

CHAPTER 1

INTRODUCTION

I. Goals & Objectives:

The basic role of the Department is to facilitate the creation of an enabling environment and infrastructure for accelerated growth of international trade. The Department formulates, implements and monitors the Foreign Trade Policy which provides the basic framework of policy and strategy to be followed for promoting exports and trade. The Trade Policy is periodically reviewed to incorporate changes necessary to take care of emerging economic scenarios both in the domestic and international economy. Besides, the Department is also entrusted with responsibilities relating to multilateral and bilateral commercial relations, Special Economic Zones, state trading, export promotion & trade facilitation and development and regulation of certain export oriented industries and commodities.

The Department has set a long term vision of making India a major player in world trade. The achievement of this vision calls for complete synergy and harmony between trade policies and other economic and international policies being followed by the country. The macro policy framework of the international trade policies being followed by the country are guided by this basic vision. Playing a leading role in the discussions/negotiations for working out a new international order of trade and commerce including the WTO regime in its capacity as a major emerging economy and as one of the strategy leaders for the developing countries is an integral part of this vision.

The Foreign Trade Policy document is the main instrument of providing the basic policy framework for translating this vision into concrete goals and activities. Foreign Trade Policy (2004-09) aimed at doubling India's percentage share of global merchandise trade in the next five years and making trade growth an exclusive one by making exports an effective instrument of economic growth by giving thrust to the employment generation.

The export target for 2004-05 at US \$ 75 billion was sought to be doubled to US \$ 150 billion by the terminal year of the Foreign Trade Policy, i.e. 2008-09. With the current trend in export performance, this target is likely to be achieved in 2007-08 itself, i.e. one year in advance. For the first time in the history of planning doubling of exports in less than five years was being seen as an achievable target. What is even more significant is that exports have been conceived of as an engine for generating additional economic activity for employment generation with special focus on rural and semi-urban areas.

An export target of US \$ 160 billion has been set for 2007-08. As against this, the exports during April-December 2007 have reached a level of US \$ 111 billion. The growth performance of exports has been an outcome of a conscious and concerted effort on the part of the Government to bring down transaction costs and facilitate trade. The vision and the roadmap provided by the Foreign Trade Policy (2004-09) for a five year period with clearly enunciated objectives, strategies and policy initiatives has been instrumental in putting exports on a higher growth trajectory.

II. Organisational Set Up

The Department is headed by a Secretary who is assisted by four Additional Secretaries including an Additional Secretary & Financial Adviser, eleven Joint Secretaries and Joint Secretary level officers and a number of other senior officers. The Department is functionally organized into the following eight Divisions:

1. Administration and General Division
2. Finance Division
3. Economic Division
4. Trade Policy Division
5. Foreign Trade Territorial Division
6. State Trading & Infrastructure Division
7. Supply Division
8. Plantation Division.

The various offices/ organizations under the administrative control of the Department are: (A) two Attached Offices, (B) eleven Subordinate Offices, (C) ten Autonomous Bodies, (D) five Public Sector Undertakings, (E) Advisory Bodies, (F) fourteen Export Promotion Councils (EPCs) and (G) other Organizations. The broad organizational set up and major role and functions of these bodies are discussed below:

(A) Attached Offices

(i) Directorate General of Foreign Trade (DGFT)

This Directorate, with headquarters at New Delhi, is headed by the Director General of Foreign Trade. It is responsible for implementing the Foreign Trade Policy with the main objective of promoting Indian exports. It includes implementation of various duty neutralization schemes such as Advance Authorisation, Duty Free Import Authorisation (DFIA), Duty Entitlement Passbook (DEPB), Deemed Export Duty Drawback and Terminal Excise Duty (TED) refund, Export Promotion Capital Goods (EPCG) and incentive schemes like Focus Market, Focus Product, Vishesh Krishi & Gram Udyog Yojana and Served From India.

DGFT through its various offices provides facilitation to exporters in regard to developments in the area of international trade, i.e. WTO agreements, Rules of Origin and SPS requirements, Anti-Dumping issues, among others, to help the exporters to strategize their import and export decisions in an internationally dynamic environment. DGFT also issues authorisations to exporters/ importers and monitors their corresponding obligations through a network of 34 Regional Offices.

(ii) Directorate General of Supplies and Disposal (DGS&D)

The DGS&D, with headquarters at New Delhi, is headed by the Director General. It functions as the executive arm of the Supply Division of the Department of Commerce for conclusion of Rate Contracts for common user items, procurement of stores, inspection of stores, shipment and clearance of imported stores/ cargo. It has three Regional Offices located at Chennai, Mumbai and Kolkata. The functions of DGS&D are carried out through its functional wings and supporting service wings. The functional wings are the Supply Wing and the Quality Assurance Wing. The supporting service wings include Administration, Vigilance, Complaints and Public Relations, Co-ordination, Internal Work Study, Management Information Services, Litigation, etc.

The Supply Wing has commodity-wise Purchase Directorates such as Information Technology, Electrical Stores, Mechanical Engineering, Automobiles, Steel & Cement, Structural Engineering, Hardware, Workshop & Machine Tools, Wool & Leather, Paper & Paper Products, Oil & Chemicals. The handling of commodity-wise work facilitates maintenance of data bank on prices, vendors, specifications, market trends, etc. The Quality Assurance Wing has 27 offices / sub-centres spread all over the country.

(B) Subordinate Offices

(i) Directorate General of Commercial Intelligence and Statistics (DGCI&S)

This Directorate, with its office located at Kolkata, is headed by the Director General. It is entrusted with the work of collecting, compiling and publishing/disseminating trade statistics and various types of commercial information required by the policy makers, researchers, importers, exporters, traders as well as overseas buyers. The Directorate brings out a number of publications mainly on inland and coastal trade statistics, revenue statistics, shipping & air cargo statistics, among others, which are utilised by the Government Departments as well as by trading communities and researchers. The foreign trade data generated by the Directorate are disseminated through (i) Monthly Press Release, (ii) Foreign Trade Statistics of India by Principal Commodities & Countries, (iii) Monthly Statistics of Foreign Trade of India, and (iv) Statistics of Foreign Trade of India by Countries. The DGCI&S also maintains a commercial library for the use of traders, manufacturers, businessmen, industrialists, technologists, government officials, students, teachers and researchers from India and abroad.

(ii) Office of Development Commissioner of Special Economic Zones (SEZs)

The main objective of SEZs is to provide certain common facilities, a hassle free trading environment and a duty free environment for exporters. All laws of India are applicable in SEZs unless specifically exempted as per the SEZ Act/ Rules. Each Zone is headed by a Development Commissioner and is administered as per the SEZ Act, 2005 and SEZ Rules, 2006. There are currently eight Development Commissioners of SEZs. Units may be set up in the SEZ for manufacturing, trading or for service activity. The units in the SEZ have to be net foreign exchange earners but they are not subjected to any predetermined value addition or minimum export performance requirements. Sales in the Domestic Tariff Area from the SEZ units are treated as if the goods are being imported and are subject to payment of applicable customs duties.

(iii) Pay and Accounts Office (Supply)

The payment and accounting functions of Supply Division, including those of DGS&D, are performed by the Chief Controller of Accounts (CCA) under the Departmentalized Accounting System. Payment to suppliers across the country is made through this organization.

(iv) Pay and Accounts Office (Commerce & Textiles)

The Pay and Accounts Office, common to both the Department of Commerce and the Ministry of Textiles, is responsible for the payment of claims, accounting of transactions and other related matters through the four Departmental Pay & Accounts Offices in Delhi, two in Mumbai, two in Kolkata and two in Chennai. These Departmental Pay and Accounts Offices are controlled by the Principal Accounts Office at Delhi with the Chief Controller of Accounts (CCA) as the Head of the Department of the Accounts Wing.

(C) Autonomous Bodies

(i) Coffee Board

The Coffee Board was set up under Section (4) of the Coffee Act, 1942. The Board is headed by a Chairman and functions from Bangalore. The Board administers four Regional Coffee Research Stations, a Coffee Research Institute, a number of Regional Field Stations and Coffee Demonstrations Farms. The primary functions of the Board include formulating and implementing programmes and projects for growth and development of the coffee industry; promoting coffee consumption in India and exports in the international market; supporting research; extension and developmental activities for raising productivity; evolving pest and disease resistant varieties; and prescribing and enforcing quality standards at all stages.

(ii) Rubber Board

The Rubber Board was set up under Section (4) of the Rubber Act, 1947. The Board is headed by a Chairman with head quarters at Kottayam. It has four Zonal Offices, forty Regional Offices, a number of Field Stations, Rubber Development Centers and Regional Nurseries. The Board is responsible for the development of the rubber industry by way of assisting and encouraging scientific, technical and economic research; supplying technical advice to rubber growers; training growers in improved methods of planting, cultivation and manuring and collecting statistics from the owners of estates, dealers, manufacturers.

(iii) Tea Board

The Tea Board was constituted as a Statutory Body on 1st April, 1954 under Section (4) of the Tea Act, 1953. The Board is headed by a Chairman with head office at Kolkata. As an apex body for the tea industry in India, the Board has fifteen Regional and Sub-Regional Offices spread over different parts of India and three foreign offices in London, Moscow and Dubai. The primary functions of the Board include rendering financial and technical assistance for cultivation, manufacture, marketing of tea; promoting tea exports; aiding research and developmental activities for augmentation of tea production and improvement of tea quality; encouraging and assisting the unorganized small growers sector financially and technically and collecting & maintaining statistical data and its publication for the benefit of growers, processors and exporters.

(iv) Tobacco Board

The Tobacco Board was constituted as a Statutory Body on 1st January, 1976 under Section (4) of the Tobacco Act, 1975. The Board is headed by a Chairman, with headquarters at Guntur, Andhra Pradesh, and is responsible for the development of the tobacco industry. The Board also has a Directorate of Auctions at Bangalore. The primary functions of the Board include regulating the production and curing of Virginia Tobacco; keeping a constant watch on the Virginia Tobacco market in India and abroad; ensuring fair and remunerative prices to growers; maintaining and improving existing markets and developing new markets abroad by devising appropriate marketing strategies. The Board is entrusted with the task of recommending to the Central Government the minimum prices that may be fixed; regulating tobacco marketing in India with due regard to the interest of growers, manufacturers and dealers; propagating information useful to growers, traders and manufacturers and purchasing Virginia Tobacco from the growers when the same is considered necessary for protecting the interests of growers.

(v) Spices Board

The Spices Board was constituted as a Statutory Body on 26th February, 1987 under Section (3) of the Spices Board Act, 1986. The Board is headed by a Chairman with its head office at Kochi and is responsible for the development of cardamom industry and promoting the export of all the 52 Spices listed in the Spices Board Act, 1986. The primary functions of the Board include increasing the production and productivity of small and large cardamom; development, promotion and regulation of export of spices; assisting and encouraging studies and research for improvement of processing, grading and packaging of spices; striving towards stabilization of prices of spices for export and upgrading quality for export. In regard to cardamom, the Board also provides financial and other assistance for cultivation and processing of cardamom; monitoring prices; increasing domestic consumption; improving marketing; undertaking, assisting or encouraging scientific, technological and economic research and improving quality. The Board also implements programmes for development of exotic and high value spices like vanilla, herbal spices and organic spices. It also supports programmes aimed at better post harvest practices.

(vi) Export Inspection Council (EIC)

The Export Inspection Council was set up as a Statutory Body on 1st January, 1964 under Section 3 of the Export (Quality Control and Inspection) Act, 1963 to ensure sound development of export trade of India through Quality Control and Inspection and for matters connected therewith. The Council is an advisory body to the Central Government, with its office located at New Delhi and is headed by a Chairman. The Executive Head of the EIC is the Director of Inspection & Quality Control who is responsible for the enforcement of quality control and compulsory pre-shipment inspection of various commodities meant for export and notified by the Government under the Export (Quality Control and Inspection) Act, 1963. The Council is assisted in its functions by the Export Inspection Agencies (EIAs), which are field organizations located at Chennai, Delhi, Kochi, Kolkata and Mumbai and have state-of-art laboratories for quality certification activities. These Agencies have a network of thirty eight sub-offices and laboratories located at different ports or major industrial centres to back up the pre-shipment inspection and certification activities.

(vii) Indian Institute of Foreign Trade (IIFT)

The Indian Institute of Foreign Trade was registered in May, 1963 under the Societies Registration Act, 1860. The Institute, with its head office at New Delhi and one regional branch at Kolkata, is headed by a Director. The Institute has been conferred “Deemed University” status and is engaged in the following activities:-

- Running academic courses leading to issue of degrees in International Business & Export Management;
- Training of personnel in international trade;

- Organising research on issues in foreign trade, marketing research, area surveys, commodity surveys, market surveys; and
- Dissemination of information arising from its activities relating to research and market studies.

(viii) Indian Institute of Packaging (IIP)

The Indian Institute of Packaging was registered in May, 1966 under the Societies Registration Act, 1860. The Institute, with its office located at Mumbai and branch offices at Delhi, Chennai, Kolkata and Hyderabad, is headed by a Director. The main function of the Institute is to undertake research on raw materials for the packaging industry, organise training programmes on packaging technology and stimulate consciousness of the need for good packaging.

(ix) The Marine Products Export Development Authority (MPEDA)

The Marine Products Export Development Authority was set up as a Statutory Body in 1972 under an Act of Parliament (No.13 of 1972). The Authority, with its headquarters at Kochi and field offices in all the Maritime States of India, is headed by a Chairman. The Authority is responsible for development of the marine industry with special focus on marine exports. Besides, it has Trade Promotion Offices at Tokyo (Japan) and New York (USA).

(x) Agricultural and Processed Food Products Export Development Authority (APEDA)

The Agricultural and Processed Food Products Export Development Authority was set up in 1986 as a Statutory Body under an Act of Parliament of 1986. The Authority, with its headquarters at New Delhi, is headed by a Chairman. The Authority has five Regional Offices at Guwahati, Hyderabad, Kolkata, Bangalore & Mumbai and is entrusted with the task of promoting agricultural exports, including the export of processed foods in value added form. APEDA has also been entrusted with monitoring of export of non-scheduled products such as Basmati Rice, Wheat and Coarse Grains. Import of sugar is also monitored by APEDA.

The concept of Agri Export Zones (AEZs) was introduced in 2001 and APEDA was nominated the nodal agency to coordinate the efforts on the part of Central Government. The AEZs are developed by a coordinated effort of the Central Government, APEDA and the concerned State Government. It takes a comprehensive vision about a particular produce/ product integrating all the activities involved right from production to the market. It involves developing and sourcing the raw materials, their processing/ packaging and other activities till the final exports.

(D) Public Sector Undertakings (PSUs)

(i) State Trading Corporation of India Limited (STC)

STC was set up on 18th May, 1956, primarily with a view to undertake trade with East European Countries and to supplement the efforts of private trade and industry in developing exports from the country. The Corporation is registered as an autonomous company under the Companies Act, 1956. By virtue of infrastructure and experience possessed by the Corporation, it plays an important role in arranging import of essential items into India and developing exports of a large number of items from India.

(ii) MMTC Limited

The MMTC Limited, formerly known as the Minerals and Metals Trading Corporation was created in 1963 as an individual entity on separation from State Trading Corporation of India Ltd. primarily to deal in exports of minerals and ores and imports of non-ferrous metals. In 1970, MMTC took over imports of fertilizer raw materials and finished fertilizers. Over the years import and exports of various other items like steel, diamonds, bullion, etc. were progressively added to the portfolio of the company. Keeping pace with the national economic development, MMTC over the years has grown to become the largest trading Organisation in India.

(iii) PEC Limited

The PEC Ltd., formerly known as the Project and Equipment Corporation of India, was carved out of the STC in 1971-72 to take over the canalized business of STC's railway equipment division, to diversify into turn-key projects specially outside India and to aid & assist in promotion of exports of Indian engineering equipment. With effect from 23.05.1990, PEC became a subsidiary of the then newly formed Holding Company, Bharat Business International Ltd. Thereafter, w.e.f. 27.03.1991, PEC became an independent company directly owned by Government of India.

(iv) Export Credit Guarantee Corporation of India Ltd. (ECGC)

The Corporation was established in 1957 as the Export Risk Insurance Corporation of India Ltd. Keeping in view the wider role played by the Corporation, the name was changed to Export Credit Guarantee Corporation of India Ltd. (ECGC). The ECGC is the premier organization in the country, which offers credit risk insurance cover to exporters, banks, etc. The primary objective of the Corporation is to promote the country's exports by covering the risk of export on credit. It provides (a) a range of insurance covers to Indian exporters against the risk of non-realisation of export proceeds due to commercial or political causes and (b) different types of guarantees to banks and other financial institutions to enable them to extend credit facilities to exporters on liberal basis.

(v) India Trade Promotion Organization (ITPO)

India Trade Promotion Organisation has been formed by merging erstwhile Trade Development Authority (TDA) with Trade Fair Authority of India (TFAI) with effect from 1st January 1992. India Trade Promotion Organisation is the premier trade promotion agency of India and provides a broad spectrum of services to trade and industry so as to promote India's exports. These services include organization of trade fairs and exhibitions in India and abroad, Buyer-Seller Meets, Contact Promotion Programmes apart from information dissemination on products and markets.

(E) Export Promotion Councils (EPCs)

Presently, there are fourteen Export Promotion Councils under the administrative control of the Department of Commerce. Names of these Councils are given below: Chemexcil,

- Chemexcil
- CAPEXIL
- Pharmexcil
- Cashew Export Promotion Council
- Council for Leather Exports
- Engineering Export Promotion Council,
- Gems & Jewellery Export Promotion Council
- Project Exports Promotion Council of India (PEPC)
- Plastics Export Promotion Council
- Shellac Export Promotion Council
- Sport Goods Export Promotion Council
- Export Promotion Council for EOUs & SEZ Units
- Indian Oil Seeds & Produce Exporters Association,
- Services Export Promotion Council

These Councils are registered as non-profit organizations under the Companies Act/ Societies Registration Act. The Councils perform both advisory and executive functions. The role and functions of these Councils are guided by the Foreign Trade Policy, 2004-09. These Councils are also the registering authorities for exporters under the Foreign Trade Policy 2004-09.

(F) Advisory Bodies

(i) Board of Trade (BOT)

The Board of Trade was set up on 5th May, 1989 with a view to providing an effective mechanism to maintain continuous dialogue with trade and industry in respect of major developments in the field of International Trade. The Board is currently headed by Dr.

Kumar Mangalam Birla, and has 39 members. Its role is to, inter-alia, advise the Government on measures connected with the Foreign Trade Policy and how to achieve the desired objective of boosting India's exports. The terms of reference of the Board are:

- To advise the Government on Policy measures for preparation and implementation of both short and long term plans for increasing exports in the light of emerging national and international economic scenario;
- To review export performance of various sectors, identify constraints and suggest industry specific measures to optimize export earnings;
- To examine the existing institutional framework for imports and exports and suggest practical measures for further streamlining to achieve the desired objectives;
- To review the policy instruments and procedures for imports and exports and suggest steps to rationalize and channelise such schemes for optimum use;
- To examine issues which are considered relevant for promotion of India's foreign trade, and to strengthen the international competitiveness of Indian goods and services; and
- To commission studies for furtherance of the above objectives.

The Board is required to meet at least once every quarter and make recommendations to Government on issues pertaining to its terms of reference. The Board has the power to set up sub-committees and to co-opt experts to these and to make recommendations on specific sectors and objectives.

(ii) Export Promotion Board (EPB)

The Export Promotion Board functions under the Chairmanship of the Cabinet Secretary to provide policy and infrastructural support through greater coordination amongst concerned Ministries for boosting exports. All Ministries directly connected with facilitating foreign trade are represented on the Board by their Secretaries. This, inter-alia, includes Secretaries of Department of Commerce; Ministry of Finance; Department of Revenue; Department of Industrial Policy & Promotion; Ministry of Textiles; Department of Agriculture & Cooperation; Ministry of Civil Aviation and Ministry of Surface Transport.

(iii) Inter State Trade Council

The Inter State Trade Council was set up on 24th June, 2005 with a view to ensure a continuous dialogue with State Governments and Union Territories which, inter-alia, advises the Government on measures for providing a healthy environment for international trade in the States with a view to boost India's exports. The Council is represented by Chief Ministers of the States or State Cabinet Ministers nominated by

Chief Ministers, Lt. Governors or Administrators of the Union Territories or their nominees, Secretaries of the Departments of Commerce, Revenue, Industrial Policy & Promotion, Agriculture & Cooperation, Shipping, Road Transport & Highways, Ministries of External Affairs and Power and Chairman, Railway Board. It also co-opts the Chairman-cum-Managing Director of Export Credit Guarantee Corporation, Managing Director of EXIM Bank, Deputy Governor of Reserve Bank of India, Chairman of Agricultural and Processed Food Products Export Development Authority, Chairman of Marine Products Export Development Authority and Presidents of CII, FICCI, FIEO, ASSOCHAM and Export Promotion Council for EOUs/SEZs.

(G) Other Organizations

(i) Federation of Indian Export Organizations (FIEO)

The Federation of Indian Export Organizations is an apex body of various export promotion organizations and institutions with its major regional offices at Delhi, Mumbai, Chennai and Kolkata. It provides the content, direction and thrust to India's global export effort. It also functions as a primary servicing agency to provide integrated assistance to its members comprising professional exporting firms holding recognition status granted by the Government, consultancy firms and service providers. The Federation organizes seminars and arranges participation in various exhibitions in India and abroad. It also brings out 'FIEO News', for creating awareness amongst its member exporters and importers.

(ii) Indian Council of Arbitration (ICA)

The Indian Council of Arbitration was set up under the Societies Registration Act, 1860. The Council, with its office located at New Delhi, promotes arbitration as a means of settling commercial disputes and popularizes the concepts of arbitration among the traders, particularly those engaged in international trade. The Council, a non-profit service organization, is a grantee institution of the Department of Commerce and is eligible for assistance under the Marketing Development Assistance (MDA) Scheme of the Department. The main objectives of the Council are to promote the knowledge and use of arbitration and provide arbitration facilities for amicable and quick settlement of commercial disputes with a view to maintaining the smooth flow of trade, particularly, export trade on a sustained and enduring basis.

(iii) Indian Diamond Institute (IDI)

With the objective of enhancing the quality, design and global competitiveness of the Indian Jewellery, the Indian Diamond Institute was established as a Society in 1978 with its office located at Surat. The Institute is sponsored by the Department of Commerce and patronized by the Gems and Jewellery Export Promotion Council. The Institute conducted various diploma and other courses related to diamond trade and industry. The

Institute also has certification services for diamonds, coloured stones and gold jewellery. IDI has a Gem Testing Lab (GTL), which is recognised by Government of India as an approved Diamond Grading / Certification Institution for cut and polished diamonds up to weight of 0.25 carat. It also has an Assaying and Hallmarking Centre (AHMC) which is approved by Bureau of Indian Standards (BIS), Government of India. The Institute also has Sardar Vallabhbhai Patel Centre of Jewellery Design and Manufacture (SVJDM) which offers advanced courses in Jewellery Design and Manufacture.

(iv) Footwear Design & Development Institute (FDDI)

Footwear Design and Development Institute was set up in 1986 as a Society registered under the Societies Act, 1860 for Infrastructure Development for the footwear industry and Human Resource Development. The Institute conducts wide range of long term and short term programmes in the area of Retail Management, Fashion, Footwear Design, Technology, Management, Fashion Merchandising, Marketing, Creative Designing & CAD/CAM, Leather Goods & Accessories Design etc. The long-term programmes are of two to three years duration while short-term programmes are of one-year duration. All programmes offered by the Institute meet the international standards.

Directorate General of Anti-Dumping & Allied Duties (DGAD)

The Directorate General of Anti-Dumping & Allied Duties was constituted in April, 1998 and is headed by the Designated Authority of the level of Additional Secretary to the Government of India who is assisted by a Joint Secretary, Adviser (Cost) and Additional Economic Adviser. Besides, there are twelve Investigating and Costing Officers to conduct investigations. The Directorate is responsible for carrying out investigations and to recommend, where required, under Customs Tariff Act, the amount of anti-dumping duty/ countervailing duty on the identified articles which would be adequate to remove injury to the domestic industry.

III. Major Schemes implemented by the Department under the Plan & Non- Plan Schemes

The major schemes being implemented by the Department are:

- MDA
- Duty Drawback Scheme
- Assistance to States for Development of Export Infrastructure and other activities (ASIDE)
- National Export Insurance Account (NEIA)
- Investment in ECGC
- Export Inspection Council (EIC)
- Market Access Initiative (MAI)
- Indian Institute of Foreign Trade (IIFT)
- Indian Institute of Packaging (IIP)
- Centre for WTO Studies

- Indian Institute of Plantation Management (IIPM)
- Modernisation of Directorate General of Foreign Trade
- Modernisation of DGCIS
- Computerisation DGS&D
- APEDA
- MPEDA
- Tea board
- Coffee board
- Rubber board
- Spices board

IV. Mandate of the Department

The mandate of the Department of Commerce is the regulation, development and promotion of India's international trade and commerce through formulation of appropriate international trade and commercial policy and implementation of the various provisions thereof. The export efforts of the Department are supported by large number of organizations and institutions i.e. Commodity Boards. Export Inspection Council, Export Promotion Councils, Export Credit and Guarantee Corporation, India Trade Promotion Organization etc. which work as autonomous bodies under the administrative control of the Department. The Director General of Foreign Trade (DGFT), an attached office of the Department, implements the various provisions contained in the foreign trade policy on day to day basis.

The work allocated to Department of Commerce in accordance with the Allocation of Business Rules, 1961 is given below:

A. International Trade

- International Trade and Commercial Policy including tariff and non-tariff barriers.
- International Agencies connected with Trade Policy (eg. UNCTAD, ESCAP, ECA, ECLA, EEC, EFTA, GATT/WTO, ITC and CFC).
- International Commodity Agreements other than agreements relating to wheat, sugar, jute and cotton.
- International Customs Tariff Bureau including residuary work relating to Tariff Commission.

B. Foreign Trade (Goods & Services)

- All matters relating to foreign trade.
- Import and Export Trade Policy and Control excluding matters relating to -
 - import of feature films;
 - export of Indian films- both feature length and shorts; and
 - import and distribution of cine-film (unexposed) and other goods required by the film industry.

C. State Trading

- Policies of State Trading and performance of organizations established for the purpose and including -
 - The State Trading Corporation of India Limited and its subsidiaries excluding Handicrafts and Handlooms Export Corporation and Central Cottage Industries Corporation; the Tea Trading Corporation of India Limited and the Spices Trading Corporation of India Limited;
 - Projects & Equipment Corporation of India Limited (PEC);
 - India Trade Promotion Organization and its subsidiaries; and
 - Minerals and Metals Trading Corporation and its subsidiaries.
- Production, distribution (for domestic consumption and exports) and development of plantation crops, tea, coffee, rubber, spices, tobacco and cashew.
- Processing and distribution for domestic consumption and exports of Instant Tea and Instant Coffee:-
 - (a) Tea Board.
 - (b) Coffee Board.
 - (c) Rubber Board.
 - (d) Spices Board.
 - (e) Tobacco Board.

D. Management of Certain Services

- Cadre Management of Indian Trade Service and all matters pertaining to training, career planning and manpower planning for the service.
- Cadre Management of Indian Supply Service and all matters pertaining to training, career planning and manpower planning for the service.
- Cadre Management of Indian Inspection Service and all matters pertaining to training, career planning and manpower planning for the service.

E. Special Economic Zones

- All matters relating to development, operation and maintenance of special economic zones and units in special economic zones, including export and import policy, fiscal regime, investment policy, other economic policy and regulatory framework.

Note: All fiscal concessions and policy issues having financial implications are decided with the concurrence of the Department of Economic Affairs (Ministry of Finance) or failing such concurrence with the approval of the Cabinet.

F. Export Products and Industries and Trade Facilitation

- Setting up of Export Processing Zones (EPZ)/Agricultural Export Zones (AEZ) and 100% Export Oriented Units (EOUs).
- Gems and Jewellery.

- Matters relating to Export Promotion Board, Board of Trade and International Trade Advisory Committee.
- Matters relating to concerned Export Promotion Councils/Export Promotion Organizations.
- Indian Institute of Foreign Trade and Indian Institute of Packaging.
- Indian Diamond Institute and Footwear Design and Development Institute.
- Coordination for export infrastructure.
- Development and expansion of export production in relation to all commodities, products, manufacturers and semi-manufacturers including -
 - agricultural produce within the meaning of the Agricultural Produce (Grading and Marking) Act, 1937 (1 of 1937);
 - marine products;
 - industrial products (engineering goods, chemicals, plastics, leather products, etc.);
 - fuels, minerals & mineral products; and
 - specific export oriented products including plantation crops, etc. but excluding jute products and handicrafts.
- All organizations and institutions connected with the provision of services relating to the export effort including -
 - Export Credit and Export Insurance including Export Credit Guarantee Corporation Limited;
 - Export Inspection Council Standards including Quality Control;
 - Directorate General of Commercial Intelligence and Statistics; and
 - Free Trade-Zones.
- Projects and programmes for stimulating and assisting the export efforts.

G. Attached and Subordinate Offices

- Directorate General of Foreign Trade.
- Directorate General of Supplies and Disposals.
- Directorate General of Anti-Dumping and Allied Duties and related matters.
- Directorate General of Commercial Intelligence and Statistics.

H. Statutory Bodies

- Marine Products Export Development Authority.
- Agricultural and Processed Food Products Export Development Authority.

I. Miscellaneous

- Purchase and inspection of stores for Central Government Ministries/ Departments including their attached and subordinate offices and Union Territories, other than the items of purchase and inspection of stores which are delegated to other authorities by general or special order.