GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF COMMERCE)

LOK SABHA
STARRED QUESTION NO. 16
TO BE ANSWERED ON 02nd FEBRUARY, 2022

BOOSTING OF SERVICES EXPORTS

*16.   SHRI BIDYUT BARAN MAHATO:
        SHRI SHRIRANG APPA BARNE

Will the Minister of **COMMERCE & INDUSTRY** (वाणिज्य एवं उद्योग मंत्री) be pleased to state:

(a) whether the Government proposes to provide impetus to IT sector to accelerate the growth and help Services Exports to reach $1 trillion at the end of this decade and if so, the details thereof;
(b) whether the Government has set any target regarding its merchandise export for the current fiscal year and if so, the details thereof and steps taken to achieve the same;
(c) whether the Government proposes to start IT hubs in Tier-2 and Tier-3 towns and cities to create jobs and uplift the Services Sector along with the development of the region and if so, the details thereof;
(d) the details of funds sanctioned and released for this purpose;
(e) the details of the locations identified for establishing such IT hubs; and
(f) the other steps taken to create a favourable ecosystem for start-ups, help IT industry to grow rapidly and contribute to country's export of Services?

ANSWER

वाणिज्य एवं उद्योग मंत्री (श्री पीयूष गोयल)

THE MINISTER OF COMMERCE AND INDUSTRY
(SHRI PIYUSH GOYAL)

(a) to (f): A Statement is laid on the Table of the House.

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STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (f) OF LOK SABHA STARRED QUESTION NO. 16 FOR ANSWER ON 02nd FEBRUARY, 2022 REGARDING " BOOSTING OF SERVICES EXPORTS".

(a) The initiative taken by the Government of India for promoting IT/ ITeS industry in the country are as below:

   i.   National Policy on Software Products-2019 with an aim to develop India as the global software product hub, driven by innovation, improved commercialization, sustainable Intellectual property (IP), promoting technology start-ups and specialised skill sets, for development of the sector, based on ICT has been approved. The objective of the policy is to create a robust Indian Software Product development ecosystem leading to ten-fold increase in India share of the Global Software product market and so as to generate direct and in-direct employment for 3.5 million people by 2025.

   ii. Next Generation Incubation Scheme (NGIS) has been approved to support software product ecosystem and to address a significant portion of National Policy on Software Product (NPSP 2019). It is envisaged to create a vibrant software product ecosystem to complement the robust IT Industry for continued growth, new employment and enhance competitiveness.

   iii. Some other initiatives to promote IT sector exports include Future Skills PRIME, Market Development Initiative in Nordics and Africa Region, Market Outreach Initiatives etc. under Champion Sector Services Scheme.

   iv. Further, in order to promote trade in services including IT services, Department of Commerce follows a multi-pronged strategy which comprises seeking meaningful market access through multilateral, regional and bilateral trade agreements. Focused efforts are also being made to address mobility issues being faced by the service suppliers and resolve barriers if any, faced by the exporters and other stakeholders as a part of these agreements.

(b) A target of US$ 400 billion for Merchandise exports for FY 2021-22 has been set. These targets have been communicated to State Governments, Missions Abroad and all Export Promotion Council (EPCs) for action. Following are some of the steps taken to increase exports:

   i.   'Districts as Export Hubs'(DEH) Initiative under which products and services with export potential have been identified in all districts of the country. An institutional mechanism has been set up in each District in the form of District Export Promotion Committees (DEPCs). The primary function of the DEPC is to prepare and act on District Specific Export Action Plans in collaboration with all the relevant stakeholders from the Centre, State and District levels.

ii. A Central Sector Scheme 'Transport and Marketing Assistance (TMA) for Specified Agriculture Products' for providing assistance for the international component of freight, to mitigate the freight disadvantage for the export of agriculture products, and marketing of agricultural products, is under implementation.

iii. Market Access Initiative (MAI) Scheme is an Export Promotion Scheme envisaged to act as a catalyst to promote India's exports on a sustained basis. The scheme is formulated on focus product-focus country approach to evolve specific market and specific product through market studies/survey. Assistance would be provided to Export Promotion Organizations/Trade Promotion Organizations/National Level Institutions/ Research Institutions/Universities/Laboratories, Exporters etc., for enhancement of exports through accessing new markets or through increasing the share in the existing markets.

iv. In addition, assistance to the exporters of agricultural products is also available under the Export Promotion Schemes of Agricultural & Processed Food Products Export Development Authority (APEDA), Marine Products Export Development Authority (MPEDA), Tobacco Board, Tea Board, Coffee Board, Rubber Board and Spices Board.

v. Trade Infrastructure for Export Scheme (TIES) is operational from FY 2017-18 with the objective of assisting Central and State Government agencies for creation of appropriate infrastructure for growth of exports.

vi. The Government has introduced the Remission of Duties and Taxes on Exported Products (RoDTEP). This scheme seeks remission of Central, State and Local duties/taxes/levies at different stages at the Central, State and local level, which are incurred in the process of manufacture and distribution of exported products, but are currently not being refunded under any other duty remission scheme.

vii. Common Digital Platform for Certificate of Origin to facilitate trade and increase FTA utilization by exporters.

viii. EPCs, Commodity Boards and India's mission abroad are actively promoting India's trade, tourism, technology and investment goals.

(c) Software Technology Parks of India (STPI), an autonomous society under Ministry of Electronics and Information Technology has established 62 STPI centres across the country, of which 54 centres are located in Tier II and Tier III cities.

To create employment opportunities and dispersal of IT/ITES industry in small cities and towns (excluding metro locations), Government had launched two BPO promotion schemes, namely India BPO Promotion Scheme (IBPS) and North East BPO Promotion Scheme (NEBPS). These schemes aim to incentivize setting up of 53,300 seats BPO/ITES operations by providing financial support up to 1 lakh per seat in the form of viability gap funding. Since the inception of these schemes, around 250 units have set up BPO/ITES operations across 27 States/UTs of the country, providing direct employment to over 47,000 persons. Under these schemes, the disbursements of financial support are on reimbursement basis directly linked with the objective i.e. employment generation by the units.

(d) The STPI centres are being set-up by STPI from its own internal accruals as per the extant policy of setting-up of new STPI centres, no funds are being sanctioned or released by the Union Government for this purpose. Till now, financial support of Rs. 80 crores have been disbursed to BPO/ITES units under IPBS and NEBPS schemes.

(e) The State-wise list of existing STPI Centres is at Annexure-I.

(f) In order to create favourable ecosystem for start-ups, various domain-centric Center of Excellences (CoEs) have been set-up by Ministry of Electronics and Information Technology (MeitY) in collaboration with suitable partners and stakeholders (State Government, Industry/ Industry Associations, Academia) in various parts of country. These CoEs are acting as single-window facilitators to extend requisite lab support, funding, mentoring services, etc.
Further, to help IT industry to grow rapidly and contribute to country's exports of services; Software Technology Park (STP) Scheme - a 100% export-oriented scheme is being implemented by STPI for the development and export of computer software using communication links or physical media and including export of professional services.

Other major initiatives of Ministry of Electronics & IT (MeitY) to promote technology led startup-innovation ecosystem are:

- Technology Incubation and Development of Entrepreneurs (TIDE 2.0) Scheme
- MeitY Start-up Hub (MSH)
- Scheme for Accelerating Startups around Post COVID Technology Opportunities (SASACT)
- Start-up Accelerator Programmes
- Electronic system and design manufacturing Entrepreneur Parks
- Support for International Patent Protection in E&IT (SIP-EIT) Scheme for SMEs

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Annexure-I: List of existing STPI Centres:

S. N	State	Centre Name
1.	Andhra Pradesh	Kakinada
2.		Tirupati
3.		Vijayawada
4.		Vizag
5.	Assam	Guwahati
6.	Bihar	Patna
7.	Chhattisgarh	Bhilai
8.	Gujarat	Gandhinagar
9.		Surat
10.	Haryana	Gurgaon
11.	Himachal Pradesh	Shimla
12.	Jammu and Kashmir	Jammu
13.		Srinagar
14.	Jharkhand	Ranchi
15.		Deoghar
16.	Karnataka	Bengaluru
17.		Hubli
18.		Mangalore
19.		Manipal
20.		Mysore
21.	Kerala	Thiruvananthapuram
22.	Madhya Pradesh	Gwalior
23.		Bhopal
24.		Indore
25.	Maharashtra	Aurangabad
26.		Kolhapur
27.		Nagpur
28.		Nasik
29.		Mumbai
30.		Pune
31.	Manipur	Imphal
32.	Meghalaya	Shillong
33.	Mizoram	Aizawl
34.	Nagaland	Kohima
35.	Odisha	Berhampur
36.		Bhubaneswar
37.		Rourkela
38.	Pondicherry	Pondicherry
39.	Punjab	Mohali
40.	Rajasthan	Jaipur
41.		Jodhpur
42.	Sikkim	Gangtok
43.	Tamil Nadu	Chennai
44.		Coimbatore
45.		Madurai

S. N	State	Centre Name
46.		Tirunelveli
47.		Trichy
48.	Telangana	Hyderabad
49.		Warangal
50.	Uttar Pradesh	Allahabad
51.		Kanpur
52.		Lucknow
53.		Meerut
54.		Noida
55.	Uttarakhand	Dehradun
56.	West Bengal	Durgapur
57.		Haldia
58.		Kharagpur
59.		Kolkata
60.		Siliguri
61.	Tripura	Agartala
62.	Goa	Goa

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