

# Need of Export Promotion Organizations in Emergent India

*The Boost for a Growing Economy.*

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## ABSTRACT

*The development of a country is always depended on its economical structure & conditions. If economic condition of a country is healthier, the development will also be in a nice growth. The economic condition of a country always depends on its national and international tread. Export is a very useful instrument to boost economy of a country. To stand with other competitors abroad, it is necessary to promote the export. From the past achievements and huge growth in economical condition, it is evident that export promotion should be regarded as a crucial tool of development. It is not an easy task for an individual or any firm to promote export. The basic reason behind it is the different nature, taste and living standard of each country. Export Promotion Organizations are playing a vital role in this field. These Councils are dedicated to boost exports from India and assist the member exporters through the various promotional activities. Hence, role of export promotion organizations has been focused in this paper.*

## 1. INTRODUCTION

When a county specializes in the production of a particular type of goods, due to international trade and division of labour, it exports those commodities which it produces cheaper in exchange for what others can produce at a lower cost. It gains from trade and there is increase in national income which, in turn, raises the level of the output and the growth rate of economy. This is a direct advantage of foreign trade.

There are some indirect dynamic benefits of a high order from foreign trade also. By enlarging the size of the market and the scope of specialization international trade make a greater use of machinery, encourage inventions and innovations, raise labor productivity, lower costs and leads to economic development. Beside it, foreign trade processes an “educative effect”. It provides the workers

of underdeveloped countries who are lacking in critical skills with an opportunity to learn from the successes and failures of the advanced countries. It provides the basis of the importation of foreign capital in under developed countries also. It helps to exchange domestic goods having low growth-potentials for foreign goods with high growth potential. Above and beyond it is fostering healthy competitions and checking inefficient monopolies.

India is facing the problem of imbalance of payment continuously, which is not temporary or fortuitous. Anyway it is the part and parcel of the process of development. The trade of indebtedness on account of excess import over export is greater than the foreign loans so received. Export and import activities have assumed a place of paramount importance in the development process of the Indian economy. The development of the economy’s export sectors has, thus, a vital role to play in the achievement of the

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plan's social and economic objectives. Export Sector is, therefore, the pace-setter for growth.

2. NEED OF EXPORT PROMOTION

Export promotion may be regarded as a major plank of India's foreign economic policy which offers our escape from the limitations set by the narrowness of domestic market, and over-come the difficulties created by resource immobility. The basic problem of export promotion is how to maximize the earnings from exports and to secure maximum quantity of foreign exchange, which also includes the problems of maximizing the receipts from our traditional export and diversifying the structure of exports, both commodity wise and destination wise. Keeping this in view, there was a requirement of such organization which could help in export promotional activities.

The commodity-wise Export Promotion Councils were set up by the Government during late 1950s and in the beginning of the 1960s. The Export Promotion Councils registered under the companies Act. Nominees of the government serve on the panel committees and on the committees of administration of the councils, and, thus necessary liaison is ensured between the industry and the government. These Export Promotion Councils look after all the aspects of the export promotion drive for specific commodities. There are near about 35 organizations including Export Promotion Councils and Commodity Boards of different products in India. Beside these two organizations named Federation of Indian Export Organization (FIEO) and Indian Trade Promotion Organization are not established only for

promoting any special product but these are working for promoting all types of trade in export market. These Councils were given the responsibility products-wise like Engineering Goods, Sports Goods, Chemicals, Marine Products, Textiles, Tea, Coffee, Coir, Leather Goods, Jute Products, Gems and Jewellery, Electronic Goods etc. The Councils were formed for all products being exported from the country or having potential for export in near future.

The role of the central Government in these councils is related to stimulation, encouragement and providing guidance to increase the exports. These councils undertake intensive market research for concerned commodity in different countries, send different trade delegations, and conduct trade publicity in foreign countries. They also collect a statistics, conduct surveys of industries, collect useful information for manufacturers and traders, and lay down standards on quality and packing of goods shipped for export. These councils are at securing the co-operation of consumers, producers and exporters in the country for export promotion. They also examine the technical nature of the export products and conduct market surveys and on the spot studies relating to price structure and cost reduction programme, etc.

Every Council, when established, has some aims and objectives as providing assistance, helpful in creating a health environment for industries, growth in national economy and many more. The main reason is that these councils are basically non-profit making organizations. These export promotion councils have various objectives like to offer co-operation and assistance to overseas importers, to offer professional advice to

its members in areas of technology up-gradation, quality and design improvement, standards and specifications, product development, innovation etc. these councils provide commercially useful information and assistance to its members in developing and increasing their exports. The councils organize Indian participation in international exhibitions abroad and explore overseas market opportunities. Councils seek joint venture & technical collaborations and organize buyer-seller meets in India and outside India. The members of these councils are kept informed and updated on commercially useful information to increase and develop their export, through a constant stream of upgraded information on international

markets development, trends requirement and product innovations.

### 3. CONCLUSION

The Export Promotion Councils were established not only to act as a bridge between the exporting community and the Government, but also to provide the nexus of service needed to support the export sector. It appears that the organizations have tended to emphasize the former at the expense of the later. There is a feeling that all exporters do not derive the same benefit from them. The Export Promotion councils have been far more concerned with appeals to the Government apropos incentives or procedures, and this role is a kin to that of associations of trade and industry.

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