

# Foreign Trade Policy 2015-2020

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# INDIAN ECONOMY



# INDIAN ECONOMY: A FACT SHEET

- 3<sup>rd</sup> Largest in the World by Purchasing Power Parity - IMF
- 10<sup>th</sup> Largest in the World by Nominal GDP
- Projected to be 3<sup>rd</sup> Largest in the World by Nominal GDP by 2030
- India's Growth rate

Financial Year	Growth Rate
2013-14	6.9%
2014-15	7.2%
2015-16	7.5%
2017-18	8%

## INDIAN ECONOMY: A FACT SHEET

- Indian economy size \$2.047 trillion (Oct. 2014)
- China economy - \$ 10.56 trillion
  - China's growth rate of 7.4%
- US economy - \$17.42 trillion
- Indian economy projected to be of similar in size as that of US by 2050

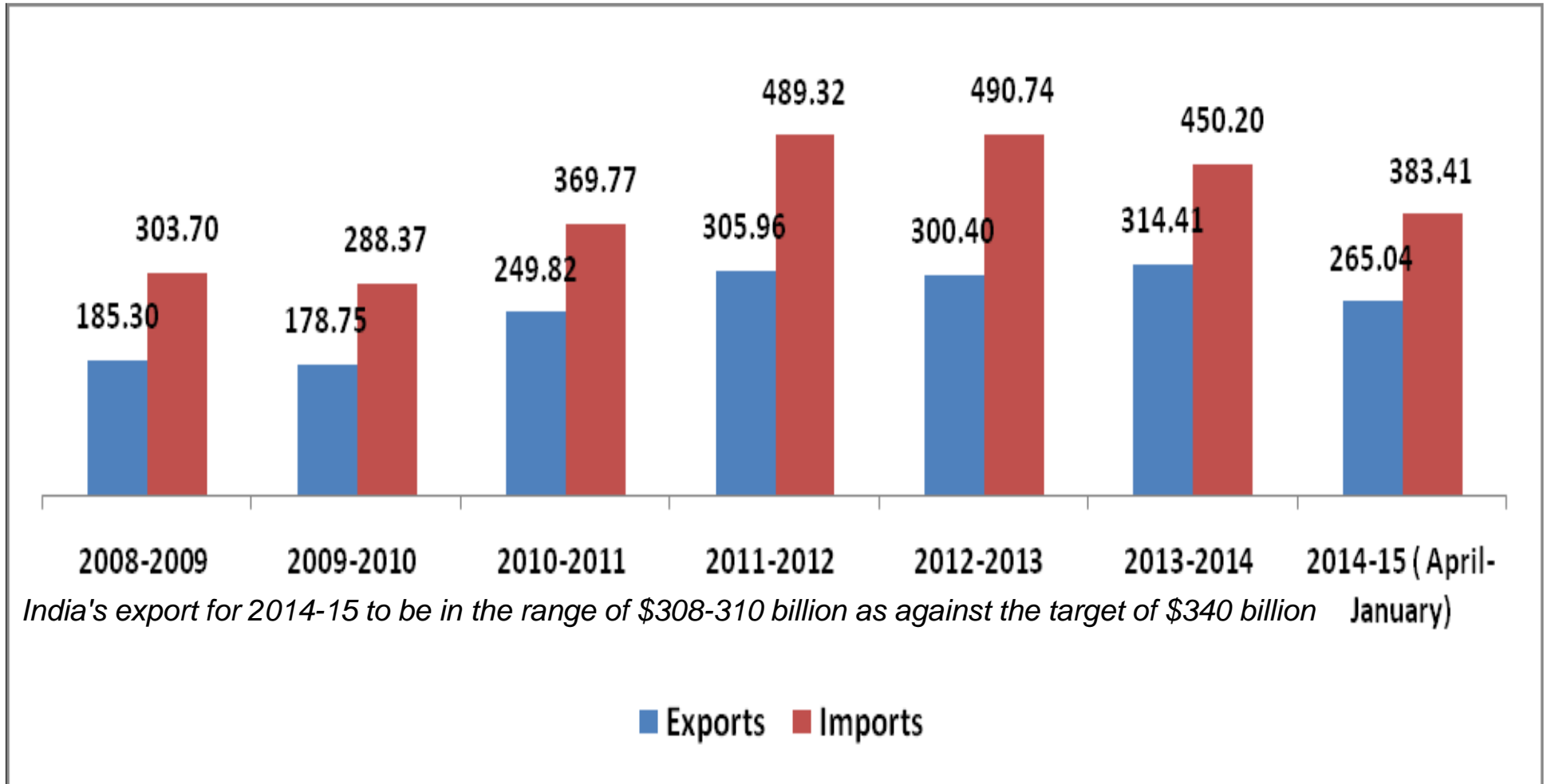
## INDIAN ECONOMY: EXPORTS DATA

- Merchandise trade -

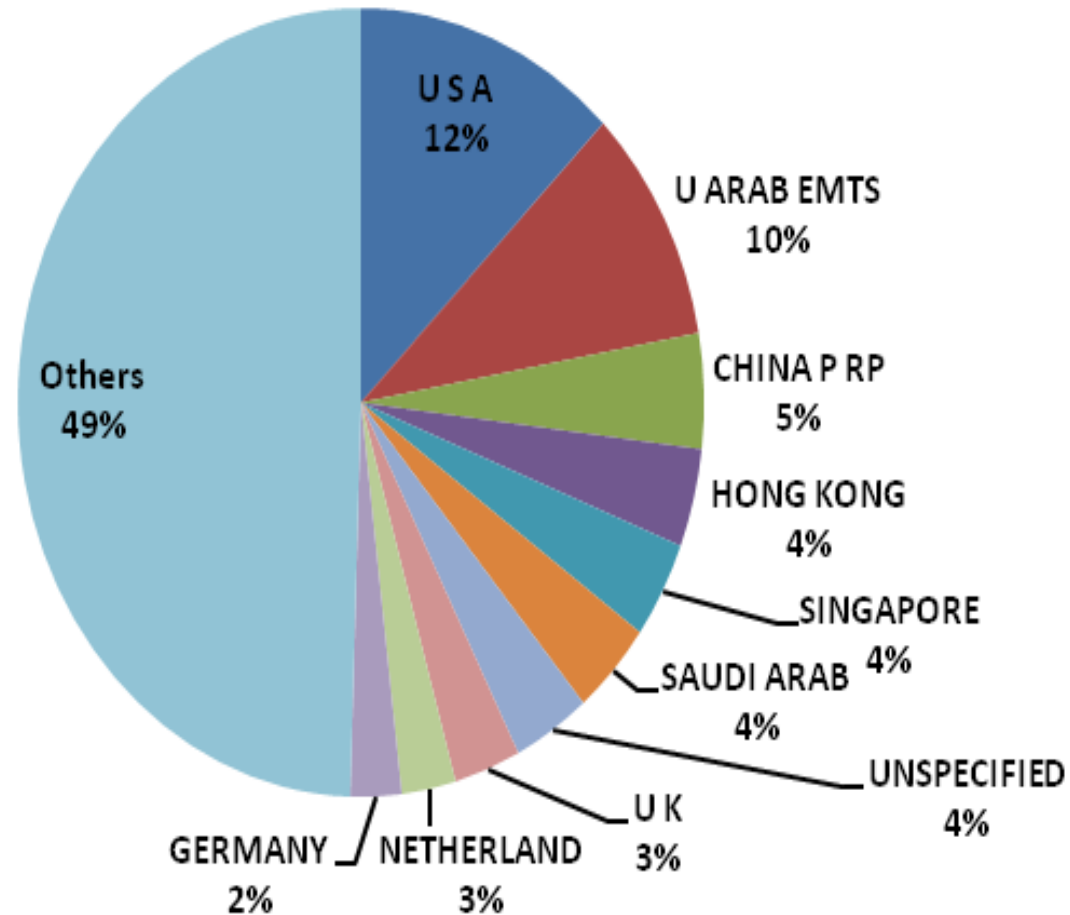
(Figures in USD billion)

India's Exports of Merchandise		India's Imports of Merchandise	
Value	Share/Rank	Value	Share/Rank
313	1.7% (19 <sup>th</sup> )	466	2.5% (12 <sup>th</sup> )
India's Exports of Commercial Services		India's Imports of Commercial Services	
Value	Share/Rank	Value	Share/Rank
151	3.2% (6 <sup>th</sup> )	125	2.8% (9 <sup>th</sup> )

# INDIAN ECONOMY: INDIA'S FOREIGN TRADE



# INDIAN ECONOMY: INDIA'S EXPORT DESTINATIONS







## INDIAN ECONOMY: PHARMA SECTOR

- The pharmaceutical industry in India is the world's third-largest in terms of volume
- One of the fastest growing sectors
- Significant contributor of India's export earnings

## FOREIGN TRADE POLICY - BACKDROP

- Until the liberalisation of 1991, India was largely and intentionally isolated from the world markets
- India used to protect its economy and to achieve self-reliance
- India occupied a very small space on the global trade canvas
- After a fiscal crisis in 1991, India has increasingly adopted free-market principles and liberalised its economy to international trade
- Exports began to grow remarkably and India has grown abundantly
- India has integrated more with foreign trade
- India's merchandise exports recorded a Compound Annual Growth Rate (CAGR) of 15.9 percent over the period 2004-05 to 2013-14

## FOREIGN TRADE POLICY - BACKGROUND

- Under the control of Ministry of Commerce and Industry
- Conventionally been formulated for five years at a time and reviewed annually
- On the employment front, it is found that nearly 14 million jobs were created directly or indirectly as a result of augmented exports in the last five years

## FOREIGN TRADE POLICY - OBJECTIVES

- To increase exports of goods and services and provide a framework of rules and procedures for increasing exports
  - to exempt and remit indirect taxes on inputs physically incorporated in the export product,
  - import capital goods at concessional duty,
  - stimulate services exports and
  - focus on specific markets and products
- Creation of employment

## FOREIGN TRADE POLICY - OBJECTIVES

- To link rules, procedures and incentives for exports and imports with other initiatives such as Make in India
- To increase India's exports of merchandise and services from USD 465.9 billion in 2013-14 to approximately USD 900 billion by 2019-20
- To raise India's share in world exports from 2 percent to 3.5 percent

# FOREIGN TRADE POLICY - 2015-2020

- Foreign Trade Policy (2015-20) is a first by the Modi-led Government
- Released on 1<sup>st</sup> April 2015
- Apart from focus on domestic manufacturing, the latest FTP 2015-20 targets an increase in exports
- A boost to the 'Make in India' vision of the Government

# FOREIGN TRADE POLICY - 2015-2020

## MEIS - Merchandise Export from India Scheme

- A novel and comprehensive Scheme for promoting export of merchandise from India
- Replaces the earlier five Schemes viz. Focus Product Scheme, Market Linked Focus Product Scheme, Focus Market Scheme, Agriculture Infrastructure Incentive Scrip, VKGUY with different kinds of duty scrips
- Scheme extended to developed markets like US, Canada and EU
- To be utilized for payment of import duties / excise / service tax
- Free tradable
- Benefit of scheme extended to SEZ - exporter of goods

# FOREIGN TRADE POLICY - 2015-2020

## SEIS - Service Exports from India Scheme

- Extends to ‘Service Providers located in India’ as against Indian service providers
- Benefits are also now made eligible for exports to developed countries like USA, Canada and countries in European Union which was eligible to a very limited extent under the earlier schemes
- To be utilized for payment of import duties / excise / service tax
- Free transferrable without any conditions attached
- The benefit of SEIS not available to the Service sector operating under the SEZ Scheme



# BDO: A BACKGROUND



# ABOUT BDO

## Our global network

5<sup>th</sup>

BDO is the world's fifth largest accountancy network

1,328

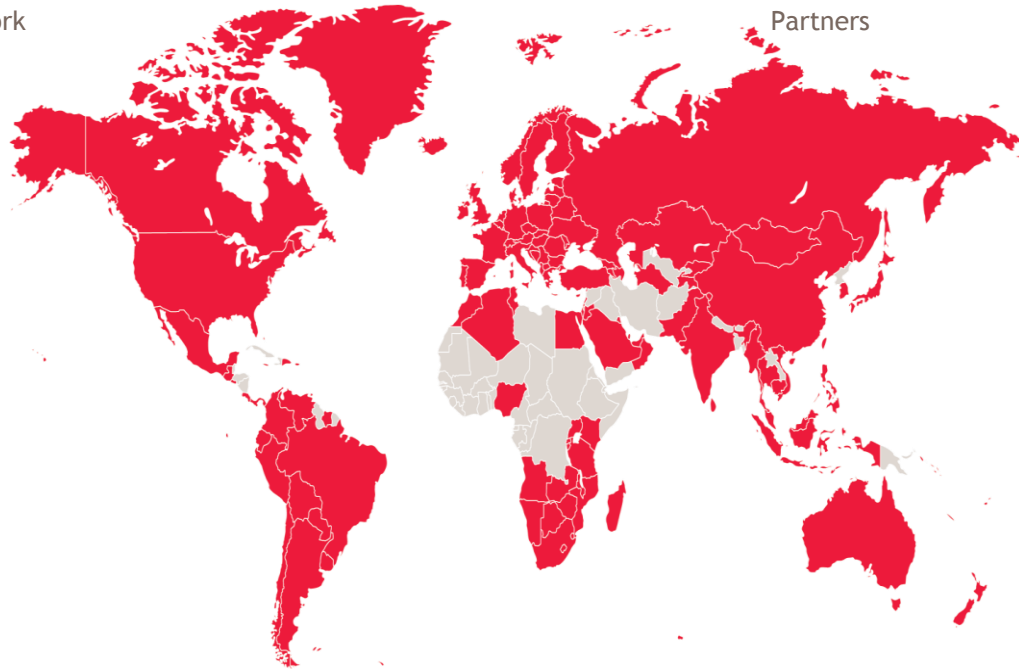
Over 1300 offices across globe

151

Presence in 150+ Countries across globe

60,000

Around 60,000 employees worldwide including 4,782 Partners

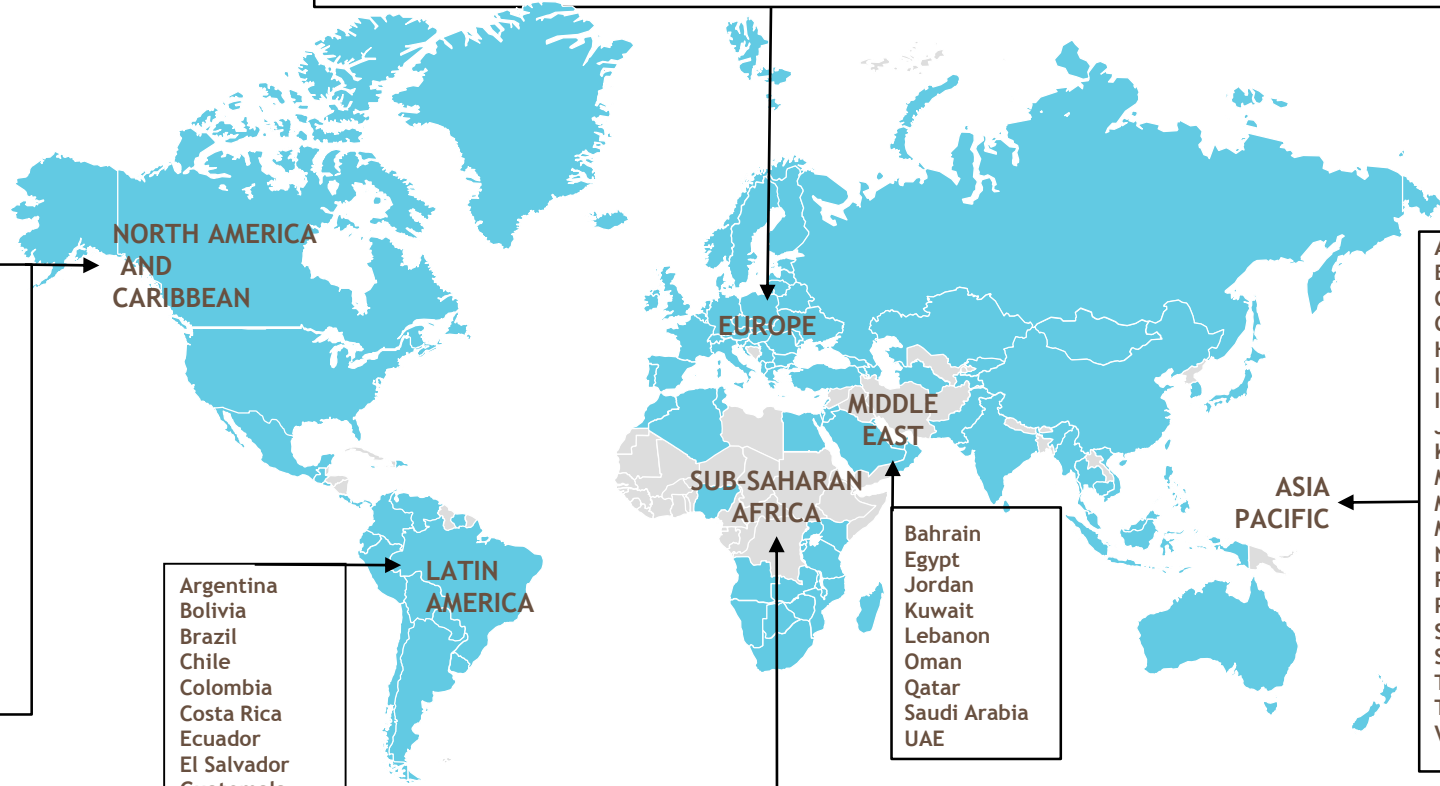


- BDO is the largest accountancy network focused on the mid-market and is comprised of a number of independently managed firms operating under the BDO brand
- BDO member firms offer an international network for organizations looking to operate beyond their domestic boundaries. The firms specialize in combining their local knowledge and experience with an understanding of the international context to provide global service.
- BDO's global vision is 'Exceptional Client Service delivered by Empowered People' - our clients can expect a consistently exceptional level of service from each of the member firms and such service will be tailored to their specific business needs
- The network's dedication to exceptional client service requires the highest ethical and technical standards and BDO supports its team to make that a reality.

# Introduction

## Our regions

Albania	Bulgaria	Finland	Guernsey	Kazakhstan	Malta	Portugal	Sweden
Algeria	Cape Verde	France	Hungary	Kosovo	Moldova	Romania	Switzerland
Armenia	Croatia	Georgia	Iceland	Kyrgyzstan	Mongolia	Russia	Tajikistan
Austria	Cyprus	Germany	Ireland	Latvia	Montenegro	San Marino	Tunisia
Azerbaijan	Czech Rep.	Gibraltar	Isle of Man	Liechtenstein	Morocco	Serbia	Turkey
Belarus	Denmark & Faroe Islands	Greece	Israel	Lithuania	Netherlands	Slovak Rep.	Turkmenistan
Belgium	Estonia	Greenland	Italy	Luxembourg	Norway	Slovenia	Ukraine
			Jersey	Macedonia	Poland	Spain	United Kingdom



- Aruba
- Bahamas
- Barbados
- British Virgin Islands
- Canada
- Cayman Islands
- Curaçao
- Dominican Rep.
- Jamaica
- Puerto Rico
- St Lucia
- St Maarten
- St Vincent & the Grenadines
- Suriname
- Trinidad & Tobago
- USA

- Argentina
- Bolivia
- Brazil
- Chile
- Colombia
- Costa Rica
- Ecuador
- El Salvador
- Guatemala
- Mexico
- Panama
- Paraguay
- Peru
- Uruguay
- Venezuela

- Bahrain
- Egypt
- Jordan
- Kuwait
- Lebanon
- Oman
- Qatar
- Saudi Arabia
- UAE

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- Botswana
- Burundi
- Comoros
- Kenya
- Madagascar
- Malawi
- Mauritius
- Mozambique
- Namibia
- Nigeria
- Rwanda
- Seychelles
- South Africa
- Tanzania
- Uganda
- Zambia
- Zimbabwe

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- Brunei Darussalam
- Cambodia
- China
- Hong Kong
- India
- Indonesia
- Japan
- Korea
- Macao
- Malaysia
- Myanmar
- New Zealand
- Pakistan
- Philippines
- Singapore
- Sri Lanka
- Taiwan
- Thailand
- Vietnam

# BDO IN INDIA

## Who We Are

- BDO India offers tax, audit and advisory services for both domestic and international organisations across a range of industries
- The firm was formed out of the merger of MZS & Associates, Mumbai; and Shah Khandelwal Jain & Associates, Pune. MZSK & Associates, is the practicing audit and assurance arm of BDO India.
- Our tax team is one of the best in India and we are rated as one of the leading Tax firms in India by the International Tax Review-World Tax 2014 - the Comprehensive Guide to the World's Leading Tax Firms, in the Third Tier .
- Rated as one of the leading Transfer Pricing firms in India by the World Transfer Pricing 2014 - the Comprehensive Guide to the World's Leading Transfer Pricing Firms, in the Third Tier .
- We have a rich blend of experience and expertise - Our Partners are reputed with being subject & industry experts and take pride in a work culture that is both client-centric and knowledge driven, having engaged & led high profile projects across the nation & globe.



# BDO India Credentials

- 35 Partners / Directors
- 500+ team members
- PAN India Presence through own offices and associates
- Deep service line and sector expertise - most Partners and team members have work experience at Big 4s and other reputed management consulting firms

## BDO INDIA TEAM

### THE CORNERSTONES OF OUR SUCCESS

#### Quality

We provide timely, accurate results that meet the requirements of the Investors and regulatory authorities such as the Securities and Exchange Board of India (SEBI)

#### Execution

We provide results and guidance by gaining a thorough understanding of the business and addressing your needs.

#### Professional

Our focus on honesty and integrity bestows confidence to clients and their stakeholders.

#### Independence

Our independence and objectivity is necessary to meet legal and ethical standards of investors and regulators.

With a national footprint and broad international network, BDO is poised to serve you wherever in world you do business. In addition to our breadth and depth of resources, it's our people, the knowledge they bring to engagements, their commitment to exceeding expectations, and the candid relationships they develop with clients that has made BDO the distinct choice for clients of all types and sizes. Whether orchestrating resources across the country or around the world, we're committed to delivering quality service.

# Thank you

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