

\$1 trillion goods export by 2030 - Ministry of Trade

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Context

The Ministry of Commerce & Trade recently set a target to achieve \$1 trillion Trade (goods export) by the year 2030. For this the ministry has initiated required exercise and homework in this regard.

Key Highlights

- **Commerce Ministry's Initiative:** The Commerce Ministry has led an initiative that involves the identification of the required infrastructure, sectors, and clusters which would support the gross target of \$1 trillion in exports of merchandise by the year 2030.
- **Sustainability Concerns:** The latest adoption of the Corporate Sustainability Due Diligence Directive (CSDDD) by the European Parliament added to the existing awareness around forced labour and environmental damage within supply chains. This, in turn, makes trade with the EU more strained with the Carbon Border Adjustment Mechanism (CBAM) as one of the obstacles.
- **Focus on Carbon Footprint:** Government Officers from the Senior Echelons of Power Highlight the Importance of Lowering the Carbon Footprint by Promoting Sustainability in Corridors of Trade and Transport, Particularly in Larger Economies.
- **Infrastructure Development:** It is inevitable that infrastructure enhances, maximally, in

ports, railways and airports, among other things, to facilitate both exports and imports. It is true that the size of necessary infrastructure is tremendous, but the officials see it as a challenge and a means of creating solutions.

- **Integration into Global Supply Chains:** Acknowledging the importance of global value chains (GVCs), the government intends to integrate India more extensively with them, which constitute approximately 70% of global trade today. In order to achieve the integration of the network, it is necessary to pursue the global infrastructure expansion, in particular, in key transport nodes.

Current & Future Status of Indian Export Sector

- Successes in the export sector in the budget period 2021-2022.
- India recorded innumerable exports breakthroughs in the FY 2021-22 where goods as well as the services realms were covered.
- In the year under review, the total value of the exported merchandise reached a new record high at US\$ 422 billion, service exports totalled US\$ 254 billion.
- The expansion in GDP attributable to the interaction (via) trading activity in this zone.
- India is renowned for its manufacture of the highest quality products. The sector is undoubtedly a major contributing factor in the country's economic growth.
- The domestic sector was the worst affected, which came with about a 50% fall in the per-centage GDP growth between the two years.
- Applying to the Indian bollywood export consortium seems more of a goal than an achievement.
- The Ministry of commerce is mainly charged with the implementation of the set values and priorities.
- The Department of industries in India has a goal that is to increase the countries' export sector.
- This endeavour shall achieve by the end of the project in 2047 a 25 percent of GDP contribution through the export sector to India's.
- The intention for the final Gross Domestic Product (GDP) to be either improved or better off.
- India is said to reach a \$30-trillion market value in 2047 as a long-term target.

Major hindrances to Indian export

- Elevated Raw Material Costs and Reduced Demand:- Elevated Raw Material Costs and Reduced Demand
- The cost of primary commodities has boomed, at the same time the demand is lacking in some export oriented markets.
- The reason behind this proclivity is worldwide myriad of concerns and interruptions e.g. [Israel Gaza war](#) and [Russia Ukraine war](#).
- Impact of Stringent Environmental Regulations:- Impact of Stringent Environmental Regulations
- The environmental regulations of both Europe and the UK are much stricter compared to other opposite countries on the globe and thus hinder the exports to these markets, including the EU's Carbon Border Adjustment Mechanism (CBAM).
- CBAM requires a penalty against products with high carbon footprints so that Indian

goods may gain up to 35-40% in their export costs.

Conclusion and way forward

- As a summation, the Ministry of Trade and Industry has set a goal that in ten years of a twelve-year period the country's goods exports would have reached one trillion US dollars which suggests the strong dedication on the part of the country to economic prosperity and transnational integration.
- On the other hand, some obstacles must be tackled, namely, the higher double-digit margins, the weak demand in several markets, and the stricter environmental requirements from the EU CBAM.
- Even though these obstacles make their export industry unsteady, they have demonstrated that they have the abilities and the potential, which lead to some fruits in the financial year 2021-2022.
- We have to invest in infrastructure to take into account preparation for world-class value chains regarding wealth of \$30 trillion by 2047.

Source: [The Indian Express](#)

UPSC Mains Practice Question

Q. Discuss the challenges and opportunities for India's export sector in achieving the target of \$1 trillion in goods exports by 2030, as set by the Ministry of Commerce & Trade. Analyse the impact of global uncertainties, such as geopolitical conflicts and environmental regulations, on India's export prospects.