

MARKET ACCESS INITIATIVE (MAI) SCHEME

Scheme

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, during the 10th five year Plan. The scheme is formulated on focus product- focus country approach to evolve specific strategy for specific market and specific product through market studies/survey. Assistance would be provide to Export Promotion Organizations/ Trade Promotion Organizations / Exporters etc. for enhancement of export through accessing new markets or through increasing the share in the existing markets. Under the Scheme the level of assistance for each eligible activities has been fixed.

2. Scope

The following activities will be eligible for financial assistance under the Scheme :

- To identify the priorities of research relevant to the Department of Commerce and to sponsor research studies consistent with the priorities;
- WTO Studies for evolving WTO compatible strategy;
- To support EPCs/Trade Promotion Organistions in undertaking market studies/survey for evolving proper strategies.
- To support marketing projects abroad based on focus product - focus country approach. Under marketing projects, the following activities will be funded:

(a)Opening of Showrooms

(b) Opening of Warehouses

(c)Display in international departmental stores

- (d) Publicity Campaign and Brand Promotion
- (e) Participation in Trade Fairs, etc., abroad
- (f) Research and Product Development
- (g) Reverse visits of the prominent buyers
etc. from the project focus countries

- Export Potential Survey of the States;
- Registration charges for product registration abroad for pharmaceuticals, bio-technology and agro-chemicals;
- Testing charges for engineering products abroad;
- To support Cottage and handicrafts units;
- To support Recognized associations in industrial clusters for marketing abroad

4. Eligible Agencies

Under the Scheme, financial assistance may be given to:

- Departments of Central Government and organization of Central / State Governments
- Export Promotion Councils
- Registered Trade Promotion Organizations
- Commodity Boards
- Apex Trade Bodies recognized under EXIM-Policy of Government of India
- Recognized Industrial clusters
- Individual exporters (only for testing charges of engineering products abroad and registration charges of pharmaceuticals, bio-technology and agro-chemicals)

5. Criteria for Sanction

- Market Access Initiative (MAI) Scheme is based on Focus country-product approach and the eligible agencies should formulate a comprehensive project for market access on the basis of Focus-Country and Focus - Product approach. The

project should be for a particular product for a particular market for the period of 2-3 years so as to get the maximum result.

- The proposal should not duplicate the efforts of any existing activity or organization in the same field
- The assistance under the Scheme for activities under the project will not be provided for which assistance under MDA has already been sanctioned.
- The funding for the project will be on cost-sharing basis. However, the Empowered Committee may consider for enhancement or curtailment of the level of assistance on the merit of the project.

6. Scrutiny and Sanctions

- ◆ There shall be an Empowered Committee (E.C.), which will consider and approve the proposals. The E.C. will also monitor the implementation of the sanctioned proposals.
- ◆ The approval for sanction of the funds for approved projects will be obtained from the competent authority as specified by the Ministry of Finance
- ◆ The composition of the Empowered Committee will be as under:
 - Commerce Secretary - Chairman
 - Chairman, ITPO -Member
 - Addl. Secy. & Financial Advisor, DOC -Member
 - Director General, Foreign Trade -Member
 - Director General, Indian Institute of Foreign Trade -Member
 - Representative of Secretary, MEA -Member
 - Representative of Planning Commission -Member
 - Economic Adviser, Department of Commerce -Member
 - Adviser Economic, Department of Commerce -Member
 - A representative from the Ministry of Small Scale Industries -Member
 - Joint Secretary, Administrative Division,

Department of Commerce, dealing with
Concerned EPC/Commodity Boards. -Member

- A representative from the Department,
which is dealing with the subject
(goods or services) brought before the EC
for funding support -Member
- JS, In-charge of the Scheme,
- Department of Commerce -Convener

The Committee would meet as and when required.

- ◆ The representative of the Eligible Agencies proposing/
sponsoring the proposals may be invited to the meeting of the
Empowered Committee, if required.
- ◆ E&MDA Division, Deptt. of Commerce, will co-ordinate the
work related to the Scheme and liaise with Eligible Agencies for
release and utilisation of the sanctioned funds.
- ◆ Payment made under the Scheme will be subject to audit by
the Comptroller and Auditor General of India as also by other
means as deemed fit by the Government of India.
- ◆ Government of India will cause physical verification and other
such enquiry as deemed fit, of the projects sanctioned under
the Scheme.

7. Submission of the proposal

- ◆ The project proposal should be specific with related details. All
aspects related to the project should invariably be supported
by data/ surveys. The projected benefits in both qualitative
and quantitative terms in future should also be indicated.
- ◆ Project proposals consisting of eligible activities under the
scheme would be forwarded to E&MDA Division, Deptt. of
Commerce by the Eligible Agencies through concerned
administrative divisions/ Deptt./ Ministry concerned
alongwith their specific recommendations.
- ◆ The recognized Industrial clusters will forward their project
through concerned EPCs concerned.

- ◆ The project proposal should be accompanied by an executive summary as per annexure-I
- ◆ Project proposals received in E&MDA Division one month ahead of the meeting of the Empowered Committee will be considered in that particular meeting.

8. Details of approved purposes for the scheme and level of assistance

8.1 Market Study

Assistance would be provided for undertaking a market study of a particular market(s) for a particular product to have in depth analysis and to evolve a proper marketing strategy for greater market access as per the needs of that particular market. Professional consultants will be employed to undertake marketing studies and Indian Diplomatic Missions in the target countries would be associated with such studies. Such studies could be approved as a first step of a marketing project and the findings/ recommendations would be the basis for further activities to be taken for greater market access. The Eligible Agencies will ensure the involvement of consultant appointed for surveys/studies during the execution of the project also for smooth implementation.

Level of assistance: For market studies grant assistance of 75% of the total cost would be provided under the Scheme and the rest i.e. 25% would be borne by the Eligible Agencies. However, for studies assigned by the D/Commerce for the cause of export promotion, 100% assistance would be provided. The assistance for studies would be subject to a ceiling of Rs.75.00 lakh/each study.

8.2 Opening of Showrooms and Warehouses

Showrooms / Warehouses would be setup in leased or rental accommodation for identified products at identified centers identified on the basis of marketing studies/ surveys.

Level of assistance : Under the Scheme 75%, 50% and 25% of leasing / rental charges in the first, second and the third year, respectively, would be provided as assistance. A ceiling of Rs. 50.00 lakh would be for each market/ product per annum.

8.3 Display in International Departmental Stores

Tie up with local distributors and major stores shall be used as a tool for promoting particular product (s). International Departmental Store chains would be identified on the basis of marketing studies/surveys.

Level of assistance : Under the Scheme, 50% of rental charges of display space would be provided as assistance, subject to a ceiling of Rs. 50.00 lakh per annum/each product.

8.4 Publicity Campaign :

Intensive publicity campaigns for identified product/products in the identified market through various means would help in creating a brand identity for Indian products in international markets.

Level of assistance : 50% assistance would be provided for two years in a particular market subject to a ceiling of Rs.50.00 lakh per annum/ per market. The assistance can be considered for the third year after a review of the result of the project in the first two years.

8.5 Participation in Trade Fairs, BSMs etc. abroad :

Under the Scheme, assistance would be provided for participation in trade fairs / exhibitions at identified potential places abroad on Focus Country-Product basis. Participation in such fairs/exhibitions will normally be part of a comprehensive strategy. To maximize the benefits such efforts should be linked with effective publicity campaign, seminars, buyer-seller meets etc. These activities will be coordinated by the Eligible Agencies.

Level of Assistance : 2/3rd of the actual expenditure. The expenditure on TA/DA would be met by each

participant. The assistance would be subject to a ceiling of Rs.50.00 lakh for each fair. The following sub-components would be covered :

- ♦ Venue Cost
- ♦ Publicity cost for the event
- ♦ Cost of the catalogues and other material
- ♦ Translation and Interpreters' charges
- ♦ Any other component approved by the Empowered Committee

8.6 Assistance to reverse visits of the prominent foreign buyers, foreign Trade Journalists:

Under the Scheme, assistance to reverse visits of the prominent buyers, journalists/ editors of trade journals and representatives of leading buying houses from the project focus countries for visiting important trade fairs/ exhibitions/ BSMs/ Seminars and to visits important units in India would be provided to the Eligible Agencies.

Level of assistance : 2/3rd of the total approved expenditure. The following sub-components would be covered:

- ♦ Venue Cost
- ♦ Publicity cost for the event
- ♦ Cost of the catalogues and other material
- ♦ Translation and Interpreters' charges
- ♦ Any other component approved by the Empowered Committee

100% of the air travel cost of the foreign visitors in the economy/ excursion class only would be financed. The foreign visitors would be meeting their own boarding/ lodging expenses. The EC would decide a fixed allocation for the activities each year.

8.7 Research and Product Development.

Selected exporters/ Export Promotion Councils (EPCs)/ Trade Promotion Organizations would be assisted in modernizing and upgrading the identified products as per the needs of the specific markets. This may be considered as

a separate proposal or as a component of the approved project under the scheme for the assistance. The EPCs concerned etc. would act as coordinator.

Level of Assistance : 25% of the total approved cost subject to a ceiling of Rs. 50.00 lakh for each product, would be borne by the Scheme and the balance 75% by the concerned EPCs / Exporters / TPOs.

8.8 Export Potential Survey of the States :

The scheme would supplement the organizations of State Governments in carrying out export potential surveys of the States for identified product groups to evolve market related strategy for promoting exports of the identified product groups from the State. The organization of the State Govt. would be the coo-ordinating agency for the survey.

Level of Assistance : 50% of the cost of Survey subject to the ceiling of Rs. 50.00 lakh, would be funded under the Scheme. The rest 50% would be borne by the organization of the State Government.

8.9 Registration charges for product registration abroad for pharmaceuticals, bio technology and agro- chemicals :

Under the Scheme, assistance will be provided on reimbursement basis for registration charges paid by an Indian exporter of pharmaceuticals, bio-technology and agro-chemical products.. For getting assistance an exporter is required to send the request through Chemexcil attaching a certificate from the Indian Mission concerned certifying the amount paid towards registration charges. Preferences shall be given to the small and medium entrepreneurs.

Level of Assistance : For registration charges of these products assistance under the Scheme would be 50% of the registration charge subject to a ceiling of Rs. 5.00 lakh for each registration. An exporter can apply for five registrations in a year and the total ceiling for each exporter shall be Rs.25.00 lakh per annum.

8.10 Testing charges for engineering products abroad :

An exporter can apply through concerned EEPC for getting assistance on reimbursement basis. A certificate from Indian Mission concerned certifying the amount paid for testing charges is required to settle the claim. Preferences shall be given to the small and medium entrepreneurs.

Level of Assistance :

Under the Scheme, the assistance at the rate of 50% of the testing charges subject to a maximum ceiling of Rs. 1.00 lakh for each testing would be provided. An exporter can apply for five tests in a year and the total ceiling for each exporter would be Rs.5.00 lakh per annum.

8.11 Assistance to Cottage and handicrafts units:

For providing assistance to the cottage and handicrafts units, the funds shall be earmarked on annual basis for the eligible activities under the Scheme. In addition to other eligible activities, the assistance would also be provided for developing website for virtual exhibition @ 75% of the total approved cost. Preferences shall be given to the small and medium entrepreneur in allocation of funds.

Level of Assistance:

The level of assistance to Cottage and handicrafts units for eligible activities under the Scheme would be as under:

Where level of assistance for eligible activities, under the Scheme, in normal course is:	The level of assistance for eligible activities in case of cottage and Handicrafts units would be:	Remarks
75% and 2/3rd	90%	The assistance would be subject to the maximum ceiling prescribed in normal course.
50%	75%	-do-
25%	50%	-do-

8.12 Studies on WTO related matters :

Under the Scheme Rs. 1.00 Crore per year has been earmarked for WTO related studies. Such studies would be undertaken on the recommendation of the Committee constituted in the Department of Commerce for this purpose.

Level of Assistance : Assistance would be provided on 100% basis.

8.13 Project/Study which further the objectives of the Scheme

Financial assistance to any project / Study which the Empowered Committee in its deliberation feels would further the objectives of the Scheme would be provided.

Level of Assistance: The level of assistance would be decided by Empowered Committee. The assistance would be restricted to 50% of the project cost "subject to maximum of Rs.50.00 lakh in each case." [However, this clause is under consideration for giving relaxing power to EC by competent authority).

8.14 Assistance to Industrial Clusters

The funds shall be provided through EPC concerned on the prescribed scale for the activities such as Market study, participation in trade fairs etc. abroad, opening of warehouse & showroom, display in international store and publicity.

9. Changes in Approved Projects :

No changes shall be made in the project (even if no additional costs are involved) without the prior approval of the Department of Commerce.

11. **Monitoring and Review:**

- ◆ The Eligible Agencies shall submit a quarterly report in the prescribed format as given at annexure-II. This form will be used to review the progress of utilisation of the funds released and also the basis for further release of funds by the Deptt. of Commerce.
- ◆ The Empowered Committee shall periodically review the progress of the scheme and will take steps to ensure achievements of the objectives of the scheme.
- ◆ E&MDA Division will act as the Secretariat for the Scheme and do physical verification from time to time for proper utilisation of funds and implementation of the projects. A team of officers for this purpose would be constituted by E&MDA Division.

Annex-I

Application form for Assistance under MAI for Marketing Project

(Where necessary enclose a detailed write up)

1.	Name of Organisation/ EPC/TPO	
2.	Name of Project/Study for which MAI assistance is requested.	
3.	Whether it is based on Focus country-product basis.	
3.1	If Yes, Name of Country/ countries and in case more than one country is to be covered and whether the markets are similar in nature.	
3.2	If No, give justification for taking it up under the Scheme	
4.	Whether the project is based on findings of any study / survey. If not, the basis/grounds on which the project is prepared.	
4.1	If Yes, name of the organisation, which undertook the study/survey. A copy of the summary of the report alongwith findings/ recommendations should be enclosed.	
4.2	If No, attach a brief justification for not based on the study/ survey	
5.	Whether the project would be taken up by the Ogranisation/ EPC itself. If not, give details about implementing agencies alongwith the reasons why the project is not being taken up by the EPC/ TPOs itself etc.	
6.	Whether financial assistance has been taken earlier for such projects, under MAI/ MDA or from any other Scheme of Government of India/ States.	
6.1	If yes, the details thereof	

6.2	What was the cost and what were the specific benefits of the last activity. Pl specify : a) Number of participants/ contact persons b) Number of orders booked & their value c) Specific result of publicity etc. & how did the industry benefited d) Other benefits.	
7.	Period during which the Project is to be undertaken	
8.	Proposed activities to be undertaken under the project	1. 2. 3. 4. 5.
9.	The total cost of the project- year- wise.	
10	The level of assistance sought under MAI year-wise for each activity.	
11	Specific targeted benefits after completion of the project as per item 6.2	

Market Access Initiative (MAI) Scheme

Report for the Quarter ending on _____ for the project approved under MAI Scheme of Deptt. of Commerce, Government of India.

Name of the EPC / TPOs:

Name of the Project:

Date of Approval :

Sl. No.	Approve activities under the Project	Amount spent on each activity upto this quarter	Approved amount and pattern of funding - activity-wise (in Rs.)			Whether the progress is made as per the proposal*	If not the reasons thereof*	Remarks *
			MAI	EPC	Exporters			

* Attach a separate sheet giving details.