

Government implements comprehensive measures to boost exports and strengthen domestic manufacturing

21 August 2025

The Ministry of Commerce & Industry, vide a Press Release dated 19 August 2025, has announced the implementation of comprehensive measures to boost India's exports, including promoting the MSME participation in global trade through export incentives, trade promotion events, and digital platforms to streamline processes. Measures contain a set of policy initiatives, PLI schemes, logistics reforms, district-level export enablement, and ongoing FTA talks to accelerate export growth and deepen domestic manufacturing.

Key measures:

- **Expanding market access through FTAs:** The Comprehensive Economic and Trade Agreement (CETA) with the United Kingdom was signed on 24 July 2025, marking a significant milestone in bilateral trade relations. In addition, negotiations for the India-European Union Free Trade Agreement are ongoing, with an aim to conclude by the end of the year.
- **PLI across 14 sectors:** PLI schemes have been implemented in 14 sectors covering electronics, IT hardware, pharmaceuticals, bulk drugs, solar PV modules, autos and components, white goods, and telecom, aimed at boosting production, jobs, exports, and investments.
- **Logistics and infrastructure:** The National Logistics Policy (NLP) and the PM Gati Shakti aim to reduce logistics costs via multimodal planning, and the National Industrial Corridor Development Programme (NICDP) is developing globally competitive industrial corridors. The Logistics Data Bank has helped to improve transparency and efficiency in India's logistics ecosystem and industrial base.
- **Districts as Export Hubs (DEH):** Export-focused products/services were identified in consultation with states/UTs by forming the State Export Promotion Committee (SEPC) and the District Export Promotion Committee (DEPC) at the district level. The District Export Action Plans have been completed for 590 districts.
- **E-Commerce Export Hubs (ECEHs):** The ECEHs shall provide integrated export services (customs clearance, packaging, warehousing) with simplified re-imports. Five ECEH pilot projects have been proposed for implementation.

Our comments

The government's latest measures, ranging from PLI schemes to logistics reforms and export hubs, come at a crucial time when Indian exporters are grappling with steep tariff challenges, including the unprecedented 50% duties imposed by the US. These initiatives signal India's determination to cushion exporters against external shocks and reposition the country as a resilient, diversified, and competitive player in global trade.

By strengthening manufacturing, enhancing logistics, and expanding the FTA networks, India is building the proper foundation for exporters to mitigate risks and unlock new opportunities across markets.

Lowering logistics costs through the National Logistics Policy, the PM Gati Shakti initiative, and initiatives like SEPC/DEPC and ECEH pilots will be key to helping MSMEs join global trade. The real test is in the execution — speeding up PLI rollout, building stronger supply ecosystems, ensuring state-level support for logistics projects, and aligning FTAs with sector readiness. If implemented well, these steps can strengthen India's competitiveness, widen its export base, and reduce dependence on any singular market.

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