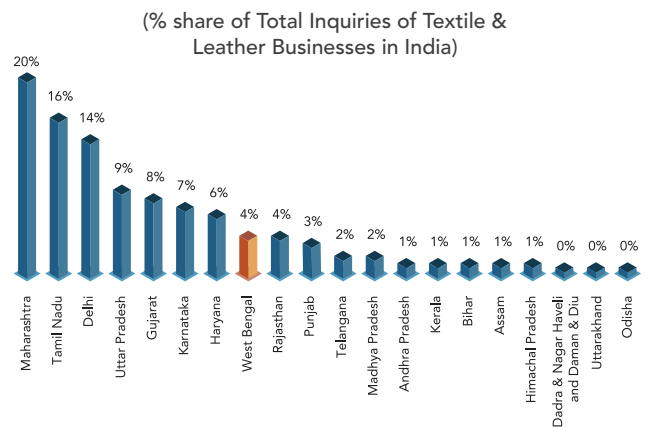
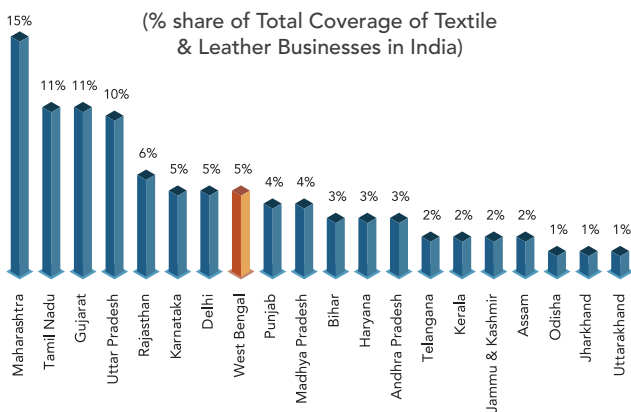
Rank	Commodity	HS 6	Market Demand (US\$ mn)	WB Exports - Avg FY22-23	WB - Market share
1	Jute Sacking Bags	630510	210	54	25.5%
2	Fabrics, woven; of combed wool or combed fine animal hair	511219	462	0	0.0%
3	Handbags Of Leather For Ladies	420221	16,311	131	0.8%
4	Jute, Raw Or Retted	530310	43	17	38.9%
5	Gloves For Use In Industry	420329	1,244	190	15.2%

D&B Data Insights

Key observations:

- West Bengal stands 8th in terms of coverage of Textile & Leather businesses in India with 123 thousand businesses as of 12th October 2023.
- West Bengal stands 8th where customers have shown interest on Textile & Leather businesses in India.
- West Bengal stands 8th where customers have shown interest on Textile & Leather MSME businesses in India.

- MSMEs account for close to 86% of the overall checks done by global customers on Textile & Leather companies in West Bengal. The count of inquiries related to MSMEs has doubled since the fiscal year 2019.
- The count of inquiries on Handbags and purses made of leather for ladies has increased fifteen times since the fiscal year 2019.
- Whilst 'USA' continues to be top inquirer on Textile & Leather MSMEs in West Bengal, we have observed increased interest by European and Asian countries. The most inquiring top 3 countries namely USA, UK, and Denmark account to 93% of total inquiries.



Top 15 countries



- As per our analysis, West Bengal has significance presence in the export of “Human hair dressed or otherwise” (HS 6 digit) from among our coverage commodities.
- As per UNCOMTRADE, these commodities export across world was reported at just US\$770 million in FY23, signifying the niche nature of this specific segment.
- The segment has reported growth at a CAGR of 12.7% over FY21-23.
- The share of this commodity has been in the same range over last 5 years, representing a stable demand for commodity in world market.
- West Bengal’s has carved a substantial market share for this commodity, boasting an impressive 43.18%, reflecting the state’s ability to compete effectively in a segment that represents a relatively diminutive share of the world export landscape.
- In addition, there are several items, such as Dokra and Terracotta artworks, as well as Purulia Chau masks which have gained international reputation.

- West Bengal exports handicrafts to ~21 countries.
- Top 3 destinations for handicraft exports from West Bengal are China, Vietnam and Paraguay representing 97% of total segment exports.
- As part of the central government's "Districts as Export Hubs" initiative, Bankura, Hooghly and Purulia have been recognized as having the highest export potential.

Policy support

The state government has launched sales outlets under the brand name "BENCRAFT" to provide marketing assistance to artisans involved in handicrafts, handloom weaving, silk, and khadi production. In addition, multiple "Urban Haat" have been established in locations such as Durgapur, Santiniketan, Kolkata, and Siliguri to promote and market the handicrafts created by the state's skilled artisans.

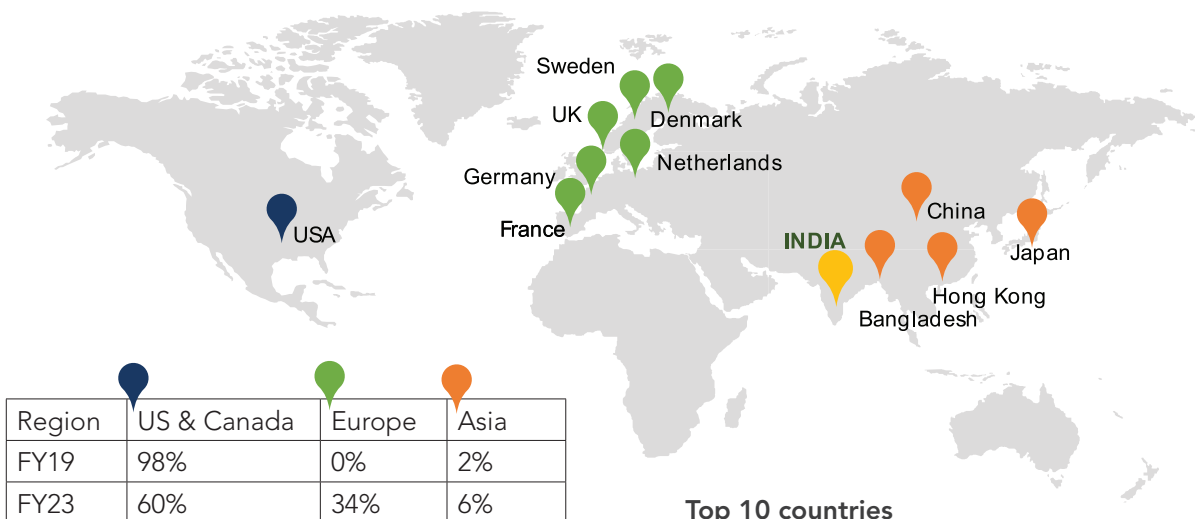
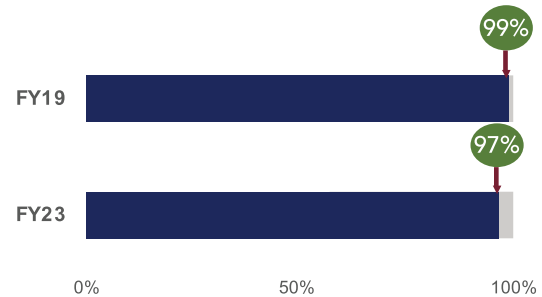
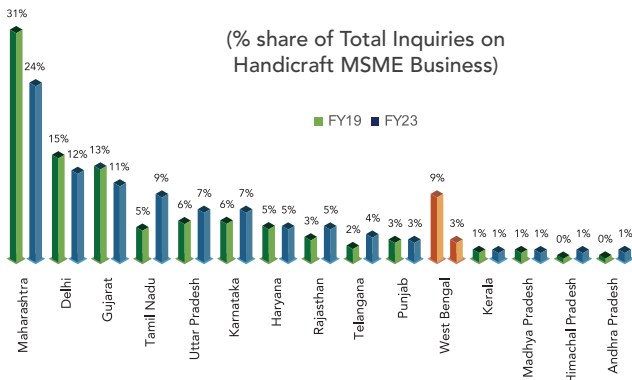
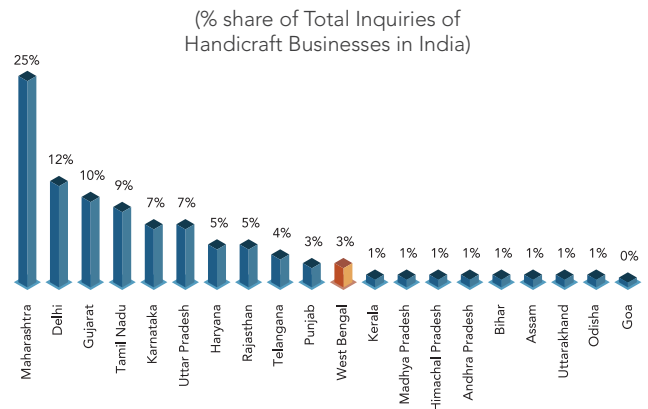
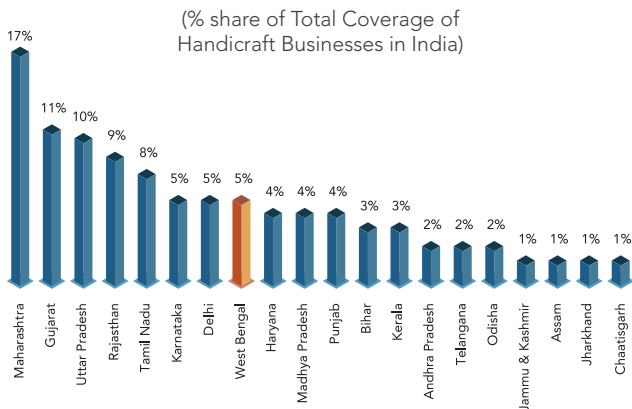
Rank	Commodity	HS 6	Market Demand (US\$ mn)	WB Exports - Avg FY22-23	WB - Market share
1	Human Hair Dressed or Otherwise Worked	670300	771	333	43.2%

D&B Data Insights

Key observations:

- West Bengal stands 8th in terms of coverage of Handicraft businesses in India with 22 thousand businesses as of 12th October 2023.
- West Bengal stands 11th where customers have shown interest on Handicraft businesses in India.
- West Bengal stands 8th where customers have shown interest on Handicraft MSME businesses in India.

- MSMEs account for close to 97% of the overall checks done by global customers on Handicraft companies in West Bengal.
- Whilst 'USA' continues to be top inquirer on Handicraft MSMEs in West Bengal, we have observed increased interest by European and Asian countries. The most inquiring top 3 countries namely USA, UK, and Denmark account to 92% of total inquiries.





METAL PRODUCTS

- As per our analysis, West Bengal exports 26 commodities (HS 6 digit) from our coverage commodities.
- As per UNCOMTRADE, these commodities export across world was reported at US\$108 billion in FY23, representing 0.4% of world's total exports.
- The segment has reported growth at a CAGR of 9.0% over FY21-23.
- The share of these commodities has been in the range of 0.4%-0.5% over last 5 years.
- We have identified the top 5 commodities in the table below, which reported the highest growth rate over FY21-23.
- Top 3 exports destinations for West Bengal's metal products are Nepal, USA, and UAE, representing 46% of total segment exports.
- As part of the central government's "Districts as Export Hubs" initiative, 24 Parganas North, Howrah, Kolkata and Purulia have been recognized as having the highest export potential.

Policy support

West Bengal is host to prominent public and private enterprises due to its proximity to rich iron ore reserves in neighbouring states and coal deposits within West Bengal. Facilities like the Plasto Steel Park in Barjora, Bankura offers scope of further expansion and investment in this sector in West Bengal. Given the substantial land requirements of this industry, the government has devised the Land Bank Policy to facilitate the allocation of land for industrial purposes.

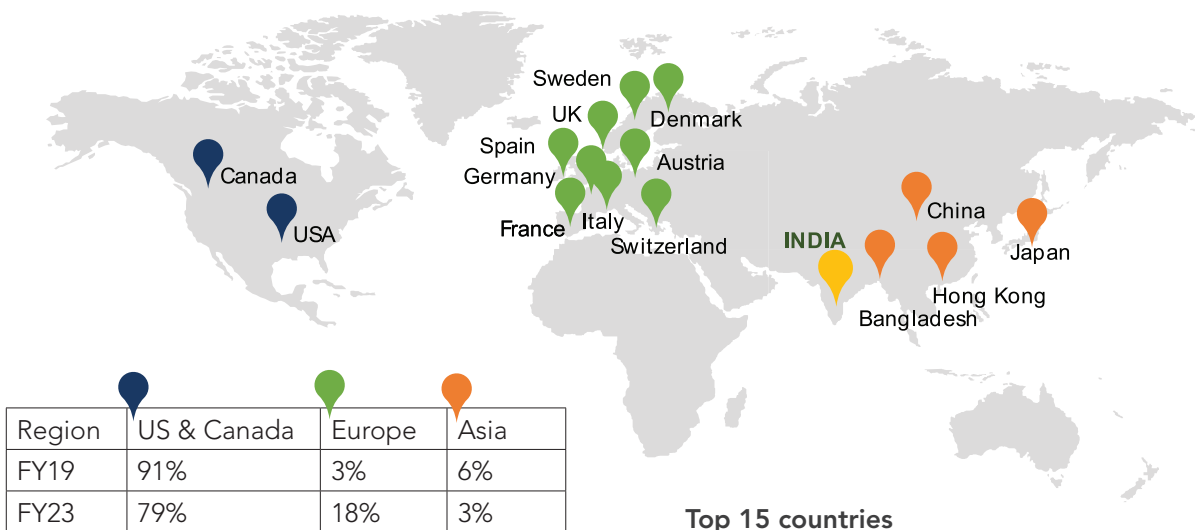
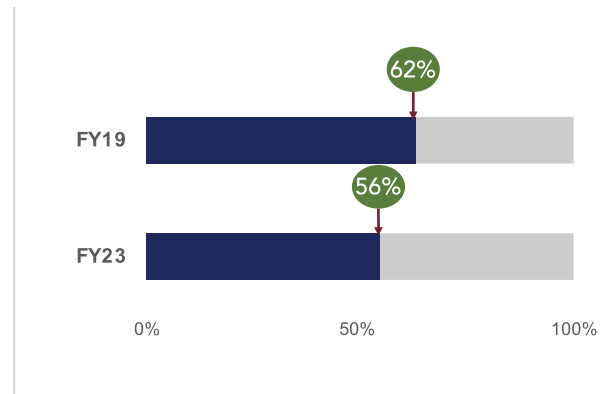
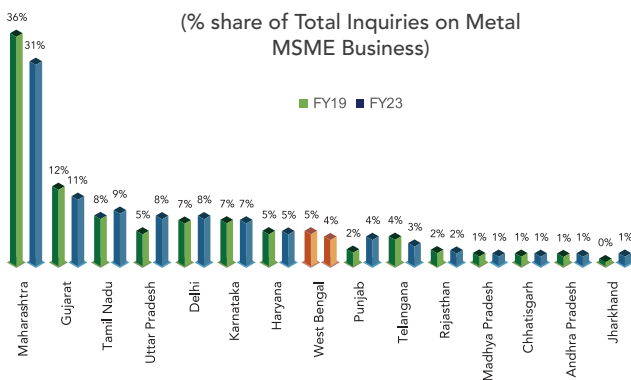
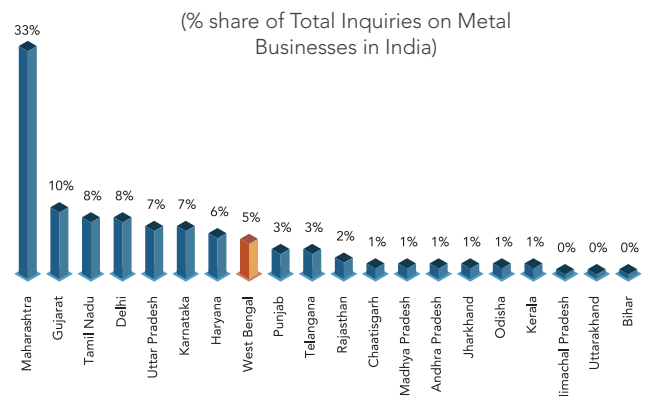
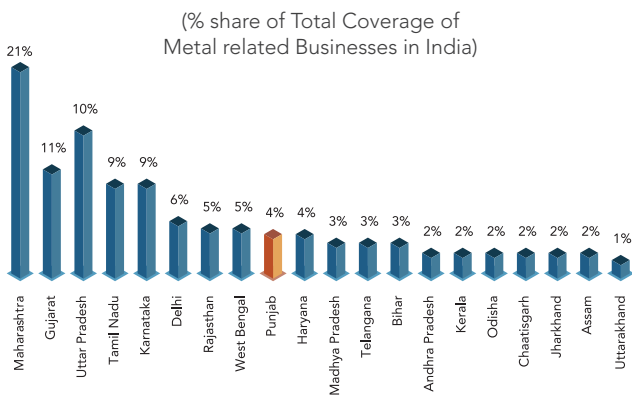
Rank	Commodity	HS 6	Market Demand (US\$ mn)	WB Exports - Avg FY22-23	WB - Market share
1	Other Cast Articles of Iron Malleable	732599	4,156	215	5.2%
2	Iron or non-alloy steel; flat-rolled, width 600mm or more	721090	1,140	11	1.0%
3	Iron; articles of non-malleable cast iron	732510	3,187	93	2.9%
4	Ferro-Silico-Manganese	720230	3,587	344	9.6%
5	Other Forged Bars and Rods	721410	334	1	0.3%

D&B Data Insights

Key observations:

- West Bengal stands 8th in terms of coverage of Metal businesses in India with 41.6 thousand businesses as of 12th October 2023.
- West Bengal stands 8th where customers have shown interest on Metal businesses in India.
- West Bengal stands 8th where customers have shown interest on Metal MSME businesses in India.

- MSMEs account for close to 56% of the overall checks done by global customers on Metal companies in West Bengal. The count of inquiries related to MSMEs has tripled since the fiscal year 2019.
- Whilst 'USA' continues to be top inquirer on Metal MSMEs, we have observed increased interest by European countries. The most inquiring top 3 countries namely USA, UK, and Denmark account to 93% of total inquiries.





- As per our analysis, West Bengal exports 20 commodities (HS 6 digit) from our coverage commodities.
- As per UNCOMTRADE, these commodities export across world was reported at US\$242 billion in FY23, representing ~1% of world total exports.
- The segment has reported growth at a CAGR of 8.8% over FY21-23.
- The share of this segment has remained consistent at ~1% over last 5 years.
- We have identified top 5 commodities, which reported the highest growth rate over FY21-23.
- Top 3 exports destinations for West Bengal's chemicals commodities are Nepal, Singapore, and Bhutan, representing 44% of total segment exports.

- As part of the central government's "Districts as Export Hubs" initiative, Hooghly and Medinipur East have been recognized as having the highest export potential.

Policy support

The state plays a significant role in the production of petroleum products and polymer manufacturing. In 2013, a new industrial policy was introduced with the aim of harnessing the state's core capabilities and abundant mineral resources to promote midsize and large-scale industries in the petrochemical sector and its related hydrocarbon industries.

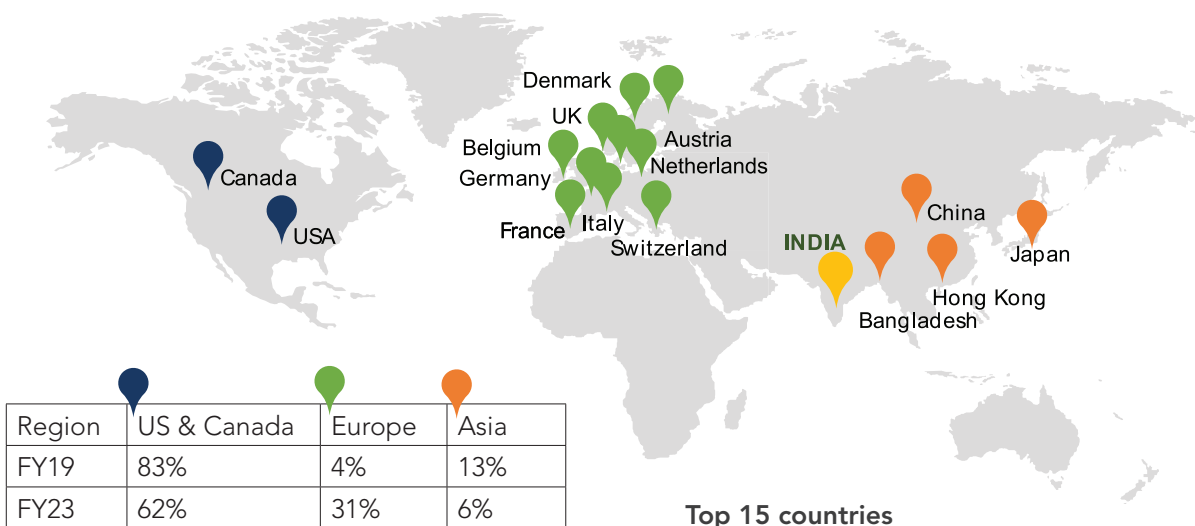
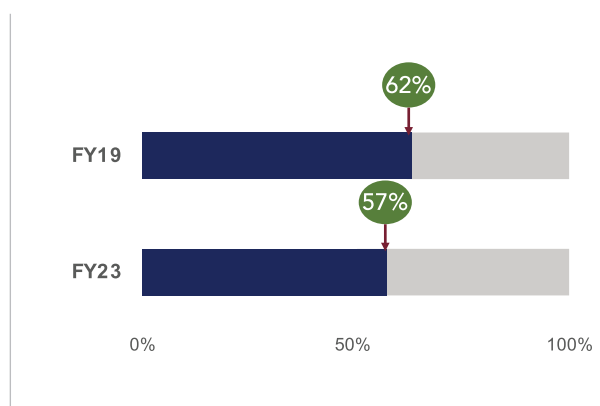
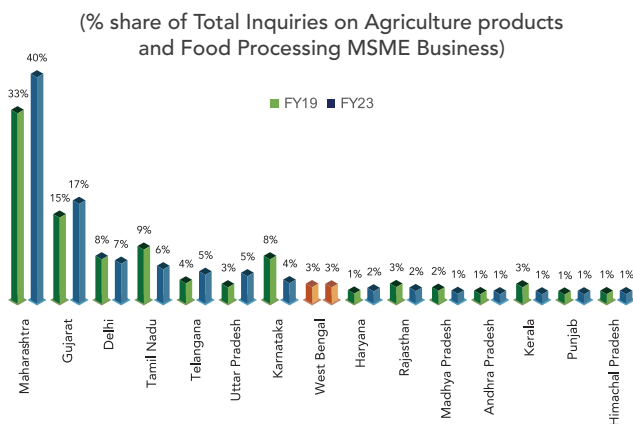
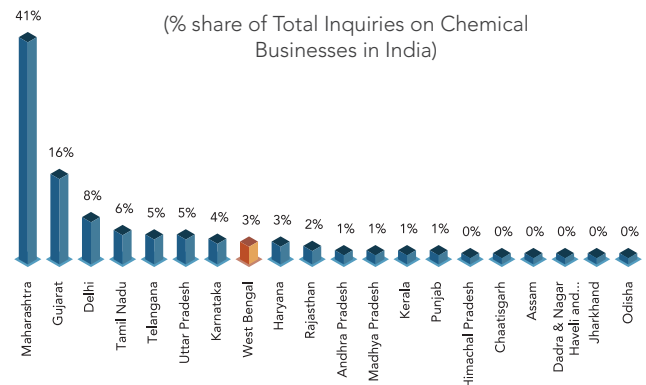
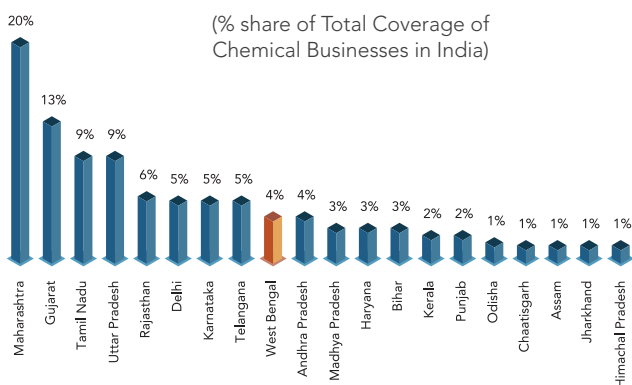
Rank	Commodity	HS 6	Market Demand (US\$ mn)	WB Exports - Avg FY22-23	WB - Market share
1	Acyclic hydrocarbons; unsaturated, buta-1,3-diene and isoprene	290124	1,984	53	2.7%
2	Coke And Semi-Coke of Lignite or Of Peat	270400	9,930	132	1.3%
3	Benzene	290220	7,523	120	1.6%
4	Methyl Tertiary Butyl Ether	290919	9,589	22	0.2%
5	Linear Alkylbenzenesulphonic Acids and Their Salts (Anionic Organic Surface-Active Agents)	340231	861	23	2.6%

D&B Data Insights

Key observations:

- West Bengal stands 9th in terms of coverage of Chemical businesses in India with 16 thousand businesses as of 12th October 2023.
- West Bengal stands 8th where customers have shown interest on Chemical businesses in India.
- West Bengal stands 8th where customers have shown interest on Chemical MSME businesses in India.

- MSMEs account for close to 57% of the overall checks done by global customers on Chemical companies in West Bengal. The count of inquiries related to MSMEs has increased three times since the fiscal year 2019.
- Whilst 'USA' continues to be top inquirer on Chemical MSMEs in West Bengal, we have observed increased interest by European countries. The most inquiring top 3 countries namely USA, UK, and Italy account to 86% of total inquiries.





AGRI PRODUCTS & FOOD PROCESSING

- As per our analysis, West Bengal exports 29 commodities (HS 6 digit) from our coverage commodities.
- As per UNCOMTRADE, these commodities export across world was reported at US\$129 billion in FY23, representing 0.6% of world's total exports.
- The share of these commodities has been in the range of 0.5%-0.8% over last 5 years.
- We have identified top 5 commodities, which reported the highest growth rate over FY21-23.
- Top 3 exports destinations for West Bengal's agriculture and food processing commodities are Bangladesh, Vietnam, and Myanmar, representing 39% of total segment exports.
- As part of the central government's "Districts as Export Hubs" initiative, North and South 24 Parganas, Darjeeling, Hooghly, Jalpaiguri, Kalimpong, Medinipur East and Murshidabad have been recognized as having the highest export potential.

Policy support

The state government has established multiple food parks in collaboration with the State Food Processing Industries and Horticulture Department and the WBIDC and encouraging MSME clusters in the food sector. There exists significant potential for enhancing supply chains within Kisan Mandis, improving the transportation of procured food grains, and expanding food grain storage capacities.

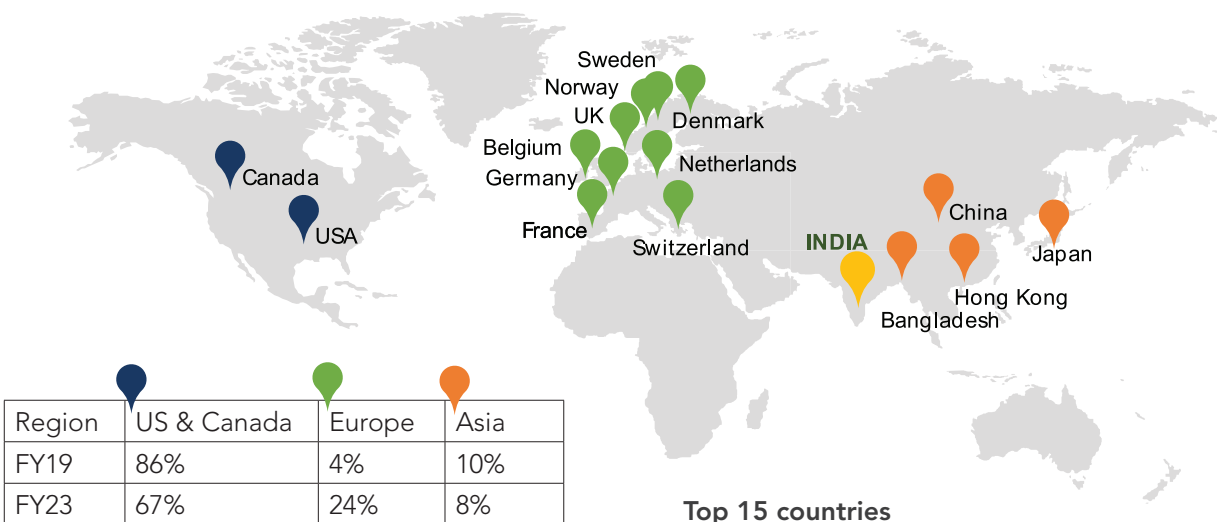
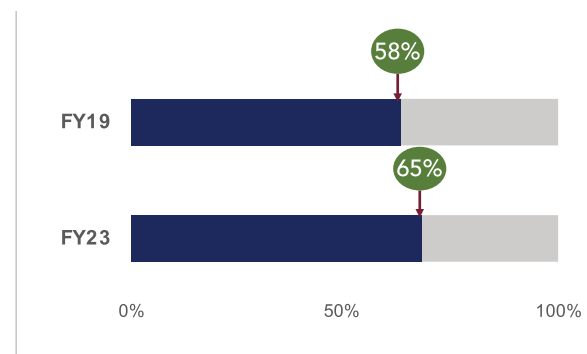
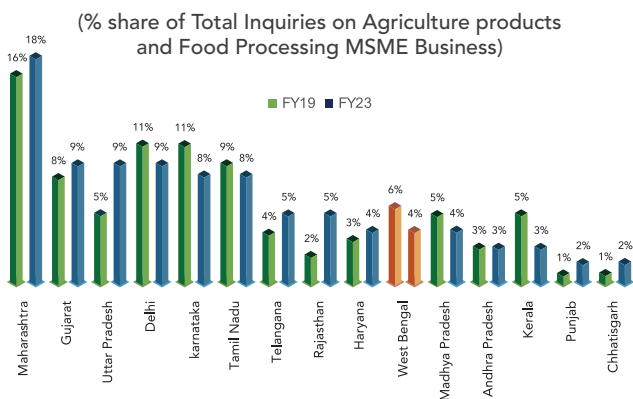
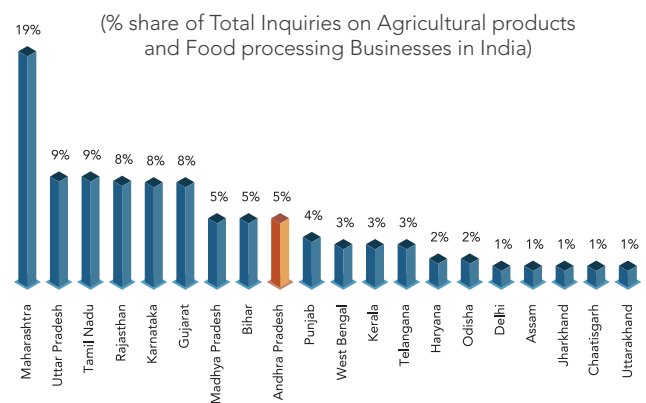
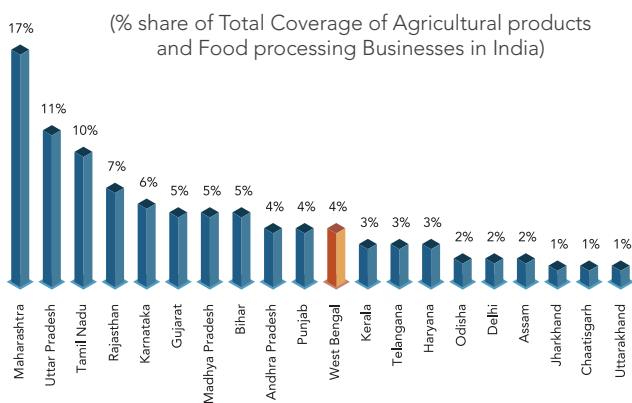
Rank	Commodity	HS 6	Market Demand (US\$ mn)	WB Exports - Avg FY22-23	WB - Market share
1	Bran Shrps And Othr Resdus of Legminus Plnts	230250	393	0	0.1%
2	Brewing Or Distilling Dregs and Waste	230330	3,975	4	0.1%
3	Processed Cheese Not Grated/ Powdered	40630	2,767	5	0.2%
4	Starch Of Maize (Corn)	110812	1,484	3	0.2%
5	Other Residues of Rape or Colza Seeds	230649	621	2	0.4%

D&B Data Insights

Key observations:

- West Bengal stands 11th in terms of coverage of Agri Products & Food Processing businesses in India with 82 thousand businesses as of 12th October 2023.
- West Bengal stands 9th where customers have shown interest on Agri Products & Food Processing businesses in India.
- West Bengal stands 10th where customers have shown interest on Agri Products & Food Processing MSME businesses in India.

- MSMEs account for close to 65% of the overall checks done by global customers on Food processing companies in West Bengal. The count of inquiries related to MSMEs has doubled since the fiscal year 2019.
- Whilst 'USA' continues to be top inquirer on Food processing MSMEs in West Bengal, we have observed increased interest by European countries. The most inquiring top 3 countries namely USA, UK, and Bangladesh account to 90% of total inquiries.



Leveraging Opportunities

To comprehend the challenges faced on the ground, we engaged in discussions with several exporters and importers in the state of West Bengal. The ensuing section provides a synopsis of the primary issues they encounter, offering glimpses into some of the potential recommendations they have suggested to mitigate these challenges. These conversations serve as the foundation for our recommendations, outlined in the S.M.A.R.T. goals section. Through the adoption of these recommendations, West Bengal has the potential to enhance its standing as a significant player in the global export market.

Exporter/Importer Perspectives

- The importance of port and logistics infrastructure in determining West Bengal's competitiveness is underscored by these interactions. Improving port logistics infrastructure is crucial for reducing shipping costs and enhancing overall efficiency. Notably, businesses find it more cost-effective to ship exports from Kolkata to Mumbai before reaching the destination, revealing exorbitantly higher shipping charges from Kolkata port, primarily due to lower import volumes.
- Despite the locational advantage of Kolkata port, draft problems arising from perennial siltation in the Ganges result in ships having to reduce their load or dock at other Indian ports. Similar draft issues are observed at the Haldia port. Challenges at Haldia include high clearing prices, limited accessibility for capesize vessels, and difficulties in availing trucks due to fixed quotas. The absence of an effective grievance redressal system at Haldia port adds to these challenges, portraying a scenario of limited accountability.
- Investing in a deep-sea port is deemed essential to overcome limitations posed by riverine ports like Kolkata and Haldia.

Table: Port Dwell Time (in hours)

Ports	Export Cycle		Import Cycle	
	December 2023	OADT	December 2023	OADT
Western Region	85.1	89.9	23	25.8
JNPA	70.4	72	18.4	22.2
Mundra	101.9	109.7	31.3	29.3
Pipavav	84.8	94.2	87.8	71
Kandla	78.1	132.9	45.3	47.8
Hazira	110.9	109.2	21.7	24.5
Southern Region	83.3	91.2	66.2	52.6
Chennai	90.5	96.6	67.9	57.2
Kochi	82.9	101.6	33.7	41.3
Kattupalli	99	103.7	90.1	76.1
Tuticorin	58.2	66.1	19.8	21.9
Krishnapatnam	74.7	76.2	31.5	32.1
Ennore	89	104.6	85.4	69.1
New Mangalore	81.3	110.4	73.4	69.9
Eastern Region	93.8	107	48.5	45.4
Vizag	92.4	102.8	50.6	55.2
Kolkata	87.2	105.7	43.5	35.8
Haldia	141.2	125.3	83.6	86.4

Note: OADT is the Overall Average Dwell Time, overall average since inception
Source: NICDC Logistics Data Services Ltd.

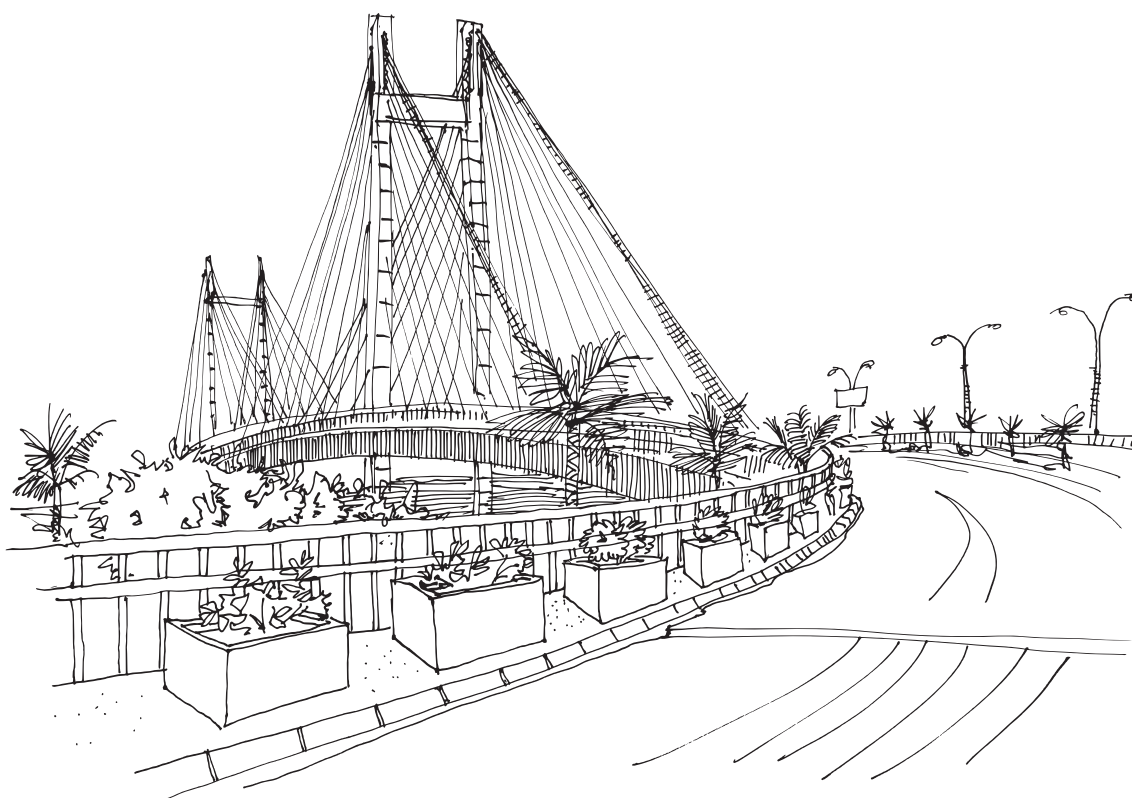
Upgrading these ports to global standards and fostering partnerships with initiatives like Sagarmala can amplify West Bengal's role in international trade. The ongoing development of Sagar deep-sea Port, Tajpur Port, and Kulpi port projects is crucial for enhancing the state's export potential.

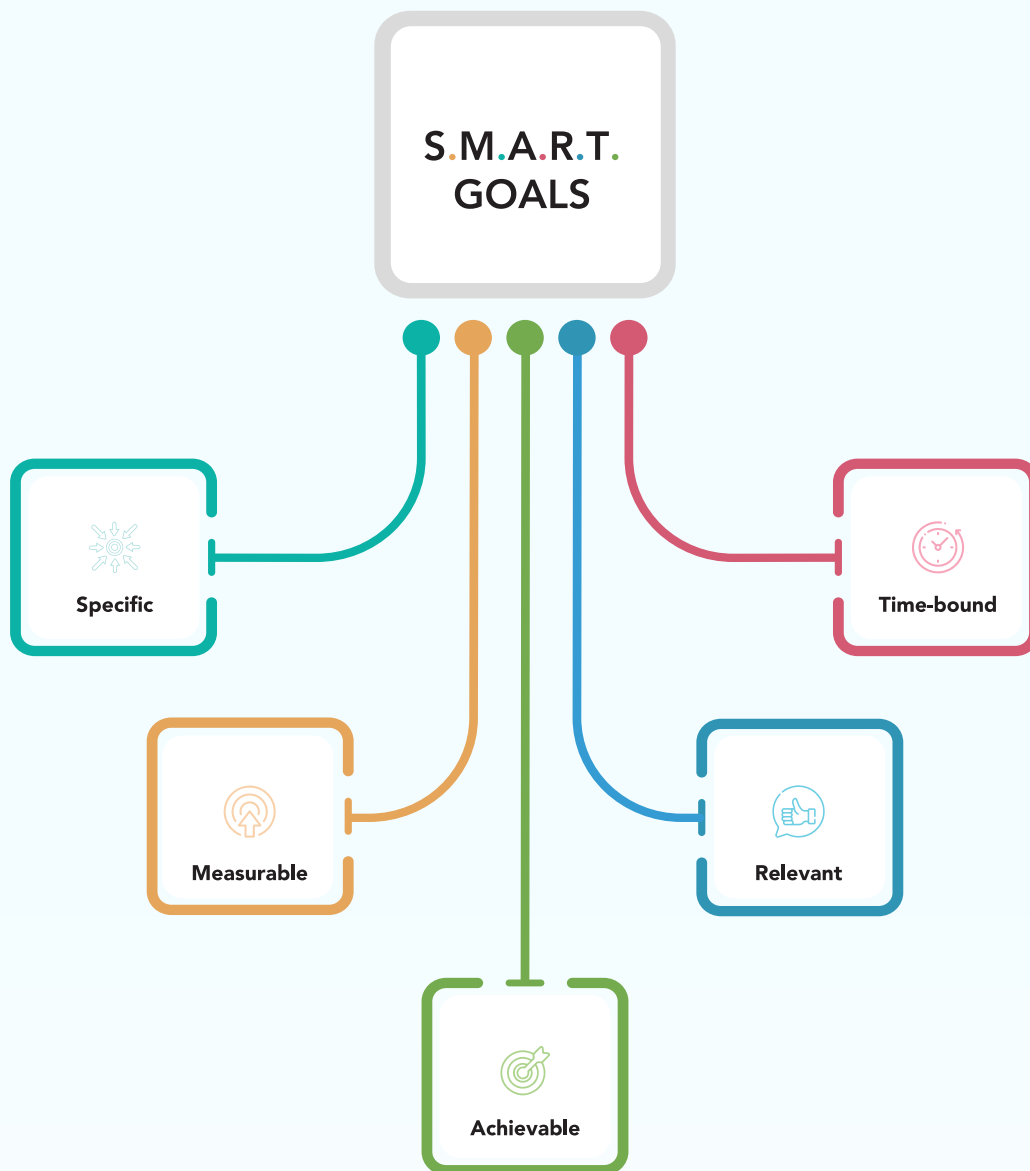
- The coastal shipping agreement with Myanmar presents promising opportunities for maritime connectivity, linking Sittwe Port and Kolkata port directly. Additionally, prioritizing inland waterway connectivity through projects like the Jal Marg Vikas Project can significantly reduce transportation costs and create employment opportunities, positioning West Bengal as a key player in regional trade.
- Aligning these port development initiatives with the UN Sustainable Development Goals (SDGs) is emphasized for bolstering economic growth while fostering an environmentally sustainable business environment. Equitable public financing, green subsidies allocation, and business nurturing are proposed to contribute to West Bengal's overall progress in achieving developmental objectives.
- Infrastructure in as well as around port facilities also emerge as a common thread. The absence of dedicated warehousing facilities, particularly in the agricultural and allied sectors, poses a logistical hurdle. Extended time for goods to reach Container Freight Stations after berthing from ships exacerbates this challenge. Moreover, lower import demand at the Kolkata port results in vessels returning empty, causing elevated freight rates. Significant congestions near the Babu Bazar area for the Kolkata port and at Talpukur and the City Centre area on the Kolkata highway for the Haldia port lead to increased transit time between ports and nearby Container Freight Stations for both import and export cycles.
- Addressing these challenges involves improving warehousing facilities and enhancing connectivity to industrial zones. Proposals to establish a dedicated logistics hub in Kolkata aim to leverage the city's strategic position for enhanced export

potential. Businesses also highlight the poor rail connectivity at Kolkata port compared to ports on the western and southern coasts, urging for improvements.

- Cross-border challenges, particularly with Bangladesh, are emphasized, and recommendations include institutionalizing advance documentation filling mechanisms and advocating for government-to-government initiatives to streamline cross-border goods movement. To address concerns about long Land border crossing times, the SUIDHA facility has been initiated, but further encouragement is needed.
- A holistic approach is recommended for industrial parks, addressing transportation, accommodation, and institutional facilities in surrounding areas. Creating a self-sustaining ecosystem around industrial parks is urged to foster talent and overcome challenges.
- Skilled manpower shortage is identified, and suggestions involve improving synergy between industry and academia. Courses on export-related subjects and providing additional training to existing skilled labor for increased forex earnings are proposed.
- Recognizing collaboration as imperative, participants in the survey suggest the creation of a committee comprising government officials and private sector representatives. Regular roundtable discussions are recommended to facilitate ongoing dialogue and timely problem resolution.
- Acknowledging the precarious financial position of MSMEs, respondents suggest exploring options for consolidated forex demand/supply to secure better exchange rates. Ensuring equitable credit terms is identified as a key pillar for fostering a conducive financial ecosystem for MSMEs.
- Difficulties in accessing up-to-date information about schemes and challenges while approaching banks for credit are noted, prompting recommendations for improving online information dissemination and simplifying navigation on government websites.

- There exists an awareness gap among MSMEs regarding Foreign Trade Agreements (FTAs) which can be addressed through recommendations for periodic circulation of comprehensive circulars detailing existing and new FTAs.
- Fast-tracking the development of industrial and economic corridors, coupled with promoting the tourism industry, is suggested to bolster the state's export potential. MSMEs propose more government-organized trade fairs and expos for increased awareness.
- Young entrepreneurs express a lack of scheme-related information, and feedback includes improving internet services for online processes. Challenges in getting approvals and licenses on time, particularly for the factory, are highlighted, along with the need for faster grievance redressal and better internet services for online processes.
- Certain exporters, particularly those in the tea and gems and jewellery sectors, have conveyed that government attention tends to be predominantly directed towards small growers (with an area below 5 hectares) or artisans. They observe that policymaking often favours these smaller players. However, a critical perspective shared is that larger players constitute the foundation of the supply chain. There is a concern that if these significant players were to exit West Bengal, the entire supply chain might face challenges in sustainability.
- Regarding the exploration and outreach to potential export markets, a common approach among most exporters is to collaborate through associations rather than engaging directly with the government. This preference stems from exporters' lack of awareness regarding effective government outreach programs or the perception that such programs are not sufficiently effective. A specific instance of feedback highlighted the arrival of Zara in West Bengal. The suggestion was for the government to create an opportunity for small manufacturers or exporters to participate in a public dialogue between Zara and major export houses. This interactive session would have served as a platform for learning and posing questions about how they can effectively engage with significant foreign firms.





Industry Specific Recommendations

Within the next two years, the West Bengal government should look to implement:

Gems and Jewellery:

- Promote and support MSMEs in obtaining relevant certifications, such as the Kimberley Process Certification Scheme for diamonds. This enhances transparency and assures buyers of ethical sourcing, crucial for accessing international markets with a focus on quality.
- Establish dedicated industrial parks or clusters for MSMEs in the gems and jewellery sector. Provide shared facilities, modern

infrastructure, and support services, including access to technology like computer-aided design (CAD), 3D printing, and laser cutting machines. Facilitate financing for MSMEs to invest in these technologies, improving production efficiency and quality.

- Leverage the state's specialization in lightweight gold jewellery to create a unique market niche. Formulate export-oriented policies to promote this specialization. Recognize the 'Calcutta Jewellery' sobriquet, famous for intricate designs and quality craftsmanship. Explore branding under the geographical indication (GI) regime, ensuring products sold under this label originate from the region. This not only generates revenue but also attracts artisans back to the state, giving exporters a competitive edge.

Handicraft:

- Create an extensive database encompassing skilled artisans within the gems, jewellery, and handicraft sectors. Utilize popular social media platforms like Instagram and Facebook to recognize and highlight proficient businesses boasting unique export-worthy products. Establish dedicated official Facebook and Instagram accounts on behalf of the West Bengal government to disseminate posts and reels featuring skilled artisans in Bengal, fostering connections with potential buyers.
- Organize and provide support for the participation of West Bengal's gems and jewellery and handicraft MSMEs in international trade fairs and exhibitions. This initiative aims to connect these artisans with potential buyers, fostering international collaborations and market access.

Agricultural products and food processing:

- To address instances of agricultural produce rotting at borders due to policy-related hurdles (e.g., the Petropole border), it is suggested to build exclusive cold storage facilities at Integrated Check Posts (IPCs) dedicated to the storage of perishable goods. By strategically placing these cold storage warehouses at IPCs, the government can contribute to maintaining the quality and viability of perishable goods during transit, ensuring a more resilient and efficient export process.
- Initiate the creation of an Ornamental Fishery Hub, modelled after successful ventures in Singapore and Hong Kong. This can be achieved through Public-Private Partnership (PPP) or Joint Venture (JV) modes, fostering collaboration between government and private entities.
- Implement traceability systems for marine and agricultural produce to monitor, test, and certify products from the farm level, streamlining the process for organic certification.
- Achieve 100% traceability for key agricultural and marine products within the next two years, making it possible to certify these products as organic and in compliance with international standards.

- Launch a targeted campaign within the marine sector to raise awareness about hygiene standards at fishing harbours.

Tea:

- Advocate for incentivized replantation in phases to address the aging tea bushes issue in West Bengal. Approximately 50% of standing tea bushes in the state exceed 50 years, impacting tea quality and export potential. Despite the deterrent of high replantation costs, phased incentives can encourage rejuvenation.
- Propose a packaging strategy to distinguish authentic Darjeeling tea from Nepalese counterparts flooding the market. Labelling Nepalese tea as "Nepal Tea" provides transparency, allowing consumers to make informed choices and safeguarding the reputation of Darjeeling tea.
- Foster collaborations with renowned pan-India tea brands like Chaayos and Chai Point. The success of these partnerships hinges on a reliable supply of high-quality premium tea, particularly Darjeeling Tea, and organic tea. Strengthening ties can contribute to market presence and consumer trust.

Textile and leather:

- Advocate for the establishment of leather ancillary units within the leather complex in and around Bantala. Currently, raw materials like soles, laces, and trims are sourced from distant locations such as Kanpur, contributing to logistical challenges. Localizing ancillary units can streamline the supply chain and reduce dependence on far-flung areas.
- Encourage textile manufacturers and handloom producers to certify their products through recognized certifications.

Metals:

- Building a robust, self-sustaining ecosystem around industrial parks is imperative for fostering talent and ensuring their overall success. It is not sufficient for the government to merely allocate plots and construct parks; a comprehensive approach is needed to address operational requirements. To achieve this, the following actions are proposed:
 - 1. Transportation Accessibility:** Conduct thorough due diligence to ensure that industrial parks are strategically located

with convenient transportation access. This includes proximity to main cities, establishing adequate bus stops, and addressing the challenge of private cabs not servicing remote locations.

2. **Accommodation Facilities:** Recognize the need for accommodation options near industrial parks. Develop plans to provide facilities for migrant workers, ensuring they have viable options to stay close to the parks, thus addressing a critical aspect of their needs.
3. **Institutional Amenities:** Implement initiatives to bridge the gap in institutional facilities near industrial parks. This includes the provision of nearby hospitals, police stations, and fire stations, fostering a safe and supportive environment for workers and residents in the vicinity.

Developing Transport And Logistical Infrastructure

- The port and airport infrastructure in the state need to be upgraded. The focus needs to be on enhancing gateway efficiency with modern handling systems, weighing, X-ray screening, and improved security. These upgrades aim to establish robust maritime connections and boost port efficiency.
- Due to heavy siltation in the river Ganges, the navigation channels of the Kolkata and Haldia ports need frequent maintenance dredging, more than often than some of the other major ports in the country (Dredging Guidelines for Major Ports – Ministry of Ports, Shipping and Waterways, 2021).
- Efficient implementation and vigilant oversight of the Single Window mechanism (Silpa Saathi) are essential to streamline approval processes, ensuring a swift and hassle-free movement of goods.
- Adoption and integration of new technologies like blockchain is crucial for the State's logistics industry. By utilizing smart contracts, blockchain empowers automatic validation, signing, and enforcement of agreements, effectively removing intermediaries and delivering significant savings in time and costs.

- Foster meaningful collaboration with key stakeholders to enhance the connectivity from Bhubaneswar Airport to vital markets in Southeast Asia, the Middle East, Far East, Europe, and the USA.

SMART GOAL: Within the next two years, West Bengal to develop transport and logistical infrastructure to improve efficiency and connectivity. The goal includes:

- Modernise port and airport infrastructure to enhance gateway efficiency, security, and connectivity.
- Work on a dynamic dredging strategy that uses real-time data on sedimentation rates to tailor dredging efforts to specific areas needing it most.
- Explore sustainable alternatives like sediment diversion and capital dredging to reduce the long-term need for maintenance dredging.
- To ensure fair pricing and transparency at Haldia port, adopt an open handling system governed by market costs. Standardize handling service charges, addressing discrepancies and promoting transparency in rates. Explore the option of inviting tender for handling services to foster healthy competition among agents, allowing exporters to choose competitive rates.
- Efficiently implement and oversee the Single Window mechanism (Silpa Saathi) to streamline approval processes, reducing clearance times by 20% within the next 12 months.
- Fostering collaboration with key stakeholders to enhance connectivity to vital markets in Southeast Asia, the Middle East, Far East, Europe, and the USA.
- Achieve a 15% increase in the overall efficiency and capacity of key transportation hubs, such as ports and airports, within the next 18 months, as measured by throughput, turnaround times, and customer satisfaction.
- Establish partnerships with global logistics companies and leverage advanced technology to optimize transportation and distribution networks, resulting in a 15% reduction in MSME shipping costs within the next 18 months.

- Launch a digital platform for exporters and logistics providers, offering real-time information on trade routes, tariffs, and market trends, fostering better decision-making and reducing shipping costs.
- Implement a digital tracking system for goods movement that reduces transit times and costs by 10% for MSMEs within the next 24 months.
- Identify and develop dedicated platforms and warehouses in railway nodes (e.g.e.g., Ranaghat station where cargoes from India to Bangladesh through Gede-Darshana and Petrapole-Benapole port are loaded).

Developing Institutional Infrastructure

- Establish District Export Promotion Committees (DEPCs) are crucial to create district-specific export profiles. These committees are responsible for identifying sector-specific support, formulating key performance indicators, and devising necessary support measures to expedite exports within sectors where the district holds competitive advantages. As per Niti Aayog's report only 44% of districts in West Bengal have constituted DEPCs.
- Set up industry-specific export clusters for collective resource sharing, fostering collaboration, joint marketing initiatives, and leveraging economies of scale to enhance industry competitiveness.
- Take steps to enhance the State's collaboration with Indian export promotion institutions and other relevant entities to foster a cohesive approach, aligning export promotion with the Foreign Trade Policy and other Government of India's Export-Oriented Policies.
- Develop a digital platform aimed at linking exporters with global buyers. Additionally, the platform will provide access to trade-related information, market trends, and offers logistical support to streamline and enhance the export experience for all involved stakeholders.
- West Bengal currently lacks towns enlisted as Towns of Export Excellence (TEE) under the

Indian government's Foreign Trade Policy. The State government should identify potential towns suitable for this designation and advocate for their notification with the DGFT.

- Units recognized as TEE are eligible to receive prioritized financial assistance under the Market Access Initiative (MAI) scheme. This support is available for export promotion projects focusing on marketing, capacity building, and technological services.
- Common Service Providers within TEE are eligible to obtain Authorization under the Export Promotion Capital Goods (EPCG) Scheme.
- To address the challenges posed by outdated and dysfunctional government bodies in the focused sectors, it is recommended to establish a dynamic committee comprising both government officials and private stakeholders. The committee should undergo regular board rotations to infuse fresh perspectives and insights. Additionally, organizing roundtable discussions every two months is proposed to actively identify sector-specific issues, fostering timely problem resolution, and facilitating immediate action.
- To foster regional development and balance urban growth, the recommendation is to designate Howrah as a sister city to Kolkata. Simultaneously, efforts should be made to de-cluster Kolkata, dispersing economic and infrastructural development to alleviate congestion and promote equitable growth.

SMART GOAL: Within the next two years, West Bengal will enhance its institutional infrastructure to support and facilitate exports. This will involve achieving the following:

- Initiate action to bridge the gap between large importers in the state, engaged in importing raw materials and intermediate goods from abroad or from other parts of the country, and the often overlooked small suppliers within the region. The government should proactively leverage Dun & Bradstreet's list of key importers (referred to in the D&B Data section) across sectors nationwide to establish connections.
- Propose a policy framework ensuring shared accountability throughout the value chain in case of delivery delays. Introduce

standardized government agreements that incorporate penalties for delays. This approach aims to reduce delays and enhance accountability among suppliers.

- Develop a digital platform connecting exporters with global buyers and providing trade-related information and logistical support.
 - Host industry specific EXIM fairs (digital or physical), promoting MSME product offerings to international consumers (Business-to-Business and Business-to-Consumer).
 - Engage with embassies, delegates, and large importing economies to promote West Bengal MSME products (especially Handicraft).
 - Create industry-specific export clusters for resource sharing and collaboration.
 - Establish District Export Promotion Committees (DEPC) in all districts, formulate District Export Action Plans for all districts, and ensure their active participation in export promotion activities.
 - Strengthen the institutional infrastructure to provide tailored support for district-specific export needs and opportunities.
 - Utilize the network of DEPCs in West Bengal to facilitate direct interactions between local producers and end consumers in the export market to weed out intermediaries. Within the next 12 months, establish direct connections between at least 100 MSMEs and 50 international buyers through the DEPC network.
 - Provide training and support to DEPC members and local producers to effectively connect with international consumers, while also promoting the benefits of this direct interaction.
 - Develop a digital platform that connects exporters with global buyers and provides access to trade-related information and market trends within the next 18 months and ensure that it has registered at least 1,000 exporters and 500 global buyers within the first year.
 - Identify and advocate suitable towns for designation as Towns of Export Excellence (TEE).
- Enable eligible TEE units to access financial assistance under the Market Access Initiative (MAI) scheme and Authorization under the Export Promotion Capital Goods (EPCG) Scheme.
 - Reduce paperwork by bringing the entire application process for new exporters online within the next two years and implement paperless trade at borders (e.g., Jaigaon LCS lack the necessary infrastructure facilities for remote Electronic Data Interchange System).
 - Integrate the Secured Logistics Document Exchange (SLDE) platform within the next 24 months to replace human intervention in the generation, exchange and compliance of logistics documents with a digitised, secure, and seamless document exchange system.
 - Enforce rigorous quality assessments on current infrastructure. For instance, West Bengal employs a single-window mechanism for investment approvals. However, according to the LEADS 2022 survey, the state should concentrate on improving the ease of obtaining approvals and seamless entry to and from neighbouring states, addressing highlighted concerns.

Skill Development

- To improve skill training initiatives for MSMEs, it is advised to establish continuous consultation with industry bodies to stay abreast of the latest machinery used in the state. The government should proactively organize regular workshops, enabling MSMEs to engage with local youth for free training programs. It is essential to maintain consistency in these initiatives, ensuring a persistent and ongoing effort. In identifying competent candidates, there should be a provision to offer them full-time job opportunities, creating a seamless transition from training to employment.
- Offer skill enhancement and capacity building programs to employees in export-driven industries. These initiatives will empower them to acquire new skills and knowledge essential for elevating productivity and maintaining high-quality standards.
- Provide support services to incentivize exporters in investing in research and

development initiatives. These efforts are directed toward product innovation, technology advancement, and process enhancements, fostering increased competitiveness within the global market.

- Offer training and skill development support to enhance export-oriented packaging, emphasizing the adoption of eco-friendly and sustainable packaging solutions.
- Establish specialized export incubation centres that provide comprehensive support to start ups and emerging exporters. These centres can offer subsidized office spaces, mentoring, access to market research, networking opportunities, and assistance in navigating export procedures.

SMART GOAL: Within the next two years, West Bengal to enhance skill development by offering a range of programs and support services. The goal includes:

- Collaborate with esteemed business institutions such as IIM C to create add-on courses designed to instil professionalism and align with industry standards.
- Offer skill enhancement and capacity building programs to 500 employees in export-driven industries within the next 12 months, resulting in a 15% increase in productivity.
- Provide support services that incentivize at least 20 exporters to invest in research and development initiatives over the next two years, leading to measurable product innovation, technology advancement, and process enhancements.
- Offer training and skill development support to 100 exporters to enhance export-oriented packaging practices with a focus on adopting eco-friendly and sustainable solutions within the next 18 months.
- Establish a network of at least three specialized export incubation centres within the next two years, providing support to a minimum of 50 start-ups and emerging exporters, leading to the successful launch of export businesses and measurable growth.
- Establish a language training institute within one year to educate young individuals in providing multilingual support for export promotion platforms.

Improve Access To Credit

- To tackle the challenge of approving agricultural loans with gold as security, it is imperative for banks to take proactive measures. Given the current limitation in core banking solution (CBS) platforms that do not distinctly highlight these loans, a strategic approach is necessary.
- Recognizing the absence of a guarantee program for banks in India to mitigate the risk of borrower defaults, the state government, in collaboration with the Centre, should take proactive steps to institute a dedicated loan guarantee fund tailored for the agricultural sector. This proposed fund should align with successful credit guarantee programs already established in the MSME sector.
- Public banks currently face inefficiencies in lending to exporters as they lack essential knowledge about export financing intricacies, such as international trade regulations, risk assessment, and tailored financial solutions. This knowledge gap hinders their ability to provide optimal support to export-oriented businesses.
- MSMEs in West Bengal struggle with limited access to credit facilities due to the absence of accurate credit scores. This challenge impedes their ability to secure necessary funding for growth and development.
- Small exporters in West Bengal face cash crunch challenges and heavy dependence on bill discounting from banks, impacting their financial sustainability and growth prospects.

SMART GOAL: Within the next two years, West Bengal should look to improve MSME access to credit through various measures, including:

- Direct banks to establish a dedicated Management Information System (MIS) designed to specifically identify agricultural loans approved with gold as collateral within the core banking system.
- Implement targeted educational programs for public banks, addressing their knowledge gaps in export financing intricacies. This initiative will enhance their capabilities to navigate international trade regulations, assess risks accurately, and offer tailored financial solutions to support exporters effectively.

- Establish a credit information center inspired by Japan's Credit Risk Database (CRD) model. By collecting anonymous financial information in a traceless manner, this initiative will incentivize MSMEs to disclose accurate financial details. This approach enhances credit risk prediction and fosters improved access to credit facilities for MSMEs.
- Emulate Bangladesh's successful legislation by exploring the implementation of a similar pre-payment scheme for shipments. This strategic measure requires clients to make a 50% upfront payment for orders scheduled for delivery 90 days from the transaction date. The scheme aims to alleviate cash crunch challenges, promote capital cost recovery, and reduce reliance on bill discounting, fostering financial resilience and opening avenues for further credit utilization.
- Textile manufacturers and handloom producers should be encouraged to certify their products through recognized certifications such as Zero Discharge of Hazardous Chemicals (ZDHC), Certificates of Origin for Textiles & Made ups, Generalized System of Preferences certificates via REX (Registered Exporter System), and Tariff Rate Quota Certificates. Raising awareness about these certifications is important for the industry's sustainability and market access.

SMART GOAL: Within the next two years, West Bengal to enhance quality standards and compliance through various measures, including:

- Improve the quality testing infrastructure in West Bengal by upgrading existing labs and establishing new state-of-the-art testing centres through diverse methods, including Public-Private Partnerships.
- Provide accessible information on trading partners' standards and technical regulations.
- Increase the number of accredited testing centres in the state by 50% within the next 18 months, providing access to quality testing services for a broader range of products.

Quality Standards And Compliance

- Increasing focus on sustainability and ESG compliance could become a bottle neck for MSMEs if not educated early about its implications.
- The government should take steps to enhance the quality testing facilities by upgrading current labs and establishing new state-of-the-art testing centres in coastal areas through diverse methods, including Public-Private Partnerships (PPPs).
- Implement traceability for marine and agricultural produce to monitor, test, and certify products originating from the State, starting from the farm level, streamlining the process for organic certification.
- Provide access to information on the standards and technical regulations of our trading partners, especially when these differ from international standards. This information should be accessible to both exporters and the overseeing regulatory bodies involved in certifications.
- Launch a targeted campaign within the marine sector to raise awareness about hygiene standards at fishing harbours, emphasizing responsible practices regarding the use of antibiotics and similar measures.

Export Promotion Activities

- To enhance visibility of West Bengal based industries in export market, the State to formulate its own calendar of events through collaboration with various trade related associations, Central and State government organizations and annually organize participation in major International Events.
- The government should establish a robust analytical database for export decision-making, encompassing market potential and aiding businesses in their strategic export endeavours.
- Establishing a specialized advisory support unit aimed at offering expert guidance to exporters, assisting in market research, trend identification, export strategy formulation, regulatory compliance, and international trade negotiations.
- Initiate inclusive export promotion campaigns to raise awareness about West Bengal's export potential, spotlight successful exporter stories, and underscore the advantages

of exporting. Utilize diverse channels such as digital platforms, trade exhibitions, and business events to engage target audiences and entice potential buyers.

- Facilitate access to affordable and flexible export financing options for exporters, including export credit, working capital loans, and insurance products.

SMART GOAL: Within the next year, West Bengal to focus on enhancing export promotion activities to support local industries. The goal includes:

- Formulating an annual calendar of events for participation in major international events through collaboration with various trade-related associations, government organizations, and trade exhibitions.
- Establishing an analytical database for export decision-making and market potential assessment.
- Establishing a specialized advisory support unit offering expert guidance to exporters.
- Initiating inclusive export promotion campaigns to raise awareness about West Bengal's export potential, spotlight successful exporter stories, and utilize diverse channels to engage target audiences.
- Facilitating access to affordable and flexible export financing options.
- Facilitate knowledge-sharing and mentorship for emerging exporters by connecting large exporters with small exporters, either in person or virtually, in a peer-to-peer framework.

Performance Management Mechanism

- Establish a quantitative Key Performance Indicator (KPI) system to gauge the efficacy of export promotion strategies, encompassing all provisions outlined in this policy.
- The State should consider "Scalable and Transferable" model, emphasizing the expansion and adaptability of successful practices to benefit diverse exporters, regions, products, and countries.

SMART GOAL: Within the next year, West Bengal to develop and implement a performance management mechanism for export promotion.

The goal includes:

- Establish a quantitative Key Performance Indicator (KPI) system that measures and evaluates export promotion strategies, including but not limited to:
 - Track a 20% increase in the number of new exporters actively participating in export activities within the state.
 - Monitor a 15% growth in the total export volume and value of products originating from West Bengal.
 - Reduce the average processing time for export-related procedures and documentation by at least 25%.
 - Establish and implement a 'Scalable and Transferable' model to expand and adapt successful practices (knowledge sharing), with the goal of applying these practices in at least three different regions and sectors within West Bengal.

Promotion of E-Commerce

- The State government should collaborate with e-commerce platforms like Amazon, Flipkart, etc., to facilitate market access for "Made in West Bengal" products mapped to key focus sectors.
- The government should organize master classes on various aspects of e-commerce exports at district levels.
- Encourage development of e-commerce hubs in high movement zones, closer to demand locations and periphery of emerging cities.

SMART GOAL: Within the next year and a half, West Bengal to promote and enhance e-commerce activities. The goal includes:

- Collaborating with e-commerce platforms like Amazon and Flipkart to facilitate the listing and market access for at least 200 'Made in West Bengal' products within the next 12 months.
- Organizing and conducting 20 master classes on various aspects of e-commerce exports at the district level within the next year.

- Encouraging the development of at least two e-commerce hubs in high-traffic areas, closer to demand locations, and on the periphery of emerging cities within the next 18 months.
- Expand the Silpa Sathi platform's user-friendliness for importers by offering multilingual support, including Spanish, French, and German languages.

Promote Geographical Indication (GI) Registrations²

West Bengal has 22 GI registrations as on date across handicrafts (11), agricultural (7), and food stuff (4) categories. As part of the National GI Drive Mission in January 2024, West Bengal has secured Geographical Indication (GI) tags for products such as Sundarban honey, Black Nunia rice from Jalpaiguri district, and Tangail, Gorod, and Kadiyal sarees. Additional products suitable for geo-tagging consideration include:

Food and Agricultural Products:

1. Ashapur and Nawabganj Brinjals: Known for their distinctive sweetness and taste due to specific soil and cultivation methods in these regions.
2. Mecha Sandesh from Beliatare: A sweet, cheese-like confectionery made with unique flavors and production methods, potentially eligible for GI protection.
3. Khalsi Honey from Sundarbans: Honey with unique medicinal properties collected using traditional methods in the Sundarbans ecosystem.

Handicrafts and Textiles:

1. Murshidabadi Silk: Recognized for intricate designs, weaving techniques, and use of natural dyes, distinguishing it from other silks in India.
2. Conch Shell Craft from Hatagram, Bankura: Intricate crafts depicting deities and motifs, showcasing unique skills and using local conch shells.

²Geographical Indication (GI) registration is a type of intellectual property right that grants legal protection to products.

Art and Music:

1. Shantiniketan's Ektara: A string instrument made traditionally from gourd and animal skin, holding cultural significance and unique crafting techniques.
2. Simlapal's Singing Bowl: Hand-hammered metal bowls with unique sounds used in meditation and music, potentially eligible for GI recognition due to specific crafting techniques and cultural significance.

SMART GOAL: Within the next two years, the West Bengal government should promote and increase the number of GI registrations in the state, focusing on the products identified above. The goal is to achieve a 25% increase in GI registrations by implementing measures that include:

- Establish support cells for each GI in the State for addressing quality issues, IP infringement issues.
- Clearly communicate the purpose and process of GI registration to producers and consumers.
- Provide logistic support for accessing offline/online marketplaces via dedicated call centres.
- Provide training and literacy to producers with respect to rules and regulations.
- Collaborate with e-commerce platforms.

Procurement of Raw Materials

- To derive benefit of scale and enhance competitiveness, MSME's are required to procure raw materials at a reasonable rate. West Bengal is rich in varied resources essential for a wide array of MSMEs. The government aims to facilitate efficient and cost-effective sourcing of these required raw materials for MSMEs. The government is required to take appropriate steps to establish linkages amongst MSMEs and Central/State organizations for sourcing of crucial raw materials.

- To enhance procurement efficiency, the government should promote export clusters to consolidate the demands of cluster firms, facilitating joint input purchases at the most competitive rates. The government has the option of establishing raw material banks and purchase networks.
- West Bengal can draw valuable lessons from states like Tamil Nadu and Gujarat. In these regions, cluster firms have formed Special Purpose Vehicles (SPVs) that collectively aggregate the demand of the entire cluster. These SPVs purchase raw materials and consumables in bulk, offering the firms within the cluster discounted rates compared to market prices.
- Trichy Engineering & Technology Cluster (TREAT) – TREAT is one of its kind in the country, providing common facilities for the metal fabrication industries. The cluster runs a successful raw material bank for mild steel.
- Jamnagar Brass Parts Cluster - The brass-based MSMEs in Jamnagar have significantly impacted the global economy, being a key consumer of the world's brass scrap and producing vital yet often overlooked goods. Notably, Jamnagar stands as one of the world's largest manufacturers of automobile and cycle tube valves. It remains a significant cluster for the manufacturing of these valves, accounting for about 70% of India's machined brass components.

SMART GOAL: Within the next two years, West Bengal will focus on facilitating the efficient and cost-effective procurement of raw materials for MSMEs. The goal includes:

- Establish linkages between 300 MSMEs and Central/State organizations for the sourcing of crucial raw materials within the next 18 months.
- Promote two export clusters to consolidate the demands of cluster firms and facilitate joint input purchases at competitive rates within the next year.
- Investigate and pilot the concept of Raw Material Banks and purchase networks, with the aim of establishing at least one operational raw material bank for MSMEs within the next 24 months.

In conclusion, the report emphasizes the importance of collaborative efforts between the government and industry stakeholders. The recommendations aim to create a conducive environment for sustainable export growth in West Bengal, addressing specific challenges faced by MSMEs in different sectors. Implementation of these suggestions requires coordinated action and ongoing dialogue between all stakeholders involved.



ANNEXURE

Table 1: Detailed comparison table for Export Preparedness Index

Overall	Index No.	Weights	2020	2021	2022	Coastal Average (2022)	National Average (2022)	Indicator	Definition/Clarification
	Index Score		34.05	39.78	53.57	65.55	46.56		
	Index Score		0	58.20	79.53	94.72	74.71		
	1.1 Export Promotion Policy (10%)		0	62.86	76.30	96.36	73.02		The first sub-pillar evaluates the states' performance in implementing policies responsible for facilitating exports and enabling their growth.
	1.1.1	1.5	0	100	100			Does state have a valid export promotion policy/ strategy? (Yes or no)	This indicator captures whether a state has a targeted policy aimed at enhancing exports from the state
	1.1.2	1.5	0	100	100			Does state have a valid sector-specific policy for exports? (Yes/ No)	Every State has an edge in some sectors either due to the presence of natural resources or due to human capital. Some States focus on these sector specific export policy rather than a common one.
	1.1.3							District-level Export Action Plan	District Level Export Promotion Plan is a key element of District as hub initiative and is aimed at enhancing export activity at District Level.
	1.1.3.A	1		0	32.00			How many districts have district export action plan out of total number of districts?	
	1.1.4	1.5		0	100			Has the State identified thrust sectors for exports? (Yes/No)	Each State has a competitive advantage in specific sectors. It is, therefore, necessary that the States identify these thrust sectors and focus on developing their export strategy around them.
	1.1.5							Product quality and standards	To become a part of the global value chain, it is important to adhere to international standards and quality for exports as defined by WTO's Agreement on Technical Barrier to Trade (TBT Agreement), Sanitary and Phytosanitary Measures (SPS Agreement), Pre-shipment Inspection (PSI Agreement), USDA Certification, Conformity European or any other certification.
	1.1.5.A	1.5	0	100	100			Whether there is information publicly available in the form of FAQs or website regarding quality requirements to be complied in export items? (Yes/ No)	For adhering to quality requirements, State have to take initiative in sensitising exporters to comply with export quality requirements
	1.1.5.B	1	0		100			Are there any workshops conducted for generating awareness on compliance of quality requirements for exports? (Yes/No; Details)	
	1.1.6	1.5	0	100	100			Marketing Support : Does state government provide any form of marketing support for products and services in international market? (Yes/No)	It is crucial for the State Government to work towards enhancing the visibility of State level products in international markets
	1.1.7	1	0	100	100			Facilitation measures around export promotion: Does state conduct any awards for excellence in exports? (Yes/ No); Details of the event & awardee	A State level program to honour companies involved in international business is a good way to encourage exporters. The selection committee can evaluate the applications taking into consideration the value of exports, ratio of exports to sales, level of value addition, adoption of best practices, product and process innovation, R&D activity, etc.

Index No.	Weights	2020	2021	2022	Coastal Average (2022)	National Average (2022)	Indicator	Definition/Clarification
1.1.8	1	0	0	0			ODOP - District export plan: How many districts of the State are covered under ODOP scheme ?	The ODOP Initiative is aimed at fostering balanced regional development across all districts of the country enabling holistic socio-economic growth across all regions. The objective is to convert each District of the country into a Manufacturing and Export Hub by identifying products with export potential in the district.
1.2 Institutional Framework (10%)		0	53.54	82.75	93.08	76.40		A sound policy environment cannot induce growth without a robust institutional framework. Institutionalizing exports in a state helps reduce uncertainty surrounding policy framework, as it facilitates access to the services owed to the manufacturers and exporters.
1.2.1	2	0	100	100			Appointment of full time export Commissioner: Has the State appointed an Export Commissioner? (Yes/No)	In 2015, the Centre had asked States to ap-point Export Commissioners and prepare ex- port strategies as a step to promote exports.
1.2.2	2	0	100	100			Does the State have a State-Centre coordination cell? (Yes/No); Details of state-Centre coordination cell.	In order to ensure synergy between Centre and the States, State- Centre coordination cell play a vital role. Such a coordination cell is required to review and act upon new developments that are important for State's exports
1.2.3		0	100	100			Does the State Government export Promotion website provide details of domestic events/workshops/B2B meetings/ details of exportable commodities etc to foster its exports? (Yes/No)	It is crucial for the State Government to work towards enhancing the visibility of State level products in international markets.
1.2.4							Existence of DEPCs	
1.2.4.A	1.5	0	0	42.58			How many districts in the State have District Export Pro- motion Council (DEPC) ?	District level Export Promotion Councils are constituted for various sectors to direct, promote and ensure monitoring of the export related activities in the District.
1.2.5							Grievance redressal	
1.2.5.A	2	0	100	100			Whether State has a functional online grievance redressal portal exclusively for exporters in which they can flag key issues of concern that requires government interven- tion Yes/ No	Exporters need to have access to grievance redressal mechanism to approach the Gov- ernment for flagging any concerns/issues that requires government intervention & resolution of problems.
Index Score		53.65	44.38	48.11	61.44	43.40		
Business Ecosystem (40%)								
2.1 Business Environment (15%)		38.03	72.41	52.66	61.82	51.17		A composition of six indicators, this sub-pillar evaluates the conduciveness of a state's environment for inviting and growing businesses. For a comprehensive assessment, the indicators range from ease of doing business, availability of single window clearance and investments into state, credit facilities, to the change in a state's economy.

Index No.	Weights	2020	2021	2022	Coastal Average (2022)	National Average (2022)	Indicator	Definition/Clarification
2.1.1	2.75	96.23	43.61	50.00			Ease of doing business index	Ease of Doing Business Index is a measure of regulations that enhance business. It includes: starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts, and resolving insolvency.
2.1.2	2.75	0	41.82	49.26			Power cost: What is the power cost for HT (high tension) of industry from tariff order?	Power is essential for functioning of industries and its cost represents one aspect of the business environment in a state.
2.1.3							Single Window Clearance	Facilities like single-window clearance eases the procedures for businesses to obtain various clearances.
2.1.3.A	2.75	0	100	100			Single-window clearance- Does State has single window portal for securing all business related & export related approvals/licenses/clearances/NOC? (Yes/No)	
2.1.4	2			73.86			What is the increment in Gross Value Added by manufacturing in a state ?	Gross Value Added is the measure of the value of goods produced by manufacturing. Measuring its increment over the previous year helps assess the growth of Manufacturing sector in the state.
2.1.5	1.25			57.16			What is the increment of FDI inflow in a state ?	The term "increment" in the context of Foreign Direct Investment (FDI) inflow refers to an increase or addition in the amount of foreign direct investment received by a country or region over a specific period. It represents the growth or expansion of FDI inflows compared to a previous period or a predetermined baseline period.
2.1.6	2.5			25.12			Export credit to exporters: What is the export credit given by banks as a percentage of GDP ?	Banks serve as one of the main pillars of economic empowerment by taking care of the financial needs. They are critical for the industry to grow by ensuring credit availability to exporters.
2.2 Infrastructure (10%)		35.62	28.20	62.73	63.79	46.93		Industries in a state can thrive only with a robust infrastructure to support them. The ability of a state to sustain its existing industrial presence, as well as to attract new ventures is contingent upon the infrastructure it provides.
2.2.1	2.5	38.06	100	80.79			Power Availability: Peak Electricity Demanded minus Peak Electricity Supplied	Availability of quality power in States is a basic requirement for production of goods and services.
2.2.2	2.5	17.11	37.59	17.89			Internet facilities	The availability of information and communication technologies (ICTs) in a State is crucial for the ease of business operations.
2.2.3	2.5	44.92	72.60	67.06			Cluster Strength	Clusters are "a geographically proximate group of interconnected companies and associated institutions in a particular field, linked by commonalities and complementarities". Clusters are significant contributors to competitiveness. The strength of a region's cluster portfolio is measured by summing up the performance across its individual clusters.
2.2.4							Industrial Presence	
2.2.4.A	2.5	0.94	0	25.81			Number of IT/ Software technology / Food / Pharma / Textile, Plastic Parks etc	The objective of IT, software technology in India is to encourage, promote and boost software exports from India. Food parks strengthens linkages between production and exports capabilities in the sector.

Index No.	Weights	2020	2021	2022	Coastal Average (2022)	National Average (2022)	Indicator	Definition/Clarification
2.3 Transport Connectivity (15%)		53.32	33.86	28.94	58.63	32.10		For businesses to be able to export, access to reliable modes of transport is necessary. Therefore, to evaluate a state's connectivity, this subpillar evaluates the number of Air cargo terminals, logistics parks, inland container depots, and storage facilities present in the state in the shape of cold storage and warehouses.
2.3.1	2.75	82.60	82.60	50.00			LEADS index	LEADS makes a perception-based assessment of international trade logistics across Indian states and UTs – focusing on users and stakeholders. It also provides indicator-level assessments of performance on specific dimensions.
2.3.2							Multi-Modal Logistics Hubs (MMLH)	
2.3.2.1	2.75	0	0	1.37			Whether State has Free Trade Zones (FTZ), Free Trade Warehousing Zones (FTWZ) and Integrated Logistics Parks, if yes how many?	The indicator captures how MMLH and Free Trade Zones (FTZ), Free Trade Warehousing Zones (FTWZ) and Integrated Logistics Parks cater to exports of region
2.3.3	2.75	8.84	0.28	11.11			Air Cargo facilities	The indicator identifies the number of air cargo terminals in a state to assess its air connectivity.
2.3.3.1							What is the number of Operational Air cargo terminals?	
2.3.4	1.75	0	0	5.52			What is the area covered by Inland container depots in a state?	The last leg of the supply chain, denoting the transportation of goods from a transportation hub to its final destination. This final destination could be the location of an end customer or inland container depots (ICDs)
2.3.5							Cold Storage Facility	
2.3.5.A	1.5			26.40			What is the number of Cold storage facilities in a state?	Cold storages minimizes wastage & ensures easy availability of packaged or processed food to end-users. It will allow the exporters to preserve perishable items fresh in case there is a delay in flight movement or consignments missed the flight.
2.3.5.B	1.5			36.61			What is the capacity of Cold storage facilities (in MT)?	
2.3.6							Export oriented Warehousing facility	
2.3.6.A	1.5			0.60			What is the number of warehouses (for export purposes)?	The warehouses are to be appointed/ licensed at particular places only which have been so declared by Central Board of Excise and Customs. Warehouse can be defined as the commercial building or godown for storage of goods. It is used for storing the goods by traders that will be distributed later. It is mainly used for preventing losses and damages that may arise out of defective and unsecured storage. Traders usually store the cargo in a warehouse and get it released when it is required for manufacturing or sales.
2.3.6.B	1.5			0			What is the capacity of warehouses (in MT)?	

	Index No.	Weights	2020	2021	2022	Coastal Average (2022)	National Average (2022)	Indicator	Definition/Clarification
Export Ecosystem (20%)	Index Score		44.24	29.03	53.06	59.49	41.55		
	3.1 Export Infrastructure (5%)		86.09	33.39	94.88	91.49	67.47		To foster export growth in a state, there needs to exist an infrastructure supported by the government which takes care of all the needs of the exporters. This infrastructure includes knowledge transfer portals, Special Economic Zones, dedicated export zones, and accessible trade guides, which record and publish information pertaining to all products available in the state, and the strategies required to push them to the global markets. Across five indicators, this sub-pillar aims to evaluate the existing infrastructure within a state.
	3.1.1	1.5	100	100	100			Does the State have online portals for disseminating knowledge and information for exporters? (Yes/No)	Presence of an online portal increases access to crucial information required by the exporters for exports.
	3.1.2	1		5.70	6.58			What is the area covered under Export Promotion Industrial Parks, Export Promotion Zones and Special Economic Zones (as percentage of State area excluding forest cover)?	The establishment of EPIPs, EPZs and SEZs by states provide exporters with attractive investment opportunities through incentives like tax benefits.
	3.1.3	0.5	0	100	100			Does a Trade guide exist? (Yes/No)	Publication of trade guide with geography - based information on process, commodity, buyers/market intelligence etc. by state.
	3.1.4	0.5	71.43	0	75.00			What is the number of Agri-Export Zones?	An Agri Export Zone or AEZ is a specific geographic region in a country demarcated for setting up agriculture-based processing industries, mainly for export.
	3.1.5	1.5			91.47			Regional disparity : How many districts out of the total districts are exporting districts?	The role of existing regional disparity in India, becomes essential to understand the export landscape at the State level and the factors influencing the export performance.
	3.2 Trade Support (10%)		0	5.82	47.50	56.95	31.11		Enabling export infrastructure is not sufficient to improve export performance, as it requires support from the manufacturers in the region. The support can be in the shape of a trade exhibition, capacity building workshop, or utilising trade promotion schemes to help the manufacturers. Creating a database of exporters helps a state in recording and analysing its export profile. This can also facilitate a state in identifying niche products which require more assistance at first, but can contribute to a region's competitive advantage over the years.
	3.2.1							Trade Infrastructure for Export Schemes (TIES)	
	3.2.1.A	1	0	0	0			Have the states applied for TIES scheme ?	The Government of India has launched TIES with the objective to assist Central and State Government Agencies for creation of appropriate infrastructure for growth of exports from the States. The Scheme provides financial assistance in the form of grant-in-aid to Central/State Government owned agencies for setting up or for up-gradation of export infrastructure as per the guidelines of the Scheme.
3.2.1.B	1			0			Projects approved under Trade Infrastructure for Export Schemes (TIES)		

Index No.	Weights	2020	2021	2022	Coastal Average (2022)	National Average (2022)	Indicator	Definition/Clarification
3.2.2							District wise data base for exporters	
3.2.2.A	2			100			Whether State maintains updated district wise/sector wise database of exporters ?	A comprehensive database of exporters at a district or sector level enables the government to identify the key export sectors in a state or district. This helps them take measures to assist these sectors, as well as take cognizance of sectors which are weak. Another indicator captures whether the state has begun working in this direction, and will complete the database in the next 4 months.
3.2.2.B	1			100			If any initiative for maintaining such a database is work in progress and will be completed within next 4 months?	
3.2.3	2			100			Whether State has conducted any Stakeholder interactions/meetings with exporters to understand their issues?	The State government is expected to conduct continuous stakeholder interactions with the exporters; sector-wise to understand the key issues creating barriers for fostering exports. State government is requested bring to the notice of NITI Aayog/concerned ministries in case of any issues/ challenges that require the centre's intervention and support.
3.2.4	1						Trade fairs and exhibitions	
3.2.4.A	1		22.22	18.18			What is the number of trade fairs and exhibitions conducted by the State Government ?	The number of trade fair and exhibitions conducted by state government help the exporters by providing them a platform to showcase their products be in with industry partners, and examine recent market activity and trends.
3.2.5	2		11.76	0.93			What is the number of capacity building or orientation workshops for the exporters organized by the State?	The capacity building schemes help by providing exposure to exporters.
3.3 R&D Infrastructure (5%)						26.08		Innovation is essential for creating products suited for the global markets, and continuous investment in Research and Development is necessary to drive innovation. Technological upgradation is at the centre of governments' agenda to foster export growth. Since the world is going digital, building digital capacities in our country requires significant investment in technology, education, and research.
3.3.1	1	4.54	0.24	2.41	30.04		What is the Number of NABL accredited labs? (per exporter)	Laboratory accreditation: an authoritative body gives formal recognition of technical competence for specific tests/ measurements, based on third party assessment and following international standards.
3.3.2	2	0.90	47.91	4.00			What is the NABCB certification Inspection agencies ? (per exporter)	National Accreditation Board for Certification Bodies (NABCB) accreditation: to provide international equivalence and acceptance of certificates and reports so that Government and Industry can take advantage and facilitate domestic trade, regulatory compliance and export competitiveness
3.3.3	1			32.20			Innovative capacity : India Innovation Index scores	The innovative capacity of states shows the extent to which a state can diversify its products and compete in different markets.
3.3.4	1	0	13.08	2.19			Research institutes per lakh of population : No of R&D institutes dedicated to Industry/Export Specific Products	Research Programmes. in States can boost their export readiness competitiveness in the global markets via improving the quality of the product and processes

	Index No.	Weights	2020	2021	2022	Coastal Average (2022)	National Average (2022)	Indicator	Definition/Clarification
Export Performance (20%)	Index Score		18.69	22.90	36.55	51.55	30.40		
	4.1 Growth & Orientation (10%)		11.13	19.87	39.63	53.05	35.85	Import Export Code (IEC) [as a percentage of total business]	Growth of exports in a state reflects the effort of a state government in creating a conducive environment for the same. Conversely, the lack of such growth implies the governments to address their problems and tackle them.
	4.1.1	1.5		0	19.53			IEC is a registration code required by companies for importing and exporting from India, making them eligible for recognition as a status holder.	
	4.1.2	2.5			41.41			Export growth in 3 years	This indicator calculates average incremental growth of exports over 3 years.
	4.1.3	2	21.31	23.91	23.27			Merchandise exports to GDP ratio	This indicator gives the contribution of merchandise exports of a state to its GDP
	4.1.4	1			50.00			GI Products	This indicator looks at Geographical Indications protect signs that indicate that a product originates in a given geographical area and its qualities, reputation, or other characteristics are essentially due to its geographical origin. Products with a GI tag get premium pricing, thus helping exporters earn better, and which in turn incentivizes producers. For these producers the GI tag helps create brand equity
	4.1.5	2	10.09	100	28.93			Increase in number of exporters	Increase in number of exporters in a State will indicate whether the business environment in States promotes exports.
	4.1.6	1			40.93			Ratio of number of exporters availing Certificate of origin certificate to the total number of exporters in the State	Certificate of Origin is an instrument which establishes evidence on origin of goods imported into any country. These certificates are essential for exporters to prove where their goods come from.
	4.2 Export Diversification (10%)		26.24	25.94	33.46	50.04	24.95		Diversification of the export basket of a state helps it increase stability, as it becomes resilient to market shocks, and increase channels of revenue. In order to diversify exports, state governments need to identify target areas which can produce quality products within the state, and formulate a strategy on how to market them and take to the global market.
	4.2.1	5	19.95	24.02	26.81			Export Concentration	Product Concentration Index is used to measure the dispersion of trade value across an exporter's products. It is also an indicator of an exporter's vulnerability to trade shocks
4.2.2	5	51.04	40.33	33.04			Market Penetration Index	Market Penetration Index measures the extent to which exports from a State reach already proven markets. It is calculated as the number of countries to which a State exports a particular product divided by the number of total countries that import that product in a year.	

Table 2: Mapping of HS and SIC codes considered in the analysis:

HS 2	HS 6	SIC	INDUSTRY
5	50100	2011, 2013, 2015	Agriculture & Food Processing
3	30617	5146, 5421, 2091, 2092	Agriculture & Food Processing
17	170390	2061, 2062, 2063, 2064, 2066, 2067, 2068	Agriculture & Food Processing
4	40120, 40630, 40229	5451, 2021, 2022, 2023, 2024, 2026	Agriculture & Food Processing
11	110812	2041, 2043, 2044, 2045, 2046, 2047, 2048	Agriculture & Food Processing
19	190531	2051, 2051, 2053, 5461	Agriculture & Food Processing
15	151550	2074, 2075, 2076, 2077, 2079	Agriculture & Food Processing
24	240110, 240319	5159	Agriculture & Food Processing
12	121190	2032, 2033, 2034, 2037, 2038, 5191	Agriculture & Food Processing
14	140190	5191, 5431, 2032, 2033, 2034, 2035, 2037, 2038	Agriculture & Food Processing
21	210690	2082, 2083, 2084, 2085, 2086, 2087, 2091, 2092, 2095, 2096, 2097, 2098, 2099, 5411, 5421, 5431, 5441, 5451, 5461, 5499	Agriculture & Food Processing
34	340231	2841	Chemicals
28	280300	2812, 2813, 2816, 2819	Chemicals
29	290124, 290220, 293979, 290919, 292429, 294000, 293590	2861, 2865, 2869	Chemicals
33	330190, 330290	2841	Chemicals
27	271012, 271019, 271119, 270400	2911, 5983, 5989	Chemicals
38	382499, 382440	2873, 2874, 2875, 2879, 2892, 2899, 5169	Chemicals
71	711319	1041, 1044, 3911, 3914, 3915, 3961, 3965, 5094, 5944	Gems and Jewellery
67	670300	2395, 3999, 5945, 7336	Handicraft
83		3312, 3313, 3315, 3316, 3317, 3321, 3322, 3324, 3325, 3331, 3334, 3339, 3341, 3351, 3353, 3354, 3355, 3356, 3357, 3363, 3364, 3365, 3366, 3369, 3398, 3399, 3411, 3412, 3421, 3423, 3425, 3429, 3431, 3432, 3433, 3441, 3442, 3443, 3444, 3446, 3448, 3449, 3451, 3452, 3462, 3463, 3466, 3469, 3471, 3479, 3482, 3483, 3484, 3489, 3491, 3492, 3493, 3494, 3495, 3496, 3497, 3498, 3499, 5051	Metal
53	530310, 531010	2251, 2252, 2253, 2254, 2257, 2258, 2259, 2261, 2262, 2269, 2273, 2281	Textiles
63	630510	2311, 2321, 2322, 2323, 2325, 2326, 2329, 2331, 2335, 2337, 2339, 2341, 2342, 2353, 2361, 2369, 2371	Textiles
51	510710, 511219	2211, 2221, 2231, 2241, 2281	Textiles
62	621440, 621143	2381, 2384, 2385, 2387, 2389, 2391, 2392, 2393, 2394, 2396, 2397, 2399, 5131, 5136, 5137, 5139, 5611, 5621, 5632, 5641, 5651, 5661, 5699	Textiles
54	540710, 540773	2296, 2297, 2298, 2299	Textiles
42	420222, 420329, 420221, 420231	2386, 3111, 3131, 3142, 3143, 3144, 3149, 3151, 3161, 3171, 3172, 3199, 5948	Leather



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