



# **J & K**

# **TRADE AND EXPORT POLICY**

# **2018-28**



**Industries and Commerce Department**  
**Government of Jammu and Kashmir**



Government of Jammu and Kashmir  
Industries and Commerce Department

# **J & K TRADE AND EXPORT POLICY 2018-28**





Government of Jammu and Kashmir  
Industries & Commerce Department  
Civil Secretariat, Srinagar

**Subject: J&K Trade & Export Policy, 2018-28.**

Reference: SAC Decision No. 43/7/2018 Dated 01.08.2018.

**Government Order No: 197-IND of 2018**

**Dated: 10.08.2018**

Sanction is hereby accorded to the adoption of J&K Trade & Export Policy, 2018-28 as per annexure to this Government Order for its implementation with immediate effect.

By order of the Government of Jammu & Kashmir.

**Sd/-**

(Shailendra Kumar) IAS  
Principal Secretary to Government,  
Industries and Commerce Department

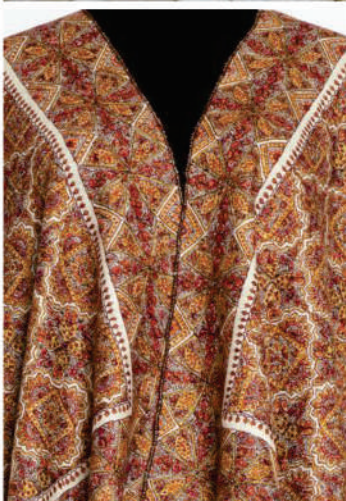
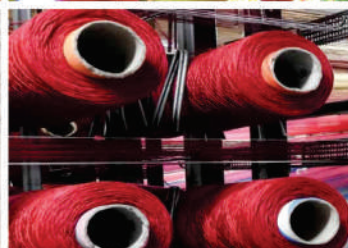
No: IND/DIC-01/2018

Dated: 10.08.2018

Copy to the:

1. All Financial Commissioners.
2. Principal Resident Commissioner, J&K Government, New Delhi.
3. Principal Secretary to the Hon'ble Governor.
4. All Administrative Secretaries to Government. The Commissioner/Secretary to Govt., GAD is requested to get the policy document hoisted on the website of GAD.
5. Divisional Commissioner, Jammu/Kashmir.
6. Director, Information J&K.
7. All Head of Departments/Managing Directors.
8. All Deputy Commissioners.
9. Director, Archives, Archaeology and Museums, J&K.
10. General Manager, Government Press, Jammu/Srinagar.
11. OSD with Advisor(V), Advisor(G), Advisor(K) to the Hon'ble Governor, J&K.
12. Private Secretary to the Chief Secretary, J&K.
- ✓ 13. Pvt. Secretary to the Principal Secretary to Government, Industries & Commerce Department.
14. Incharge Website, I&C Department for uploading the policy document on departmental website.
15. Government Order File (w.2.s.c.).

 P.S Rathore) KAS   
Additional Secretary to Government,  
Industries & Commerce Department  
10.08.2018



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## 1. INTRODUCTION

- 1.1** The State of Jammu & Kashmir with the hope inspired by the goals of Development Vision of the Country and determination to consolidate gains on the macro-economic front and to face the economic challenges that lie ahead, looks forward for forging a strong, diversified, resilient and competitive State economy. Towards this end, all sectors have specific roles and contributions to make in raising pace of development to a dynamic self-sustaining level. In this regard, trade and commerce function is seen as a central and pivotal pillar in attainment of the mission of moving to Trade and Export led economy with higher proficiency, productivity and competitiveness from agrarian economy.
- 1.2** While the National Development Vision inspires and raises hope, the argument for trade as the engine of growth and development in the face of globalization needs no emphasis. Unfolding developments in the political, economic and social spheres are bringing about tremendous changes and challenges in the business environment. These changes entail perceptible shifts in economic relations, evident in the trade liberalization and globalization phenomenon.
- 1.3** Thus, the State requires a Trade & Export Policy that will ensure effective participation in the designed framework and codified trading system that has emerged at the national and international level and in seizing the opportunities inherent in the free flow of resources inherent in globalization. The State Trade & Export Policy intends to ensure that liberalization offers meaningful, identifiable and measurable benefits to entrepreneurs.
- 1.4** The efficacy of Trade & Export Policy depends on the establishment of a specific macro-economic, social and political environment. When fundamental changes occur in the underlying environment, the configuration of policy strategies have to change. This Policy reflects the dynamics of Jammu & Kashmir State as an agrarian economy in transition towards a market driven one.



- 1.5** The Trade & Export Policy expects to assist the State strive to carve a place for itself in the national economy and a niche for its products in the national and international market. The private sector would be the lead stakeholder, the economic agents responsible for the production of goods and services would enable the State to occupy its rightful place in the global market. The public sector's primary role is that of enabling and facilitating this process. This essence of the strategy will enable J&K to use her resources, especially her manpower base, to address economic challenges with the objective of attaining goals of the Development Vision and enhancing per-capita income of the State.
- 1.6** This Policy document has therefore been formulated with consciousness and belief of the State Government that trade and investment regime encourages integration into global trading environment and import of diverse and modern technologies that are important for productivity improvements.

## 2. POLICY VISION

- 2.1** Role of trade sector towards the realization of the goal of economic development will be attained through the structural transformation of the economy and enhanced value added productivity that would in turn contribute to the process of competitiveness and lead to rapid economic growth. The Policy Vision, in the aforesaid context, has to be:

*“... to transform the state economy from a supply constrained one into a competitive export-led entity responsive to enhanced domestic integration and wider participation at national and global economy through trade liberalization in tune with the national policies.”*

## 3. MISSION

- 3.1** Trade is not an end in itself but a means of achieving higher level of welfare for the society. The function of the trade sector, therefore, is to integrate the State economy

into the national and global economy through trade. This entails structural transformation of the State economy in tandem with initiatives in this regard at the national level, and product/market diversification.

- 3.2** Indeed, to have a sustained economic growth rate which is capable of addressing the challenge of unemployment issue in the State depends on developing a modern export-led economy. High volumes of exports are necessary to achieve the goals of sustained economic development. Sustaining a high growth rate is a necessity but not sufficient condition. Growth has to be complemented by broad-based equal opportunity of access to the primary assets of production – land, skills and finance – for such growth to be translated into economic and social well being. The mission of the trade sector is therefore to:

*“...stimulate the development and growth of trade through enhancing competitiveness by creating favourable ecosystem aiming at rapid socio-economic development.”*

## 4. OBJECTIVES

- 4.1** The State Government, by adopting this Trade Policy aims to achieve the following objectives:
- To enhance domestic trade volume by five times from the existing level at present in next 10 years.
  - To move more speedily towards transformation of its role from ‘regulator’ to ‘facilitator’ and from performer to enabler for the Trade and Commerce sector.
  - To encourage, promote and facilitate more investment in enterprises and build a strong, responsive and vibrant business environment in the State.
  - To recognize the significant role of distribution of goods and services in generation of employment, the Government shall endeavor to increase the share of Trade and Commerce in GDP by at least 3% in next five years and to add to per capita income of the State. Further, to raise, the share of State in the gross national export from 0.05 % at present to 2 % in next 10 years.

- To raise efficiency and widening linkages in domestic production and building a diversified competitive export sector as the means of stimulating higher rates of growth and development.
- To provide employment opportunities to the educated unemployed and skilled youth in the field of Trade and Commerce by concerted human resource and skill development interventions.
- To provide guidelines for State Development Plans for reserving suitable patches of land for facilities such as warehousing and logistics support helpful in promoting retail, wholesale and exports trading in and from the State.
- To create new markets and ancillary facilities through regional development plans.

## 5. STRATEGY

**5.1** One consequence of liberalization is the de-facto merger of domestic and international markets into a single market and the necessity for domestic business and trading entities to become internationally competitive even in internal markets. One of the impacts of globalization is the accessibility to domestic firms, of resources that can facilitate enhanced productivity and efficiency necessary for competitiveness. In this setting, export-led growth is both an opportunity and a challenge for the State. Entrepreneurs of the State have to strive towards production of higher quality goods and first class services at lower prices. The overall strategy includes reform of institutional structures and change of cultural norms and practices in economic activities so as to put in motion the process of re-orienting the economy towards an open market system targeting export-orientation.

**5.2** Jammu & Kashmir State's export remains too heavily focused on primary commodities and its share of total trade in India remains low, despite numerous economic measures and domestic market liberalization. Inter-state trade is particularly limited. Therefore, there is a need to

identify cumbersome and non-transparent state border administration, particularly import-export procedure.

- 5.3** Export enhancement strategy including identification of focus products, focus markets and market linked focus products shall be adopted. Focus products can be Basmati rice from Jammu Division, Saffron, Handicrafts & Handloom products and Horticulture produce from Kashmir Division. In consultation with the Regional Authority of DGFT, CEPC, EPCH, ITPO etc, such products and sectors shall be recommended for various export incentives given by the Government of India from time to time.
- 5.4** The strategy measures will also include the support for standardized international certifications, packaging, development of common facility centres e.g. Pack Houses and Vapour Heat Treatment facilities and development of market linkages with the outlets of international chain stores across the country. Besides, the stakeholders in export sector will be informed, through a series of seminars and information events about the focus markets in terms of the emerging opportunities for exports.
- 5.5** District/Regional Export Promotion Committees shall be notified involving the Regional Authority of DGFT in Jammu & Srinagar and other stakeholders in every District/Region of the state to focus on promotion of District/Region specific products and cater to the demands of the exporter community from those Districts/Regions. This shall also help in resolving the issues and concerns of MSMEs and small businesses that face problems in exporting their goods or services. These committees shall identify the existing gaps with reference to export infrastructure and policy initiatives that would be required to attain the export growth potential of the State.
- 5.6** It would be collective endeavour to assess specific sectors for demand-supply gaps, their potential for export in the next 5-10 years and identify policy initiatives to promote value addition in the export of goods from the State.



- 5.7** Steps shall also be taken to promote organic cultivation and certification and required skill training in this area shall be promoted involving the APEDA and the State Agriculture Department.
- 5.8** The strategy would be to provide an assessment of “as is” situation of the State in terms of its economic profile, availability of physical and social infrastructure as well as highlight the key factors of production which can serve to create a conducive ecosystem for export growth. In identification of champion export sectors, the sectors with high global demand, those contributing significantly to the State’s export share, sectors where State is showing high competitiveness in the domestic market and significant contribution in the domestic production and trade value, sectors which can generate more employment and services would be focused.
- 5.9** For each of the identified champion export sectors, a high level assessment of demand-supply gap shall be undertaken to develop a broad prospective of export potential in the next ten years. Further, a value chain analysis of the sectors shall be conducted in order to identify opportunities for moving up the value curve in the future. Gaps in infrastructure and policy initiatives would be regularly identified and plugged to ensure attainment of the export growth potential of the State. Besides, in order to layout a clear roadmap to address various identified gaps, Government shall prioritize various initiatives in terms of impact and ease of implementation, layout specific timelines and key nodal agencies for each initiative and shall also develop a responsibility matrix that clearly identifies the roles of the Centre and the State Government in helping the State attain its export potential. The export strategy to be followed shall be as depicted through the following flow-chart:

## Vision Development

Defining aspiration of the State with reference to its role in global value chain and trade growth

## SWOT Analysis

- a) States Economic Profile
- b) Physical Infrastructure/Social Infrastructure
- c) Factors of Production

## Champion Export Sectors

- a) Sectors with high global demand. b) Sectors currently contributing to a significant share of State's export. c) Sectors where State's show high competitiveness in domestic market. d) Sectors with significant contribution in domestic production and trade value. e) Sectors which can generate more employment. f) Service sectors that can promote services export.

## Gap Assessment

- a) Export linked Logistics Infra (Rail, Road, Air, Port Coastal transport, warehouses etc).
- b) Other Trunk Infra (Land, Industrial zones, Power, Water etc) c) Ease of doing business (Technology and operational interventions) d) Sector specific policy and regulatory challenges e) Ancillary Infra (Testing facilities, Standards & Certifications Labs etc)
- f) Fiscal/Non fiscal incentives especially to promote focus sectors which may include-
  - (i) Service sector (ii) Organic cultivation, (iii) Sectors where significant value addition opportunities exists.

## Export Strategy Enablers

- a) Prioritization of initiatives based on (i) ease of implementation and (ii) impact on export b) Development of action plan across Infrastructure and Policy enablers specified timelines and nodal agency
- c) Development of responsibility matrix for Centre-State Cooperation on exports.

**5.10** The value of services exports has increased in India over the years and there is demand for Indian services worldwide. The share of service sector in total exports of India in 2016-17 was 36.80%. India's services exports are dominated by the software sector followed by business, trade, transportation, finance, insurance and communication services. The J&K State has its own share of services exports in these sectors including fair amount of share in health & engineering sectors as well.

**5.11** Some of the issues concerning services exports are connected to work permits and visa, rationalization of taxes, simplification of rules of temporary stay and social security contribution issues for short term workers. However, all these issues fall under the domain of Union Government and are being dealt at that level.

**5.12** To be specific on policy concerning J&K, "tourism", be that leisure, adventure, eco or MICE tourism, has in the past remained a significant foreign exchange earner for the people of the State. A chain of Golf courses in lush green surroundings has added one more tourism activity for high end tourists. Domestic pilgrimage tourism has increased considerably however, the overall tourism of the state faced tough time over the years especially the foreign tourism due to negative advisories issued by European and Western Countries.

**5.13** With a view to develop J&K as a dynamic, sustainable and favoured destination offering high quality experience to increase the footfall of domestic as well as the international tourists, the Government is working for:

- developing potential new and emerging markets through the targeted marketing strategies based on tourist profile;
- harnessing of the opportunities available in the sectors like Adventure, Caravan Tourism, Heliport Tourism, Handicrafts, Pilgrimage, MICE, Heritage, Eco-Tourism and Golf etc;
- development of human resources for tourism sector and capacity building of the tourism stakeholders;

- diversification of Jammu and Kashmir Tourism products;
- showcasing Brand Jammu and Kashmir in tourism;
- standardization of the establishment of tourism products and services by eco-friendly infrastructure;
- promotion of sustainable tourism and encourage the conservation and preservation of unique natural and cultural heritage of Jammu, Kashmir and Ladakh;
- ensuring 'total quality' services to tourists by introduction of modern technologies and information dissemination for tourist products and services;
- encouragement of a strong and sustainable participation by private Sector in creation of tourism infrastructure especially through public private partnership (PPP);
- promotion of effective inter-departmental coordination to streamline processes and increase sector performance in areas like Horticulture, Agriculture, Sericulture, Health, Bio-Tech and IT.

## **5.14 Human Resource and Skill Development**

**5.14.1** Special emphasis will be given to the development of human resource and skill development for increasing employability in the sector of Trade and Commerce. Government Institutions and established private Institutions will be encouraged to conduct certification based training and placement programs.

**5.14.2** Skill Institutes such as the Craft Development Institute (CDI) and the Indian Institute of Carpet Technology (IICT) Srinagar intend to impart skill programs, namely, Craft Design Programme and Handloom Technology respectively.

**5.14.3** The Indian Institute of Carpet Technology (IICT) and Craft Development Institute (CDI) have been working tirelessly in digitizing the traditional, contemporary designs of Carpets and all other crafts of the State. Both the institutions have created their design banks.

**5.14.4** Design Studio equipped with latest digital equipments including few world famous Design Softwares has been established in IICT. The introduction of Design Softwares has eased design work enormously as it used to take months together for a group of persons comprising of Naqash (Designer), Taleem Writer and a Taleem Copyist to make the carpet design of standard size and then to transfer the design drafted on graph paper (outline only) into the coded pattern known as taleem in the local language. As many as 905 carpet and 190 kani shawl designs have been developed in the digital form in the Design Studio with the application of different Design Softwares. These designs have been provided to the industry in the form of computerized design papers (Talim) on nominal charges.

**5.14.5** Design Innovation and Product Development is continuing activity of CDI wherein about 800 new design samples have been created and digitized.

**5.14.6** The Jammu Kashmir Entrepreneur Development Institute (JKEDI) is establishing a Centre for Incubation & Business Development to guide young entrepreneurs in gaining access to capital, material and market support for their projects.

**5.14.7** To promote women entrepreneurship, two Women Entrepreneurship Development Institutions (EDIs) are being developed: one each at Srinagar & Jammu.

**5.14.8** The Government will collaborate with the Department of Commerce, Government of India in organizing various outreach programs related to Export procedures under Niryat Bandhu Scheme of Government of India, training on manufacturing practices and other requirements related to SPS-TBT issues, Anti-Dumping and Safeguard duties etc.

## **5.15 Communication and Logistics Infrastructure**

**5.15.1** The State is largely dependent on road transport for carriage of goods and there are road bottlenecks, particularly during the months of winters and rains. Apart



from the loss of time in detention, the goods and the crew of the vehicles are subjected to vagaries of weather in the absence of adequate protection and roadside facilities, and cost of goods to the consumer increases. The Government also recognizes that the transport industry operates through several layers of intermediaries which affect its cost efficiency and transparency.

**5.15.2** The Government would support establishment of world class warehouses/distribution centers/Logistics Parks/Dry Ports by means of allocation of land and incentives for such activities.

**5.15.3** The Government shall pursue the case with the respective GoI authorities to functionalize the Inland Container Depot/Air Cargo Complexes at Jammu, Srinagar and Leh.

**5.15.4** The Government also envisages to have multi-model Logistics Parks and Dry Ports in collaboration with Local, National and International Companies in the field.

**5.15.5** The Government looks forward to the completion of railway connection between Kashmir valley and rest of the country (target year 2022) and ongoing four laning & upgradation of NH1A is expected to change the entire transport scenario for the State.

**5.15.6** The Government shall endeavour to appropriately take up the matter with Civil Aviation Ministry for allowing International flights to operate from Srinagar Airport so as to enhance export volume from the State especially in handicraft and handloom sectors. Efforts shall also be made to set up an Air Cargo Complex with warehouse facility at Srinagar airport. Besides, efforts shall also be made to make Inland Container Depot (ICD) Jammu fully functional by filling infrastructure gaps besides setting up of additional ICD hubs in the State to improve export logistics.

**5.15.7** The Government shall have a critical look at its powers vested under section 72 of the Motor Vehicles Act for revising the restrictions imposed on vehicles including the

maximum laden weight permissible for the goods carriers, keeping in view the improvements made on various roads and highways.

**5.15.8** The Government shall look into problems faced by exporters who use containers in respect of their maximum laden weight and levy of Toll on the empty containers in the interest of promotion of exports.

**5.15.9** The Government shall improve basic infrastructure and civic amenities at the major loading and unloading points/warehouses and overnight parking lots for the goods carriers.

## **5.16 Development of New Markets and Amenities.**

**5.16.1** Based on pure objective criteria, the Government/ the concerned Municipal Corporations/Urban Local Bodies shall examine for liberalized conversion of the identified residential pockets into commercial zones so as to arrest haphazard and clandestine conversion of individual residential houses into business premises.

**5.16.2** Adequate provisions for commercial activities including kiosks and central markets shall be kept in the new housing colonies to be developed by the organizations like JDA, SDA and the J&K Housing Board depending upon the size and the location of the colony. Similar practice shall be adopted by the private developers of housing colonies.

**5.16.3** Demand surveys shall be undertaken by the Government through professional consultants for development of future markets. A cluster approach would be adopted for development of specialized markets wherever feasible/advantageous. The retail trade organizations would be encouraged to formulate SPVs for development of new markets.

**5.16.4** The H&UDD shall expedite development of warehousing facilities as per their announced programmes and if needed, the Industries & Commerce Department shall provide input for the same. 'Smart City' project shall

also strengthen the above endeavors of the Government in Srinagar and Jammu.

**5.16.5** The Government shall facilitate creation of adequate facilities and civic amenities like paving of parking areas, provision of raised platforms for loading/unloading and conducting auctions, drainage for rain water, toilets, clean paths for the movement of the buyers and sellers, street lighting etc. in the areas where markets have come up or have been created/developed by the Government agencies.

**5.16.6** Various Government Corporations dealing with Handicrafts and Handloom, Agro Industries, Horticulture (Produce and Marketing) etc. shall use National or State E-commerce platforms for trading products from respective sectors to increase outreach of local products worldwide at lower costs. E-marketing shall also eliminate mediators and improve linkages between farmers, food processors, small time artisans/manufacturers and retailers.

## **5.17 Use of Technology**

**5.17.1** The Government shall encourage use of Information Technology (IT) by all concerned agencies to enable the trading community to gradually move towards modernization, providing virtual showrooms at household levels, IT application and digital transactions. If required, it will collaborate with the J&K Bank for promotion of its Point of Sale (PoS) service to the retailers.

**5.17.2** The Government shall facilitate e-filing of returns under various labour laws and financial codes as also for depositing various types of fees including monthly payments of employer's share of the Provident Fund into the account of the PF Commissioner.

**5.17.3** The Government shall take steps to attend to the work of digitizing Provident Fund accounts of workers covered by the Employees Provident Fund Act under the aegis of the Labour Department.

**5.17.4** The Government, for enhancing traceability of transactions and need to save paper by retailers, shall allow

to have options to issue e-bills (tax invoices) to consumers in electronic mode. The GST regime has already started this process.

**5.17.5** The Government intends to bring more transparency in the procurement of goods by making procurements through GeM Portal/Other GoI e-Commerce platforms at the approved rates that would also bring cost efficiency in the system.

## 6. TRADE SCENARIO

- 6.1** Domestic Trade comprises mainly of wholesale and retail trade activities and the external trade which is mainly based on exports of goods is largely dependent on external factors including the policies of the importing Countries.
- 6.2** The Services sector covers a wide variety of activities such as trade, hotel and restaurants, transport, storage and communication, financing, insurance, real estate, business services, community, social and personal services and services associated with construction.
- 6.3** About 23% to 24% share in the Service Sector is claimed by the Internal Trade based on wholesale and retail activity, of which 10% is Wholesale and 90% the Retail Trade.
- 6.4** Despite constraints, vitality of the Internal Trade is always very paramount as it not only provides self-employment but also boosts creation of employment. It serves the public at large by supply of goods and services. One of the notable aspects of both wholesale and retail trade in India is that they operate at the lowest margins than in any other Country. Thus this is the biggest laudable service, this sector is rendering to common man.
- 6.5** In Jammu and Kashmir State, which traditionally has been an agrarian economy, over the years, the Internal Trade as part of the service sector of State economy has emerged as largest contributors towards the State GSDP in this regard.
- 6.6** Since the organized retailing business is projected to grow at 25% per annum, it will also benefit the State by

attracting massive investments and professional expertise in the sector which shall create large number of white collar jobs. It shall also boost the rural economy by establishing direct business contacts with farmers through efficient supply chains, cutting down huge intermediary expenses and heavy storage and transportation wastages.

- 6.7** The Government intends to enhance the percentage share of the exports in the GSDP of the State from presently 0.7% during 2016-17 to at least 3.5% of the GSDP during the policy period. The last 10 years export trends from J&K are as under:

**Table 1. J&K Exports Statistics**

| S.No. | Financial year | Value of exports from J&K (Rs. In Crores) |
|-------|----------------|-------------------------------------------|
| 1.    | 2007-08        | 349                                       |
| 2.    | 2008-09        | 390                                       |
| 3.    | 2009-10        | 433                                       |
| 4.    | 2010-11        | 405                                       |
| 5.    | 2011-12        | 622                                       |
| 6.    | 2012-13        | 722                                       |
| 7.    | 2013-14        | 1043                                      |
| 8.    | 2014-15        | 940                                       |
| 9.    | 2015-16        | 813                                       |
| 10.   | 2016-17        | 791                                       |
| 11.   | 2017-18        | 341                                       |

*Source: Department of Commerce, MoC&I, Government of India*

- 6.8** Jammu & Kashmir presently contributes only 0.05% of the total exports from the country. List of major exporting states and performance of J&K since 2013-14 is as under:-

**Table 2. State wise National Export Figures**

| Gross Exports Statewise ( In USD) |                 |                 |                 |                 |                 |
|-----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| State                             | FY 13-14        | FY 14-15        | FY 15-16        | FY 16-17        | FY 17-18        |
| MAHARASHTRA                       | 71751635769     | 72852941001     | 66568039868     | 67433773280     | 69731479115     |
| GUJARAT                           | 73399787025     | 61238126621     | 49820177092     | 54213619430     | 66818033924     |
| TAMIL NADU                        | 26872327084     | 27493182580     | 25556856657     | 26452980751     | 29754223773     |
| KARNATAKA                         | 17674791500     | 23617140680     | 19264186569     | 19684995397     | 18052335532     |
| UTTAR PRADESH                     | 13264045267     | 13910050216     | 12400527551     | 12528819139     | 13803895872     |
| HARYANA                           | 10660823991     | 11297578291     | 10340412351     | 10694388692     | 13263407141     |
| ANDHRA PRADESH                    | 15496449446     | 15912788235     | 12135435729     | 11939979528     | 13019534989     |
| WEST BENGAL                       | 10503627045     | 9087997428      | 7470298842      | 8236253097      | 9148220180      |
| DELHI                             | 9244455553      | 10025755695     | 9300162230      | 10554468896     | 8713877048      |
| UNSPECIFIED                       | 30098458847     | 28160583247     | 13247069814     | 11595129229     | 8685292392      |
| ORISSA                            | 3990927885      | 3345591858      | 2914333907      | 6070617790      | 7585012489      |
| KERALA                            | 4322433185      | 4159602746      | 4360913885      | 4886003756      | 7308066928      |
| RAJASTHAN                         | 5936618040      | 6092747556      | 5244247978      | 5772319909      | 6952050859      |
| TELENGANA                         |                 | 2166172332      | 5404901347      | 6000917271      | 6568705989      |
| PUNJAB                            | 7055274245      | 6775826067      | 5611920055      | 5276646836      | 5788246128      |
| MADHYA PRADESH                    | 4351881171      | 4129540961      | 3967633037      | 4436818548      | 5249957976      |
| GOA                               | 1540929776      | 1602467425      | 1601673270      | 2281271046      | 2103172412      |
| DADRA & NAGAR HAVELI              | 1733026610      | 1746004940      | 1519017764      | 1562904022      | 2051247423      |
| CHATTISGARH                       | 1267711561      | 1182496326      | 571063725       | 942840512       | 1522695504      |
| UTTARANCHAL                       | 1119128342      | 1386365070      | 1216414429      | 896762504       | 1455456073      |
| BIHAR                             | 949876570       | 1034656441      | 546312063       | 823531626       | 1345312575      |
| HIMACHAL PRADESH                  | 826779403       | 896231307       | 893136409       | 1056011521      | 1221665007      |
| JHARKHAND                         | 612791246       | 548880130       | 479241763       | 717141511       | 1116532484      |
| DAMAN & DIU                       | 640409845       | 647000636       | 740429347       | 727804983       | 956981172       |
| PONDICHERRY                       | 311710719       | 339260631       | 359818466       | 310551325       | 415050912       |
| ASSAM                             | 401669770       | 340785311       | 395547012       | 430025367       | 382350331       |
| JAMMU & KASHMIR                   | 172693575       | 153665355       | 124466774       | 117805332       | 148309068       |
| MEGHALAYA                         | 97968030        | 86387686        | 102339481       | 102135510       | 85126296        |
| CHANDIGARH                        | 98887404        | 95928175        | 104747689       | 89340149        | 69928024        |
| ANDAMAN & NICOBAR                 | 9671574         | 7587120         | 11525155        | 2334333         | 31460778        |
| SIKKIM                            | 2388784         | 3911234         | 2928420         | 4909778         | 13961509        |
| ARUNACHAL PRADESH                 | 754622          | 6280735         | 6648257         | 4929544         | 5319891         |
| NAGALAND                          | 3153720         | 1637924         | 4367341         | 736015          | 3916568         |
| TRIPURA                           | 1325127         | 5917677         | 1259795         | 1422903         | 2361993         |
| MANIPUR                           | 429288          | 190203          | 157965          | 1059316         | 1332821         |
| MIZORAM                           | 88014           | 274587          | 1437726         | 28624           | 1070035         |
| LAKSHADWEEP                       | 806547          | 458303          | 490122          | 433653          | 639132          |
| Gross exports from India          | 314415736580.00 | 310352012730.00 | 262290139885.00 | 275851711123.00 | 303376230343.00 |

Source: DGFT



## 6.9 The major items of export from the State since 2014-15 onwards have been as under:

**Table 3. Major Export Items: JK State**

| HS Codes               | Description                                                                                                                               | Year (Rs. in Crores) |         |         |         |
|------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|----------------------|---------|---------|---------|
|                        |                                                                                                                                           | 2014-15              | 2015-16 | 2016-17 | 2017-18 |
| 080232                 | Shelled Walnuts Fresh or Dried                                                                                                            | 132                  | 113     | 44      | 22      |
| 100630                 | Semi/Wholly Milled Rice W/N Polished/ Glazed                                                                                              | 20                   | 7       | 12      | 9       |
| 200310                 | Mushrooms Prepared/Preserved                                                                                                              | 55                   | 45      | 33      | 8       |
| 29339                  | Other: Derivatives of Pyridine                                                                                                            | 0                    | 6       | 22      | 14      |
| 293410                 | Compounds containing in unfused Thiazole Ring (W/N Hydrogenated) in the structure                                                         | 0                    | 8       | 11      | 6       |
| 300490                 | Other medicine put up for retail sale                                                                                                     | 153                  | 129     | 197     | 49      |
| 300640                 | Dental cements and other dental fillings bone reconstruction cements                                                                      | 7                    | 7       | 10      | 0       |
| 380891, 380899         | Insecticides                                                                                                                              | 1                    | 4       | 18      | 5       |
| 520523                 | Single Yarn of Combed Fibres measuring<232.56 But>=192.31 Dctx(>43 But<=Mtrc No)                                                          | 5                    | 17      | 16      | 7       |
| 550921, 550951, 550953 | Yarn of Polyester Staple Fibres                                                                                                           | 77                   | 48      | 52      | 36      |
| 551012                 | Multiple (Folded)/Cabled Yarn containing 85% or more by weight of artificial staple fibres                                                | 3                    | 10      | 10      | 6       |
| 570190                 | Carpets and floor coverings knotted of other textile material                                                                             | 79                   | 68      | 47      | 22      |
| 621410, 621420, 621490 | Shawls, Scarves,, Mufflers etc. of Silk/Silk Waste                                                                                        | 129                  | 102     | 108     | 31      |
| 760611                 | Rectangular (including square) plates sheets, strip of aluminum not alloyed                                                               | 1                    | 4       | 11      | 10      |
| 850213                 | Generating sets with compression ignition internal combustion piston engines (diesel/ semi-diesel engines) of an output exceeding 375 kva | 15                   | 16      | 13      | 6       |

Source: Department of Commerce, MoC&I, Government of India

## 6.10 LoC TRADE

**6.10.1** Though the figures of LoC trade are not captured by the Department of Commerce, Ministry of Commerce and Industry, Government of India while finalizing national level state-wise export figures but it has taken a different importance in the trade and export scenario of the State. Opening of Cross-LoC trade along Uri-Muzaffarabad and

Poonch-Rawalakote routes on 21<sup>st</sup> October 2008 as part of Confidence Building Measures (CBMs) between Pakistan and India marked a paradigm shift since the subcontinent was partitioned in 1947. It has many unique features. The two governments declared Cross-LoC trade as zero-tariff trade as it is not treated as international trade. The Exports are called ‘traded-out’ goods and Imports are called ‘traded-in’ goods. 21 items have been agreed for this trade between the two parts of the State.

**6.10.2** Trade volumes have substantially shown an increase despite the trade being on barter terms with lakh of proper communication channels, absence of banking system, dearth of legal enforcement of contracts and limited number of trade days and tradable goods. Following table depicts the quantity and value of Traded-in and Traded-out goods between the two parts of the State:

**Table 4. Goods Traded In and Out**

| Year                                    | Trade Out                |                |                  | Trade In                 |                |                  |
|-----------------------------------------|--------------------------|----------------|------------------|--------------------------|----------------|------------------|
|                                         | Value<br>(Rs. in<br>Cr.) | Weight<br>(MT) | No. of<br>Trucks | Value<br>(Rs. in<br>Cr.) | Weight<br>(MT) | No. of<br>Trucks |
| 2008-09<br>(21 Oct,<br>2008<br>onwards) | 1.7025                   | 552.207        | 222              | 0.32                     | 747.889        | 242              |
| 2010-11                                 | 249.4056                 | 38067.89       | 5486             | 249.9564                 | 27328.49       | 4039             |
| 2011-12                                 | 319.2343                 | 46527.24       | 6426             | 309.3569                 | 36853.52       | 4215             |
| 2012-13                                 | 372.6051                 | 76806.19       | 9033             | 383.9417                 | 79024.57       | 5024             |
| 2013-14                                 | 347.5884                 | 6460.72        | 7303             | 298.5934                 | 35294.68       | 4530             |
| 2014-15                                 | 508.835                  | 81800.17       | 9151             | 470.5283                 | 33788.62       | 3754             |
| 2015-16                                 | 640.5351                 | 106385.00      | 7543             | 494.8281                 | 59022.62       | 3242             |
| 2016-17                                 | 527.3972                 | 73903.45       | 8144             | 504.81                   | 33067.67       | 4335             |
| 2017-18                                 | 501.099                  | 69039.26       | 7963             | 378.754                  | 24768.39       | 3538             |
| 2018-19                                 | 136.051                  | 20493.68       | 2347             | 126.084                  | 12384.98       | 1465             |
| Total                                   | 3744.507                 | 602228.427     | 66940            | 3343.084                 | 367523.19      | 38606            |

Source : I&C Department, J&K

## 7. KEY ENABLERS

**7.1** The fundamental role of Government is to provide enabling policy environment that will facilitate private sector in becoming engine of economic activity and growth through efficiency and better performance. The major fundamental premises and challenges include establishing and sustaining an enabling business environment, development of hard and soft infrastructure, technological interventions, building capacity for market supporting institutions, creating internal ability to participate in international trading system and promotion of Trade and Commerce in the context of supply-side capacity.

### 7.2 Business Reforms

**7.2.1** In order to usher into an environment of 'Ease of Doing Business' in the State, following reforms have been initiated:

- The Government has objectively examined the current utility of all State laws applicable to Trade and Commerce with a view to integrate them into fewer enactments.
- The Government is moving towards self-regulatory mechanism for providing flexibility to trade in areas where a rigid control is no more necessary or feasible.
- The Government Departments has made a number service delivery smoother while implementing the Central and State laws. Appropriate suggestions for amending the existing provisions in the existing enactments have been done in lines with 'Business Reforms Action Plan (BRAP)'.
- Issuance of all online Approvals /NOCs/permissions/licenses/registrations and renewals regarding establishment and operation of Trading units by various Departments and Agencies of the State Government has been initiated through appropriate Government order(s) and are in place that allow only online application submission, payment, tracking and monitoring without the need for a physical touch point for document submission and verification.

- Clear timelines have been notified through the Public Service Delivery Guarantee Act for approval of complete application regarding obtaining any Approval/NOC Permission/Registration/License or renewal thereof.
- The Labour Department is in the process of making services online. A number of notifications/SROs have been issued in this regard.
- The State PCB, Weights & Measure Department, Agriculture Department, Finance Department, Fire and Emergency Services etc are converting their services into 'On-line only' mode.
- Several authorities that have overlapping spheres of control are under process for phasing out in due course of time to enhance the efficiency & effectiveness of the laws in place.
- E-Tax Collection Centres have been strengthened.
- E-payments of all kinds related to trade are facilitated and a gradual thrust is towards making it mandatory in a definite time frame.
- Feasibility of merger of collection points of taxes like road tax, entry tax, permit fee, passenger tax, basic toll (road tax) are under examination for implementation.

### **7.3 Taxation Enablers**

**7.3.1** The State Government has adopted uniform Goods and Services Tax (GST) Act which is now applicable at pan India level. The GST Act has subsumed most of the taxes on production and sales of goods and services, which were leviable by the Union and the State Governments, commencing from the Excise Duties and Central Sales Tax (CST) and ending at VAT or Service Tax which would practically be the only tax collectable from the consumers at the level of retail trade.

**7.3.2** The State Government in terms of SRO 299 dated 18<sup>th</sup> July, 2017 has notified [www.gst.gov.in](http://www.gst.gov.in) as the Common Goods and Services Tax Electronic Portal for

facilitating registration, payment of tax, furnishing of returns, computation and settlement of integrated tax and electronic way bill.

**7.3.3** The persons engaged in making supplies of taxable goods and services or both, the total tax on which is liable to be paid on reversed charge basis by the recipient of such goods and services or both, have been exempted from obtaining registration under the Jammu & Kashmir Goods and Services Tax Act, 2017. SRO-298 dated 18<sup>th</sup> July, 2017 has been issued in this regard by the State Finance Department.

**7.3.4** In order to boost Internal Trade, the Government has exempted intra-State supply of around 149 goods and 81 services from the GST. In this regard the Union Ministry of Finance has issued Notifications vide No. G.S.R. (E)-2/2017 dated 28.06.2017 and No. G.S.R. (E)-12/2017 dated 28.06.2017 respectively for exemption of CGST on intra-State supply of identified goods and services. The State Finance Department has also issued SRO No. GST-2 dated 08.07.2017 and SRO No. GST-12 dated 08.07.2017 respectively for exemption of SGST on the intra-State supply of identified goods and services.

**7.3.5** The State Finance Department's SRO GST-18 dated 15<sup>th</sup> September, 2017 read with SRO 431 dated 13<sup>th</sup> October 2017 have been issued, wherein for 'Casual Taxable Persons' specified, in terms of sub-section (2) of section 23 of the Jammu & Kashmir Goods and Services Tax Act, 2017, as those persons making taxable supplies of a number of Handicraft products have been exempted as the category of persons exempted from obtaining registration under the aforesaid Act, provided that the aggregate value of such supplies, to be computed on all India basis, does not exceed an amount of Rs. 20 lakh in a financial year which is a special dispensation extended to Jammu & Kashmir State as this benefit is available to other Special Category States to the aggregate value of such supplies amounting upto Rs. 10 lakh only. This exemption shall be available to such persons who are making inter-State taxable supplies of Handicraft goods and are availing benefit of Union Finance Ministry's notification No. 8/2017-Integrated Tax,

dated 14<sup>th</sup> September, 2017 published in the Gazette of India vide No. G.S.R.(E) dated 14<sup>th</sup> September, 2017.

Beyond the aforementioned limit of Rs. twenty lakh per annum, supply of Handicraft products have been kept in the lower tax bracket of 12.5%, whereas paper machie and willow wicker products have been kept in the tax bracket of 5%. Carpet is also expected to be into this bracket soon.

**7.3.6** In order to provide budgetary support to the manufacturing units in the shape of Reimbursement of State Taxes paid under J&K GST Act 2017, the State Government has issued a Scheme in terms of SRO-519 dated 21<sup>st</sup> December, 2017 called 'Jammu & Kashmir Reimbursement of State Taxes for promotion of Industries in the State of Jammu & Kashmir', which has come into operation w.e.f 08.07.2017 for eligible units and shall remain in force till the Scheme dated 05.10.2017 announced by Government of India, namely 'Budgetary Support under Goods and Services Tax regime to the Industrial Units located in Jammu & Kashmir, Uttrakhand, Himachal Pradesh and North East including Sikkim', is in operation.

**7.3.7** Likewise, in order to provide budgetary support to the existing eligible manufacturing units operating in the State of J&K in the shape of 42% of the Central Tax paid under Central GST Act 2017 after adjustment of input credit tax, another Scheme called 'Jammu & Kashmir Reimbursement of Central Taxes for promotion of Industries in the State of Jammu & Kashmir', has been issued vide SRO-521 dated 21.10.2017. This Scheme shall also remain in force till the Government of India's Scheme dated 05.10.2017 announced by Government of India, namely 'Budgetary Support under Goods and Services Tax regime to the Industrial Units located in Jammu & Kashmir, Uttrakhand, Himachal Pradesh and North East including Sikkim', is in operation.

**7.3.8** The State Government shall be regularly taking up the issues in the GST Council and other appropriate forums regarding further relaxations and lowering of tax rates as per requirement of the furtherance of growth of Trade and Commerce activity of the State.



## 7.4 e-Commerce platform for artisans and weavers

**7.4.1** The Government is very soon introducing an e-Commerce platform to link artisans and weavers of the State. The households shall serve as the virtual showrooms through this portal.

Key features would be:

- to reach a wider level of consumers especially in Tier 2 and Tier 3 cities and other countries where retail stores of our State do not exist,
- increased variety of the products for the buyers to choose from,
- assurance of reasonable price offerings to the buyer. Lower markups will result in access of product to the buyers at reasonable prices resulting in increased sales and improved profits,
- provide an alternate marketing platform to the existing traditional platform of retail stores,
- create a centralized selling platform and bring down losses as a result of various malpractices as part of retail buying,
- encouraging competition between the suppliers through an open marketplace, which will put an end to cartelization and fraud in the supplier community and make sure that only genuine quality of products comes onboard,
- to create online repository of products of individual artisans and weavers,
- provide a centralized web based e-Commerce portal for registration of artisans and weavers of the State and Customers across globe using internet and let them buy products by paying online using payment gateway,
- facility to access different modules in a consolidated, secured, user friendly manner,

- fast & easy information retrieval,
- reduce manual tedium of compilations and manual reporting,
- for efficient management of increased volume of work,
- reduce marketing costs and
- increase profit margin of the artisans.

## **7.5 Building Global Image and Promotion of J&K/ Kashmir Brand.**

**7.5.1** In order to make the Handicrafts and Handmade products of the State visible on the international map, an important initiative has been undertaken by the State Government to get Srinagar city included in the UNESCO Creative Cities Network under the category of Crafts and Folk Art.

**7.5.2** The UNESCO Creative Cities Network covers seven creative fields: Crafts and Folk Arts, Design, Film, Gastronomy, Literature, Media Arts and Music, providing a platform for reflection on the role of creativity as a lever for sustainable development as well as a breeding ground of action and innovation. The 180 cities which currently make up this network work together towards a common objective; placing creativity and cultural industries at the heart of their development plans at the local level and cooperating actively at the international level. With an endeavor to build a Global Image for the J&K/ Kashmir brand of Handicrafts and Handmade products, the Government has initiated process for getting Srinagar city incorporated as the next city.

**7.5.3** The Government appreciates that ‘Brand Kashmir’ is one of the strong points for the trade in locally produced goods including Silk, Tweed, Pashmina and Jamawar Shawls, Silk Carpets, Ladakh Carpets (Khalidan and Tsukdan), Paper Machie, Embroidery, Namdas, Gabbas, Ladakh Handicrafts items (Wood and Metal work), Ladakhi Thangka paintings, Ladakhi Blankets (Chali and Rebo) as

also other locally produced items like Saffron, Silk Fabric, Guchchi, Anardana, Black Cumin, Jammu Basmati Rice, Red Chili, Honey, Olive Oil etc. for which the buyers look for an authentic reference or an endorsement or a certificate and/or guarantee of its purity as also reasonability in its pricing.

**7.5.4** Measures have been initiated to create product awareness about 'Brand Kashmir' in new markets beyond the traditional regions. Export Marketing and Management workshops and seminars would be arranged, so that the exporters get acquainted/informed about latest marketing trends/market intelligence in Export Business and to create awareness among the exporters through various Export Promotion Councils and Star Export Houses.

**7.5.5** Regional Authority of Director General of Foreign Trade (DGFT) has been established in Srinagar in the year 1982 to facilitate and assist in promotion of the exports. It was closed in 1992 and the offices of DGFT have been reopened with two Regional Authorities one each at Srinagar and Jammu. The Government intends to provide office space for establishment of local offices of other two national level export agencies viz. Export Promotion Council for Handicrafts (EPCH) and Carpet Export Promotion Council (CEPC) soon. It is also intended to have close cooperation with India Brand Equity Foundation (IBEF) for promoting and creating international awareness of the Made in J&K/ Kashmir label in markets overseas and to facilitate dissemination of knowledge of J&K products and services.

**7.5.6** On the other hand, complaints are regularly made about fake Handicraft items being passed on to the tourists as genuine Kashmir craft. The trade has been wary of such practices as it brings bad name to the entire trade. However, unscrupulous elements in the trade find their own ways and keep indulging in such unfair practices to make a fast buck by living from season to season under different names. To address this nuisance labels for original Kashmir product is underway.

**7.5.7** In order to promote handmade and authentic produce, the State has successfully registered seven regional crafts namely Kashmir Carpet, Kashmir Pashmina, Kashmir Papier-Machie, Kashmir Sozni, Kashmir Walnut Wood Carving, Kani Shawl and Khatambund under the Geographical Indications Act of India. Further, the State Government is also in the process of registering agro products like Saffron under the same Act. Besides, a Pashmina Testing and Certification Centre for Hallmarking (labeling) and certification of Kashmir Pashmina has also been set up in Craft Development Institute, Srinagar. The Government intends to create more testing and certification centers.

**7.5.8** Another project for global imaging, branding, marketing and networking has been initiated for J&K textile, handicraft and handloom is underway to not only showcase our products but to have long lasting relationship with global buyers and to supply customized products as per their taste and preference.

**7.5.9** The Government supports brand promotion and quality control by providing incentives to registered SSI units for brand promotion, R&D, acquiring of quality control equipment, registration with the Bureau of Indian Standards and registration with International Standards Organization (ISO) etc. under the State Industrial Policy and the Package of Incentives and national schemes like 'Agmark' exist for food products.

**7.5.10** The Government sees the need of a major initiative in quality control, maintenance of standards in manufacturing/ processing and quality marking which can be created around the aura of Kashmir. For this, the Government has initiated State level Quality Control Council for products especially agro and handicrafts comprising of all stakeholders and manage quality marking programme under which very high and exacting standards of quality control mechanism promoting Certifications, Labeling and Traceability (Trace back) can be created and enforced with use of information technology, bar coding, holograms etc. in the furtherance of value addition in exports from the State.

## 7.6 J & K Trade Promotion Organization

**7.6.1** Government has established Jammu Kashmir Trade Promotion Organization (JKTPO) as a Joint Venture Company (JVC) with India Trade Promotion Organization (ITPO) & Export Promotion Council for Handicrafts (EPCH) as equity partners with following objectives;

- i. to promote, organize, manage and participate in handicrafts/handlooms/industrial trade, other fairs and exhibitions in India and abroad and to take, all measures incidental thereto for promoting Industry, especially in the state of Jammu & Kashmir and enhance its global competitiveness;
- ii. to build, support, maintain, increase and promote trade related activities and infrastructure in the State of Jammu and Kashmir by such methods as may be necessary or expedient, and without prejudice to the generality of the premised;
- iii. to build, support, maintain such activities like e commerce trade in the state of Jammu and Kashmir by such methods as may be necessary;
- iv. to organize trade fairs and exhibitions and invite wider participation in export promotion activities like:
  - a. Buyers Sellers Meet;
  - b. Contact Promotion Programs;
  - c. India promotions with Departmental Stores;
  - d. Product Specific Promotions;
  - e. Product Development Adaptation;
  - f. Undertake Market Studies, Research work to determine Market; potential;
  - g. Export Promotion Measures to tap export opportunities;
  - h. One to one interaction between the Companies, distributors, dealers for business opportunities, networking, Joint Ventures, strategic alliances, informal meetings, technology transfer, vendor developments and sales promotion.

- v. to publicize in India and overseas, the International Trade Fairs and Exhibitions to be held in the State of Jammu and Kashmir and other parts of India and overseas and invite the foreign as well as Indian participants to participate in them;
- vi. to organize and undertake trade in commodities connected with or relating to the fairs and exhibition in India and abroad and to undertake the purchase, storing and transport of such commodities in India or anywhere else in the world;
- vii. to undertake promotion of exports and to explore new market for traditional items of export and develop exports of new items with a view to maintaining, diversifying and expanding the export trade;
- viii. to develop, manage and run infrastructure projects of Government of India, Government of J&K and like institutions related to trade, export e-commerce etc; and
- ix. to serve as a reference point in the State of Jammu and Kashmir for Indian Industry and the International Business Community.

## **8. INCENTIVES, SUBSIDIES AND MARKETING SUPPORT**

- 8.1** Prior to the implementation of GST in the State, the Industrial Units of State were entitled to the remission of VAT on local purchase of raw material. The VAT was first paid by the unitson the procurement of raw material, which was subsequently reimbursed to them by the State Government through J&K SICOP.
- 8.2** To continue the incentive, the State Government has decided to reimburse 100% of SGST paid by the eligible Industrial Units after utilization of input tax credit. The Scheme in this regard has been issued by the Finance Department vide SROs-519 and 521 dated 21<sup>st</sup> December, 2017.



**8.3** As per Budget Announcements for 2018, the State Government will consider providing suitable incentive in lieu of 2% CST exemption available to the Industrial units in J&K during pre-GST regime.

**8.4** The State Government in the Budget announcement of 2018 has extended the benefit of Freight Subsidy in favour of the industrial units located in the State for transporting their manufactured goods beyond 1000 kilometres for which notification is expected soon.

**8.5** Marketing support to the Artisans, Weavers, Cooperative Societies and manufacturers of Handicrafts and Handloom products is provided by the Government in different forms.

Sale-cum-Exhibitions, Expos, craft bazaars are organized at the National/ Regional/State and District level. The major support in organizing these events comes from various programmes of the Ministry of Textiles, Government of India through the Development Commissioners of Handicrafts and Handlooms. The stalls are provided to the participants on subsidised rates. Annual calendars are framed for organizing/participating in all such events.

**8.6** Market Intervention Scheme under National Handloom Development Programme (NHDP) of Ministry of Textiles, provides incentive in the shape of rebate of 10% from the sales of Handloom products to the Handloom Development Corporation, apex organizations and primary weavers cooperative societies. This rebate which is shared in reimbursement by Government of India and the State Government on 50:50 basis provides a significant boost in the sales of these products.

**8.7** Schemes for Trade and Export related units:

The Industries and Commerce Department is administering and implementing a number of schemes where incentives are also available for export trade related and service sector units. These schemes are:

- i. Seed Capital Fund Scheme(SCFS)- Incentive in the form of non-refundable seed money to the prospective entrepreneurs @ 35% of the Project Cost up-to a

maximum of Rs. 3.00 lakhs in respect of 10+2 & Graduates, Rs. 5.00 lakhs in respect of Post Graduates and Rs. 7.50 lakhs in respect of Doctors, Engineers, MBAs, etc. so that they are able to start their ventures and make their projects bankable.

- ii. Youth Start-up Loan Scheme (YSLS)- Soft loan is provided to the prospective entrepreneurs in an off-bank mode for the projects involving an investment of Rs. 8.00 lakhs at an interest rate of 6%.
- iii. Term Loan & Education Loan Scheme of National Minorities Development and Finance Corporation (NMDFC)- The maximum quantum of credit is Rs. 20.00 lakhs @ 6% interest per annum.
- iv. “J&K Rural Employment Generation Programme (JKREGP)”-The term loan equivalent to 60% of the project cost is provided by the financial institutions with the Government subsidy in the shape of Margin Money of 35% in rural areas/villages across all categories. The beneficiary is required to put his share equivalent to 5% of the project cost up to Rs.25.00 lakh.
- v. Scheme for Setting up of Start-up Hub, Incubators and Assistance to Start-ups in J&K has been introduced Start-up hub, Incubation Centres and Innovation Centres set-up in the State. The eligible Incubators shall be provided capital grant of max 50% for Fixed Cost Investment (excluding Land cost) for setting up Incubator, subject to max of Rs. 50.00 lakh.
- vi. Prime Minister’s Employment Generation Programme (PMEGP) - The Government of India, Ministry of MSME is administering this Credit Linked Subsidy Scheme, the subsidy in the shape of Margin Money ranging from 25% (urban) to 35% (rural) is provided by the Central Government to the entrepreneurs for setting up their units.
- vii. Industrial Development Scheme for J&K –The Govt. of India notified the scheme in April, 2018 which shall remain effective till 31<sup>st</sup> March 2022. The

scheme provides 30% of the investment in plant & machinery with upper limit of Rs. 5.00 crore as Capital Investment Incentive. Interest Incentive at the rate of 3% in working Capital credit for 5 years and reimbursement of 100% insurance premium on insurance of building and Plant & machinery for a maximum period of 5 Years. All unit holders whether in manufacturing or service sector intending to export their goods & services shall also be eligible for availing the benefit under the scheme.

- viii. Pradhan Mantri Mudra Yojana (PMMY) supports Micro enterprises by bringing them to the formal financial system and extending affordable credit. It enables a small borrower to borrow loan upto Rs. 10.00 lakhs (Shishu: covering loans upto Rs. 50,000.00, Kishor: covering loans above Rs. 50,000.00 and upto Rs. 5.00 lakh and Tarun: covering loans above Rs. 5.00 lakh upto Rs. 10.00 lakh) from all Public Sector Banks such as PSU Banks, Regional Rural Banks and Cooperative Banks, Private Sector Banks, Foreign Banks, Micro Finance Institutions and Non Banking Finance Companies (NBFC) for non-farm income generating activities. PMMY can also be used to leverage and scale up initiatives and projects undertaken by entrepreneur through above mentioned schemes.

## 9. PERIODICAL REVIEW MECHANISM

**9.1** The State Government shall create Commerce Advisory Committee (CAC)/Export Promotion Committee at the State level to organize meaningful periodical interactions among all the stakeholders.

**9.2** The CAC shall deliberate on the mechanism to:

- Turn the policy into action programmes,
- Seek cooperation from all concerned Government Departments,
- Arrive at a consensus by resolving sectoral/ departmental conflict of interests,

- Motivate the concerned Departments to agree to a ‘Common Minimum Programme’,
- Consider all the sector specific suggestions relating to trade promotion,
- Monitor the progress of implementation,
- Review the ‘trading policy’ and tackle new issues, etc.

**9.3** The composition of the CAC shall be as broad based as possible and it shall, as far as possible, meet once at Srinagar and once at Jammu every year. Besides, it shall include all concerned Administrative Secretaries to the Government, the Regional Authority of DGFT and a few experts from the trade and marketing management as well.

**9.4** The Trade Policy shall be reviewed by the State Government in every two years to accommodate new issues and matters recommended by the CAC and accordingly published.

## 10. VALIDITY OF POLICY

**10.1** The Trade & Export Policy shall come into effect from the date of issuance of Government Order and will be valid for a period of ten years or till a new Trade & Export Policy is announced.

## **GLOSSARY (ACRONYMS)**

|        |   |                                                                       |
|--------|---|-----------------------------------------------------------------------|
| APEDA  | - | Agricultural and Processed Food Products Export Development Authority |
| CEPC   | - | Carpet Export Promotion Council                                       |
| CGST   | - | Central Goods & Services Tax                                          |
| CST    | - | Central Sales Tax                                                     |
| DGFT   | - | Directorate General of Foreign Trade (DGFT)                           |
| EPCH   | - | Export Promotion Council for Handicrafts                              |
| GDP    | - | Gross Domestic Product                                                |
| GST    | - | Goods & Services Tax                                                  |
| H&UDD  | - | Housing and Urban Development Department                              |
| ICD    | - | Inland Container Depot                                                |
| ITPO   | - | India Trade Promotion Organization                                    |
| JDA    | - | Jammu Development Authority                                           |
| JKREGP | - | J&K Rural Employment Generation Programme                             |
| JKTPO  | - | Jammu & Kashmir Trade Promotion Organization                          |
| MICE   | - | Meeting, Incentive, Conference, and Events                            |
| MSME   | - | Micro Small & Medium Enterprises                                      |
| NMDFC  | - | National Minorities Development Fund Corporation                      |
| PMEGP  | - | Prime Minister's Employment Generation Programme                      |
| SCFS   | - | Seed Capital Fund Scheme                                              |
| SDA    | - | Srinagar Development Authority                                        |
| SGST   | - | State Goods & Services Tax                                            |
| SPS    | - | Sanitary and Phytosanitary                                            |
| TBT    | - | Technical Barriers to Trade                                           |
| UNESCO | - | United Nations Educational, Scientific and Cultural Organization      |
| VAT    | - | Value Addition Tax                                                    |
| YSLs   | - | Youth Start-up Loan Scheme                                            |



KAMAN AMAN SETU कमान अमन सेतु







**Government of Jammu and Kashmir  
Industries and Commerce Department**