



सत्यमेव जयते
NITI Aayog



EXPORT PREPAREDNESS INDEX 2024

Export Preparedness Index 2024

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NITI Aayog

Government of India

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Export Preparedness Index 2024

Preface

Exports are a key driver of economic growth and play a significant role in helping countries strengthen their position in Global Value Chains (GVCs), earn foreign exchange, and increase global competitiveness. For India – the fastest growing major economy in the world – exports are crucial for improving economic resilience, reducing trade deficits, and promoting inclusive growth. As global trade continues to evolve, it is essential for India to enhance its export performance by supporting state governments and helping local businesses adopt a global perspective.

This report provides a clear and structured framework to assess how well the States and Union Territories in India are prepared to drive and enhance their exports. The Export Preparedness Index (EPI) 2024 uses a consistent, data-driven approach to evaluate multiple factors, including export policies, business environment, quality of infrastructure, and export outcomes. Data is collected from both state and central government sources, and each indicator is assigned a weight based on its importance. This ensures a fair and balanced comparison across all regions.

By ranking states on their level of export preparedness, the report highlights their strengths and identifies specific areas where improvement is needed. In addition to scores and rankings, the report offers detailed insights into the export landscape of each state and provides practical recommendations tailored to their unique context. These recommendations aim to help states build on their strengths, address existing gaps, and contribute meaningfully to India's broader export ambitions.

Importantly, the EPI 2024 aligns with the national development vision of *Viksit Bharat @2047*, where a globally competitive and export-oriented economy is a cornerstone for India's transformation into a developed nation. Strengthening the export ecosystem across states and enhancing India's position in global trade are essential to achieving this goal. By empowering subnational entities and promoting a unified trade agenda, the report supports a bottom-up approach to realize the aspirations of *Viksit Bharat*.

The overall objective is to support policymakers, businesses, and other stakeholders in building a strong, inclusive, and future-ready export ecosystem across the country. We thank Mr. Sanjeet Singh, Senior Adviser at NITI Aayog, and his team for their guidance and support in this effort. We are also grateful to the state governments, central ministries, and government agencies whose active co-operation made this report possible. Their inputs were critical in ensuring that the Export Preparedness Index (EPI) 2024 presents a comprehensive and inclusive view of India's export potential.

This report would enable continued collaboration and coordinated action to make India a leading force in global trade and a key pillar in realizing the vision of *Viksit Bharat @2047*.

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MESSAGE

India's export landscape is entering a pivotal era shaped by profound shifts in global trade, technology and supply chains. As the world undergoes rapid transformation driven by geopolitical realignments, the rise of green and digital industries and the diversification of supply chains, India faces an unprecedented opportunity to strengthen its global economic standing. Moving from a predominantly low-value participant in global value chains to a leading contributor in high-value, innovation-driven segments is essential to realising the national vision of *Viksit Bharat @ 2047*.

In this context, India's export performance demonstrates not only resilience but also a decisive shift towards high-value manufacturing, green technologies, advanced materials and digital services. These sectors are reshaping the nation's integration into global value chains and reinforcing its position as an innovation-driven economy. Building diversified, innovation-oriented and sustainable export capabilities at the subnational level is therefore critical to enhancing economic resilience, improving employment outcomes and deepening India's participation in global value chains, particularly as the country advances towards the target of USD 1 trillion in merchandise exports by 2030, an important milestone on the path to *Viksit Bharat 2047*.

Against this backdrop, the Export Preparedness Index 2024 developed by NITI Aayog emerges as a vital enabler. By positioning districts as export hubs and unlocking regional competitiveness, the Index highlights India's diversity as a strategic advantage in shaping a stronger export ecosystem. Its comprehensive framework provides states with a clear understanding of their strengths and areas for improvement, offering practical insights for targeted interventions. It is important to note that each edition follows its own methodology, so comparisons across years should be viewed in the context of changing priorities and underlying factors.

The successful publication of the Export Preparedness Index 2024 reflects the collective commitment of NITI Aayog, central ministries, State and Union Territory governments and our knowledge partner, Deloitte. Building on the achievements of earlier editions, this report offers a strategic roadmap for states to enhance their export readiness and support India's ambition to become a major force in global trade.

I extend my warmest congratulations to the entire team on the release of the Export Preparedness Index 2024, an initiative that continues to strengthen India's export preparedness, promote competitiveness and harness the country's diversity for a stronger, export led growth trajectory.

(Suman Bery)

Dated- 03/12/2025

Place- New Delhi





MESSAGE

India's path toward Viksit Bharat 2047 must be anchored in long term growth, and evidence-based actions which enhance human capital, productivity and competitiveness. The long term will be significantly shaped by the states and union territories (UTs), each defined by distinct industrial structures, infrastructure quality, workforce capabilities, institutional strengths, and market structure. India's development story is therefore not uniform but a mosaic of diverse regional ecosystems, where some regions rapidly integrate into global value chains while others face persistent bottlenecks. For policymakers, this diversity is both a challenge and an opportunity: well-targeted, data-driven interventions at the state and district levels can unlock high returns compared to one-size-fits-all approaches.

Achieving the vision for Viksit Bharat 2047 requires us to address key structural gaps. Foundational learning outcomes remain uneven, constraining the creation of a future-ready workforce. The skilling ecosystem suffers from weak alignment between training supply and industry demand. Industrial estates often face deficits in power reliability, common facilities, and logistics connectivity, while land availability, regulatory complexity, and outdated procedures continue to impede enterprise growth and private investment. Unlocking grassroots competitiveness will require sustained progress on local infrastructure, labor reforms, rational electricity pricing, and modernized compliance frameworks.

India's global integration offers a pathway to sustained growth. As global supply chains diversify and demand for knowledge-based services expands, India has an opportunity to scale its export capacity. But durable export expansion requires an enabling environment that allows firms, especially MSMEs, district clusters, and EPZs, to compete effectively.

The Export Preparedness Index (EPI) 2024 highlights the role of States and Union Territories in sustaining and amplifying this momentum. By identifying strengths, addressing structural gaps, and designing bottom-up strategies, states can position themselves to fully leverage new trade opportunities. Districts, are a vital node of competitiveness, linking local clusters with global supply chains and unlocking grassroots-led growth. In the years ahead, greater emphasis on learning outcomes, job skilling, value addition, technological adoption, and alignment with global sustainability standards will determine how effectively India can climb the export value chain.

We gratefully acknowledge the leadership of the Vice Chairman, and the contributions of Members and CEO of NITI Aayog, in supporting this initiative. We also commend the dedicated efforts of the NITI Aayog team and our knowledge partners at Deloitte in preparing the fourth edition of the EPI. We are confident that the findings of this report will inspire states and districts to embrace innovative, evidence-based strategies that can firmly anchor India's emergence as an export-driven global growth leader.

New Delhi
November, 2025


(Arvind Virmani)

बी. वी. आर. सुब्रह्मण्यम
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मुख्य कार्यकारी अधिकारी
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Harnessing the power of competitive cooperative governance has become increasingly important as India positions itself more firmly within global value chains. With states playing a central role in shaping the country's export momentum, their ability to channel regional strengths, diversify capabilities, and nurture an enabling environment will be essential to sustaining long-term growth.

The Export Preparedness Index (EPI) 2024 has been developed as a strategic tool to support this evolving landscape. By offering a clear and structured framework to assess export preparedness, the index helps states understand where they stand, how they compare, and where meaningful opportunities for progress lie. It encourages outcome-driven governance by promoting transparency, benchmarking performance, and enabling states to learn from one another.

As India expands its network of Free Trade and Economic Partnership Agreements, the importance of strong domestic foundations only grows. For states, this means fostering ecosystems that can respond to new opportunities, align with global standards, and build competitiveness across districts. In recent years, several states have already begun strengthening their export vision through dedicated policies, institutions, and infrastructure - indicating a clear shift toward a more proactive and structured approach.

The EPI serves as a guide in this journey by highlighting broad patterns, identifying areas of strength, and pointing to where strategic attention is required. It equips stakeholders with an overarching view of the factors that shape export readiness, helping them plan more effectively and prioritize long-term capability building. Beyond measuring performance, the index acts as a platform for meaningful dialogue and collaboration between the states and the center.

India's future export trajectory will depend on the collective efforts of all states and Union Territories. By encouraging a spirit of shared learning and purposeful competition, EPI aims to support a governance model that is not only cooperative but also transformative. This edition seeks to reinforce that vision, empowering states to chart their growth pathways, contribute to national goals, and strengthen India's role in global trade.

Dated: 11th December, 2025


[B.V.R. Subrahmanyam]





MESSAGE

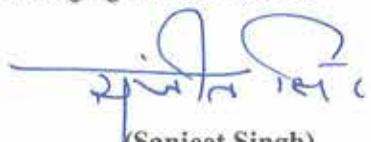
Over the past three years, India's export landscape has evolved amid significant global volatility. The world economy has been reshaped by the lingering effects of the pandemic, the Russia-Ukraine conflict, persistent inflation, and shifting supply chains. Despite these challenges, India's external sector has shown notable resilience. Merchandise exports crossed the USD 450 billion mark in FY 2022-23, services continued to expand, and districts across the country adapted with agility. This performance reflects both the dynamism of Indian exporters and the efforts of states and Union Territories in strengthening their trade ecosystems.

The Export Preparedness Index (EPI) 2024, now in its fourth edition, sharpens its focus on the sub-national drivers of export performance. Beyond benchmarking, it encourages states and UTs to reassess their strengths and weaknesses and to identify clear opportunities for growth. It offers deeper insights into the factors that shape competitiveness on the ground, including logistics, institutional capacity, cluster development, digital readiness, and the overall policy environment.

A significant advancement in this edition is its emphasis on districts as the core units of export competitiveness. By mapping capabilities, emerging specializations, infrastructure gaps, and constraints faced by enterprises, this index enables states to design strategies rooted in district realities. This translates broad export goals into practical action through stronger district export promotion committees, improved logistics, focused skilling, and better support for MSME clusters. The report also encourages states to diversify beyond traditional export baskets and develop higher-value sectors such as electronics, pharmaceuticals, processed foods, services, and green technologies. This edition highlights several examples of effective practices, from digital trade facilitation to coordinated state-district initiatives and successful cluster development. These offer practical models that other states can adapt.

As global trade moves toward more sustainable and technology-driven paradigms, EPI 2024 provides states with a clear pathway to align with emerging opportunities. I am confident it will serve not only as a diagnostic tool but as a practical guide, helping states and Union Territories convert preparedness into measurable performance through focused planning, grounded execution, and stronger district-led growth.

I extend my sincere appreciation to the Vice Chairman of NITI Aayog, Shri Suman Bery, the CEO, Shri B.V.R. Subrahmanyam and Member, Dr. Arvind Virmani, for their unwavering guidance and support in shaping this report. My gratitude also goes to the dedicated team at NITI Aayog and Deloitte, the knowledge partner whose expertise and commitment have been instrumental in bringing the EPI 2024 to fruition.



(Sanjeet Singh)

Romal Shetty

Chief Executive Officer
Deloitte South Asia



We are pleased to present the Export Preparedness Index (EPI) 2024, a comprehensive assessment of India's export ecosystem that provides deep insights into the emerging trends, structural challenges, and opportunities shaping the nation's global trade trajectory.

At this crucial juncture, The Government of India's vision of Viksit Bharat 2047 sets a clear goal for the nation - to become a developed economy within the next two decades. Achieving this vision will require every state, union territory (UT), and district to strengthen its competitiveness, build on local capabilities, and expand its reach into international markets. Exports will therefore be a central pillar in this transformation journey. The journey is not just about GDP growth, but also about creating jobs, accelerating innovation, and connecting Indian industries to global value chains.

It is in this context that the EPI 2024 assumes particular significance. By benchmarking export preparedness across the States and UTs, the index empowers policymakers and industry leaders with actionable insights to accelerate reforms, unlock new sources of growth, and ensure that India's export momentum is broad-based and inclusive.

Traditionally, India's export performance has been concentrated in select sectors and geographies, leaving substantial capacity in others underutilized. Today, however, the confluence of rising global demand, evolving trade agreements, and a renewed policy focus on competitiveness and self-reliance is prompting states to recalibrate their strategies. With these in perspective, the EPI 2024 underscores the importance of district-level competitiveness, sectoral differentiation, and targeted policy interventions in unlocking this latent potential and advancing a more balanced, inclusive growth nationwide. These would serve as the building blocks for an export-led transformation that aligns directly with the ambition of a Viksit Bharat@2047.

The EPI 2024 highlights emerging opportunities across high-growth sectors, value-added manufacturing, and services exports, while also drawing attention to persistent structural constraints, including infrastructure bottlenecks, regulatory complexity, and skill development needs. By combining insights from state governments, industry stakeholders, and international best practices, the EPI provides a strategic roadmap for enhancing export ecosystems, fostering innovation, and positioning states for sustainable global competitiveness.

Looking ahead, India's export landscape is on the threshold of profound transformation. States that embrace innovation, deploy data-driven strategies, and prioritize district-level initiatives will be best positioned to capture new opportunities and strengthen their global presence. The EPI 2024 is designed not only as a diagnostic framework but also as a forward-looking guide, helping stakeholders anticipate shifts, implement strategic interventions, and reinforce India's standing as a resilient and competitive leader in global trade.

Table of Contents

<i>Preface</i>	iv
<i>Table of Figures</i>	xii
<i>Executive Summary</i>	xiv
1. Introduction to Export Preparedness Index (EPI) 2024	1
1.1 Our Approach for Export Preparedness Index (EPI) 2024.....	1
1.2 Framework for Evaluation of States.....	2
1.3 Key Enhancements in Export Preparedness Index (EPI) 2024	8
2. Global Economic Landscape.....	11
2.1 Macroeconomic Scenario	11
2.2 Global Trade – Growth and Trends	12
3. India Exports – Trends	21
3.1 Viksit Bharat @2047 – Focus on Trade.....	21
3.2 Merchandise Exports	22
3.3 States and UTs – Export Trends	28
3.4 Services Exports	32
3.5 India's Trade Partnerships	33
4. Export Preparedness Index (EPI) 2024 - Evaluation and Outcomes.....	35
4.1 Large States – Ranking and Classification	36
4.2 Small States, NE & UTs – Ranking and Classification	37
5. State Profiles	39
5.1 Large States.....	39
5.1.1 Andhra Pradesh.....	41
5.1.2 Bihar	49
5.1.3 Chhattisgarh	57
5.1.4 Gujarat	65
5.1.5 Haryana.....	73
5.1.6 Jharkhand.....	81
5.1.7 Karnataka.....	91
5.1.8 Kerala.....	101
5.1.9 Madhya Pradesh	111
5.1.10 Maharashtra	121
5.1.11 Odisha	131
5.1.12 Punjab	139
5.1.13 Rajasthan	147
5.1.14 Tamil Nadu	157
5.1.15 Telangana.....	165
5.1.16 Uttar Pradesh	173
5.1.17 West Bengal	181

5.2 Small States, NE & UTs.....	189
5.2.1 Andaman & Nicobar Islands.....	189
5.2.2 Arunachal Pradesh.....	197
5.2.3 Assam	205
5.2.4 Chandigarh.....	215
5.2.5 Dadra & Nagar Haveli and Daman & Diu	223
5.2.6 Delhi	231
5.2.7 Goa	239
5.2.8 Himachal Pradesh.....	247
5.2.9 Jammu and Kashmir.....	255
5.2.10 Ladakh	263
5.2.11 Lakshadweep	271
5.2.12 Manipur	279
5.2.13 Meghalaya	287
5.2.14 Mizoram.....	295
5.2.15 Nagaland.....	303
5.2.16 Puducherry.....	311
5.2.17 Sikkim.....	319
5.2.18 Tripura	327
5.2.19 Uttarakhand	335
Authors and Research Team	344

Table of Figures

Figure 1: EPI Evaluation Framework - Pillars & Sub-Pillars.....	2
Figure 2: EPI 2024 Framework – Pillars and Parameters.....	3
Figure 3: Export Infrastructure – Parameters and Weightages	4
Figure 4: Business Ecosystem – Parameters and Weightages	5
Figure 5: Policy and Governance – Parameters and Weightages.....	6
Figure 6: Export Performance – Parameters and Weightages.....	7
Figure 7: Enhanced categorization of states and union territories.....	9
Figure 8: Comparison of Annual GDP Growth Rate 2022-24.....	11
Figure 9: Global Inflation Rate Trends 2022-24 Source: IMF Datamapper	12
Figure 10: Shifts in Trade Patterns Within and Between Geographical Blocs	13
Figure 11: Year on Year growth rate of exports	13
Figure 12: Regional trade landscape.....	14
Figure 13: Year-on-Year change in merchandise trade growth by product category.....	15
Figure 14: Trade flows in real terms, January 2018–July 2024 (Average 2021=100).....	16
Figure 15: Quarterly World Trade of Merchandise and Services 2015 - 24	17
Figure 16: Sector-Wise Services Exports Trade Growth Comparison.....	17
Figure 17 : India's Total Merchandise and Services Export Value (INR Lakh Crore)	21
Figure 18: Viksit Bharat - Vision for India's share of global exports	21
Figure 19: India's Merchandise Export Value (INR Lakh Crore).....	22
Figure 20: Engineering Goods Exports.....	23
Figure 21: Leading Destinations for Engineering Goods from India in FY24	24
Figure 22: Electronics Goods Exports	25
Figure 23: Leading Destinations for Electronics Goods from India in FY24.....	25
Figure 24 : Chemical and Allied Products Exports	26
Figure 25 : Leading Destinations for Chemicals and Allied Products from India in FY24... ..	26
Figure 26 : YoY Comparison of Agricultural Goods Export Value (INR lakh crore).....	27
Figure 27: Share of Top 10 Export Destinations in Agricultural Goods Exports from India in FY24).....	28

Figure 28 : Share of States in India's Merchandise Exports	28
Figure 29 : Institutional mechanism to promote exports at district level	30
Figure 30 : Distribution of Exports at District Level.....	31
Figure 31 : Top 10 Districts – Merchandise Esports of India (All commodities).....	31
Figure 32 : India's Services Export.....	32
Figure 33 : Major Trade Partnerships and Initiativesss	33
Figure 34 : Export Preparedness Index 2024 Results	36
Figure 35 : Scores for Large States.....	36
Figure 36 : Scores for Small States, NE & UTs	37

Executive Summary

India's export landscape is defined by the diverse economic strengths and trade potential of its States and Union Territories (UTs). Recognizing this diversity, the Export Preparedness Index (EPI) 2024 focuses on a comprehensive assessment of export ecosystems to identify key challenges, growth levers, and opportunities at state level.

Aligned with India's ambition of achieving \$1 trillion in merchandise exports by 2030 and the vision of "Viksit Bharat @2047," the EPI 2024 evaluates the readiness of States and UTs to contribute to the nation's global trade aspirations. The Index underscores the importance of policy coherence and collaboration between the centre and states in building a competitive, resilient, and inclusive trade environment.

The EPI 2024 framework for evaluation of states has been structured with four core pillars - Export Infrastructure, Business Ecosystem, Policy & Governance, and Export Performance – that were further divided into 13 sub-pillars and 70 parameters (50 vital and 20 desirable). Significant enhancements have been made on the EPI 2024 framework vis-à-vis earlier framework (EPI 2022) with inclusion of new dimensions such as Macroeconomy, Cost Competitiveness, Human Capital, Financial Access, and MSME Ecosystem and refinement of existing indicators to enhance precision and relevance.

The evolving global context characterized by heightened volatility, geopolitical tensions, inflationary pressures and supply chain disruptions requires India to work on a resilient and diversified export strategy. With exports as a key driver of growth, the EPI 2024 evaluates export competitiveness at state and district level which is critical for India, to strengthen economic resilience, reduce trade imbalances, and drive inclusive development.

For the EPI 2024, the states are divided into two categories - Large States and Small States, NE & UTs. Subsequently, the states are classified into Leaders, Challengers, and Aspirers (LCA) within their categories based on the evaluation on the framework, offering insights into comparative performance and areas requiring policy attention.

In addition, each state has been profiled in detail enabled by the data analysis and insights from the discussions with the state government agencies. Individual state profiles highlight strengths and gaps across core dimensions. The state profile concludes with targeted recommendations that include improving infrastructure maturity, reducing industrial costs, advancing digital adoption, streamlining regulatory processes for SMEs, and expanding market linkages to enhance export performance.

The EPI 2024, together with these insights reaffirm that state-level excellence and coordinated policy action are central to realizing India's vision of becoming a globally competitive, self-reliant, and inclusive economic powerhouse by 2047.





1

Introduction to Export Preparedness Index (EPI) 2024

1

Introduction to Export Preparedness Index (EPI) 2024

India's export performance is not a single, uniform story. It is the sum of the stories. Of the States and Union Territories (UT) that vary widely in industrial structure, infrastructure, skills, institutional capacity and access to markets. These variations between the states shape that which sectors can scale quickly, which districts become export hubs, and where bottlenecks persist. For policymakers charged with accelerating trade, this spatial diversity is both a challenge and an opportunity as targeted, evidence-based actions at the state and district level can deliver higher returns than one-size-fits-all measures.

The Export Preparedness Index (EPI) 2024 is designed to translate that diversity into practical policy guidance. The EPI 2024 examines the enablers and constraints that determine whether exporters, from micro-enterprises to large manufacturers can compete internationally. It highlights where interventions will be most effective: improving last-mile logistics, simplifying regulatory processes, strengthening skills and market linkages, or investing in trade-support institutions.

For policymakers, the EPI 2024 serves three immediate purposes. First, it prioritizes action by identifying the high-impact gaps where interventions will unlock high export potential. Second, it supports resource allocation by showing which districts offer the strongest returns on investments in infrastructure, capacity building, or institutional reform. Third, it promotes peer learning and adaption of successful models, policy reforms and best practices between states.

Sustained export growth requires coordinated public-private action thus central ministries, state governments, industry associations, logistics providers, skill-development bodies and financial institutions must operate in an integrated manner. In this context, the government should prioritise ease of doing export business for MSMEs and cluster enterprises, incentivise private investment in logistics and utility infrastructure, and support market-linkages and buyer-seller platforms through policy interventions. State nodal agencies and industry bodies have a crucial role in tailoring those interventions to local strengths and ensuring that national schemes are deployed with local ownership.

Monitoring, accountability and evidence-based target setting are central to sustained progress. The EPI 2024 promotes use of comparable, actionable metrics at state and district levels so policymakers can set clear targets, measure outcomes, and adjust course through periodic reviews. Performance dashboards, quarterly reviews chaired by senior state officials, and inter-state learning forums will help institutionalise accountability and peer benchmarking. Building on these accountability mechanisms, the next step is to operationalize monitoring through a clear set of KPIs. The subsequent section of this report dwells deeper into a structured approach to arrive at the metrics needed for evaluation of States.

1.1 Our Approach for Export Preparedness Index (EPI) 2024

Each stage of the export process was examined in depth, mapping complex interactions, dependencies, and value drivers to develop a structured framework that reflects both current performance and future potential. The framework spans pillars, sub-pillars, and parameters that capture the most critical dimensions of export readiness and competitiveness. Balanced

weightages were assigned to each parameter based on its relative impact in enabling exports at the state level. This holistic approach supports stronger strategic decision-making, a clearer policy roadmap, and measurable improvements in states' export performance.

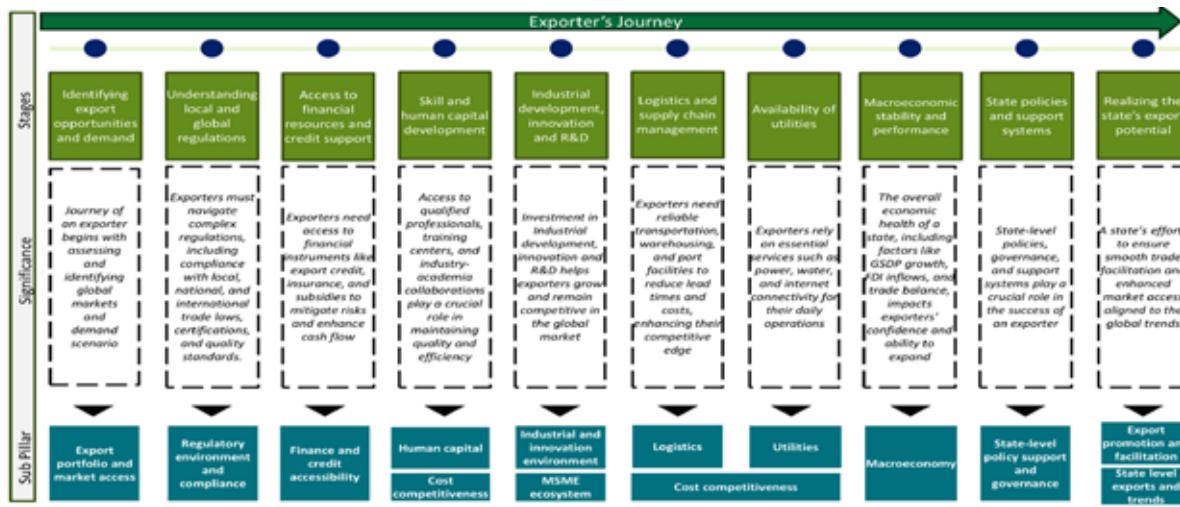


Figure 1: EPI Evaluation Framework - Pillars & Sub-Pillars

1.2 Framework for Evaluation of States

The critical areas of impact emerged from the export process analysis translated into four core pillars for EPI 2024 framework. They are as below:

- Export infrastructure:** Robust infrastructure including ports, transportation and warehousing and, availability of utilities (power, water, communication etc.) Underpins a state's export preparedness by enabling trade at optimal costs.
- Business ecosystem:** A thriving business ecosystem forms the foundation of export success, offering the necessary support for businesses to grow and compete internationally. This pillar assesses the availability of skilled labor, access to capital, and the overall ease of doing business.
- Policy and governance:** A conducive policy environment and delivery mechanism at state level drives exports by enabling trade facilitation, collaboration and market access. Proactive governance reduces barriers, fosters innovation, and aligns with India's export priorities.
- Export performance:** Export performance reflects a state's success during FY2022-FY2024 in terms of export value, growth trends, diversification and resilience.

These pillars were further broken down into 13 sub-pillars and a comprehensive list of 70 parameters categorized into vital and desirable:

- Vital Parameters (50)** - These are foundational metrics that carry weightages in the state's final score and are essential for evaluating the core performance and operational effectiveness of a state. These 50 parameters ensure that all critical touchpoints are addressed, enabling precise assessment and informed decision making.

(ii) **Desirable parameters (20)** - Desirable parameters represent value-added metrics that showcase Success Stories and aspirational achievements by any state. These 20 parameters highlight opportunities for growth and differentiation, complementing the vital parameters for a well-rounded framework.

Pillars	Weightage	Sub-Pillars	Weightage	No. Of Indicators (Vitals)	No. Of Indicators (Desirable)	Total Indicators
Export infrastructure	20%	Utilities	10%	4	1	5
		Logistics	10%	6	0	6
Business ecosystem	40%	Macroeconomy	10%	3	1	4
		Cost competitiveness	5%	3	0	3
		Human capital	5%	4	4	8
		Finance and credit accessibility	5%	2	0	2
		MSME ecosystem	10%	3	1	4
		Industrial and innovation environment	5%	2	4	6
Policy and governance	20%	State level policy support and governance	15%	5	2	7
		Regulatory environment and compliance	5%	3	1	4
Export performance	20%	State level exports and trends	5%	4	1	5
		Export promotion and facilitation	5%	5	3	8
		Export portfolio and market access	10%	6	2	8

Figure 2: EPI 2024 Framework – Pillars and Parameters

Each of the four pillars along with the sub-pillars and parameters were detailed in terms of scope, rationale and sources of information within the EPI 2024 framework.

The four major pillars of the study are as below:

Pillar 1: Export infrastructure

Export infrastructure pillar serves as the backbone of a state's export readiness, ensuring availability of key inputs for manufacturing and enabling the seamless movement of products to international markets. The pillar covers supply of power and water, ports, logistics network and last-mile connectivity that ensure timely delivery and reduced trade costs. By fostering a reliable and efficient infrastructure network, states can significantly enhance their export competitiveness and create an environment conducive to sustainable economic growth.

S. No.	Sub-Pillars	Sub-Pillars Weightage	Parameter	Parameter Weightage	Source
1.1	Utilities	Vital - 10%	State-wise installed capacity of power incl. Captive power plants	2.5%	Central Electrical Authority and State Governments
			Power availability	2.5%	Central Electrical Authority
			Energy penetration - renewable vs non-renewable source of energy	2.5%	NITI Aayog
			State wise ground water availability	2.5%	Ministry of Jal Shakti
		Desirable	Internet penetration within the states	0.0%	
1.2	Logistics	Vital - 10%	Total area of operational FTWZs within the state	1.5%	Ministry of Commerce and Industry - Press information Bureau
			Road - density and distribution	2.5%	Ministry of Road Transport & Highways
			LEADS index	2.5%	Invest India
			Total number of operational ICDs + CFSs + AFSs within the state	1.5%	State governments
			Number of active air cargo terminals operating within the state	0.5%	State governments
			Cold storage warehouse capacity	1.5%	State governments

Figure 3: Export Infrastructure – Parameters and Weightages

Pillar 2: Business Ecosystem

A thriving business ecosystem forms the foundation of export success, offering the necessary support for businesses to grow and compete internationally. This pillar assesses the availability of skilled labor, access to capital, and the overall ease of doing business. It also evaluates the presence of industrial clusters, special economic zones (SEZs), and innovation hubs that enable businesses to scale efficiently. By fostering entrepreneurship, enhancing market linkages, and encouraging private-sector participation, states can strengthen their business ecosystems. This pillar emphasizes the need for creating a collaborative environment where businesses can thrive and contribute to the state's export potential.

S. No.	Sub-Pillars	Sub-Pillars Weightage	Parameter	Parameter Weightage	Source
2.1	Macroeconomy	Vital - 10%	GSDP value per capita	4.0%	Ministry of Statistics and Programme Implementation (MOSPI)
			Contribution of manufacturing to GSDP	4.0%	State governments
			State-wise gross fiscal deficit	2.0%	Reserve Bank of India (RBI)
		Desirable	FDI inflow as a % of GSDP	0.0%	Department for Promotion of Industry and Internal Trade (DPIIT)

2.2	Cost competitiveness	Vital - 5%	Average wage rates	2.0%	State governments
			Industrial power cost	1.5%	State governments (Latest tariff orders)
			Industrial water cost	1.5%	State governments (Latest tariff orders)
2.3	Human capital	Vital - 5%	Workforce availability	2.0%	State governments
			Contribution of women in the workforce (%)	1.5%	State governments
			Number of STEM graduates	1.0%	Department of Higher Education
			Youth unemployment	1.0%	Ministry of Skill Development and Entrepreneurship
		Desirable	Training centres covered under Skill India Mission (PMKK, JSS, PM YUVA, SANKALP)	0.0%	Ministry of Skill Development and Entrepreneurship
			Number of government and private universities in the state	0.0%	University Grants Commission
			Labor productivity	0.0%	State governments
			Expenditure towards research grants	0.0%	State governments
2.4	Financial and credit accessibility	Vital - 5%	Export credit insurance	1.5%	State governments
			State-level export financing schemes	1.5%	State governments
			Credit-Deposit (CD) ratio	2.0%	Reserve Bank of India (RBI) and State governments
2.5	MSME ecosystem	Vital - 10%	Total number of MSME units operational within the state	2.0%	Ministry of MSME
			Year-on-Year increase in the number of MSMEs (State-wise)	3.0%	Ministry of MSME
			Contribution in state exports by MSMEs	5.0%	State governments and Directorate General of Foreign Trade (DGFT)
		Desirable	Enterprise Development Centres (EDCs)	0.0%	State governments
2.6	Industrial and innovation environment	Vital - 5%	Number of industrial parks/estates/ clusters/ nodes	2.5%	Department for Pro-motion of Industry and Internal trade (DPIIT)
			Ease of Doing Business (EODB) index	2.5%	Department for Pro-motion of Industry and Internal Trade (DPIIT)
		Desirable	Number of GCCs	0.0%	State governments
			Number of start-ups	0.0%	State governments
			Number of R&D centres	0.0%	State governments
			NABL accredited labs	0.0%	National Accreditation Board for Testing and Calibration Laboratories (NABL)

Figure 4: Business Ecosystem – Parameters and Weightages

Pillar 3: Policy and Governance

A well-defined policy and governance are critical for creating a favorable export ecosystem. This pillar examines the policies that facilitate exports, the effectiveness of their implementation, and the role of state-level governance in supporting exporters. Transparent regulatory practices, ease of doing business, trade facilitation measures, and the availability of financial incentives are key aspects evaluated under this domain. States that adopt proactive governance strategies and foster collaboration between stakeholders can drive export growth by reducing bureaucratic hurdles and encouraging innovation. This pillar underscores the importance of aligning state policies with national and global trade priorities.

S. No.	Sub-Pillars	Sub-Pillars Weightage	Parameter	Parameter Weightage	Source
3.1	State level policy support and governance	Vital - 15%	Does the state have an export specific policy? (Y/N)	5.0%	State governments
			Does the state have a vision document with an investor friendly charter? (in progress/completed)	3.0%	State governments
			Digital transformation of procedures and documentation	2.0%	State governments
			Marketing initiatives from the states to promote exports in the form of policy interventions	2.0%	State governments
			Trade fairs and exhibitions by states	3.0%	State governments
		Desirable	Grievance redressal mechanism	0.0%	State governments
			Collaboration with Make-In-India campaigns	0.0%	State governments
3.2	Regulatory environment and compliance	Vital - 5%	State quality standards and product certification compliance	2.5%	State governments
			Import Export Codes (IEC)	1.5%	Directorate General of Foreign Trade (DGFT)
			Quality requirements compliance workshops	1.0%	State governments
		Desirable	Export data availability	0.0%	State governments

Figure 5: Policy and Governance – Parameters and Weightages

Pillar 4: Export Performance

Export performance is the definitive measure of a state's readiness and success in global trade. This pillar focuses on the tangible outcomes of a state's export efforts, such as the volume, value and diversification of exports. Additionally, this pillar examines the consistency of export growth and the state's resilience to external shocks. By analyzing export performance, states can identify strengths, address weaknesses, and benchmark themselves against both domestic and international competitors. This pillar serves as a crucial indicator of the effectiveness of the other three pillars in driving export excellence.

S. No.	Sub-Pillars	Sub-Pillars Weightage	Parameter	Parameter Weightage	Source
4.1	State level exports and trends	Vital - 5%	District-level exports	1.5%	State governments
			Year-on-year export growth rate	1.5%	Ministry of Commerce and Industry
			Growth rate of exporter base	1.5%	State governments and Directorate General of Commercial Intelligence and Statistics (DGCIS)
			State trade balance	0.5%	Ministry of Commerce and Industry
		Desirable	Contribution of exports in the sunrise sectors and thrust sectors (%)	0.0%	Ministry of Commerce and Industry
4.2	Export promotion and facilitation	Vital - 5%	GI products	1.5%	Department for Promotion of Industry and Internal Trade (DPIIT)
			Do states have single window clearance system?	1.5%	State governments
			Number of District Export Promotion Committee (DEPC) including the mandate of District Industries Centres (DIC) handling export promotion	1.5%	State governments
			Districtlevel export action plan	0.5%	Directorate General of Foreign Trade (DGFT)
		Desirable	Projects approved unnder Trade Infrastructure for Export Schemes (TIES)	0.0%	State governments
			Leveraging e-commerce	0.0%	State governments
			Certificate of origin for the exported goods	0.0%	Directorate General of Foreign Trade (DGFT)
4.3	Export portfolio and market access	Vital - 10%	Export market diversification (%)	3.0%	Ministry of Commerce and Industry
			Export penetration of a state at country level	2.0%	Ministry of Commerce and Industry
			Export penetration of a state at commodity level globally	2.0%	Ministry of Commerce and Industry
			Sector focused country specific export promotion roadmap	1.0%	State governments
			State manufacturing alignment with FTAs	1.0%	Ministry of Commerce Dashboard
			Value and list of primary goods exported (INR)	1.0%	State governments and Directorate General of Foreign Trade (DGFT)
		Desirable	Value and list of primary goods exported (INR)	1.0%	State governments and Directorate General of Foreign Trade (DGFT)
			Value and list of intermediate goods exported (INR)	0.0%	State governments and Directorate General of Foreign Trade (DGFT)
			Value and list of finished goods exported (INR)	0.0%	State governments and Directorate General of Foreign Trade (DGFT)

Figure 6: Export Performance – Parameters and Weightages

1.3 Key Enhancements in Export Preparedness Index (EPI) 2024

Enhancements to parameters: To ensure the continued relevance and practicality of EPI for states in the face of the evolving global economic landscape, significant adjustments have been made vis-à-vis earlier framework (EPI 2022) considering inputs from NITI Aayog and the states. Specifically, 19 parameters from the previous edition have been either removed or merged to streamline the analysis and eliminate redundancy while 8 parameters have been enhanced to improve their relevance, and overall impact in the index.

The enhancements can be categorized into four major buckets:

1. New dimensions for assessment

- (i) Macroeconomy: Incorporating key parameters to gauge the broader economic environment that support exports.
- (ii) Cost competitiveness: Assessing factors that influence the overall cost efficiency of exporting goods.
- (iii) Human capital: Recognizing the importance of workforce availability, quality, and skills in driving export growth and competitiveness.
- (iv) Financial access and credit: Focusing on states' efforts to enhance access to finance for businesses with a focus on increasing exports.
- (v) MSME ecosystem: Highlighting the importance of Micro, Small, and Medium Enterprises (MSMEs) in boosting state-level exports and employment.

2. Introduction of desirable parameters – To elicit impactful and innovative Success Stories that reflect export achievements beyond traditional metrics.

3. Streamlining of parameters – Consolidating and refining the parameters to ensure most relevant and actionable metrics are utilized.

4. Focus on export infrastructure and logistics – Enhancing parameters to reflect the efficiency and capacity of infrastructure and logistics systems critical for export operations.

Enhancements to categorization of states

The states are divided into two major categories - Large States and Small States, NE & UTs - based on the aspects of land area, population and GSDP. Within the categories, EPI 2024 classifies the states as “Leaders, Challengers, and Aspirers” based on their scores.

The “Leaders, Challengers, and Aspirers” framework offers a refined and insightful approach to categorizing states, providing clarity and depth to performance evaluation. The segmentation of the states under this framework will illuminate their current standing while reflecting their latent potential for advancement. This classification thoughtfully accounts for varied strengths and developmental trajectories therefore enabling strategies that are both impactful and bespoke. Integrating diverse dimensions of assessment, the framework provides a comprehensive perspective on progress and opportunities.

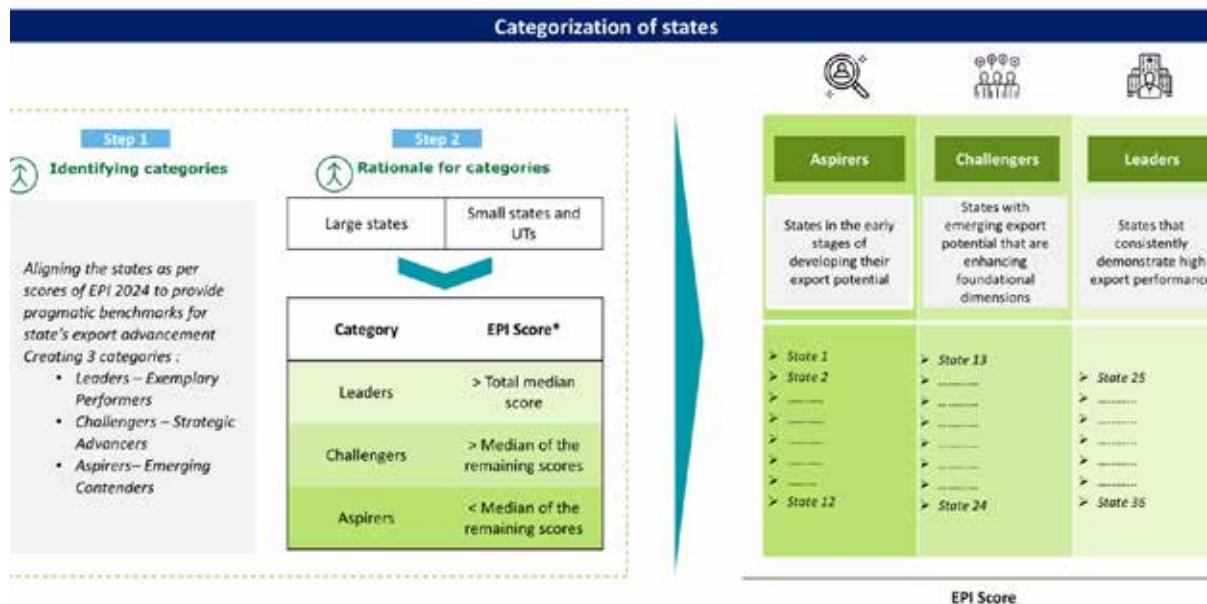


Figure 7: Enhanced categorization of states and union territories

Aligned with the evaluation framework and parameters, it is essential to first understand the global macroeconomic and trade context. The following section presents the core landscape that establishes the baseline for this study.





2

Global Economic Landscape



2

Global Economic Landscape

In recent years, the global economic landscape has been marked by heightened volatility and uncertainty, persistent inflationary pressures, supply chain disruptions, and the increasing frequency of climate-related events. Increased energy prices, uneven demand recovery, and shifts in global trade patterns have collectively strained industrial output and intensified inflationary trends across economies. The lingering effects of the COVID-19 pandemic, have further destabilized global supply chains particularly in sectors such as semiconductors and automotive manufacturing. The growing occurrence of natural disasters, including floods, hurricanes, and heatwaves, has underscored the structural vulnerabilities of global production and trade networks, adding to the broader economic challenges confronting nations worldwide.

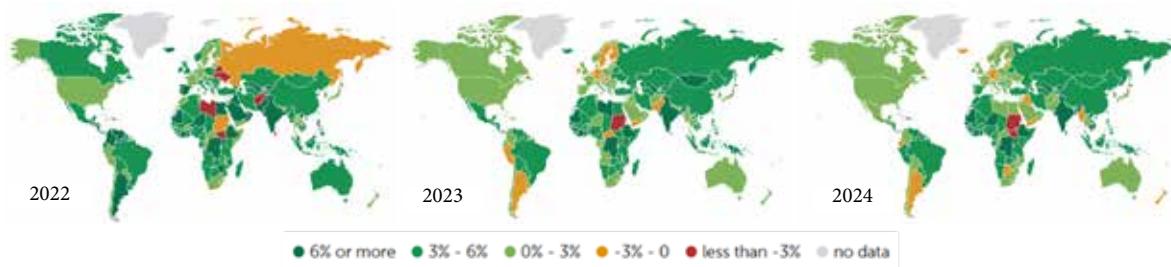


Figure 8: Comparison of Annual GDP Growth Rate 2022-24

Source: IMF Datamapper

2.1 Macroeconomic Scenario

Global economic performance in recent years has reflected the complexity and interdependence. In 2022, global GDP expanded by 3.5%, supported by strong recoveries in key emerging markets. India registered robust growth of 7.2%, underpinned by resilient domestic demand and strong export performance, while Vietnam grew by 8.0%, driven by its expanding manufacturing base and rising prominence as a regional production hub.

However, this momentum eased in 2023, as global growth slowed to 3.0% amid tightening financial conditions and sustained inflationary pressures in advanced economies. The United States and Japan faced headwinds from higher interest rates and cost-of-living pressures, with Japan's growth moderating to 1.0% due to a weaker currency and increased import costs. Looking ahead, global economy is projected to rise modestly to 3.2% in 2025, contingent upon improvements in macroeconomic stability and easing geopolitical tensions.

Emerging economies in Asia continued to demonstrate resilience through this period. India maintained growth above 6.5% in 2024, supported by strong public investment in infrastructure and the continued expansion of technology-led exports. Inflation, however, remained a key global concern, peaking at 8.7% in 2022 amid sharp increases in food and energy prices. The Eurozone experienced inflation of 9.2% by year-end, with several economies witnessing double-digit increases in energy and housing costs. The United Kingdom faced one of the steepest inflationary spikes among advanced economies, reaching 10.4%, driven by higher utility prices and trade frictions.

In response, central banks around the world adopted aggressive monetary tightening. The European Central Bank raised rates to their highest levels in over a decade, while the Bank of England implemented similarly restrictive measures. Although these actions succeeded in curbing inflationary pressures, they also contributed to a broad-based moderation in economic activity across multiple regions.

The U.S. Federal Reserve's aggressive monetary tightening contributed to a sharp fall in inflation, from a peak of 9.1% in mid-2022 to 3.7% by late 2023. However, this disinflation was accompanied by a marked slowdown in consumer demand, especially across interest-sensitive sectors such as housing and retail. In contrast, inflation trends in emerging markets remained highly uneven. Argentina and Turkey continued to grapple with hyperinflation, recording rates above 80% and 60% respectively in 2023, which is a reflection of deep-rooted structural imbalances. Meanwhile, China maintained relatively moderate inflation, below 3%, supported by targeted state interventions and regulated energy prices.

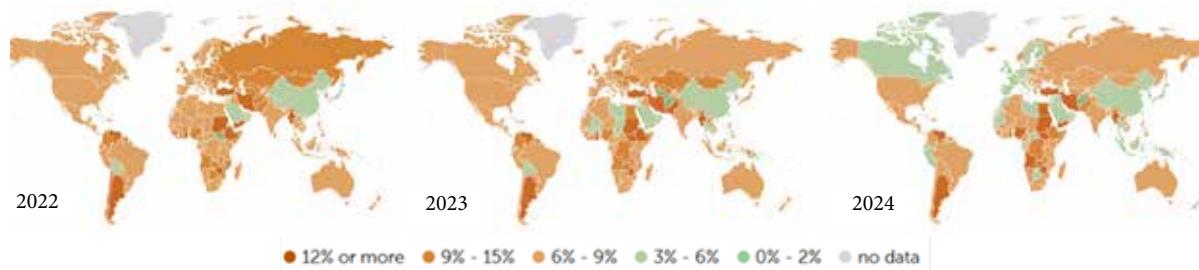


Figure 9: Global Inflation Rate Trends 2022-24

Source: IMF Datamapper

These global economic conditions added pressure to already fragile growth trajectories. Policy responses during this period differed across regions. Advanced economies largely prioritized inflation containment, often trading off short-term growth to restore price stability. Meanwhile, emerging markets placed greater emphasis on trade diversification, regional cooperation, and resilience-building measures to mitigate external shocks. Many economies also accelerated green energy transitions and sustainability initiatives to reduce long-term vulnerabilities and strengthen global competitiveness.

2.2 Global Trade – Growth and Trends

Global trade dynamics in recent years reflect a pronounced shift toward regionalization, as countries increasingly trade within blocs rather than across them. Political alignments, security considerations, and supply chain resilience strategies have reshaped traditional trade flows and investment decisions.

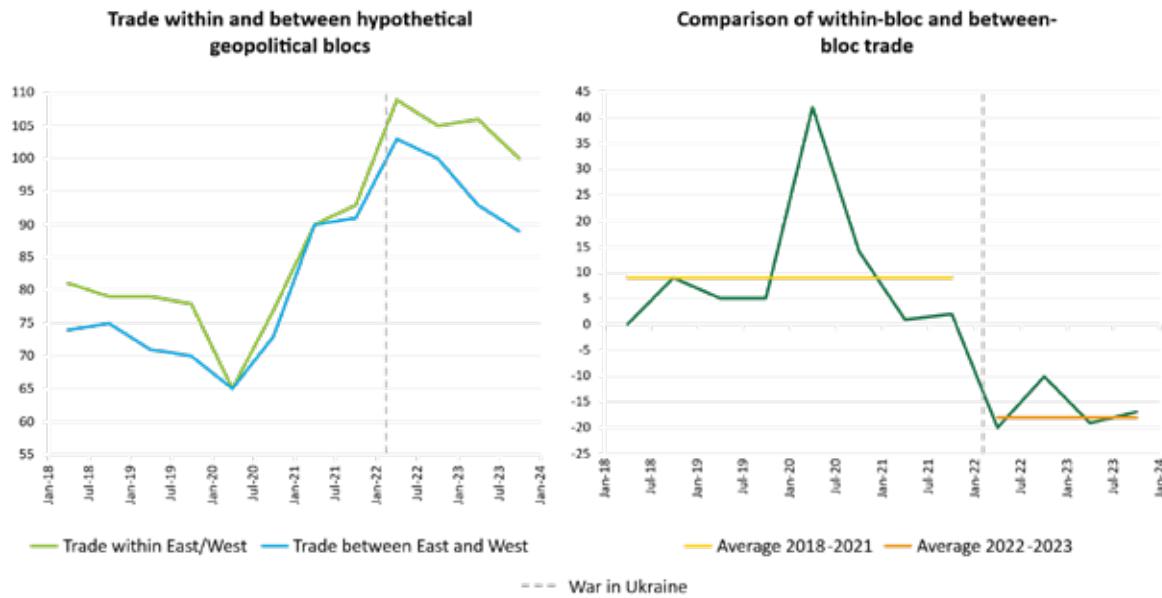


Figure 10: Shifts in Trade Patterns Within and Between Geographical Blocs

Foreign direct investments are now more frequently directed toward politically aligned or geographically proximate nations, underscoring the growing influence of geopolitics on global economic integration. This evolving landscape has created a complex and fragmented global trade outlook and uneven trade performance. In 2022, global trade expanded by 2.5%, due to geopolitical uncertainty. Trade performance itself has been uneven. In 2022, global trade volumes expanded by 2.5%, supported by strong export activity from major manufacturing hubs. However, by 2023, growth slowed sharply to 0.8%, reflecting weakened global demand and rising input costs in key regions. Some advanced economies experienced export contractions amid cost pressures and currency strength, while emerging economies such as India and Indonesia sustained trade surpluses, driven by resilient commodity exports and expanding manufacturing capacities.

	Year-on-year growth, %							
	Exports				Imports			
	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2
World	-7	-2	-1	2	-9	-3	-2	1
North America	-4	0	0	4	-6	-2	1	4
South and Central America	-7	-1	2	5	-16	-8	-4	3
Europe	-2	-2	-4	-2	-8	-6	-8	-4
Asia	-9	0	3	5	-12	-2	0	4
Other	-17	-10	-2	5	1	5	5	3

Figure 11: Year on Year growth rate of exports

Commodity exporting economies such as Australia and Saudi Arabia benefited significantly from increased energy and mineral prices. Saudi Arabia's GDP expanded by 8.7% in 2022, driven by record oil revenues and continued investments aligned with its Vision 2030 agenda. In contrast, countries dependent on imported raw materials, including South Korea and Japan, faced mounting cost pressures that eroded industrial margins. Meanwhile, persistent semiconductor shortages continued to disrupt global production schedules, particularly in

the automotive and electronics industries. South Korea's semiconductor exports declined by 16% in 2023, reflecting both enduring supply chain constraints and softening global demand. Commodity-exporting countries such as Australia and Saudi Arabia enjoyed windfalls from high energy and mineral prices. Saudi Arabia saw GDP growth of 8.7% in 2022, fueled by record oil revenues and strategic investments under its Vision 2030 program. However, nations reliant on imports of raw materials, such as South Korea and Japan, struggled with rising costs that weighed on industrial margins. On top of that, semiconductor shortages continued to disrupt production timelines globally, particularly in automotive and electronics sectors. South Korea's exports of semiconductors fell by 16% in 2023, reflecting ongoing supply chain challenges and declining global demand.

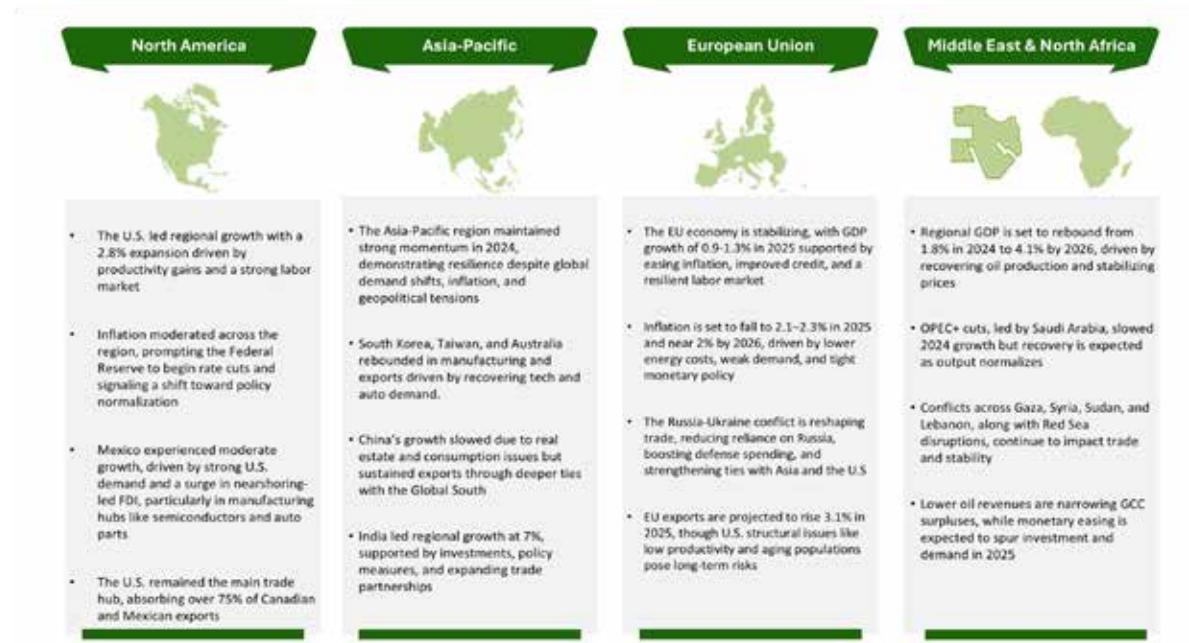


Figure 12: Regional trade landscape

2.2.1 Merchandise Trade

Over the past few years, global merchandise trade has seen a mix of recovery and setbacks. Between 2019 and 2023, trade volumes grew by 6.3% compared to pre-pandemic levels, reflecting a rebound from the disruptions caused by COVID-19. However, 2023 saw a 1.2% decline, following a 3% expansion in 2022 signaling a slowdown driven by weakened import demand in Europe, North America, and parts of Asia. Despite the headwinds, the total value of global merchandise trade in 2023 remained substantial at around ₹2000 lakh crore, though it was 5% lower by volume than 2022. This decline was driven by falling prices of key commodities such as natural gas and crude oil. In early 2024, trade showed signs of recovery, with merchandise trade rising 2.3% year-on-year. The easing of inflation has prompted interest rate cuts in several economies, helping to stimulate investment and revive trade activity. However, persistent risks such as geopolitical tensions and policy uncertainty continue to cloud the global outlook.

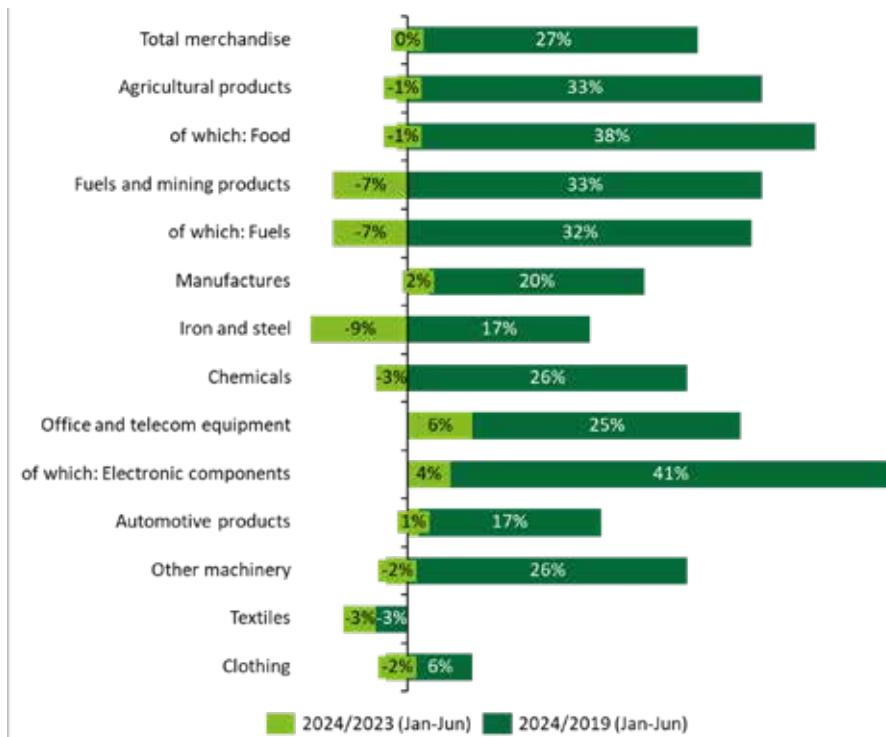
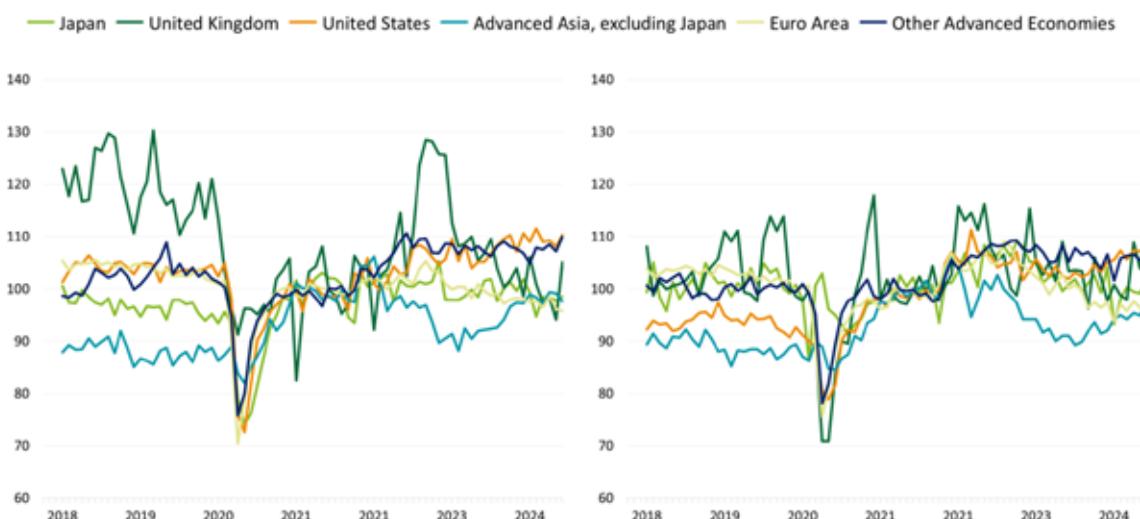


Figure 13: Year-on-Year change in merchandise trade growth by product category

The performance of merchandise trade varied significantly by region. Europe, which accounted for 37% of global trade, experienced a sharp drop in both imports and exports in 2023. The energy crisis severely impacted Europe's manufacturing sector, with natural gas prices remaining 84% higher than before the pandemic. Intra-EU trade declined by 1%, although exports to countries outside the EU rose modestly by 2%. Meanwhile, energy-exporting nations, such as Saudi Arabia and the UAE, saw significant growth. Saudi Arabia's merchandise exports grew by 11% in 2023, driven by strong global demand for oil and gas. Similarly, Russia recorded a 10% rise in exports as it strengthened trade ties with non-Western economies amid ongoing sanctions.¹



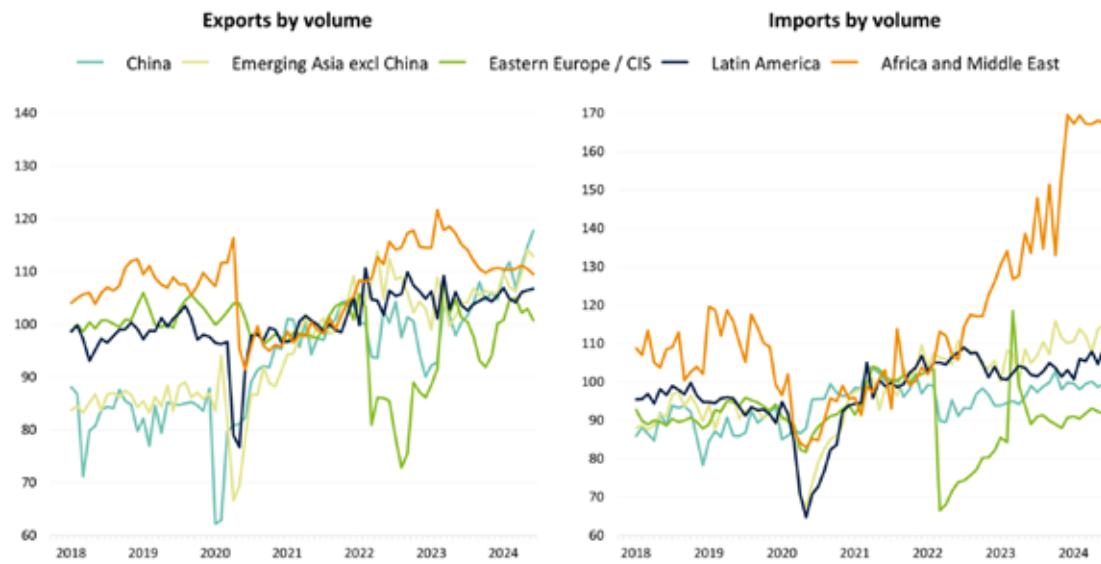


Figure 14: Trade flows in real terms, January 2018–July 2024 (Average 2021=100)

In Asia, the results were mixed. China, the world's largest exporter, faced a 5% drop in merchandise exports in 2023 due to reduced global demand for manufactured goods. Japan and South Korea also struggled, with their export values falling by 4% and 8%, respectively. However, strong manufacturing capabilities and growing regional trade within Asia, are the key factors expected to drive future growth. Trade agreements and technological advancements are further strengthening Asia's role in global supply chains and therefore, trade.

Commodity prices played a crucial role in shaping merchandise trade trends. In 2023, crude oil prices were 30% lower than the 2022 peak but still 29% higher than in 2019. Agricultural commodities like grains remained expensive, with prices 45% above pre-pandemic levels. These fluctuations affected both exporters and importers. Energy-importing regions like Europe faced trade deficits, while energy-exporting regions enjoyed favorable trade terms.

Changing consumer behavior also impacted merchandise trade. Inflation reduced disposable incomes in major economies, leading to lower demand for big-ticket items like cars and appliances, which are heavily traded. Additionally, rising interest rates worldwide, such as the U.S. Federal Reserve's 5.4% benchmark rate in 2023, increased borrowing costs for businesses, further dampening investment in trade-related sectors.

Merchandise trade is projected to recover with 3.3% in 2025. This growth will be supported by easing inflation and improving household incomes increase, particularly in advanced economies. As inflation subsides, central banks are expected to lower interest rates, encouraging businesses to invest in trade-related industries. However, risks to this recovery remain, including geopolitical tensions in the Middle East, rising trade protectionism, and the fragmentation of global supply chains.

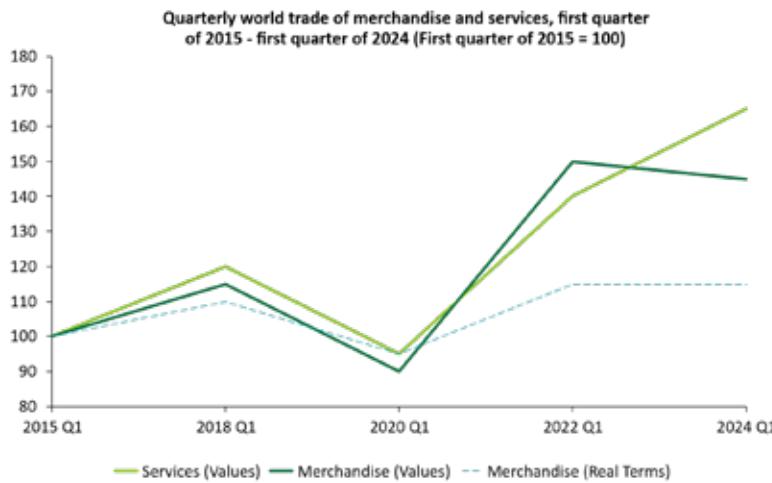


Figure 15: Quarterly World Trade of Merchandise and Services 2015 - 24

2.2.2 Services Trade

The global trade of services has proven to be dynamic and resilient, growing steadily even in the face of economic disruptions. Between 2019 and 2023, the value of services traded internationally surged by 21%, reaching ~₹631 lakh crore in 2023. This remarkable growth contrasts sharply with the challenges seen in merchandise trade, highlighting the adaptability of services in a world that is increasingly shifting towards digital solutions. In 2023 alone, service trade expanded by 9%, driven by strong recoveries in travel and the growing importance of digital services like IT, e-commerce, and online education.

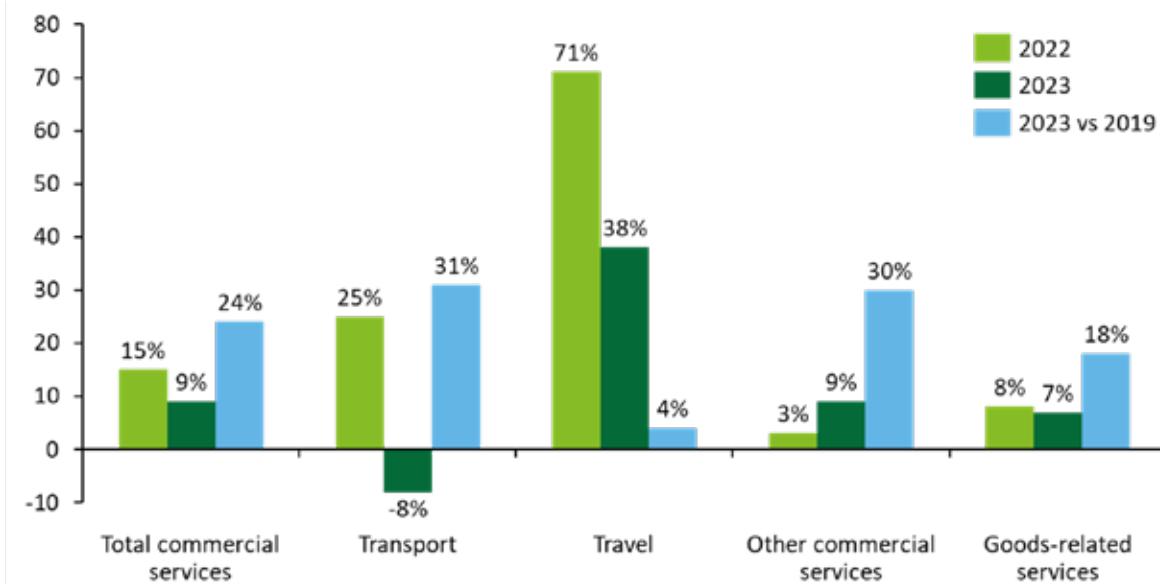


Figure 16: Sector-Wise Services Exports Trade Growth Comparison

Global commercial services trade continued its upward trajectory in Q1 2024, posting an average year-on-year growth of 8%, marking the fourth consecutive quarter of steady expansion. This momentum was primarily driven by the “other commercial services” segment, which encompasses high-value, digitally deliverable services such as professional and business services, financial services, and ICT. Export performance was particularly strong in North America and Asia, each recording 9% growth, while Europe followed closely with an 8% increase. On the import front, Asia led with a 9% rise, supported by robust domestic demand, while North America and Europe registered 6% growth each. International travel also showed continued recovery, increasing by 19% year-on-year. However, with the post-pandemic rebound maturing, year-on-year growth rates are beginning to normalize, suggesting a shift toward a more stable growth phase in global services trade.

Shipping continues to dominate the logistics of global trade, with freight shipping making up over half of transport trade. Key services like cargo handling and storage are vital components of this sector. However, global merchandise trade is still struggling to fully recover to pre-pandemic levels due to inflation and slower economic growth.²

Tourism, on the other hand, saw a strong rebound, supported by easing inflation. In 2023, travelers spent ~₹126 lakh crore on services like accommodation and dining, an impressive 38% increase compared to the previous year. Europe and the Middle East have already surpassed pre-pandemic levels in travel-related exports, and Africa has made a full recovery as well. However, Asia’s travel sector is still lagging, particularly in exports and imports, due to the lingering effects of long lockdowns and administrative hurdles in China.

The commercial services sector also showed strong recovery, growing by 9% in 2023, thanks to improved currency stability. Financial services grew by 8%, while business services such as research and development and IT saw significant growth, with Europe leading the way. Insurance services experienced the fastest growth, driven by rising geopolitical risks and climate challenges that have pushed up premiums.

Not all sectors have rebounded equally. Construction services are still struggling, with exports growing by just 3% in 2023, still below pre-pandemic levels. High material costs and labor shortages continue to hold the sector back. On the other hand, ICT services (Information and Communication Technology) have surged, growing over 20% year-on-year as demand for cloud computing, cybersecurity, and AI solutions skyrockets. Overall, while many sectors are recovering, the pace remains uneven.





3

India Exports – Trends

3 India Exports – Trends

India's export trends for FY2023-24 exhibited mixed dynamics, with total exports (goods and services) reaching a record ₹65 lakh crore and India's share in the global trade increased to 1.8% from 1.7% in the previous year.. The improved performance was driven by growth in service exports, particularly in IT/software and business services, which grew by 4.9%

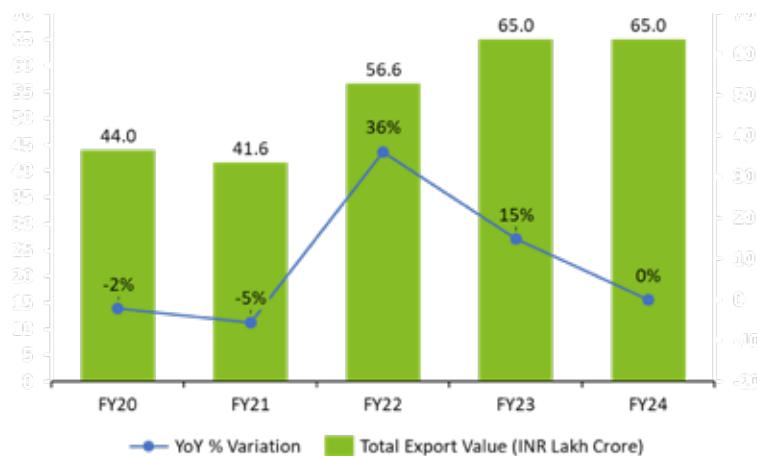


Figure 17 : India's Total Merchandise and Services Export Value (INR Lakh Crore)

3.1 Viksit Bharat @2047 – Focus on Trade

The Government of India's Viksit Bharat Vision 2047 aspires to transform India into a developed nation, anchored on the pillars of economic strength, technological leadership, social equity, environmental sustainability, and global engagement. A core target under this vision is to position India's manufacturing sector to contribute 10% to global manufacturing GDP by 2047, underscoring the sector's centrality to India's economic transformation. In addition, the vision envisages India to account for ~10% share of the global merchandise exports by 2047. In this context, international trade assumes a pivotal role in realizing the Viksit Bharat goals, serving as a key driver of industrial advancement, job creation, and integration into global value chains (GVCs).



Figure 18: Viksit Bharat - Vision for India's share of global exports

To achieve this, India must pursue a comprehensive and coordinated approach enhancing market access through trade agreements, strengthening logistics and trade facilitation, and integrating MSMEs and hinterland regions into export ecosystems to ensure inclusivity. At the operational level, state-level export strategies should align with national priorities, focusing on product and market diversification, infrastructure development, and capacity building for smaller enterprises. Targeted interventions such as scaling electronics manufacturing, enabling plug-and-play export hubs, and promoting India's strengths in pharmaceuticals, textiles, Agri-products, and digital services will be crucial to driving global competitiveness.

3.2 Merchandise Exports

India's merchandise exports between FY22 and FY24 exhibited a nuanced trend, marked by significant achievements and emerging challenges. Exports rose from ~₹35.3 lakh crore in FY22 to a record ~₹37.7 lakh crore in FY23, reflecting a 6.9% YoY growth fueled by strong performances in sectors such as engineering goods, electronics, and pharmaceuticals. However, in FY24, exports declined to ~₹36.6 lakh crore, a 3.1% contraction, signaling challenges like subdued global demand and sector-specific declines.

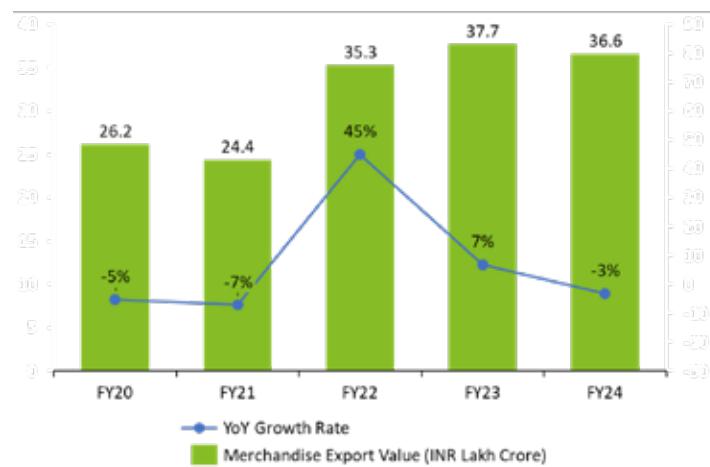


Figure 19: India's Merchandise Export Value (INR Lakh Crore)

Several Non-Value Added (NVA) commodities witnessed notable declines in FY24. For instance, raw sugar exports dropped by 51.6%, and coke and semi-coke experienced a steep 76.6% contraction. Exports of natural diamonds and petroleum residues also fell by 26.4% and 15.5%, respectively, reflecting external demand constraints and shifting trade patterns. These declines highlight the vulnerabilities of certain commodity-based exports to global economic and market fluctuations. Despite these setbacks, some sectors maintained resilience. Electronic goods continued their upward trajectory with a 54.8% YoY increase, while agricultural products, such as rice and processed food items, showed steady growth. Industries such as biological and drug formulations (5.2%) and telecom instruments (4.8%) demonstrated notable growth. The government's Production-Linked Incentive (PLI) schemes and efforts to strengthen supply chains have bolstered high-value sectors. However, the contrasting performance across commodities underlines the need for diversification and value addition in India's export portfolio.^{3,4}

³ Ministry of Commerce & Industry
⁴ Invest India

Parallel to this, India's defense exports have seen remarkable growth, surging to an unprecedented ~₹21,255 crore in FY24, ~34% growth over FY23. This reflects not just an expansion in export volume but also a shift in perception India is increasingly seen as a dependable defense supplier in regions like Southeast Asia, Africa, and Latin America. This momentum, backed by policy reforms and an emphasis on domestic production under the 'Make in India' initiative, is likely to position India as a global defense manufacturing hub in the coming years.⁵

Beyond traditional sectors, India's processed and specialty foods industry is another area witnessing strong export potential. Rising global demand for plant-based proteins, ready-to-eat meals, and organic products has created new avenues for Indian manufacturers, particularly in markets such as the U.S., Canada and Europe. The government's proactive approach, including Agricultural and Processed Food Products Export Development Authority's (APEDA) facilitation of the first plant-based meat exports from Gujarat to the U.S. and policy support under initiatives like the National Program on Vegan Products, is helping Indian brands tap into this growing segment. Together, these trends illustrate a broader shift in India's export trajectory. The country is increasingly moving up the value chain in critical sectors. The breakup of India's merchandise exports by products has been detailed below.

Engineering Goods

India's engineering goods sector, constituting over 25% of the country's total merchandise exports, demonstrated resilience and adaptability during FY24 despite global economic uncertainties. Exports in this category reached ₹9.1 lakh crore, a modest increase of 2.1% compared to FY23. This growth came after a challenging start in the first half of the fiscal year, followed by a strong recovery in the second half, particularly from December onward.⁶

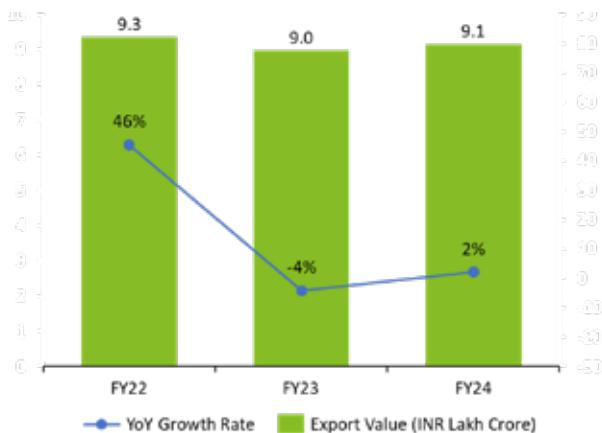


Figure 20: Engineering Goods Exports

⁵ Ministry of Mines PIB – 09th February 2023
⁶ Ministry of Commerce & Industry

The United States remained the largest market for Indian engineering exports, accounting for ~₹1.4 lakh crore (15.9% of the total), followed by the UAE and Saudi Arabia. Notably, Indian exporters expanded their reach into emerging markets such as Macao, Georgia, etc, reflecting a strategic effort to diversify export destinations. Additionally, regional shifts included robust growth in exports to West Asia and North Africa (WANA), which increased by 27% in FY24. In contrast, exports to North America and ASEAN countries experienced slight declines.

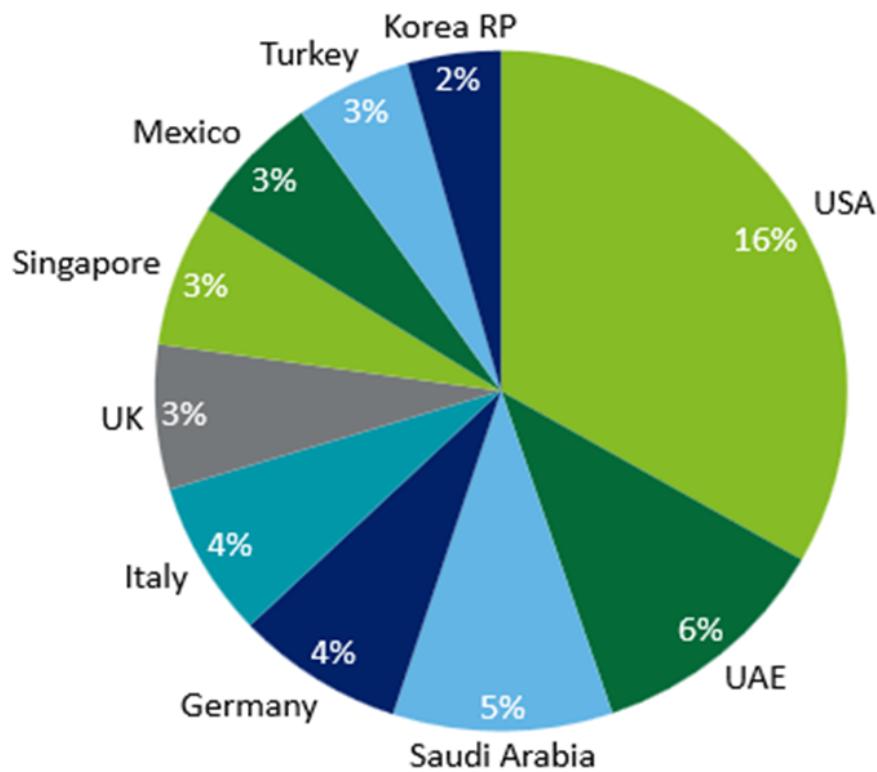


Figure 21: Leading Destinations for Engineering Goods from India in FY24

Within the engineering sector, iron and steel exports faced a decline of 11% year-on-year due to weaker global steel prices. However, non-ferrous metals, particularly copper, showed strong growth, with exports rising by 37% as demand surged in global markets. The performance of aluminum and zinc was less optimistic, reflecting price volatility and reduced demand.

India has taken several significant initiatives to boost its engineering goods exports. The sector is fully de-licensed, with 100% FDI permitted, encouraging global investments. The Scheme on Enhancement of Competitiveness in the Indian Capital Goods Sector- Phase-II, with a financial outlay of ₹1,207 crore, supports technology development and service infrastructure. Additionally, skill development in additive technologies has been prioritized through collaborations.

Electronics Goods

India's electronic goods exports demonstrated significant growth in FY24, reaching ~₹2.4 lakh crore, compared to ~₹1.9 lakh crore in FY23, marking a robust year-on-year increase of approximately 25%. This growth highlights the sustained demand for Indian electronic products across global markets. Monthly export data reflects consistent gains, with standout performances in February (55.3% growth) and March (23.4% growth).

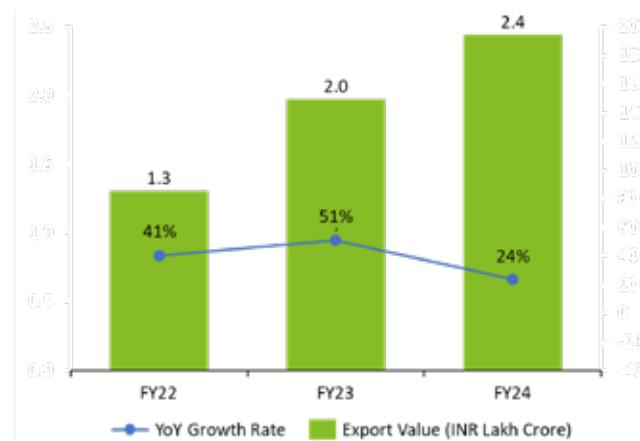


Figure 22: Electronics Goods Exports

Key export destinations include the USA, which accounted for 35.4% of total exports, followed by the UAE (11.4%), and European nations such as the Netherlands, UK, and Italy collectively contributing a significant share. The sector's success is attributed to targeted government initiatives like the Production-Linked Incentive (PLI) scheme, under which 32 companies, including global giants, have committed investments to boost domestic manufacturing. The "Make in India" and "Digital India" campaigns further strengthened infrastructure, enabling the electronics sector to enhance its global competitiveness. For instance, the PLI for mobile phones drove India's transition from an importer to a net exporter of smartphones, accounting for a substantial share of electronics exports.

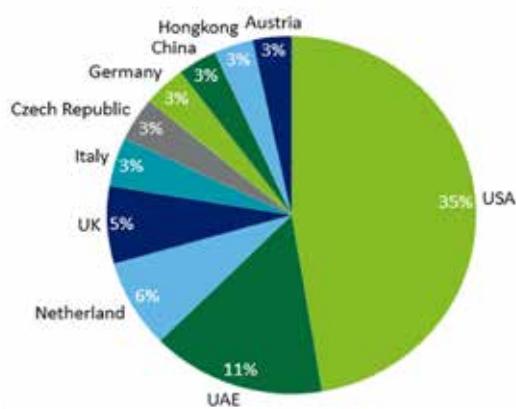


Figure 23: Leading Destinations for Electronics Goods from India in FY24

The growth is further supported by strategic investments in technology development and infrastructure improvements, as highlighted by the Ministry of Electronics and Information Technology (MEITY). Additionally, policies aimed at enhancing value addition, diversifying export portfolios, and integrating into global value chains are pivotal for maintaining momentum.^{7, 8}

Chemical and Allied Products

In FY24, India's chemical and allied products exports displayed mixed performance, with an overall decline in key months compared to FY23. The export value in FY24 started with significant contractions in April (-19.4%) and May (-13.9%) compared to FY23 but showed signs of recovery toward the year-end, with December and February witnessing growth rates of 8.3% and 16.9%, respectively. The March exports capped the year with a 7.4% increase, reaching ₹49,531 crore.

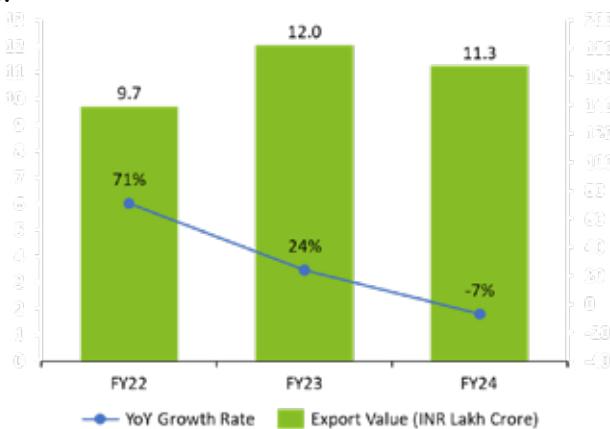


Figure 24 : Chemical and Allied Products Exports

The United States and China emerged as the top destinations, contributing 15.6% and 12.1%, respectively, of the total export value. Other notable markets included the UAE (6.3%), Saudi Arabia (3.0%), and Brazil (2.9%). Together, the top destinations highlight India's efforts to diversify its export markets while maintaining strong ties with traditional partners.

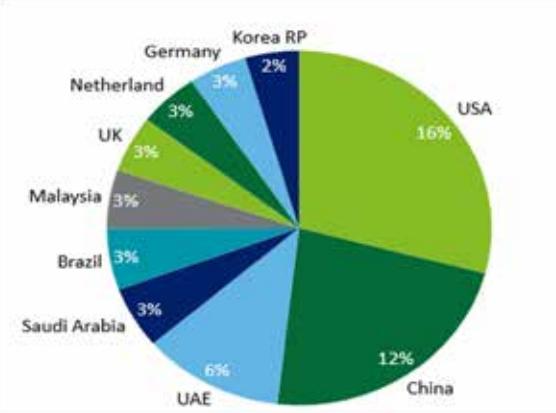


Figure 25 : Leading Destinations for Chemicals and Allied Products from India in FY24

⁷ Ministry of Electronics and Information Technology
⁸ Ministry of Commerce & Industry

In FY24, India's chemical and allied product exports showcased a diverse portfolio, with bulk minerals and ores leading the category at ₹70,712 crore. Organic chemicals followed closely with ₹50,208 crore in exports, reflecting India's expertise in specialty chemicals and pharmaceutical intermediates. Agrochemicals contributed ₹32,886 crore, driven by robust demand for crop protection products.

Agricultural Goods

In FY24, India's agricultural exports demonstrated resilience amid global uncertainties, supported by key government initiatives and favorable policy measures. The export value across FY24 exhibited fluctuations, with monthly exports generally trailing those of FY23. Despite challenges like reduced global demand and weather impacts, efforts in diversification and value addition helped sustain competitiveness.

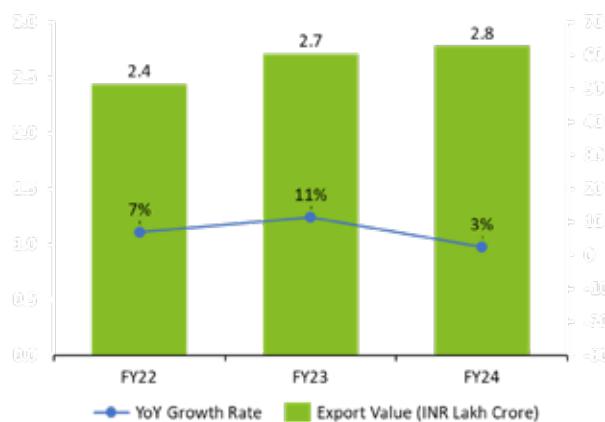


Figure 26 : YoY Comparison of Agricultural Goods Export Value (INR lakh crore)

Major export destinations included the USA, China, UAE, and Bangladesh, reflecting India's strong Agri-trade relationships with these nations. Key commodities driving exports were cereals, rice, spices, and oilseeds, which benefitted from enhanced productivity and market access initiatives. The Agricultural Export Policy emphasized promoting higher-value processed goods and diversifying export markets. Technological adoption in agriculture was prioritized through initiatives like e-NAM, with over 1.8 crore farmers enrolled, facilitating direct market access. The promotion of Farmer Producer Organizations (FPOs), with over 8,000 registered by February 2024, and investment in post-harvest infrastructure have also been pivotal in increasing export capacity, leading to 3.1% increase

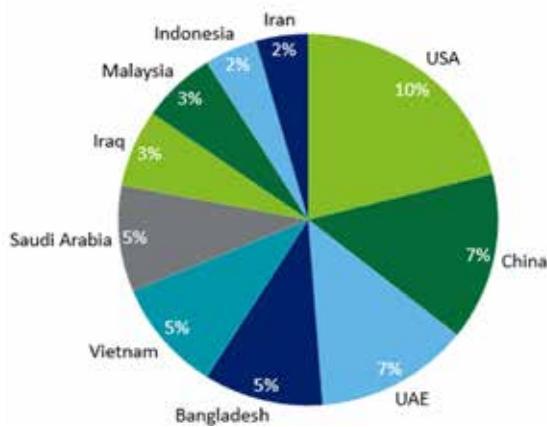


Figure 27: Share of Top 10 Export Destinations in Agricultural Goods Exports from India in FY24

Additionally, the adoption of sustainable practices, such as the PM-PRANAM initiative to reduce chemical fertilizer use and schemes like the Pradhan Mantri Fasal Bima Yojana for crop insurance, have further supported agricultural growth and export potential.^{9, 10}

3.3 States and UTs – Export Trends

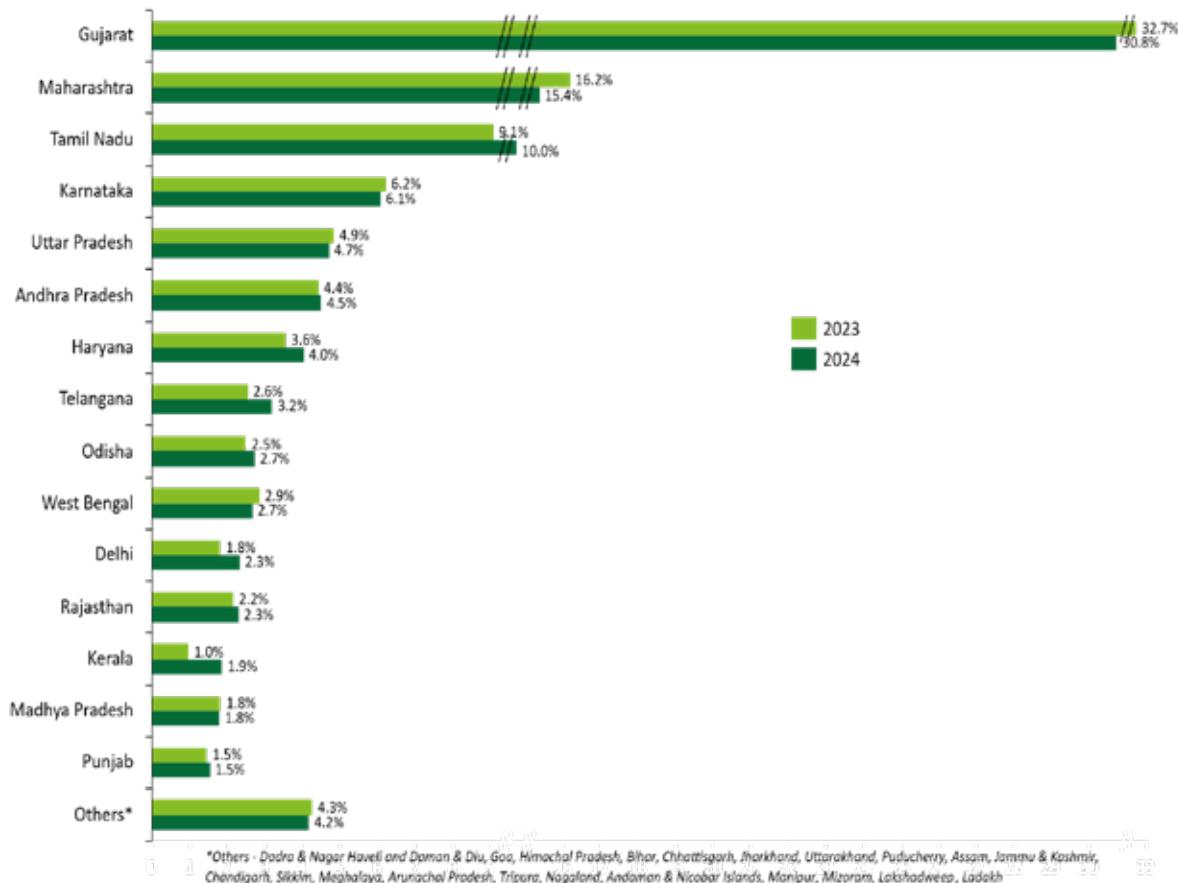


Figure 28 : Share of States in India's Merchandise Exports

9 Ministry of Finance PIB – 22nd July 2024

10 Ministry of Agriculture & Farmers Welfare PIB – 05th March 2024

India's trade resilience underscores its growing role in global value chains. With a diverse export portfolio spanning multiple industries, India's ability to integrate into global markets relies on proactive policy interventions at both national and regional levels. While the country has set an ambitious target of achieving \$1 trillion in goods exports by 2030, broad policy frameworks often lack the granularity needed to address the unique strengths and challenges of individual states and districts. Recognizing this, the state governments need to play a pivotal role in shaping export strategies tailored to local capabilities, ensuring that India's export growth is both inclusive and sustainable.

Gujarat, Maharashtra, and Tamil Nadu continue to be India's top exporting states, collectively accounting for approximately 56% of the country's total exports. Their success is largely driven by robust trade infrastructure including ports and targeted industrial policies. Gujarat leads with a contribution of ~30% of total exports, with petrochemicals and gems and jewelry as dominant sectors. The state benefits from extensive product clusters, Special Economic Zones (SEZs), and strategic connectivity through initiatives like the Delhi-Mumbai Industrial Corridor. Maharashtra follows with key exports including gems and jewelry, automotive and auto ancillary components. The state's focus on infrastructure development, ease of doing business, and MSME support through incentives further enhances its export performance. Meanwhile, Tamil Nadu leverages its strong manufacturing ecosystem, excelling in consumer electronics, automotive, and textiles exports. The state's commitment to workforce upskilling, infrastructure expansion, and policies promoting R&D and startups has positioned it as a major export hub.^{11, 12}

The other states in the top 10 category have also shown resilience and growth despite the broader contraction in India's merchandise exports, which declined by approximately 3% in FY24 due to global demand slowdowns, geopolitical disruptions, and falling commodity prices. Notably, four of the top five top exporting states experienced a decline, with Tamil Nadu being the exception, registering a ~7% growth. Among the emerging export hubs, Haryana, Telangana, and Odisha have demonstrated strong performance. Haryana, driven by its robust automotive and auto ancillary industry, was relatively insulated from the decline in global commodity prices. Telangana's export growth was led by high-value sectors such as aerospace and pharmaceutical products. Meanwhile, Odisha, leveraging its natural resource base and expanding industrial ecosystem, has continued to strengthen its export presence.¹³

Beyond the top 10 exporting states, several other states have demonstrated significant progress in boosting their exports, reflecting the broadening of India's trade footprint. Himachal Pradesh recorded a 9% growth in exports, reaching ₹19,246 crore in FY24. The state's pharmaceutical sector led this expansion, contributing ₹13,389 crore approximately 70% of its total exports. With Himachal Pradesh emerging as a key hub for drug manufacturing, major investments in infrastructure, including the establishment of a Bulk Drug Park in Haroli district, are set to further strengthen its position.^{14 15, 16, 17}

Despite their progress, the emerging states face infrastructure gaps, financial constraints and policy bottlenecks that hinder their export potential. Limited logistics and port connectivity,

¹¹ NITI Aayog

¹² Maharashtra Industry, Trade and Investment Facilitation Cell

¹³ IBEF

¹⁴ IBEF

¹⁵ Ministry of Commerce & Industry

¹⁶ IBEF

¹⁷ Government of Himachal Pradesh

restricted credit access for MSMEs and complex regulatory processes create barriers to scaling exports. Addressing these challenges through integrated infrastructure development, financial support, and streamlined policies is crucial to ensuring balanced and sustained export growth across India.

3.3.1 District Level Exports

To further enhance India's export competitiveness, it is crucial to decentralize export promotion efforts beyond state capitals and industrial hubs. While a few states contribute to most exports, unlocking the potential of districts can significantly boost India's trade landscape. Recognizing this, the government has initiated efforts to transform districts into export hubs by identifying high-potential products and services, addressing supply chain bottlenecks, and equipping local manufacturers and exporters with the necessary resources to scale globally. This localized approach not only raises awareness about exports at the grassroots level but also builds capacity to create new exporters, diversify markets, and strengthen district-level industrial ecosystems. By leveraging local strengths and fostering targeted interventions, these initiatives aim to create a more inclusive and broad-based export growth model.



Figure 29 : Institutional mechanism to promote exports at district level

As per Foreign Trade Policy 2023 (FTP 2023), a structured framework to implement district-level export promotion through District Export Promotion Committees (DEPCs), State Export Promotion Committees (SEPCs) and the Directorate General of Foreign Trade's Regional Authorities (DGFT RAS) has been designed. The DEPCs are responsible for designing and executing District Export Action Plans (DEAPs), which identify 2-3 high-potential products or services per district and outline comprehensive strategies to enhance their global competitiveness. These plans address the entire export value chain, from production to international market access, while setting clear short- and long-term targets. At the state level, SEPCs chaired by the Chief Secretary and co-convened by DGFT RAS ensure alignment between district, state, and central government efforts, streamlining policies and facilitating necessary interventions.¹⁸

India's export landscape at a district level is concentrated, with the top 100 districts accounting for nearly 88% of the country's total exports while top 10 districts accounting for ~38%. Notably, around 70 of these top 100 exporting districts are concentrated in just eight states, underscoring the geographical clustering of industrial and export activities. This concentration highlights the need for region-specific policies that leverage existing infrastructure while also

expanding export potential in emerging districts.¹⁹

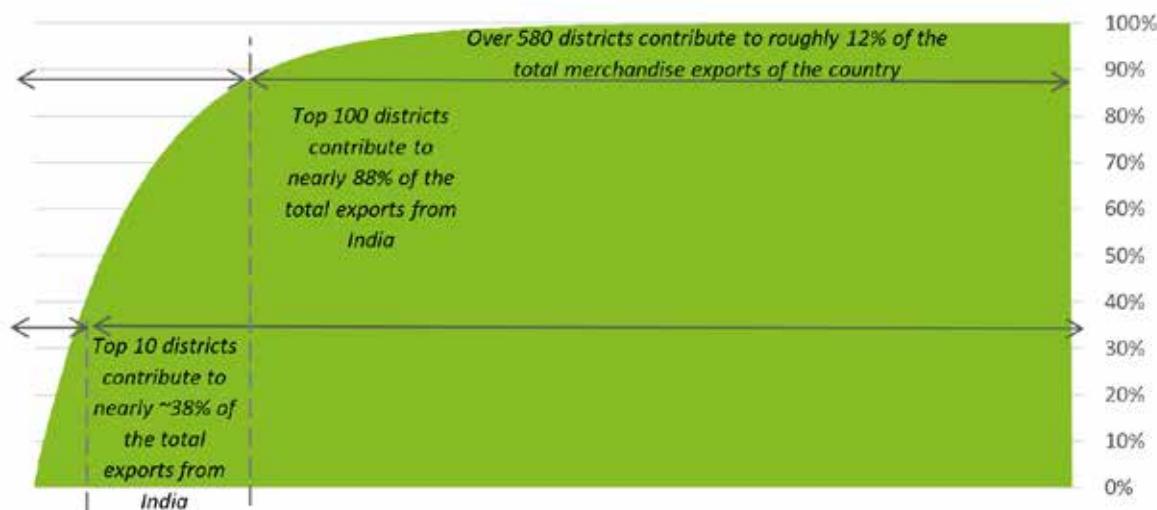


Figure 30 : Distribution of Exports at District Level

Districts	State	Contribution to total exports	Top Exported Commodity
Jamnagar	Gujarat	12.9%	Petrochemical Products
Kanchipuram	Tamil Nadu	4.0%	Automotive and auto ancillary components
Mumbai	Maharashtra	3.1%	Gems and Jewelry
Pune	Maharashtra	3.0%	Automotive and auto ancillary components
Surat	Gujarat	2.9%	Gems and Jewelry
Kachchh	Gujarat	2.8%	Organic and inorganic chemicals
Mumbai Suburban	Maharashtra	2.7%	Gems and Jewelry
Ahmadabad	Gujarat	2.4%	Pharmaceutical Products
Gautam Buddha Nagar	Uttar Pradesh	2.3%	Consumer Electronics
Bharuch	Gujarat	2.2%	Agrochemicals

Figure 31 : Top 10 Districts – Merchandise Exports of India (All commodities)

This concentration highlights the need for region-specific policies that leverage existing infrastructure while also expanding export potential in emerging districts. Strengthening logistics networks, streamlining regulatory processes, and fostering sector-specific incentives in these top-performing districts can further enhance their contribution to India's export targets. At the same time, a focused effort to develop export capabilities in other districts will ensure a more balanced and sustainable growth trajectory for the country's trade ecosystem.

3.4 Services Exports

India's services exports demonstrated exceptional resilience and growth in FY23 and FY24, affirming their crucial role in the nation's economic performance. In FY23, exports surged to ₹27.2 lakh crore, a remarkable ~28% year-on-year increase, driven by robust demand for IT services, business consultancy and digital transformation solutions in key global markets. This growth underscored India's leadership in sectors like telecommunications, IT-enabled services and software development, that accounted for a significant share of the total exports. However, growth moderated to 4.4% in FY24, with services exports reaching ₹28.4 lakh crore, reflecting the impact of geopolitical tensions, tighter monetary policies and a decelerating global economy. Despite these challenges, the services sector maintained strong performance, supported by favorable government policies, such as the "Digital India" campaign. Key markets such as the United States and Europe continued to drive demand, while India's foray into emerging fields such as engineering services and R&D further diversified its export portfolio.

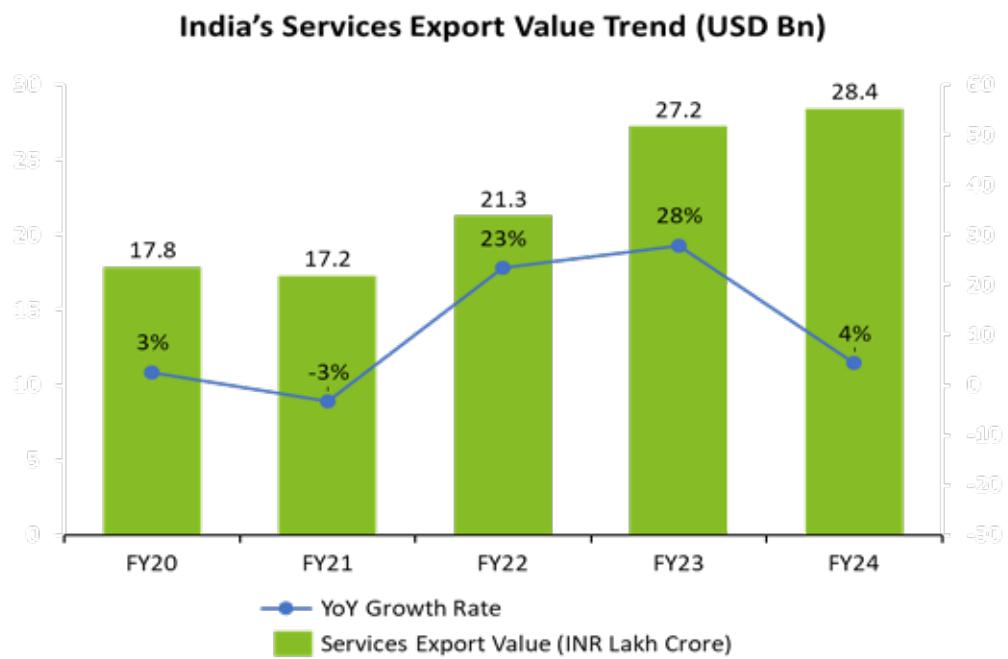


Figure 32 : India's Services Export

3.5 India's Trade Partnerships

India's Free Trade Agreements (FTAs) and strategic trade partnerships are instrumental in deepening the country's integration into the global economy. By reducing tariffs, enhancing market access, and facilitating investment flows, these agreements not only boost India's export competitiveness but also attract foreign investment across high-growth sectors. Through targeted collaborations with regions such as the European Free Trade Association (EFTA) and the United Arab Emirates (UAE), India seeks to diversify its trade portfolio, strengthen resilient supply chains, and reinforce its position as a major hub for global trade and manufacturing.

The exhibit below outlines some of the key features of critical trade agreements that are expected to further advance India's trade and investment agenda, supporting the broader vision of positioning India as a globally competitive and future-ready economy.

 <p>India – Australia ECTA</p> <ul style="list-style-type: none"> Australia granted immediate zero-duty access on 98.3% of its tariff lines, boosting India's exports in textiles, gems, engineering goods, and pharmaceuticals, while India safeguarded sensitive sectors like dairy and gold The pact enhances mobility through post-study work visas up to four years and quotas for professionals, while supporting job creation Beyond trade, ECTA deepens cooperation in education, clean energy, and regional security under the Quad, positioning India and Australia as strategic partners in the Indo-Pacific 	 <p>India – UAE CEPA</p> <ul style="list-style-type: none"> CEPA expanded bilateral trade to over ₹7 lakh crore in 2022-23, with tariff benefits covering 90% of Indian exports, especially in textiles, gems, and agriculture The agreement strengthens India's presence in Middle Eastern markets, supports SMEs and startups, and enables re-exports to Africa and Europe via the UAE's strategic location CEPA fosters deeper cooperation in renewable energy, infrastructure, logistics, and technology, driving mutual investment flows and long-term economic partnership
 <p>India-UK Free Trade Association (FTA) Agreement</p> <ul style="list-style-type: none"> Significant reduction of tariffs on goods, especially textiles, leather, engineering goods, and agricultural products from India, and automobiles, and high-end manufacturing goods from the UK Improved frameworks for investment protection, intellectual property rights, digital trade norms, and sustainable practices, intended to foster a more predictable and business-friendly environment for companies Enhanced opportunities in IT/ITeS, professional services, financial services, healthcare, and education, with smoother mobility pathways for Indian professionals and skilled workers to operate in the UK market 	 <p>India-European Free Trade Association (EFTA) TEPA</p> <ul style="list-style-type: none"> TEPA commits EFTA countries (Switzerland, Norway, Iceland, and Liechtenstein) to invest ₹8.4 lakh crore in India, aiming to create one million jobs over the next 15 years The agreement removes tariffs on 99.6% of Indian exports, boosting key sectors and improving access to high-value European markets By securing a high-quality pact with developed European economies, TEPA boosts India's global trade standing, attracts FDI, and paves the way for future deals with the EU and UK

Figure 33 : Major Trade Partnerships and Initiatives



4



Export Preparedness Index (EPI) 2024 - Evaluation and Outcomes



4

Export Preparedness Index (EPI) 2024 - Evaluation and Outcomes

The EPI 2024 assessment was anchored in a robust, transparent, and collaborative process designed to ensure credibility and inclusiveness at every stage. The exercise commenced with a workshop that brought together representatives from all states and union territories, aimed at familiarizing them with the framework, methodology and objectives. This collective orientation helped build a shared understanding of the evaluation process and the expectations from each stakeholder.

Over the ensuing nine months, there were engagements with more than 200+ senior government officials through multiple interactions focusing on data verification, validation and refinement of state specific inputs. This extensive consultative effort ensured that the data reflected ground realities with accuracy and integrity. The final scoring was carried out with meticulous care, adhering strictly to the defined methodology and assigned weightages across pillars, sub-pillars, and parameters. Each score represents a rigorous evaluation of both quantitative data and qualitative evidence, ensuring consistency, comparability, and credibility across all participating states. The summary of the evaluation and outcomes is tabulated below with the score, rank and category.

RANKING

States and Union Territories	Score	Overall Rank	Category
Maharashtra	68.01	1	Large States
Tamil Nadu	64.41	2	Large States
Gujarat	64.02	3	Large States
Uttar Pradesh	62.09	4	Large States
Andhra Pradesh	60.65	5	Large States
Karnataka	59.30	6	Large States
Punjab	58.32	7	Large States
Telangana	57.14	8	Large States
Madhya Pradesh	57.00	9	Large States
Haryana	55.01	10	Large States
Kerala	53.76	11	Large States
West Bengal	53.03	12	Large States
Uttarakhand	52.07	13	Small States, NE & UTs
Jammu and Kashmir	51.08	14	Small States, NE & UTs
Odisha	48.51	15	Large States
Chhattisgarh	48.50	16	Large States
Rajasthan	47.31	17	Large States
Nagaland	46.42	18	Small States, NE & UTs
Bihar	46.31	19	Large States
Dadra Nagar and Haveli & Daman and Diu	46.24	20	Small States, NE & UTs
Goa	44.60	21	Small States, NE & UTs
Tripura	42.82	22	Small States, NE & UTs
Jharkhand	42.49	23	Large States

Assam	42.45	24	Small States, NE & UTs
Puducherry	41.21	25	Small States, NE & UTs
Chandigarh	40.57	26	Small States, NE & UTs
Meghalaya	37.50	27	Small States, NE & UTs
Ladakh	35.89	28	Small States, NE & UTs
Delhi	35.43	29	Small States, NE & UTs
Himachal Pradesh	35.01	30	Small States, NE & UTs
Sikkim	33.75	31	Small States, NE & UTs
Arunachal Pradesh	31.46	32	Small States, NE & UTs
Andaman and Nicobar Islands	31.01	33	Small States, NE & UTs
Mizoram	30.24	34	Small States, NE & UTs
Manipur	28.29	35	Small States, NE & UTs
Lakshadweep	22.76	36	Small States, NE & UTs

Figure 34 : Export Preparedness Index 2024 Results

4.1 Large States – Ranking and Classification

The EPI 2024 framework differentiates between large and Small States, NE & UTs to ensure a balanced and equitable evaluation. Large States typically possess broader industrial bases, more extensive infrastructure networks, and diversified export portfolios. Their performance reflects the effectiveness of large-scale policy implementation, institutional depth, and competitiveness across varied sectors. Assessing them as a separate group enables meaningful peer comparison among states with similar economic scale and governance complexity. The table below presents the performance of the large states under the EPI 2024 framework.

RANKING

States	Scores	Category Rank	EPI 2024 Classification
Maharashtra	68.01	1	Leader
Tamil Nadu	64.41	2	Leader
Gujarat	64.02	3	Leader
Uttar Pradesh	62.09	4	Leader
Andhra Pradesh	60.65	5	Leader
Karnataka	59.30	6	Leader
Punjab	58.32	7	Leader
Telangana	57.14	8	Leader
Madhya Pradesh	57.00	9	Challenger
Haryana	55.01	10	Challenger
Kerala	53.76	11	Challenger
West Bengal	53.03	12	Challenger
Odisha	48.51	13	Aspirer
Chhattisgarh	48.50	14	Aspirer
Rajasthan	47.31	15	Aspirer
Bihar	46.31	16	Aspirer
Jharkhand	42.49	17	Aspirer

Figure 35 : Scores for Large States

4.2 Small States, NE & UTs – Ranking and Classification

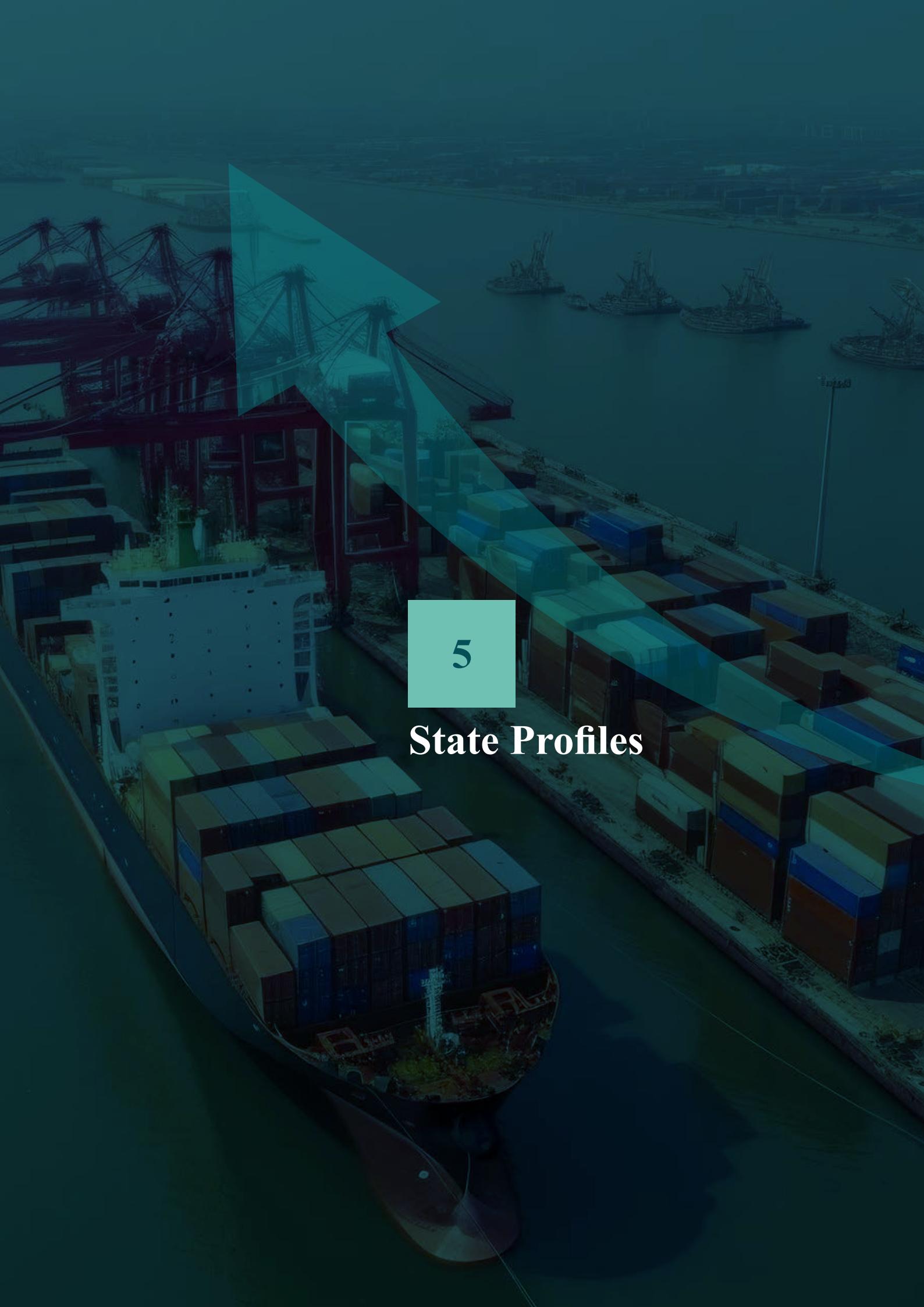
Small States, NE & UTs play a pivotal role in India's export landscape, often demonstrating agility, specialization and innovative approaches to trade. Recognizing their distinct developmental contexts, the EPI 2024 framework evaluates them separately to highlight their unique strengths and address context-specific challenges. This tailored assessment allows for a more accurate reflection of their export readiness and potential for growth. The following table presents the results for the Small States, NE & UTs as per the EPI 2024 assessment.

RANKING

States and Union Territories	Scores	Category Rank	EPI 2024 Classification
Uttarakhand	52.07	1	Leader
Jammu and Kashmir	51.08	2	Leader
Nagaland	46.42	3	Leader
Dadra and Nagar Haveli & Daman and Diu	46.24	4	Leader
Goa	44.60	5	Leader
Tripura	42.82	6	Leader
Assam	42.45	7	Leader
Puducherry	41.21	8	Leader
Chandigarh	40.57	9	Leader
Meghalaya	37.50	10	Challenger
Ladakh	35.89	11	Challenger
Delhi	35.43	12	Challenger
Himachal Pradesh	35.01	13	Challenger
Sikkim	33.75	14	Challenger
Arunachal Pradesh	31.46	15	Aspirer
Andaman and Nicobar Islands	31.01	16	Aspirer
Mizoram	30.24	17	Aspirer
Manipur	28.29	18	Aspirer
Lakshadweep	22.76	19	Aspirer

Figure 36 : Scores for Small States, NE & UTs





5

State Profiles

5 State Profiles

As part of EPI 2024, each state has been analyzed and profiled comprehensively in terms of focus industry sectors, cluster / district coverage, export at commodity level and specific Success Stories leveraging the comprehensive data collated and discussions with the key stakeholders. The state profile also covers the scores and insights from EPI 2024. A detailed analysis of strengths, weaknesses, threats and opportunities (SWOT) of the state has been included in the profile. With the above in context, the state profile concluded with the strategic roadmap focusing on the aspects of

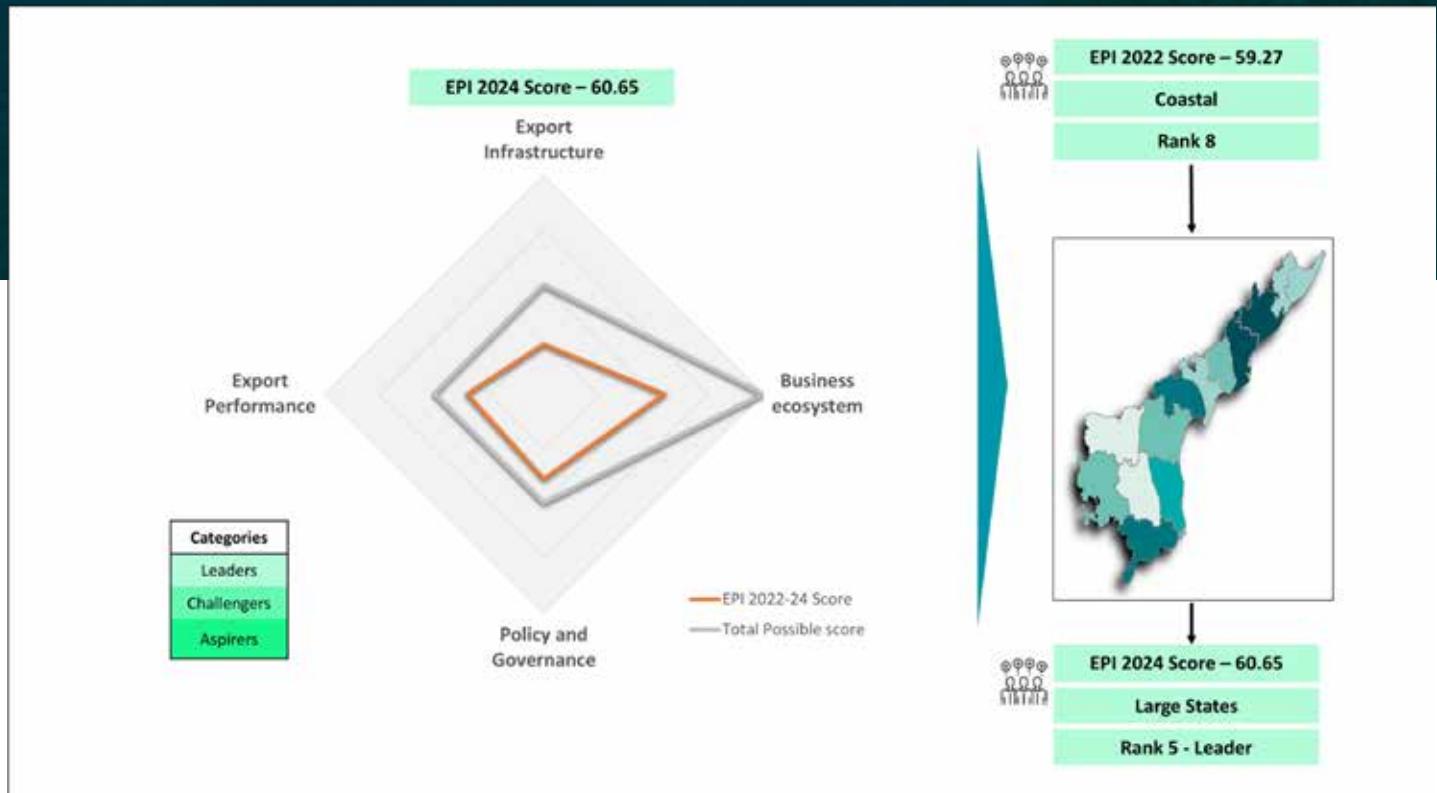
- (i) Infrastructure and ecosystem enablement
- (ii) Prioritization of specific sectors
- (iii) Capacity and competitiveness
- (iv) Market development

5.1 Large States

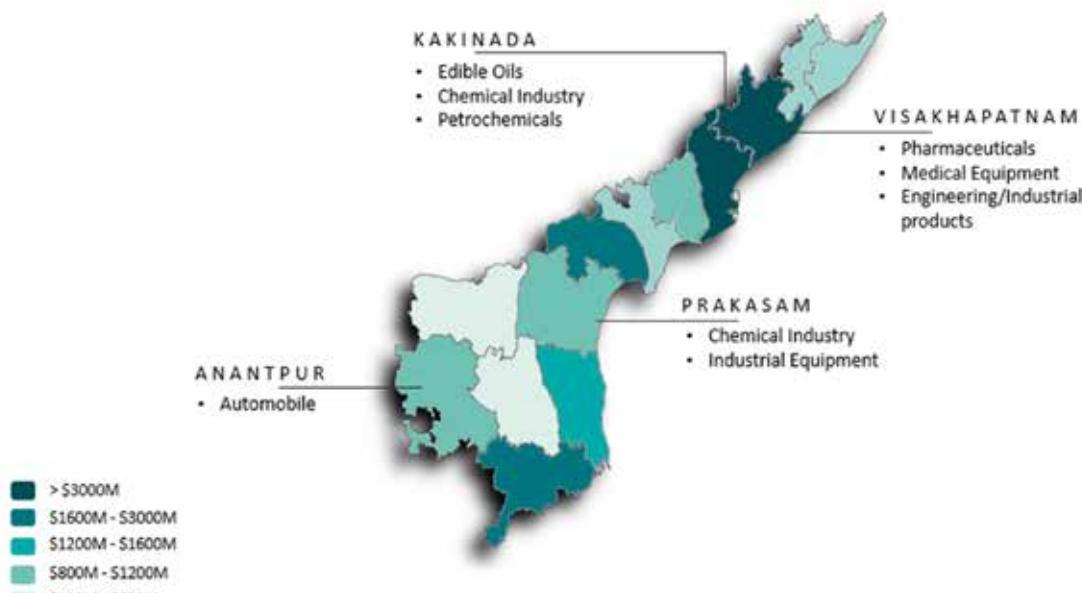




Andhra Pradesh



5.1.1 Andhra Pradesh



Manufacturing clusters in Andhra Pradesh

Source: Ministry of Commerce and Industry

Introduction

Andhra Pradesh, located in Southeastern India, is a state that stands out for its economic, cultural, and geographical significance. Surrounded by Telangana, Tamil Nadu, Karnataka, Odisha, and the Bay of Bengal. It covers 162,968 square kilometers, making it India's seventh-largest state. In 2023–24, Andhra Pradesh's Gross State Domestic Product (GSDP) reached ₹14.4 lakh crore, reflecting a YoY growth rate of approximately 5%. During the same period, the state recorded total exports worth ₹1.6 lakh crore.²⁰

Andhra Pradesh has leveraged its 974 km-long coastlines, the second-longest in India along with well-developed port infrastructure to support export activities, emerging as an important contributor to India's external trade. The state's exports have been growing consistently with a CAGR of nearly 6% over the past five years from FY20 to FY24, supported by policies that

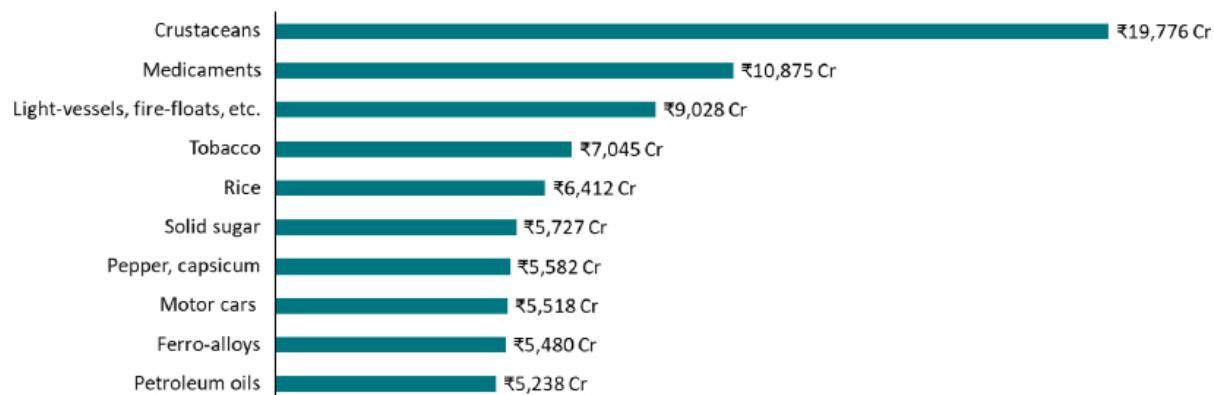
promote industrial diversification, infrastructure development, and logistical efficiency. Andhra Pradesh is one of India's largest exporters of marine products, contributing ₹24,679 crore in FY24, primarily driven by aquaculture hubs in districts such as Nellore, Krishna, and East Godavari. The state also ranks among the top five pharmaceutical exporters, with cities like Visakhapatnam hosting key pharmaceutical SEZs that contributed over ₹18,410 crore in exports in FY24.²¹

The Andhra Pradesh government is driving export-oriented growth through policies that boost industrialization and infrastructure. The Industrial Development Policy 4.0 (2024–29) aims to double the state's exports from ₹1.6 lakh crore to ₹3.4 lakh crore by 2029, with a strong emphasis on key sectors such as electronics, automobiles, food processing, pharmaceuticals, textiles, and aerospace.

The Export Promotion Policy 2022–27, known as the APEX Policy, aligns with the export target presented by the Industrial Development Policy and aims to generate over 5 lakh jobs. The policy is structured around the “PUSH” framework – Promoting value addition, upgrading infrastructure and institutions, streamlining processes, and harnessing digital technology. Investments of over ₹2 lakh crore in multi-modal logistics hubs at Visakhapatnam, Kakinada and Krishnapatnam, alongside greenfield ports at Bhavanapadu and Machilipatnam are enhancing international connectivity. Andhra Pradesh is also emerging as a leader in renewable energy equipment, with 9.4 GW of installed capacity and tax benefits for solar and wind energy equipment manufacturers. These efforts have significantly boosted the state's export competitiveness, particularly in renewable energy and port-driven industries, positioning it as a key player in global trade.^{22,23}

Export Statistics

TOP 10 HS4 COMMODITIES EXPORTED BY ANDHRA PRADESH IN FY24



Source: Ministry of Commerce and Industry

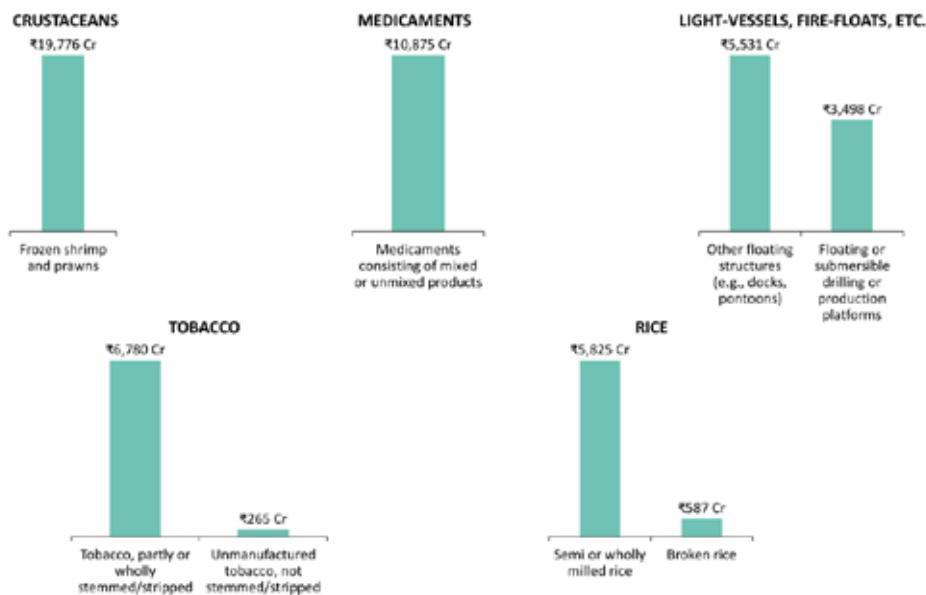
Andhra Pradesh, the 6th largest exporting state by value, features a balanced export portfolio driven by a unique combination of coastal advantage, industrial infrastructure, and Agri-climatic richness. The state's maritime economy plays a major role, with world-class seafood exports supported by an expansive aquaculture sector. In addition, Andhra Pradesh has emerged as a significant player in pharmaceuticals, processed agricultural commodities, and specialized industrial goods. Its ports facilitate not just scale but specialization, connecting global markets to inland production hubs.

²¹ NIRYAT (National Import-Export Record for Yearly Analysis of Trade) Portal

²² AP-Export-Promotion-Policy-2022-27

²³ AP Industrial Development Policy 2024-29

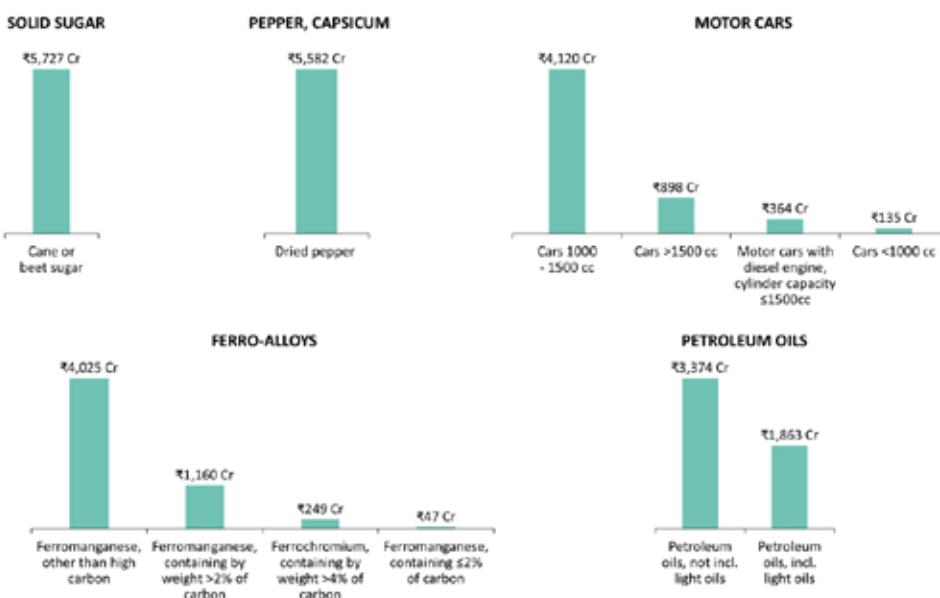
DEEP DIVE INTO THE TOP 5 HS4 COMMODITIES EXPORTED BY ANDHRA PRADESH IN FY24



Source: Ministry of Commerce and Industry

Seafood, especially frozen shrimp, and prawns, is the state's most dominant export, reflecting the mature aquaculture ecosystems along the coastline and the value-added cold chain infrastructure in place. Medicaments form another crucial pillar, largely consisting of formulated drugs that position the state as part of India's growing pharmaceutical export base. Interestingly, Andhra Pradesh also exports significant volumes of floating structures like pontoons, docks, and drilling platforms indicative of specialized manufacturing aligned with offshore infrastructure. Tobacco, mostly in stemmed or stripped form, represents a strong agricultural export segment, leveraging both cultivation and primary processing. Rice exports are also prominent, largely in the form of semi or wholly milled rice, with some volumes of broken rice, reinforcing the agrarian legacy of the state.

DEEP DIVE INTO THE NEXT 5 HS4 COMMODITIES EXPORTED BY ANDHRA PRADESH IN FY24



Source: Ministry of Commerce and Industry

Among the commodities, solid cane or beet sugar and dried capsicum (chilly and pepper) add to the Agri-processing base, showcasing the state's role in food and spice exports. The category of motor cars stands out, with the state emerging as a manufacturing base for cars across a range of engine capacities. Ferro-alloy exports, especially various types of ferromanganese and ferrochromium, highlight the state's metallurgical capabilities and mineral resource linkages. Petroleum oil exports, both light and heavier varieties, point to a strong petrochemicals or refining presence. Altogether, these exports signal a robust industrial capacity, ranging from automobile assembly to alloy processing and chemical refining. Andhra Pradesh's export portfolio, thus, blends traditional strengths in agriculture and marine produce with a growing industrial and infrastructural export story.

Success Stories

Success Story – Bridging the export awareness gap

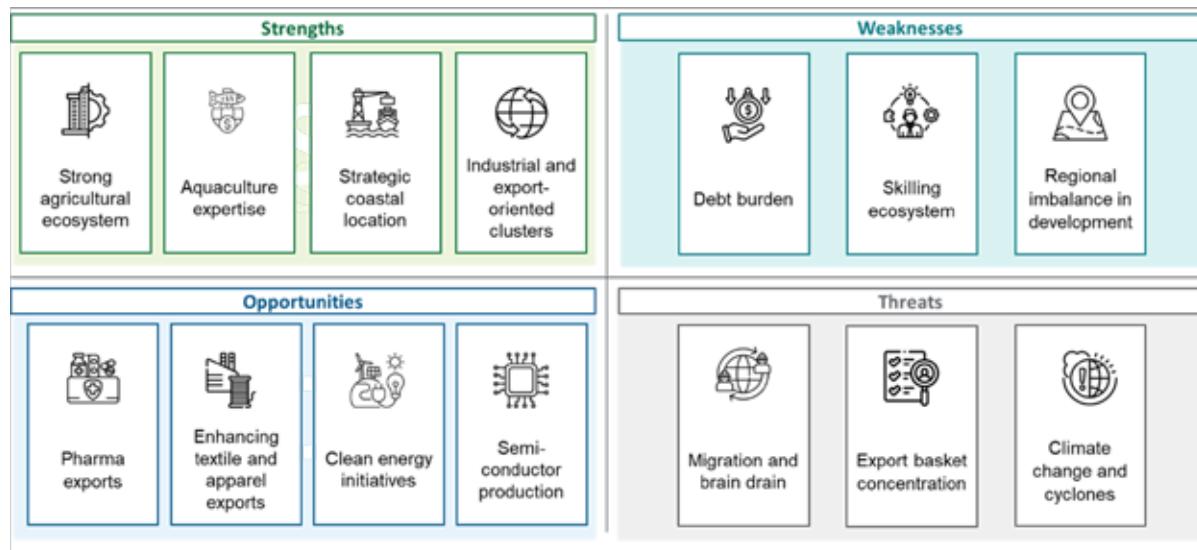


EPI 2024-Results and Conclusions

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
 1 Export infrastructure	 Utilities State's power and water availability	10	4.9	<ul style="list-style-type: none"> The absence of active air cargo terminals restricts Andhra Pradesh's export capacity.
	 Logistics State's transportation networks, freight connectivity and storage capacity	10	4.1	

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
2  Business Ecosystem	Macroeconomy Evaluate economic output, manufacturing share and fiscal deficit	10	4.2	<ul style="list-style-type: none"> High deficits and rising debt are constraining the state's capacity to pursue growth priorities Significant educational and skill gaps remain major constraints on workforce quality
	Cost competitiveness Benchmarking cost of labour, water and power	5	3.0	
	Human capital Understand education & employment parameters	5	2.0	
	Finance and credit accessibility Relevant government schemes and insurance	5	3.5	
	MSME ecosystem Assess growth and export contribution by MSMEs	10	5.4	
	Industrial and innovation environment Infrastructure maturity	5	3.9	
3  Policy and Governance	State policy support and governance State's export initiatives, digital first policies and ease of export documentation	15	12.7	<ul style="list-style-type: none"> The state lacks large-scale, sector-specific international trade expos for stronger export promotion Lag in BIS certification adoption weakens product credibility and limits its global export competitiveness
	Regulatory environment and compliance Quality standards and certifications, IEC, data readiness	5	2.9	
4  Export Performance	State level exports and trends Export trends, growth in exporter base	5	3.9	<ul style="list-style-type: none"> Limited district export action plans reveal gaps in localized export development Low export orientation of primary and intermediate goods limits the state's global market potential
	Export promotion and facilitation Government infrastructure and digital maturity	5	4.0	
	Export portfolio and market access Export destinations and key export commodities	10	6.3	

SWOT Analysis



Strengths

Andhra Pradesh has a strong agricultural base, ranking among India's top producers of rice, maize, pulses, bananas, mangoes, chilies, and cotton, supporting both domestic and export demand. It also leads in aquaculture, contributing ~32% to India's seafood exports in FY24, with frozen shrimp accounting for 66% of the total. Visakhapatnam Port handled 314,199 tons of seafood worth ₹18,326 crore. The state's strategic coastal location, with major ports at Visakhapatnam and Kakinada, ensures global trade access and efficient logistics. Additionally, industrial clusters in pharmaceuticals, textiles, food processing, electronics, and auto components, along the Visakhapatnam - Chennai Industrial Corridor (VCIC), drive exports.

Weaknesses

Andhra Pradesh faces a high fiscal deficit and rising debt levels driven by extensive welfare schemes. The state's limited revenue generation capacity increases dependence on central transfers and borrowings. The skilling ecosystem remains misaligned with industry needs in electronics, marine processing, and pharmaceuticals – many centers lack modern tools and industry-oriented curricula. Moreover, inland regions like Rayalaseema lag due to inadequate infrastructure, absence of ICDs/logistics parks and poor connectivity, raising transport costs and impeding equitable export growth.

Opportunities

Andhra Pradesh has strong potential to expand its export profile by leveraging sectoral strengths and emerging industries. The state is a leading hub for pharmaceutical exports with API and formulation clusters that can tap growing global demand for affordable generics and vaccines. Textiles and apparel exports can be significantly enhanced through the state's Textile Policy 4.0, by strengthening domestic value chains, building integrated textile parks, and linking weavers with global markets. The government's clean energy initiatives – particularly in solar, wind, and green hydrogen position Andhra Pradesh as a major exporter of renewable energy equipment and technology. Additionally, targeted policies to attract investments in semiconductor manufacturing and electronics can integrate the state into global value chains,

complementing the Visakhapatnam - Chennai Industrial Corridor. Expansion of cold chain and logistics infrastructure, especially in inland regions, can further improve Agri-exports and diversify the export basket beyond seafood and rice, ensuring inclusive and sustainable export-led growth.

Threats

Labor migration from drought-prone areas like Rayalaseema and Kurnool due to water scarcity and poor irrigation creates skill shortages in agriculture and small industries. Meanwhile, the state's reliance on a narrow export basket (mainly seafood and rice) heightens exposure to market fluctuations, trade policy shifts, and cold chain/logistics inefficiencies. Delays at ports like Kakinada have even prompted exporters to shift operations. In addition, state is highly vulnerable to frequent cyclones from the Bay of Bengal, causing significant damage to its coastal regions. Rising sea levels further threaten agriculture and fisheries, impacting livelihood and the state's primary exports.

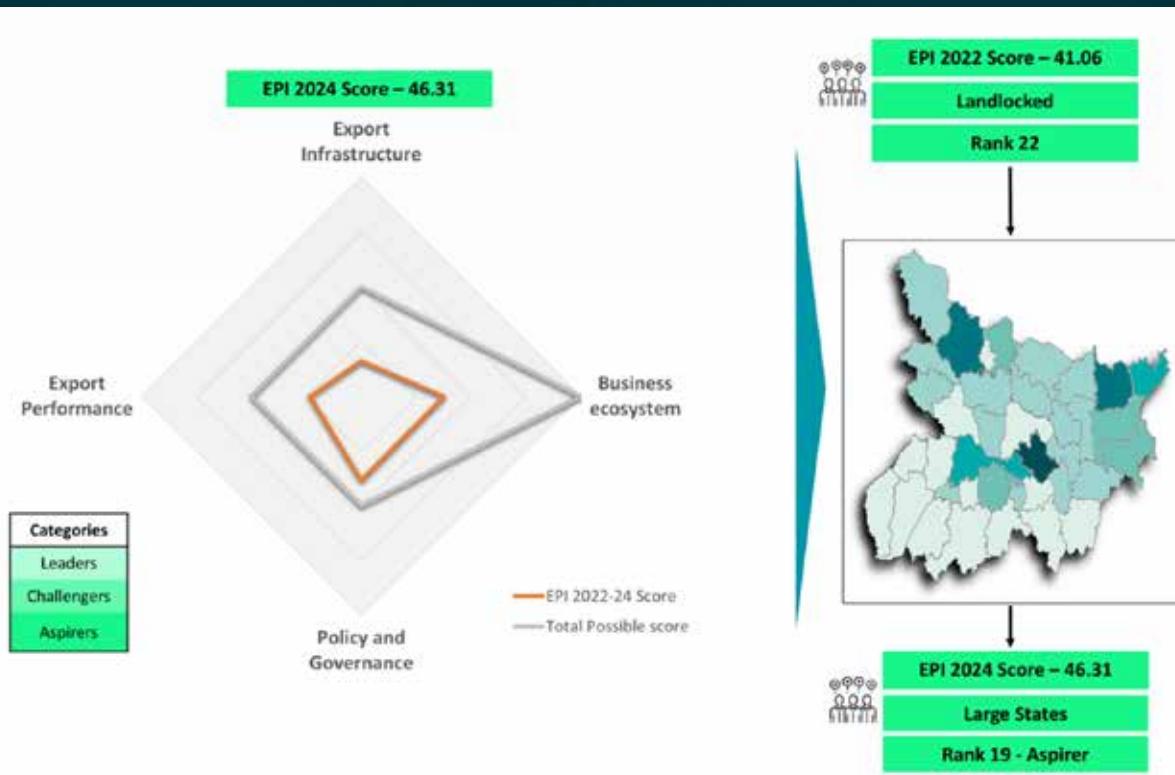
Strategic Roadmap – Focus Areas

Considering global consumption trends and existing strengths, Andhra Pradesh should direct efforts toward:

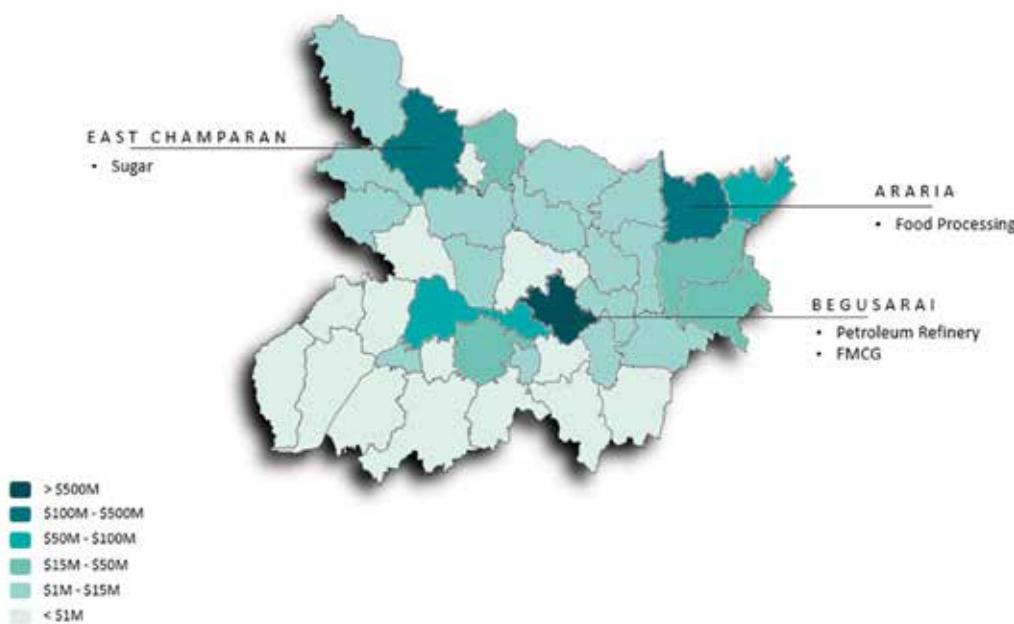




Bihar



5.1.2 Bihar



Manufacturing hubs in Bihar
Source: Ministry of Commerce and Industry

Introduction

Bihar, a state in eastern India, is steadily carving a niche for itself in the nation's economic and export landscape. Known historically for its rich cultural heritage and agricultural economy, Bihar is now making concerted efforts to diversify and strengthen its export sector. In FY24, the state's Gross State Domestic Product (GSDP) was at ₹8.5 lakh crore, reflecting a commendable annual growth rate of around 11% in past 8 years. This upward trajectory underscores Bihar's increasing importance in India's economic framework, driven by agricultural productivity, industrial expansion, and proactive government policies aimed at export promotion.

Agriculture continues to be a cornerstone of Bihar's economy and export sector. The state's fertile Gangetic plains produce high-quality rice, wheat, maize, and baby corn, all of which contribute significantly to its export revenues. Among these, Shahi Litchi from Muzaffarpur, a product with a Geographical Indication (GI) tag stands out as a symbol of Bihar's agricultural prominence in global markets. Over the past 15 years, the state has seen a substantial increase in agricultural exports, driven by improved infrastructure and targeted government policies.

Bihar's petroleum product exports are significantly bolstered by the operations of the Barauni Refinery, located in Begusarai. Operated by Indian Oil Corporation Limited (IOCL), this refinery commenced operations in 1964 with an initial capacity of 1 million tons per year and since expanded to 6 million tons per year. The refinery produces a range of petroleum products, including diesel, kerosene, petrol, LPG, naphtha, raw petroleum coke, sulfur and bitumen which are also exported to countries like Nepal.

The Bihar Export Promotion Policy 2024 offers key incentives such as a 1% export subsidy on FOB value (up to ₹20 lakh annually) and a performance-based subsidy of 1% on additional export growth (up to ₹10 lakh annually) for seven years. Special category exporters (SC/ST, women, differently abled, etc.) Receive an additional 15% incentive. The policy also supports exporters through awards, buyer-seller meets, and promotion of GI and ODOP-linked products.

Additionally, the One District One Product (ODOP) program identifies district-specific products with export potential and provides targeted support for their promotion. Examples include Bhagalpuri silk from Bhagalpur, Madhubani paintings from Madhubani, and Sikki crafts from Darbhanga. This initiative has not only enhanced the export readiness of local industries but also boosted the incomes of artisans and small-scale producers.²⁴

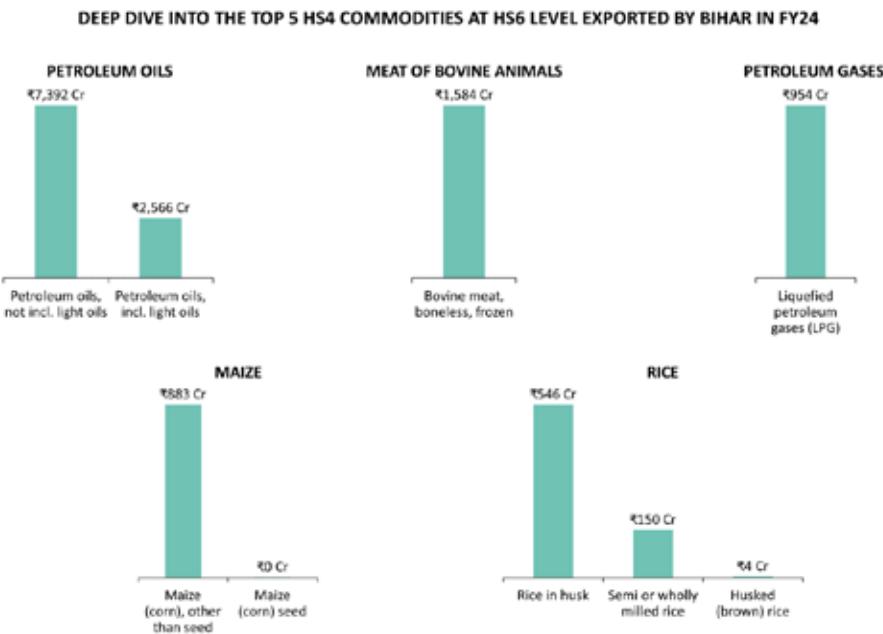
Export Statistics

TOP 10 HS4 COMMODITIES EXPORTED BY BIHAR IN FY24



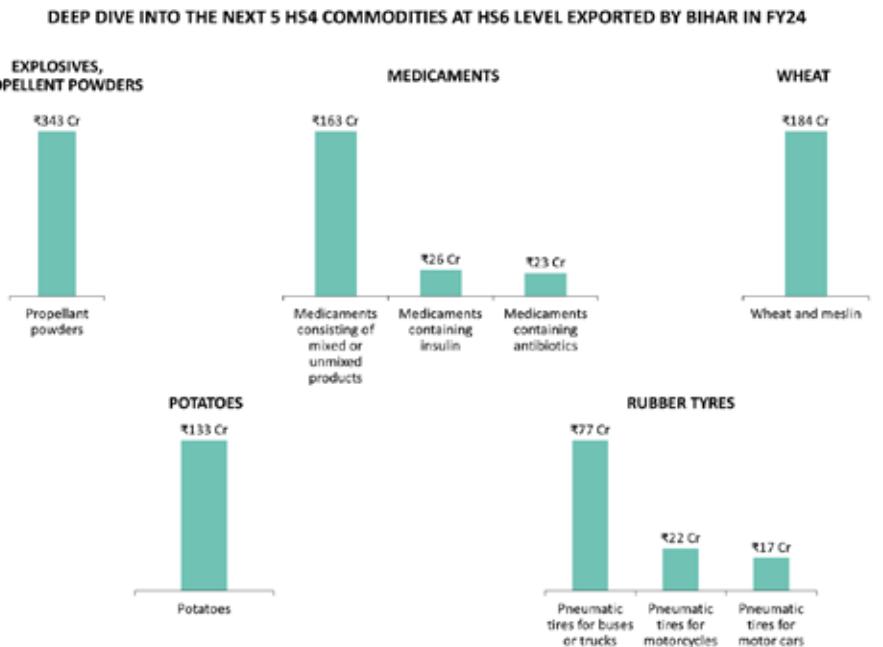
Source: Ministry of Commerce and Industry

Bihar's export landscape is shaped by a mix of infrastructural advantage, agricultural heritage, and emerging industrial capabilities. The state plays a crucial role in India's energy export ecosystem, while also drawing strength from its agrarian roots and gradually diversifying into sectors like pharmaceuticals and automotive components. While its export basket remains relatively concentrated, Bihar shows signs of sectoral breadth, particularly when one looks beyond the top few commodities.



Source: Ministry of Commerce and Industry

Refined petroleum oils dominate the state's export profile, with a significant share coming from heavier oils, although lighter variants are also well represented. This dominance is underpinned by refinery infrastructure and serves as a reminder that trade volume in the state is as much about logistics and supply chain placement as it is about local production. The second pillar of Bihar's exports is bovine meat, specifically frozen boneless cuts, reflecting a well-organized meat processing ecosystem supported by livestock-rearing zones in and around the state. Liquefied petroleum gases also contribute meaningfully, underscoring the state's broader role in processed fuel distribution. Bihar's agricultural foundation comes through in exports of maize and rice. In maize, almost the entire volume is non-seed grain, signaling surplus production and strong trade linkages. Rice exports, while spread across categories, are primarily in unhusked form, with smaller contributions from milled and husked variants indicating opportunities for more value addition through processing.



Source: Ministry of Commerce and Industry

In the next tier of exports, Bihar demonstrates an interesting mix of industrial and Agri-based commodities. The state's shipments of explosives and propellant powders are notable, suggesting a niche manufacturing capability, possibly tied to mining or defense-linked applications. In pharmaceuticals, Bihar exports a variety of medicaments, with mixed formulations forming the core, but also including specialized products like insulin and antibiotics. These signal an emerging base in drug manufacturing and packaging. Wheat and potatoes add to the agrarian backbone of the export profile, driven by consistent production and inter-state demand. Lastly, the presence of rubber tires especially those for buses, motorcycles, and passenger vehicles suggests growing capabilities in light manufacturing, with potential to serve both domestic and export markets more deeply in the years ahead.

Success Stories

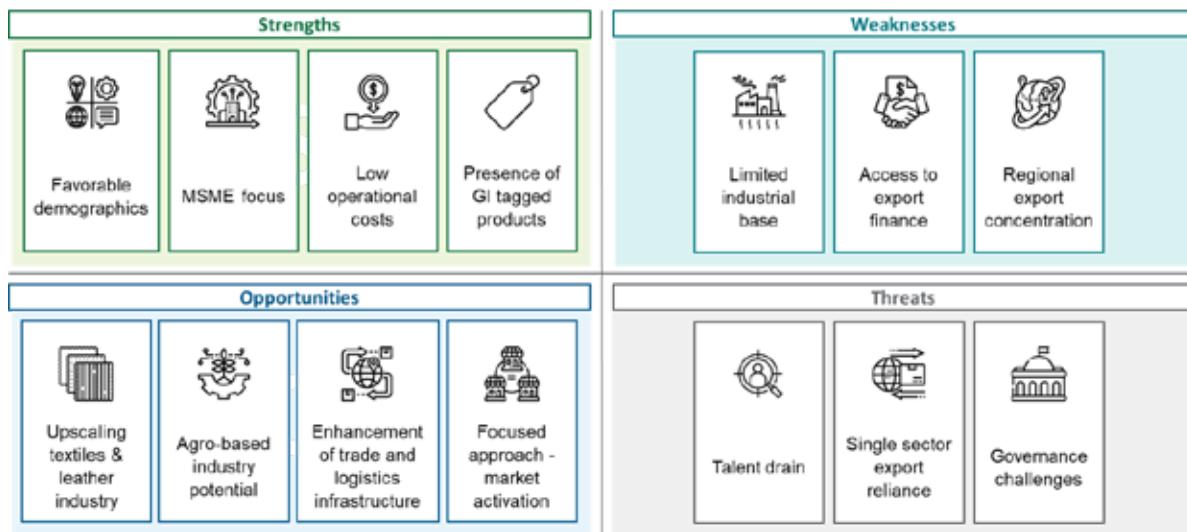


EPI 2024 – Results and Conclusion

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
1  Export Infrastructure	 Utilities State's power and water availability	10	5.1	<ul style="list-style-type: none"> ▪ Limited renewable energy penetration constrains the state's ability to meet growing business demand for sustainability
	 Logistics State's transportation networks, freight connectivity and storage capacity	10	1.4	<ul style="list-style-type: none"> ▪ Shortage of logistics infrastructure leads to longer transit times, and increased handling costs

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
2  Business Ecosystem	 Macroeconomy Evaluate economic output, manufacturing share and fiscal deficit	10	1.7	<ul style="list-style-type: none"> Low industrialization, limited manufacturing share, and high fiscal deficit constrain export potential Limited access to state-level export financing schemes and credit facilities, with weaker institutional support for businesses
	 Cost competitiveness Benchmarking cost of labour, water and power	5	2.3	
	 Human capital Understand education & employment parameters	5	3.5	
	 Finance and credit accessibility Relevant government schemes and insurance	5	1.4	
	 MSME ecosystem Assess growth and export contribution by MSMEs	10	3.9	
	 Industrial and innovation environment Infrastructure maturity	5	2.3	
3  Policy and Governance	 State policy support and governance State's export initiatives, digital first policies and ease of export documentation	15	12.8	<ul style="list-style-type: none"> Limited trade fair infrastructure and low promotion hinder local business exposure and export growth The lack of quality infrastructure, training programs, and standardized processes limits product reliability and competitiveness
	 Regulatory environment and compliance Quality standards and certifications, IEC, data readiness	5	2.5	
4  Export Performance	 State level exports and trends Export trends, growth in exporter base	5	3.5	<ul style="list-style-type: none"> Limited district export action plans reveal gaps in localized export development Bihar's over-reliance on a narrow set of export destinations exposes it to market-specific risks and demand fluctuations
	 Export promotion and facilitation Government infrastructure and digital maturity	5	3.0	
	 Export portfolio and market access Export destinations and key export commodities	10	2.7	

SWOT Analysis



Strengths

Bihar has a youthful and growing population, with over 58% under the age of 25, offering a dynamic workforce across sectors. The state is capitalizing on this potential through schemes like the Mukhya Mantri Udyami Yojana and Bihar Laghu Udyami Yojana, disbursing ₹2929 crore to 74,540 beneficiaries to promote MSME growth. Bihar ranks second in MSME registrations nationally and offers one of the lowest operational costs in India, attracting cost-sensitive industries. Its GI-tagged products, such as Makhana (90% of global production), Bhagalpuri Silk, and Shahi Litchi (71% of India's production), are gaining export momentum due to their uniqueness and rising global demand.

Weaknesses

Bihar's export growth is constrained by its limited industrial base, with most economic activity still driven by agriculture and small-scale enterprises, resulting in a narrow range of manufactured goods for overseas markets. The state faces significant challenges in accessing export finance, particularly for MSMEs, which limits their ability to upgrade technology, improve quality standards, and scale operations to meet global demand. Export activity is also highly concentrated in a few districts, creating regional imbalances and leaving large parts of the state underrepresented in global trade.

Opportunities

Textiles and leather offer high export potential, aided by Bihar's 2022 policy with capital subsidies and freight support. Agri-based industries can thrive under the Bihar Agri Investment Promotion Policy (BAIPP), which incentivizes processing units with up to 25% capital subsidy. With growing demand for organic and health-focused products, Bihar is well-placed to emerge as an Agri-export hub. Infrastructure developments like the ICD at Bihta, proposed dry ports, and logistics parks will improve cargo efficiency. Trade promotion initiatives focusing on products like Makhana, Bhagalpuri silk, and litchi are strengthening Bihar's global market visibility.

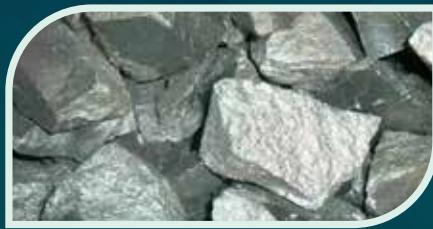
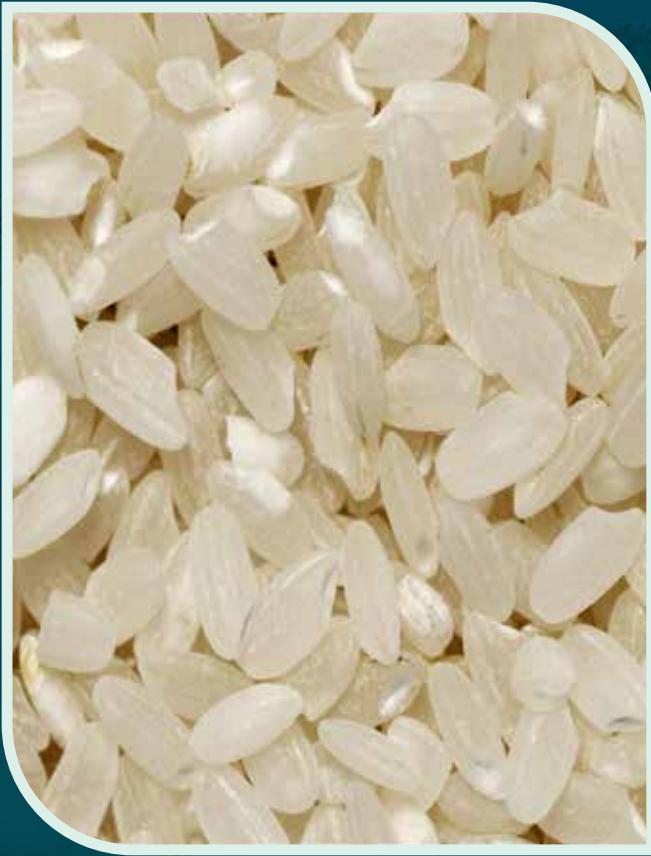
Threats

Significant youth migration due to inadequate local opportunities drains the skilled workforce necessary for export-led growth. A narrow, traditional export base and the underdevelopment of high-value sectors like advanced food processing, leather goods, and light engineering limit diversification. Governance challenges including political instability, administrative inefficiencies, and law and order issues discourage investment and development. Bihar's dependence on central funding, combined with gaps in higher education quality and accountability, pose long-term risks to sustained economic and export advancement.

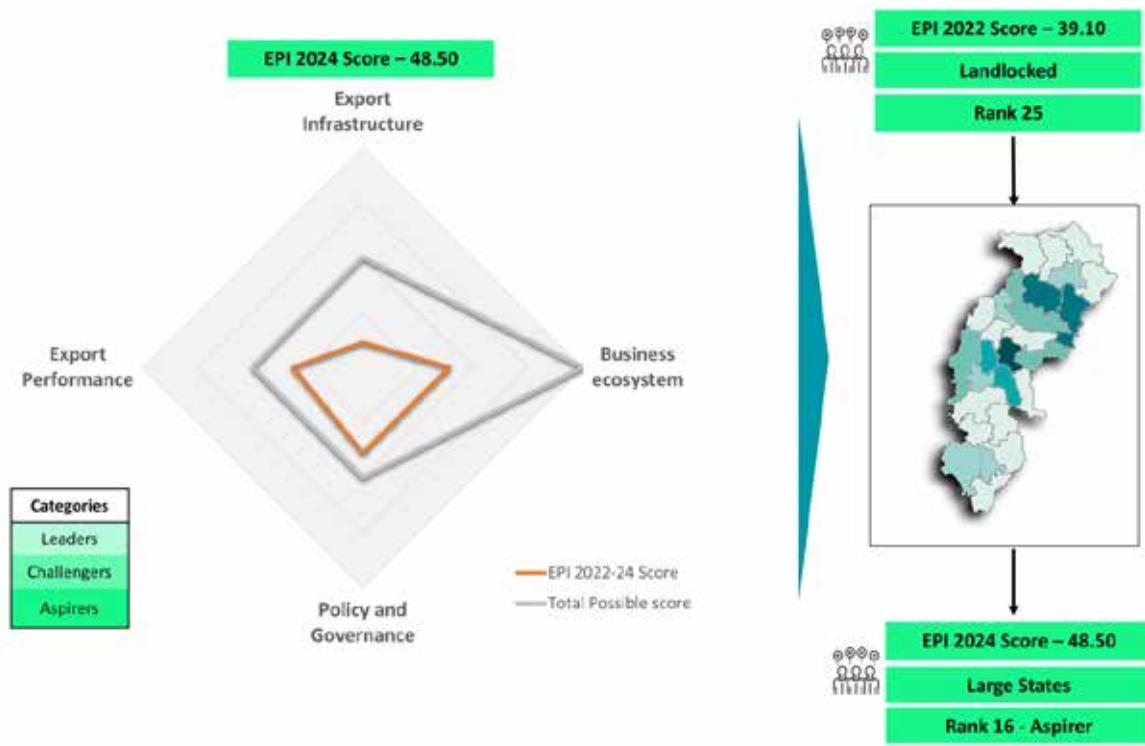
Strategic Roadmap – Focus Areas

Considering global consumption trends and existing strengths, Bihar should direct efforts toward:

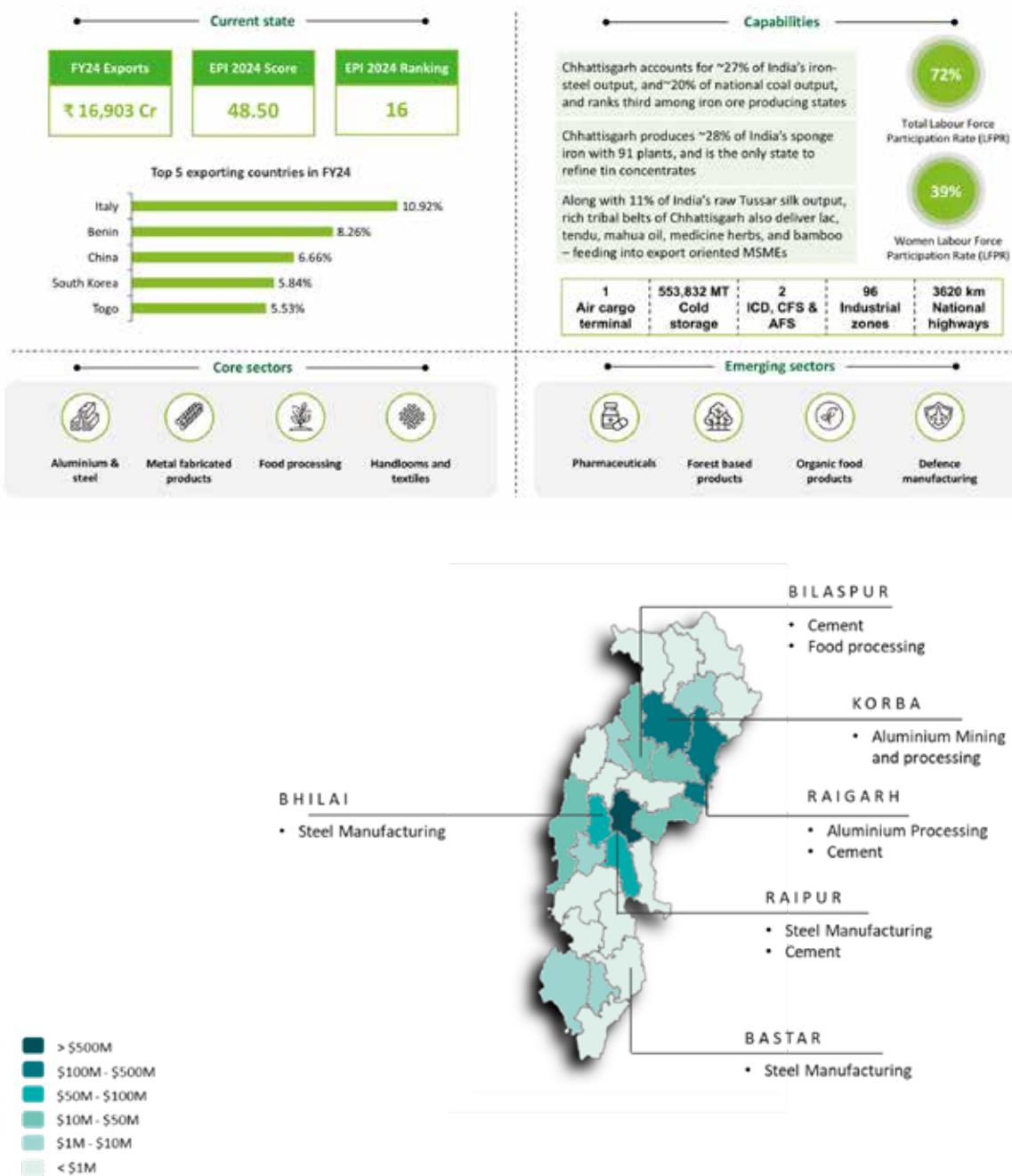




Chhattisgarh



5.1.3 Chhattisgarh



Introduction

Chhattisgarh, with a GSDP of ₹5.0 lakh crore, stands out as a resource-rich and industrially progressive state, leveraging its mineral base, infrastructure, and policy initiatives to drive sustained economic growth. Anchored by a robust industrial base, the state boasts 503,439 registered MSMEs, reflecting an impressive 170% year-on-year growth in FY24 over the previous year. Supporting this momentum are 96 industrial parks and two Special Economic Zones (SEZs), which form the backbone of its industrial ecosystem, driving production and export activities.^{25, 26, 27}

25 Ministry of Commerce & Industry

26 IBEF

27 Ministry of MSME PIB – 11th December 2023

Chhattisgarh's merchandise exports totaled approximately ₹16,883 crore in FY24, marking a significant decrease from ₹22,426 crore in FY23. While a few key sectors dominate the export basket, Chhattisgarh's ongoing efforts to strengthen infrastructure, promote value addition, and support new industries position it well to expand its export capabilities in the years ahead.²⁸

Chhattisgarh's Industrial Policy (2019-2024) and Export Promotion Policy have significantly contributed to its export growth. These policies provide incentives such as tax benefits, grants for technology upgrades, and subsidies for export-oriented businesses, fostering a favorable environment for industries to thrive. The major focus of the policy was towards industries such as herbal, medicinal plants, minor forest produce, and biofuel/ethanol production, which have significant export potential.²⁹

The latest edition of Chhattisgarh Industrial Policy (2024-2030), which came into effect from November 1, 2024, carries forward the idea incepted in the previous policy edition. The policy aims to provide a balanced growth to different sections and industries by providing special incentives to women and third gender entrepreneurs. This is the first time that the state's industrial policy has separate incentives for MSMEs and large industries, with a focus on strengthening logistics and establishing new industrial zones and clusters.^{30, 31}

Another crucial aspect of the policy is the focus on pollution-free industries, with specific emphasis on manufacturing EVs and environment friendly products. This commitment ensures that Chhattisgarh's growth is not only economically significant but also environmentally sustainable.

Export Statistics

TOP 10 HS4 COMMODITIES EXPORTED BY CHHATTISGARH IN FY24



Source: Ministry of Commerce and Industry

Chhattisgarh's export landscape is heavily dominated by primary and intermediate industrial commodities, with a strong showing in agriculture and metals. Rice is the state's standout export by a wide margin, underscoring its significant role in India's food grain trade. Alongside rice, the export basket is heavily geared toward basic metals particularly aluminum, ferro-alloys, and iron and steel products reflecting Chhattisgarh's strength as a mineral-rich and industrially capable state. These commodities form the backbone of its export economy and represent both a strength in raw and semi-processed materials and a potential area for downstream value addition.

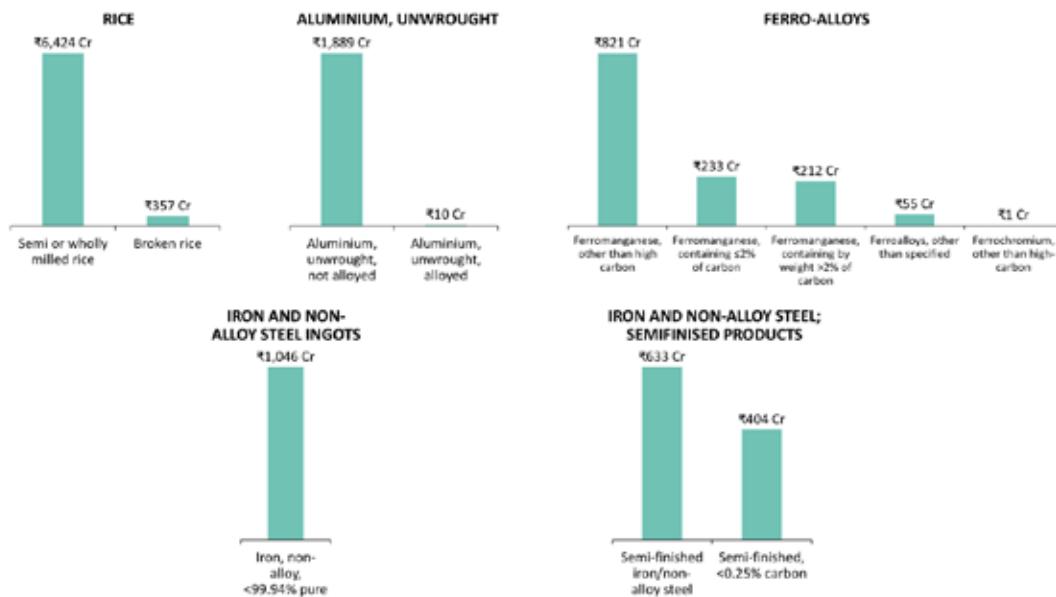
28 NIRYAT (National Import-Export Record for Yearly Analysis of Trade)

29 Industrial Policy of Chhattisgarh

30 Industrial Policy of Chhattisgarh 2019-2024

31 Industrial Policy of Chhattisgarh 2024-2030

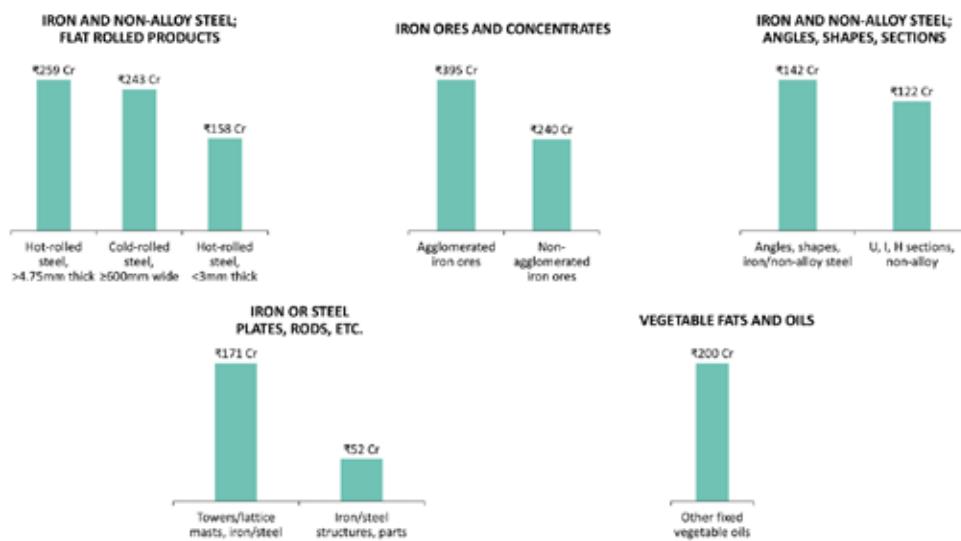
DEEP DIVE INTO THE TOP 5 HS4 COMMODITIES AT HS6 LEVEL EXPORTED BY CHHATTISGARH IN FY24



Source: Ministry of Commerce and Industry

The top five HS4 categories - rice, unwrought aluminum, ferro-alloys, steel ingots, and semi-finished steel, firmly position Chhattisgarh as a major supplier of industrial raw materials. Rice, both milled and broken, points to strong agricultural productivity and Agri-processing capacity. In metals, the dominance of unwrought aluminum and ferro-alloys suggests robust extraction and smelting infrastructure. Steel ingots and semi-finished steel products indicate the state's integrated presence in the steel manufacturing value chain. However, these strengths also hint at an opportunity of moving beyond raw and semi-processed materials into higher margin finished and engineered products could help Chhattisgarh gain more value per ton exported.

DEEP DIVE INTO THE NEXT 5 HS4 COMMODITIES AT HS6 LEVEL EXPORTED BY CHHATTISGARH IN FY24



Source: Ministry of Commerce and Industry

The next five export items - flat rolled steel products, iron ore, structural steel shapes, fabricated iron/steel structures, and vegetable oils, extend the picture of an economy rooted in extractive and heavy industries, with emerging signals of diversification. Flat rolled and hot/cold-rolled steel products suggest some downstream processing already exists, which could be scaled further. Iron ore exports continue to reflect the state's natural resource base, while structural steel exports indicate demand for fabricated goods in global infrastructure projects. Vegetable oils, though smaller in value, signal a growing presence in Agri-based exports. Strategic investments in value-added steel, food processing, and renewable materials could help diversify and upgrade Chhattisgarh's export offerings, making it more globally competitive.

Success Stories

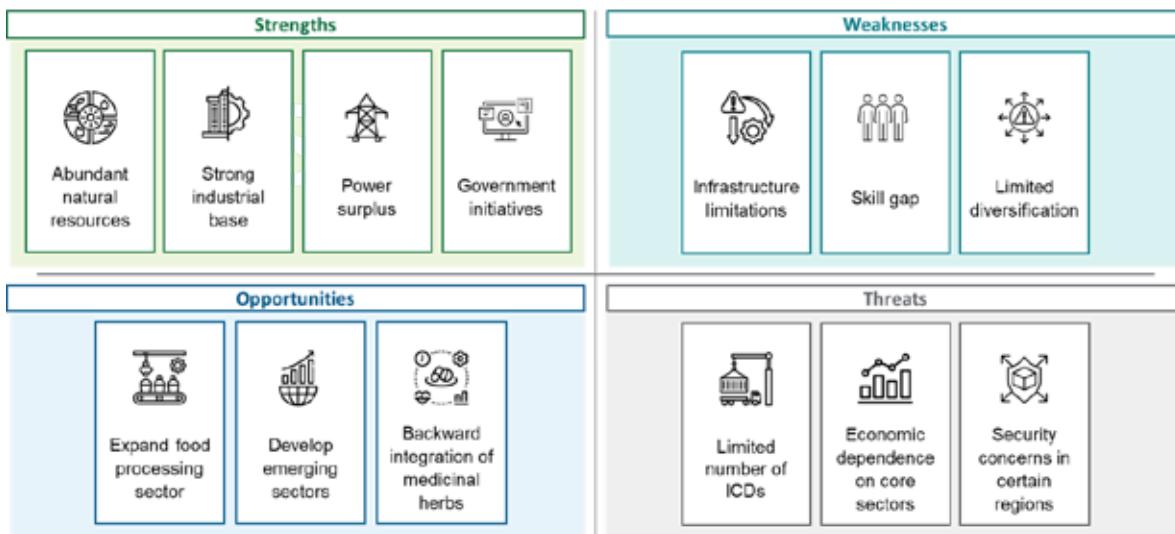


EPI 2024-Results and Conclusions

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
1 Export Infrastructure	Utilities State's power and water availability	10	3.9	<ul style="list-style-type: none"> Logistics infrastructural gaps including absence of logistics hubs and insufficient air cargo terminals that increases logistics costs and delays, limiting export potential for high value goods
	Logistics State's transportation networks, freight connectivity and storage capacity	10	0.6	

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
2  Business Ecosystem	 Macroeconomy Evaluate economic output, manufacturing share and fiscal deficit	10	3.6	
	 Cost competitiveness Benchmarking cost of labour, water and power	5	3.6	
	 Human capital Understand education & employment parameters	5	3.1	
	 Finance and credit accessibility Relevant government schemes and insurance	5	1.8	
	 MSME ecosystem Assess growth and export contribution by MSMEs	10	1.3	
	 Industrial and innovation environment Infrastructure maturity	5	2.4	
3  Policy and Governance	 State policy support and governance State's export initiatives, digital first policies and ease of export documentation	15	12.5	<ul style="list-style-type: none"> The state's industrial and MSME sectors receive limited exposure, restricting networking, visibility, and export-oriented growth
	 Regulatory environment and compliance Quality standards and certifications, IEC, data readiness	5	3.0	<ul style="list-style-type: none"> Compliance is limited by low awareness, inadequate testing infrastructure, and weak institutional support for SMEs
4  Export Performance	 State level exports and trends Export trends, growth in exporter base	5	3.7	
	 Export promotion and facilitation Government infrastructure and digital maturity	5	3.0	
	 Export portfolio and market access Export destinations and key export commodities	10	5.5	<ul style="list-style-type: none"> Chhattisgarh's exports show limited market diversification, increasing reliance on a narrow set of countries Insufficient finished goods manufacturing reduces the state's ability to expand exports

SWOT Analysis



Strengths

Chhattisgarh is endowed with abundant natural resources holding over 15% of India's coal reserves and significant deposits of iron ore, bauxite, and dolomite, alongside fertile plains and a favorable climate that support paddy, maize, and pulses, enabling both mineral- and Agri-based exports. A strong industrial base, particularly in metals, alloys, and cement, is well-supported by the state's power-surplus status, ensuring uninterrupted supply to industries. Proactive government measures, including the Single Window System (SWS) and the upgraded one click Unified Industrial Portal, have further streamlined approvals, enhanced ease of doing business, and strengthened Chhattisgarh's position as an attractive destination for export-oriented enterprises.

Weaknesses

Despite its industrial potential, Chhattisgarh faces significant infrastructure gaps, particularly in logistics and multimodal connectivity, which hinder efficient export movement. Many key industrial hubs lack integrated freight and warehousing solutions, forcing most exports to transit through distant seaports like Visakhapatnam or Paradip, both over 500 km away, adding time and cost. The state also struggles with skill and labor shortfalls in high-value and specialized sectors, limiting diversification into advanced manufacturing and technology-driven industries. Additionally, Chhattisgarh's export basket remains narrow, with a heavy dependence on mineral-based products, making it vulnerable to price fluctuations and global commodity cycles while constraining growth in value-added and innovation-led sectors.

Opportunities

Chhattisgarh is well-positioned to expand its food processing sector by leveraging its strong agricultural base, supported by investments in modern cold chain infrastructure to meet global demand for packaged and value-added food products. Targeted agro-industrial clusters can help tap high-growth export markets in the Middle East, Southeast Asia, and Africa. The state is also focusing on diversifying into emerging sectors such as electronics, renewable energy and technical textiles, underpinned by industrial park development and skill enhancement

programs. In the pharmaceutical space, promoting backward integration of medicinal herbs, drawing on the state's biodiversity and over 1,500 varieties of medicinal plants, can strengthen the value chain for Ayush-based products, supported by initiatives like the 141.8-acre Pharma Park in Naya Raipur focused on R&D and innovation. Additionally, developing logistics parks, Inland Container Depots (ICDs), and multimodal hubs can significantly improve connectivity, reduce export costs and improve transit times.

Threats

The state's heavy dependence on core sectors such as mining, minerals, and heavy industries makes it highly vulnerable to global commodity price fluctuations, especially in iron ore and steel, which can disrupt revenues and output. Intensifying competition from other states with better connectivity, diversified export bases, and more advanced infrastructure poses a challenge to attracting and retaining investment. Additionally, escalating global compliance and sustainability standards particularly in environmental norms, labor practices, and carbon emissions could increase operational costs for exporters, requiring significant adaptation.

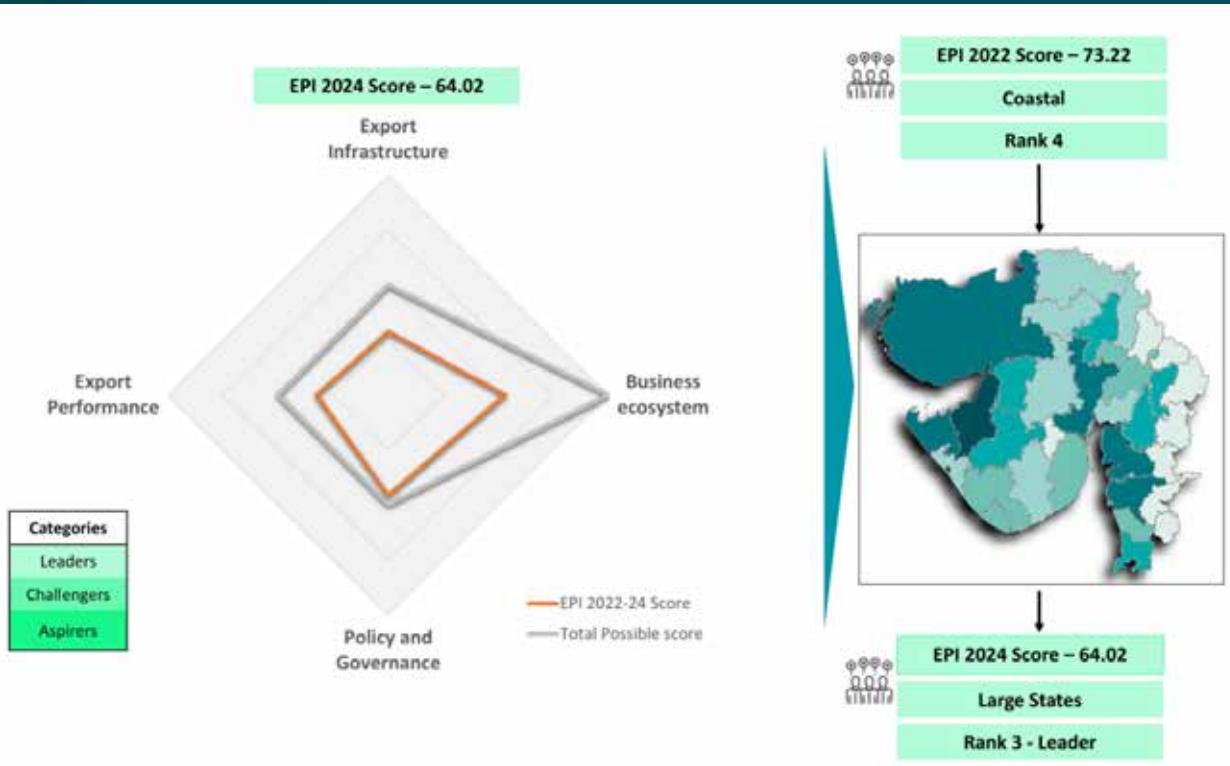
Strategic Roadmap – Focus Areas

Considering global consumption trends and existing strengths, Chhattisgarh should direct efforts toward:





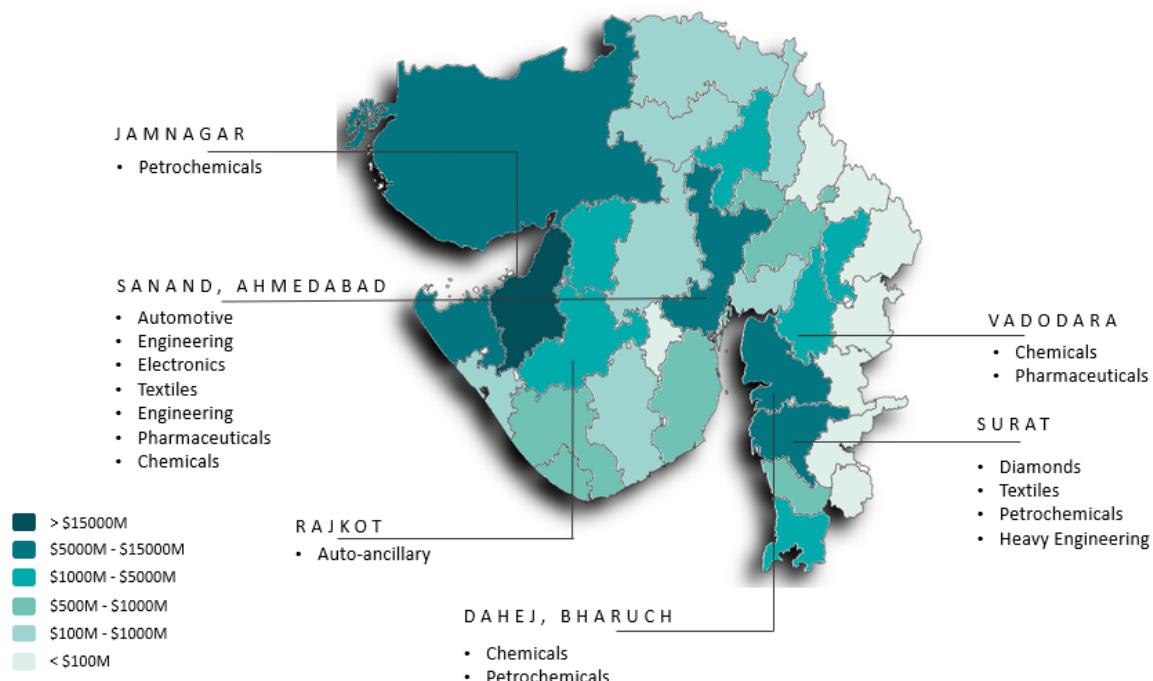
Gujarat



5.1.4 Gujarat



Introduction



Gujarat, located on the Western coast of India, has the longest coastline of 1,600 kms among all the states in the country. Being one of the leading industrialized states of the country, Gujarat has a GSDP of ₹24.3 lakh crore (growing at a rate of 9.2% per annum) and contributing ~9% of India's GDP in FY24.

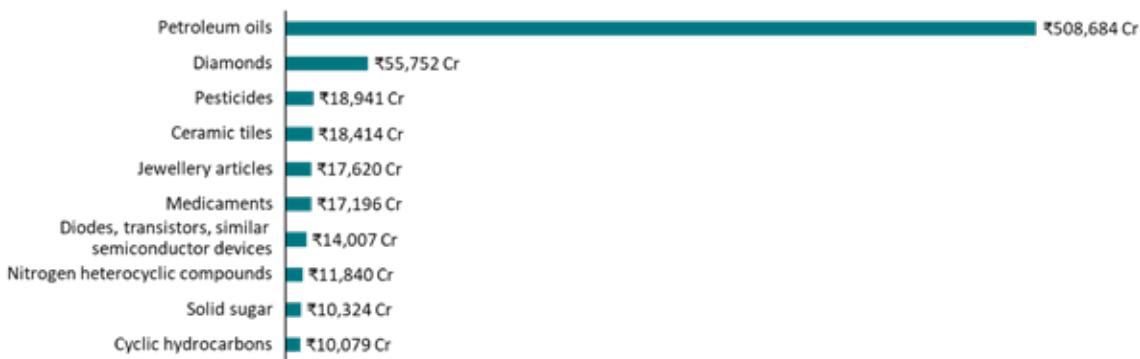
Gujarat's industrial landscape spans petrochemicals, textiles, pharmaceuticals, automotive and engineering. In addition, the state holds a leading position nationally in ceramic and chemical manufacturing. Gujarat is also considered the petroleum capital of India due to presence of large refining capacity set up by private and public sector companies and export value of ₹5.0 lakh crore. The state is the world's largest producer of processed diamonds, accounting for 72% of the world's processed diamond industry and 80% of India's diamond exports. With a contribution of 65% - 70% to India's denim production, Gujarat is the largest manufacturer of denim in the country and the third largest in the world.

Gujarat has a world-class infrastructure network supporting its trade and industries. With 42 ports, including major ones like Mundra, Kandla and Pipavav, the state handles 40% of India's total maritime cargo. With 17 domestic airports and 3 international airports, Gujarat serves as a gateway to gulf countries like Dubai and Abu Dhabi. Strategic industrial hubs include Special Economic Zones (SEZs) like Dahej, Hazira, and Sanand, alongside GIFT City, which specializes in financial services. Industrial parks and corridors further enhance its logistical capabilities. Key export districts include Surat (diamonds and textiles), Jamnagar (petroleum refining), Bharuch (chemicals), Morbi (ceramics) and Rajkot (engineering goods), which form the backbone of Gujarat's export success.

The state government actively promotes industrial growth through policies and initiatives. Gujarat's Industrial Policy 2020 and IT-ITES Policy 2022-27 focus on ease of doing business, research and development, and skill development, while programs like Vibrant Gujarat boost investment outreach. The MSME sector is supported by initiatives like "Atmanirbhar Gujarat MSME Yojana" and "One District, One Product," which promote localized manufacturing and exports. Notably, Morbi contributes 80% of India's ceramic exports, showcasing Gujarat's leadership in specialized industries. This robust ecosystem, backed by efficient governance and strategic geography, positions Gujarat as a key player in India's export landscape.

Export Statistics

TOP 10 HS4 COMMODITIES EXPORTED BY GUJARAT IN FY24

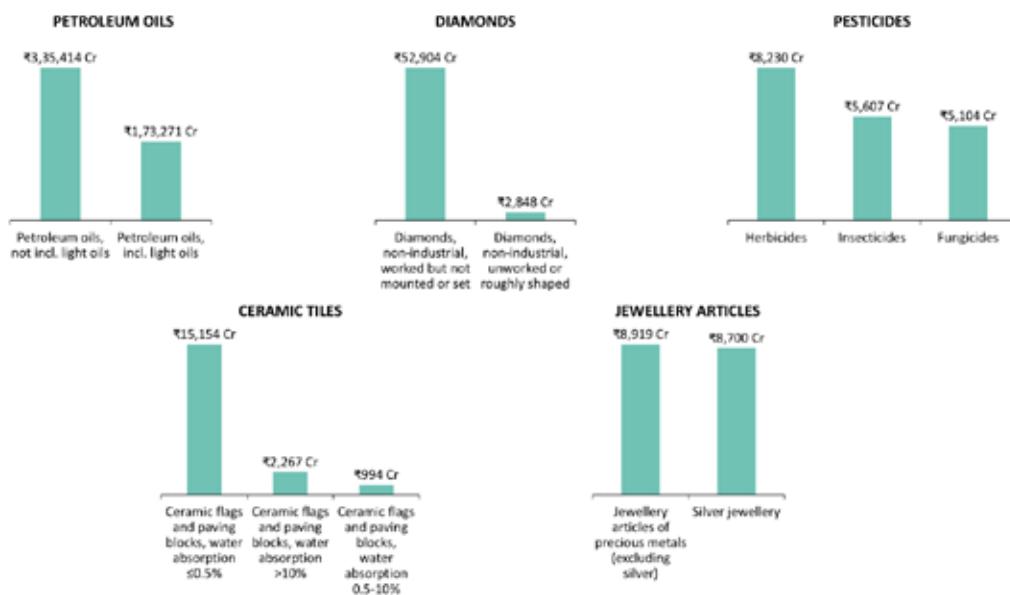


Source: Ministry of Commerce and Industry

Gujarat continues to lead in merchandise exports, with a strong concentration in high-value commodities. The top HS4-level export categories from the state include Petroleum oils, Diamonds, Pesticides, Ceramic tiles, and Jewelry articles. These categories are driven by the presence of robust infrastructure, a well-developed port network including Mundra and Kandla, and strong private sector participation. Gujarat's petroleum cluster is anchored by massive refinery capacities in Jamnagar and Vadodara, enabling dominance in petroleum oil exports. The diamond polishing and trading ecosystem in Surat gives Gujarat a global competitive edge,

while Morbi's ceramic cluster powers its ceramic tile exports. Similarly, the state's chemical and pharmaceutical zones support exports of pesticides and medicaments, backed by industrial policies that facilitate manufacturing and scale.

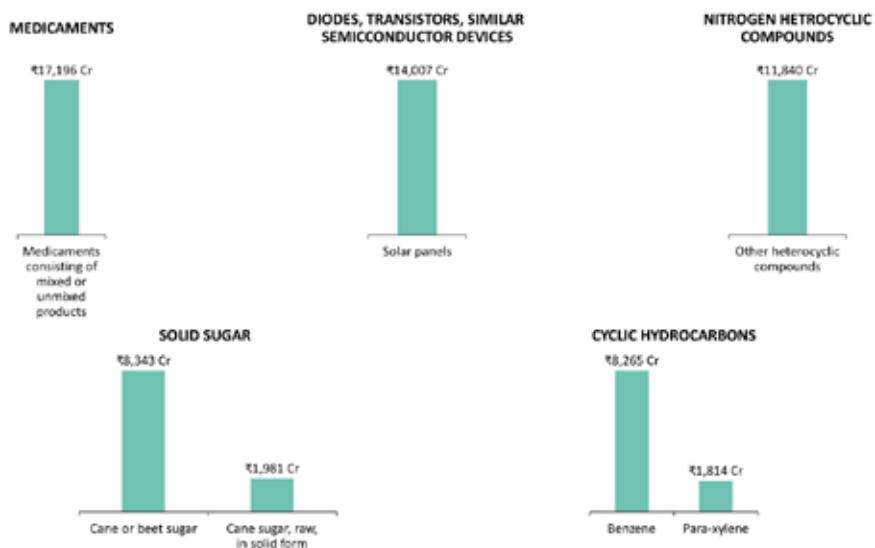
DEEP DIVE INTO THE TOP 5 HS4 COMMODITIES AT HS6 LEVEL EXPORTED BY GUJARAT IN FY24



Source: Ministry of Commerce and Industry

A closer look at the top five exports highlights Gujarat's export strengths. In Petroleum oils, both light oils and other petroleum oils form the backbone of the state's export value, demonstrating the breadth of refinery output. In Diamonds, Gujarat exports both worked, non-industrial diamonds and rough, unworked diamonds, reflecting the value addition carried out in Surat's diamond cutting units. In Pesticides, Gujarat's exports span herbicides, insecticides, and fungicides, supported by the state's large-scale agrochemical industry. Within Ceramic tiles, exports are diversified across products with varying water absorption levels indicative of product customization for different international markets. Under Jewelry, both silver jewelry and precious metal jewelry are exported, reflecting Gujarat's evolving capabilities in gem and jewelry design and manufacturing.

DEEP DIVE INTO THE NEXT 5 HS4 COMMODITIES AT HS6 LEVEL EXPORTED BY GUJARAT IN FY24



Source: Ministry of Commerce and Industry

Beyond the top five categories, the next set of export commodities reveals untapped export potential for Gujarat. Products such as medicaments, solar panels, and heterocyclic compounds suggest opportunities for deeper value chain integration in the pharmaceutical and electronics sectors. Similarly, raw cane sugar and solid sugar, and aromatic hydrocarbons like para-xylene point to emerging capabilities in agro-processing and petrochemicals. Strategic interventions – such as improving R&D, strengthening export logistics and expanding global certifications – can enable Gujarat to scale up in these sectors. These categories represent a significant opportunity for diversification and future export growth, aligning with the state's broader industrial strategy.

Success Stories

Success Story – GoG-AMA* Centre for International Trade				
Problem	1 Exporters, MSMEs, and entrepreneurs in Gujarat faced knowledge gaps in export-import procedures, WTO implications, customs, taxation, and compliance regulations	2 Many aspiring exporters lacked structured training and mentorship to launch and sustain international businesses	3 Export promotion initiatives were not adequately reaching smaller towns, MSME clusters, and niche sectors like textiles, handicrafts, and agriculture	4 Exporters needed assistance in navigating documentation, data management, and evolving foreign trade policies
Solution	 GoG-AMA* Centre for International Trade <ul style="list-style-type: none"> Conducted 2,436+ structured training sessions on export-import, logistics, digital strategies, RBI/GST/customs regulations, and fraud prevention 	 <ul style="list-style-type: none"> Expanded programs beyond Ahmedabad to regions like Rajkot, Vadodara, Anand, and Vapi, while engaging MSME clusters and EPCs 	 <ul style="list-style-type: none"> Published newsletters, business handbooks, maintaining a trade reference library, and assisting the Industries Commissionerate with policy inputs and documentation 	 <ul style="list-style-type: none"> Helped individuals and firms like Blue Bell Exim, Sarjan Watertech, and NYSA International establish themselves as successful exporters Trained over 61,454 individuals, strengthening Gujarat's export ecosystem across diverse sectors Brought export knowledge and resources to MSMEs and clusters across Gujarat, ensuring broad-based participation in global trade Supported government bodies with trade data, briefings, and policy facilitation, while creating sustained platforms for exporter-policymaker-industry dialogue
Impact	<ul style="list-style-type: none"> *GoG-AMA – Government of Gujarat-Ahmedabad Management Association 			

EPI 2024-Results and Conclusions

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
 1 Export Infrastructure	 Utilities State's power and water availability	10	6.5	<ul style="list-style-type: none"> Significant challenges in reliable water supply for industries
	 Logistics State's transportation networks, freight connectivity and storage capacity	10	5.0	<ul style="list-style-type: none"> Limited air cargo terminals in Gujarat increase logistics costs and impacting export potential

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
2  Business Ecosystem	Macroeconomy Evaluate economic output, manufacturing share and fiscal deficit	10	5.5	
	Cost competitiveness Benchmarking cost of labour, water and power	5	2.9	
	Human capital Understand education & employment parameters	5	3.2	
	Finance and credit accessibility Relevant government schemes and insurance	5	2.3	
	MSME ecosystem Assess growth and export contribution by MSMEs	10	3.2	
	Industrial and innovation environment Infrastructure maturity	5	4.1	
3  Policy and Governance	State policy support and governance State's export initiatives, digital first policies and ease of export documentation	15	13.2	
	Regulatory environment and compliance Quality standards and certifications, IEC, data readiness	5	5.0	
4  Export Performance	State level exports and trends Export trends, growth in exporter base	5	4.2	
	Export promotion and facilitation Government infrastructure and digital maturity	5	3.0	
	Export portfolio and market access Export destinations and key export commodities	10	5.6	

SWOT Analysis

Strengths				Weaknesses		
Opportunities				Threats		
					Single sector reliance for exports	High dependence on traditional sectors for exports
					Regional concentration of exports	
					Emerging competition from high-growth countries	Competition for foreign investments
					Global trade volatility	

Strengths

Gujarat's export dominance is anchored by its robust logistics and industrial base. The state's 1,600 km coastline and major ports - Mundra and Kandla handle over 40% of India's cargo and 30% of its exports. Supported by the Western Dedicated Freight Corridor, 77,000 km of roadways, multiple airports, and strategically located inland container depots, Gujarat ensures seamless and cost-efficient trade flows. The state's manufacturing sector contributes over 30% to its GSDP (compared to the national average of 17%) and plays a key role in driving exports. Gujarat leads in the export of chemicals (35% share), pharmaceuticals (28%), and petroleum products (over 50%), alongside strong sectors like engineering goods and textiles. Surat processes more than 90% of the world's rough diamonds, reinforcing Gujarat's global leadership in precision industries. Favorable trade policies such as SEZ benefits, bonded warehousing, and duty drawback schemes further strengthen its competitiveness. Industrial clusters in Ahmedabad, Surat, Rajkot, Bharuch, and Morbi contribute to a well-diversified industrial ecosystem, making Gujarat a cornerstone of India's merchandise exports.

Weaknesses

Gujarat's export profile is heavily skewed towards petroleum and petrochemical products, which make up over half of the state's total export value exposing it to global oil price volatility and environmental policy shifts. In FY24 alone, petroleum exports reached ₹5.2 lakh crore, a 4.3x increase over four years. Despite a strong manufacturing base, the state's export basket remains heavily dependent on traditional sectors such as petroleum, gems and jewelry, and textiles, limiting diversification into emerging high-growth industries. Regional imbalances also persist, with export activity concentrated in cities like Ahmedabad, Surat, and Jamnagar, creating disparities in industrial development and infrastructure access. This regional skew increases vulnerability to localized disruptions and limits equitable economic growth across the state.

Opportunities

Gujarat is well-positioned to diversify and upgrade its export mix through sunrise sectors like renewable energy, electric mobility, aerospace, pharmaceuticals, and agri-tech supported by dedicated policies and investments. As global manufacturers adopt a China+1 strategy, Gujarat's chemical and pharma dominance (35% and 28% of national output respectively) offers a compelling alternative. The state also stands to gain from India's recent FTAs with the UAE (CEPA), Australia (ECTA), and upcoming FTA with the UK, particularly in textiles, petrochemicals, pharma, and engineering. Agriculture and aquaculture present untapped potential: Gujarat exported 689 MT of mangoes including GI-tagged Kesar mangoes and doubled pulse exports in FY24. It ranks second in seafood exports, with 345,052 MT of marine products. Initiatives like PMMSY and specialized facilities (e.g., the USDA-certified irradiation plant in Ahmedabad) boost the competitiveness of Gujarat's Agri-marine exports in quality-sensitive markets.

Threats

Gujarat faces intensifying competition from emerging economies such as Vietnam, Bangladesh, Indonesia, and Mexico, which are capturing global market share through lower labor costs, favorable FTAs (e.g., EU-Vietnam FTA, USMCA), and strong export incentives. Within India, states improving on ease of doing business and infrastructure are also attracting greater FDI. Gujarat's slower pace in adopting innovation, bureaucratic bottlenecks, and policy unpredictability risk diminishing its first-mover advantage. Overdependence on petroleum exports makes the state highly susceptible to global crude price volatility, energy transition trends, and regulatory shifts. Broader global trade uncertainties such as trade wars, protectionist measures, and supply chain disruptions pose further risks to Gujarat's export resilience. Strategic diversification of products, markets, and value-added capabilities is essential for maintaining Gujarat's long-term export leadership.

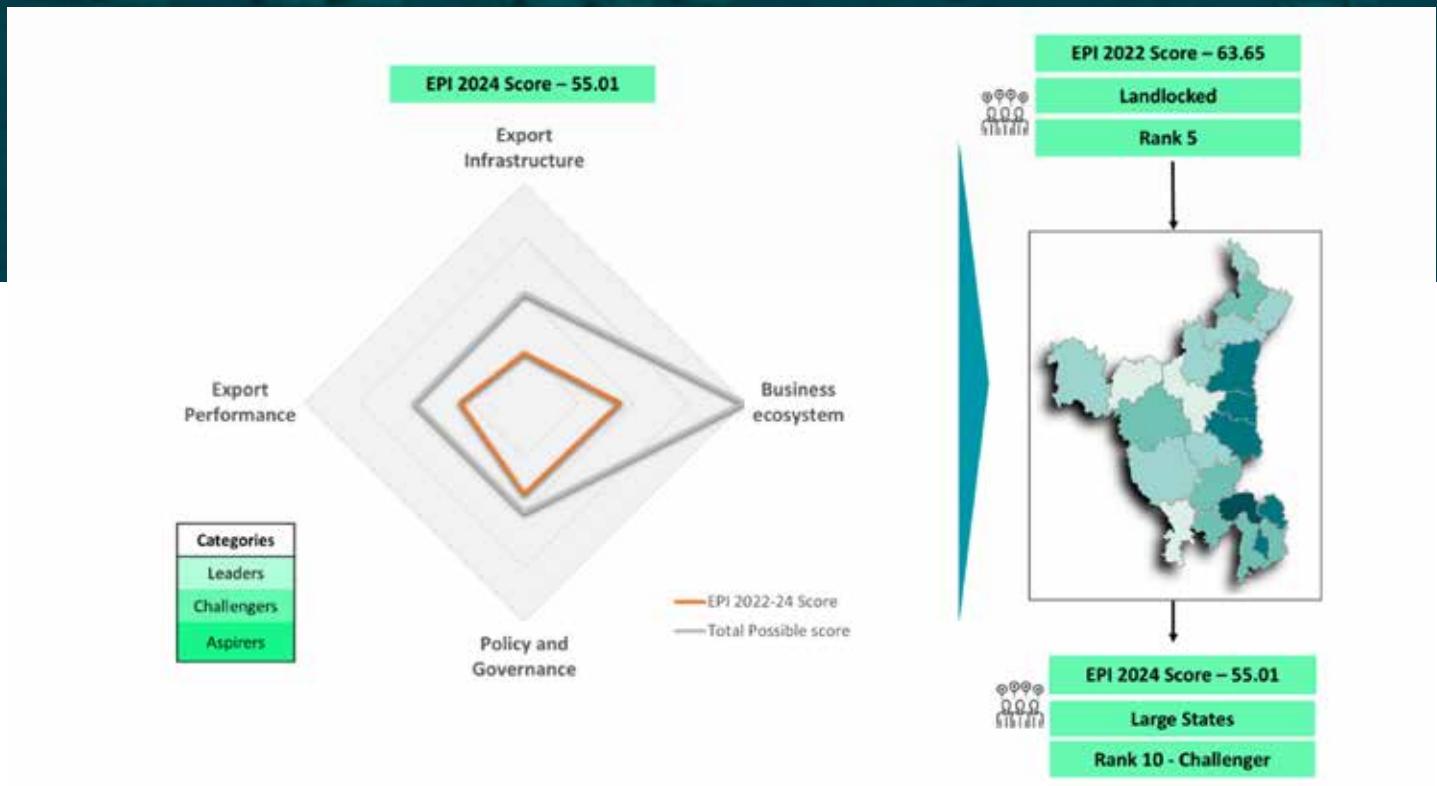
Strategic Roadmap – Focus Areas

Considering global consumption trends and existing strengths, Gujarat should direct efforts toward:





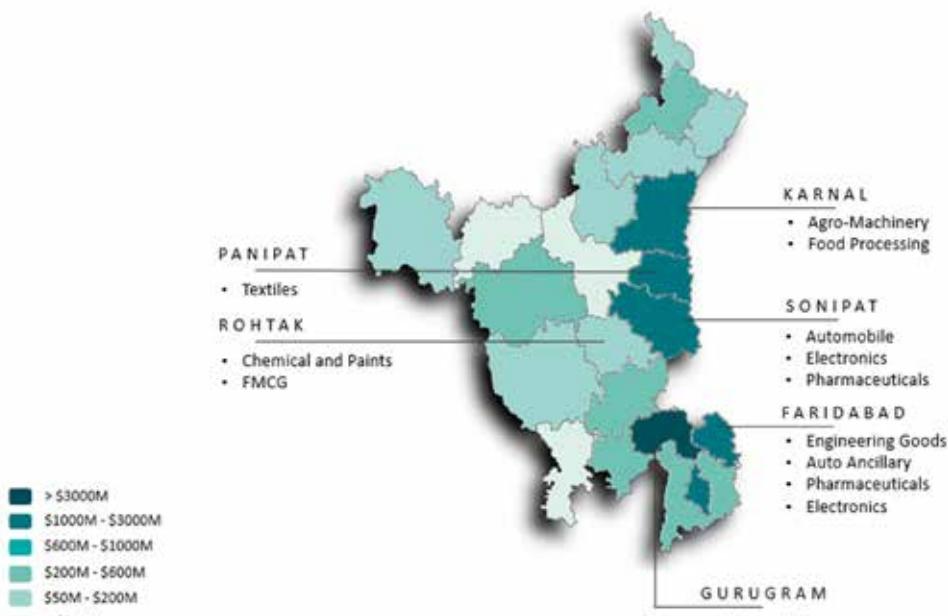
Haryana



5.1.5 Haryana



Introduction



Manufacturing hubs in Haryana
Source: Ministry of Commerce and Industry

Haryana, a dynamic state in Northern India, is a significant contributor to the country's economy and agricultural output. Spanning an area of 44,212 square kilometers, it shares borders with Punjab, Rajasthan, Himachal Pradesh, Uttar Pradesh, and the national capital, Delhi. Its strategic location in the National Capital Region (NCR) has made it a hub for industries, infrastructure, and urban development. Haryana has one of the highest urbanization rates in India, yet its economy remains deeply rooted in agriculture. Often called the "Breadbasket of India" along with Punjab, Haryana is a leading producer of wheat, rice, and dairy products, supported by an

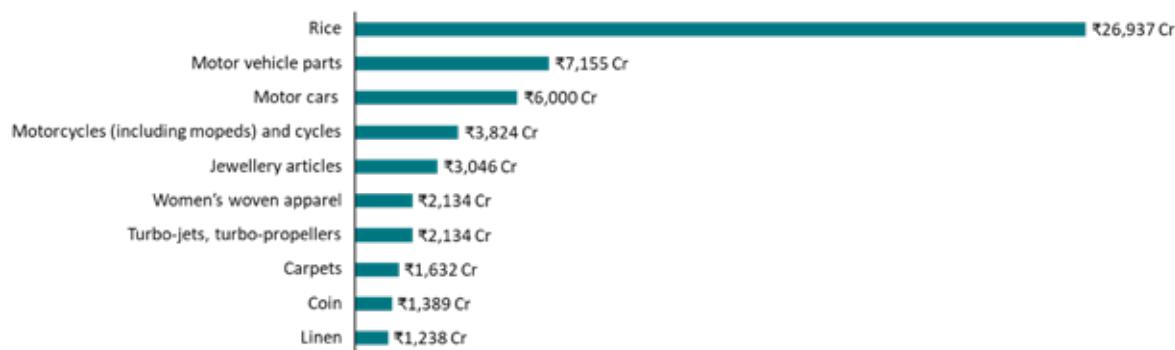
extensive canal irrigation system, including the Bhakra Nangal project.^{32, 33}

Haryana's economy is a mix of traditional agriculture and modern industries, making it one of the wealthiest states in India. The GSDP for 2023-24 stood at ₹10.9 lakh crore, growing at a healthy rate of 9.4%. Agriculture continues to play a vital role, contributing about 15% to the GSDP. The state has a highly mechanized farming system and benefits from its proximity to major markets like Delhi and Chandigarh. At the same time, Haryana is a leader in industrial and service sectors. Key industries include automobile manufacturing, IT, textiles, and real estate, with major industrial hubs in Gurugram, Faridabad, Panipat, and Sonipat. Over 60% of India's automobile exports originate from Haryana, driven by facilities from companies like Maruti Suzuki and Hero MotoCorp. Gurugram has emerged as a global IT and financial hub, hosting multinational companies, and contributing significantly to the state's economic growth.^{34, 35}

The Haryana Export Promotion Policy 2020 aimed to boost exports to ₹2 lakh crore by 2025, focusing on sectors like automobiles, textiles, Agri-products, pharmaceuticals, and IT services. Key initiatives included establishing Export Promotion Industrial Parks (EPIPs) and Export Facilitation Centers, with major hubs along the major highways. Financial incentives like logistics subsidies and market development assistance were introduced. By 2024, Haryana's exports reached ₹1.5 lakh crore.

Export Statistics

TOP 10 HS4 COMMODITIES EXPORTED BY HARYANA IN FY24



Source: Ministry of Commerce and Industry

Haryana emerges as a key contributor to India's export ecosystem, driven by its robust automotive manufacturing, Agro-processing, and textile sectors. The state's top export categories include rice, motor vehicle parts, motor cars, motorcycles, and jewelry articles. Haryana benefits from its proximity to the national capital region, a strong industrial base in cities like Gurugram, Manesar, Faridabad, and Panipat, and seamless connectivity through road and rail infrastructure. The state's strength in rice exports is supported by extensive paddy cultivation in northern districts, while its automotive exports are propelled by the presence of global OEMs and a dense supplier network.

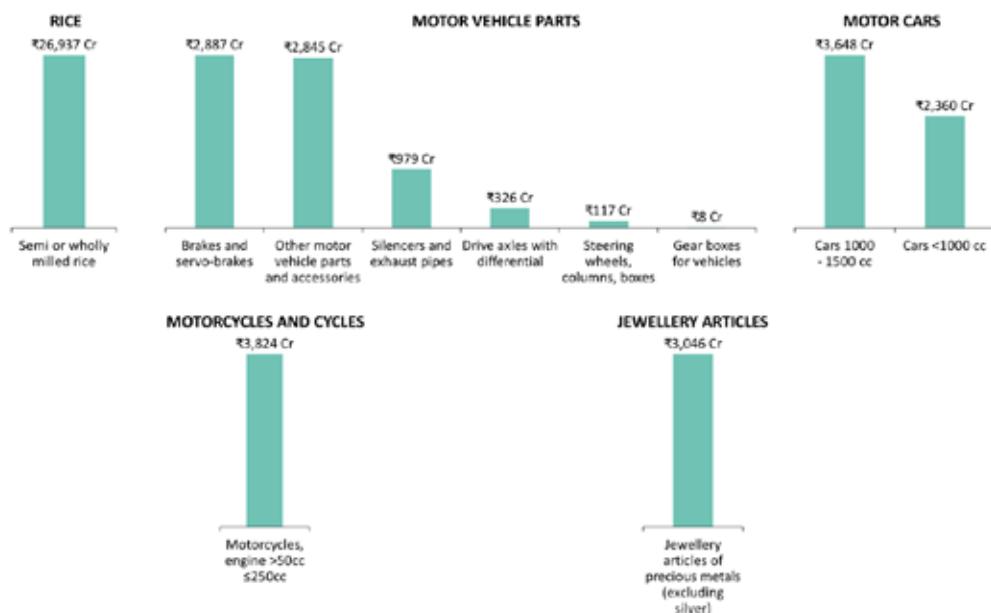
³² IBEF

³³ Department of Economic and Statistical Affairs – Government of Haryana

³⁴ IBEF

³⁵ Department of Economic and Statistical Affairs – Government of Haryana

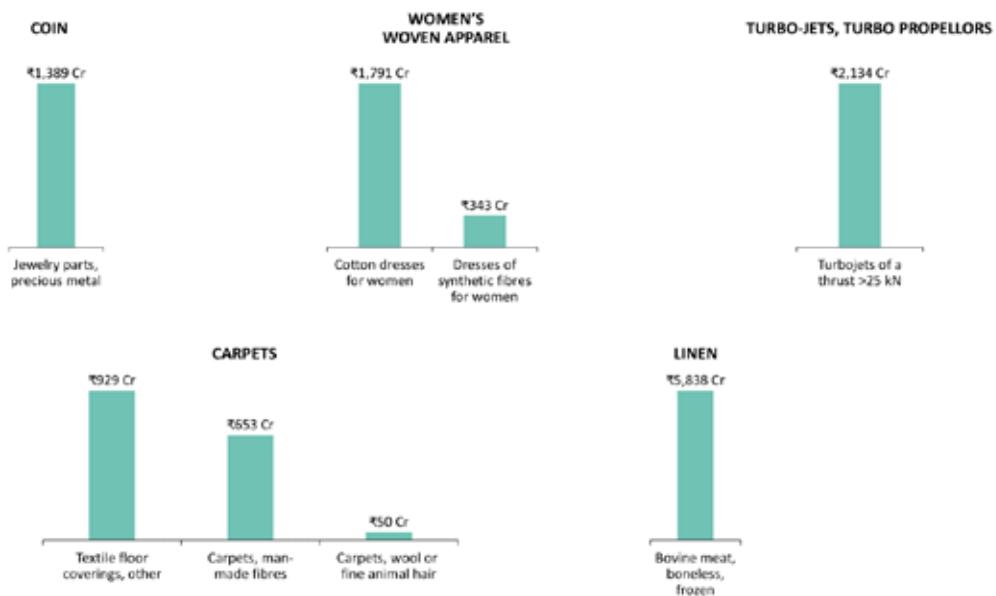
DEEP DIVE INTO THE TOP 5 HS4 COMMODITIES AT HS6 LEVEL EXPORTED BY HARYANA IN FY24



Source: Ministry of Commerce and Industry

At a deeper level, Haryana's auto sector dominance is visible through a range of specific vehicle components exported globally. These include brakes and servo-brakes, gear boxes, steering systems, silencers, and drive axles, all of which showcase the state's high level of engineering capability and deep integration in global supply chains. In addition to parts, the export of motor cars in categories below 1500cc and motorcycles with engines between 50cc and 250cc further highlight the role of large automotive plants and export-oriented production facilities in the state. Rice exports, particularly semi or wholly milled rice, continue to be a strong performer, with Karnal, Kurukshetra, and Kaithal playing central roles in both production and processing. Haryana also contributes to jewelry exports, particularly in precious metal jewelry, supported by clusters of skilled artisans and traders.

DEEP DIVE INTO THE NEXT 5 HS4 COMMODITIES AT HS6 LEVEL EXPORTED BY HARYANA IN FY24



Source: Ministry of Commerce and Industry

Looking beyond the top segments, Haryana also holds significant export potential in emerging and traditional sectors. In apparel, the state exports women's cotton and synthetic dresses, indicating a growing garment manufacturing base. The export of turbojets and their components reflects Haryana's growing capabilities in aerospace and precision engineering. Traditional sectors like carpet weaving with products made from wool, man-made fibers, and mixed textiles, draw on Panipat's historical textile strengths and export legacy. Additionally, jewelry parts and coins made of precious metals, as well as toilet linen and terry fabric, point to Haryana's broader potential in both the luxury and home textile segments. With increased focus on value addition, branding, and export infrastructure, Haryana can further consolidate its position as a high-performance export-oriented state across diverse sectors.

Success Stories

Success Story – Powering Industrial Excellence via Biotech and Agriculture

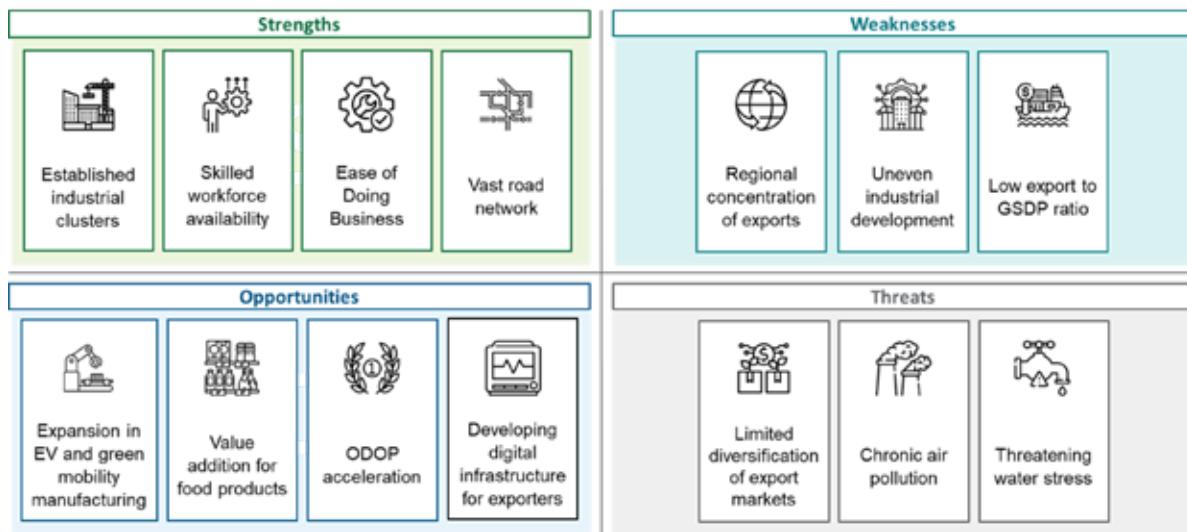


EPI 2024-Results and Conclusions

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
1 Export infrastructure	Utilities State's power and water availability	10	4.5	<ul style="list-style-type: none"> Limited renewable energy penetration impacts the state's ability to cater to increasing demand of sustainability requirement for exports
	Logistics State's transportation networks, freight connectivity and storage capacity	10	4.5	<ul style="list-style-type: none"> The lack of integrated cold chain infrastructure hampers timely deliveries, increases costs, and reduces export competitiveness

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
2  Business Ecosystem	 Macroeconomy Evaluate economic output, manufacturing share and fiscal deficit	10	4.7	
	 Cost competitiveness Benchmarking cost of labour, water and power	5	2.6	
	 Human capital Understand education & employment parameters	5	2.4	<ul style="list-style-type: none"> Overdependence on a few sectors, regional imbalance, and fiscal strain from subsidies
	 Finance and credit accessibility Relevant government schemes and insurance	5	1.7	<ul style="list-style-type: none"> Low global market diversification, skill gaps, and limited technology adoption among smaller enterprises
	 MSME ecosystem Assess growth and export contribution by MSMEs	10	4.0	
	 Industrial and innovation environment Infrastructure maturity	5	2.1	
3  Policy and Governance	 State policy support and governance State's export initiatives, digital first policies and ease of export documentation	15	13.0	<ul style="list-style-type: none"> The absence of an export-specific policy limits Haryana's ability to provide targeted support and direction for exporters
	 Regulatory environment and compliance Quality standards and certifications, IEC, data readiness	5	3.7	<ul style="list-style-type: none"> A lack of trade fairs reduces opportunities for Haryana's exporters to access markets and build global linkages
4  Export Performance	 State level exports and trends Export trends, growth in exporter base	5	3.8	<ul style="list-style-type: none"> Exports remain concentrated in a few sectors, with limited diversification and weaker penetration in emerging global markets
	 Export promotion and facilitation Government infrastructure and digital maturity	5	1.5	<ul style="list-style-type: none"> Export promotion framework is strong but lacks widespread digital adoption and last-mile facilitation
	 Export portfolio and market access Export destinations and key export commodities	10	6.4	

SWOT Analysis



Strengths

Haryana is a major industrial and export hub, driven by strong infrastructure, a strategic location, and vibrant sectoral clusters. It hosts leading manufacturing centers for automobiles and auto components (Gurugram, Manesar, Faridabad), textiles (Panipat), and electronics (Gurugram), forming a solid foundation for export-led growth. With over 160 Industrial Training Institutes (itis) and numerous engineering colleges, Haryana ranks among the top states in technical education, supplying a skilled workforce. The state has consistently ranked high in national Ease of Doing Business rankings, supported by investor-friendly policies and streamlined approval mechanisms. In FY24, Haryana achieved merchandise exports of approximately ₹1.5 lakh crore, making it India's 7th largest exporting state. Its well-developed road network of over 26,000 km, including expressways like KMP, KGP, and the Delhi-Mumbai Expressway, ensures efficient connectivity. Proximity to ports via the Western Dedicated Freight Corridor further enhances logistics efficiency, enabling faster and more cost-effective exports.

Weaknesses

Haryana's export ecosystem is marked by regional imbalance - Gurugram, Karnal, and Faridabad together account for 64% of the state's exports. Northern and western parts of the state remain industrially underdeveloped, leading to unequal economic growth and employment distribution. Despite a robust manufacturing base, the export-to-GSDP ratio was only about 13% in FY24, trailing states like Gujarat and Maharashtra. Haryana's export basket also lacks diversification, with limited presence in high-tech or innovation-driven sectors. Much of its manufacturing output caters to the domestic market. These structural gaps highlight the need for targeted policies to spread industrial development, diversify the export base, and boost high-value, technology-intensive exports.

Opportunities

Haryana has significant potential to expand exports in emerging and value-added sectors. The Haryana Electric Vehicle Policy 2022, offering subsidies, tax incentives, and dedicated EV parks, positions the state to become a key global player in EV and green mobility exports. Its strategic location and technical workforce further support this opportunity. The state's strong

agricultural base also presents export potential through food processing. By transforming produce such as wheat, fruits, and dairy into value-added products like juices and ready-to-eat meals, Haryana can tap into growing global demand. Infrastructure like Mega Food Parks and cold chain incentives bolster this potential. Additionally, the One District One Product (ODOP) initiative, combined with schemes like PMFME, can help scale niche exports through district-focused development, improved market linkages, and targeted capacity building. In Addition, the state can leverage its industrial strength and NCR proximity to develop integrated digital export facilitation systems. State and district-level digital platforms with real-time trade data, e-certification, and customs support can especially benefit MSMEs and first-time exporters. Partnerships with DGFT, FIEO, and Invest India can streamline compliance through integration with national digital trade platforms.

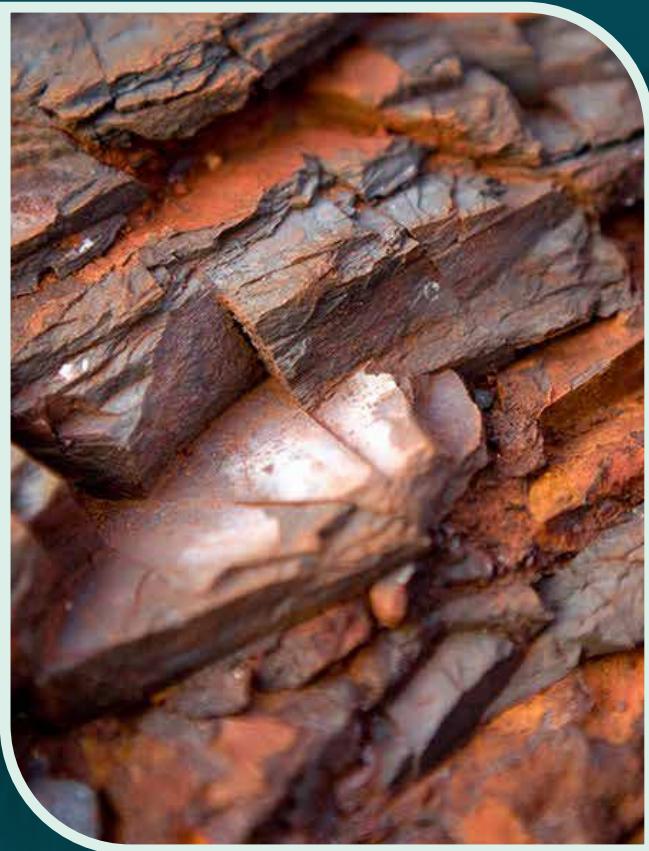
Threats

Haryana's export resilience is challenged by overdependence on a limited set of markets primarily the U.S., UAE, and Europe, exposing it to external shocks from geopolitical tensions or trade policy changes. Chronic air pollution in industrial hubs like Gurugram, Faridabad, and Panipat threatens sustainable industrial growth. Regulatory shutdowns under GRAP disrupt operations, raise compliance costs, and strain MSMEs, while deteriorating air quality affects workforce productivity. Environmental concerns could also restrict market access, as global buyers prioritize ESG-compliant sourcing. Severe groundwater depletion and over-extraction, particularly in industrial hubs like Gurugram, threaten the long-term sustainability of manufacturing activity. Rising water stress increases regulatory risks and may disrupt production critical to merchandise exports.

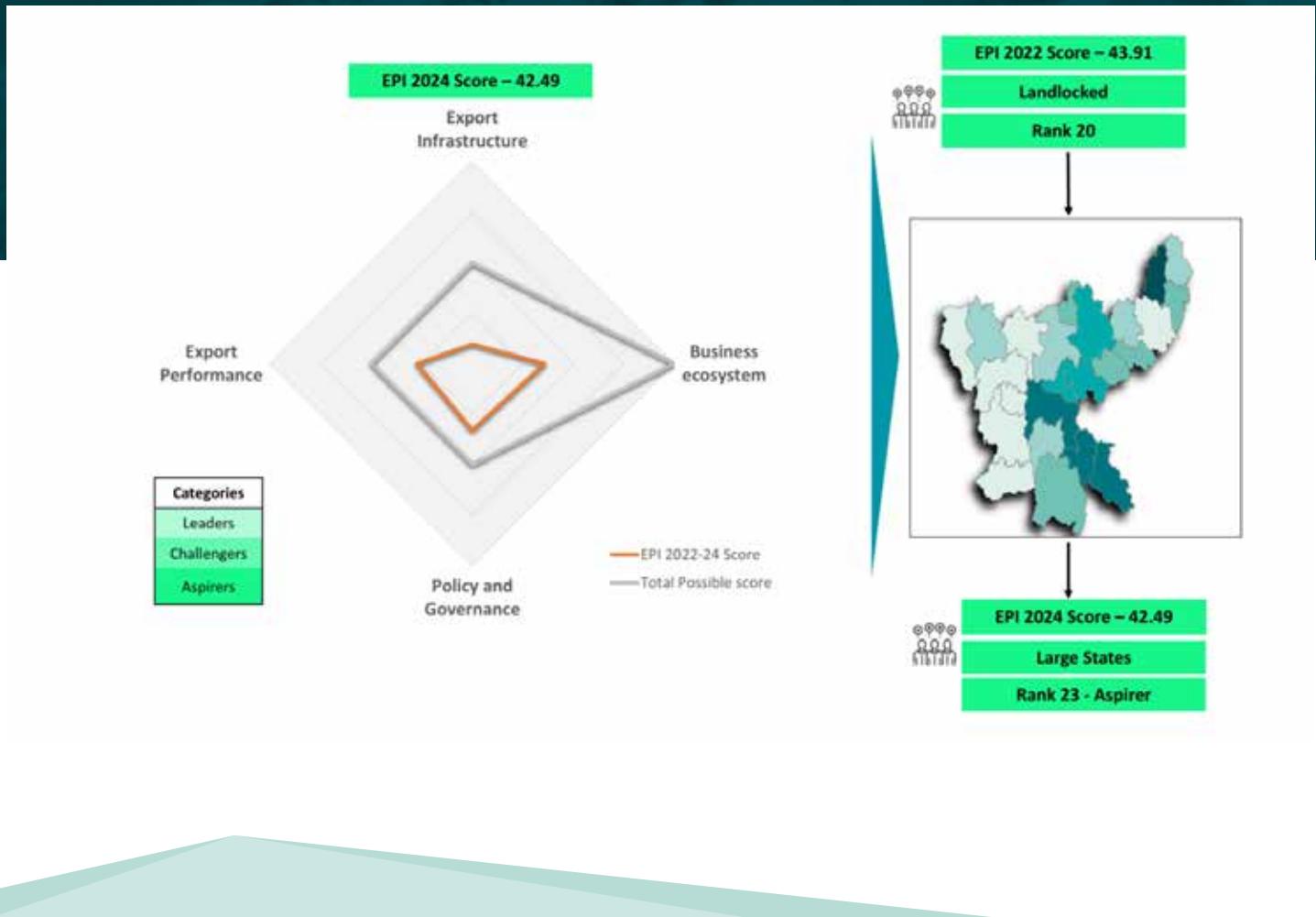
Strategic Roadmap – Focus Areas

Considering global consumption trends and existing strengths, Haryana should direct efforts toward:

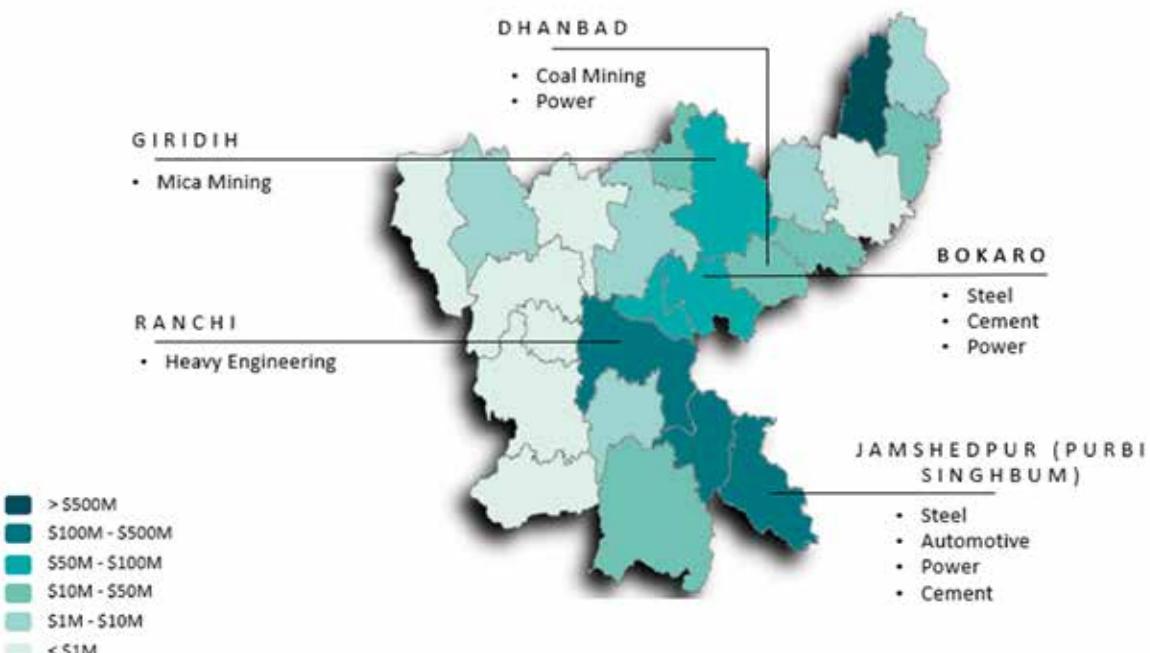




Jharkhand



5.1.6 Jharkhand



Introduction

Jharkhand is a major state in eastern India and known for its dense forests, rich cultural heritage and a growing economy. Forests and woodlands occupy more than 29% of the state which is amongst the highest in India. Jharkhand, one of the richest mineral zones globally, holds 40% of India's total mineral reserves and 29% of its coal reserves, making mining and mineral extraction its dominant industries. The state is uniquely endowed with resources like coking coal, uranium, and pyrite, alongside significant reserves of iron ore, copper, mica, and bauxite. With a mineral production of 138.2 million tons in FY23, Jharkhand plays a pivotal role in

India's resource-based economy. The state achieved a GSDP of ₹5.06 lakh crore in FY24, reflecting an impressive 8% growth over the past two years.³⁶

Jharkhand's MSME sector witnessed an extraordinary 156% growth in FY24, highlighting its critical role in driving GDP and exports. With abundant natural resources and a strategic focus on industrializing rural areas, the state offers immense potential for establishing mineral-based industries. Jharkhand's export performance underscores its economic strength with exports reaching ₹15,899 crore in FY24. The state is a dominant player in the production of Tussar silk, contributing 76.4% of India's total output, and has a strong export profile in iron, steel, and auto parts. Iron and steel products accounted for 30% of Jharkhand's total exports in FY24, reflecting the state's crucial role in India's industrial and export economy.^{37, 38, 39}

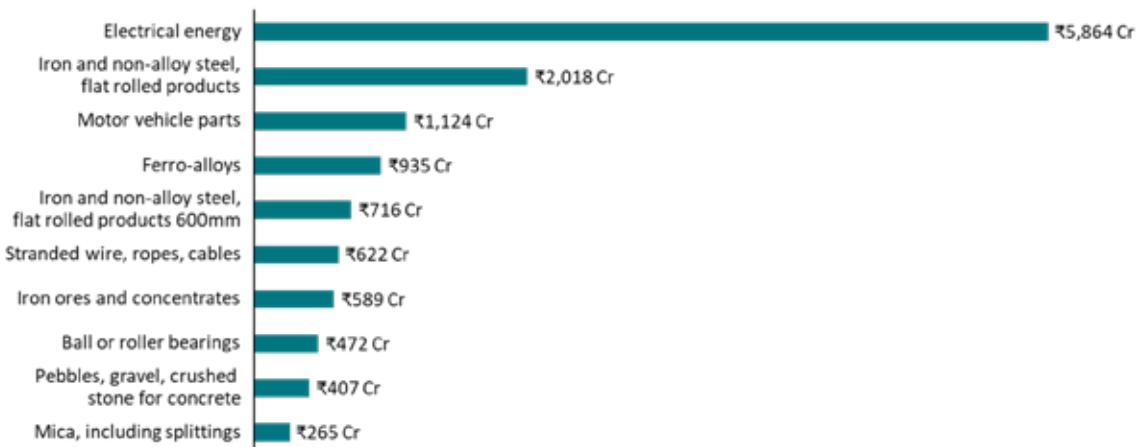
Despite its impressive economic growth, Jharkhand still faces challenges with one of the lowest per capita incomes in India, highlighting the need for more equitable income distribution and improved living standards for its residents. The state's economic progress has also been hindered by the COVID-19 pandemic, which disrupted supply chains and led to a sharp decline in demand. Industries such as construction, mining, tourism, and engineering were hit hard, contributing to a significant 43% drop in exports.^{40, 41, 42}

Jharkhand's MSME Promotion Policy 2023 is a strategic initiative aimed at accelerating the growth of micro, small, and medium enterprises, unlocking significant employment potential within the state. The policy focuses on modernizing and upgrading technology, providing essential common facilities, and enhancing product design and marketing capabilities. By offering both financial and non-financial incentives, the policy strives to make Jharkhand's MSMEs globally competitive, ensuring their products are both innovative and commercially viable. The Jharkhand Export Policy 2023 aims to propel the state's export growth and increase its share in India's total exports to 5% by 2028. The policy focuses on creating a proactive institutional mechanism, implementing effective export promotional strategies, and enhancing infrastructure like high-speed internet and seamless transport systems for consignment movement. These initiatives are designed to empower Jharkhand's industries, including MSMEs, to access global markets efficiently and competitively, fostering long-term economic growth and sustainability.^{43, 44}

³⁶ IBEF
³⁷ Ministry of MSME
³⁸ NIRYAT (National Import-Export Record for Yearly Analysis of Trade)
³⁹ Department of Industries - Jharkhand
⁴⁰ Department of Industries - Jharkhand
⁴¹ Jharkhand Industrial and Investment Policy 2021
⁴² NIRYAT (National Import-Export Record for Yearly Analysis of Trade)
⁴³ MSME Policy of Jharkhand 2023
⁴⁴ Export Policy of Jharkhand 2023

Export Statistics

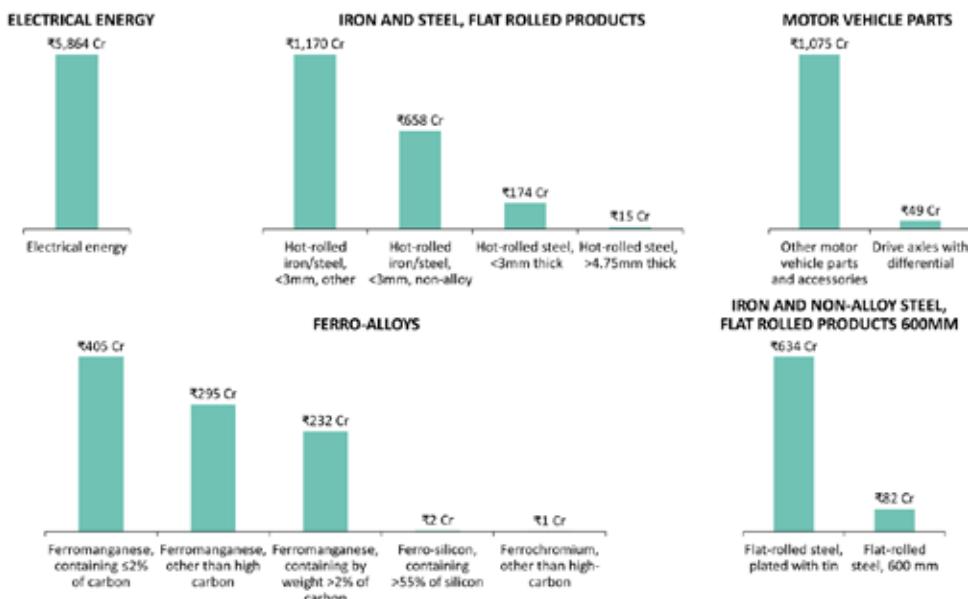
TOP 10 HS4 COMMODITIES EXPORTED BY JHARKHAND IN FY24



Source: Ministry of Commerce and Industry

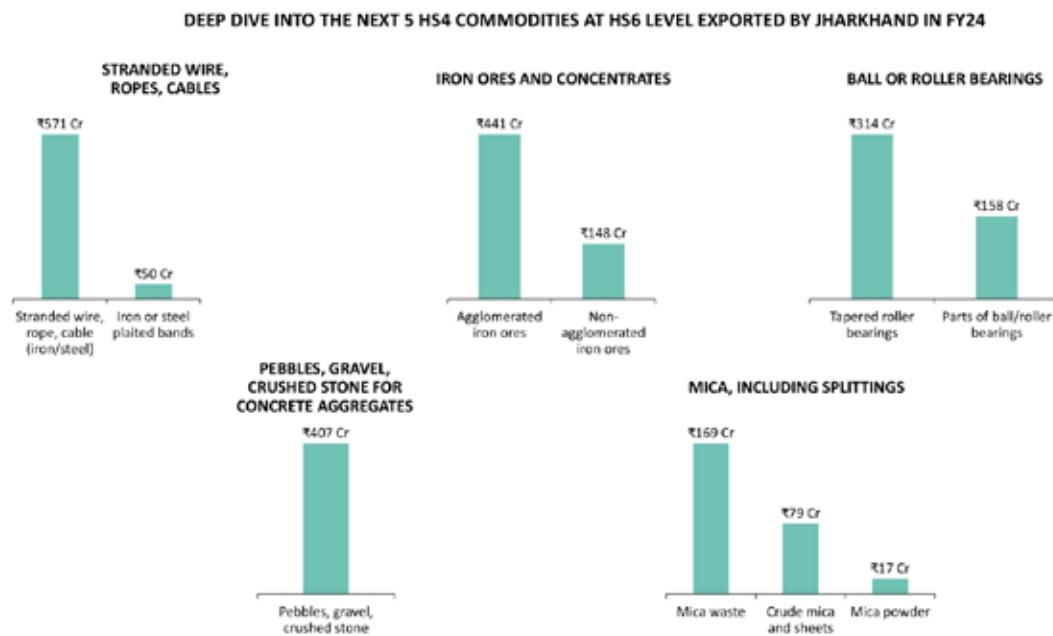
In FY24, Jharkhand's export landscape, while modest in value, was characterized by a strong concentration in industrial commodities, particularly iron and steel-related products. The top ten exported product groups included electrical energy, various categories of flat-rolled iron and non-alloy steel, motor vehicle parts, ferro-alloys, and iron ores and concentrates. Other significant exports were stranded wire and steel cables, ball and roller bearings, crushed stone for construction use, and different forms of mica. Though electrical energy is not classified as a merchandise good, it still features in the state's outward flow, underlining the integrated industrial and energy base of Jharkhand. Overall, despite the limited size of its exports, the state's outbound trade reflects its deep-rooted industrial capabilities, especially its reliance on the iron and steel value chain.

DEEP DIVE INTO THE TOP 5 HS4 COMMODITIES AT HS6 LEVEL EXPORTED BY JHARKHAND IN FY24



Source: Ministry of Commerce and Industry

A detailed view of the top five export categories highlights Jharkhand's strength in primary and intermediate industrial products. Electrical energy exports, while not traditional merchandise, suggest surplus generation capacity and cross-border grid connectivity. The flat-rolled iron and non-alloy steel segment consists mainly of hot-rolled products under 3mm thickness and thicker grades used in construction and manufacturing indicative of the state's large-scale steel production facilities. Motor vehicle parts exports include drive axles with differentials and a wide range of accessories, possibly reflecting ancillary units near industrial clusters like Jamshedpur. In ferro-alloys, Jharkhand exported various grades of ferromanganese, ferrosilicon, and ferrochromium, leveraging its access to manganese and other minerals as well as established smelting infrastructure. The fifth key category, iron and non-alloy steel products of width 600mm or more, included items like tin-plated and uncoated flat-rolled steel, showcasing the state's metallurgical processing depth.



Source: Ministry of Commerce and Industry

The next five categories also emphasize Jharkhand's industrial fabric and mineral resources. Stranded wire, ropes, and steel cables reflect downstream applications of its steel industry, catering to infrastructure and transport sectors. In the iron ores segment, both agglomerated and non-agglomerated forms were exported, highlighting Jharkhand's mining strength and access to rich ore belts. Ball and roller bearings, including tapered variants and their parts, point to precision engineering capabilities linked to the automobile and machinery sectors. Construction-grade stone such as pebbles and crushed aggregates, originates from the state's mineral-rich terrain and supports regional infrastructure demand. Lastly, mica exports in the form of crude sheets, waste, and powder underscore Jharkhand's historical prominence in the global mica trade. While the overall export volumes remain modest, the mix of energy, metallurgy, automotive components, and mined materials paints a picture of an industrially anchored but under-leveraged export base.

Success Stories



EPI 2024-Results and Conclusions

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
1 Export Infrastructure	Utilities State's power and water availability	10	3.1	<ul style="list-style-type: none"> • Limited logistics infrastructure leads to longer transit times and increased handling costs
	Logistics State's transportation networks, freight connectivity and storage capacity	10	0.9	

Pillar	Sub - Pillar	Total Score	Score	Key Insights/ Imperatives
2 Business Ecosystem	Macroeconomy Evaluate economic output, manufacturing share and fiscal deficit	10	4.5	
	Cost competitiveness Benchmarking cost of labour, water and power	5	2.3	
	Human capital Understand education & employment parameters	5	3.7	<ul style="list-style-type: none"> • Skilled workforce shortage due to weak higher education, low employability, and limited vocational training
	Finance and credit accessibility Relevant government schemes and insurance	5	0.4	
	MSME ecosystem Assess growth and export contribution by MSMEs	10	0.8	
	Industrial and innovation environment Infrastructure maturity	5	2.6	<ul style="list-style-type: none"> • MSMEs have growth potential but lag in export contribution, credit access, and institutional support

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
3  Policy and Governance	 State policy support and governance State's export initiatives, digital first policies and ease of export documentation	15	10.7	<ul style="list-style-type: none"> The absence of state-led marketing initiatives and policy interventions limits Jharkhand's export visibility and promotion Low compliance with quality standards and certifications among manufacturers constrains access to regulated global markets
	 Regulatory environment and compliance Quality standards and certifications, IEC, data readiness	5	2.5	
4  Export Performance	 State level exports and trends Export trends, growth in exporter base	5	3.8	<ul style="list-style-type: none"> Lack of district-level export plans limits local product promotion and regional economic growth Jharkhand's over-reliance on a narrow set of export destinations exposes it to market-specific risks and demand fluctuations
	 Export promotion and facilitation Government infrastructure and digital maturity	5	1.7	
	 Export portfolio and market access Export destinations and key export commodities	10	5.5	

SWOT Analysis

Strengths				Weaknesses						
				Growing industrial base	Rich natural resources & agro-products	Abundant mineral resources	Skilled manpower - trade	Limited value-added exports	Power shortages	Export readiness gaps
				Value added products – ferrous and non-ferrous alloys	Potential in agri-processing	Downstream steel diversification	Textile & apparel industry development	Global commodity price fluctuations	Competition with other states	International market pressure
Opportunities				Threats						

Strengths

Jharkhand possesses a growing and diversified industrial base with strong representation in steel, heavy engineering, automotive components, chemicals, and textiles. Industrial clusters such as Jamshedpur, Bokaro, and Ranchi host large-scale units alongside MSMEs, creating an integrated supply chain environment. The state is also richly endowed with natural resources and Agri-products, including lac, silk, maize, pulses and horticultural produce, giving it a broad product base for both domestic consumption and exports. Jharkhand's mineral wealth, comprising significant reserves of coal, iron ore, bauxite, and mica, forms the backbone of its manufacturing sector and provides the raw material base for industries with export potential. Moreover, the availability of skilled manpower in trades such as welding, fabrication, machinery operation, and maintenance contributes to higher productivity levels and positions the state to attract more manufacturing and processing investments.

Weaknesses

While resource-rich, Jharkhand's export basket remains concentrated in low value-added commodities, limiting its ability to capture higher margins and compete in sophisticated global markets. The state's industrial sector is periodically hampered by power shortages, particularly in smaller industrial areas, which increases production uncertainty and reduces competitiveness for time-sensitive export orders. Export readiness gaps are evident in areas such as product certification, packaging standards, branding initiatives, and participation in international trade fairs, factors that restrict the visibility of Jharkhand's products in global value chains. Limited logistics connectivity to major ports further adds to transit times and costs, particularly for perishable and high-value goods.

Opportunities

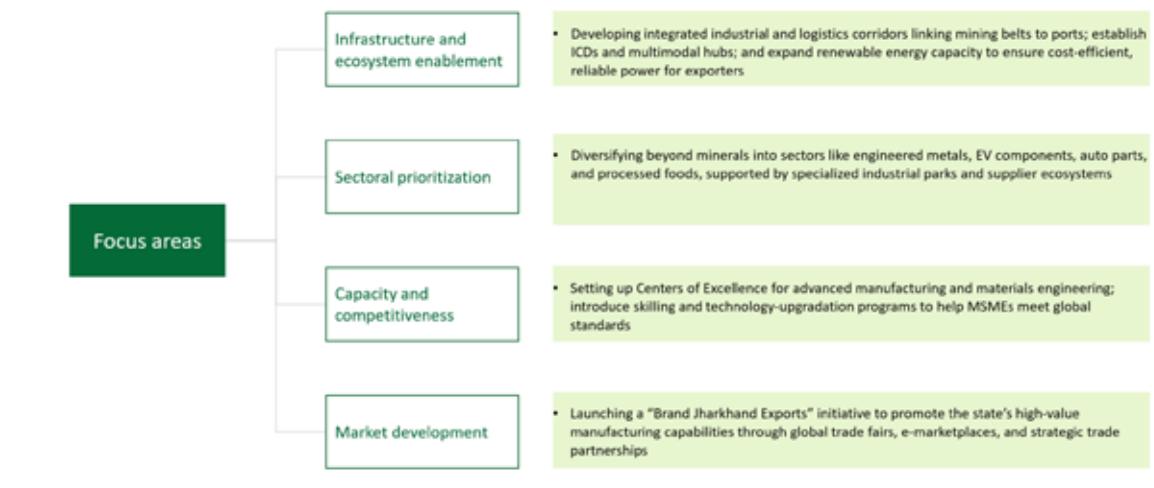
Jharkhand stands to benefit, as multinational companies seek new sourcing and manufacturing destinations to diversify their supply chains. With its mineral wealth, established industrial hubs, and competitive labor costs, Jharkhand is well-positioned to attract export-oriented investments. Beyond its mineral strengths, the state has untapped potential in Agri-processing, particularly in processing lac, tamarind, fruits, and spices, which can open new value-added export avenues. There is also significant scope for downstream steel diversification, enabling the production of high-value products such as automotive steel, specialty alloys, and fabricated components for global markets. Additionally, the textile and apparel industry present an emerging growth sector, supported by the availability of raw materials like silk and cotton, which can be harnessed through skill development and investment in modern manufacturing facilities.

Threats

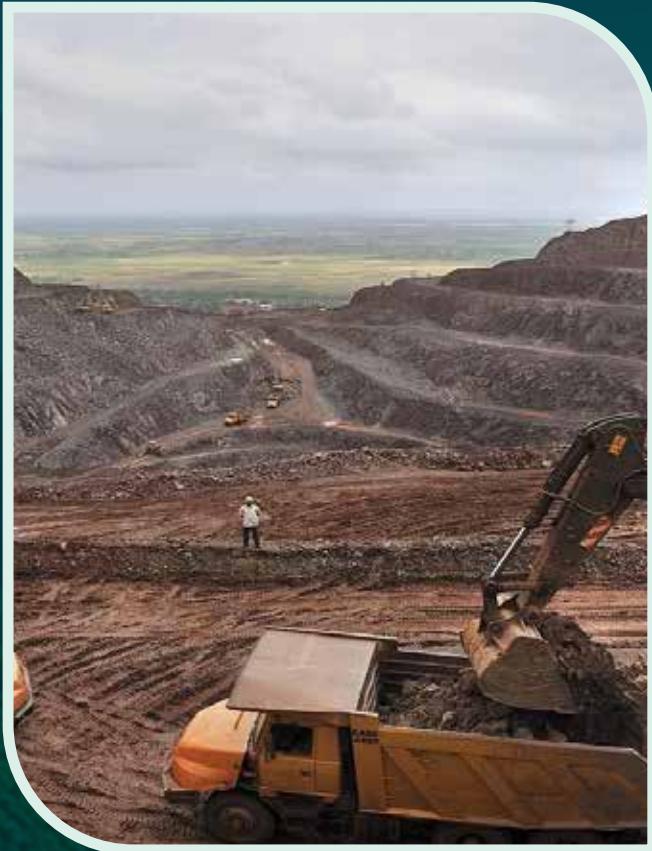
Jharkhand's heavy reliance on minerals and metals such as iron ore, coal, and mica create structural vulnerability to global commodity price cycles, where downturns can quickly erode export revenues and destabilize mining-dependent regions. At the same time, the state is under competitive pressure from other mineral-rich and industrially advanced states, which are leveraging superior infrastructure, sector-specific incentives, and aggressive investment promotion to capture industries such as steel, textiles, and Agri-processing. On the international front, shifting trade dynamics are raising entry barriers, with buyers demanding stricter quality standards, low-carbon production, and full supply-chain transparency.

Strategic Roadmap – Focus Areas

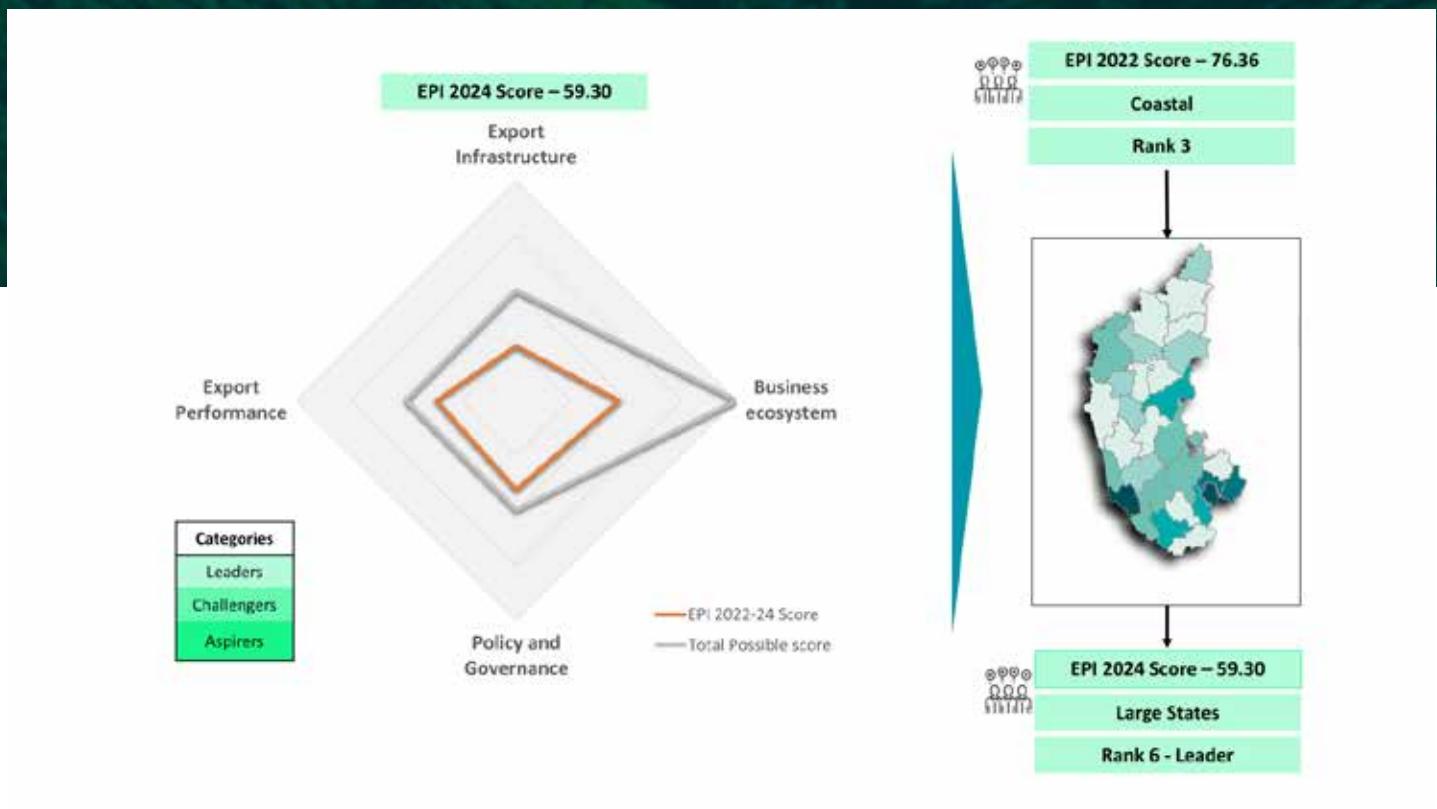
Considering global consumption trends and existing strengths, Jharkhand should direct efforts toward:



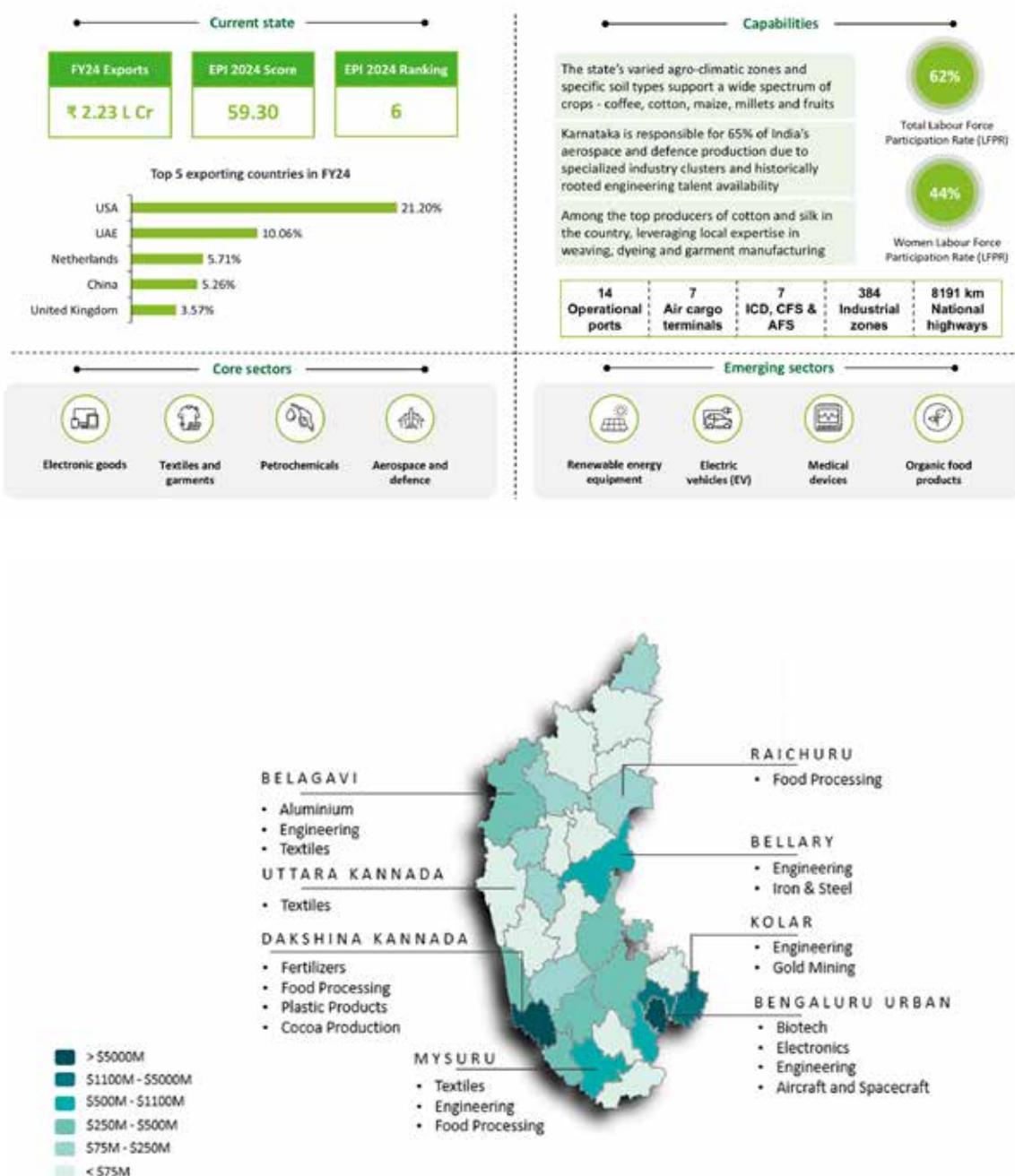




Karnataka



5.1.7 Karnataka



Introduction

Karnataka, located in the Southwestern region of India, plays a significant role in India's industrial and economic landscape. With a GSDP of over ₹22.9 lakh crore (FY24), it remains a major contributor to India's GDP and has a prominent role in export activities. Karnataka's export portfolio is diverse, with major commodities including IT and software services, mineral oils, machinery and equipment, pharmaceuticals as well as ready-made garments. In FY24, the state's exports were valued at ₹2.2 lakh crore.^{45, 46}

Karnataka boasts a robust road infrastructure that ensures seamless connectivity across the state and with neighboring regions, facilitating efficient trade logistics. The Kempegowda International Airport in Bengaluru and the New Mangalore Port serve as vital gateways for exports, significantly enhancing the state's global trade capabilities. Furthermore, Karnataka stands out as a consistent leader in service exports, driven by its globally recognized IT and software industries that contribute over 41% of India's total services exports. Karnataka is well-positioned to capitalize on several emerging trends and global demands in the export sector. The state's expertise in advanced technologies such as artificial intelligence, the Internet of Things (IoT) and robotics aligns with the growing global demand for innovation.^{47, 48, 49, 50}

In FY23, the state experienced a 7% growth in exports compared to the previous year, reflecting a positive performance and increased demand. However, in FY24, this momentum reversed, with exports declining by approximately 4%. Karnataka's contribution to merchandise exports stands at 6%, indicating an opportunity to strengthen its presence in this area.^{51, 52}

Karnataka is actively exploring new opportunities to enhance its export potential. The state aims to leverage bilateral trade opportunities, identify international trade events, and organize buyer-seller meets to promote its products. By engaging with 28 Indian consulates across regions like Europe, North America, South America, Southeast Asia and Australia, Karnataka seeks to expand its global footprint. Karnataka's Industrial Policy 2020-25 offers a strong foundation to boost exports by fostering a favorable environment for industries to grow and compete globally. The policy emphasizes infrastructure development, such as establishing export hubs and strengthening logistics, which can streamline supply chains and reduce costs for exporters. Financial incentives such as subsidies, tax exemptions and grants for R&D further attract investment in export-driven industries.^{53, 54}

Export Statistics

TOP 10 HS4 COMMODITIES EXPORTED BY KARNATAKA IN FY24



Source: Ministry of Commerce and Industry

47 Government of Karnataka

48 FICCI (Federation of Indian Chambers of Commerce & Industry)

49 Ministry of Micro, Small & Medium Enterprises-MSME PIB

50 MoRTH Annual Report 2023-24

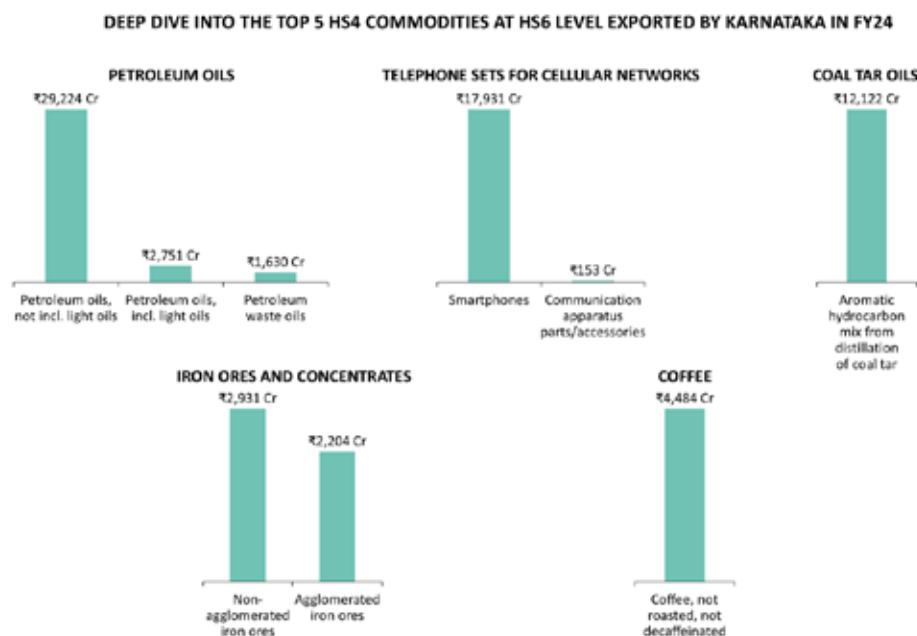
51 FICCI (Federation of Indian Chambers of Commerce & Industry)

52 NIRYAT (National Import-Export Record for Yearly Analysis of Trade)

53 FICCI (Federation of Indian Chambers of Commerce & Industry)

54 Karnataka Industrial Policy 2020-2025

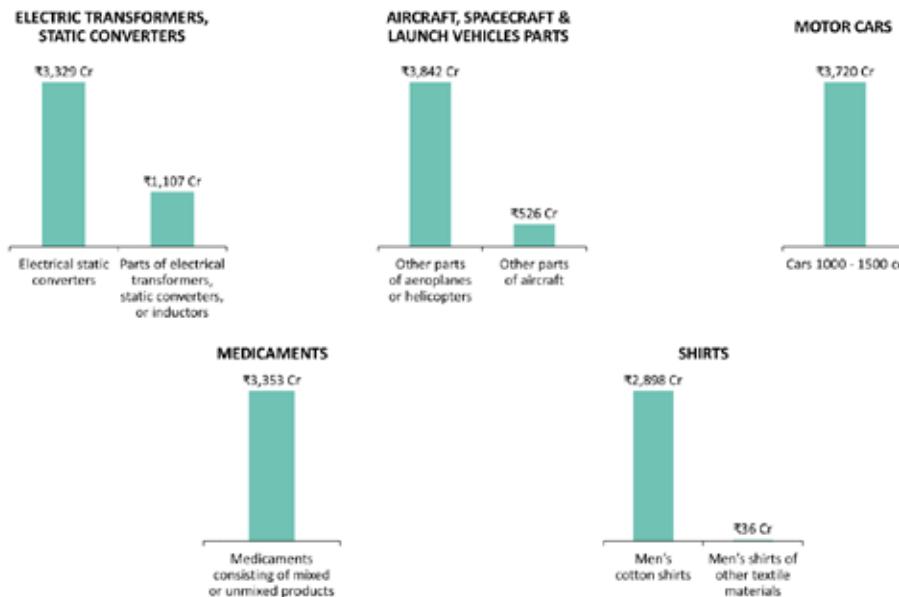
Karnataka's export profile reveals a robust industrial ecosystem driven by energy, electronics, natural resources, and high-tech manufacturing. Petroleum oils stand out as the state's top export, indicating the strength of its refining capabilities. This is followed closely by high-value electronic goods particularly smartphones and telecom equipment signaling Karnataka's role in India's growing electronics and semiconductor ambitions. Commodities like coal tar oils and iron ore point to the state's natural resource wealth, while coffee exports reinforce its prominence in agri-based exports. Overall, Karnataka exhibits a healthy mix of traditional strengths and modern industrial capabilities, suggesting strong potential to move up the value chain across multiple sectors.



Source: Ministry of Commerce and Industry

The top five HS4 commodities petroleum oils, telecom equipment, coal tar oils, iron ores, and coffee highlight the dual nature of Karnataka's export engine: resource-rich sectors and high-tech manufacturing. Petroleum exports dominate, driven primarily by heavy and light oils, with scope for further refining efficiency and integration with global fuel demand. Telecom equipment, especially smartphones, represents a fast-growing strength, supported by electronics manufacturing clusters around Bengaluru and underpinned by strong policy support. Coal tar derivatives, largely used in industrial processes, offer room for diversification into higher-end chemicals. Iron ore exports underline Karnataka's mining advantage, though greater focus on value-added steel products could enhance returns. Coffee exports, already globally reputed, can be leveraged further through branding, specialty varieties, and sustainable sourcing initiatives.

DEEP DIVE INTO THE NEXT 5 HS4 COMMODITIES AT HS6 LEVEL EXPORTED BY KARNATAKA IN FY24



Source: Ministry of Commerce and Industry

The next five commodities electric transformers, aerospace parts, motor cars, pharmaceuticals, and shirts showcase Karnataka's potential in complex manufacturing and value-added goods. Electrical converters and components underscore a thriving electronics and power equipment sector. Aerospace parts, primarily from Bengaluru's aerospace corridor, reflect deep capabilities in precision manufacturing and are ripe for global supply chain integration. Exports of cars and medicaments show that Karnataka's automotive and pharma industries are scaling effectively, though further investment in R&D and design capabilities could unlock greater competitiveness. Apparel, especially men's shirts, rounds off the top 10 and indicates the presence of a labor-intensive sector that could be upgraded with focus on design, branding, and sustainable practices. These sectors, collectively, offer Karnataka a pathway to deepen and diversify its export footprint.

Success Stories

Success Story – Short-term intensive export management training program

Problem	Success Story – Short-term intensive export management training program				
Solution					
Impact					
1	Small and medium enterprises (SMEs) and individual entrepreneurs lack the necessary expertise in export procedures and international market requirements	2	Many businesses find it difficult to navigate complex regulations, logistics, customs clearance, and compliance standards involved in exporting without proper training	3	Businesses struggle to identify and penetrate international markets due to inadequate understanding of market trends, demand, pricing strategies, and competition
	Export management training program		Focused, short-term courses on export documentation, customs procedures, trade finance and international marketing		Equip participants with skills to handle export operations effectively, like market research, logistics, and risk management
	▶ Businesses and entrepreneurs who complete the training demonstrate improved ability to manage export processes, leading to more successful export transactions		▶ Karnataka's overall exports increased by 36% in FY22, compared to the previous year, marking a record growth in exports		▶ Trained exporters diversified their customer base beyond traditional markets, expanding into newer regions
				▶ Contributed to Karnataka's economy by boosting foreign exchange earnings, employment generation in export-related sectors, and fostering entrepreneurship	

EPI 2024-Results and Conclusions

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
1  Export Infrastructure	 Utilities State's power and water availability	10	5.8	<ul style="list-style-type: none"> Severe groundwater stress is eventually hampering water-dependent industries, reducing productivity and weakening export competitiveness. Urban-focused cold storage leaves producing regions under-served, leading to losses, quality issues, and reduced export shelf life.
2  Business Ecosystem	 Macroeconomy Evaluate economic output, manufacturing share and fiscal deficit	10	4.6	
	 Cost competitiveness Benchmarking cost of labour, water and power	5	2.0	
	 Human capital Understand education & employment parameters	5	2.8	<ul style="list-style-type: none"> Cost base is weighed down by high industrial power tariffs and rising labor costs
	 Finance and credit accessibility Relevant government schemes and insurance	5	3.5	<ul style="list-style-type: none"> MSME ecosystem is strong, but high costs and weak rural penetration limit broader growth
	 MSME ecosystem Assess growth and export contribution by MSMEs	10	2.0	
	 Industrial and innovation environment Infrastructure maturity	5	3.9	
3  Policy and Governance	 State policy support and governance State's export initiatives, digital first policies and ease of export documentation	15	13.3	<ul style="list-style-type: none"> Strong policies but still face delays, limited MSME awareness, and uneven implementation across districts
	 Regulatory environment and compliance Quality standards and certifications, IEC, data readiness	5	2.9	<ul style="list-style-type: none"> Regulatory framework faces gaps in SME awareness, procedural delays, and complexity for new exporters

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
4  Export Performance	 State level exports and trends. Export trends, growth in exporter base	5	3.7	
	 Export promotion and facilitation. Government infrastructure and digital maturity	5	4.9	<ul style="list-style-type: none"> Average growth of Karnataka's exporter base signals scope to expand new exporters. Despite strong production potential, lower share of primary goods exports limits its ability to leverage resource strengths for global markets.
	 Export portfolio and market access. Export destinations and key export commodities	10	5.8	

SWOT Analysis

Strengths	Weaknesses		
 Diverse and advanced manufacturing base	 Established core infrastructure in key hubs	 Rich talent pool	 Strong export performance
		 COST	 Contribution from manufacturing in GSDP
Opportunities			Threats
 Alignment with India's sunrise sectors	 Digital ecosystem for exporters	 China+1	 Increased participation of start-ups in Exports
		 Limited export market diversification	 Evolving tariff scenario
			 Increased focus on services exports

Strengths

Karnataka's diverse and technologically advanced manufacturing base is a key driver of its strong export performance. The state excels in high-value sectors like aerospace, defense, electronics, auto components, biotechnology, and engineering. Its export hubs benefit from seamless connectivity through highways, railways, airports and ports, alongside modern logistics and customs facilities that boost efficiency. The state is also a home to top-tier research institutes and a deep talent pool, with over 200 engineering colleges and numerous R&D centers supplying skilled manpower to high-tech and export-oriented sectors. In FY24, the state's merchandise exports reached approximately ₹2.5 lakh crore, reinforced by Special Economic Zones (SEZs), industrial parks, and startup support, cementing Karnataka's position as a top export hub in India.

Weaknesses

Karnataka's export competitiveness faces significant challenges due to high operational costs including labor wages, real estate, and energy particularly in cities like Bengaluru. These costs strain SMEs, reduce price competitiveness in global markets, and deter new investments compared to lower-cost regions. Moreover, despite the state's strong industrial capabilities, manufacturing contributes only about 12.5% to the Gross State Domestic Product (GSDP), highlighting an under-leveraged sector with considerable scope for expansion. This relatively modest share indicates that the state's economic growth is still heavily dependent on services, leaving manufacturing-driven exports underdeveloped. Additionally, Karnataka's exports are heavily concentrated in a few districts such as Bengaluru, Mysuru and Tumakuru, leading to uneven regional development and limiting growth elsewhere. This concentration increases vulnerability to localized disruptions and underuses the state's broader resources and workforce, making it vital to expand export activities beyond these hubs for more balanced and sustainable growth.

Opportunities

Karnataka presents strong opportunities to expand its export sector by aligning with India's sunrise industries such as electronics, electric vehicles, aerospace, biotechnology, and renewable energy. These sectors are supported by forward looking policies like the Karnataka Electric Vehicle and Energy Storage Policy and the development of biotech clusters in Bengaluru, underpinned by strong R&D capabilities and a skilled talent pool. The state also leverages digital initiatives such as the AI-powered Single Window System and SME Connect portal to simplify approvals and strengthen exporter-buyer linkages, thereby enhancing market access and ease of doing business. The evolving global "China +1" strategy where companies diversify their supply chains away from over-reliance on China creates a significant opening for Karnataka to position itself as a preferred alternative manufacturing and export hub. By leveraging its advanced industrial infrastructure, skilled manpower, and business-friendly reforms, the state can attract new investments from global manufacturers seeking supply chain resilience. Additionally, through the Global Innovation Alliance - Market Access Program (GIA-MAP), around 40 startups have already entered global markets such as the UAE, Singapore, Australia, and Belgium by connecting with foreign investors and partners. To accelerate this momentum, the state has committed ₹66.9 crore to startup programs like Elevate Kalyana Karnataka and Elevate Unnati, offering financial assistance, mentorship, and infrastructure to nurture export-ready enterprises.

Threats

Karnataka's limited export market diversification poses a risk across multiple sectors including pharmaceuticals, aerospace, and textiles. These sectors depend heavily on a few established markets like the U.S.A and UAE with 30% of market exports which leads to vulnerabilities like demand fluctuations, regulatory changes, and geopolitical tensions in those regions. Geopolitical tensions have also raised freight costs and disrupted shipping, affecting exports of auto parts, aerospace, and iron castings. Sectors like IT, biotech, and pharma are similarly impacted by tariff uncertainties, complicating long-term planning. Karnataka's exports are heavily service driven, with IT alone contributing ₹4.1 lakh crore in FY24. This dominance reflects a workforce preference for IT jobs, making manufacturing contributing just 12.5% to GSDP less attractive and underutilized in the state's export growth.

Strategic Roadmap – Focus Areas

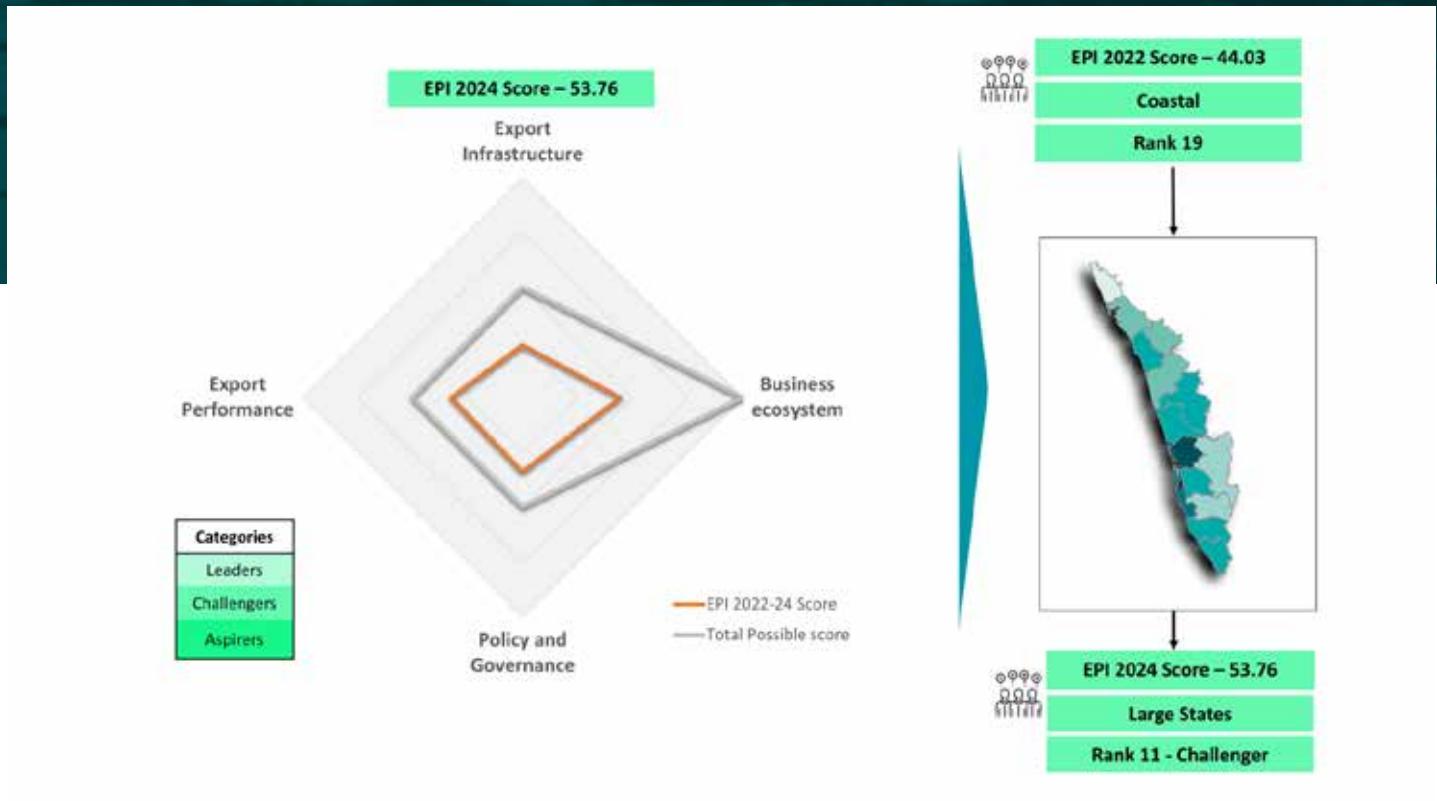
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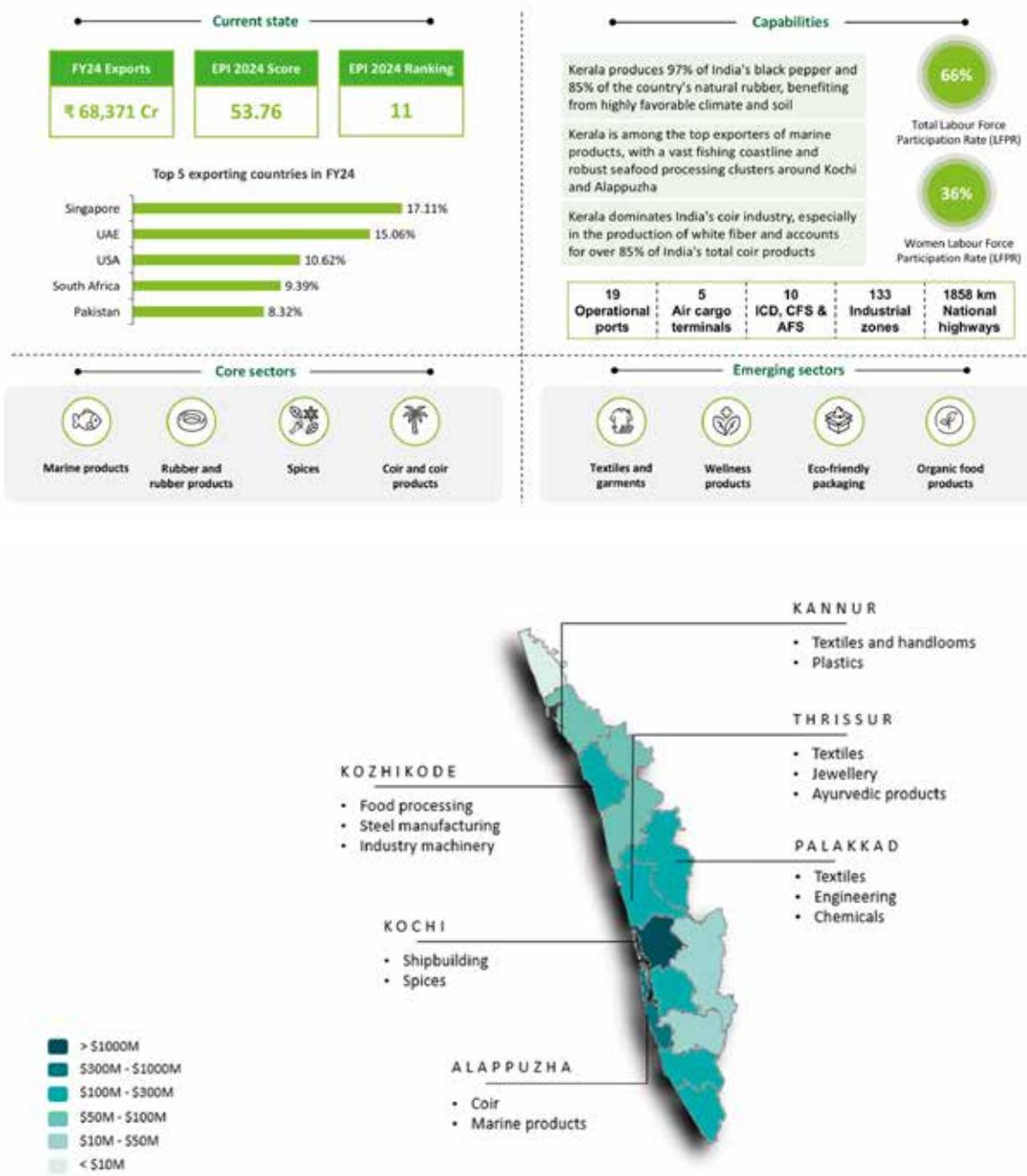




Kerala



5.1.8 Kerala



Introduction

Situated in the west coast, Kerala's geographical location along the Arabian Sea has historically facilitated trade and cultural exchanges. The state has achieved remarkable indicators in healthcare and education, reflected in its high Human Development Index rankings, low infant mortality rates, and increased life expectancy. In FY24, Kerala achieved a GSDP of ₹11.1 lakh crore. In this financial year, Kerala also experienced a remarkable year on year export growth rate of 86.9%, with total exports valued at ₹68,375 crore. This surge highlights the state's increasing competitiveness in global markets. Additionally, the MSME sector has

seen substantial growth, with an increase of 97.7% in FY24 over FY23, indicating a thriving entrepreneurial ecosystem.^{55, 56, 57}

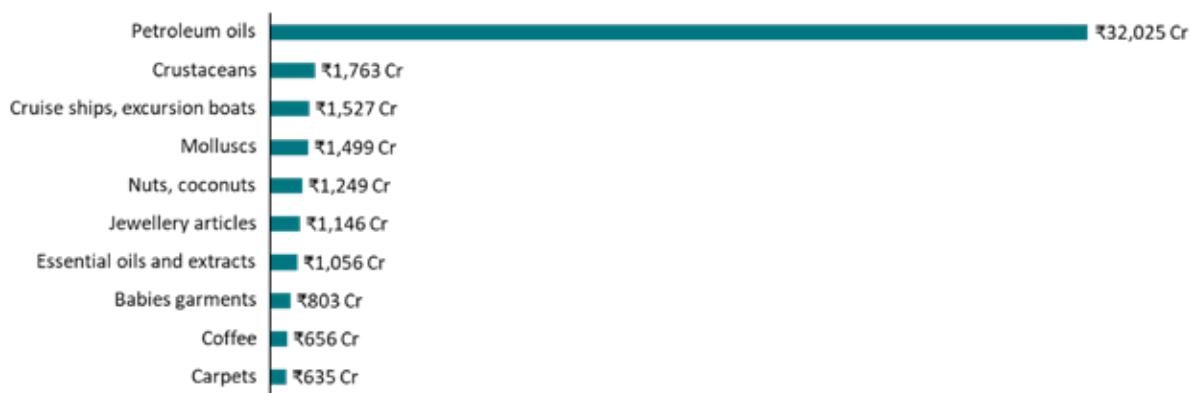
Kerala's export profile spans sectors including petroleum products, spices, marine products, coir and information technology. Kerala's coastal location along with major ports such as Kochi and the Vizhinjam International Seaport would serve as essential international transshipment terminals. The state's robust transport infrastructure, which includes well-connected roadways, railways, 4 international airports and inland waterways, ensures efficient movement of goods domestically and internationally. This connectivity has been instrumental in boosting exports and attracting foreign investments especially from the middle east.⁵⁸

The state's reliance on traditional sectors, coupled with limited value addition, exposes it to global market volatility and reduces profitability. Infrastructure bottlenecks, particularly in inland transportation, can hinder the seamless movement of goods. Furthermore, competition from other states and nations in key sectors like spices and marine products poses a challenge to sustaining market dominance.^{59, 60}

The Kerala Export Promotion Policy 2023 aims to build a robust export ecosystem by leveraging the state's natural and human resources. It emphasizes infrastructure upgrades, such as the development of Vizhinjam seaport and airport cargo expansions, to enhance logistics efficiency. The policy encourages diversification into emerging sectors like IT, biotechnology, and value-added food processing while strengthening traditional sectors such as spices, coir, and marine products. It also supports MSMEs and startups through financial incentives and capacity-building programs. With a focus on sustainability and innovation, the policy positions Kerala to capitalize on global demand for eco-friendly and high-value products, making it a key player in India's export landscape.⁶¹

Export Statistics

TOP 10 HS4 COMMODITIES EXPORTED BY KERALA IN FY24



Source: Ministry of Commerce and Industry

55 IBEF

56 NIRYAT (National Import-Export Record for Yearly Analysis of Trade)

57 PIB: Ministry of Micro, Small & Medium Enterprises-MSME

58 Invest Kerala

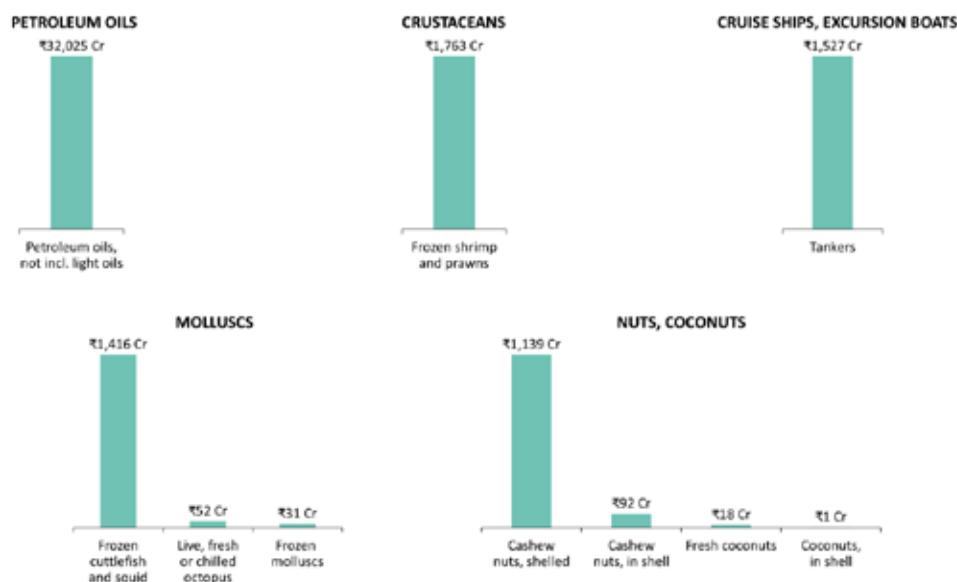
59 Kerala Export Promotion Policy Draft 2023

60 Ministry of Commerce and Industry

61 Kerala Export Promotion Policy Draft 2023

Kerala's export profile is led by a strong contribution from petroleum products, which account for nearly 48% of the state's total merchandise exports. Out of Kerala's total exports of ₹68,375 crore, ₹32,635 crore comes from petroleum oils, driven by the production and refining capacity of the Kochi refinery one of the largest in southern India. The availability of port infrastructure, particularly the Cochin Port and the Vallarpadam transshipment terminal, has further enabled the efficient export of refined petroleum products, making this segment the backbone of Kerala's export performance.

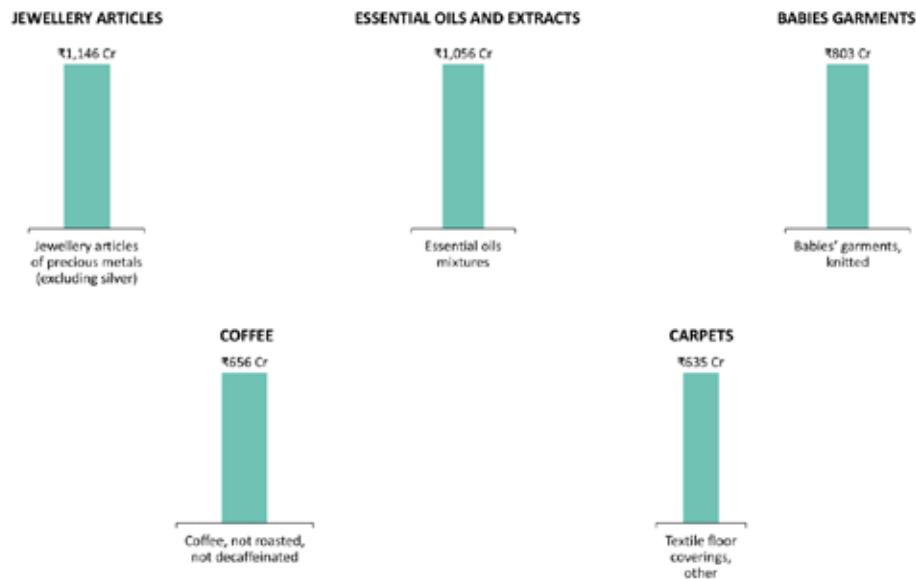
DEEP DIVE INTO THE TOP 5 HS4 COMMODITIES AT HS6 LEVEL EXPORTED BY KERALA IN FY24



Source: Ministry of Commerce and Industry

At a more granular level, Kerala's export basket reflects its rich coastal and agrarian economy, with significant outbound shipments of marine products, shipbuilding, cashew and coconut products, and jewelry articles. In the marine segment, frozen shrimp and prawns, squid and cuttlefish, and octopus and mollusks make up a major share, supported by modern seafood processing clusters across coastal districts like Alappuzha, Kollam, and Ernakulam. Kerala is also a notable exporter of cruise ships and oil tankers, powered by the capabilities of Cochin Shipyard Limited. The cashew sector with both shelled and unshelled exports alongside coconut products, underscores the state's strength in value-added Agri-processing. Additionally, Kerala's jewelry sector, anchored in cities like Thrissur, contributes significantly through exports of precious metal articles.

DEEP DIVE INTO THE NEXT 5 HS4 COMMODITIES AT HS6 LEVEL EXPORTED BY KERALA IN FY24



Source: Ministry of Commerce and Industry

Beyond its core sectors, Kerala also shows promise in diversified, high-potential categories. These include essential oils and extracts, which leverage the state's heritage in Ayurveda and natural wellness, as well as babies' garments, unroasted coffee beans, and niche carpets. These products represent growing global demand for natural, handcrafted, and sustainable goods, aligning well with Kerala's brand identity. With targeted interventions in value addition, supply chain modernization, and export-oriented branding, Kerala can enhance its presence in high-margin global markets while gradually diversifying beyond its current reliance on petroleum exports.

Success Stories

Success Story –Unlocking Kerala's Potential Through Industrial Corridors

Problem	Solution	Impact
<p>1 Kerala's industrialization has been delayed due to land acquisition, environmental clearances, and equity transfer processes slowed project execution</p>	<p>2 EPC contracts and tendering processes are still underway, pushing the project timelines further despite approvals</p> <p>3 Many of the proposed sectors (pharma, hi-tech, textiles, electronics) need specialized infrastructure and policy support, which is yet to be fully aligned</p> <p>4 Despite land allotment in EMC Kakkadan, only a few companies have operationalized, leading to slower-than-expected investments and job creation</p>	<p>Fast-tracking land transfer and equity infusion will prevent project delays</p> <p>Timely award and monitoring of EPC contracts to ensure 42-month completion target is met</p> <p>Creating plug-and-play infrastructure in IMC Palakkad and EMC Kakkadan to attract pharma, electronics, and hi-tech manufacturing units quickly</p> <p>Offering state and central incentives, faster approvals, and investor facilitation to attract anchor industries and boost confidence among MSMEs</p> <p>Expected investments of over ₹9000 Cr across KVIC and EMC, with accelerated sectoral diversification in Kerala</p> <p>Combined potential to generate over 11,500 direct jobs in EMC Kakkadan and several thousand in IMC Palakkad clusters</p> <p>Strengthening Kerala's role in pharmaceuticals, electronics, and textiles exports by linking to global supply chains through Cochin Port and nearby airports</p> <p>Transforming Palakkad and Kochi into industrial hubs, improving logistics, infrastructure, and urban growth, thereby boosting Kerala's overall industrial ecosystem</p>

EPI 2024-Results and Conclusions

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
1  Export Infrastructure	 Utilities State's power and water availability	10	5.4	<ul style="list-style-type: none"> Opportunity to boost export competitiveness by enhancing installed power generation capacity Shortage of logistics infrastructure leads to port congestion, longer transit times, and increased handling costs
	 Logistics State's transportation networks, freight connectivity and storage capacity	10	4.1	
2  Business Ecosystem	 Macroeconomy Evaluate economic output, manufacturing share and fiscal deficit	10	4.1	
	 Cost competitiveness Benchmarking cost of labour, water and power	5	2.1	
	 Human capital Understand education & employment parameters	5	2.1	
	 Finance and credit accessibility Relevant government schemes and insurance	5	3.6	
	 MSME ecosystem Assess growth and export contribution by MSMEs	10	3.3	
	 Industrial and innovation environment Infrastructure maturity	5	2.6	
3  Policy and Governance	 State policy support and governance State's export initiatives, digital first policies and ease of export documentation	15	10.7	<ul style="list-style-type: none"> Export policies constrained by limited awareness, implementation delays, and regional infrastructure gaps Fewer certified manufacturers constrain Kerala's ability to meet quality standards required in global markets
	 Regulatory environment and compliance Quality standards and certifications, IEC, data readiness	5	2.9	

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
4  Export Performance	State level exports and trends Export trends, growth in exporter base 	5	3.7	<ul style="list-style-type: none"> Absence of district level export action plans weakens Kerala's ability to mobilize local strengths for global markets. Scope to enhance export share by focusing on primary and intermediate goods
	Export promotion and facilitation Government infrastructure and digital maturity 	5	3.5	
	Export portfolio and market access Export destinations and key export commodities 	10	5.8	

SWOT Analysis

Strengths				Weaknesses		
				Scarcity of industrial land	High cost of manufacturing	Lack of large-scale industries
Opportunities				Threats		
				Youth migration	Aging population	Limited emphasis on R&D and innovation

Strengths

Kerala's export competitiveness is driven by its 590 km coastline, 17 minor ports, and the Kochi Port with India's first container transshipment terminal at Vallarpadam, enabling efficient access to markets in the Middle East, Southeast Asia, and Europe. The state's high literacy rate ensures a skilled workforce, with initiatives like ASAP and KASE supporting export-oriented sectors such as pharmaceuticals, jewelry, and herbal products. Kerala's well-diversified export basket reaches over 100 countries, with strong GCC linkages supported by its large diaspora. High rankings in Ease of Doing Business, backed by digital platforms like K-SWIFT and K-CIS, along with investor-friendly laws such as the Kerala Investment Promotion & Facilitation Act and MSME Facilitation Act, streamline clearances and reduce compliance burdens. Entrepreneurship drives and policy support further enhance Kerala's competitive, export-friendly ecosystem.

Weaknesses

Kerala's industrial growth is slowed by the lack of large, connected land due to high population, small plots, and strict land-use rules. High costs, local resistance, and complex negotiations make land acquisition difficult. Environmental approvals add further delays to industrial projects. Furthermore, the high cost of manufacturing driven by expensive land, increased electricity tariffs, and relatively high labor costs, which creates a less attractive environment for industrial investment. Frequent labor disputes and reduced industrial flexibility add to investor concerns. The absence of large-scale manufacturing units also hinders Kerala's ability to scale production, adopt advanced technologies, or compete with leading industrial states in electronics, engineering, and automotive exports.

Opportunities

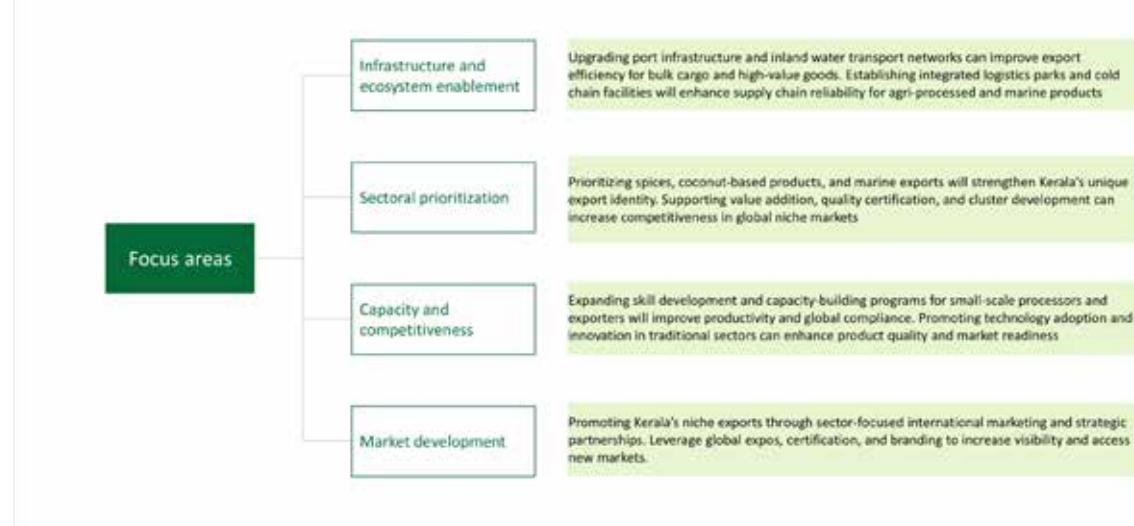
Kerala can boost agricultural exports by expanding value-added products such as steam-sterilized spices, virgin coconut oil, organic produce, processed jackfruit and banana items, and nutraceutical extracts to tap premium global markets. Strengthening cold chains, modern packhouses, and spice sterilization units will reduce post-harvest losses and meet stringent international standards. Improved logistics via Cochin and Vizhinjam ports, along with enhanced air cargo infrastructure at Thiruvananthapuram, Kochi, and Kannur, will expand global reach for perishables. The state can also leverage rising demand for premium Ayurvedic formulations, herbal nutraceuticals, and wellness products, while scaling exports of surgical masks, disposable gloves, orthopedic braces, and diagnostic kits. In addition, processed food exports – including coconut products, jackfruit snacks, and spice blends – can thrive with stronger cold chain support, food safety infrastructure, and incentives under ODOP and PMFME, positioning Kerala as a hub for premium, sustainable, and heritage-linked exports.

Threats

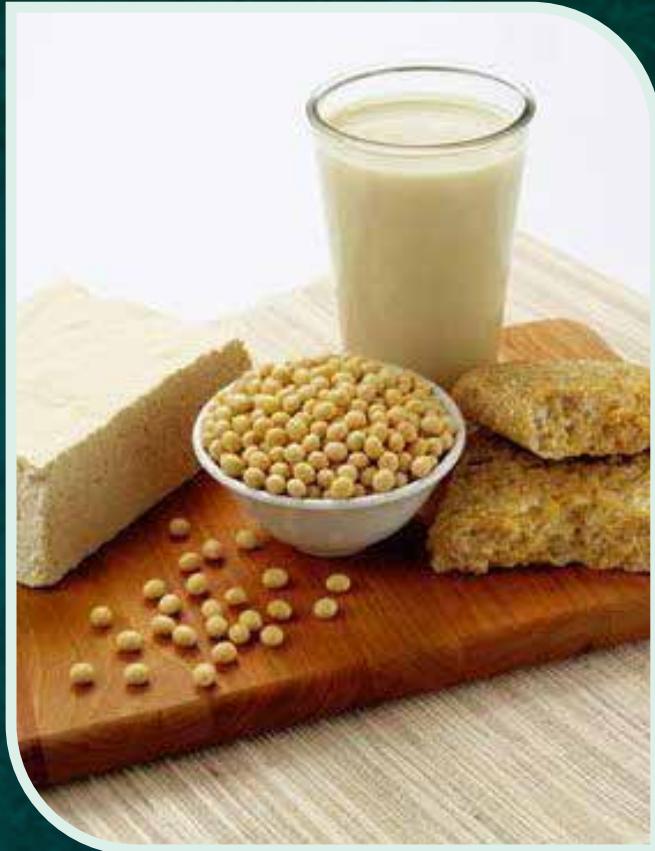
Kerala faces critical long-term threats that could erode its export competitiveness if left unaddressed. A continuous outflow of young, skilled professionals to the Gulf and other Indian states has created a brain drain, leaving behind a shrinking local talent pool for export-linked industries. Simultaneously, the state has one of the fastest aging populations in India, with over 16% aged 60 or above, increasing social welfare burdens and reducing workforce availability. Despite Kerala's high education standards, investment in research and innovation remains limited, with R&D spending at less than 0.3% of GSDP, far below the national average. This lack of focus on high-tech innovation restricts Kerala's ability to move up global value chains or transition into advanced manufacturing and services sectors. Without strategic interventions to retain talent, boost R&D, and foster innovation ecosystems, Kerala's industrial dynamism and long-term export sustainability could be at risk.

Strategic Roadmap – Focus Areas

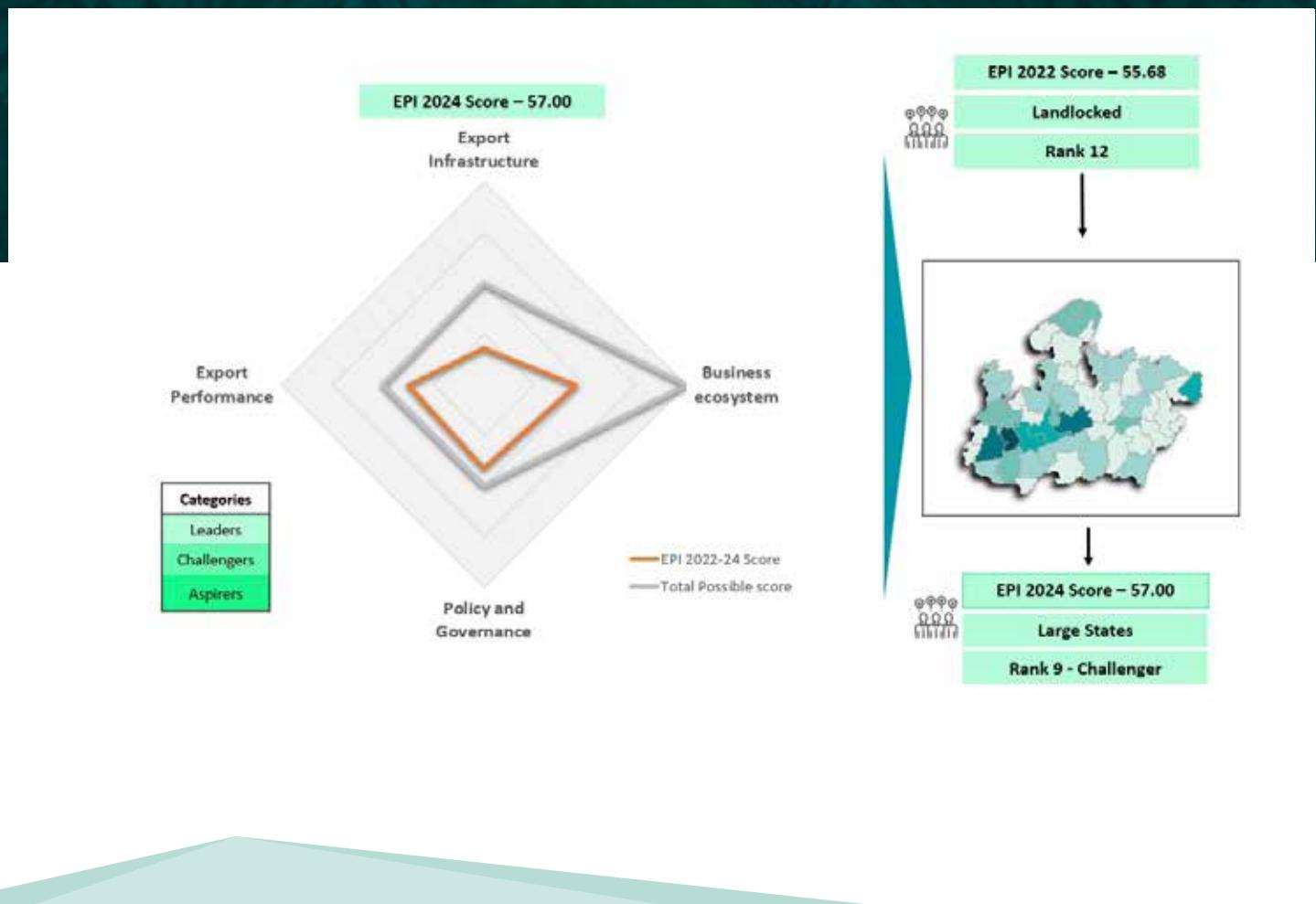
Considering global consumption trends and existing strengths, Kerala should direct efforts toward:



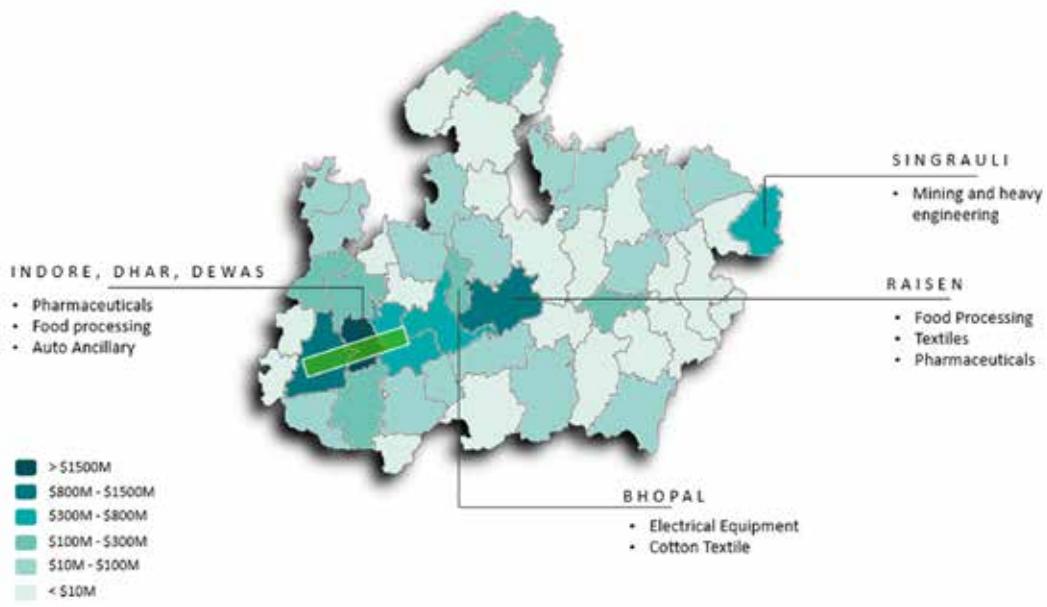
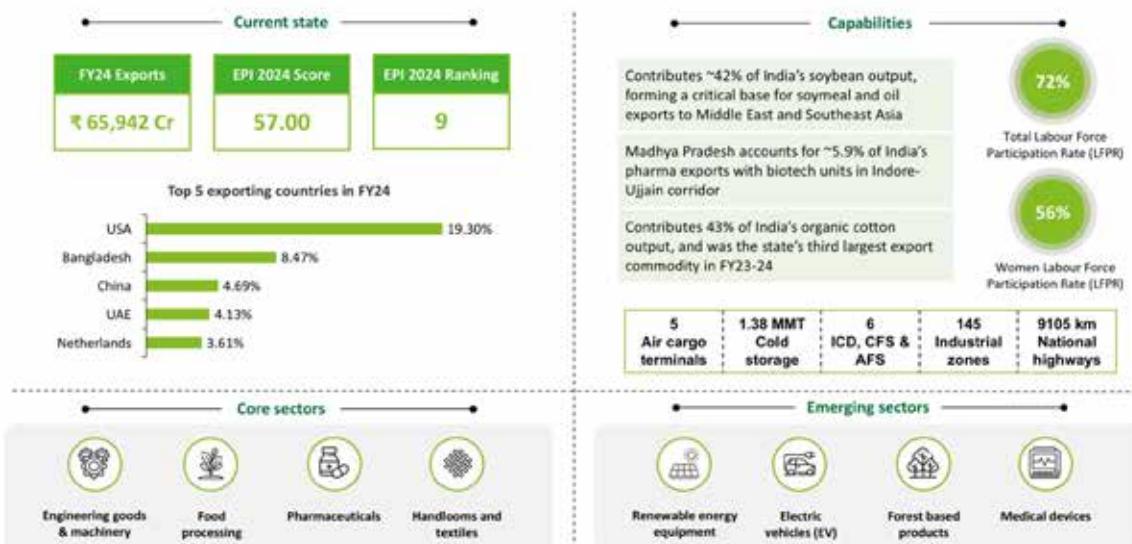




Madhya Pradesh



5.1.9 Madhya Pradesh



Manufacturing hubs in Madhya Pradesh
Source: Ministry of Commerce and Industry

Introduction

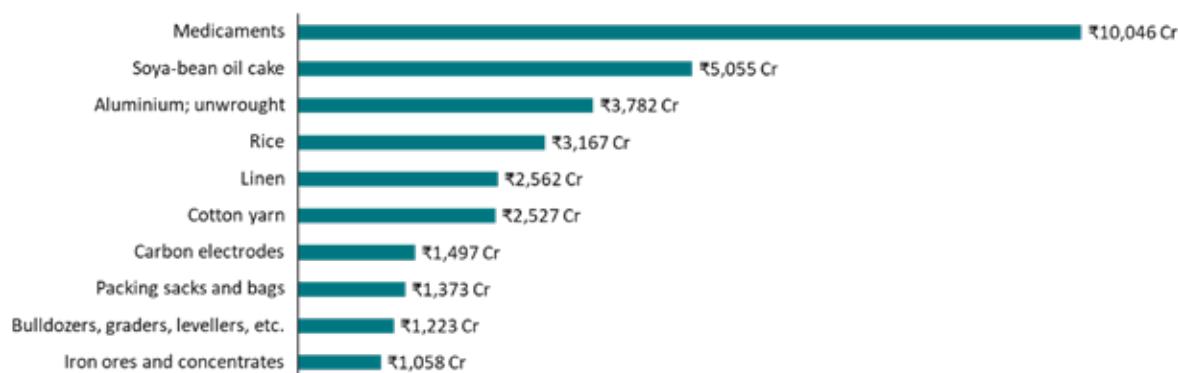
Madhya Pradesh, strategically positioned at the heart of India, acts as a crucial economic conduit between the northern and southern regions of the country. The state is endowed with abundant natural resources, including significant reserves of coal, limestone, manganese, and the largest diamond and copper deposits in India. In FY24, Madhya Pradesh's Gross State Domestic Product (GSDP) stood at ₹13.8 lakh crore at current prices, reflecting the state's expanding economic base. The industrial ecosystem of the state is diverse and well-established, with key sectors such as automobiles, pharmaceuticals and food processing contributing significantly to its economy.

The state recorded exports worth ₹65,933 crore in FY24, reflecting a marginal dip compared to FY23, yet underscoring the state's underlying resilience amid global headwinds. The state's export basket is notably diverse, spanning agricultural commodities, pharmaceuticals, textiles, and engineering goods demonstrating a balanced mix of traditional and emerging sectors. Micro, Small, and Medium Enterprises (MSMEs) continue to anchor the state's export ecosystem, with over 2.1 million registered units after a 7% year-on-year growth in FY 2024. This vibrant MSME base not only drives crucial employment but also contributes approximately 34% to the state's merchandise exports, underscoring its pivotal role in the regional economy. Madhya Pradesh's industrial infrastructure comprising 145 industrial parks, and six operational Special Economic Zones (SEZs) provides a strong foundation for manufacturing and trade. These facilities are playing a pivotal role in catalyzing industrial expansion and boosting exports across multiple sectors.^{62, 63, 64}

Madhya Pradesh is rapidly emerging as a key industrial and export hub, driven by sectoral strengths and resource advantages. The state leads in organic cotton production, contributing 43% of India's output and 24% of global output, with annual cotton production of around 31,700 MT. Its agriculture sector is equally robust, being the top producer of pulses and spices, and second in food grains and flowers, supported by 11 Agri-climatic zones. The automobile sector boasts over 2,800 engineering units and 10+ OEMs, forming a strong manufacturing base. In renewable energy, projects like the development of Sanchi as India's first net-zero carbon solar city and a progressive, technology-agnostic RE policy highlights the state's commitment to innovation. Additionally, Madhya Pradesh houses more than 270 pharmaceutical units and over 20 medical device manufacturers, reinforcing its growing role in healthcare exports.^{65, 66, 67}

Export Statistics

TOP 10 HS4 COMMODITIES EXPORTED BY MADHYA PRADESH IN FY24



Source: Ministry of Commerce and Industry

62 NIRYAT (National Import-Export Record for Yearly Analysis of Trade)

63 IBEF

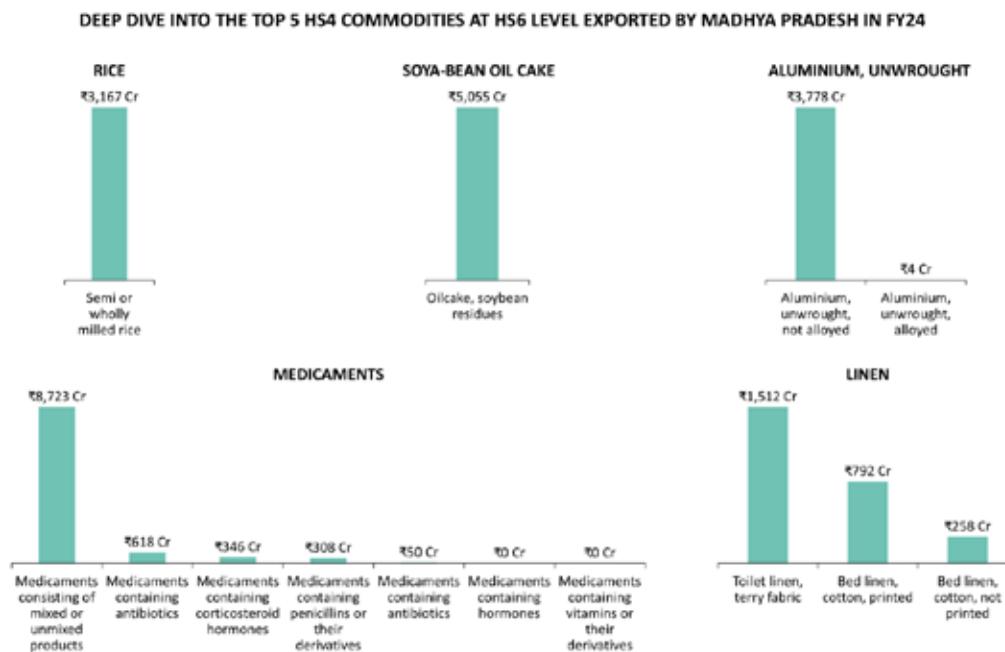
64 Ministry of MSME PIB – 11th December 2023

65 Invest MP

66 MP Industrial Promotion Policy

67 Invest MP

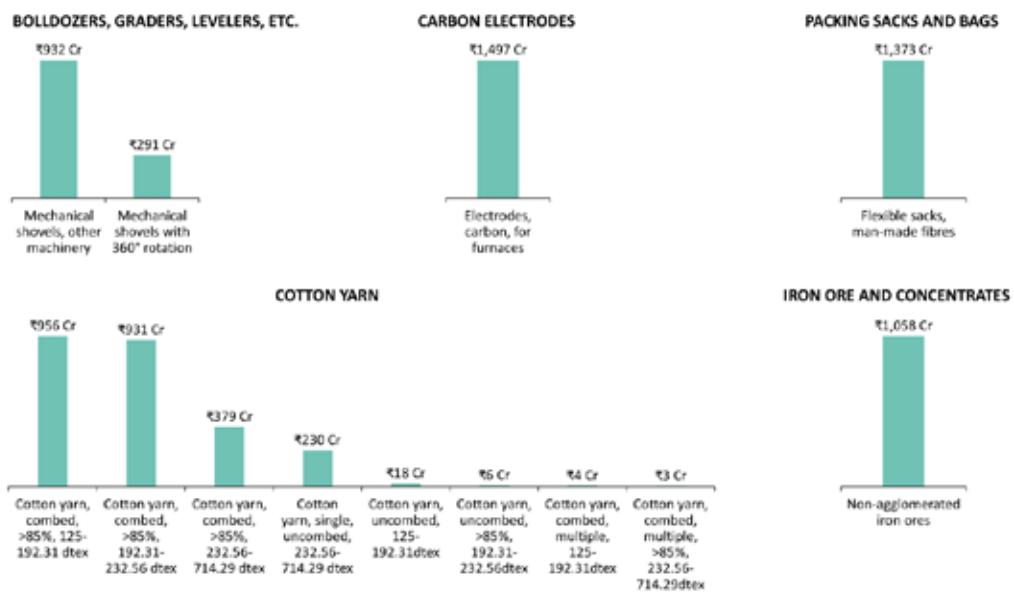
Madhya Pradesh demonstrates a growing export profile with a strong base in pharmaceuticals, Agri-based products, metals, textiles and engineering products. The top export category is Medicaments, supported by a well-developed pharmaceutical industry around Indore and Dewas, which benefits from industrial parks and active policy support. Other prominent exports include Soybean oil cake, a reflection of the state's position as a major soybean producer while Aluminum production is linked to smelters in regions like Singrauli. Rice and Textile articles exports are enabled by Agri-processing hubs, mineral-rich regions, and a traditional textile base in Ujjain, Khargone, and Chhindwara, complemented by improving logistics and inland container depots.



Source: Ministry of Commerce and Industry

Delving deeper into the performance of the top five HS4 codes highlights Madhya Pradesh's competitive strengths. The Medicaments category alone covers a wide range of products including mixed/unmixed medicaments, antibiotics, corticosteroids, penicillin derivatives, hormone-based formulations and vitamin-based products highlighting the state's capability in producing a diversified range of formulations. In Soybean oil cake, MP's dominance is a direct outcome of its vast soybean acreage and solvent extraction facilities. Under Aluminum, both alloyed and non-alloyed forms are exported, indicating upstream metal processing activities. Similarly, milled rice forms the core of the rice export value, while bed and toilet linen including terry fabric towels and cotton bed linens reflects the state's strengths in home textile production.

DEEP DIVE INTO THE NEXT 5 HS4 COMMODITIES AT HS6 LEVEL EXPORTED BY MADHYA PRADESH IN FY24



Source: Ministry of Commerce and Industry

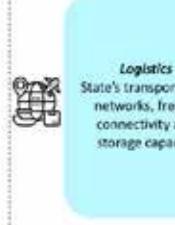
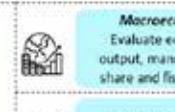
Looking ahead, Madhya Pradesh has notable export opportunities in its next set of HS4 commodities. In Cotton yarn, there are exports across a variety of specifications combed and uncombed, single, and multiple plies, suggesting an active spinning industry that could benefit from better branding and forward integration into fabrics and garments. Products like carbon electrodes for furnaces and mechanical shovels and bulldozers indicate the emergence of heavy engineering capacities, which can be scaled with targeted support. Likewise, flexible packing sacks and iron ore suggest untapped potential in downstream processing and value addition. With investments in skill development, industrial infrastructure, and better logistics connectivity, these segments can help the state diversify its export basket and enhance its overall contribution to India's merchandise exports.

Success Stories

Success Story – Export Helpline & e-Export Learning Platform



EPI 2024-Results and Conclusions

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
1  Export Infrastructure	 Utilities State's power and water availability	10	5.0	<ul style="list-style-type: none"> The state's reliance on thermal power and weak renewable investment limit sustainable growth and competitiveness.
	 Logistics State's transportation networks, freight connectivity and storage capacity	10	2.3	<ul style="list-style-type: none"> Cold storage is concentrated in urban areas, leaving production belts underserved and causing losses, reduced quality, and shorter shelf life of perishables.
2  Business Ecosystem	 Macroeconomy Evaluate economic output, manufacturing share and fiscal deficit	10	3.2	
	 Cost competitiveness Benchmarking cost of labour, water and power	5	2.8	
	 Human capital Understand education & employment parameters	5	3.4	<ul style="list-style-type: none"> Credit penetration in rural clusters and MSMEs remains uneven, with limited uptake of insurance and fintech solutions.
	 Finance and credit accessibility Relevant government schemes and insurance	5	1.5	<ul style="list-style-type: none"> Low employability of the youth population, marked by skill gaps, weak higher education quality, and limited industry-ready training.
	 MSME ecosystem Assess growth and export contribution by MSMEs	10	4.7	
	 Industrial and innovation environment Infrastructure maturity	5	2.7	
3  Policy and Governance	 State policy support and governance State's export initiatives, digital first policies and ease of export documentation	15	13.3	<ul style="list-style-type: none"> Trade fair activity in Madhya Pradesh remains limited, reducing exposure opportunities for its exporters.
	 Regulatory environment and compliance Quality standards and certifications, IEC, data readiness	5	3.2	<ul style="list-style-type: none"> A modest share of manufacturers with quality standards and certifications constrains the state's competitiveness in regulated markets.

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
4  Export Performance	 State level exports and trends Export trends, growth in exporter base	5	3.7	
	 Export promotion and facilitation Government infrastructure and digital maturity	5	4.7	
	 Export portfolio and market access Export destinations and key export commodities	10	6.5	<ul style="list-style-type: none"> Export market diversification remains modest, with scope to expand presence across a wider range of international destinations Share of finished goods in exports is at an average level, presenting an opportunity to move up the value chain

SWOT Analysis

Strengths				Weaknesses		
						
Diverse export portfolio	Rich mineral resource	Industrial parks and SEZs	Trade based human capital development	Landlocked geography	Modest export to GSDP ratio	Geographical concentration of exports
Opportunities				Threats		
						
Development of food processing ecosystem	GVC integration of EV manufacturing	Development of textile ecosystem	Developing logistics infrastructure	Fluctuations in global markets	Environmental disruptions	GSVA dependence on primary sector

Strengths

Madhya Pradesh boasts a diverse industrial and export portfolio spanning pharmaceuticals, engineering goods, textiles, and agri-products. The state is also scaling up production in automobile and auto ancillary manufacturing, further deepening its industrial base. Rich in mineral resources, Madhya Pradesh holds about 8% of India's coal reserves and contributes approximately 13% to national coal output, making it a key player in the country's energy sector. Industrial Parks and Special Economic Zones (SEZs) significantly bolster the state's export and import performance by offering essential infrastructure, fiscal incentives, and streamlined logistics. Supporting this physical ecosystem is a focus on trade-oriented human capital development. The state has implemented targeted skill development programs aligned with key export sectors such as textiles, food processing, and logistics. Backed by government initiatives and industry partnerships, these efforts ensure a steady supply of trained professionals, enhancing both industrial productivity and export competitiveness.

Weaknesses

Madhya Pradesh's landlocked geography presents a significant logistical disadvantage, as the state lacks direct access to seaports. This forces exporters to rely on distant ports such as Kandla, Mundra, and Nhava Sheva, resulting in higher freight costs, longer transit times, and reduced-price competitiveness in global markets. Additionally, the state suffers from limited export branding and a modest export-to-GSDP ratio. Despite producing quality goods like soybeans, textiles, and herbal products, Madhya Pradesh lacks strong global brand recognition. This weakens its positioning in premium international markets and limits value-added export potential. Furthermore, there is a geographical concentration of export activities in select districts primarily around Indore, Bhopal, and Jabalpur while vast regions in the east and north remain underutilized. This uneven development restricts the inclusive growth of export-oriented industries and leads to regional disparities in industrial progress.

Opportunities

Madhya Pradesh is capitalizing on its integration with national manufacturing corridors like the Delhi-Mumbai Industrial Corridor and the development of a strong food processing ecosystem to boost industrial investment, streamline supply chains, and enhance market access. The state is emerging as a promising hub for electric vehicle (EV) manufacturing by advancing trade infrastructure, promoting localization, and developing export-ready technologies. Simultaneously, the growth of its textile ecosystem offers opportunities for increased exports and inclusive employment. With expanding logistics infrastructure through ICDs, Multi-Modal Logistics Parks (MMLPs), warehousing, and air cargo facilities, the state has the potential to strengthen its position as a central export gateway by leveraging ongoing digitization initiatives and progressive policy reforms aimed at enhancing global trade competitiveness.

Threats

Madhya Pradesh's export sector faces notable risks from global market fluctuations, as nearly 20% of its outbound trade is directed toward the U.S., leaving the state especially vulnerable to economic slowdowns or policy shifts. To mitigate this risk, Madhya Pradesh should focus on diversifying its export destinations and strengthening trade linkages with other key markets such as Bangladesh, China, the UAE, and the Netherlands. In addition to these market uncertainties, environmental disruptions have become a critical challenge impacting the state's export-import landscape. Furthermore, Madhya Pradesh's heavy dependence on the primary sector for its Gross State Value Added (GSVA) adds to these vulnerabilities. Although the state's strong agricultural base and abundant natural resources support its economy, this reliance on the primary sector exposes Madhya Pradesh to risks that could destabilize and hinder the growth of its trade activities.

Strategic Roadmap – Focus Areas

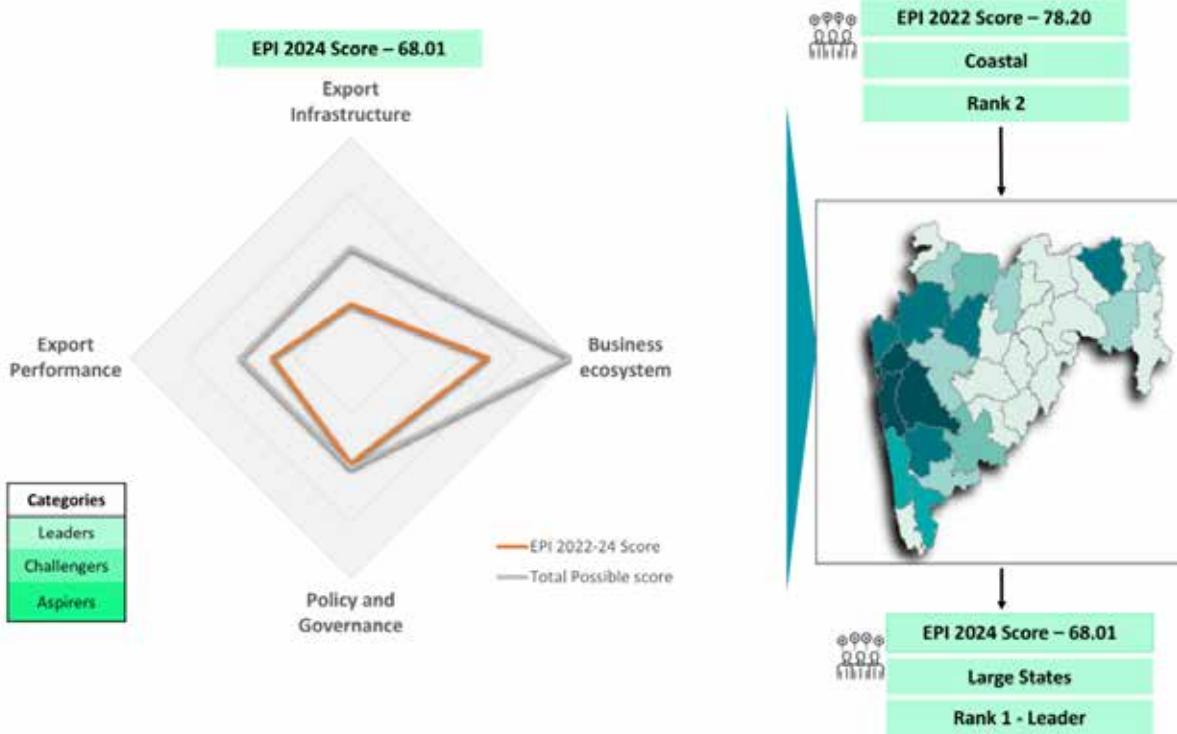
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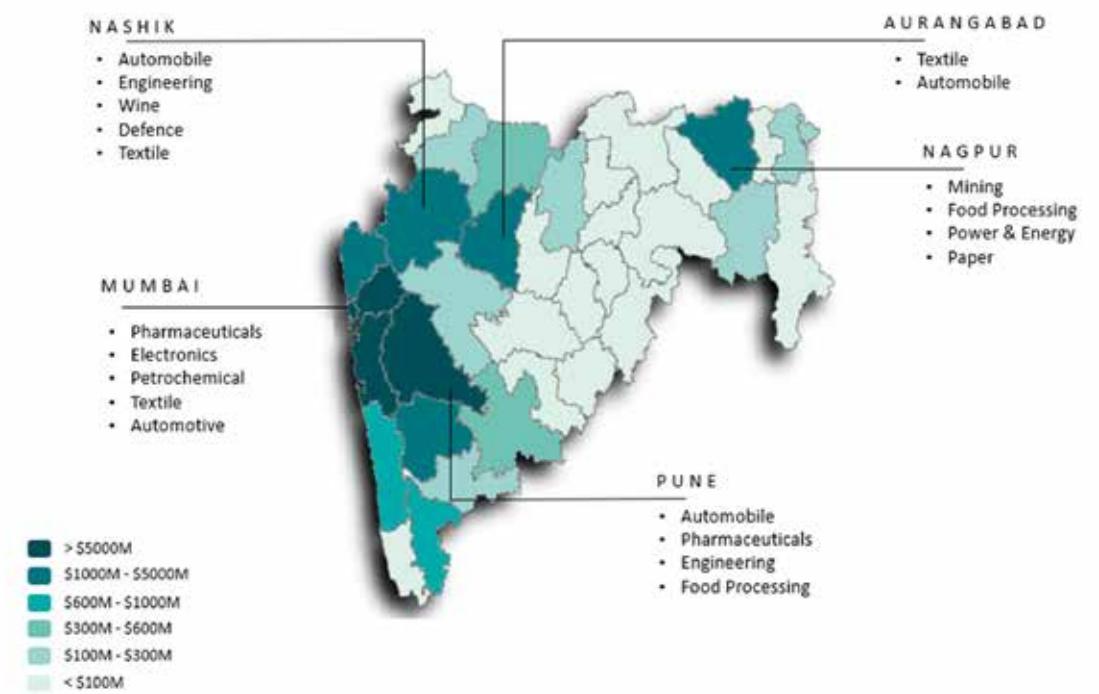
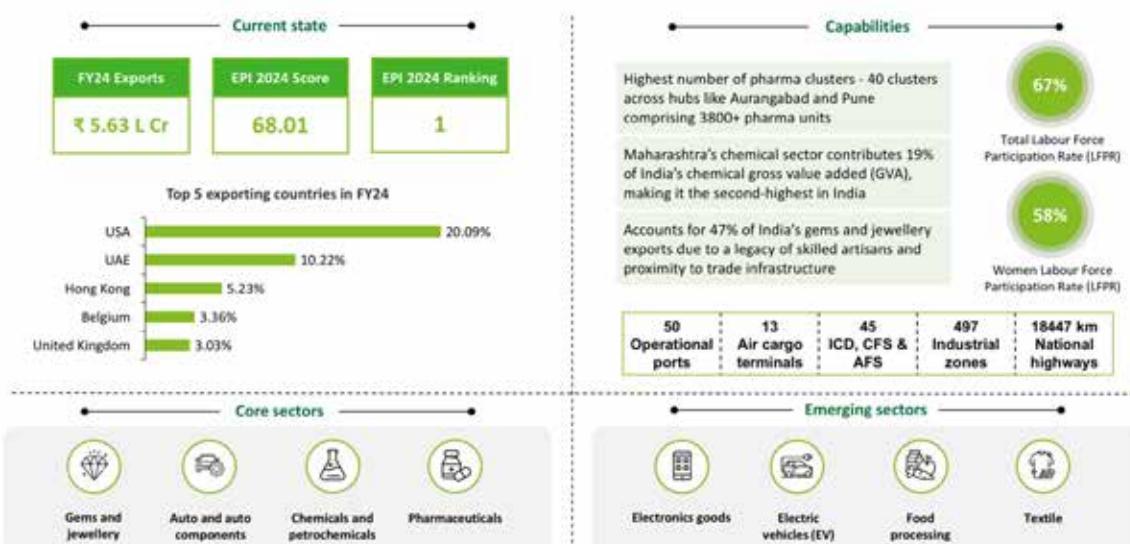




Maharashtra



5.1.10 Maharashtra



Manufacturing hubs in Maharashtra
Source: Ministry of Commerce and Industry

Introduction

Maharashtra, located in Western India, is one of the country's most industrialized and economically significant states. It is known for its diverse economic activities, robust infrastructure, and vibrant cultural heritage. As of FY24, Maharashtra recorded an annual GSDP of approximately ₹40.4 lakh crore, contributing around 13% to India's GDP, underscoring its status as the nation's economic powerhouse. As a leader in trade and commerce, the state has a well-defined export portfolio that aligns with its industrial strengths.⁶⁸

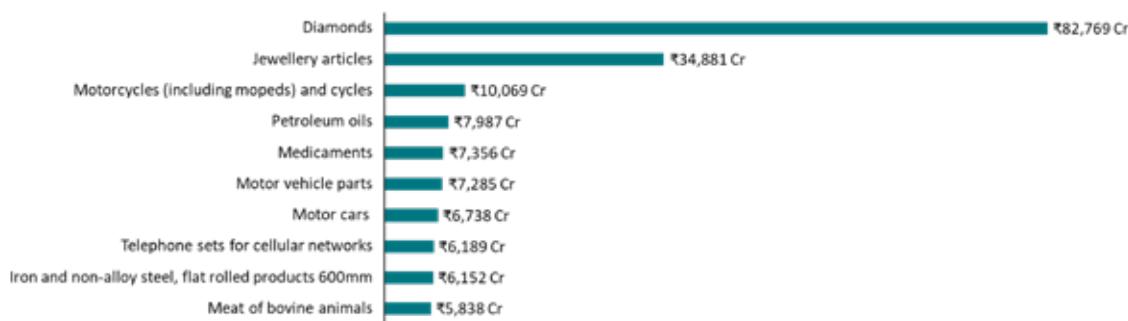
In FY 2024, Maharashtra retained its position as India's second-largest exporting state, recording merchandise exports worth ₹5.3 lakh crore. The state's export performance is anchored by key sectors such as gems & jewelry, engineering goods, electronics, chemicals, and pharmaceuticals. Major export hubs Mumbai Suburban, Mumbai City, Pune, and Thane together account for nearly 74% of the state's total exports, supported by robust infrastructure including air cargo terminals, Free Trade Zones, and strategic seaports such as Jawaharlal Nehru Port (JNPT), India's largest container port. Maharashtra also leads in the MSME ecosystem, with over 4.5 million registered MSMEs as of FY24, contributing significantly to employment, entrepreneurship, and local economic growth. The sector accounts for 24% of India's total MSME employment and 13% of total MSME output.^{69, 70, 71, 72}

However, despite its strong position, Maharashtra's export performance saw a year-on-year decline of 7.3% in FY24 dropping from ₹6.1 lakh crore in FY23 to ₹5.6 lakh crore. A major contributor to this decline was the gems & jewelry sector, which alone witnessed a reduction of around ₹30,962 crore. This downturn can be attributed to a combination of factors, including weak global demand, particularly in key markets like the US and Europe and sector-specific challenges in engineering goods and pharmaceuticals. Additionally, infrastructure constraints, rising competition from other states (e.g., Gujarat in chemicals), and a broader shift in global trade dynamics have further impacted Maharashtra's merchandise export performance.⁷³

To counter recent export declines and enhance global trade competitiveness, the Maharashtra Vision 2030 outlines a clear strategy to double the state's exports by 2030 and increase its share in national exports to over 20%. The plan emphasizes strengthening logistics infrastructure through multi-modal parks, port connectivity, and industrial corridors like the DMIC and Samruddhi Mahamarg, while promoting SEZs and Export-Oriented Units. It aims to diversify the export basket by boosting high-growth sectors such as electronics, biotech, and defense manufacturing, alongside traditional sectors. The vision also focuses on improving the Ease of Doing Business, enhancing MSME capabilities, and supporting exporters through digitized processes, global certifications, and branding initiatives to build a globally competitive export ecosystem by 2030.^{74, 75}

Export Statistics

TOP 10 HS4 COMMODITIES EXPORTED BY MAHARASHTRA IN FY24



Source: Ministry of Commerce and Industry

69 Maitri Maharashtra

70 Kinara capital

71 NIRYAT (National Import-Export Record for Yearly Analysis of Trade)

72 Ministry of MSME PIB – 4th February 2025

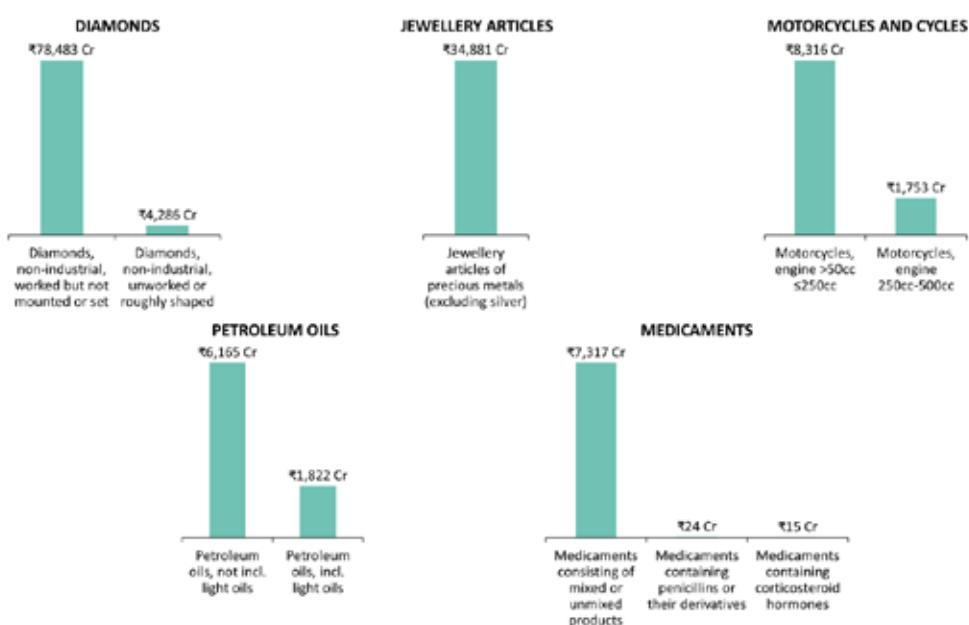
73 NIRYAT (National Import-Export Record for Yearly Analysis of Trade)

74 Maitri Maharashtra

75 Maharashtra Planning Department

Maharashtra continues to assert its dominance as one of India's top exporting states, with a stronghold in high-value sectors such as gems and jewelry, pharmaceuticals, automotive, and refined petroleum products. The top 10 HS4 commodities exported from the state highlight its competitive edge in value-added manufacturing and global supply integration. Diamonds and jewelry articles lead the pack, showcasing the state's long-standing craftsmanship and export-oriented processing capabilities. Pharmaceuticals and petroleum products further strengthen the portfolio, underscoring Maharashtra's robust industrial base and technological advancement. These commodities collectively account for a significant share of the state's export value, reflecting both scale and diversity.

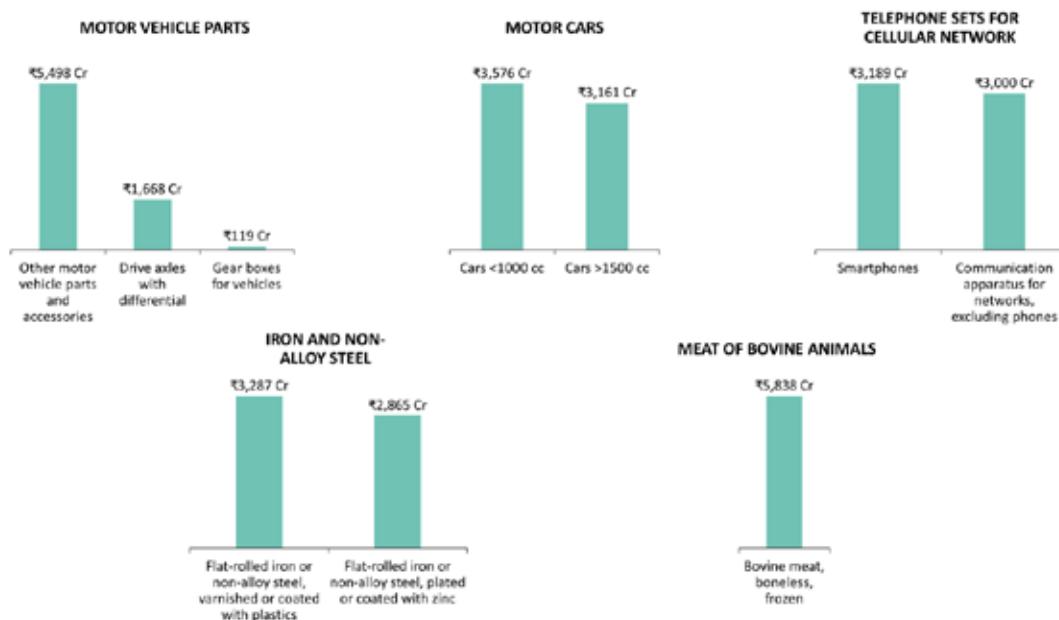
DEEP DIVE INTO THE TOP 5 HS4 COMMODITIES AT HS6 LEVEL EXPORTED BY MAHARASHTRA IN FY24



Source: Ministry of Commerce and Industry

The top five HS4 commodities reveal a mix of traditional strengths and globally relevant sectors. Maharashtra's gem and jewelry segment, driven by precision-cut diamonds and finished ornaments, represents a matured industry with strong international demand. The state's two-wheeler exports signal growing competitiveness in lightweight mobility solutions, particularly in emerging markets. Pharmaceuticals, largely composed of general-purpose medicaments, reflect an opportunity for Maharashtra to further expand its role as a global pharma hub by investing in complex generics and specialty formulations. Petroleum products show the state's refining capacity in action, presenting a continued opportunity for tapping demand from energy-deficient regions. These sectors could benefit from targeted policy support and supply chain efficiency to scale further.⁷⁶

DEEP DIVE INTO THE NEXT 5 HS4 COMMODITIES AT HS6 LEVEL EXPORTED BY MAHARASHTRA IN FY24



Source: Ministry of Commerce and Industry

The next five commodities motor vehicle parts, cars, telecom equipment, coated steel products, and bovine meat represent a diverse set of growth drivers. Maharashtra's automotive ecosystem is ripe for scaling up electric vehicle components and smart mobility exports. Telecom and electronics, showing healthy export volumes, could be further developed under India's PLI schemes, positioning the state as a key node in global electronics value chains. Coated steel products also signal strong downstream processing capabilities and can be linked to construction and automotive markets abroad. Agri-based exports like bovine meat highlight untapped potential in processed foods and cold-chain enabled exports. Overall, Maharashtra's export structure presents a strong foundation, and with targeted diversification and upskilling, it can capture a greater share of global value chains.⁷⁷

Success Stories

Success Story – District level export promotion

Problem	2	3	4	
Solution	District as an Export Hub (DEH) model	Implement and track district export plans targeting diversified, high-growth exports	Enhance exporter capabilities through skilling, quality labs, and institutional support	Boost global outreach via e-commerce, buyer meets, and stakeholder coordination
Impact	<ul style="list-style-type: none"> All districts have finalized and are actively implementing tailored export strategies, creating a structured and localized export ecosystem 	<ul style="list-style-type: none"> Over 400 new export-worthy products have been identified, broadening the state's export portfolio and tapping into previously underutilized sectoral strengths 	<ul style="list-style-type: none"> More than 150 workshops and 40 Buyer-Seller Meets have been conducted, directly benefiting 6,000+ enterprises and engaging over 30,000 investors in the export value chain 	<ul style="list-style-type: none"> Over 80 formal MoUs have been signed with premier academic, research, and design institutions, strengthening innovation and capacity-building at the district level

EPI 2024-Results and Conclusions

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
1  Export Infrastructure	 Utilities State's power and water availability	10	5.2	<ul style="list-style-type: none"> Limited FTWZ infrastructure restricts exporters' access to consolidated warehousing, and efficient customs clearance, requiring the use of standard ports and private warehouses.
	 Logistics State's transportation networks, freight connectivity and storage capacity	10	4.5	
2  Business Ecosystem	 Macroeconomy Evaluate economic output, manufacturing share and fiscal deficit	10	4.3	<ul style="list-style-type: none"> Lag in vocational training, manufacturing workforce readiness, and inclusive employment MSMEs boost exports but face regional imbalances, high compliance costs, and limited credit access
	 Cost competitiveness Benchmarking cost of labour, water and power	5	3.1	
	 Human capital Understand education & employment parameters	5	2.6	
	 Finance and credit accessibility Relevant government schemes and insurance	5	3.6	
	 MSME ecosystem Assess growth and export contribution by MSMEs	10	6.8	
	 Industrial and innovation environment Infrastructure maturity	5	4.4	
3  Policy and Governance	 State policy support and governance State's export initiatives, digital first policies and ease of export documentation	15	14.8	<ul style="list-style-type: none"> Leads in digitizing export processes, but gaps in SME accessibility and uniform district-level implementation limit full potential Uniform adoption, and compliance among MSMEs remain limited compared to larger firms, reducing the effectiveness
	 Regulatory environment and compliance Quality standards and certifications, IEC, data readiness	5	4.4	

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
4  Export Performance	 State level exports and trends Export trends, growth in exporter base	5	3.8	<ul style="list-style-type: none"> • Maharashtra's moderate export market diversification reflects untapped opportunities in emerging geographies • Underutilization of the TIES scheme has constrained Maharashtra from improving export infrastructure
	 Export promotion and facilitation Government infrastructure and digital maturity	5	4.5	
	 Export portfolio and market access Export destinations and key export commodities	10	5.9	

SWOT Analysis

Strengths				Weaknesses		
				Rising operational costs		Utility gaps in remote areas
Mature infrastructure	Diverse and established industrial base	Proactive policies	Export-oriented industrial clusters	Concentration of exports in certain districts		
Opportunities				Threats		
				Relatively less manufacturing value addition		Infrastructure bottlenecks (e.g. Ports)
EV and green manufacturing push	Boosting tier-2 cities as export clusters	Expansion of industrial corridors	SEZs and industrial park development	Sustainability compliance standards		

Strengths

Maharashtra stands as a logistical and industrial powerhouse, offering top-tier export infrastructure and diversified manufacturing capabilities. The state hosts the Jawaharlal Nehru Port Trust (JNPT), India's largest container port, which handles over 50% of the country's containerized cargo, alongside major international airports in Mumbai, Pune, and Nagpur that facilitate high-value freight movement. Strategic integration with the Delhi-Mumbai Industrial Corridor (DMIC) and the presence of multimodal logistics parks significantly reduce transit time and costs, enhancing trade efficiency. Maharashtra's robust digital infrastructure, through platforms like MAITRI and advanced ICT systems in hubs such as Mumbai and Pune, further streamlines export processes, enabling faster clearances and efficient port operations. The state contributes over 15% to India's total industrial output, driven by a mature and diversified base in automobiles, pharmaceuticals, chemicals, textiles, and heavy engineering. State-specific policies, such as the Maharashtra Industrial Policy, Electronics Policy, and Textile

Policy, which boost investor confidence through targeted incentives and export facilitation. Maharashtra also hosts several export-oriented SEZs and industrial clusters, including SEEPZ (gems and jewellery) in Mumbai, and automotive and engineering clusters in Aurangabad and Nashik. Regular monitoring and effective implementation of district-level export strategy plans ensure targeted action, accountability, and alignment with national export goals.

Weaknesses

Despite its strengths, Maharashtra grapples with structural inefficiencies that hamper its export potential. High operational costs including expensive industrial land, costly logistics, and rising energy tariffs are particularly pronounced in urban hubs like Mumbai, Pune, and Thane, reducing the state's cost competitiveness in global markets. This has prompted some businesses to consider relocating to more cost-effective regions. Infrastructure reliability remains a concern in underdeveloped districts, where frequent power outages, voltage fluctuations, and irregular water supply hinder operations in energy- and water-intensive sectors such as textiles, food processing, and chemicals. The state's export activity is heavily concentrated in a few districts - Mumbai, Pune, and Thane which collectively account for over 60% of total exports, largely due to their superior infrastructure and port access. In contrast, districts like Gadchiroli, Nandurbar, and Washim remain under-industrialized, with limited logistics support and shortage of skilled labor. This regional imbalance restricts equitable growth and limits the state's ability to broaden its export base.

Opportunities

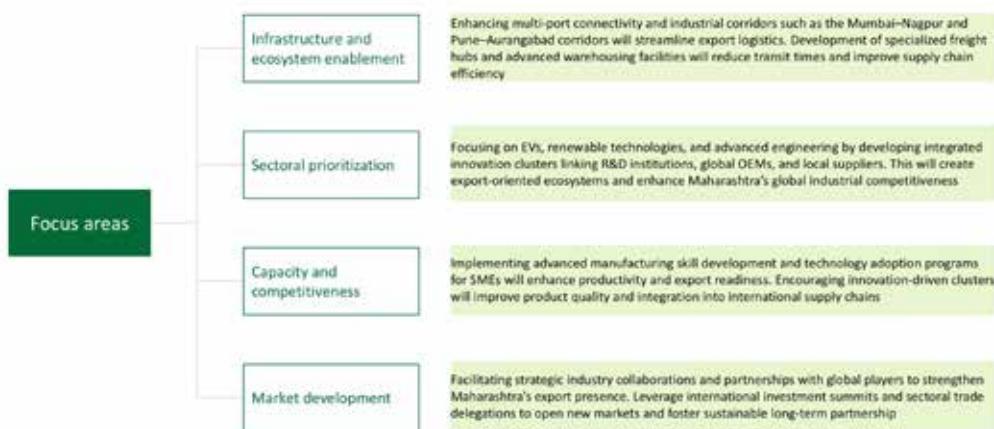
Maharashtra is well-positioned to lead India's green industrial transition and regional export diversification. The state's Electric Vehicle (EV) Policy provides robust incentives for EV and battery manufacturing, enabling firms to tap into rising global demand for sustainable mobility solutions. There is considerable scope for developing tier-2 cities such as Aurangabad, Jalna, Solapur, Nagpur, and Kolhapur into specialized export hubs. These regions offer cost advantages, access to raw materials, and improving infrastructure, making them ideal for export-oriented MSME growth. Large-scale infrastructure initiatives like the Delhi–Mumbai Industrial Corridor (DMIC), Mumbai–Nagpur Expressway (Samruddhi Mahamarg), and Bharat Mala highways are set to enhance connectivity, reduce logistics costs, and attract FDI. The planned expansion of SEZs and industrial parks in Nagpur, Jalna, and Nanded also offers the potential to unlock growth in relatively underserved regions, helping to correct regional disparities and promote inclusive export development.

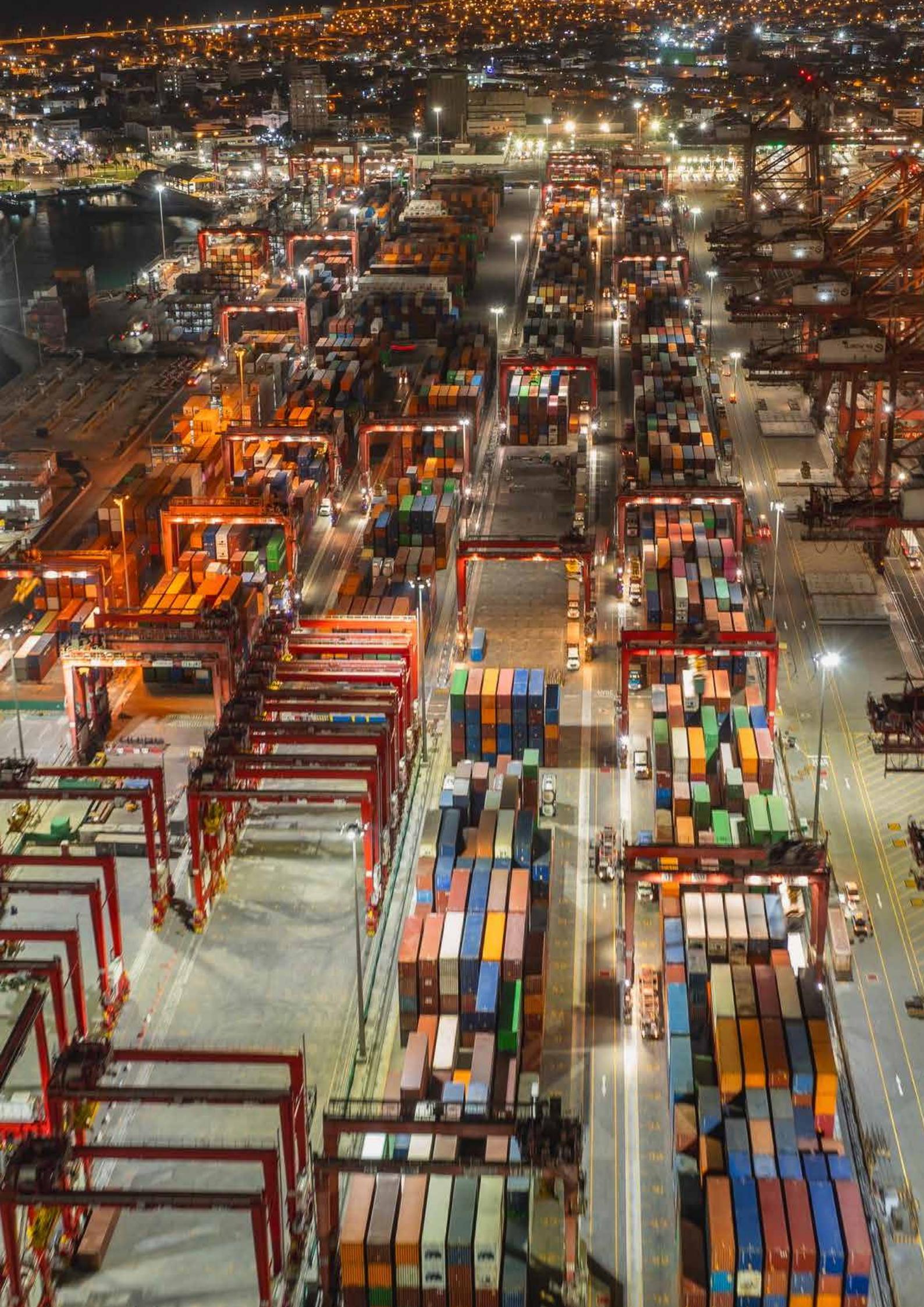
Threats

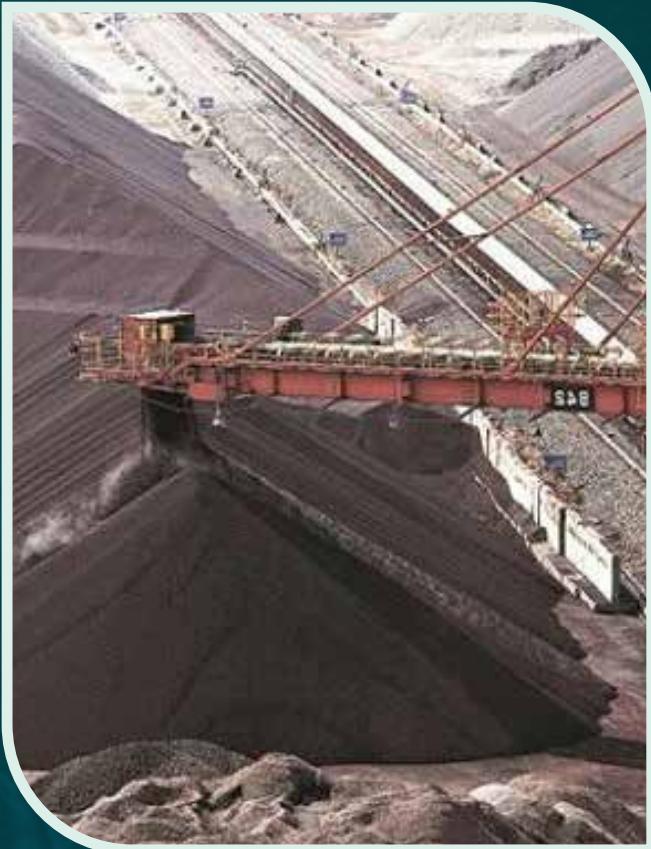
Maharashtra's export performance faces several emerging threats. Many sectors, such as gems and jewelry and petrochemicals, continue to rely on mid-stream processing and assembly rather than deep value addition, limiting competitiveness and margins in global markets. Congestion at Jawaharlal Nehru Port Trust (JNPT) despite its importance remains a critical bottleneck, with limited evacuation infrastructure and frequent delays increasing turnaround times and logistics costs. Environmental compliance is becoming an escalating challenge. Major industrial hubs like Mumbai, Pune, Thane, and Nagpur face growing scrutiny from state and national pollution control boards. Non-compliance especially in chemicals, textiles, and heavy industries—could result in plant shutdowns, penalties, and reputational risks. While large players may invest in cleaner technologies, smaller units often struggle to bear these costs. Additionally, failure to meet emerging ESG norms could restrict access to global markets, where environmental certifications and traceability standards are increasingly becoming non-negotiable.

Strategic Roadmap – Focus Areas

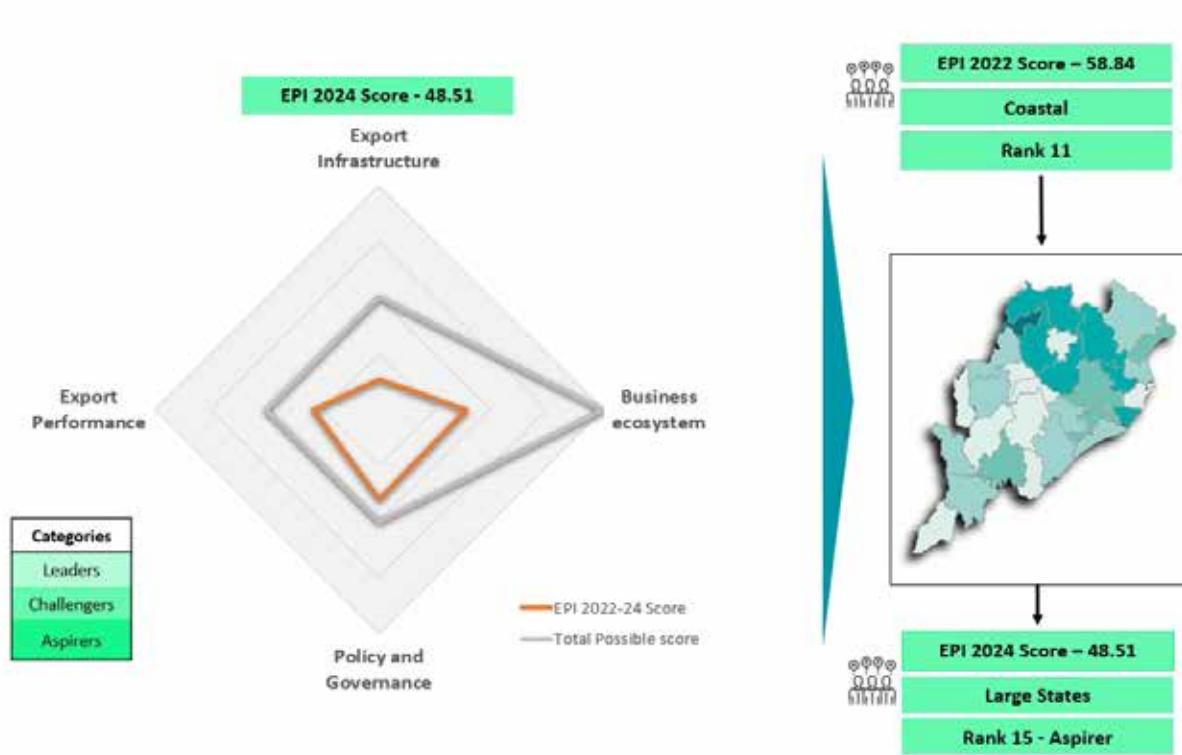
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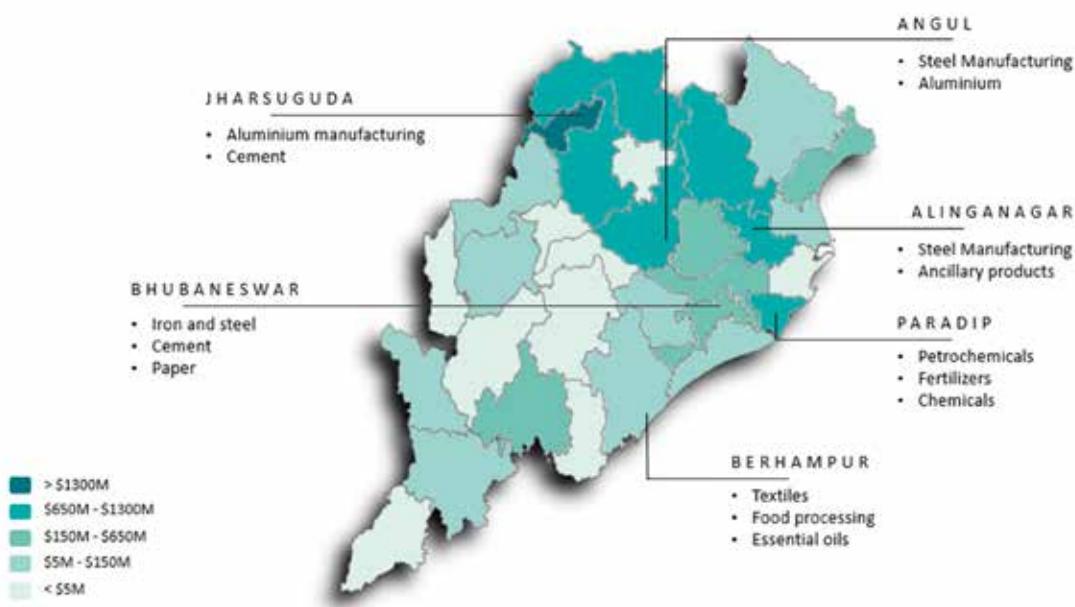




Odisha



5.1.11 Odisha



Introduction

Situated on the eastern coast of India, Odisha is a state rich in natural resources like iron ore, coal and bauxite and is well known for its industrial potential. With a coastline of approximately 480 kilometers along the Bay of Bengal, it serves as a strategic gateway to Southeast Asian markets. The state's economy has been transitioning from an agriculture-based framework to a more diversified industrial and service-oriented structure. Odisha's GSDP has been steadily rising over the past years which is a positive in the state's favor. In FY24, it has accounted for GSDP of about ₹8.6 lakh crore. After witnessing a 33.5% decline in export growth in FY23 compared to the previous year, the state rebounded in FY24 with a positive export growth of

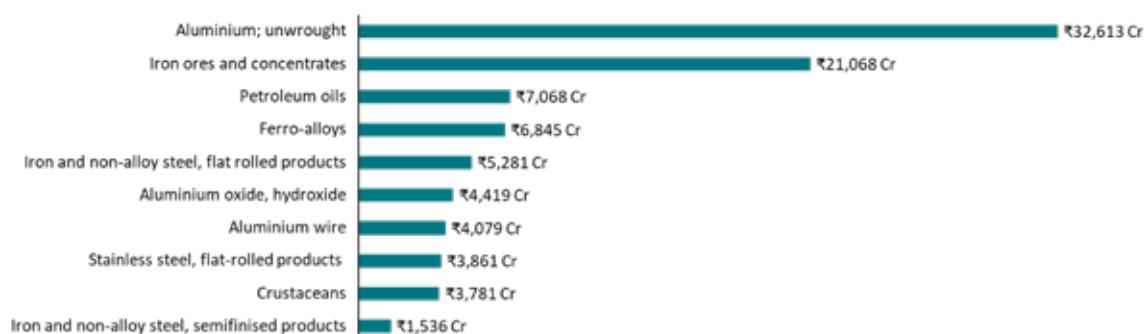
6.3%. A significant portion of Odisha's exports comes from the minerals and metallurgy sector, followed by engineering goods, marine products, and textiles.^{78, 79, 80}

Its strategic location along the Bay of Bengal provides it with a natural advantage for maritime trade, supported by the major port of Paradip which is one of the largest and deepest ports in India. With a growing emphasis on improving infrastructure and ease of doing business, the state has been positioning itself as a significant player in India's export landscape. The presence of large-scale industrial units, especially in steel and aluminum production, further bolsters its export capabilities. Odisha also has seen high growth in Micro, Small and Medium Enterprises (MSMEs) with an increase of about 158% in FY24.^{81, 82}

The government has implemented an Export Policy aimed at enhancing export activities, targeting an ambitious goal of reaching ₹3.5 lakh crore in exports by FY27. Initiatives like the Food Processing Policy and incentives for semiconductor manufacturing highlight Odisha's commitment to fostering new industries that can contribute significantly to exports. The growing demand for processed food, seafood, and handloom textiles in global markets aligns well with Odisha's strengths in agriculture, aquaculture, and traditional crafts.^{83, 84}

Export statistics

TOP 10 HS4 COMMODITIES EXPORTED BY ODISHA IN FY24



Source: Ministry of Commerce and Industry

Odisha's export strength lies in its deep integration with India's mineral wealth and metallurgical industries. As one of the country's leading resource-rich states, it channels its natural endowments into high-value exports such as aluminum, iron ore, ferroalloys, and steel. The state's strong port infrastructure especially at Paradip and Dhamra has enabled bulk exports at competitive costs, making Odisha a critical node in India's commodity and metal export ecosystem. Beyond minerals and metals, Odisha is also slowly diversifying into value-added segments like stainless steel and marine exports.

78 IBEF

79 Ministry of Commerce & Industry

80 NIRYAT (National Import-Export Record for Yearly Analysis of Trade)

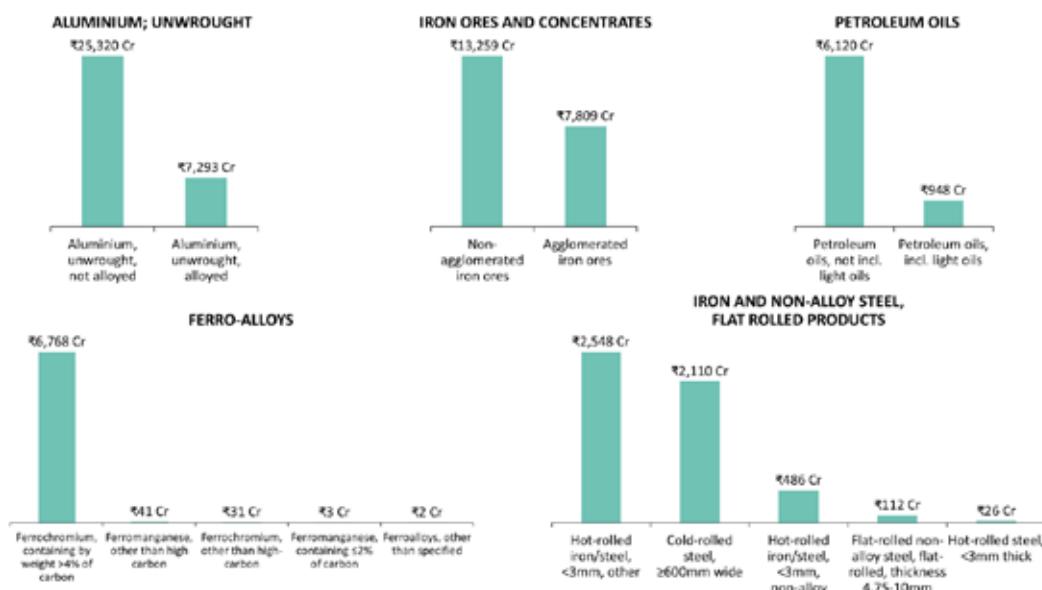
81 Ministry of MSME PIB – 11th December 2023

82 BRAP 2022- EoDB - DPIIT

83 NABARD (National Bank for Agriculture and Rural Development)

84 Odisha Export Policy 2022

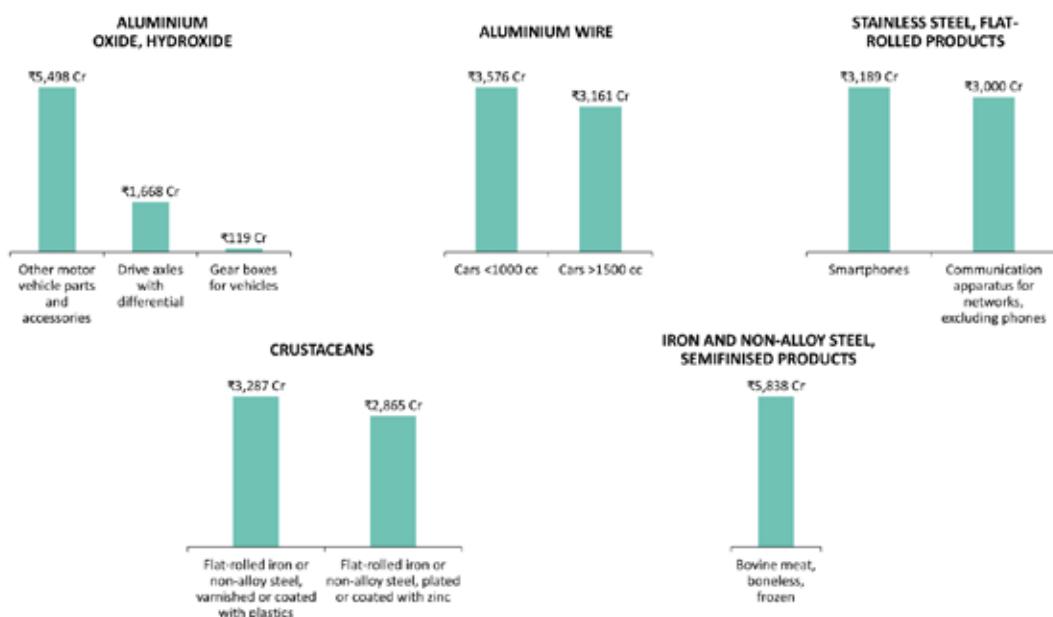
DEEP DIVE INTO THE TOP 5 HS4 COMMODITIES AT HS6 LEVEL EXPORTED BY ODISHA IN FY24



Source: Ministry of Commerce and Industry

Aluminum is by far the state's most valuable export, in both alloyed and unalloyed forms, benefiting from integrated production hubs powered by local bauxite reserves and energy availability. Iron ore exports, both agglomerated and non-agglomerated, remain strong, bolstered by proximity to mining zones and efficient port logistics. Petroleum oils are another top contributor, suggesting a refining or distribution role, while ferro-alloys especially ferrochromium showcase Odisha's specialization in alloy production. Flat-rolled iron and non-alloy steel products point to a growing base in semi-finished and finished steel manufacturing, with both hot- and cold-rolled variants exported in significant quantities.

DEEP DIVE INTO THE NEXT 5 HS4 COMMODITIES AT HS6 LEVEL EXPORTED BY ODISHA IN FY24



Source: Ministry of Commerce and Industry

Further underscoring Odisha's metallurgical capabilities are its exports of aluminum oxide (largely alumina) and aluminum wire, indicating both upstream and downstream integration in aluminum processing. The presence of stainless-steel flat-rolled exports, spanning different thicknesses and finishes, suggests the development of more refined steel operations. Odisha's seafood exports, particularly frozen shrimp, and prawns, add an important diversification layer to the state's otherwise mineral-heavy profile. This combination of raw materials, semi-finished goods, and select finished industrial and marine products underscores Odisha's role as a powerhouse in core industries, with a growing potential for diversification and value addition.

Success Stories



EPI 2024 – Results and Conclusions

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
1 Export Infrastructure	 Utilities State's power and water availability	10	4.5	<ul style="list-style-type: none"> • Limited renewable energy penetration restricts the state's ability to meet increasing business demand for sustainable power
	 Logistics State's transportation networks, freight connectivity and storage capacity	10	0.8	<ul style="list-style-type: none"> • The lack of integrated cold chain infrastructure in Odisha hampers timely deliveries, increases costs, and reduces export competitiveness

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
2  Business Ecosystem	Macroeconomy Evaluate economic output, manufacturing share and fiscal deficit	10	4.3	
	Cost competitiveness Benchmarking cost of labour, water and power	5	3.5	
	Human capital Understand education & employment parameters	5	2.9	
	Finance and credit accessibility Relevant government schemes and insurance	5	0.6	
	MSME ecosystem Assess growth and export contribution by MSMEs	10	1.7	
	Industrial and innovation environment Infrastructure maturity	5	2.7	
3  Policy and Governance	State policy support and governance State's export initiatives, digital first policies and ease of export documentation	15	13.0	
	Regulatory environment and compliance Quality standards and certifications, IEC, data readiness	5	2.9	
4  Export Performance	State level exports and trends Export trends, growth in exporter base	5	3.9	
	Export promotion and facilitation Government infrastructure and digital maturity	5	1.50	
	Export portfolio and market access Export destinations and key export commodities	10	6.3	<ul style="list-style-type: none"> Lag in higher education and employability, driving outmigration MSMEs remain small, resource-dependent, and less export-oriented, with limited credit, technology adoption, and diversification

SWOT Analysis



Strengths

Odisha's abundance of natural resources is a key strength for its export sector, housing around 51% of India's iron ore, over 92% of chromite, more than 50% of bauxite, and 25% of coal reserves fuelling major industries like steel, aluminum, and power. The state's strong port infrastructure, led by Paradip Port (handling over 135 MMT in 2023–24) and Dhamra Port (over 41 MMT), enables efficient global trade, especially for bulk exports. Strategically located along a 480 km eastern coastline, Odisha benefits from proximity to Southeast and East Asian markets via major shipping routes and the East Coast Economic Corridor. Additionally, the state offers competitive labor costs and a robust skill development ecosystem, supported by over 1,000 ITIs and programs like Skilled-in-Odisha, ensuring a steady supply of affordable, trained labor for export-driven industries.

Weaknesses

Odisha's exports remain dominated by raw minerals, with limited value addition. In 2023–24, iron ore exports were just ₹1,146.2 crore (9.2% of the state's total), despite Odisha holding over 55% of India's bauxite reserves and being the largest iron ore producer. Downstream sectors like steel rolling and aluminum fabrication remain underdeveloped, missing out on value-added merchandise exports. Logistics infrastructure is another constraint Paradip and Dhamra ports operated at only around 50% capacity, hampered by poor last-mile connectivity, shallow berths, and limited multimodal links. Agricultural and marine exports also suffer due to weak cold chain networks, though 1,000 new units are planned. Despite its mineral base, the state has focused more on services like IT and tourism, while manufacturing remains underprioritized. Traditional sectors such as textiles, handicrafts, and MSMEs face underinvestment and lag in technology adoption, limiting their export contribution.

Opportunities

Odisha holds strong potential to boost exports by shifting from raw materials to high-value, sustainable manufacturing. With abundant mineral reserves and a growing industrial base, the state can emerge as a hub for green steel production, aligning with India's net-zero goals and tapping into global demand for low-emission materials, especially from Europe. There is also

room to expand value-added aluminum, ferroalloy, and petrochemical exports, supported by existing core industries. The textile and handloom sector, rooted in crafts like Sambalpuri, Bomkai, and Ikat, offers strong export potential, with policies targeting ₹10,042 crore in investment over five years through capital subsidies and other incentives. Odisha's expanding MSME base can become a major export driver if supported with better access to finance, technology, and global markets. The state also can attract more foreign investment in export-oriented industries by leveraging its mineral wealth, strategic location, and port infrastructure. With focused promotion, business-friendly reforms, and industrial corridor development, Odisha can position itself as an attractive location for bigger MNCs to establish industries.

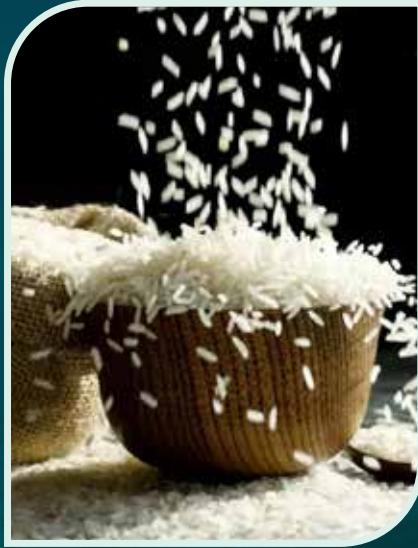
Threats

Odisha's export-driven economy faces increasing vulnerability due to its heavy reliance on China, which accounted for over 25% of the state's exports in FY24, primarily driven by iron ore shipments valued at approximately ₹1,422.6 crore. Any economic slowdown or policy shift in China could severely impact Odisha's earnings and highlights the need for market diversification and value-added production beyond coastal and mining zones. The state's dependence on volatile commodities such as iron ore, coal, bauxite, and aluminum make it vulnerable to global price fluctuations and speculative trading, with falling prices potentially triggering production cuts and job losses. Emerging global trade regulations like the EU's Carbon Border Adjustment Mechanism could further erode competitiveness by imposing tariffs on carbon-intensive goods. Compounding these risks is a skills mismatch despite initiatives like "Skilled in Odisha," training remains outdated and inadequate for high-value sectors. As a result, a significant portion of the skilled workforce migrates to other states, weakening Odisha's industrial base.

Strategic Roadmap – Focus Areas

Considering global consumption trends and existing strengths, Odisha should direct efforts toward:

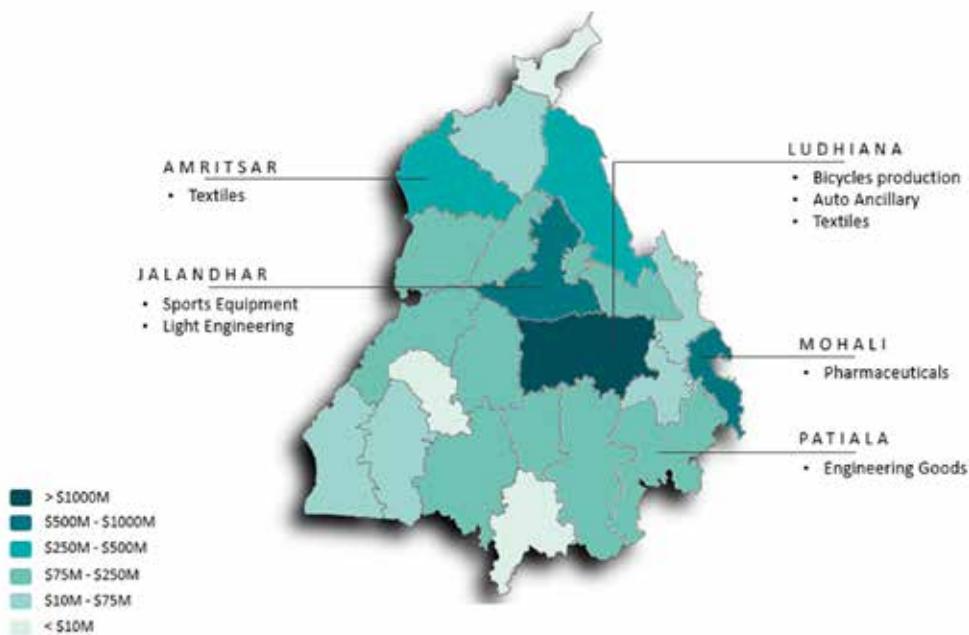




Punjab



5.1.12 Punjab



Manufacturing hubs in Punjab
Source: Ministry of Commerce and Industry

Introduction

Punjab, located in the Northwestern region of India, has long been recognized as an agricultural powerhouse, often referred to as the “Granary of India”. The state stands as a cornerstone of India’s economic and industrial framework. With a Gross State Domestic Product (GSDP) of ₹7.4 lakh crore in the financial year 2023-24, Punjab contributes significantly to the nation’s economy. The state’s urban centers such as Ludhiana, Amritsar, Jalandhar, and Mohali serve as key engines for industrial and commercial growth.⁸⁵

Punjab's economy is anchored by agriculture but is increasingly complemented by its industrial and services sectors. In FY24, the state contributed 46.3% of India's total wheat production and 31.2% of rice production. Its high-quality basmati and non-basmati rice exports, valued at ₹7,003 crore, are gaining notable traction in international markets. The state's total exports stood at ₹56,300 crore, reflecting its growing role in India's trade ecosystem. Sectors such as textiles, hand tools, auto components, bicycles, and Agri-processing are key contributors to Punjab's export performance, with MSMEs playing a critical role through an extensive network of industrial clusters.^{86, 87, 88}

To further catalyze industrial development and exports, the Government of Punjab launched the Punjab Industrial and Business Development Policy (IBDP) 2022. Key features include 100% exemption from property tax for 10 years for thrust sectors, and additional incentives for mega and ultra-mega projects, such as capital subsidies and stamp duty reimbursements. The policy also aims to develop 15 industrial parks and 20 rural clusters to promote balanced regional growth. In tandem, the Punjab Integrated Logistics and Logistics Park Policy 2023 was introduced to strengthen the state's logistics infrastructure, facilitate multimodal connectivity, and reduce logistics costs for exporters. These policies aim to transform Punjab into a more competitive and investor-friendly manufacturing base, with an integrated approach that supports supply chain efficiency and export-led growth.^{89, 90}

Export Statistics

TOP 10 HS4 COMMODITIES EXPORTED BY PUNJAB IN FY24



Source: Ministry of Commerce and Industry

Punjab's exports reflect a strong balance between its deep-rooted agricultural strengths and an increasingly robust industrial manufacturing base. The state's trade identity continues to be anchored in its rural economy, especially through rice, but it also showcases signs of diversified growth particularly in machinery, textiles, and chemicals. The export structure hints at both scale and specialization, with clear strengths in Agri-processing, automobile components, and fine chemicals.

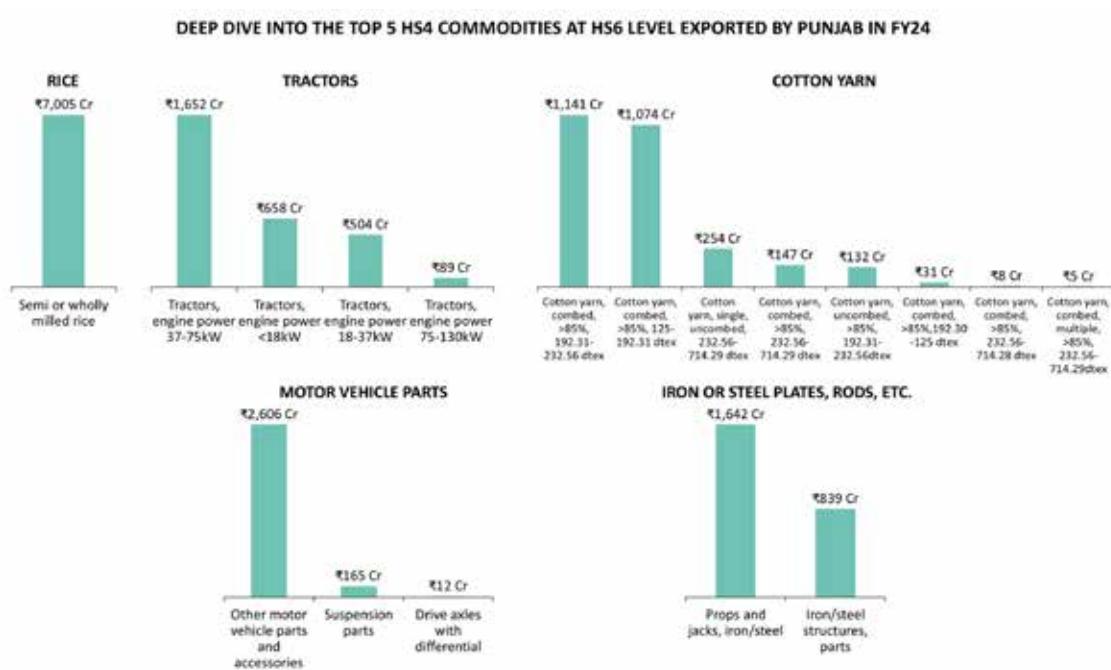
86 FIEO (Federation of Indian Export Organisation)

87 Punjab Economic Survey 2023-24

88 NIRYAT (National Import-Export Record for Yearly Analysis of Trade)

89 Punjab Industrial and Business Development Policy 2022

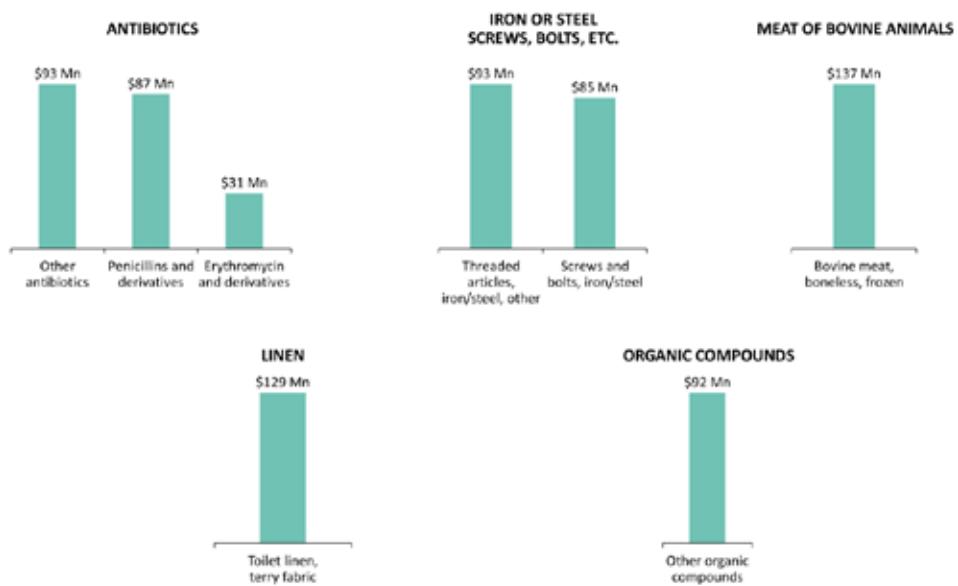
90 Punjab Integrated Logistics and Logistics Park Policy 2023



Source: Ministry of Commerce and Industry

Rice is far and away the most dominant export from Punjab, almost entirely consisting of semi or wholly milled varieties. This underlines Punjab's stature as a rice bowl of India and points to a well-established Agri-export chain with processing capabilities geared for global markets. Beyond agriculture, Punjab has carved a substantial footprint in tractor exports across a range of engine power categories particularly in the mid-range (37–75kW), but with meaningful volumes in smaller and larger segments as well. Cotton yarn exports are another major pillar, highly specialized by fiber composition and thickness, with combed yarns of different Dtex grades forming the core. Motor vehicle parts largely general components and suspension systems illustrate a well-embedded automotive supply chain. And in construction and fabrication, the export of iron and steel structures, particularly jacks and other supports, hints at niche engineering strengths likely tied to the state's industrial clusters.

DEEP DIVE INTO THE NEXT 5 HS4 COMMODITIES AT HS6 LEVEL EXPORTED BY PUNJAB IN FY24



Source: Ministry of Commerce and Industry

The next set of key exports deepens this profile. Antibiotics feature prominently, especially penicillin, erythromycin, and broad-spectrum formulations, suggesting significant pharmaceutical manufacturing capabilities with a focus on APIs. The export of iron and steel fasteners primarily screws and bolts reflect mature metallurgical and machining processes within the state. Bovine meat, limited to frozen boneless cuts, underscores the contribution of livestock farming and food processing. Meanwhile, textile diversification is visible through the presence of linen, especially terry fabric toilet linen, suggesting that Punjab's textile export capabilities go beyond yarn into finished goods. The chemical story is capped by exports of various organic compounds, rounding out a balanced portfolio that mixes legacy strengths with modern industrial evolution.

Success Stories



EPI 2024-Results and Conclusions

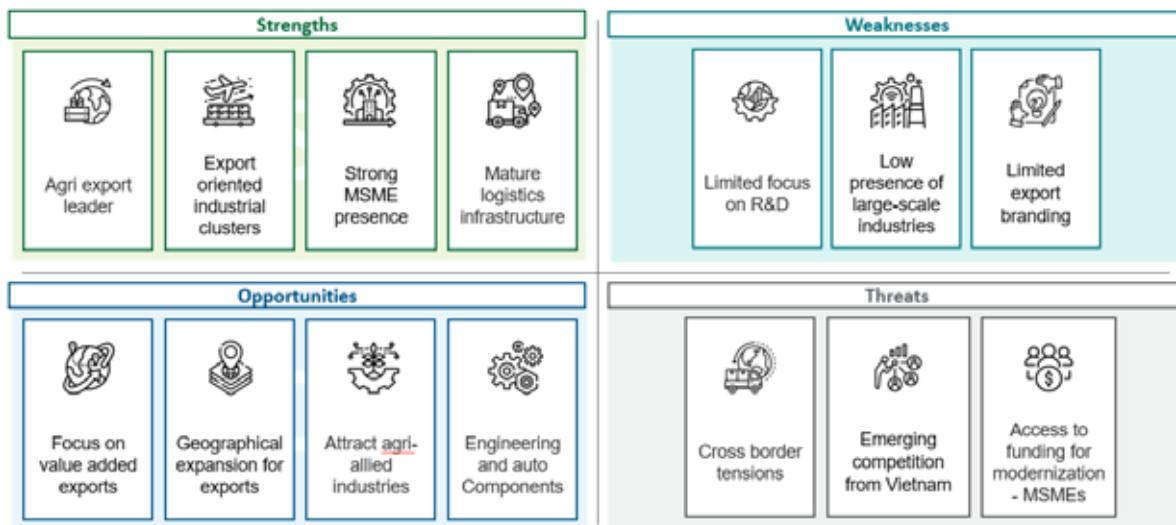
Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
1  Export Infrastructure	 Utilities State's power and water availability	10	5.7	<ul style="list-style-type: none"> The state lags in renewables due to thermal reliance, slow growth, funding gaps, and weak grid integration
	 Logistics State's transportation networks, freight connectivity and storage capacity	10	4.8	

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
2  Business Ecosystem	Macroeconomy Evaluate economic output, manufacturing share and fiscal deficit	10	3.8	
	Cost competitiveness Benchmarking cost of labour, water and power	5	2.9	
	Human capital Understand education & employment parameters	5	2.5	
	Finance and credit accessibility Relevant government schemes and insurance	5	0.9	
	MSME ecosystem Assess growth and export contribution by MSMEs	10	6.1	
	Industrial and innovation environment Infrastructure maturity	5	2.2	<ul style="list-style-type: none"> High labor wages, industrial power tariffs, and acute groundwater scarcity inflates hidden water costs Industrial ecosystem is constrained by weak fiscal health, policy execution gaps, and persistent land and power bottlenecks

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
3  Policy and Governance	State policy support and governance State's export initiatives, digital first policies and ease of export documentation	15	13.1	
	Regulatory environment and compliance Quality standards and certifications, IEC, data readiness	5	3.8	<ul style="list-style-type: none"> Trade fair activity in Punjab remains limited, reducing exposure opportunities for its exporters While Punjab has a fair number of certified manufacturers, gaps in broader compliance with quality standards limit its full export potential

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
4  Export Performance	State level exports and trends Export trends, growth in exporter base	5	4.0	
	Export promotion and facilitation Government infrastructure and digital maturity	5	3.8	<ul style="list-style-type: none"> Export portfolio is heavily concentrated in agri-based products with limited diversification and weak penetration in high-value global markets Low digital adoption, limited trade promotion infrastructure, and weak integration with global value chains
	Export portfolio and market access Export destinations and key export commodities	10	4.7	

SWOT Analysis



Strengths

Punjab boasts one of India's strongest agricultural bases, supported by ample water resources and large-scale cultivation of crops like rice, maize, and sugarcane. The state's strong presence across diverse sectors including basmati rice, pharmaceuticals, sports goods, and engineering products contributes to balanced and resilient export growth. The state is home to 14.65 lakh MSMEs that form the backbone of the state's industrial economy and hold strong potential for global export expansion. Dominating sectors like textiles, bicycles, hosiery, tractors, auto components, and leather goods, these enterprises make up 99.7% of all MSMEs in the state, employ 65% of the industrial workforce, and contribute 78% to Punjab's industrial output. Punjab's robust transport and warehousing infrastructure serves as a major strength, enabling efficient supply chains and low turnaround times. To further support exporters, the DLEPC team regularly assembles EXIM stakeholders and, through the Export Facilitation Cell, provides institutional backing to enhance MSME export competitiveness.

Weaknesses

Punjab's export ecosystem is constrained by limited R&D and innovation, a weak base of large-scale industries, and inadequate global branding efforts. The state's landlocked geography results in dependence on distant ports, driving up logistics costs and lead times. Additionally, many MSMEs face challenges in obtaining international certifications and adhering to compliance standards, where high costs further restrict their competitiveness in global markets.

Opportunities

The rising global demand for products such as basmati rice, litchi, scaffoldings, and hand tools presents significant opportunities for Punjab to expand its export footprint and capture high-value international markets. Complementing this, geographical expansion of exports allows Punjab to broaden its trade footprint, reduce reliance on a limited number of markets, tap into new consumer bases, boost foreign exchange earnings, and improve its long-term resilience and competitiveness in the global economy. Additionally, attracting Agri-allied industries presents a promising opportunity to significantly boost Punjab's export sector by transforming its abundant agricultural output such as wheat, rice, maize, and sugarcane into high-value,

globally competitive products. Punjab can expand exports in engineering goods and auto components by leveraging its manufacturing base, developing export-oriented clusters and global supply chain integration to enhance competitiveness and access high-value markets.

Threats

Punjab's industrial and trade growth faces rising threats from cross-border tensions, which can disrupt trade routes, deter investment, and impact regional stability. Additionally, emerging competition from low-cost manufacturing hubs like Vietnam poses a challenge to Punjab's traditional export sectors such as textiles and agro-processing, as global buyers increasingly seek more competitive markets. Additionally, stricter international standards on sustainability, packaging, and traceability are creating non-tariff barriers that disproportionately affect smaller units.

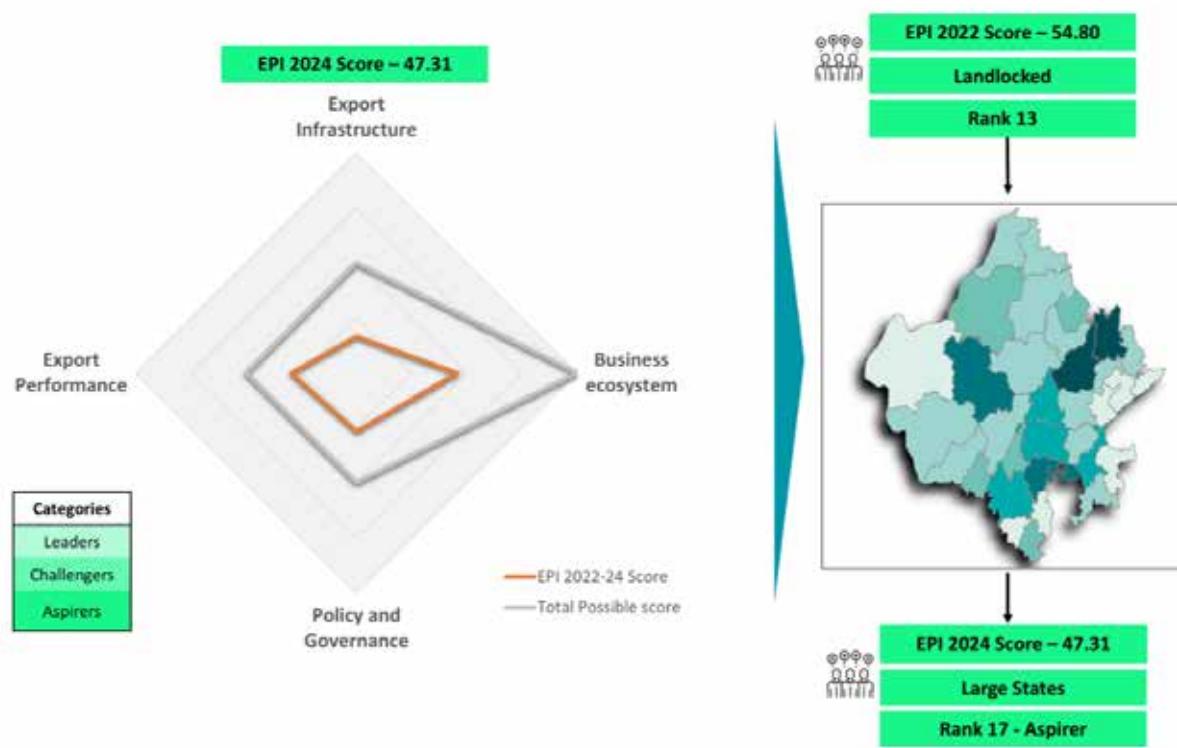
Strategic Roadmap – Focus Areas

Considering global consumption trends and existing strengths, Punjab should direct efforts toward:

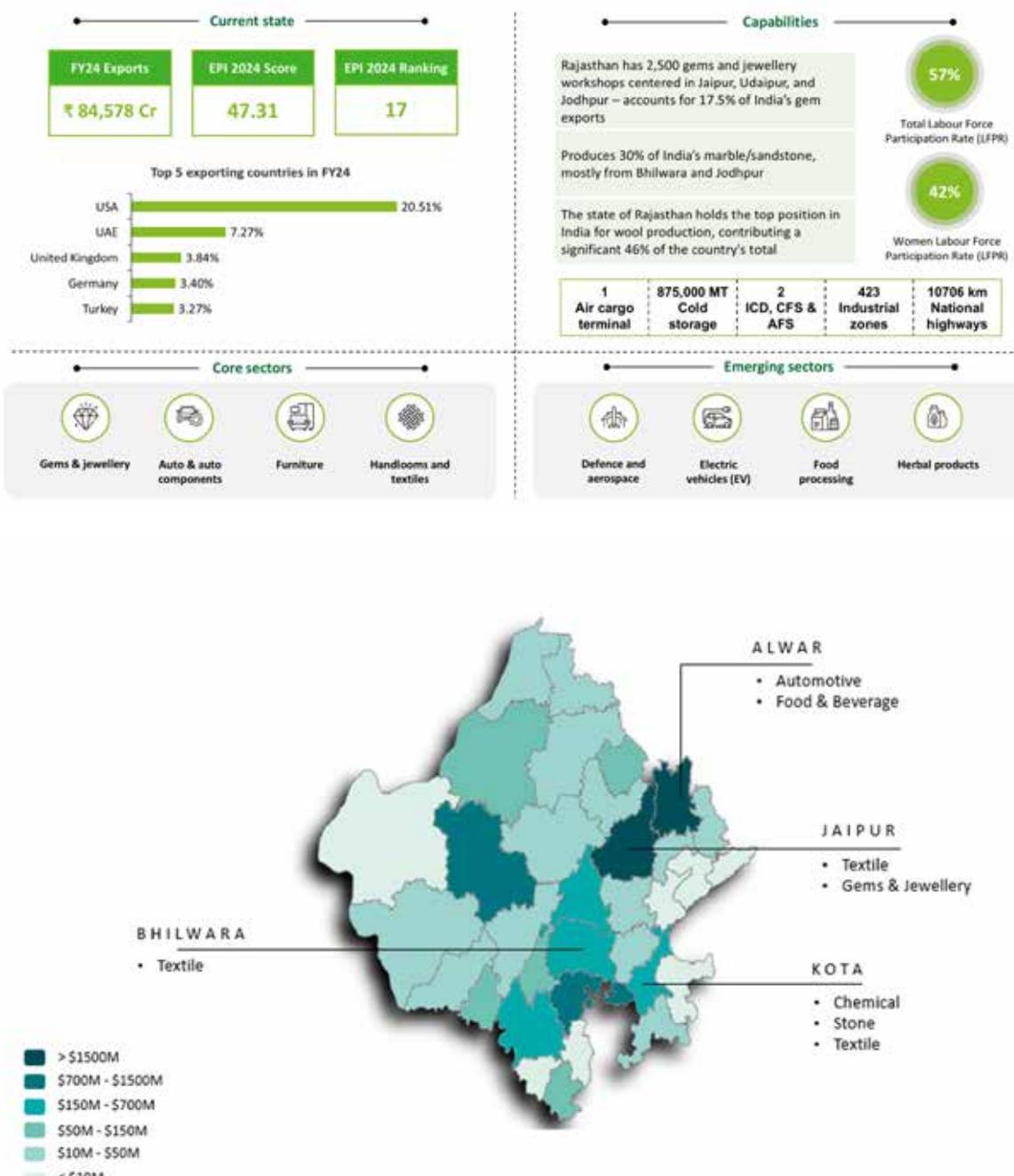




Rajasthan



5.1.13 Rajasthan



Introduction

Situated in India's Northwestern region, Rajasthan is India's largest state, covering 10.4% of the country's total land area. Rajasthan is a natural corridor between Northern and Western states, making it an important trade and commerce center. The natural resources, policy incentives, strategic location and infrastructure in the state are favorably suited for investments in sectors such as cement, tourism, agriculture and allied industries, mineral and mineral processing industries. As of FY24, the state recorded an annual GSDP of ₹15.2 lakh crore, contributing about 5% to India's GDP, with tourism accounting for 8% of the state's domestic product.^{91, 92}

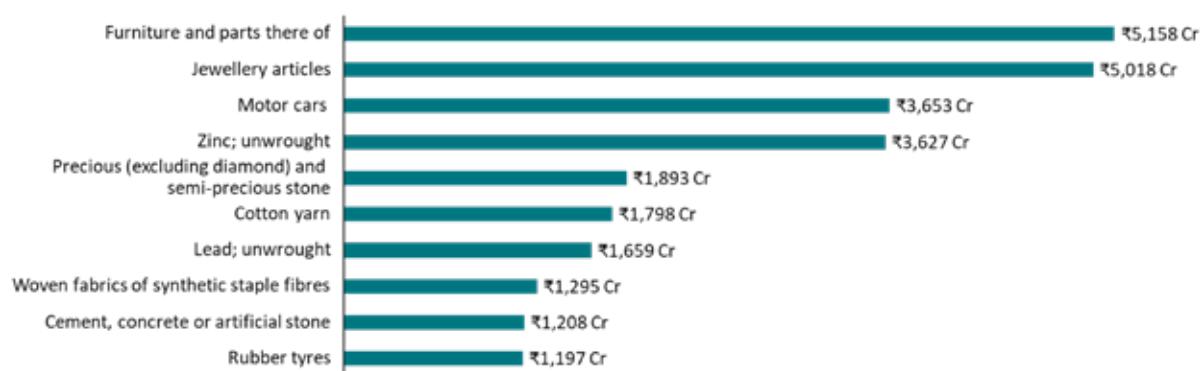
Rajasthan's economy thrives on its rich agricultural and pastoral heritage, making it a leading producer of edible oils and oilseeds in India. As a hub for mineral-based, agriculture-based, and textile industries, it also stands as the second-largest producer of polyester fiber in the country. With a diverse export portfolio spanning across engineering goods, gems & jewelry, textiles, and Agri-products, the state has achieved an export value of ₹84,674 crore, marking a 4.1% growth in FY24. This robust export performance underscores Rajasthan's role as a dynamic engine of economic advancement. Rajasthan's SEZs are also key drivers of economic growth, with the Gems & Jewelry multiproduct SEZ at Sitapura achieving exports worth ₹3,849 crore in FY24. The Mahindra World City SEZ in Jaipur, established through a ₹10,000 crore investment, recorded exports of ₹3,682 crore during the same period. These thriving hubs showcase Rajasthan's strategic focus on fostering industrial excellence and global trade.^{93, 94, 95}

Rajasthan faces several challenges in boosting its exports despite being a major producer of agricultural commodities and minerals. A key issue is the state's lack of adequate logistics infrastructure, particularly for transporting goods to seaports, which hampers the efficiency of export processes. Moreover, while exports from Rajasthan have been steadily increasing, the state's share in the national export market remains limited, contributing only about 2% of India's total exports.^{96, 97}

Rajasthan envisions boosting its exports from ₹83,680 crore in FY24 to ₹1.5 lakh crore by FY29 through a strategic focus on expanding and diversifying its export portfolio. The state's Export Promotion Policy emphasizes the "PUSH" framework, which aims to Promote value addition, Upgrade infrastructure, Streamline processes for ease of exporting, and Harness digital technologies. By improving logistics, export infrastructure, and air cargo services, Rajasthan seeks to enhance competitiveness and support sustainable, inclusive economic growth.⁹⁸

Export Statistics

TOP 10 HS4 COMMODITIES EXPORTED BY RAJASTHAN IN FY24



Source: Ministry of Commerce and Industry

Rajasthan's export portfolio reflects a blend of artisanal heritage, resource-based industries, and

⁹³ NIRYAT (National Import-Export Record for Yearly Analysis of Trade)

⁹⁴ Rajasthan Export Promotion Policy 2024

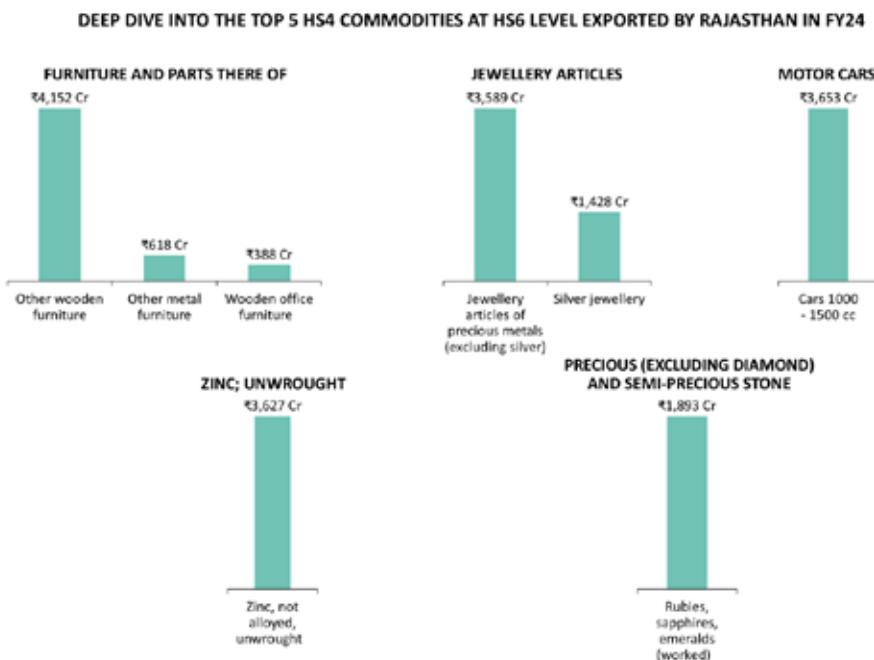
⁹⁵ Government of Rajasthan – Economic review 2023-24

⁹⁶ Business Standard

⁹⁷ Times of India

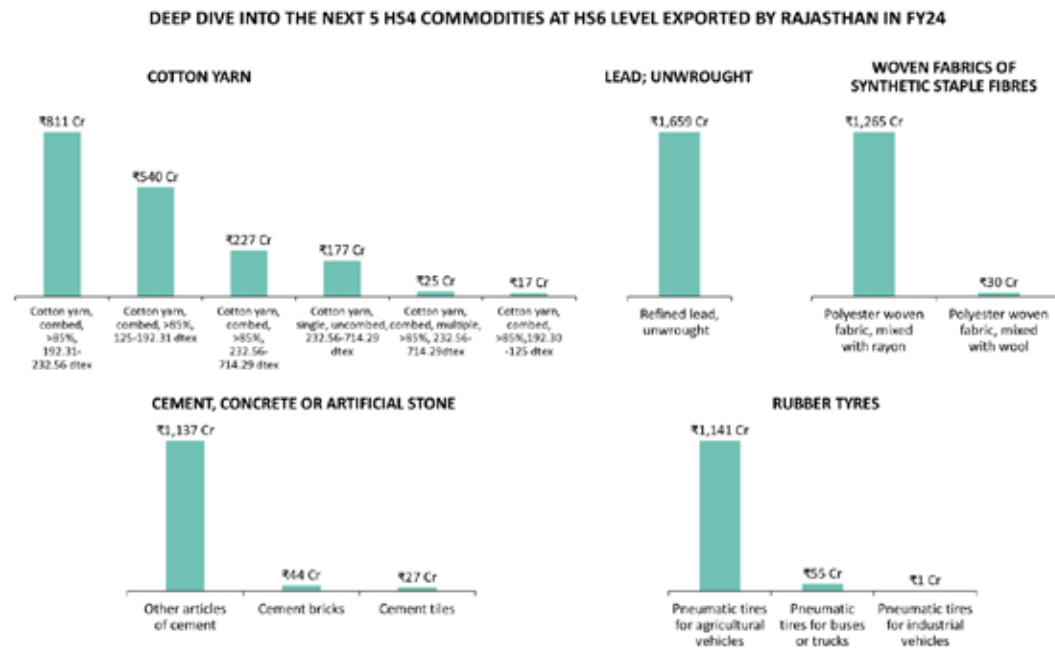
⁹⁸ Rajasthan Export Promotion Policy 2024

emerging manufacturing sectors. The state is known globally for its gemstones and jewelry, but recent trends highlight a growing presence in categories like furniture, automotive, textiles, and base metals. This mix of traditional and modern sectors underscores Rajasthan's ability to integrate its natural resource base and craftsmanship with the demands of global markets. The top 10 export commodities reveal not just diversity but depth, especially in value-added products like wooden and metal furniture, precious jewelry, and processed zinc and lead, which are transformed from raw materials into high-demand global goods.



Source: Ministry of Commerce and Industry

The top five commodities showcase Rajasthan's evolving industrial strengths. Furniture exports, especially of wooden and metal varieties, dominate the list demonstrating the rise of value-added carpentry and design-led manufacturing across the state. The variety ranges from general home furniture to office-specific units, pointing to adaptability in design and material use. The jewelry segment continues to shine, particularly in articles made of precious metals and silver. These exports reflect Rajasthan's deep-rooted artisanal legacy and the ability of local enterprises to meet global tastes with high craftsmanship. Motor car exports, primarily in the mid-engine range, hint at growing automotive assembly or distribution hubs. Zinc, exported in its unwrought form, signals efficient processing of locally mined ore, while also serving as a backbone for global metallurgical industries. The presence of cut and polished precious stones like rubies and emeralds further confirms Rajasthan's stature in the global gem trade, anchored in traditional expertise and a well-developed ecosystem.



Source: Ministry of Commerce and Industry

The next five commodities reveal a balance of textiles, heavy industry, and niche manufacturing. Cotton yarns, particularly combed and fine-count types, signal the prominence of Rajasthan's spinning mills and their alignment with international fabric quality standards. The export of refined lead complements zinc, further highlighting the state's strength in non-ferrous metallurgy and mineral beneficiation. Woven synthetic fabrics, especially polyester blends, indicate a maturing textile industry that caters to both fashion and utility markets abroad. Cement-based articles such as decorative tiles, bricks, and other concrete items showcase Rajasthan's growing capability in construction materials, aided by its abundant limestone reserves. Finally, the rubber tire segment, primarily agricultural and commercial-grade types, suggests that auto-component manufacturing is gaining momentum, possibly linked to the same ecosystems driving motor car exports. Altogether, Rajasthan's export basket tells the story of a state expanding beyond its legacy sectors into integrated, value-rich supply chains.

Success Stories



EPI 2024-Results and Conclusions

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
1  Export Infrastructure	 Utilities State's power and water availability	10	4.6	<ul style="list-style-type: none"> Groundwater scarcity occurs due to arid climate and over-extraction, intensifying water stress and limiting sustainability Shortage of logistics infrastructure leads to port congestion, longer transit times, and increased handling costs
	 Logistics State's transportation networks, freight connectivity and storage capacity	10	2.0	
2  Business Ecosystem	 Macroeconomy Evaluate economic output, manufacturing share and fiscal deficit	10	4.1	<ul style="list-style-type: none"> Lag in human capital due to low literacy, high gender gap, weak higher education access, and unemployment with poor skill outcomes MSME ecosystem faces low export intensity, limited credit access, weak technology adoption, and inadequate market linkages
	 Cost competitiveness Benchmarking cost of labour, water and power	5	3.5	
	 Human capital Understand education & employment parameters	5	2.6	
	 Finance and credit accessibility Relevant government schemes and insurance	5	2.0	
	 MSME ecosystem Assess growth and export contribution by MSMEs	10	2.1	
	 Industrial and innovation environment Infrastructure maturity	5	4.1	
3  Policy and Governance	 State policy support and governance State's export initiatives, digital first policies and ease of export documentation	15	9.4	<ul style="list-style-type: none"> The absence of an export-specific policy limits Rajasthan's ability to provide structured support for exporters A lack of dedicated online portals restricts easy access to export related information and guidance
	 Regulatory environment and compliance Quality standards and certifications, IEC, data readiness	5	1.2	

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
4  Export Performance	 State level exports and trends Export trends, growth in exporter base	5	3.8	<ul style="list-style-type: none"> • limited district-level export plans restrict the promotion of local products and market access, hindering balanced regional economic growth
	 Export promotion and facilitation Government, infrastructure and digital maturity	5	1.5	<ul style="list-style-type: none"> • Struggles to increase value-added exports due to high logistics costs, sufficient infrastructure and competition from countries with lower operational costs
	 Export portfolio and market access Export destinations and key export commodities	10	6.4	

SWOT Analysis

Strengths				Weaknesses						
				Strategic location	Agriculture and allied industries	Mineral reserves	Policy and investment support	High logistics cost in interior areas	Lack of cold storage infrastructure	Port connectivity
Opportunities				Threats						
				China+1	Global push for handicrafts	Expanding multi-modal logistics infrastructure	Leveraging ODOP	Water scarcity	Competition from major states	Regional concentration of exports

Strengths

Rajasthan's strategic location and infrastructure connectivity give it a strong edge in manufacturing and exports. Nearly 39% of the Delhi-Mumbai Industrial Corridor (DMIC) passes through the state, and the Western Dedicated Freight Corridor connects industrial hubs like Jaipur, Ajmer, and Bhilwara facilitating cost-efficient, high-speed logistics across key markets. In agriculture and allied sectors, Rajasthan plays a leading role, contributing over 40% of India's mustard and nearly 60% of guar gum exports, along with substantial production of millets, cumin, and pulses. The state's livestock base of over 56 million supports vibrant dairy and meat industries, with buffalo meat exports catering to markets such as Vietnam, UAE, and Egypt. Rajasthan also enjoys mineral dominance, supplying over 90% of India's marble and more than 70% of its zinc and lead, and is advancing in value-added segments like manufactured sand (M-sand). Complementing these advantages are progressive policies such

as the Rajasthan Investment Promotion Scheme (RIPS) 2022–27 and the Export Promotion Policy 2024, which offer capital subsidies, tax reimbursements, and marketing assistance particularly benefiting textiles, minerals, and engineering sectors.

Weaknesses

Rajasthan's export potential is hindered by high logistics costs in interior districts such as Bikaner and Barmer, where goods often travel over 800 km to reach ports. This raises freight rates and reduces competitiveness, particularly for bulky exports like handicrafts and engineering goods. The state's limited cold storage infrastructure further affects perishable exports such as cumin, coriander, and pomegranates, restricting access to high-value markets. Additionally, the absence of direct port connectivity forces reliance on Gujarat ports like Mundra and Kandla, adding to transport costs and extending turnaround times.

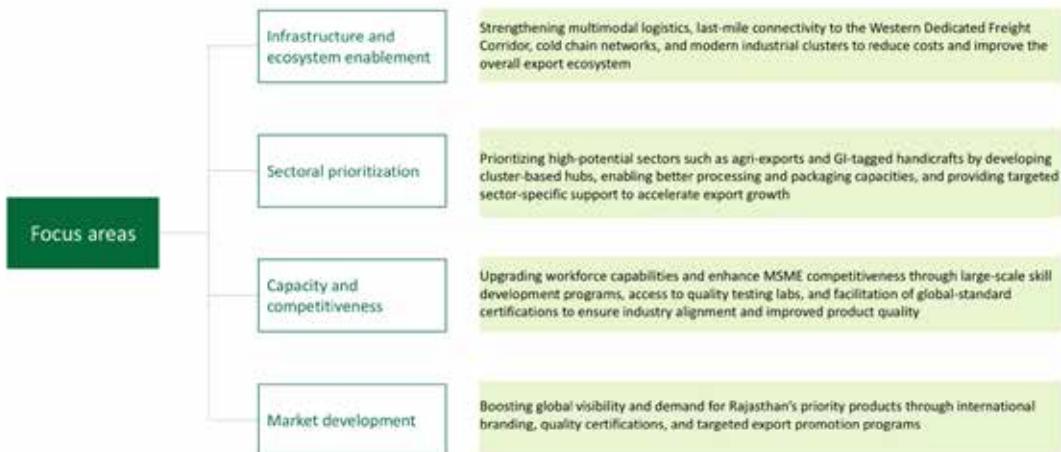
Opportunities

Rajasthan's cost-effective manufacturing base offers strong potential to attract global buyers across key sectors such as textiles, ceramics, stone craft, and auto components. Established industrial clusters in Bhilwara, Jaipur, and Pali are well-positioned to expand exports of cotton, wool, and traditional block prints, while ceramic hubs like Rajsamand and Beawar can tap into emerging markets in Africa and Latin America as global buyers seek alternatives to China. The marble and sandstone sector also holds significant opportunity to increase global market share through modernization, adoption of advanced technology, and improved branding. The state's diverse portfolio of Geographical Indication (GI)-tagged products such as Jaipur blue pottery, Kathputlis, Molela clay plaques, Bikaneri bhujia, and Jaipur hand-knotted rugs provides a valuable export advantage by strengthening regional brands and supporting artisan-driven economic growth. Rajasthan's expanding multimodal logistics infrastructure, including the Western Dedicated Freight Corridor, dry ports, and logistics parks, offers a major opportunity to reduce transit time and costs, overcoming its landlocked constraints and enhancing trade competitiveness. Finally, the One District One Product (ODOP) initiative enables the promotion of district-specific crafts like blue pottery, carpets, and leather goods, driving rural employment, export diversification, and artisan empowerment.

Threats

Rajasthan faces several threats that challenge its long-term export sustainability. As India's most water-stressed state, with per capita availability below 500 cubic meters, industrial hubs like Bhilwara, Pali, and Sikar frequently endure water shortages, affecting production in key sectors such as textiles and ceramics. Over-reliance on groundwater and erratic monsoons due to climate change further worsen this risk. The state also struggles to compete with industrialized peers like Gujarat and Maharashtra, which offer superior infrastructure, better port access, and stronger policy support factors that limit Rajasthan's ability to attract high-value investments. Additionally, Rajasthan's exports are heavily concentrated in markets like the United States, which accounts for nearly 20% of its outbound trade, posing risks of external demand shocks.

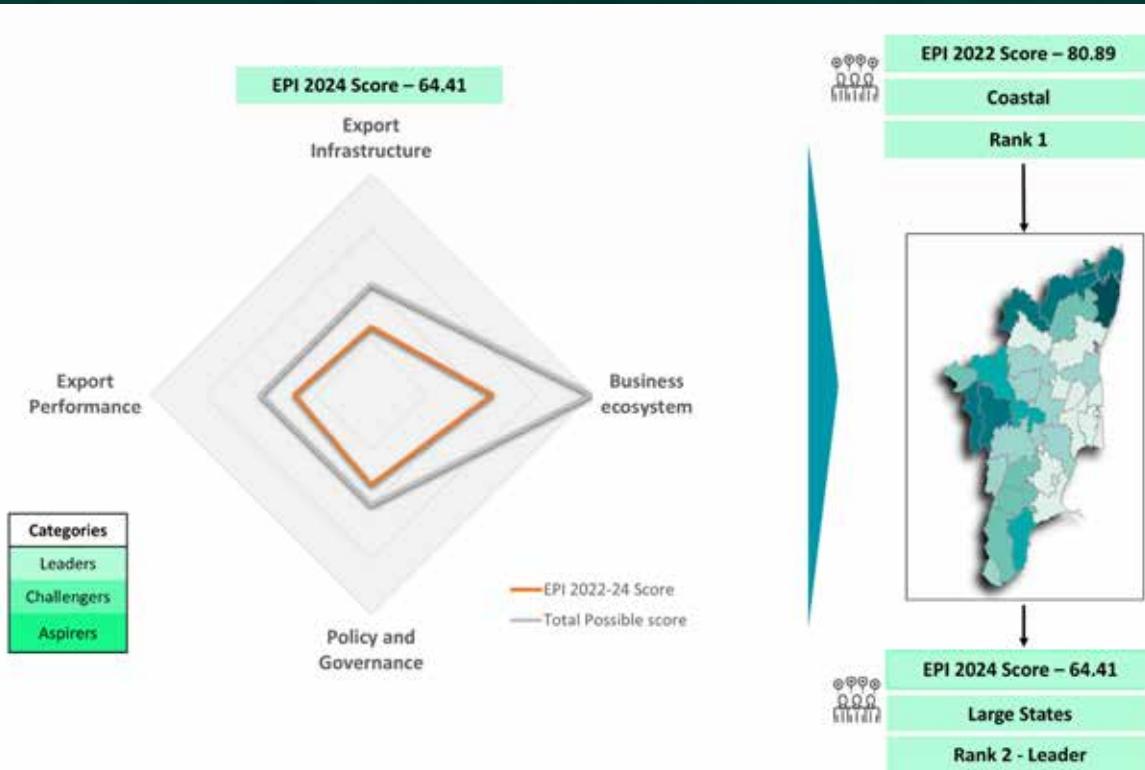
Strategic Roadmap – Focus Areas



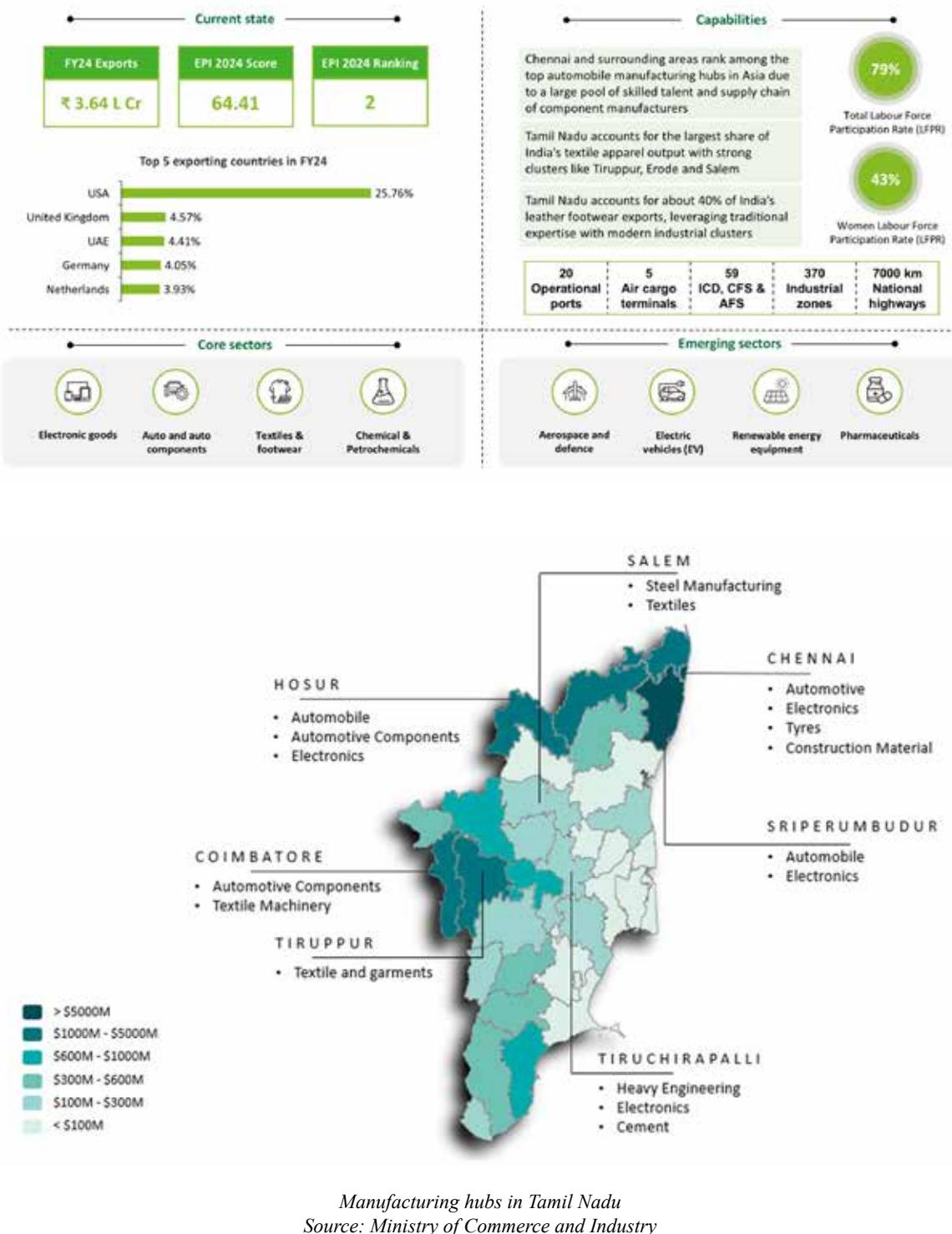




Tamil Nadu



5.1.14 Tamil Nadu



Introduction

The southernmost state of India, Tamil Nadu, has transformed into a powerhouse of industrial development and export activity. With a strong GSDP of ₹27.2 lakh crore (FY24), Tamil Nadu ranks among the top contributors to India's economy. Over the past, Tamil Nadu's export numbers have shown growth and in FY24, the state's export value has crossed ₹3.6 lakh crore. A blend of skilled labor, matured infrastructure and forward-thinking policies ensures Tamil Nadu's place among India's leading export contributors.^{99, 100}

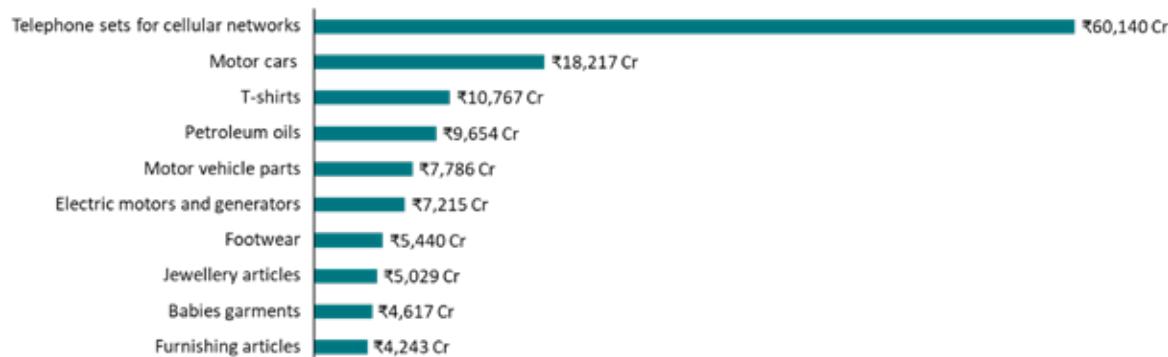
Tamil Nadu's greatest strength lies in its diversified industrial base. The state is among the leaders in several industries such as automobiles and auto components, engineering, pharmaceuticals, garments, and textile products. Its robust IT industry, centered in Chennai and Coimbatore, accounts for a prominent share of India's service exports. Tamil Nadu also has a well-established textile industry with Coimbatore and Tirupur as global centers for apparel and knitwear exports. The state's well-developed logistics infrastructure including a strong road and rail network along with its geographic advantage, marked by an extensive coastline and strategically located ports such as Chennai, Thoothukudi and Ennore, reinforces its importance as a key player in international trade.^{101, 102, 103, 104}

Despite positive year-on-year export growth, Tamil Nadu's export sector is facing a slowdown, with the rate of increase diminishing, potentially raising concerns with the formation of a slump. Certain products like automotive components can be susceptible to price fluctuations and demand shifts in international markets. Moreover, there is a slight decline in textile exports as compared to the previous year, reflecting challenges such as high raw material costs, and reduced global demand for certain products. These industry-based threats can have an impact on the state's exports.¹⁰⁵

The Tamil Nadu Global Investors Meet (GIM) attracted significant investments from global tech, automotive, energy and manufacturing firms, securing investment of over ₹6.6 lakh crore, with a considerable portion designated for electric vehicle (EV) development which has a lot of potential in increasing the state's exports. Alongside this, with the world focusing on sustainable practices, Tamil Nadu's renewable energy initiatives, including its leadership in wind energy, can open avenues for exporting green technologies.^{106, 107}

Export Statistics

TOP 10 HS4 COMMODITIES EXPORTED BY TAMIL NADU IN FY24

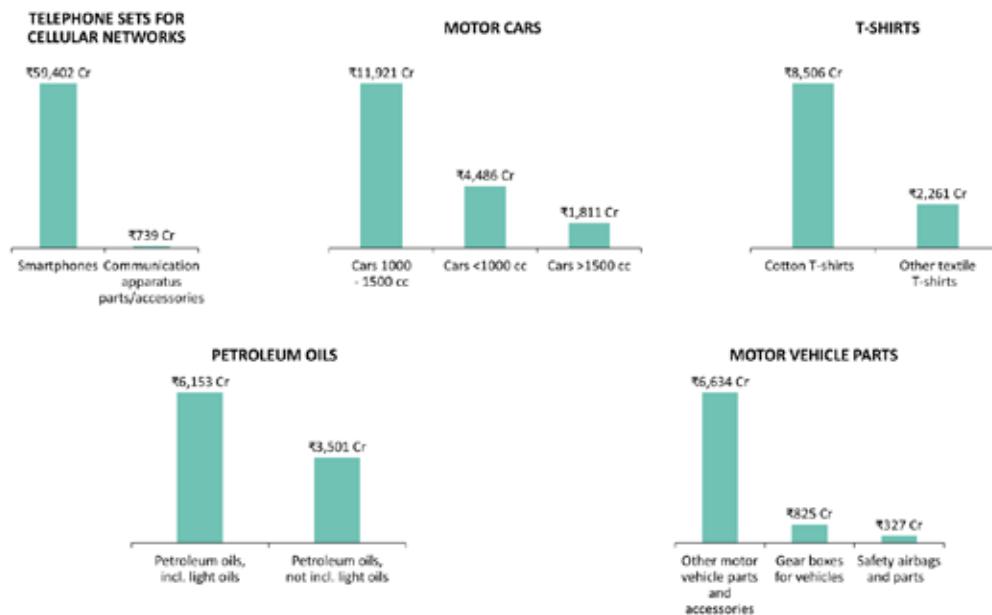


Source: Ministry of Commerce and Industry

101 Guidance Tamil Nadu
 102 NIRYAT (National Import-Export Record for Yearly Analysis of Trade)
 103 Ministry of Commerce & Industry
 104 Statista
 105 NIRYAT (National Import-Export Record for Yearly Analysis of Trade)
 106 India Briefing
 107 Renewable Energy Statistics 2023-24

Tamil Nadu demonstrates a highly diversified and technologically integrated export portfolio, rooted in its strengths across electronics, automobiles, textiles, leather, and light engineering. The state's top export categories include smartphones and telecom equipment, motor cars, T-shirts, petroleum oils, and motor vehicle parts. Tamil Nadu's industrial prowess is bolstered by well-established hubs in Chennai, Hosur, Coimbatore, and Tirupur, supported by deep port connectivity through Chennai, Ennore, and Tuticorin ports. Government-backed electronics manufacturing clusters and the state's investor-friendly policies have further accelerated exports of high-value items such as smartphones and electric vehicle components.

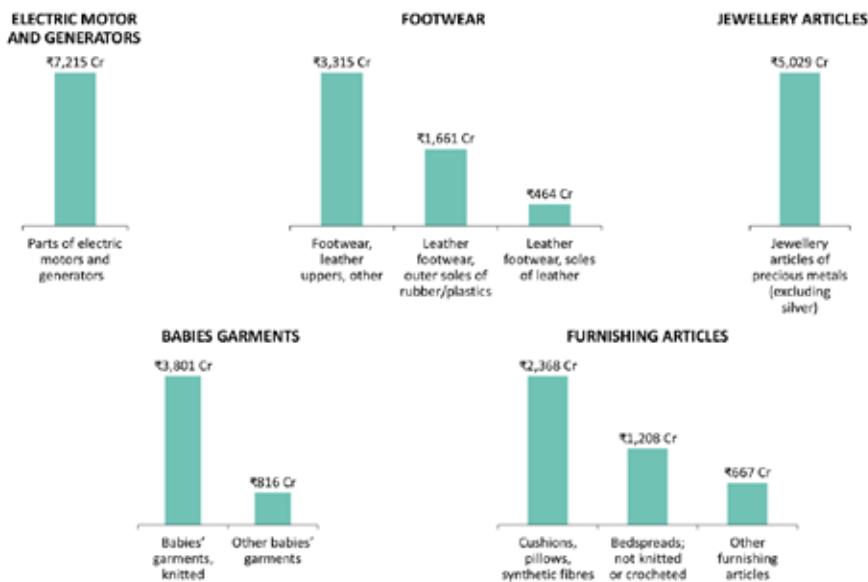
DEEP DIVE INTO THE TOP 5 HS4 COMMODITIES AT HS6 LEVEL EXPORTED BY TAMIL NADU IN FY24



Source: Ministry of Commerce and Industry

Delving deeper, Tamil Nadu's leadership in electronics and automobiles is clearly reflected. In telecom, exports of smartphones, communication devices, and their accessories highlight the success of large-scale mobile phone manufacturing units in Sriperumbudur and surrounding regions. The automobile sector is equally strong, with Tamil Nadu exporting cars across all engine categories under 1000cc, 1000–1500cc, and above 1500cc thanks to the presence of global auto manufacturers and a robust supplier ecosystem. Supporting this is a steady export of vehicle parts, including gearboxes, safety airbags, and other accessories. In the petroleum category, both light and other petroleum oils are exported from the state's refineries, further underscoring its infrastructure strength in energy and petrochemicals.

DEEP DIVE INTO THE NEXT 5 HS4 COMMODITIES AT HS6 LEVEL EXPORTED BY TAMIL NADU IN FY24



Source: Ministry of Commerce and Industry

Beyond these top sectors, Tamil Nadu's rich textile and footwear heritage also contributes significantly to export potential, with strong shipments of cotton and textile T-shirts, babies' garments, and furnishing articles like bedspreads and cushions. The city of Tirupur remains a global supplier of knitted garments, while home textile exports from Karur continue to grow steadily. Footwear exports, including leather shoes and boots, reflect Tamil Nadu's traditional strengths in leather manufacturing, anchored by clusters in Vellore and Ambur. The state also performs well in jewelry exports, especially precious metal jewelry, with Chennai emerging as a trading and design hub. Tamil Nadu's ability to blend traditional strengths with modern manufacturing supported by ports, power infrastructure, and skilled labor positions it as a consistently top-performing state with continued export growth potential across sectors.

Success Stories



EPI 2024-Results and Conclusions

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
1  Export Infrastructure	 Utilities State's power and water availability	10	6.0	<ul style="list-style-type: none"> Limited renewable energy penetration constrains the state's ability to meet growing business demand for sustainability Scope to expand cold storage infrastructure to enable higher export volumes of perishable goods
	 Logistics State's transportation networks, freight connectivity and storage capacity	10	6.2	
2  Business Ecosystem	 Macroeconomy Evaluate economic output, manufacturing share and fiscal deficit	10	4.9	<ul style="list-style-type: none"> Constrained by high welfare-driven fiscal pressure, rising debt, and infrastructure stress, weakening its long-term competitiveness Limited venture capital, rural credit gaps, and high collateral requirements constrain MSME growth
	 Cost competitiveness Benchmarking cost of labour, water and power	5	2.6	
	 Human capital Understand education & employment parameters	5	3.1	
	 Finance and credit accessibility Relevant government schemes and insurance	5	2.8	
	 MSME ecosystem Assess growth and export contribution by MSMEs	10	4.8	
	 Industrial and innovation environment Infrastructure maturity	5	3.8	
3  Policy and Governance	 State policy support and governance State's export initiatives, digital first policies and ease of export documentation	15	13.0	<ul style="list-style-type: none"> The state's industrial and MSME sectors receive limited exposure, restricting networking, visibility, and export-oriented growth SMEs struggle with quality standards and certifications due to limited awareness, expertise, and resources, reducing their global competitiveness
	 Regulatory environment and compliance Quality standards and certifications, IEC, data readiness	5	3.3	

Pillar	Sub - Pillar	Total Score	Score	Key Insights/ Imperatives
4  Export Performance	 State level exports and trends Export trends, growth in exporter base	5	3.7	
	 Export promotion and facilitation Government infrastructure and digital maturity	5	3.5	
	 Export portfolio and market access Export destinations and key export commodities	10	6.7	<ul style="list-style-type: none"> Weak institutions and limited local resources hinder districts from realizing export potential and supporting SMEs. Limited focus on exporting primary and intermediate goods restricts the state's access to global markets.

SWOT Analysis

Strengths				Weaknesses		
					Declining export share of traditional sectors	
Resilient export basket	Diverse mix of MSMEs and large corporations	Port led industrialization	Stable industrial ecosystem		Customs inefficiencies in tier-2 hubs	Limited global branding of niche products
Opportunities				Threats		
					Limited export market diversification	
China+1	Textile and apparel modernization	Verticalization of manufacturing	Logistics parks & export corridors		Rising labor costs	
					Port congestion and infrastructure saturation	

Strengths

Tamil Nadu has a diversified and resilient export ecosystem driven by electronics, engineering goods, textiles, leather, and automobiles. In FY 2023-24, it led India's electronics exports at ₹79,982.08 crore (33% share), exported ₹1.4 lakh crore worth of engineering goods, and contributed 50% of India's leather exports and 35% of auto component exports. The state's 23 lakh MSMEs employ over 1.5 crore people and produce more than 6,000 products. Port-led industrialization, supported by a 1,076 km coastline and key ports like Chennai (handling 51.6 million tons in FY 2023-24), facilitates global trade. Tamil Nadu also hosts over 60 Fortune 500 companies, 37,000+ manufacturing units contributing 34% to the GSDP, and leads in electric two-wheeler production, accounting for 70% of the national output.

Weaknesses

Traditional export sectors in Tamil Nadu such as agriculture, artisanal textiles, and goldsmithing are in steady decline. Goldsmithing hubs in Coimbatore and Madurai have seen orders fall by nearly 70% during peak season, as high gold prices and competition from machine-made

jewelry drive craftsmen out of the trade. Heritage handloom clusters like Manamedu have shrunk from about 400 to just 127 active looms, with many weavers shifting to better-paying MNREGA jobs. These challenges are compounded by customs inefficiencies in tier-2 export hubs, causing delays and higher costs that erode small exporters' competitiveness. Limited global branding of niche products from temple jewelry to specialized engineering goods, further restricts their ability to capture premium international markets.

Opportunities

Tamil Nadu is emerging as a top destination under the supply chain diversification strategy, with global players like Foxconn, Pegatron, and Tata Electronics expanding their footprint. The state accounted for over 20% of India's electronics exports in FY 2023–24. Its growing logistics infrastructure including ports, greenfield facilities, and freight corridors strengthens market access. The textile sector, valued at ₹75,312 crore, is seeing policy-backed modernization with ₹27.1 lakh crore in investments and 67,000 new jobs. Vertical integration in automotive, electronics, and textiles is streamlining supply chains, enhancing productivity, and drawing fresh investment. The ₹62,760 crore Integrated Logistics Plan 2023 is focused on tier-2 and tier-3 cities, with logistics parks, warehousing, and transport networks poised to unlock balanced industrial and export growth.

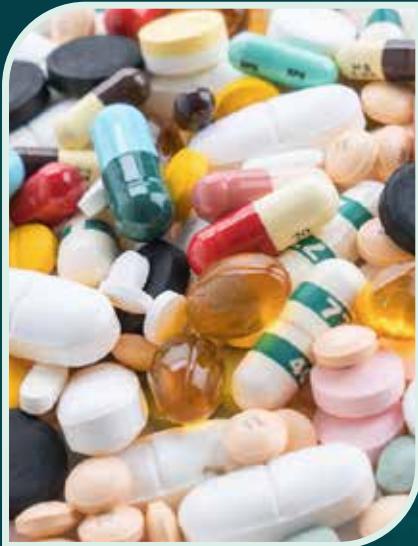
Threats

Tamil Nadu's reliance on a few major export markets, particularly the US and Middle East, which together account for over 30% of total exports poses a risk amid rising geopolitical uncertainty. Auto component exports are exposed to demand shifts in the US, Europe, and Southeast Asia. Policy changes like the EU's Carbon Border Adjustment Mechanism (CBAM), trade protectionism, and currency volatility add to export risk. Domestically, high industrial wages compared to states like Uttar Pradesh and Odisha reduce cost competitiveness. Congestion at ports such as Chennai and Ennore due to limited berthing capacity causes delays and increases logistics costs. Infrastructure constraints like saturated highways, lack of industrial land, and weak logistics in smaller towns further escalate operational expenses and limit scalability.

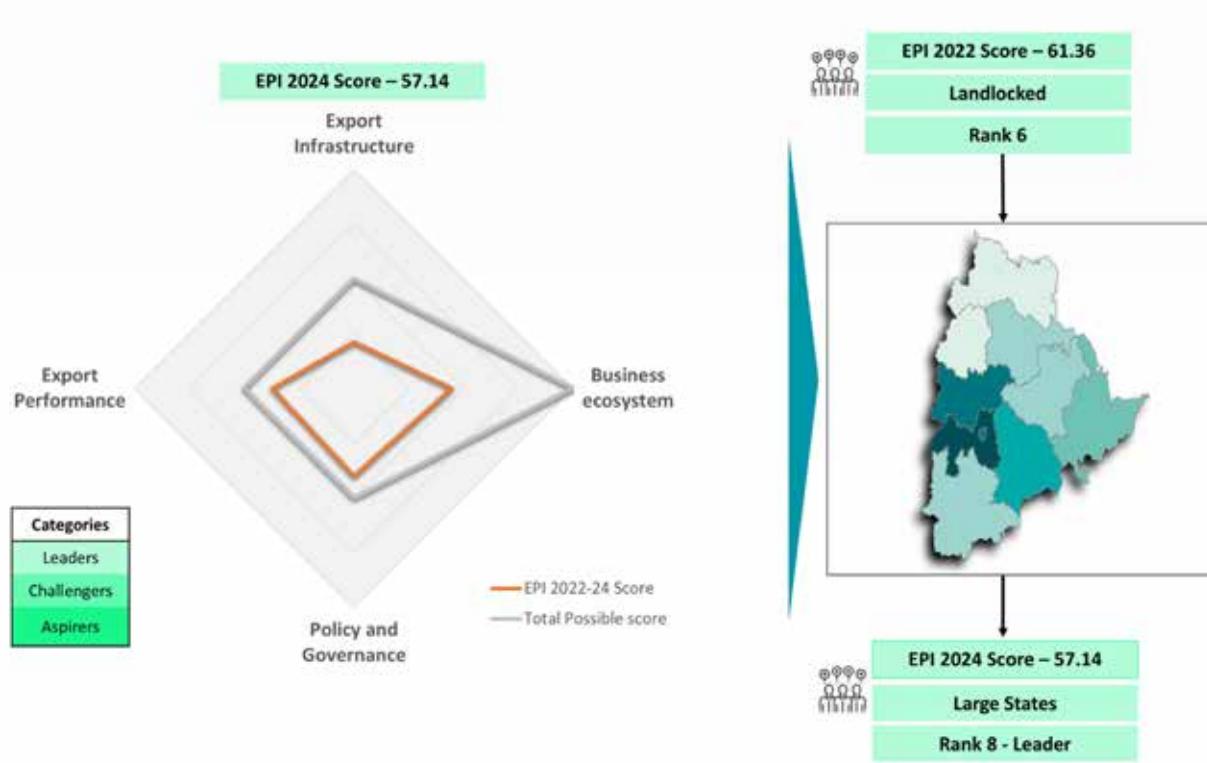
Strategic Roadmap – Focus Areas

Considering global consumption trends and existing strengths, Tamil Nadu should direct efforts toward:

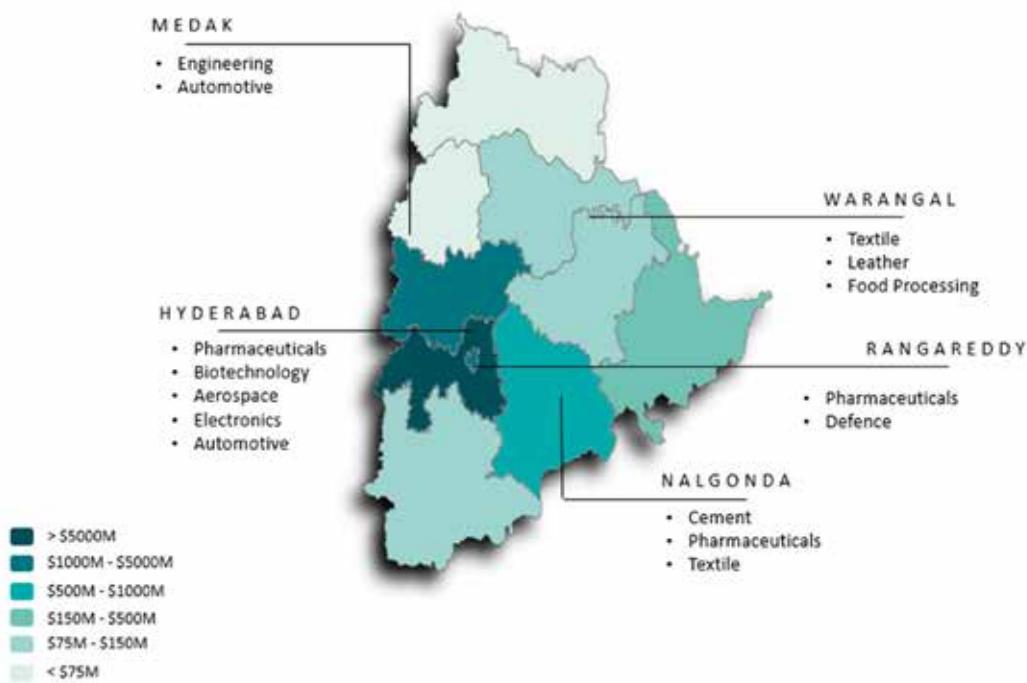
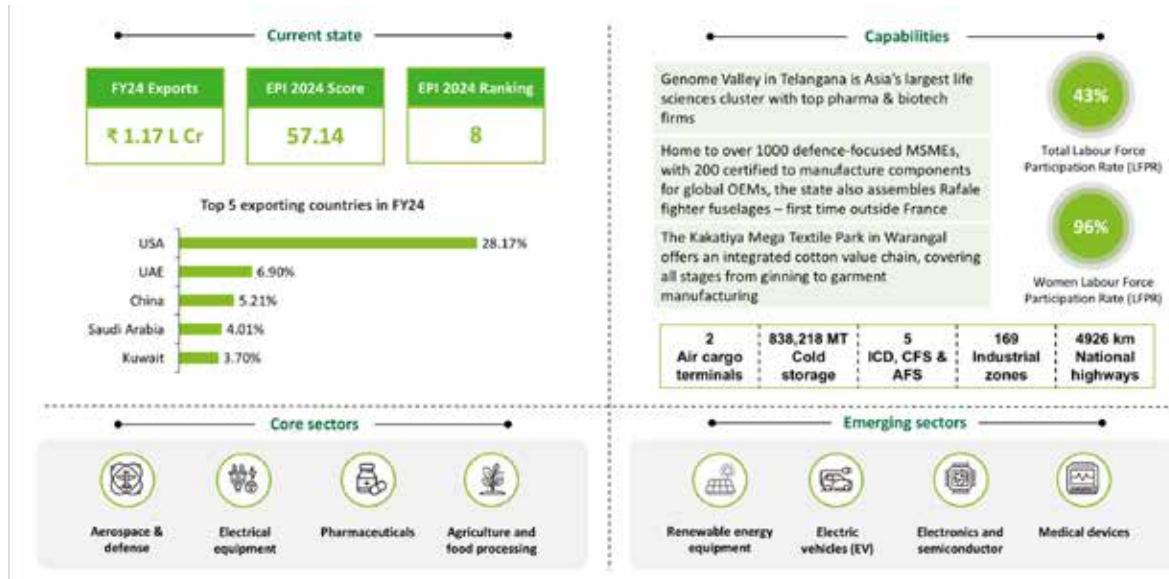




Telangana



5.1.15 Telangana



Introduction

Telangana is an economically vibrant state with robust growth in IT, pharmaceuticals, agriculture, and manufacturing.^{108, 109} The state has emerged as a significant contributor to India's GDP, with its robust economic growth driven by a mix of service, industrial, and agricultural sectors. The state has shown consistent economic growth, with its contribution to India's GDP rising from

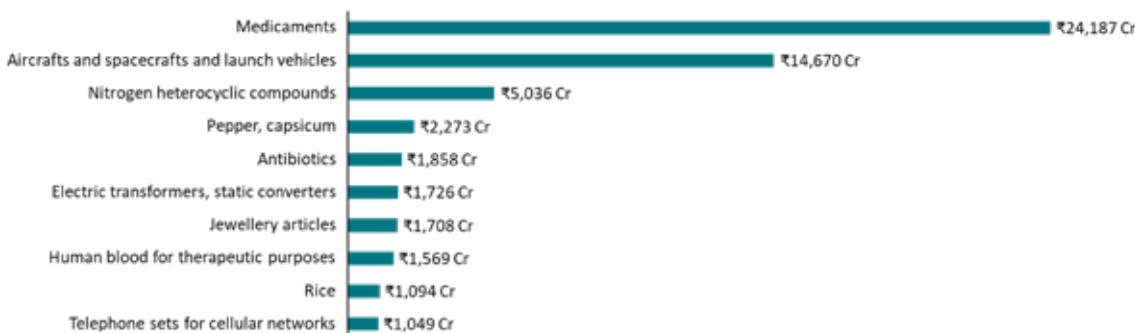
4.8% in FY22 to 5% FY24, driven by robust policies and dynamic sectors like IT and pharma. In FY24, the state's annual GSDP was recorded at approximately ₹14.6 lakh crore, reflecting its pivotal role in the national economy. Despite a challenging global trade environment in FY24, Telangana excelled in exports with an impressive 22.9% growth, reaching ₹1.1 lakh crore from ₹0.95 lakh crore in FY23. The state ranked 9th in merchandise exports, driven by its leadership in drug formulations and biologicals, which accounted for 35.2% of its merchandise exports. Telangana also excelled in services exports, accounting for 10% of India's IT & ITeS exports, showcasing its strength in manufacturing and technology-driven sectors as well.^{110, 111, 112, 113}

Despite being a critical driver of economic growth and employment in Telangana, the MSMEs sector faces persistent challenges, particularly in formalization and scaling operations. A significant 65.7% of MSMEs in Telangana remain informal, reflecting hurdles in transitioning to a formal structure.¹¹⁴

To achieve the ambitious goal of increasing Telangana's export value to ₹5.4 lakh crore by 2030, the state must implement a well-rounded strategy that targets key areas such as product and market diversification, strengthening infrastructure, and capacity building. By offering fiscal incentives, creating an export promotion campaign, and streamlining institutional mechanisms, the strategy will not only enhance trade competitiveness but also promote innovation, increase the visibility of Telangana's exports, and ensure sustainable growth in the export sector. This comprehensive approach will significantly contribute to the state's global competitiveness and economic expansion.^{115, 116}

Export Statistics

TOP 10 HS4 COMMODITIES EXPORTED BY TELANGANA IN FY24



Source: Ministry of Commerce and Industry

Telangana has reinforced its image as a powerhouse of pharmaceutical and high-tech manufacturing exports, with a total export basket driven by formulations, active ingredients, aerospace components, and electronics. The top HS codes reflect Telangana's deep industrial specialization in medicaments, including mixed/unmixed products, penicillin-based derivatives, and hormone-based formulations. This aligns with the presence of the Hyderabad Pharma City, Genome Valley, and numerous bulk drug parks, which continue to anchor Telangana as a leading life sciences hub. The export of aircraft and spacecraft, especially large aircraft above 15,000 kg, is enabled by the defense and aerospace cluster near Hyderabad, home to major Indian and global OEMs and public sector enterprises.

110 *Telangana Today*

111 *NITI Aayog - ICED (India Climate and Energy Dashboard)*

112 *NIRYAT (National Import-Export Record for Yearly Analysis of Trade)*

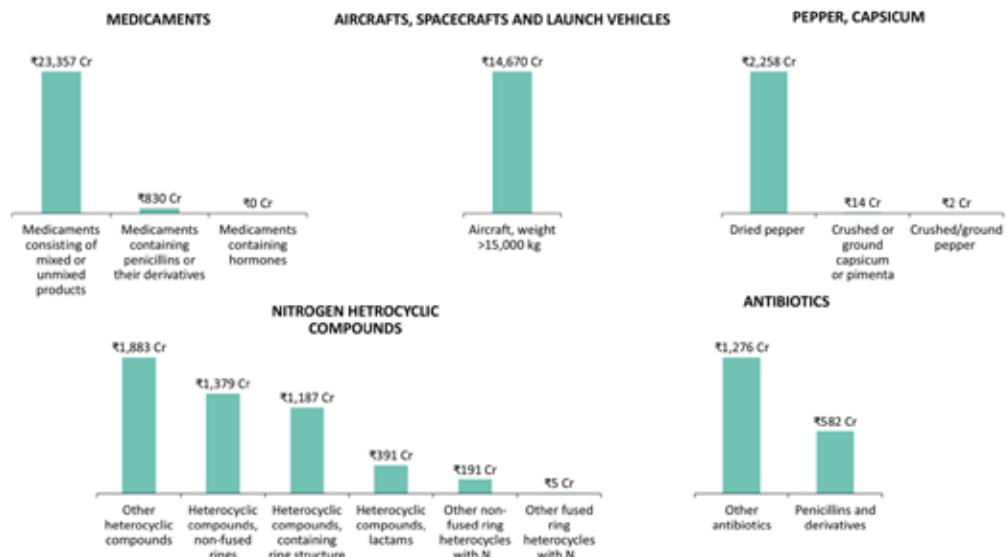
113 *India Exim Bank*

114 *Telangana MSME Policy 2024*

115 *India Exim Bank*

116 *The Times of India*

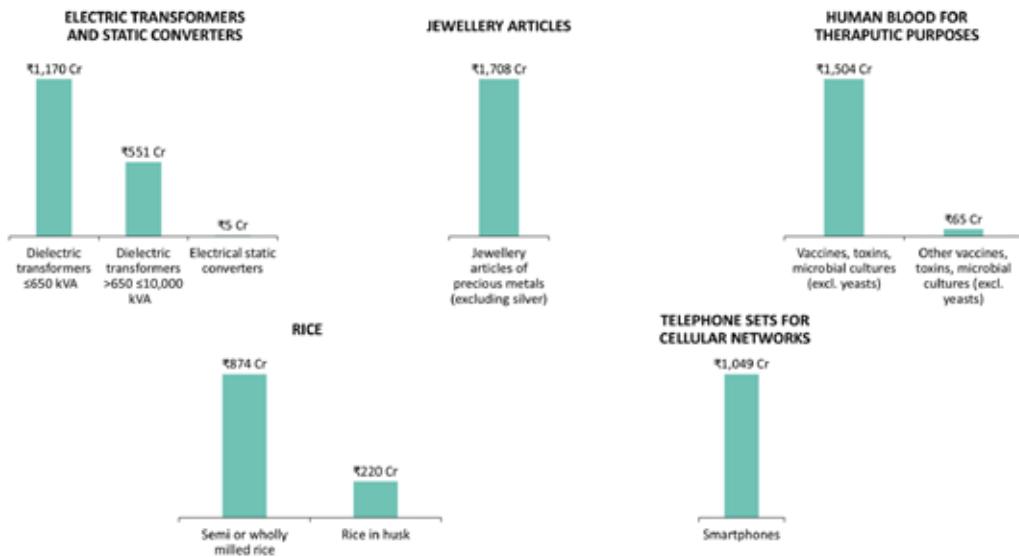
DEEP DIVE INTO THE TOP 5 HS4 COMMODITIES AT HS6 LEVEL EXPORTED BY TELANGANA IN FY24



Source: Ministry of Commerce and Industry

Delving into the HS6-level data, Telangana's export strength is evident in nitrogen heterocyclic compounds particularly fused/non-fused ring structures, lactams, and other N-containing chemicals. These are critical intermediates for pharmaceuticals and agrochemicals, produced in chemical parks around Jeedimetla, Patancheru, and Medchal. The state also exports a wide variety of antibiotics, including penicillin derivatives, further underscoring its leadership in bulk drug APIs and intermediates. In electric transformers and converters, Telangana's manufacturing units are contributing to exports of dielectric transformers and static converters, enabled by a robust electronics hardware ecosystem and government support under the Electronics Policy. The export of jewelry articles, particularly precious metal ornaments, points to a thriving gem and jewelry segment in Hyderabad, supported by high-skilled artisanal clusters.

DEEP DIVE INTO THE NEXT 5 HS4 COMMODITIES AT HS6 LEVEL EXPORTED BY TELANGANA IN FY24



Source: Ministry of Commerce and Industry

Beyond these key categories, Telangana is beginning to diversify through exports of pepper and capsicum, vaccines and microbial cultures, mobile phones, and semi/wholly milled rice. While smaller in value compared to pharma or aerospace, these HS6 codes represent high-growth opportunities especially in Agri value-added exports and finished electronics. Telangana could expand its presence in these sectors by investing in cold chain logistics, testing and certification facilities, and export marketing for specialty crops like Deccan chili and turmeric. Strengthening backward linkages with agricultural producers and MSMEs could also help drive inclusive growth within the state's export landscape.

Success Stories

Success Story – Telangana State Logistics Policy 2021-26

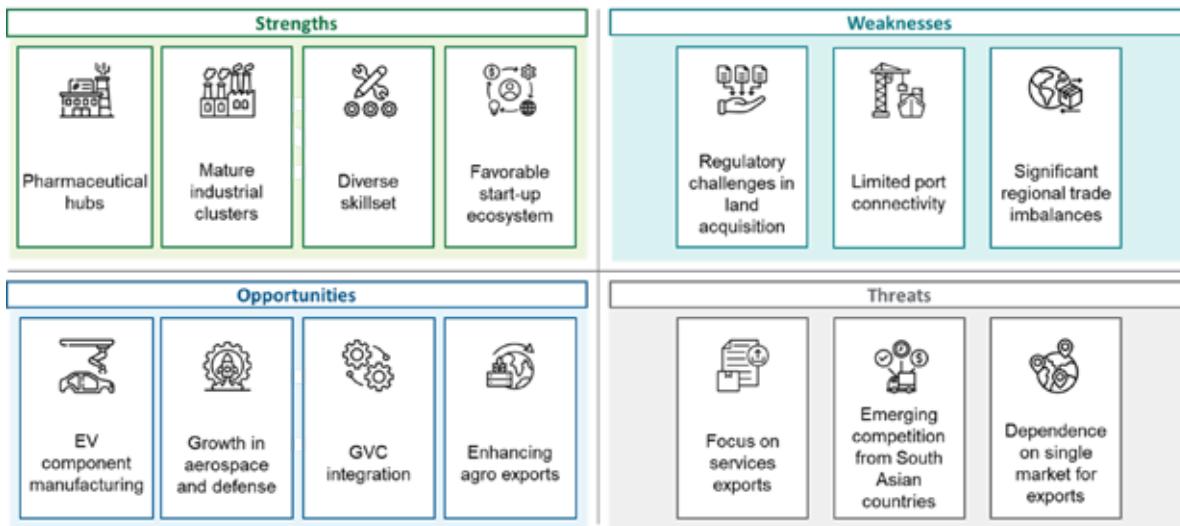
Problem	1 Lack of sufficient warehouses, cold storages, godowns, dry ports, and docking facilities, hampering efficient goods handling and movement	2 Businesses struggled with elevated transportation and storage expenses due to poor modal mix, a lack of intermodal nodes, and infrastructural gaps	3 Few technology-integrated (e.g., IoT, AI, blockchain) operations, and a dearth of skilled labor tailored for modern logistics	4 Infrastructure development faced delays from fragmented approvals, insufficient incentives, and lack of streamlined processes
Solution	<p>Telangana state logistics policy</p>	<p>Provisions for Multi-Modal Logistics. Parks dry ports, integrated container depots, and district-wide logistics parks enabled cohesive freight and storage handling</p>	<p>Policy encouraged adoption of IoT, AI, blockchain, and modern logistics management systems, along with attracting 3PL/4PL/SPL service providers to raise service standards</p>	<p>Centres of Excellence with TASK, startup support, TG-iPASS single-window clearances, and simplified permits boosted skills and eased procedural delays</p>
Impact	<ul style="list-style-type: none"> The policy targeted ₹10,000 crore in logistics-sector investment, envisaging direct employment for ~100,000 people and indirect employment for ~200,000 	<ul style="list-style-type: none"> Bodies like FTCCI hailed the logistics policy as "industry-friendly," acknowledging its competence in building necessary infrastructure for extending export and manufacturing competitiveness 	<ul style="list-style-type: none"> Received the LEAPS 2024 'Achievers Award' from DPILIT for its infrastructure development, technology adoption, skill-building efforts, and overall logistics governance 	<ul style="list-style-type: none"> Hyderabad's airport, ring roads, expressways, dry ports, and logistics parks boosted cargo capacity, while tech-based tracking and simplified procedures improved routing and reduced delays

EPI 2024-Results and Conclusions

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
<p>1</p>	<p>Utilities State's power and water availability</p>	10	4.9	<ul style="list-style-type: none"> Limited renewable energy penetration constrains the state's ability to meet growing business demand for sustainability
	<p>Logistics State's transportation networks, freight connectivity and storage capacity</p>	10	3.6	<ul style="list-style-type: none"> Limited FTWZ infrastructure restricts access to warehousing and customs clearance, making exporters rely on standard ports and private warehouses

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
2  Business Ecosystem	 Macroeconomy Evaluate economic output, manufacturing share and fiscal deficit	10	4.3	<ul style="list-style-type: none"> Gender disparities in education, low technical skill uptake, and gaps between education and quality employment Uneven industrial cluster development, and a digital ecosystem that, while strong, still trails global benchmarks in scale and adoption
	 Cost competitiveness Benchmarking cost of labour, water and power	5	3.4	
	 Human capital Understand education & employment parameters	5	1.5	
	 Finance and credit accessibility Relevant government schemes and insurance	5	2.0	
	 MSME ecosystem Assess growth and export contribution by MSMEs	10	3.8	
	 Industrial and innovation environment Infrastructure maturity	5	2.8	
3  Policy and Governance	 State policy support and governance State's export initiatives, digital first policies and ease of export documentation	15	13.0	<ul style="list-style-type: none"> Limited trade fair activity reduces opportunities for exporters to showcase products and expand market linkages While some certified manufacturers exist, gaps in broader compliance with quality standards constrain Telangana's global competitiveness.
	 Regulatory environment and compliance Quality standards and certifications, IEC, data readiness	5	3.0	
4  Export Performance	 State level exports and trends Export trends, growth in exporter base	5	3.8	<ul style="list-style-type: none"> Export markets are reasonably diversified, with room to deepen global reach High domestic absorption of primary goods signals scope for greater export orientation
	 Export promotion and facilitation Government infrastructure and digital maturity	5	4.6	
	 Export portfolio and market access Export destinations and key export commodities	10	6.4	

SWOT Analysis



Strengths

Telangana's industrial strength is anchored by its leading pharmaceutical hubs, mature industrial clusters, skilled workforce, and vibrant start-up ecosystem. Hyderabad Pharma City, Genome Valley, and MedTech Park make it a life sciences leader, contributing 32% to India's pharma output and hosting over 800 companies. The state also has established clusters in electronics, aerospace, automotive, textiles, and food processing across regions like Zaheerabad, Warangal, and Mahbubnagar, supported by robust infrastructure and policies. A technically skilled workforce is developed through top institutions like IIIT-Hyderabad and BITS Pilani-Hyderabad. Its start-up ecosystem thrives through platforms like T-Hub, WE Hub, and TSIC, offering strong innovation and funding support.

Weaknesses

Despite its export growth, Telangana faces structural challenges that limit its full potential. Land acquisition hurdles such as regulatory delays, legal complexities, and local resistance, which slow down key projects like Pharma City, weakening investor confidence. Its landlocked geography and reliance on distant ports like Krishnapatnam and Visakhapatnam (600–700 km away) increase logistics costs and transit times, straining road and rail infrastructure. Economic activity is also concentrated around Hyderabad, while districts like Mulugu and Komaram Bheem remain underdeveloped, reflecting regional imbalances in infrastructure, investment, and skill development that hinder inclusive growth.

Opportunities

Telangana offers strong opportunities in high-growth, export-oriented sectors. In EV manufacturing, it aims to attract ₹33,472 crore in investments and create 120,000 jobs by 2030, backed by EV clusters, testing facilities, and supportive policies. The aerospace and defense sector contributed 31% of state exports (USD 3.61 billion) between April–December 2024, driven by hubs like Adibatla SEZ and Hyderabad Aerospace Park. Telangana is also transitioning from a Global Capability Center (GCC) hub to a Global Value Chain (GVC) hub, with over 355 GCCs employing over 3 lakh professionals in deep-tech R&D. In Agri

exports, initiatives like Mega Food Parks, Agri Export Zones, and PM-FME are enhancing value addition. Strengthening cold chain logistics and market linkages can further boost Agri-exports and support regional growth.

Threats

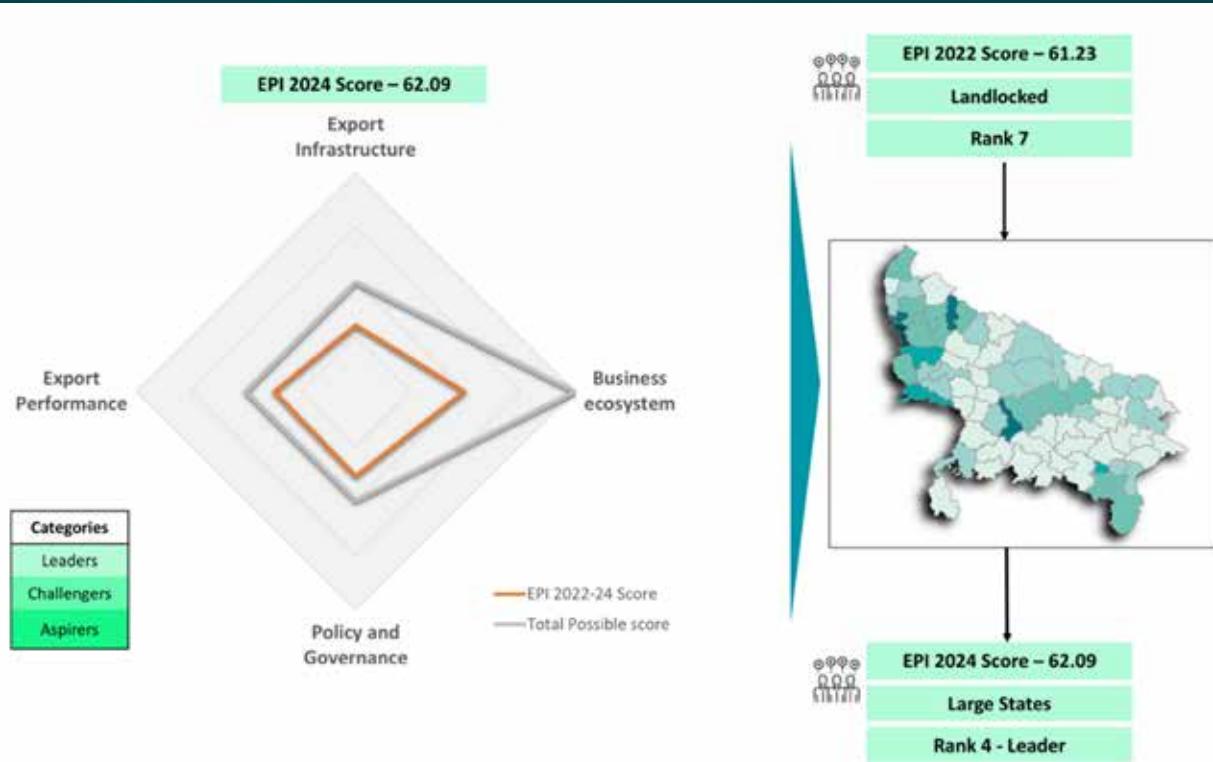
Telangana's export profile is heavily tilted towards IT and service exports, leaving merchandise exports underdeveloped. This imbalance reduces diversification, making the state vulnerable to global IT sector slowdowns and limiting its ability to expand in manufacturing-led exports. Rising competition from South Asian countries such as Vietnam, Thailand, and Bangladesh are eroding Telangana's export competitiveness in key sectors like rice, textiles, and light manufacturing. Lower production costs and stronger trade linkages give these countries an edge in global markets, posing risks to Telangana's export growth. Also, around 28% of Telangana's total exports are concentrated in the USA, creating a vulnerability to external shocks. This over-reliance poses significant risks from sudden tariff hikes, protectionist policies, or geopolitical disruptions in that market.

Strategic roadmap – Focus areas

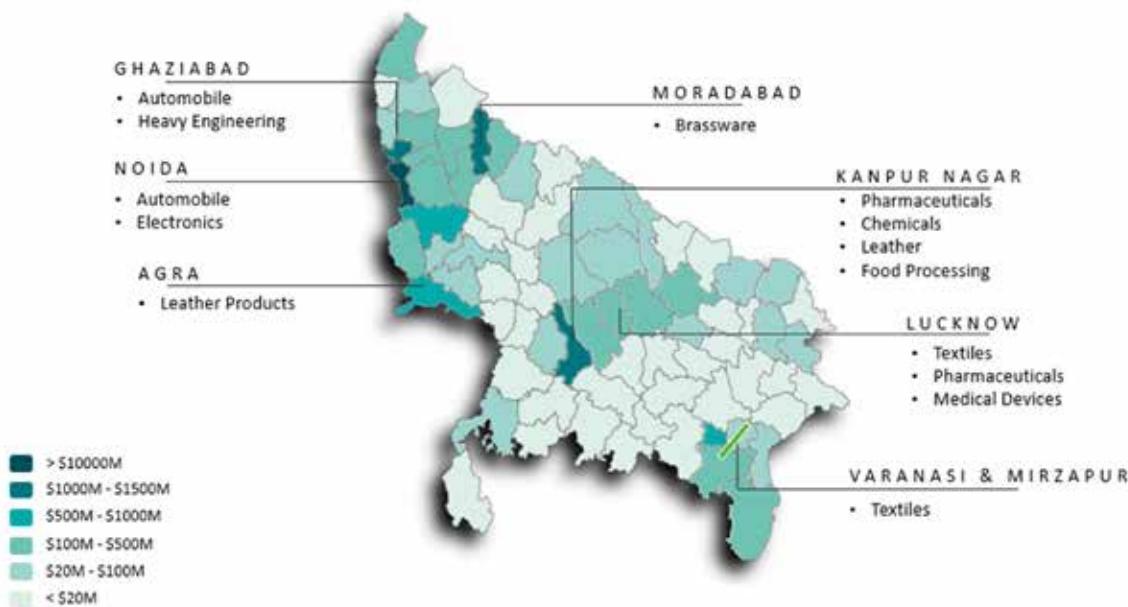
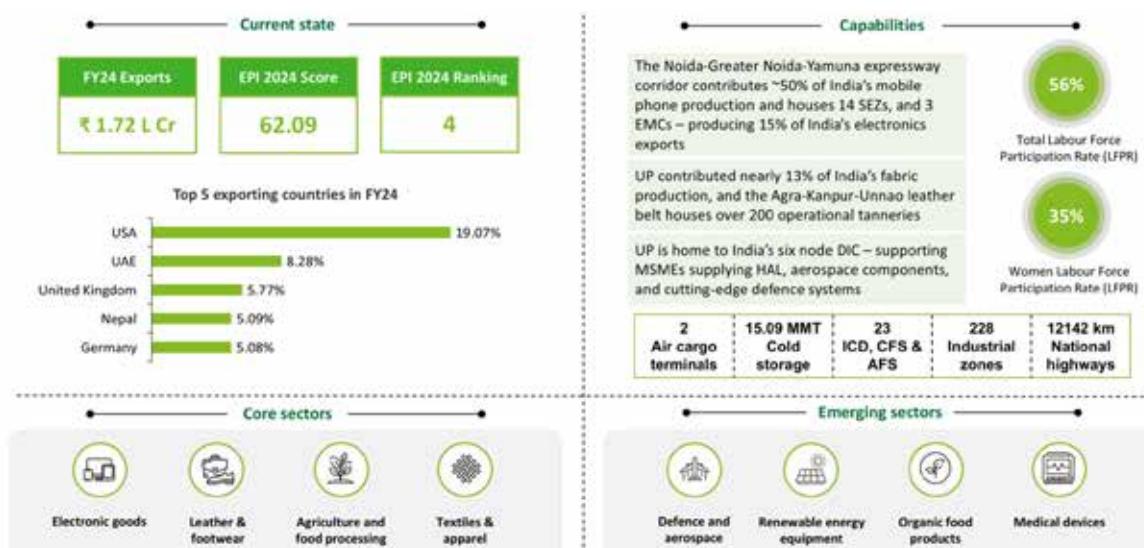




Uttar Pradesh



5.1.16 Uttar Pradesh



Manufacturing hubs in Uttar Pradesh
Source: Ministry of Commerce and Industry

Introduction

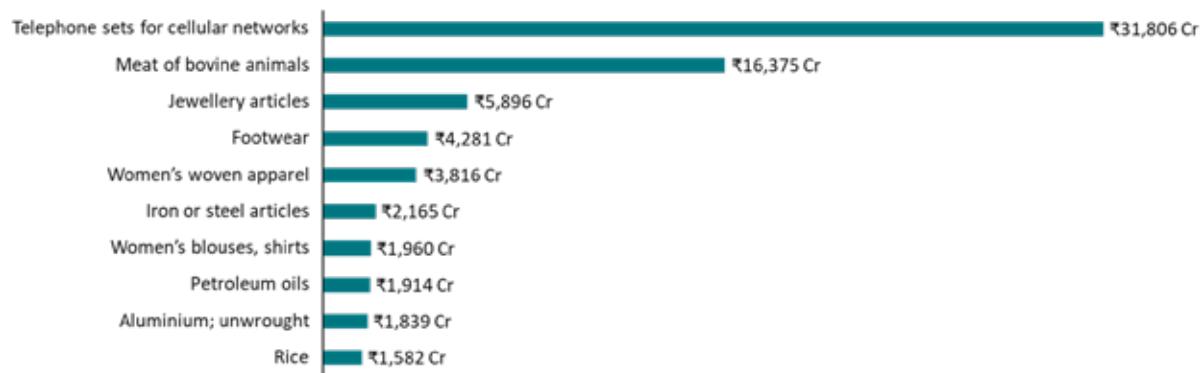
Uttar Pradesh (UP), India's most populous state, is in the Northern part of the country, covering 243,286 sq. km. With a Gross State Domestic Product (GSDP) of ₹25.2 lakh crore in FY24, it is a key contributor to India's economy. The state has a diversified industrial base, with prominent sectors including agriculture and food processing, textiles, leather, electronics, and defense. Key export commodities from UP include leather products, textiles, handicrafts, electronics, and processed foods, contributing ₹1.7 lakh crore to the nation's exports in FY24. The state is a major producer of sugarcane, wheat, and mangoes, supporting both domestic consumption and export-oriented agro-industries.

Uttar Pradesh has developed a robust logistics and industrial infrastructure to support its trade and industry. It is home to 14 operational Special Economic Zones (SEZs) and 227 industrial parks, which houses a range of manufacturing and service-based industries. The state is well-connected through an extensive road network, including expressways such as the Yamuna Expressway and Purvanchal Expressway. Key dry ports like Dadri ICD and the Jewar Airport under construction will further boost exports. The top exporting districts include Noida and Greater Noida (electronics and IT), Kanpur (leather), Agra (handicrafts), Varanasi (textiles), and Moradabad (brassware), each contributing significantly to UP's export footprint.

Uttar Pradesh has focused on creating a conducive environment for industrial and MSME growth. The state's MSME sector has seen rapid expansion, with 1.4 million new units established in FY24, marking a 4.79% growth over FY23. Key policies, such as the Industrial Investment and Employment Promotion Policy 2022, aim to enhance ease of doing business and attract foreign and domestic investments. Additionally, the One District, One Product (ODOP) scheme has significantly boosted local industries and exports by promoting traditional crafts and goods. Major sectors like food processing, electronics, textiles, and leather are being incentivized to scale up production and exports, positioning UP as a competitive industrial hub.

Export Statistics

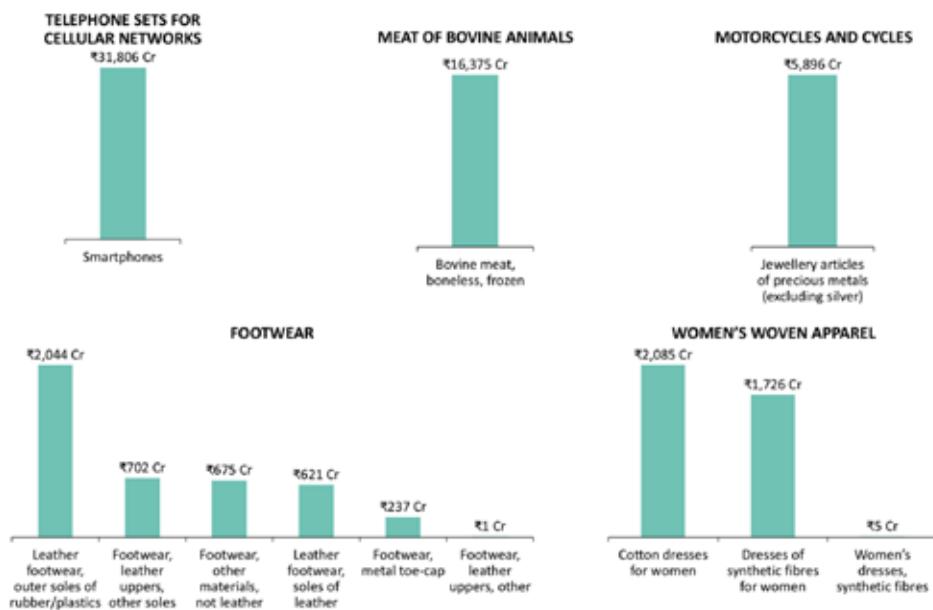
TOP 10 HS4 COMMODITIES EXPORTED BY UTTAR PRADESH IN FY24



Source: Ministry of Commerce and Industry

Uttar Pradesh presents a diverse and highly value-added export profile, combining leadership in electronics, Agri-exports, leather products, textiles, and metals. The top export category smartphones and communication devices demonstrate the state's emerging electronics manufacturing capability, aligning well with the national "Make in India" and PLI (Production Linked Incentive) initiatives. Bovine meat, another major export, underscores the state's dominance in Agri-processing and frozen food supply chains. Together, these categories reflect a dual industrial-Agri strength. This is complemented by robust exports of jewelry and footwear, indicating strong artisanal skill bases and well-established MSME manufacturing clusters that could be further scaled and supported with export infrastructure and branding initiatives.

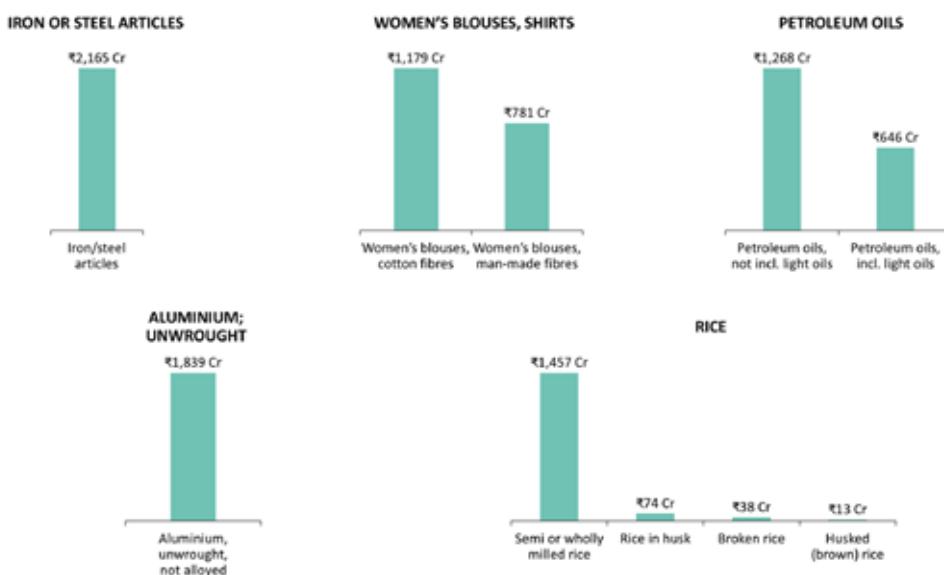
DEEP DIVE INTO THE TOP 5 HS4 COMMODITIES AT HS6 LEVEL EXPORTED BY UTTAR PRADESH IN FY24



Source: Ministry of Commerce and Industry

The top five HS4 export categories smartphones, bovine meat, jewelry, footwear, and women's woven apparel showcase UP's export prowess in both traditional and emerging sectors. While smartphones stand out for their high-tech assembly and global relevance, the continued demand for bovine meat and jewelry suggests strong market linkages and competitive pricing. The footwear sector, spread across various leather and non-leather segments, emphasizes the state's versatile production capacity. Similarly, the apparel segment demonstrates a solid textile base, especially in cotton and synthetic women's wear. A key opportunity lies in increasing automation, branding, and compliance support to improve competitiveness and market reach, particularly in fashion and footwear where global consumer standards are constantly evolving.

DEEP DIVE INTO THE NEXT 5 HS4 COMMODITIES AT HS6 LEVEL EXPORTED BY UTTAR PRADESH IN FY24



Source: Ministry of Commerce and Industry

The next five export categories iron/steel articles, women's blouses and shirts, petroleum oils, unwrought aluminum, and rice highlight UP's breadth across traditional manufacturing, refined petroleum, and agriculture. These reflect an industrial base with light engineering capabilities, textile and garment clusters, and refined energy products, in addition to a strong agrarian economy. Continued focus on building digital infrastructure, upskilling labor, and fostering cleaner production techniques especially in high emission industries like leather and textiles can help Uttar Pradesh upgrade its position in global value chains. Moreover, strengthening traceability and quality certification in agro-exports like rice can open premium markets and improve per-unit realization.

Success Stories

Success Story – Textile Parks, Semiconductor push, Road Shows & Investor Meets



EPI 2024-Results and Conclusions

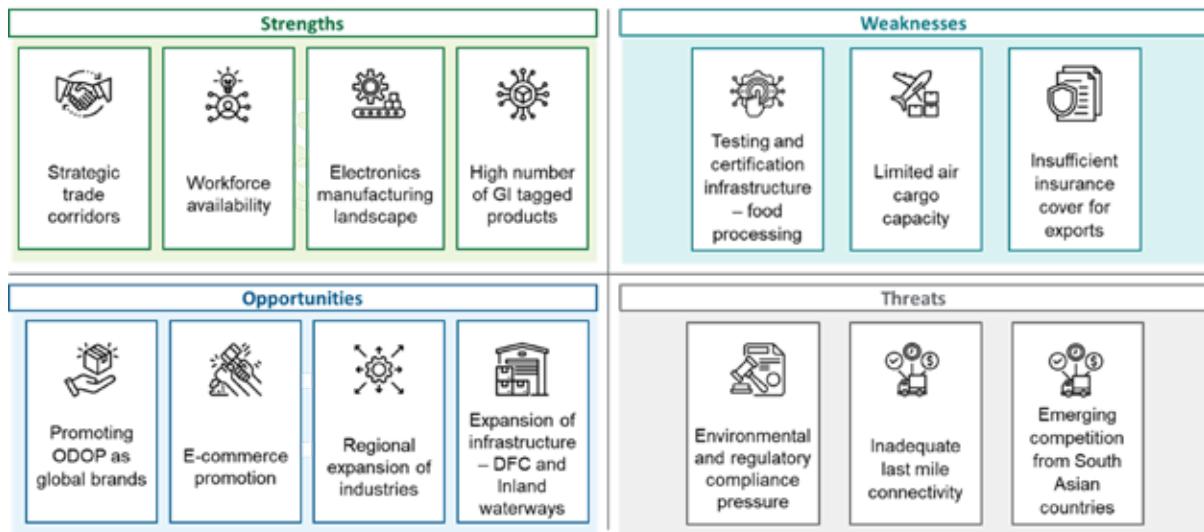
Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
 1 Export Infrastructure	 Utilities State's power and water availability	10	6.1	<ul style="list-style-type: none"> • Limited renewable energy penetration constrains the state's ability to meet growing business demand for sustainability
	 Logistics State's transportation networks, freight connectivity and storage capacity	10	5.9	<ul style="list-style-type: none"> • Limits access to streamlined customs clearance, warehousing, and logistics, increasing reliance on distant facilities and reducing competitiveness

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
2  Business Ecosystem	 <i>Macroeconomy</i> Evaluate economic output, manufacturing share and fiscal deficit	10	2.2	<ul style="list-style-type: none"> Low per capita income, limited industrial diversification, and a slightly high fiscal deficit Constrained by low education quality, limited female and youth workforce participation, and skill gaps
	 <i>Cost competitiveness</i> Benchmarking cost of labour, water and power	5	3.7	
	 <i>Human capital</i> Understand education & employment parameters	5	2.9	
	 <i>Finance and credit accessibility</i> Relevant government schemes and insurance	5	1.9	
	 <i>MSME ecosystem</i> Assess growth and export contribution by MSMEs	10	6.1	
	 <i>Industrial and innovation environment</i> Infrastructure maturity	5	3.1	

SWOT Analysis

Pillar	Sub - Pillar	Total Score	Score	Key Insights/ Imperatives
3  Policy and Governance	 <i>State policy support and governance</i> State's export initiatives, digital first policies and ease of export documentation	15	12.2	<ul style="list-style-type: none"> Uttar Pradesh hosts a reasonable number of trade fairs, but greater scale and diversity could enhance exporter visibility While Uttar Pradesh has a fair number of certified manufacturers, gaps in broader compliance with quality standards limit its full export potential
	 <i>Regulatory environment and compliance</i> Quality standards and certifications, IEC, data readiness	5	3.2	

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
4  Export Performance	 <i>State level exports and trends</i> Export trends, growth in exporter base	5	3.9	<ul style="list-style-type: none"> Exports are heavily concentrated in a few sectors, and making the state vulnerable to global demand fluctuations Export promotion efforts still evolving, with gaps in infrastructure maturity and digital adoption
	 <i>Export promotion and facilitation</i> Government infrastructure and digital maturity	5	4.5	
	 <i>Export portfolio and market access</i> Export destinations and key export commodities	10	6.4	



Strengths

Uttar Pradesh has strategically positioned itself as a vital trade and industrial hub in northern India through integration with major national infrastructure projects such as the Eastern and Western Dedicated Freight Corridors, the Yamuna Expressway, and the Delhi-Mumbai Industrial Corridor (DMIC). These corridors significantly enhance logistics efficiency, lower transportation costs, and facilitate faster movement of goods for exports. A major strength of the state lies in its large and diverse workforce, which powers its export sector. With the highest population in India, Uttar Pradesh offers an abundant supply of skilled and semi-skilled labor across key export-driven industries such as textiles, handicrafts, leather, electronics, and Agri-processing. The presence of industrial clusters in cities like Kanpur, Noida, and Moradabad further sharpens workforce specialization, aligning production capabilities with global demand. Adding to this momentum, the Noida-Greater Noida region has emerged as fast-growing electronics manufacturing hub, hosting global players, and contributing significantly to exports while reducing import dependency. Furthermore, the state boasts the highest number of Geographical Indication (GI)-tagged products in India with 77 such products, including Banarasi silk, Chikankari embroidery, and Kannauj perfumes.

Weaknesses

Uttar Pradesh's food processing sector faces a critical weakness due to underdeveloped testing and certification infrastructure, limiting its ability to meet global food safety standards. Despite being a major agricultural producer, the state has a sparse network of NABL-accredited laboratories, especially in rural areas, causing delays in quality validation and increasing logistical costs, particularly for SMEs. The lack of international certifications like ISO 22000 and HACCP further hinders access to premium export markets. Additionally, limited air cargo infrastructure at key airports like Lucknow and Varanasi forces exporters to rely on distant hubs like Delhi, raising transit time and costs for high-value, time-sensitive goods. The sector also suffers from low insurance penetration, with MSMEs facing challenges in accessing affordable export credit insurance due to low awareness and procedural hurdles, exposing them to significant trade risks.

Opportunities

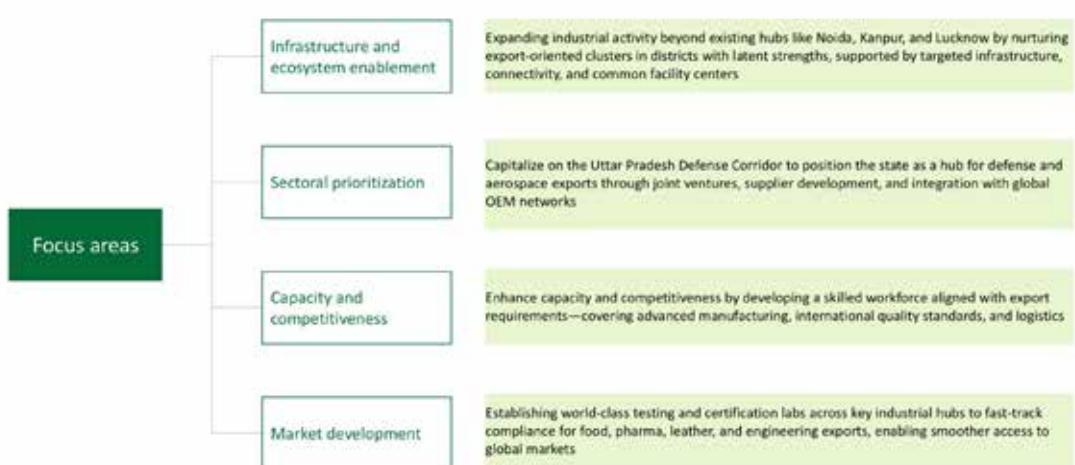
Uttar Pradesh presents strong opportunities to elevate its export profile by leveraging strategic initiatives and infrastructure development. The One District One Product (ODOP) scheme enables branding of unique, region-specific products, many with GI tags, positioning the state to move from bulk exports to high-value, niche market offerings. The growing e-commerce ecosystem offers another major opportunity, empowering MSMEs and traditional artisans to access global markets via online platforms while minimizing intermediaries and boosting profit margins. There is significant scope to drive balanced regional growth by fostering industrial development in underdeveloped districts, particularly in eastern and central Uttar Pradesh. This would unlock untapped labor pools, reduce regional disparities, and create new nodes of export-oriented manufacturing. Furthermore, enhanced logistics through Dedicated Freight Corridors and inland waterways will reduce transportation costs and strengthen Uttar Pradesh's integration into global value chains, making it a competitive export hub.

Threats

Uttar Pradesh's key industrial sectors, leather, textiles, chemicals, and food processing, are under rising pressure to meet stringent environmental and regulatory standards, both domestically and from global markets like the EU and North America. Non-compliance on issues like carbon emissions, waste disposal, and ethical sourcing can lead to export restrictions and reputational risks. Despite infrastructure improvements, the state continues to grapple with high logistics costs driven by weak first-mile and last-mile connectivity, congestion, and limited multimodal integration. Strengthening road networks, multimodal logistics parks, and rail-waterway linkages could significantly cut transit time and costs. Furthermore, the state faces intensifying competition from Southeast Asian economies like Vietnam, Indonesia, and Thailand, which attract global buyers through lower manufacturing costs, strong trade agreements, and efficient logistics in key sectors such as textiles, electronics, and Agri-processing.

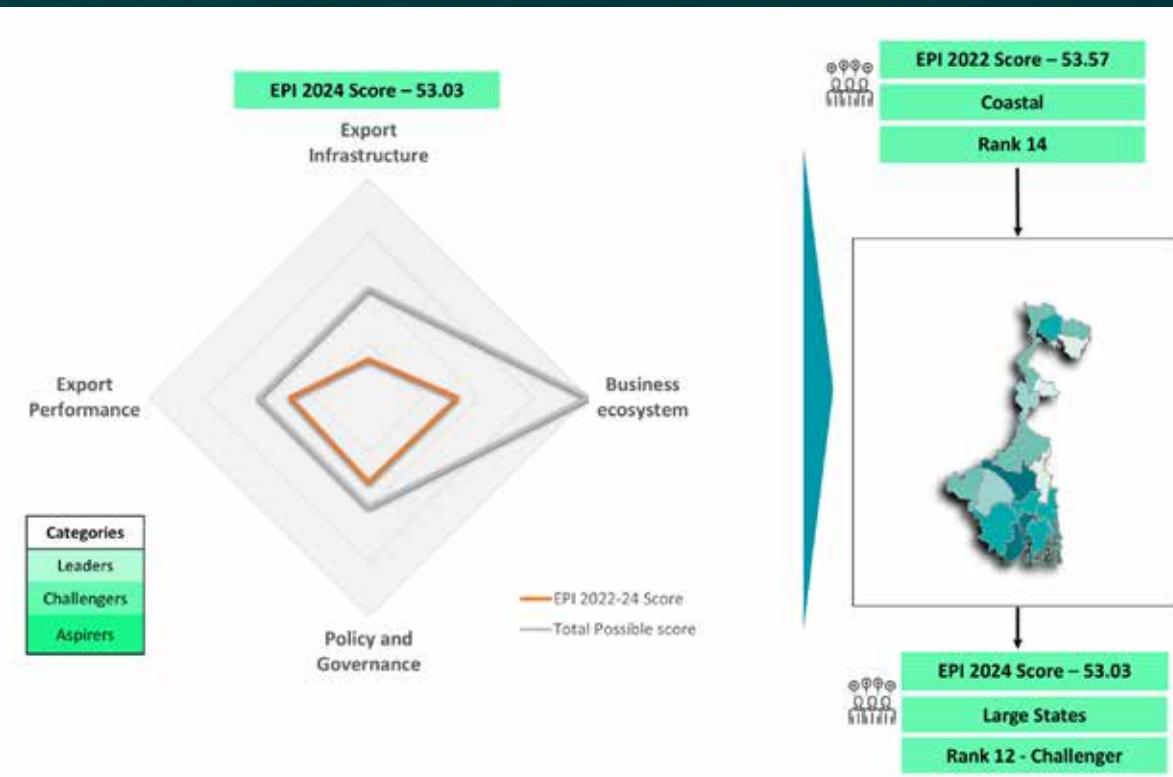
Strategic Roadmap – Focus Areas

Considering global consumption trends and existing strengths, Uttar Pradesh should direct efforts toward:

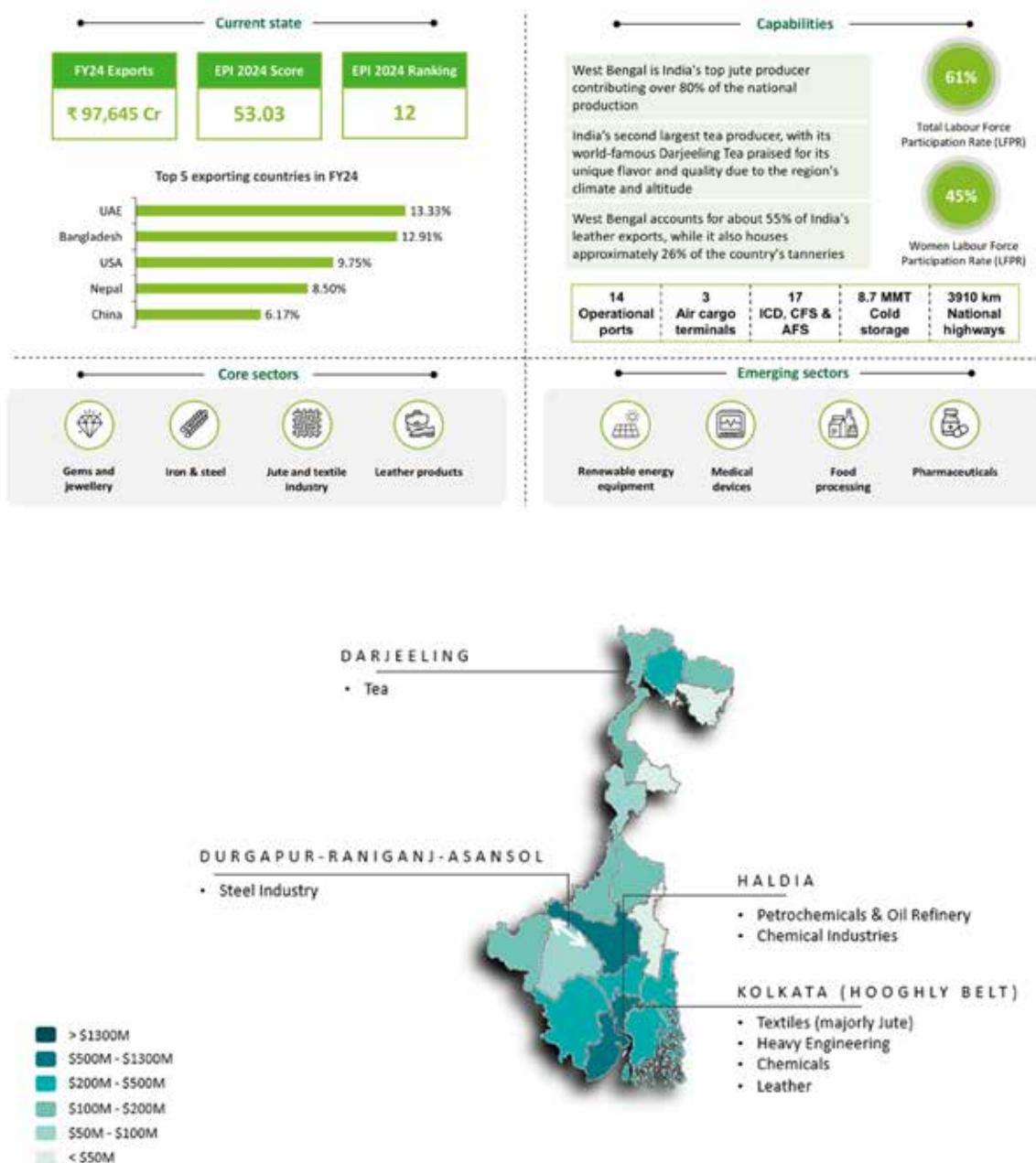




West Bengal



5.1.17 West Bengal



Introduction

West Bengal, with a Gross State Domestic Product (GSDP) of ₹17.0 lakh crore in FY24, represents a critical economic hub in eastern India. The state's exports amounted to ₹97,739 crore during this period, highlighting its growing significance in India's international trade landscape. The state's industrial backbone is strengthened by over 26.5 lakh MSMEs, which recorded an extraordinary 600% year-on-year growth in FY24, reflecting the state's commitment to fostering small-scale industries. West Bengal's infrastructure supports its economic ambitions, with 15

industrial parks, 7 Special Economic Zones (SEZs), and 2 international airports, strategically located to connect the state to global markets.^{117, 118, 119, 120}

West Bengal is pursuing an integrated economic development strategy through its Export Promotion Policy 2023, Logistics Policy 2023, and Industrial and Economic Corridor Policy 2023. The Export Promotion Policy aims to double the state's exports by 2030 by offering financial incentives, enhancing infrastructure, supporting skill development, and prioritizing sectors like textiles, food processing, chemicals, and IT services. Export Facilitation Centers have been set up in every district to assist exporters. Complementing this, the Logistics Policy 2023 seeks to align with the Gati Shakti Master Plan and position West Bengal as a logistics hub through the development of multimodal logistics parks, cold storage chains, freight villages, green logistics, and smart enforcement systems key initiatives intended to reduce logistics costs and attract investments. Meanwhile, the Industrial and Economic Corridor Policy 2023 promotes balanced regional development by building industrial clusters, encouraging private sector participation, and establishing major corridors such as the 398-km Raghunathpur-Dankuni-Tajpur and 43-km Dankuni-Kalyani routes, along with integrated industrial parks across high-growth sectors. Together, these policies aim to transform West Bengal's economic landscape by boosting trade competitiveness, industrial output, and global investment inflows.^{121, 122, 123}

West Bengal's geographical location also plays a pivotal role in its trade dynamics. Proximity to international borders with Bangladesh, Bhutan, and Nepal and access to the Bay of Bengal provide strategic advantages for exports. The Integrated Export Park in Darjeeling, focused on Agri-products and perishables, is expected to enhance export competitiveness by offering value addition, storage, and logistics facilities.¹²⁴

Export Statistics

TOP 10 HS4 COMMODITIES EXPORTED BY WEST BENGAL IN FY24

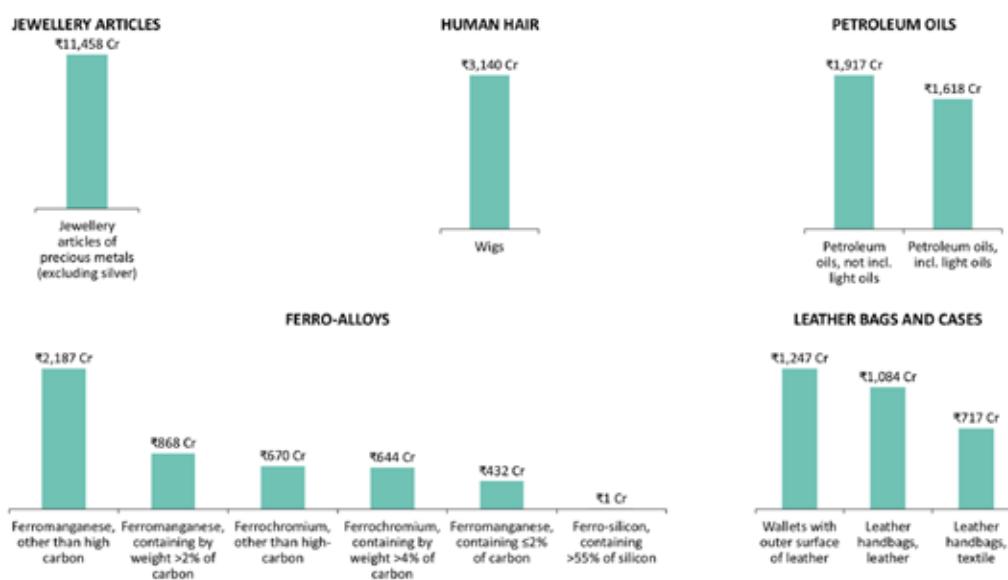


Source: Ministry of Commerce and Industry

117 NIRYAT (*National Import-Export Record for Yearly Analysis of Trade*)
 118 Ministry of MSME PIB – 11th December 2023
 119 Ministry of Commerce & Industry PIB – 10th March 2021
 120 India Industrial Land Bank
 121 West Bengal Export Promotion Policy 2023
 122 West Bengal Logistics Policy 2023
 123 West Bengal Industrial Corridor Policy 2023
 124 International Trade & Logistics, West Bengal 2023

West Bengal showcases a diverse export portfolio rooted in traditional craftsmanship, mineral-based industries, Agri-exports, and marine products. The state's top HS4 export categories include Jewelry articles, Ferro alloys, Petroleum oils, Human hair and wigs, and Leather goods. These sectors are driven by the state's strategic geographic location with access to the Kolkata port, a developing MSME ecosystem, and historical strengths in sectors like leather and jewelry. West Bengal's ferro-alloy exports are anchored by mineral reserves in the western districts and the presence of ferro-alloy plants in Asansol-Durgapur. Meanwhile, traditional industries such as leather and jewelry continue to find global markets, supported by artisan clusters and export facilitation schemes.

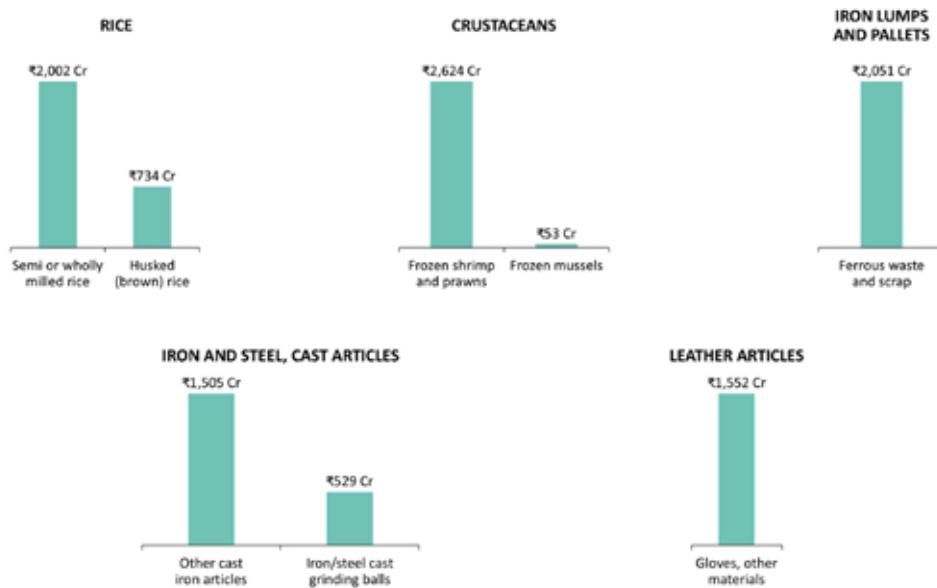
DEEP DIVE INTO THE TOP 5 HS4 COMMODITIES AT HS6 LEVEL EXPORTED BY WEST BENGAL IN FY24



Source: Ministry of Commerce and Industry

At the HS6 level, West Bengal's export dominance in the top five HS4 categories becomes clearer. Under Jewelry, precious metal jewelry constitutes the bulk of the trade, with Kolkata being a traditional hub for handcrafted gold jewelry. The Ferro-alloys category is notably diversified ferromanganese, ferrochromium, and ferrosilicon demonstrating the state's metallurgical capacities and mineral linkages. In Petroleum oils, both light and other petroleum oils are exported from refineries like Haldia, a key node in India's eastern oil distribution network. The Human hair and wigs segment reflects a growing niche export driven by craftsmanship and demand from Europe, Africa, and the U.S. Similarly, the leather bags and accessories category features exports of wallets and handbags, leveraging the state's leather complex in Bantala and artisan skill base.

DEEP DIVE INTO THE NEXT 5 HS4 COMMODITIES AT HS6 LEVEL EXPORTED BY WEST BENGAL IN FY24



Source: Ministry of Commerce and Industry

Beyond the top five, other HS6-level exports reveal areas with considerable room for expansion. In rice, West Bengal exports both milled rice and husked rice drawing from its agrarian base; however, branding and quality differentiation can further boost value. The crustacean's category especially frozen shrimp and prawns and mussels shows potential for growth with cold-chain improvements and aquaculture investments. Additionally, iron and steel products such as cast-iron articles and grinding balls, and ferrous scrap suggest budding metallurgical exports that can scale with better downstream processing. Articles like leather gloves, though smaller in share, represent an artisan-led opportunity to diversify into high-value, niche leather accessories. With improved trade facilitation, infrastructure investment, and targeted skilling, West Bengal can deepen its export base and increase its share in India's merchandise exports.

Success Stories



EPI 2024-Results and Conclusions

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
1	Utilities State's power and water availability	10	4.9	<ul style="list-style-type: none"> Limited renewable energy penetration restricts the state's ability to meet increasing business demand for sustainable power
	Logistics State's transportation networks, freight connectivity and storage capacity	10	2.2	<ul style="list-style-type: none"> Shortage of logistics infrastructure leads to port congestion, longer transit times, and increased handling costs

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
2	Macroeconomy Evaluate economic output, manufacturing share and fiscal deficit	10	4.0	<ul style="list-style-type: none"> Economy constrained by lower per-capita income, weak manufacturing base, and high fiscal deficit Innovation environment held back by outdated infrastructure, weak R&D, underutilized industrial parks, and limited high-tech clusters
	Cost competitiveness Benchmarking cost of labour, water and power	5	2.6	
	Human capital Understand education & employment parameters	5	2.7	
	Finance and credit accessibility Relevant government schemes and insurance	5	1.2	
	MSME ecosystem Assess growth and export contribution by MSMEs	10	3.7	
	Industrial and innovation environment Infrastructure maturity	5	2.0	

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
3	State policy support and governance State's export initiatives, digital first policies and ease of export documentation	15	11.9	<ul style="list-style-type: none"> West Bengal's limited digital adoption causes delays, higher compliance costs, and reduced transparency The lack of quality infrastructure, training programs, and standardized processes limits product reliability and competitiveness
	Regulatory environment and compliance Quality standards and certifications, IEC, data readiness	5	3.5	

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
4  Export Performance	State level exports and trends Export trends, growth in exporter base 	5	3.8	<ul style="list-style-type: none"> The exporter base in the state is growing at a basic pace, highlighting scope to accelerate new exporter participation West Bengal's limited finished goods production constrains its ability to capture higher-value export opportunities
	Export promotion and facilitation Government infrastructure and digital maturity 	5	4.5	
	Export portfolio and market access Export destinations and key export commodities 	10	6.0	

SWOT Analysis

Strengths				Weaknesses		
						
Mineral rich state	Accessibility of major seaports	Diverse industrial base	Competitive labor costs	Declining manufacturing contribution to GSDP	Slow industrial modernization	Limited export branding
Opportunities				Threats		
						
Alignment to India – UAE FTA	Textile diversification from traditional to technical	Enhancing cross border trade	Boosting high value finished goods production	Competition from South Asian countries	Migration of talent	ESG compliance risk

Strengths

West Bengal, India's third-largest mineral-producing state, contributes 20% to national output, 99% from coal with key reserves in Raniganj, Asansol, and the Deocha-Pachami block (Asia's largest). In FY 2023–24, coal production reached 32.8 million tons. Export capacity is strengthened by major seaports, Syama Prasad Mookerjee Port (Kolkata and Haldia), which handled 66.4 MMT of cargo, supported by robust road, rail, and waterway connectivity. Manufacturing grew 7.8% in 2024, above the national average, with 8.8 million MSMEs (14% of India's total). The Kolkata Leather Complex contributes 22-25% of India's tanning, and IISCO Steel Plant produces 2.5 million tons of crude steel. Competitive labor costs, from ₹10,038 to ₹13,360/month in urban areas, further enhance industrial appeal.

Weaknesses

West Bengal's industrial and export sectors face structural challenges. Manufacturing contributed only 13.61% to the state's GSDP in 2023-24, while merchandise exports dropped

from ₹1.1 lakh crore to ₹0.9 lakh crore, indicating declining industrial competitiveness. Slow modernization in key sectors like textiles, leather, and engineering limits productivity and global compliance. Weak R&D investment and low digital integration hinder integration into global value chains. Despite high-potential products like Darjeeling tea and Baluchari sarees, limited branding, poor export marketing, and underuse of GI tags and digital platforms reduce value realization and global visibility.

Opportunities

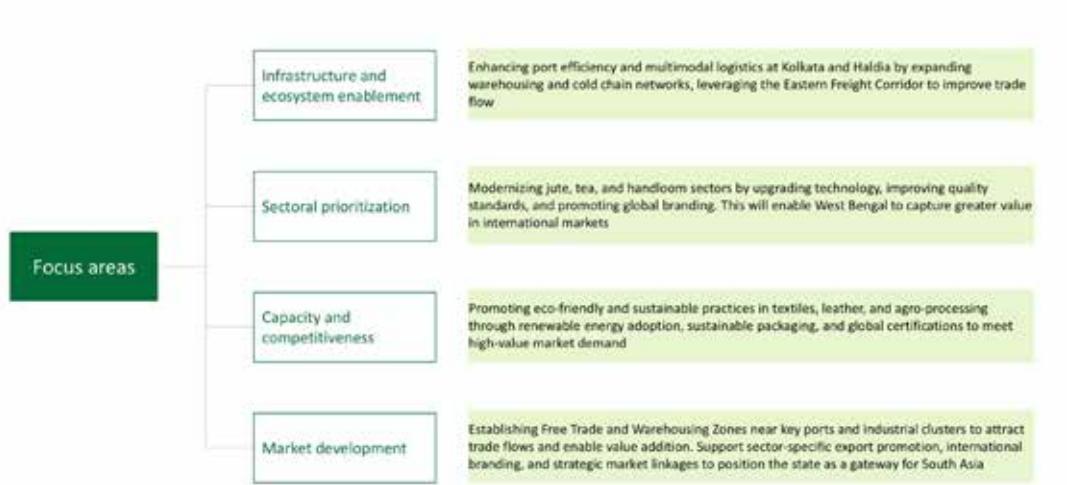
West Bengal stands to gain from the India-UAE CEPA, with the UAE accounting for 12% of its exports. Sectors like textiles, gems and jewelry, and Agri-products now enjoy tariff-free access and simplified customs, boosting MSME market entry. The agreement may also spur UAE investments in the state's infrastructure and manufacturing. With India's technical textiles sector projected to grow at 11.5-12.5% CAGR (2024–28), West Bengal is well-placed to tap into this demand. Strategic infrastructure upgrades, like the Tajpur deep-sea port and improved road links, alongside digital tools like the e-Suvidha portal and e-commerce partnerships, further enhance its global trade potential. With a significant share of West Bengal's export basket comprising intermediate goods in 2024, there lies a strong foundation for industrial growth. By capitalizing on this existing strength, the state can develop downstream manufacturing ecosystems to convert these intermediates into high value finished products, thereby increasing value addition, diversifying its export portfolio, and improving global trade competitiveness.

Threats

West Bengal's industrial and export competitiveness is threatened by rising competition from countries like Bangladesh, Vietnam, and Sri Lanka, which offer lower labor costs, favorable trade policies, and sectoral strengths in textiles and leather. These nations are attracting more FDI and global buyers. Additionally, the outmigration of skilled talent for better opportunities elsewhere weakens the local workforce, limiting high-value industrial growth. Also, stricter ESG compliance requirements in global markets pose a challenge for West Bengal's key export-oriented sectors such as mining, leather, and textiles, which may face increased scrutiny, regulatory barriers, or loss of market access if sustainability standards are not met.

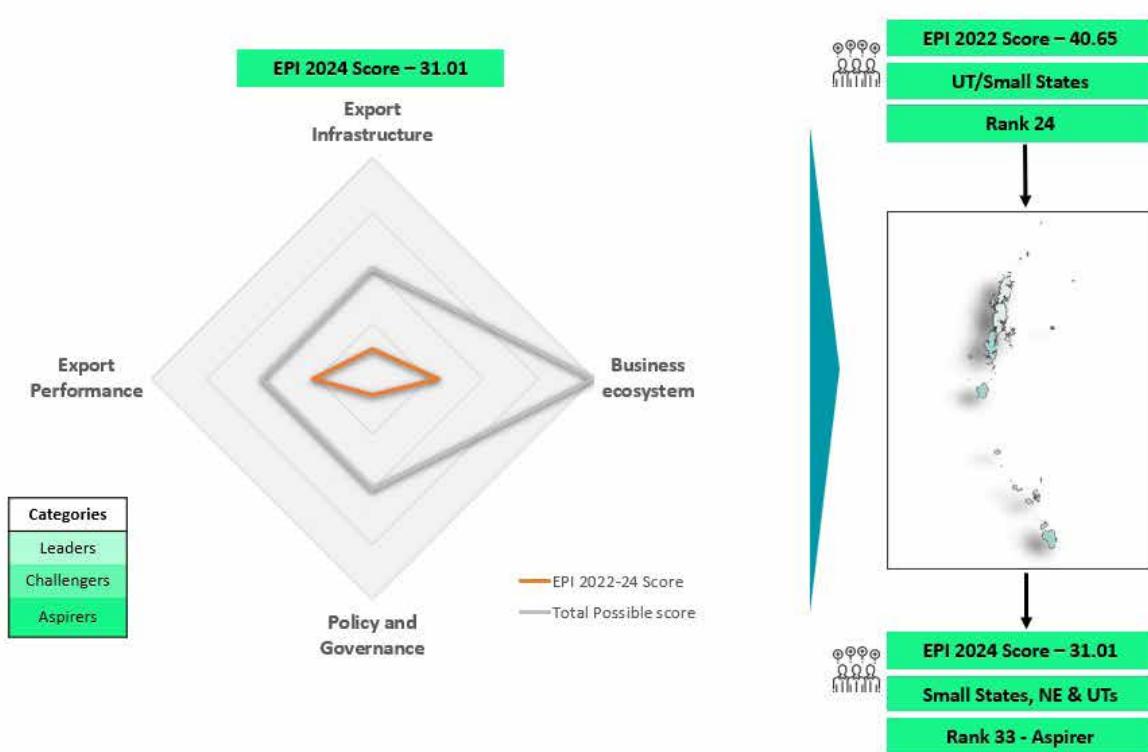
Strategic Roadmap – Focus Areas

Considering global consumption trends and existing strengths, West Bengal should direct efforts toward:





Andaman & Nicobar Islands



5.2 Small States, NE & UTs

5.2.1 Andaman & Nicobar Islands



Introduction

The Andaman & Nicobar Islands, located in the Indian Ocean, comprises of 832 islands in the southeastern Bay of Bengal, positioned close to Indonesia and Thailand. Their strategic location makes them a vital hub for India's economic and strategic cooperation, especially under the Act East Policy. Andaman & Nicobar Islands play a key role in strengthening India's ties with East Asian and maritime nations. With 23 ports and an international airport in Port Blair, the capital, the islands enjoy strong connectivity with global markets. The growing tourist

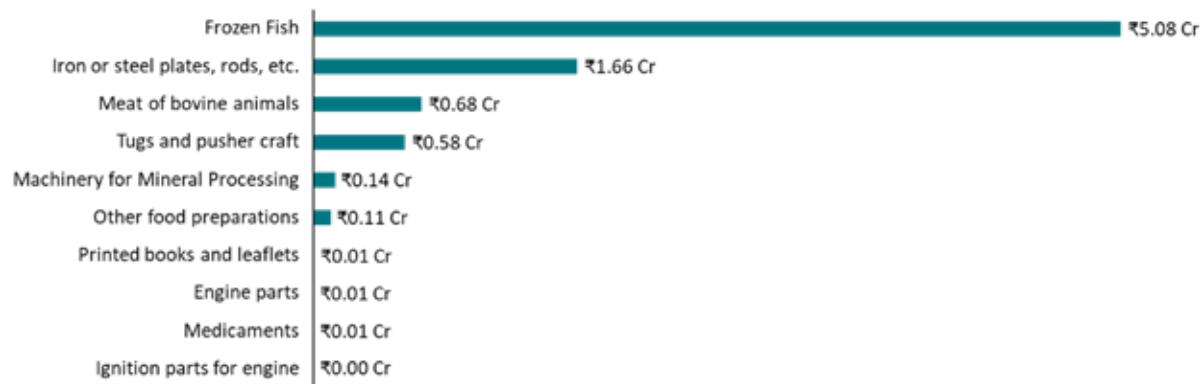
influx has created significant demand for local handicrafts, offering opportunities for artisans and small businesses. Their favorable policies and infrastructure support the growth of these emerging sectors. The region also houses 12,574 MSMEs, contributing to local employment and economic activity.¹²⁵

As of FY24, the Gross State Domestic Product (GSDP) of the Andaman & Nicobar Islands is estimated at approximately ₹12,504 crore. Over the past eight years, the government has invested around ₹30,460 crore in the region, with an additional ₹10,125 crore worth of projects in the pipeline, as part of a strategic infrastructure push. These efforts aim to transform the islands into a key economic and logistical hub. Major initiatives include the development of a trans-shipment hub, a greenfield airport, a new township, and a diesel/solar hybrid power plant to enhance energy resilience. A major highlight is the planned international container transshipment port at Galathea Bay on Great Nicobar Island. This port is expected to significantly boost India's maritime trade capacity and global logistics presence. The project is set to be completed in phases, with the first phase targeted for completion in 2028. Upon completion, it will have a handling capacity of 4 million Twenty-Foot Equivalent Units (TEUs).

The development of port infrastructures and trans-shipment capabilities in Great Nicobar represents more than a logistical upgrade and it marks a strategic shift in India's maritime ambitions. Situated at the intersection of major global shipping lanes, the Andaman & Nicobar Islands are poised to emerge as a vital hub for regional trade and security.

Export Statistics

TOP 10 HS4 COMMODITIES EXPORTED BY ANDAMAN & NICOBAR ISLANDS IN FY24



Source: Ministry of Commerce and Industry

Andaman & Nicobar Islands' export landscape is modest but distinctive, shaped by its island geography and maritime environment. The state's outbound trade is heavily centered around marine products, supported by small pockets of activity in engineering goods and processed foods. While the overall export value remains low compared to mainland states, the composition reflects the islands' natural resource base and niche manufacturing potential. The dominance of frozen fish exports underscores the importance of fisheries to the local economy, both as a livelihood and an economic driver.¹²⁶

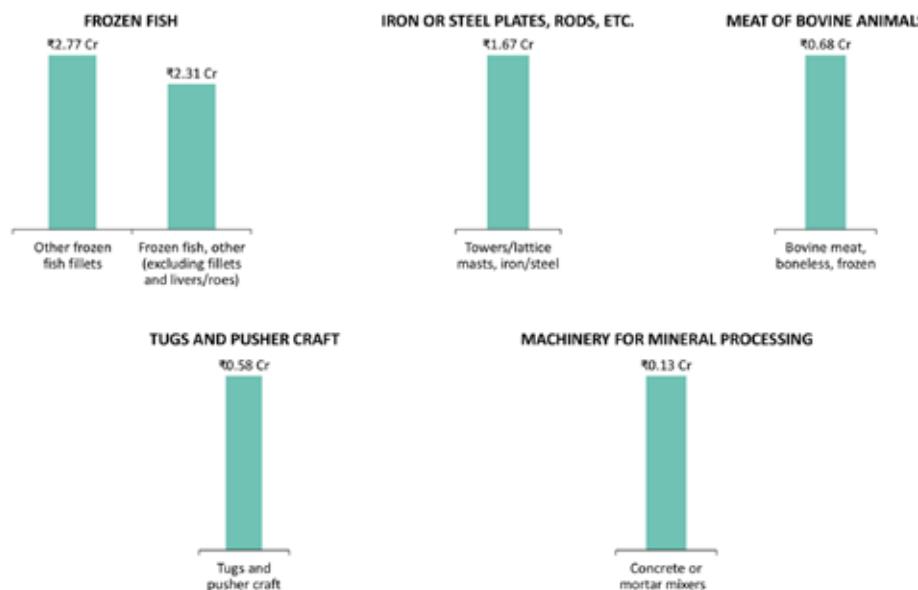
¹²⁵

IBEF

¹²⁶

Ministry of Commerce & Industry

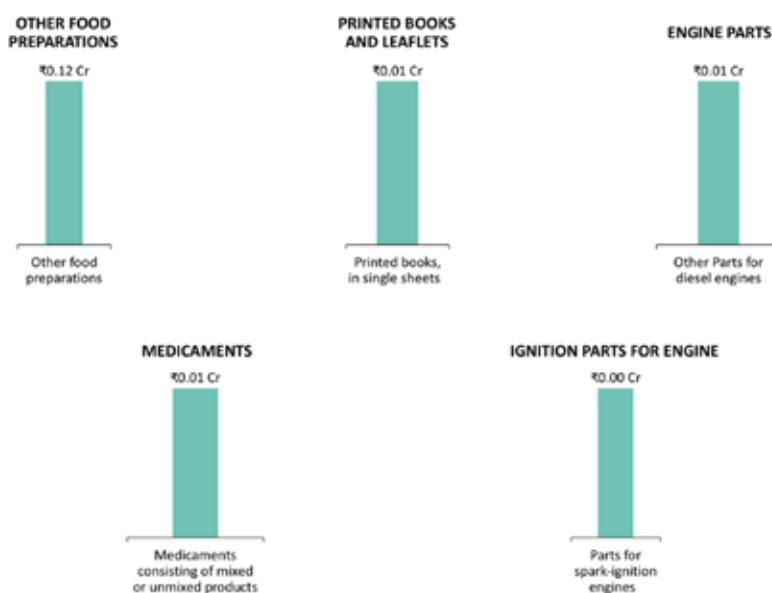
DEEP DIVE INTO THE TOP 5 HS4 COMMODITIES AT HS6 LEVEL EXPORTED BY ANDAMAN & NICOBAR ISLANDS IN FY24



Source: Ministry of Commerce and Industry

Frozen fish is by far the most significant export from the islands, split primarily between whole frozen fish and frozen fish fillets. These categories suggest both direct catch and processing capabilities, likely catering to international markets that value clean sourcing and traceability. Alongside fisheries, the export of iron and steel structures specifically towers, and lattice masts indicates participation in specialized fabrication or shipyard-linked activities, which fits with the islands' strategic naval positioning. Frozen boneless beef, albeit in smaller volumes, adds another dimension to the protein export base, potentially pointing to niche markets in Southeast Asia or the Middle East. The export of tugs and pusher craft hints at some capacity for small-scale shipbuilding or refitting, possibly tied to the local maritime infrastructure.

DEEP DIVE INTO THE NEXT 5 HS4 COMMODITIES AT HS6 LEVEL EXPORTED BY ANDAMAN & NICOBAR ISLANDS IN FY24



Source: Ministry of Commerce and Industry

Beyond the top sectors, a small but varied set of products rounds out the export mix. Machinery used in mineral processing, including mixers for concrete or mortar, suggests some industrial support activities likely aligned with regional infrastructure development. Other food preparations indicate small-scale food processing, while items like printed books and leaflets point to low-volume, perhaps locally produced educational or promotional material. Engine components, medicaments, and ignition parts although minimal in value imply limited but present participation in manufacturing or re-export of spare parts. These exports, though niche, collectively reflect a localized, resource-aware trade strategy in a remote but strategically situated territory.

Success Stories

Success Story – Empowering Fisherfolk and Marine Economy



EPI 2024-Results and Conclusions

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
1  Export Infrastructure	 Utilities State's power and water availability	10	3.2	<ul style="list-style-type: none"> Heavily reliant on diesel and a small hydro plant, with little captive power, limiting energy flexibility and export growth.
	 Logistics State's transportation networks, freight connectivity and storage capacity	10	2.0	<ul style="list-style-type: none"> The lack of integrated cold chain infrastructure delays perishable transit to mainland, raises costs, and weakens export competitiveness.

Pillar	Sub - Pillar	Total Score	Score	Key Insights/ Imperatives
2  Business Ecosystem	Macroeconomy Evaluate economic output, manufacturing share and fiscal deficit	10	4.4	
	Cost competitiveness Benchmarking cost of labour, water and power	5	2.5	
	Human capital Understand education & employment parameters	5	2.1	<ul style="list-style-type: none"> Skilled labor shortage due to outmigration, limited higher education facilities, and low industrial employment absorption.
	Finance and credit accessibility Relevant government schemes and insurance	5	0.9	<ul style="list-style-type: none"> Limited bank penetration, high dependence on government schemes, and inadequate credit flow to MSMEs
	MSME ecosystem Assess growth and export contribution by MSMEs	10	0.0	
	Industrial and innovation environment Infrastructure maturity	5	2.0	
3  Policy and Governance	State policy support and governance State's export initiatives, digital first policies and ease of export documentation	15	3.0	<ul style="list-style-type: none"> The absence of an export-specific policy limits the ability to channel niche strengths into defined export growth Lack of state-led marketing initiatives and absence of trade fairs or exhibitions significantly restrict global export visibility
	Regulatory environment and compliance Quality standards and certifications, IEC, data readiness	5	0.0	
4  Export Performance	State level exports and trends Export trends, growth in exporter base	5	4.8	
	Export promotion and facilitation Government infrastructure and digital maturity	5	2.0	<ul style="list-style-type: none"> District level export action plans are yet to be formulated to steer export development Exports remain concentrated, with limited market diversification across countries
	Export portfolio and market access Export destinations and key export commodities	10	4.1	

SWOT Analysis

Strengths				Weaknesses		
						
Strategic coastal location				Limited industrial base	Infrastructure limitations	Scarcity of skilled labour and technical experts
Abundant marine resources						
Growing MSME base						
Central government policies						
Opportunities				Threats		
						
Strategic trade gateway	Development of deep seaport hub	Growth in agro and marine processing	Blue economy development	Geopolitical sensitivities in the Indo-Pacific region	Environmental regulations and restrictions	Lack of competitive scale in global trade

Strengths

Located near the strategic Strait of Malacca, the Andaman and Nicobar Islands offer strong potential for port-led growth and maritime trade. With a vast 600,000 sq. km Exclusive Economic Zone and rich marine biodiversity, the region is well-suited for fisheries and aquaculture and also has abundant marine resources supported by rich biodiversity, pristine waters, and low pollution levels, enabling the harvest of premium-quality seafood. The economy is driven by over 35,000 MSMEs in services and agriculture, supporting local employment. Development is being accelerated through initiatives like the Island Development Agency (IDA) and alignment with national programs such as Udyam and PM Gati Shakti.

Weaknesses

There is a clear lack of large-scale manufacturing units, Special Economic Zones (SEZs), or industrial clusters. Most of the economy is dominated by micro and small enterprises, which restricts economies of scale, global competitiveness, and the ability to meet high-volume export orders. Islands suffer from major infrastructure gaps, including a shortage of modern cold storage facilities, warehouses, processing centers, and accredited laboratories. In addition, basic education and English proficiency are strengths but there is a shortage of domain-specific technical talent (e.g., in industrial engineering, export logistics, quality control), which limits the development of specialized export industries.

Opportunities

The Islands hold strong potential to become a strategic trade gateway due to their location near key international shipping lanes and Southeast Asian markets. Plans for developing a deep seaport hub can attract global maritime traffic, boost transshipment, and reduce reliance on mainland ports. Rising demand for value-added seafood and tropical agricultural products presents opportunities for growth in Agri and marine processing, enabling the islands to tap into premium export markets. The expansive EEZ enables growth in fisheries, deep-sea fishing, aquaculture, seaweed farming, and marine biotech, key pillars of a thriving blue economy.

Threats

The Andaman and Nicobar Islands face significant geopolitical sensitivities due to their strategic location in the Indo-Pacific, making them vulnerable to regional tensions and heightened security risks that can disrupt trade and investment. Stringent environmental regulations and restrictions, aimed at preserving the islands' fragile ecosystems, limit large-scale industrial activity and infrastructure expansion. Additionally, the region's small population, limited production base, and high logistics costs hinder its ability to achieve competitive scale in global trade, reducing its appeal for large export-oriented industries.

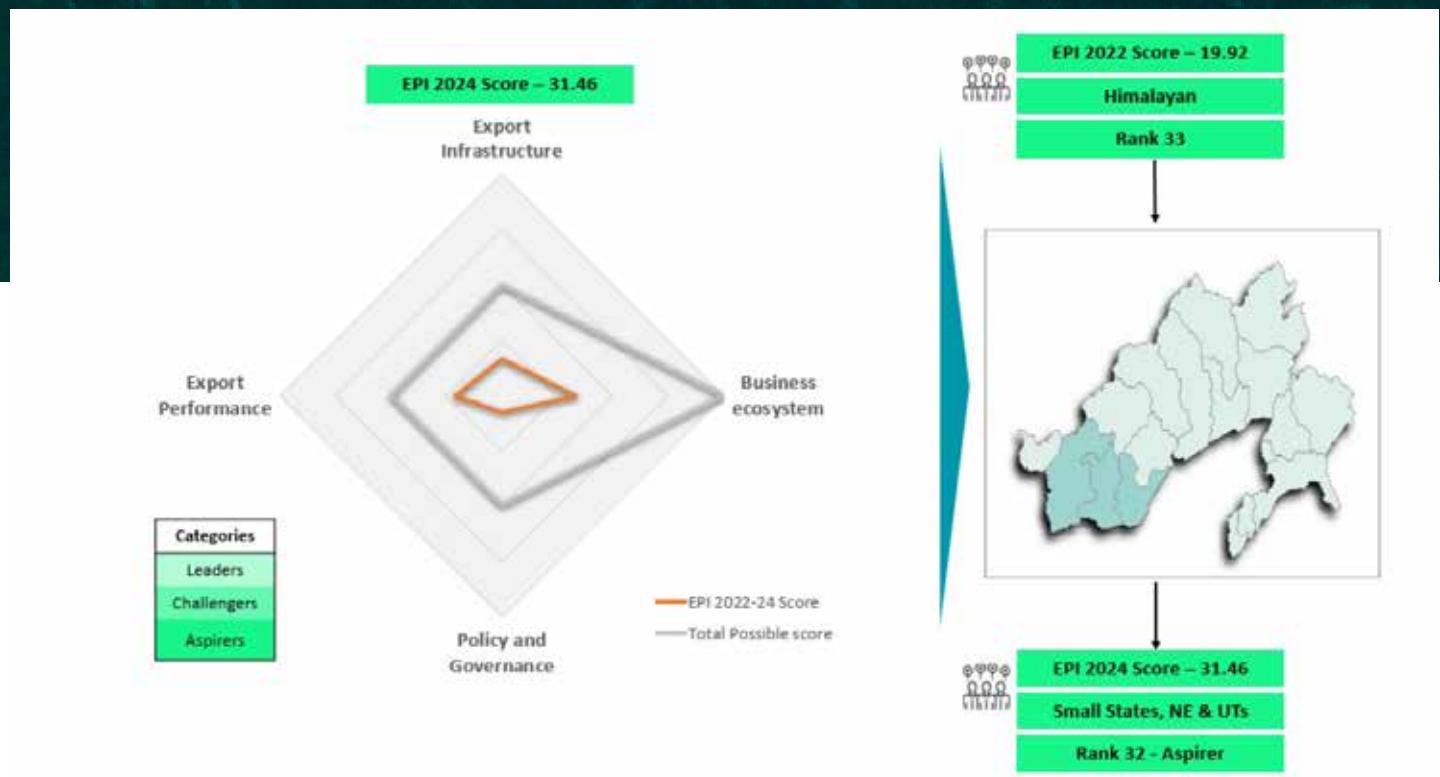
Strategic Roadmap – Focus Areas

Considering global consumption trends and existing strengths, Andaman and Nicobar Islands should direct efforts toward:

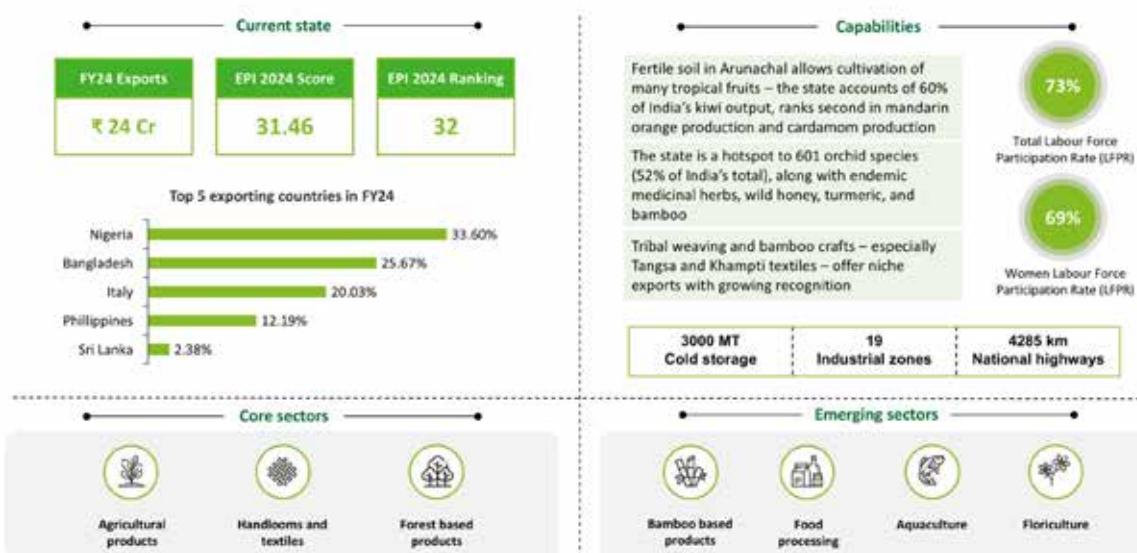




Arunachal Pradesh



5.2.2 Arunachal Pradesh



Manufacturing hubs in Arunachal Pradesh
Source: Ministry of Commerce and Industry

Introduction

Arunachal Pradesh is the largest among the seven states located in Northeast India, with an area of 83,743 sq kms. It shares its borders with the neighboring countries of Bhutan in the west, China (Tibet) in the north and northeast, Myanmar in the east and southeast, and the Indian states of Assam and Nagaland in the south. Arunachal Pradesh's GSDP is estimated to reach ₹46,096 crore in the financial year FY24. The state is rich in mineral reserves, offering significant potential for growth in the mining sector. Additionally, its diverse topography creates favorable Agri-climatic conditions, making it an ideal location for the cultivation of flowers, as well as aromatic and medicinal plants. This combination of natural resources can power economic development in Arunachal Pradesh.

The state is divided into five river valleys - the Kameng, the Subansiri, the Siang, the Lohit, and the Tirap. These river valleys have immense hydropower potential, currently estimated at

50,328 Megawatt (MW), or approximately 10% of India's current power generating capacity. As of FY24, Arunachal Pradesh had a total installed power-generation capacity of 773.3 MW.

Arunachal Pradesh's strategic location offers significant opportunities for international trade, particularly with neighboring South Asian countries like Myanmar, Bhutan, and China. The state's textiles and handicrafts are in high demand in these markets, reflecting its growing trade potential. The state is the largest producer of kiwis in India and the second largest producer of large cardamom. It is also known for its diverse inland fisheries.

Export Statistics

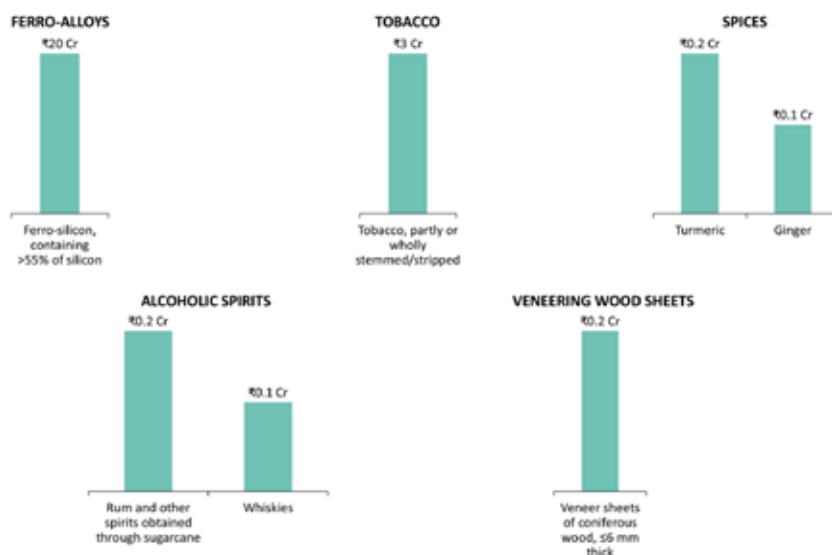
TOP 10 HS4 COMMODITIES EXPORTED BY ARUNACHAL PRADESH IN FY24



Source: Ministry of Commerce and Industry

Arunachal Pradesh's export landscape, while modest in scale, reflects a resource-rich economy with growing industrial aspirations. Leading the state's export basket are ferro-alloys, whose production requires significant energy input. Tobacco and spice exports highlight the agrarian base, with products like ginger and turmeric standing out for their niche quality and organic appeal. Though limited in volume, alcoholic spirits such as rum and whisky indicate the emergence of small-scale distillation industries tapping into sugarcane and grain production. These exports together hint at an economy rooted in natural resources, traditional agriculture, and early-stage processing industries that could benefit from better connectivity and value chain integration.

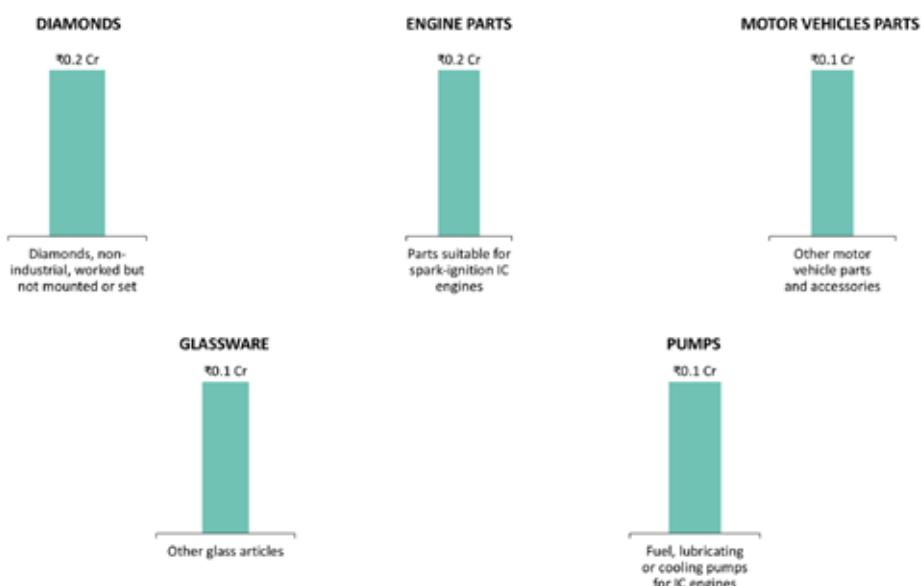
DEEP DIVE INTO THE TOP 5 HS4 COMMODITIES AT HS6 LEVEL EXPORTED BY ARUNACHAL PRADESH IN FY24



Source: Ministry of Commerce and Industry

The dominance of ferro-silicon in the state's top exports points to the presence of metallurgical processing units likely small or mid-scale furnaces utilizing local inputs and hydropower. Tobacco, in stemmed or stripped form, reflects both cultivation and initial processing, potentially serving domestic and regional markets with scope for upgrading into value-added products like cigars or blends. Turmeric and ginger, both native to the region, speak to the agro-climatic advantages of Arunachal and the growing demand for clean-label, naturally grown spices in global health-conscious markets. Alcoholic beverages, though niche, show localized distillation activity with rum taking precedence, indicative of potential for craft spirits branding. Veneer wood exports further tap into forest resources, suggesting sustainable forestry practices and a step into wood-based manufacturing that could expand with better forest-to-market infrastructure.

DEEP DIVE INTO THE NEXT 5 HS4 COMMODITIES AT HS6 LEVEL EXPORTED BY ARUNACHAL PRADESH IN FY24

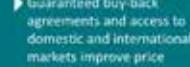
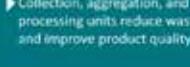
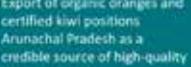


Source: Ministry of Commerce and Industry

Beyond the top five, Arunachal's exports include small volumes of polished diamonds, automotive components, and industrial parts like engine fittings and pumps. These categories, while minor in value, reflect dispersed micro-industrial activity. Glassware and mechanical pumps indicate low-scale manufacturing or assembly operations, perhaps linked to repair markets or OEM supply chains. Overall, Arunachal Pradesh's exports reveal a resource-led model with early signs of industrialization, especially in metallurgy and Agri-processing. With targeted investment in logistics, branding, and skill development, the state could turn its raw strengths into high-value, sustainable exports that reflect both local identity and global demand.

Success Stories

Success Story – From Farm to Global Markets - MOVCD-NER* in Action

Problem	1 In Arunachal Pradesh farmers face challenges in accessing premium domestic and international markets for organic crops like turmeric, ginger, large cardamom, kiwi, and oranges	2 Small farmers often lack collection, aggregation, and processing facilities, limiting value addition and efficiency	3 Without guaranteed purchase agreements, farmers face price volatility and risk of unsold produce	4 Many farmers lack awareness or access to organic certification, constraining market credibility and export potential
Solution	 MOVCD-NER* gradually builds organic value chains across 22+ districts in multiple phases	 Establishment of 41 collection and aggregation centres, 46 transport vehicles, 14 small processing units, and 2 integrated processing units strengthens post-harvest handling	 Partnerships with companies like Parvata Foods and Farm Native India ensure guaranteed buy-back and access to broader markets	 Initiatives such as Lower Subansiri obtaining organic certification for kiwi and export of Arunachal oranges help build credibility and global market presence
Impact	 Guaranteed buy-back agreements and access to domestic and international markets improve price realization for farmers	 Collection, aggregation, and processing units reduce wastage and improve product quality	 Formation of 61 FPCs empowers farmers with collective bargaining power and better market access	 Export of organic oranges and certified kiwi positions Arunachal Pradesh as a credible source of high-quality organic produce internationally

*MOVCD-NER - Mission Organic Value Chain Development for the North-Eastern Region

EPI 2024-Results and Conclusions

Pillar	Sub - Pillar	Total Score	Score	Key Insights/ Imperatives
 1 Export Infrastructure	 Utilities State's power and water availability	10	4.4	<ul style="list-style-type: none"> Limited state-level and captive power capacity, with reliance on centralized hydropower, restricts local energy autonomy and industrial growth
	 Logistics State's transportation networks, freight connectivity and storage capacity	10	2.1	<ul style="list-style-type: none"> The absence of FTWZs limits Arunachal Pradesh's export logistics, forcing reliance on distant facilities and reducing competitiveness

Pillar	Sub - Pillar	Total Score	Score	Key Insights/ Imperatives
 2 Business Ecosystem	 Macroeconomy Evaluate economic output, manufacturing share and fiscal deficit	10	4.1	
	 Cost competitiveness Benchmarking cost of labour, water and power	5	3.5	
	 Human capital Understand education & employment parameters	5	3.5	<ul style="list-style-type: none"> MSME constrained by limited infrastructure, weak market linkages, restricted access to finance, and low technology adoption
	 Finance and credit accessibility Relevant government schemes and insurance	5	0.4	<ul style="list-style-type: none"> High fiscal deficit and liabilities, and a declining revenue surplus limiting fiscal space for development
	 MSME ecosystem Assess growth and export contribution by MSMEs	10	0.0	
	 Industrial and innovation environment Infrastructure maturity	5	2.0	

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
3  Policy and Governance	State policy support and governance State's export initiatives, digital first policies and ease of export documentation	15	3.0	<ul style="list-style-type: none"> The absence of an export-specific policy limits Arunachal Pradesh's ability to provide structured direction and support to exporters
	Regulatory environment and compliance Quality standards and certifications, IEC, data readiness	5	0.0	<ul style="list-style-type: none"> A lack of state-led marketing initiatives, trade fairs, and exhibitions hampers the state's efforts to promote exports and build market linkages

Pillar	Sub - Pillar	Total Score	Score	Key Insights/ Imperatives
4  Export Performance	State level exports and trends Export trends, growth in exporter base	5	2.9	<ul style="list-style-type: none"> Limited diversification, and infrastructure challenges hinder growth and competitiveness in global markets
	Export promotion and facilitation Government infrastructure and digital maturity	5	1.0	<ul style="list-style-type: none"> Lack of infrastructure, limited logistics, and absence of a comprehensive export strategy restrict its market penetration
	Export portfolio and market access Export destinations and key export commodities	10	4.9	

SWOT Analysis

Strengths				Weaknesses		
						
Agricultural diversity				Deficient overland connectivity	Industrial underdevelopment	Reliance on central funding
						
Act east policy and border trade				Geopolitical tensions	Climate and environmental challenges	Isolation from mainstream markets

Strengths

Arunachal Pradesh possesses a favorable agri-climatic conditions that support a wide range of horticultural activities, including the cultivation of oranges, kiwifruit, ginger, and organic produce. The state has emerged as India's leading producer of kiwifruit, contributing approximately 7,430 metric tons annually, about 44.7% of the country's total output. It also ranks as the second-largest producer of large cardamom. The region's rich tribal heritage fuels the production of ethnic textiles, bamboo goods, and traditional crafts, which are increasingly finding markets abroad. These products are further supported by government initiatives such as Geographical Indication (GI) tagging to enhance their international appeal. Improved connectivity through airports in Itanagar (Donyi Polo), Tezu, and under the UDAN scheme has opened new freight and cargo channels, significantly boosting trade opportunities. Additionally, the state's growing ecotourism and cultural tourism sectors are attracting both domestic and international travelers, creating promising avenues for the hospitality industry, support services, and the export of locally made souvenirs.

Weaknesses

Despite recent improvements, road and rail infrastructure in Arunachal Pradesh remains underdeveloped, particularly in interior regions. The state's challenging terrain and remote location make the transportation of goods to major markets both costly and time-consuming. Inadequate logistics infrastructure, including the absence of cargo terminals, cold chain systems, and industrial warehouses, severely hampers the potential for large-scale exports and imports. Furthermore, the lack of Special Economic Zones (SEZs), export hubs, and industrial corridors has limited the growth of export-oriented manufacturing. The state's economy continues to rely heavily on central government grants, with a low internal revenue base and minimal participation from the private sector.

Opportunities

Arunachal Pradesh presents considerable opportunities under India's Act East Policy, particularly through initiatives like the India-Myanmar-Thailand Trilateral Highway, which enhance connectivity with Southeast Asia. The establishment of border haats and integrated check posts (ICPs) is poised to promote formalized cross-border trade with neighboring countries. With an estimated hydropower potential exceeding 50,000 MW, Arunachal Pradesh is well-positioned to become a hub for energy-intensive industries and a net exporter of electricity. Additionally, Arunachal's climate is ideal for cultivating export-quality flowers such as orchids, anthuriums, and gladiolus. With rising global demand for exotic florals, the state can tap into a valuable niche export market.

Threats

Arunachal Pradesh faces several challenges to its economic and industrial growth. Ongoing border disputes with China, especially in the Tawang region, contribute to uncertainty surrounding long-term infrastructure investments and industrial planning. The state is also geographically vulnerable, being prone to landslides, floods, and earthquakes, which frequently disrupt supply chains and significantly raise logistics and maintenance costs. In addition, high transportation costs, driven by the state's remoteness from major trade hubs such as Kolkata and Mumbai, diminish the price competitiveness of Arunachal's exports. Exporters further

face challenges in accessing raw materials, establishing connections with global buyers, and obtaining financial and trade facilitation services, all of which hinder the state's ability to fully realize its import-export potential.

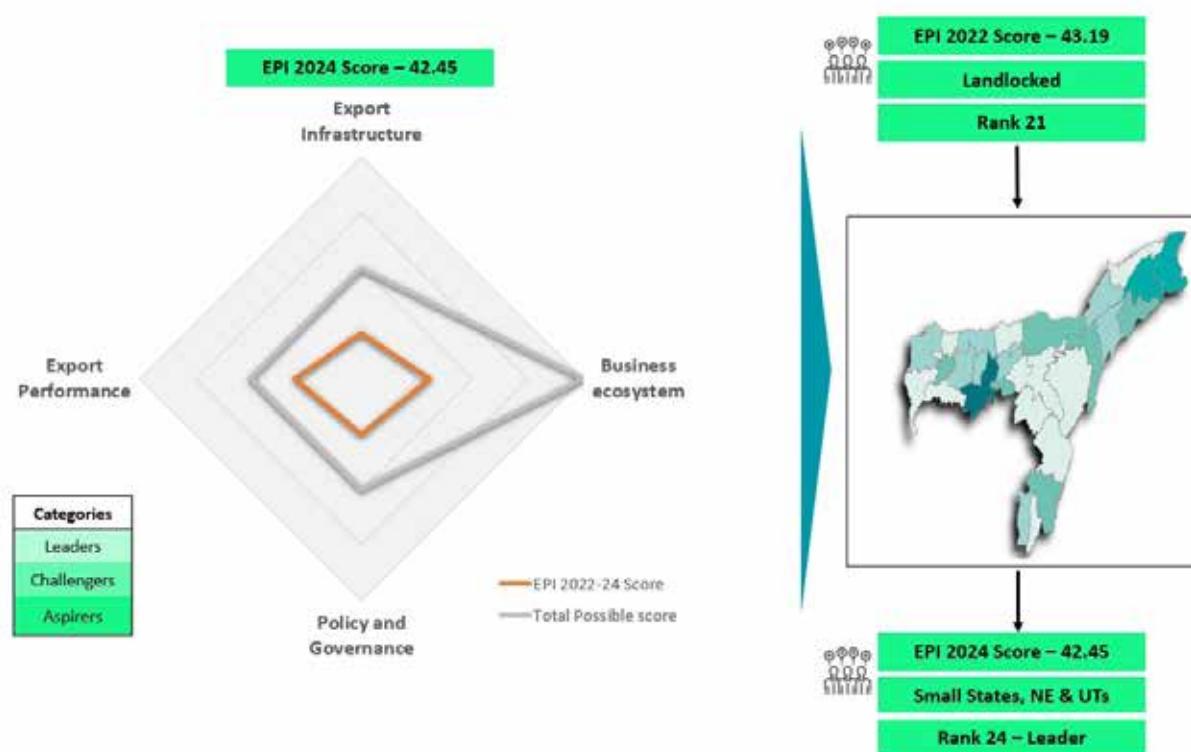
Strategic Roadmap – Focus Areas

Considering global consumption trends and existing strengths, Arunachal Pradesh should direct efforts toward:

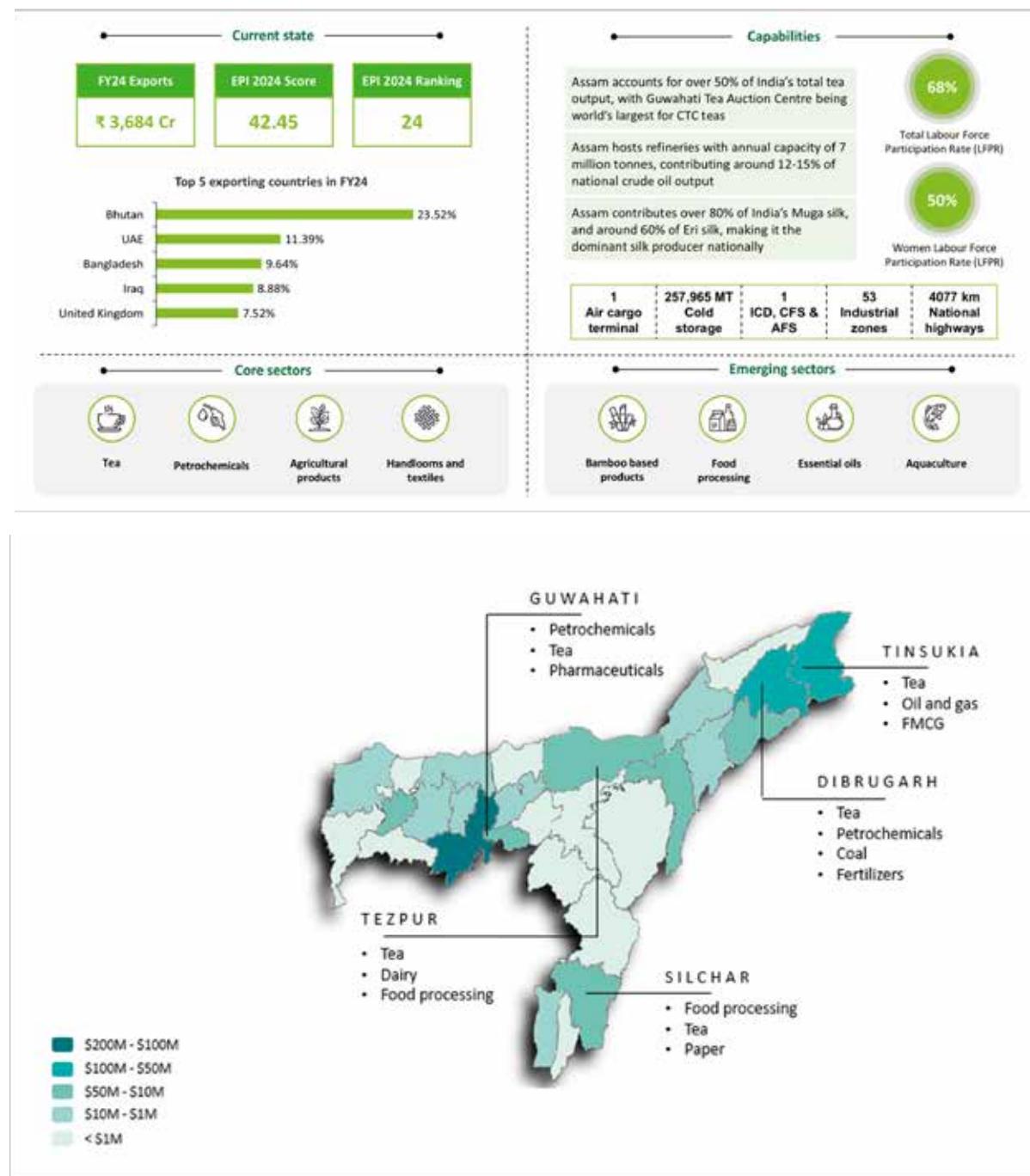




Assam



5.2.3 Assam



Introduction

Assam leads the North-Eastern region in terms of economic output and industrial activity with a Gross State Domestic Product (GSDP) of ₹5.8 lakh crore in FY24. Owing to its relative proximity to the rest of the country and availability of quality infrastructure, the state offers a favorable environment for industry.

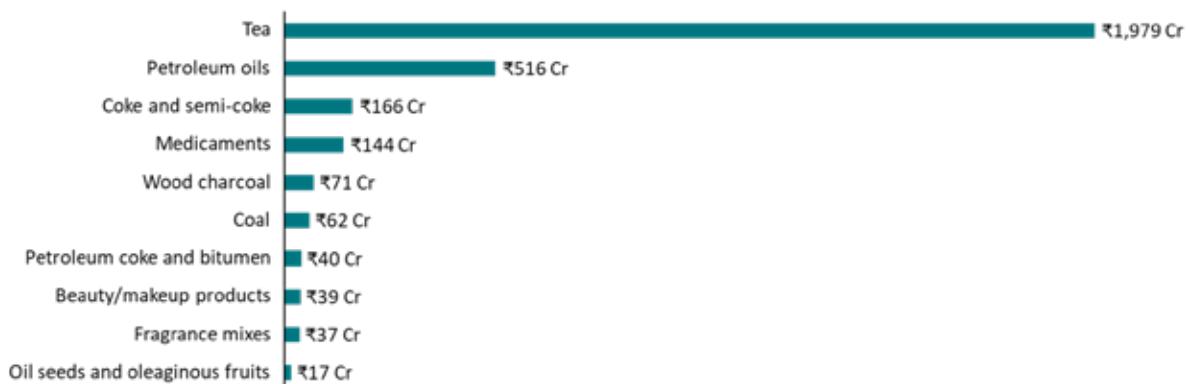
Assam has the largest tea-growing area in the world with ~661 million kg constituting around one-seventh of the global tea production. It also has 20 industrial estates, three industrial growth

centers, 11 Integrated Infrastructure Development Depots, 17 industrial areas, 12 growth centers, eight mini-industrial estates, one export promotion park and one food processing industrial park. Assam is also the most popular tourist destination among the northeast states.

Exports from the state stood at ₹3,700 crore in FY24. Assam strengthened its investment climate by amending the Industrial & Investment Policy of Assam 2019, introducing tailored incentives for mega projects, such as capital and production-linked subsidies, power tariff relief, land and stamp duty concessions and payroll support. Complementing this was the launch of the Assam Electronics (Semiconductor, etc.) Policy 2023, aimed at positioning the state as a semiconductor and electronics hub. It offers an additional 40% capital expenditure support atop central grants, along with subsidies on power tariffs (up to 50% for 10 years), concessional water supply, land-price benefits, SGST reimbursements, and full stamp duty exemptions.

Export Statistics

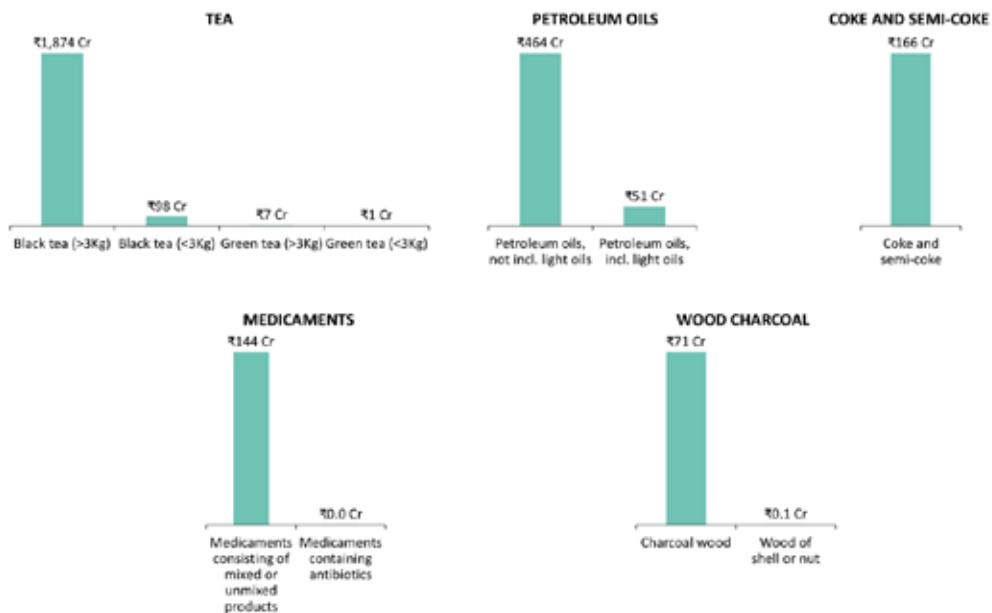
TOP 10 HS4 COMMODITIES EXPORTED BY ASSAM IN FY24



Source: Ministry of Commerce and Industry

The major export for the state of Assam is tea, where the state has a long-standing global reputation. The state produces some of the finest varieties of black tea, and its exports include bulk black tea as well as retail packaged tea and smaller volumes of green tea. The presence of organized auction platforms such as the Guwahati Tea Auction Centre (GTAC) and well-established plantation infrastructure contribute to sustained export performance. Coke and semi-coke form another key category, supported by coal availability and small-scale coke production units in the region. The export of medicaments has also grown, aided by pharmaceutical manufacturing hubs near Guwahati that produce formulations and antibiotic-based medicines for domestic and global markets. Lastly, coal and bituminous coal contribute to resource-based exports, facilitated by state-owned coal mining operations.

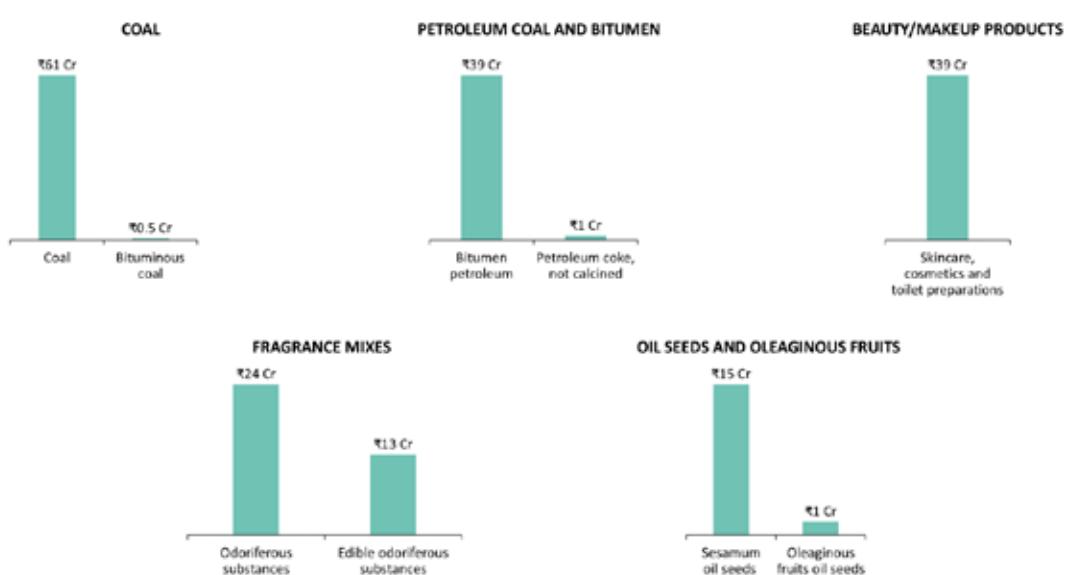
DEEP DIVE INTO THE TOP 5 HS4 COMMODITIES AT HS6 LEVEL EXPORTED BY ASSAM IN FY24



Source: Ministry of Commerce and Industry

The state's export portfolio within these top-performing HS4 categories reflects notable product diversity. For petroleum oils, both light oils and other refined oils are exported in large quantities. In tea, the bulk exports are led by black tea over 3 kg and retail-packed tea, supported by branding and long-standing demand in the Middle East, Europe, and Russia. For medicaments, finished pharmaceutical formulations and antibiotics dominate, leveraging the region's growing industrial base in bulk drug production and formulation.

DEEP DIVE INTO THE NEXT 5 HS4 COMMODITIES AT HS6 LEVEL EXPORTED BY ASSAM IN FY24



Source: Ministry of Commerce and Industry

Beyond these leading segments, several commodities represent untapped potential for export growth. For instance, Assam exports wood charcoal and shell/nut wood in small volumes, indicating possible opportunities for expanding exports through better value addition and sustainable forestry practices. Similarly, in the fragrances and cosmetics segment, products like odoriferous substances and skincare preparations are emerging exports that could benefit from branding, quality enhancement, and targeting niche global markets. Sesame seeds and other oleaginous fruits also present growth potential, given Assam's Agri-climatic suitability for oilseed cultivation. If supported by processing infrastructure and certification schemes, these could be positioned for exports to East and Southeast Asian markets.

Success Stories

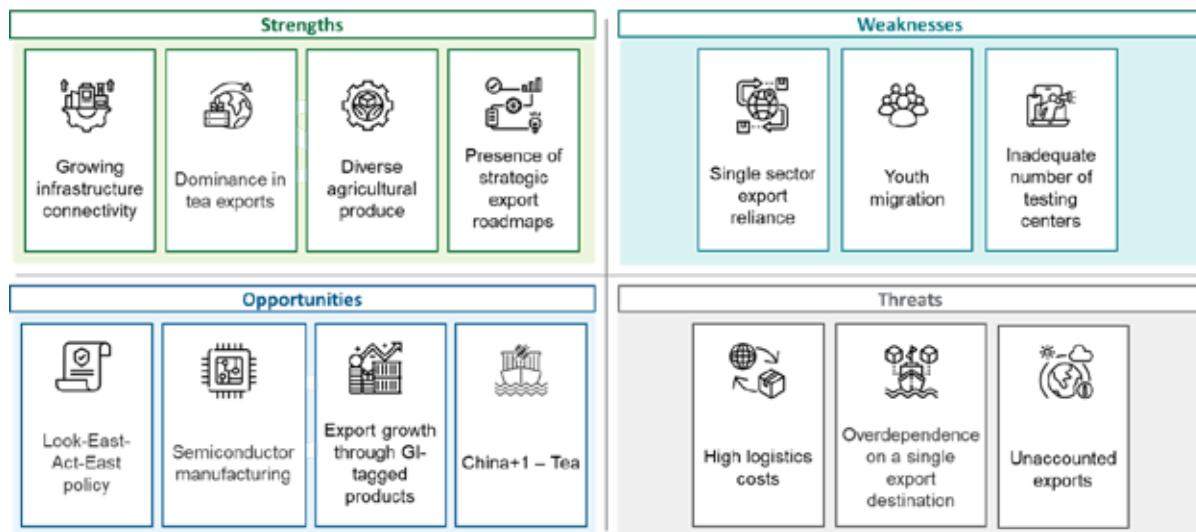


EPI 2024 – Results and Conclusions

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
1 Export Infrastructure	Utilities State's power and water availability	10	4.6	<ul style="list-style-type: none"> Limited installed and captive power capacity reduces energy self-sufficiency and constrains industrial and export growth
	Logistics State's transportation networks, freight connectivity and storage capacity	10	3.6	<ul style="list-style-type: none"> Shortage of logistics infrastructure causes congestion, delays, and higher handling costs.

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
2  Business Ecosystem	 Macroeconomy Evaluate economic output, manufacturing share and fiscal deficit	10	1.8	<ul style="list-style-type: none"> High fiscal deficit, elevated debt levels, and infrastructure constraints limiting sustainable growth Finance and credit access limited by remote area reach, slow credit disbursement for MSMEs, and low scheme awareness
	 Cost competitiveness Benchmarking cost of labour, water and power	5	2.8	
	 Human capital Understand education & employment parameters	5	3.8	
	 Finance and credit accessibility Relevant government schemes and insurance	5	1.1	
	 MSME ecosystem Assess growth and export contribution by MSMEs	10	0.6	
	 Industrial and innovation environment Infrastructure maturity	5	2.2	
3  Policy and Governance	 State policy support and governance State's export initiatives, digital first policies and ease of export documentation	15	9.7	<ul style="list-style-type: none"> Slow adoption of digital systems for export procedures and documentation limits the ability to streamline processes and align with global trade practices The lack of trade fairs and exhibitions curtails Assam's potential to promote its products, connect exporters with buyers, and diversify markets
	 Regulatory environment and compliance Quality standards and certifications, IEC, data readiness	5	0.3	
4  Export Performance	 State level exports and trends Export trends, growth in exporter base	5	4.3	<ul style="list-style-type: none"> Absence of a single-window clearance mechanism hinders ease of export operations Exports remain concentrated in limited markets, reflecting weak diversification
	 Export promotion and facilitation Government infrastructure and digital maturity	5	3.0	
	 Export portfolio and market access Export destinations and key export commodities	10	5.1	

SWOT Analysis



Strengths

Assam has significantly improved its connectivity through initiatives like Bharat Mala, Sagarmala, and the Act East Policy enhancing road, rail, and inland waterway infrastructure most notably the multimodal logistics park at Jogighopa and Brahmaputra upgrades which strengthen regional and cross-border trade with Bangladesh and Myanmar. These efforts are further reinforced by the Assam Logistics and Warehousing Policy 2022, which aims to develop integrated logistics hubs and modern warehousing to improve supply chain efficiency. As India's tea capital, Assam contributes over 50% of national tea production, with strong global demand for its Orthodox and CTC varieties. In agriculture, Assam boasts a diverse crop base including rice, mustard, citrus, and medicinal plants - with over 300 species cultivated under the CSIR-Aroma Mission, which supports over 100,000 farmers and enhances rural livelihoods. Assam stands out for its proactive trade planning, with 13 strategic export roadmaps in place - among the highest in the country demonstrating a strong institutional focus on expanding exports through targeted engagement with partner countries and aligning sectoral strengths with external market opportunities.

Weaknesses

Assam's export base remains narrow, with tea alone accounting for more than half of total merchandise exports. This over-reliance on a single commodity exposes the state to global price fluctuations and climate-related disruptions, weakening its export resilience. Simultaneously, limited high-value job opportunities are prompting youth migration to larger cities, resulting in a growing gap in the availability of skilled talent particularly in innovation-driven industries. Assam's export value chain is weakened by the shortage of NABL-accredited and EIC-approved testing centers for tea and Agri-products. Exporters are majorly dependent on out-of-state labs in Kolkata and Hyderabad, leading to delays, higher logistics costs and certification bottlenecks. This hampers export competitiveness, especially for small and medium enterprises.

Opportunities

Assam's strategic location places it at the heart of India's Look East – Act East Policy, with major connectivity initiatives like the India-Myanmar-Thailand Trilateral Highway and the

Kaladan Multi-Modal Transit Project significantly enhancing trade access to Southeast Asia. These linkages position Assam as a potential gateway for regional value chains and cross-border commerce. The state is also emerging as an important player in semiconductor manufacturing, led by Tata Group's ₹27,533 crore OSAT (Outsourced Semiconductor Assembly and Testing) facility in Jagiroad set to produce 48 million chips daily by 2025, opening high-tech export avenues and upstream supply chain opportunities. Additionally, Assam can expand exports by leveraging its rich portfolio of GI-tagged products like Muga silk, Joha rice, and Assam Orthodox tea, especially if supported by stronger branding, certification, and market linkage initiatives. Global supply chain shifts under the China+1 strategy also offer the state's tea sector an opening to capture displaced demand from traditional sourcing hubs, provided Assam strengthens logistics, traceability, and quality standards to meet international buyer expectations.

Threats

Assam's distance from key ports like Kolkata and Haldia leads to long transit times and high freight costs for bulky and perishable goods. Poor connectivity, inadequate cold chain infrastructure, and limited cargo services worsen logistics inefficiencies. Dependence on third-party logistics and inter-state hubs raises operational costs and weakens export competitiveness. The state's export concentration is another risk, with Bhutan accounting for approximately 23% of total exports, making Assam vulnerable to disruptions in bilateral trade. Natural disasters like floods, landslides, and erratic monsoons frequently damage crops and infrastructure, deterring investments and affecting supply chain stability. In addition, the state faces a serious threat from unaccounted exports due to exporters bypassing formal trade channels and ignoring standard export procedures. Practices like under-invoicing, non-registration, and routing through informal networks or neighboring states lead to revenue loss and distorted trade data. This compromises product traceability, damages Assam's export credibility, and hinders the development of a transparent export ecosystem.

Strategic Roadmap – Focus Areas

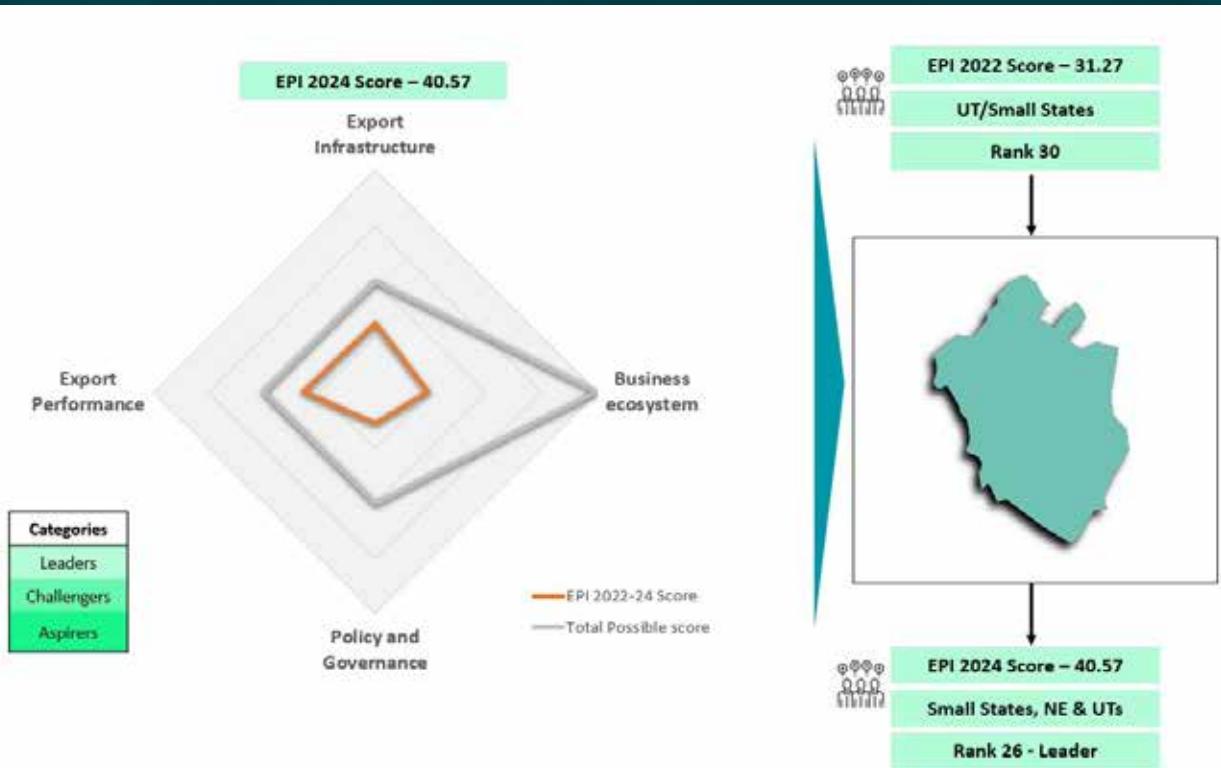
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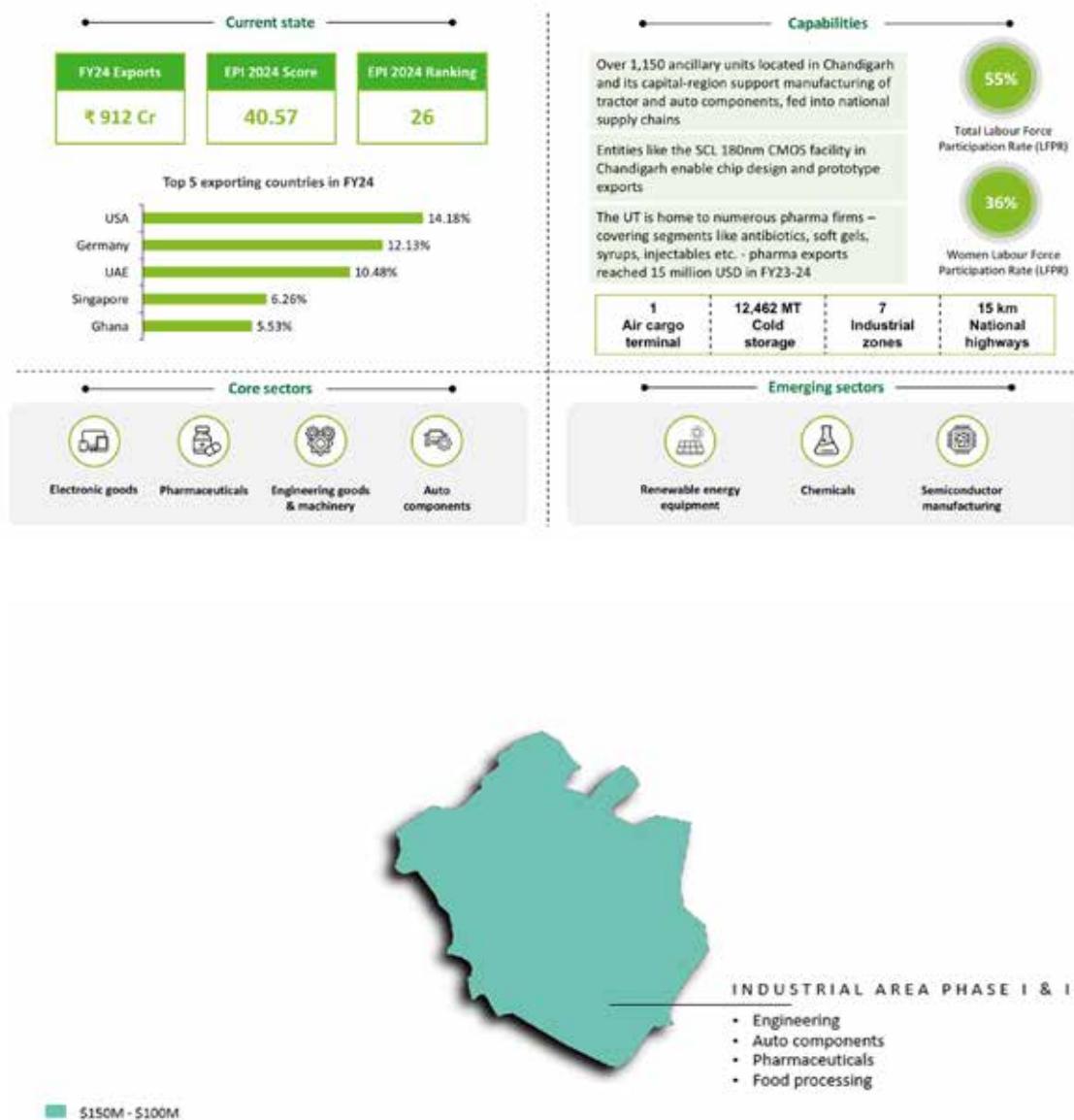




Chandigarh



5.2.4 Chandigarh



Manufacturing hubs in Chandigarh
Source: Ministry of Commerce and Industry

Introduction

The Union Territory of Chandigarh, serving as the capital for both Punjab and Haryana, holds a unique position in India's administrative and economic landscape. Despite its relatively small geographical size, Chandigarh maintains a notable economic profile with a Gross State Domestic Product (GSDP) of ₹57,734 crore in 2022-23. In FY24, Chandigarh's export value stood at around ₹912 crore, reflecting its niche presence in sectors such as pharmaceuticals, engineering goods and IT services.

Chandigarh's economic strengths stem from its strategic location in northern India, a highly

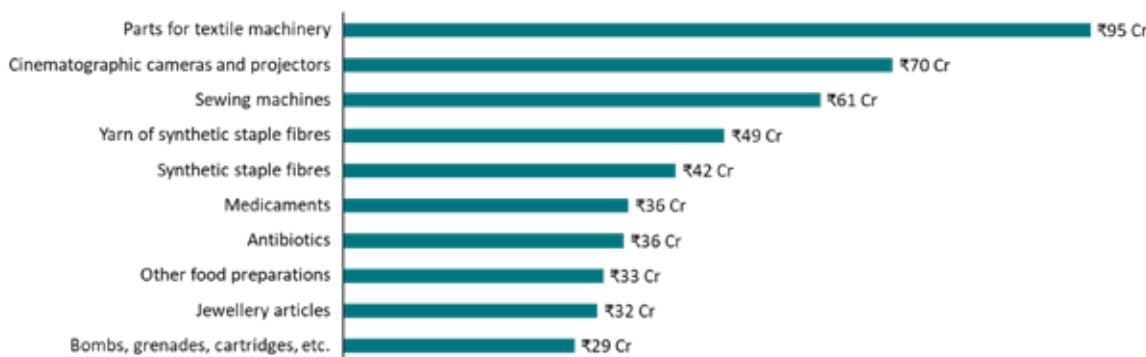
literate population, and robust service sector activity. The city has developed as a hub for administrative services, education, healthcare, and emerging tech-based industries. Its IT and ITES sectors have steadily grown, aided by dedicated infrastructure such as the Rajiv Gandhi Chandigarh Technology Park. This tech-focused environment has enabled the export of software services and professional consulting to global markets. Additionally, the pharmaceutical manufacturing units operating in the region contribute to medical exports, primarily to countries in Africa and South Asia.

The city's well-planned urban infrastructure and connectivity with industrial belts in Punjab and Haryana further support its integration into regional trade dynamics. However, Chandigarh's export growth is constrained by limited industrial land availability and a focus on administrative and residential functions. The absence of major logistical infrastructure such as cargo ports or large airports limits scale in goods exports. Moreover, the UT's export profile is less diversified, which poses challenges in adapting to external demand shifts.

In essence, Chandigarh's export profile reflects the characteristics of a highly urbanized, service-oriented economy with niche contributions in IT and pharmaceuticals. While its absolute export volume remains limited, its strong per capita indicators and focused sectoral strengths highlight the distinct role it plays within India's broader economic and export landscape.

Export Statistics

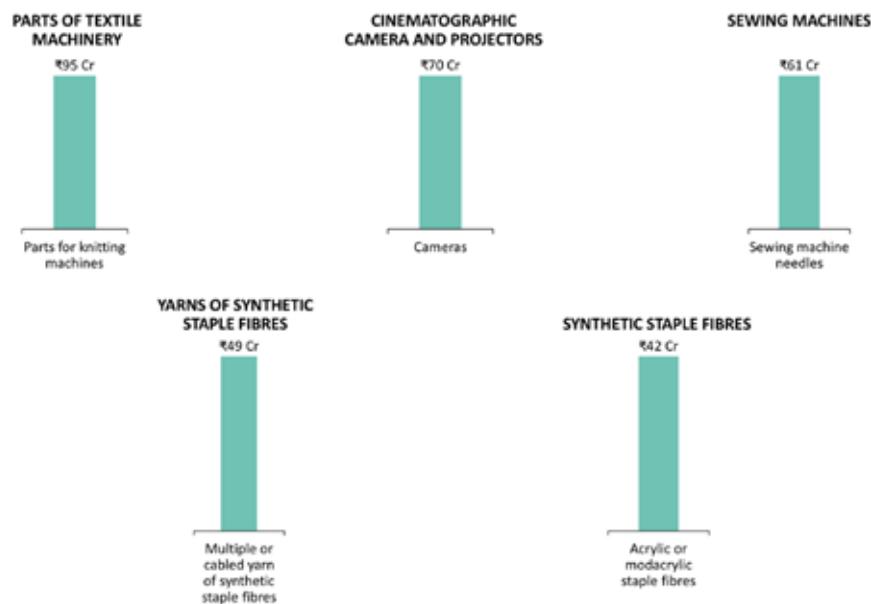
TOP 10 HS4 COMMODITIES EXPORTED BY CHANDIGARH IN FY24



Source: Ministry of Commerce and Industry

Chandigarh's export landscape is characterized by a blend of advanced machinery components, synthetic textiles, pharmaceuticals, and precision equipment, reflecting the city's industrial and technological strengths. Leading exports include parts for textile machinery, particularly parts for knitting machines and sewing machines with related needles, which highlight Chandigarh's role as a hub for textile engineering and manufacturing support industries. This is complemented by significant exports of synthetic staple fibers and yarns, including acrylic staple fibers, underpinning the city's contribution to India's synthetic textile supply chain.

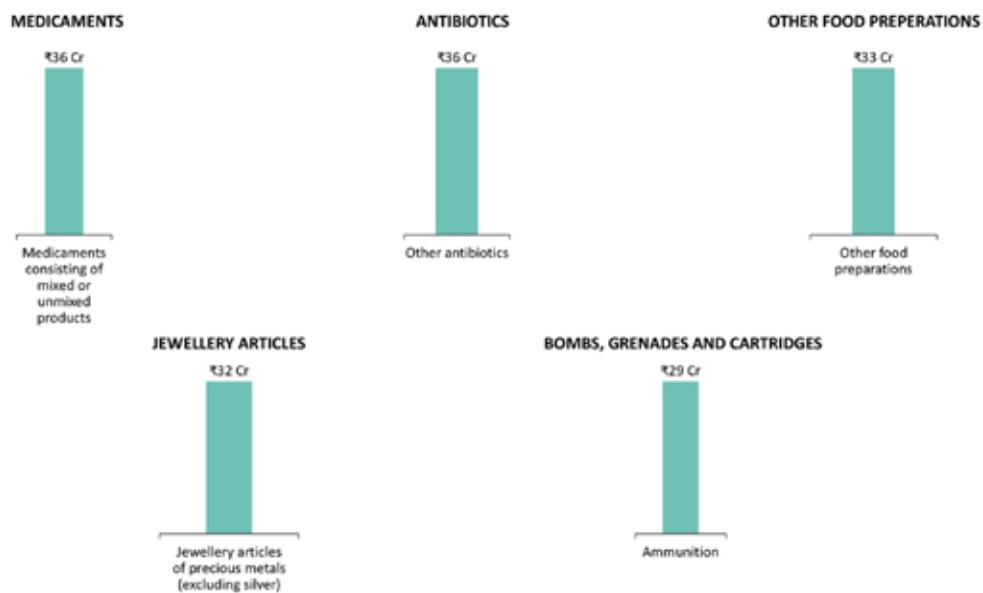
DEEP DIVE INTO THE TOP 5 HS4 COMMODITIES AT HS6 LEVEL EXPORTED BY CHANDIGARH IN FY24



Source: Ministry of Commerce and Industry

Drilling down to the HS6 codes, Chandigarh excels in exporting cameras and cinematographic equipment, showcasing its niche in precision optical and imaging devices. The city is also a notable exporter of medicaments, including antibiotics, reflecting a strong pharmaceutical manufacturing base that benefits from the region's emphasis on healthcare innovation and research. These sectors underline Chandigarh's diversified industrial base, blending traditional manufacturing with high-tech pharmaceutical production.

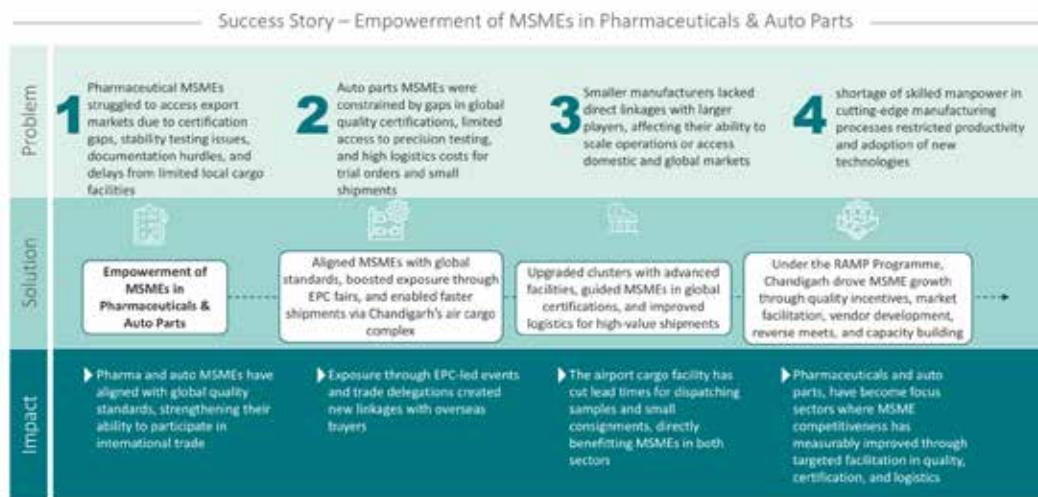
DEEP DIVE INTO THE NEXT 5 HS4 COMMODITIES AT HS6 LEVEL EXPORTED BY CHANDIGARH IN FY24



Source: Ministry of Commerce and Industry

Despite its strong performance in machinery parts, synthetic fibers, and pharmaceuticals, Chandigarh has opportunities to grow in other segments such as other food preparations and jewelry articles, which currently contribute less significantly to exports but have potential given the city's growing consumer markets and artisan base. Additionally, the export of ammunition and related products while specialized, represents a small but strategic sector with scope for enhanced compliance and expanded market reach. By leveraging its technological infrastructure and skilled workforce, Chandigarh can further diversify and scale its export capabilities across these promising sectors.

Success Stories



EPI 2024-Results and Conclusions

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
1 Export Infrastructure	Utilities State's power and water availability	10	7.5	<ul style="list-style-type: none"> The state lacks in-state and captive power, relying on external sources, which limits energy flexibility and hampers industrial and export growth.
	Logistics State's transportation networks, freight connectivity and storage capacity	10	5.0	<ul style="list-style-type: none"> The lack of integrated cold chain infrastructure hampers timely delivery of perishables, raises costs, and weakens the export competitiveness.

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
2  Business Ecosystem	 Macroeconomy Evaluate economic output, manufacturing share and fiscal deficit	10	2.0	<ul style="list-style-type: none"> Negligible manufacturing base and limited fiscal autonomy, constraining large-scale industrial growth MSME ecosystem faces constraints of limited land, low manufacturing base, and modest export contributions
	 Cost competitiveness Benchmarking cost of labour, water and power	5	1.1	
	 Human capital Understand education & employment parameters	5	3.1	
	 Finance and credit accessibility Relevant government schemes and insurance	5	1.5	
	 MSME ecosystem Assess growth and export contribution by MSMEs	10	0.0	
	 Industrial and innovation environment Infrastructure maturity	5	2.0	

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
3  Policy and Governance	 State policy support and governance State's export initiatives, digital first policies and ease of export documentation	15	3.0	<ul style="list-style-type: none"> Inadequate digital infrastructure for export-related processes and documentation creates procedural inefficiencies Fewer number of certified manufacturers restrict Chandigarh's competitiveness and credibility in regulated international markets
	 Regulatory environment and compliance Quality standards and certifications, IEC, data readiness	5	2.5	

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
4  Export Performance	 State level exports and trends Export trends, growth in exporter base	5	4.3	<ul style="list-style-type: none"> Export potential restricted by small geographic and industrial base, leading to dependence on a narrow range of sectors and limited economies of scale Minimal exports and overly concentrated, with limited value contribution and narrow focus on a few countries
	 Export promotion and facilitation Government infrastructure and digital maturity	5	3.0	
	 Export portfolio and market access Export destinations and key export commodities	10	5.6	

SWOT Analysis

Strengths				Weaknesses						
				Diversified export market facilitation	Significant value-added exports	High literacy rate	Mature logistics and infrastructure ecosystem	Absence of dedicated export promotion cell	Limited connectivity to ports	High operating costs
Opportunities				Threats						
				Underpenetrated pharma sector	Growing MSME ecosystem	Improving upon auto-ancillary exports	Position as an R&D hub	Limited industrial land availability	Competition from neighbouring states	Enhanced focus on service sector

Strengths

Chandigarh boasts a diversified export market, with its goods reaching a broad range of international destinations including the US, Germany, UAE, Singapore, and several others, enhancing trade resilience and global integration. The UT also contributes significant value-added exports, particularly in engineering goods and pharmaceuticals, reflecting the region's manufacturing capabilities. With a high literacy rate of around 86% and an urban-dominated population, Chandigarh offers a well-educated, skilled workforce ideal for high-value production and services. Additionally, despite its limited geographical area, the UT has developed a mature industrial and logistics infrastructure, supporting sectors such as auto components, electronics, and pharmaceuticals. Its well-developed road network, proximity to key industrial corridors, and access to nearby air cargo facilities ensure seamless integration into regional supply chains, enabling efficient movement of goods.

Weaknesses

Chandigarh currently lacks a dedicated export promotion cell, relying instead on central-level mechanisms (DGFT, Ministry of Commerce) and UT administration, which limits targeted export facilitation. The city also faces limited connectivity to export markets due to its landlocked position and insufficient warehousing/cargo infrastructure; much of its outbound logistics is dependent on facilities in Punjab and Haryana. Finally, operating costs remain high, driven by premium real estate, educated labor costs, and constrained industrial real estate, which reduces its competitiveness versus neighboring states.

Opportunities

Chandigarh can further tap its underpenetrated pharma sector, leveraging existing firms like Pfizer and Ind-Swift to expand into higher-value formulations and specialty exports. With MSMEs making up about 98% of its industrial base, the growing MSME ecosystem presents a strong foundation to boost exports via capacity-building and cluster-level interventions.

The UT also has an existing presence in auto-ancillary production, which can be scaled up to enhance engineering export value. Finally, limited land availability positions Chandigarh to specialize as a strategic R&D hub, focusing on high-value innovation and leveraging its skilled workforce and infrastructure.

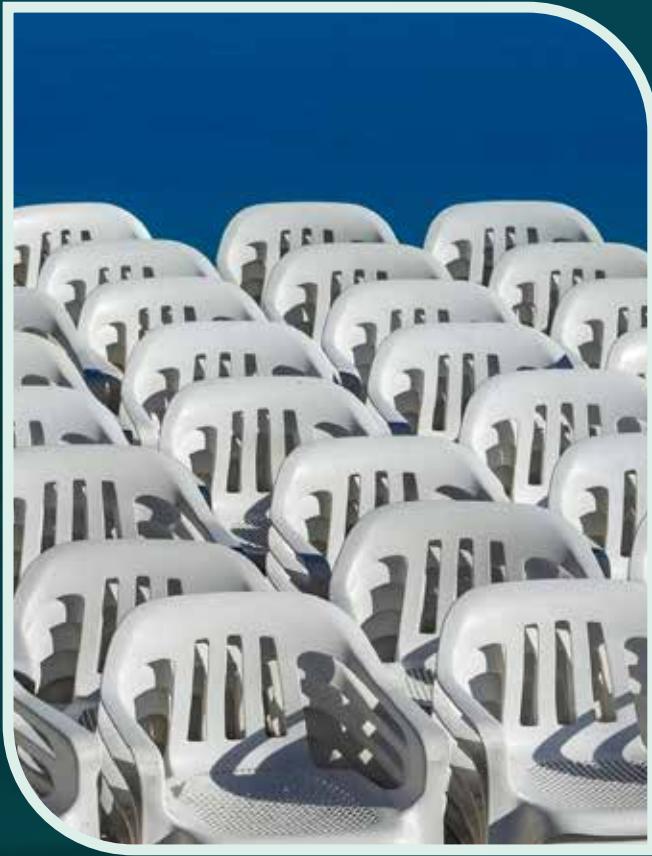
Threats

One major constraint is limited industrial land, with just ~1,200 acres reserved, hindering the expansion of heavy or space-intensive industries. Chandigarh also faces fierce competition from neighboring Punjab and Haryana, particularly in FDI attraction for manufacturing and Agri-based sectors. Also, there is an increasing emphasis on services exports, especially software/ITES overshadowing merchandise exports, potentially diverting policy attention and resources.

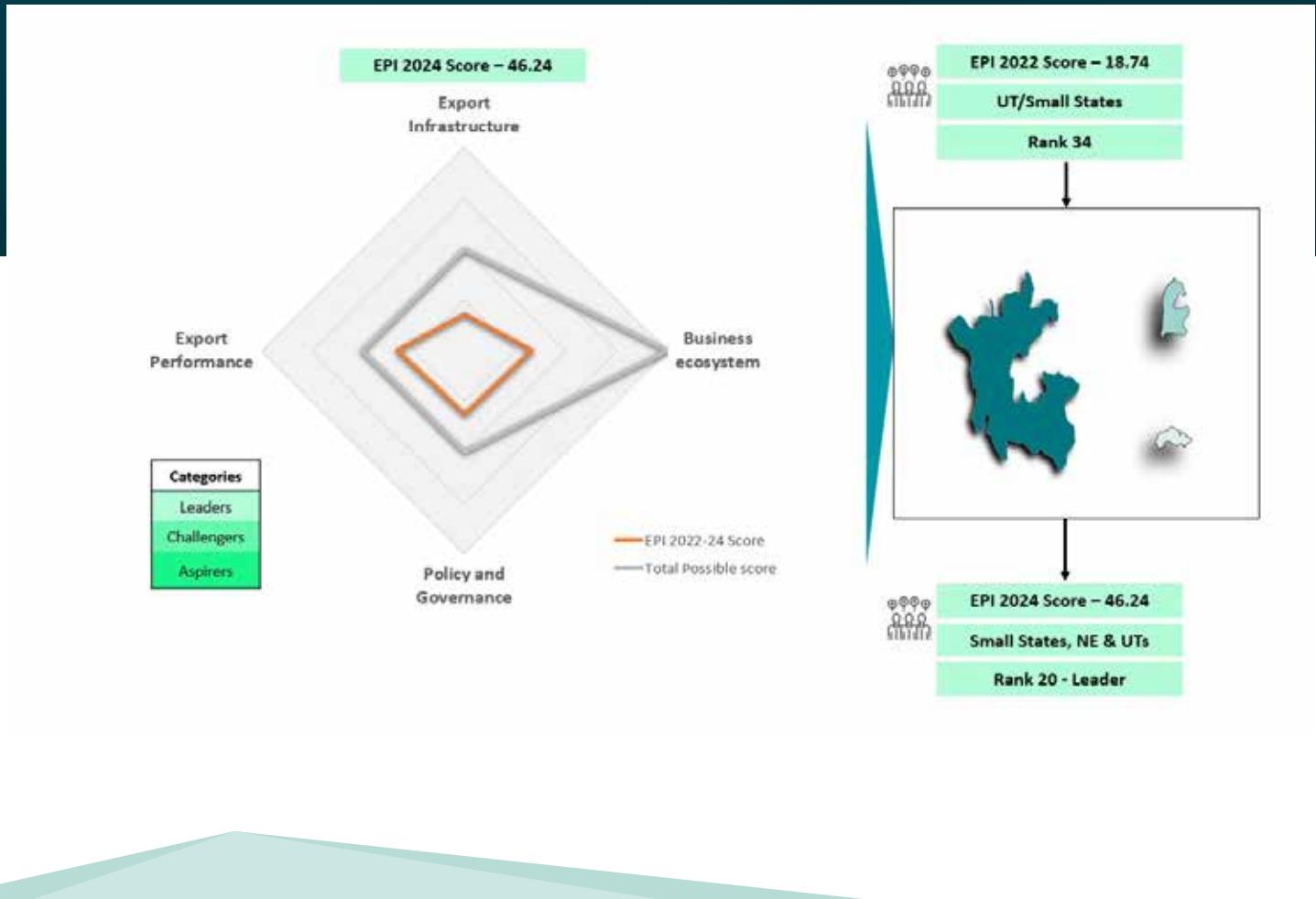
Strategic Roadmap – Focus Areas

Considering global consumption trends and existing strengths, Chandigarh should direct efforts toward:

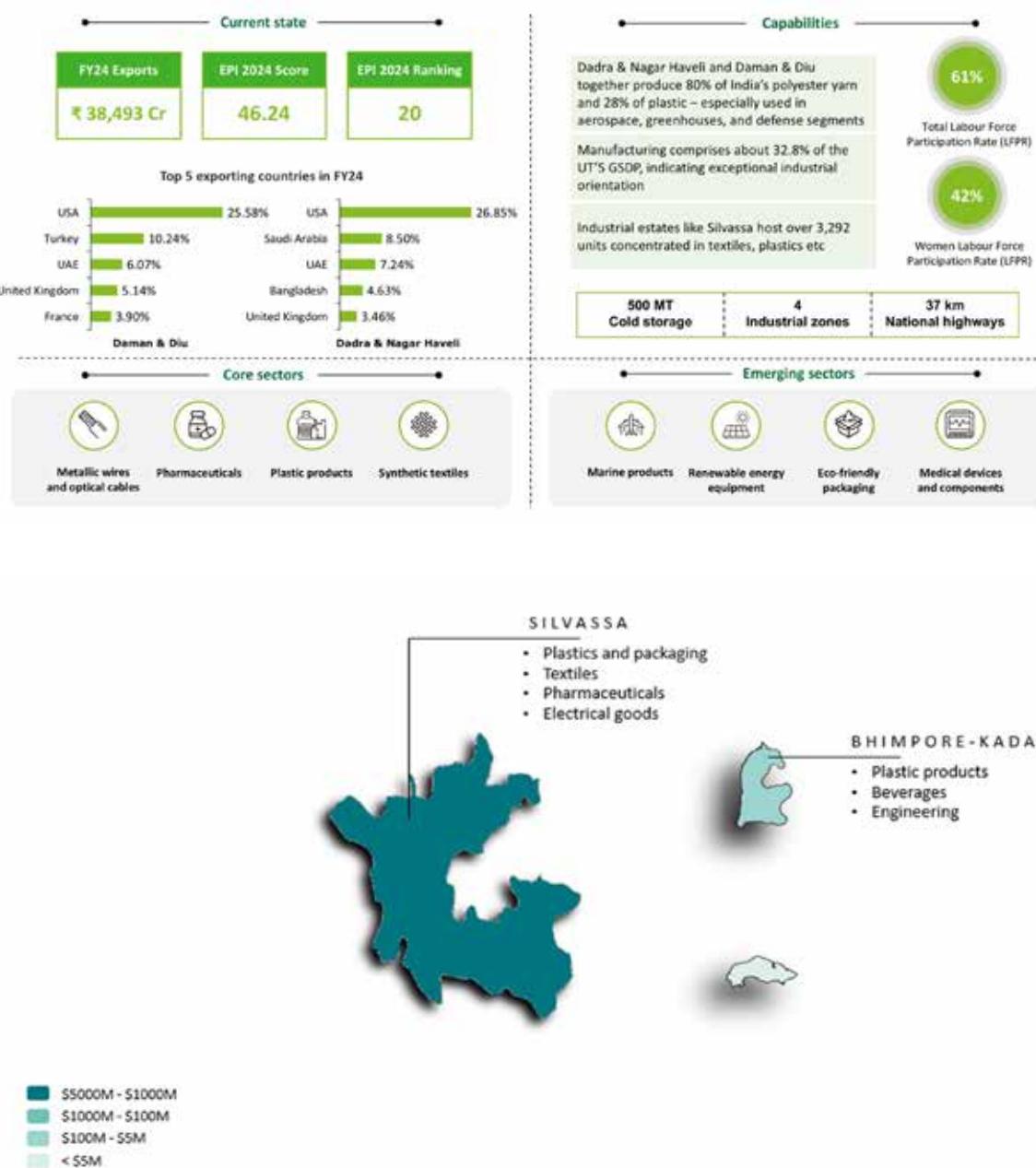




Dadra & Nagar Haveli and Daman & Diu



5.2.5 Dadra & Nagar Haveli and Daman & Diu



Introduction

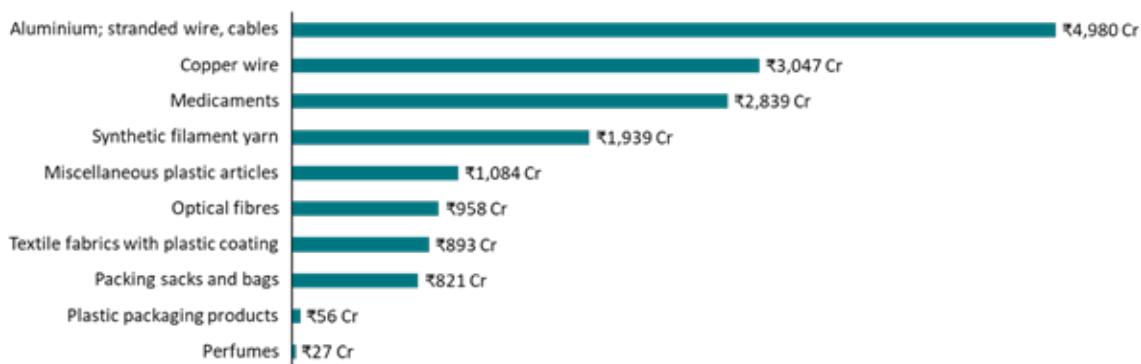
Dadra & Nagar Haveli and Daman & Diu, a Union Territory (UT) of India, is in the Western region of India. The UT shares borders with the Arabian Sea, Maharashtra, and Gujarat.

In FY24, total merchandise exports from Dadra & Nagar Haveli and Daman & Diu stood at ₹38,493 crore. The Union Territory is a national leader in plasticizer production, accounting for nearly 28% of India's plastic output. Its plastics industry caters to a wide range of sectors, including aerospace, household goods, medical devices, greenhouses, defense, and non-conventional energy.

Infrastructure investment from the central government includes a major push in 2024: ₹1,916 crore was allocated across 33 large-scale projects in Dadra & Nagar Haveli and ₹340 crore in Daman & Diu, covering roads, health, education, and administrative facilities, alongside 10 key initiatives per district in Daman and Diu. Diu Airport serves as the UT's sole commercial airport, handling 66,252 passengers in FY 2023–24, while Daman Airport remains active for military and Coast Guard operations. Notably, FDI inflows totaling ₹1,480 crore (Oct 2019-Mar 2024) demonstrate increasing investor interest.

Export Statistics

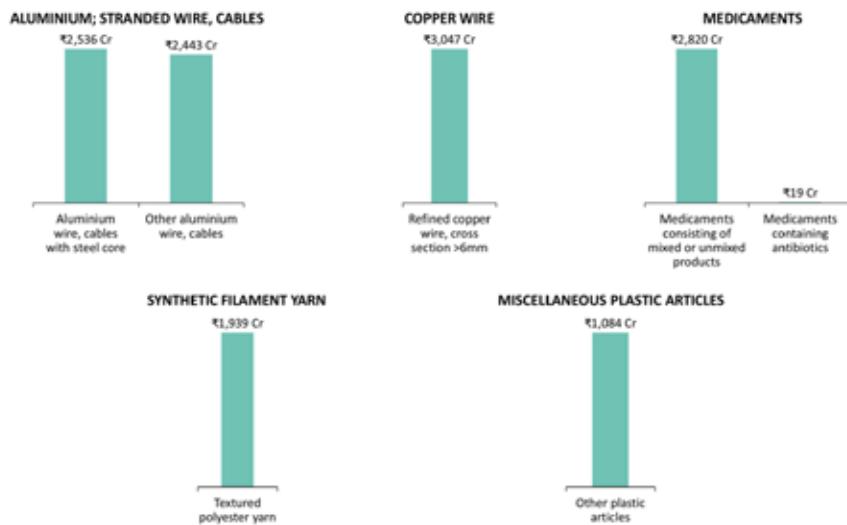
TOP 10 HS4 COMMODITIES EXPORTED BY DADRA & NAGAR HAVELI AND DAMAN & DIU IN FY24



Source: Ministry of Commerce and Industry

Dadra & Nagar Haveli and Daman & Diu presents one of the most industrially vibrant export profiles among India's union territories, driven by a strong base in metals, pharmaceuticals, textiles, and plastics. The region has developed into a key manufacturing and packaging hub, leveraging its proximity to Maharashtra and Gujarat, robust infrastructure, and investor-friendly policies. Its export portfolio reflects a blend of heavy industrial goods like aluminum and copper products, alongside high-value pharmaceuticals, and synthetic textiles, indicating both capital-intensive production and diverse manufacturing capacities.

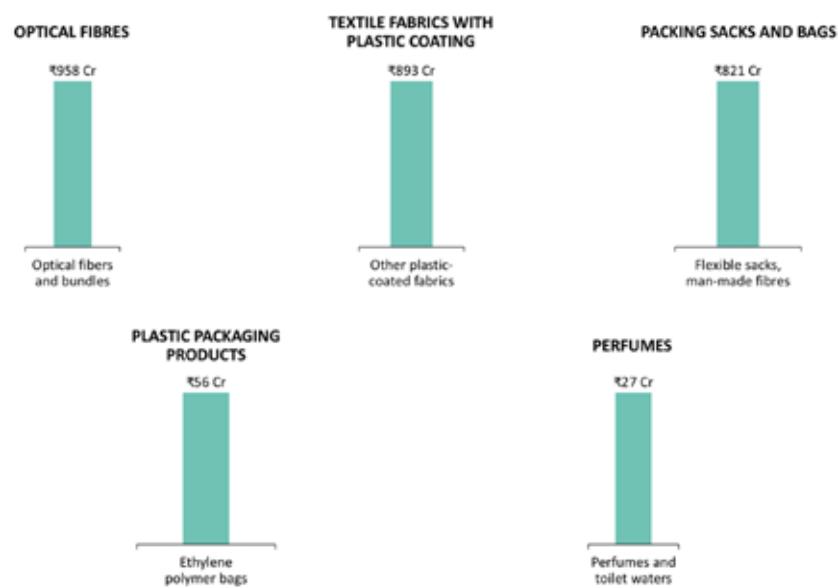
DEEP DIVE INTO THE TOP 5 HS4 COMMODITIES AT HS6 LEVEL EXPORTED BY DADRA & NAGAR HAVELI AND DAMAN & DIU IN FY24



Source: Ministry of Commerce and Industry

Aluminum wire and cables lead the export roster by a significant margin, split almost evenly between steel-reinforced and other aluminum variants. This signals substantial local capacity in metal processing, likely supporting both domestic and international infrastructure projects. Copper wire exports, composed entirely of refined wire with large cross-sections, suggest a focus on high-grade, utility-scale applications. Pharmaceuticals form another major pillar, with most exports coming from a wide range of mixed or unmixed medicaments, supplemented by antibiotic-based formulations. The presence of synthetic filament yarn dominated by textured polyester underscores the territory's textile strength, catering to both domestic garment production and overseas buyers. Rounding out the top five are miscellaneous plastic articles, a broad category that reflects the region's mature plastic processing ecosystem.

DEEP DIVE INTO THE NEXT 5 HS4 COMMODITIES AT HS6 LEVEL EXPORTED BY DADRA & NAGAR HAVELI AND DAMAN & DIU IN FY24



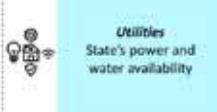
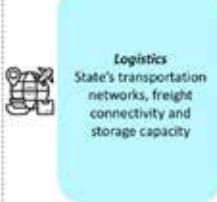
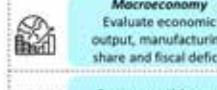
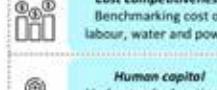
Source: Ministry of Commerce and Industry

The next tier of exports continues the theme of industrial and consumer-focused manufacturing. Optical fiber exports, comprising fiber bundles and cables, indicate integration with telecom hardware supply chains. Textile fabrics coated with plastics used in everything from tarpaulins to industrial coverings, showcase technical textile capabilities. Exports of flexible packing sacks made of man-made fibers reflect the territory's stronghold in industrial packaging. Smaller but still notable exports include plastic packaging items like ethylene polymer bags and a presence in consumer goods, such as perfumes and toilet waters. Together, these exports reflect a territory that has strategically diversified its industrial base to cater to both infrastructure-heavy sectors and branded consumer segments.

Success Stories



EPI 2024-Results and Conclusions

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
1  Export Infrastructure	 Utilities State's power and water availability	10	6.1	<ul style="list-style-type: none"> Relies on external power with no local or captive capacity, reducing energy flexibility and constraining business growth Lack of FTWZs forces reliance on neighboring states, causing longer transit, higher costs, and lower competitiveness.
	 Logistics State's transportation networks, freight connectivity and storage capacity	10	1.1	
2  Business Ecosystem	 Macroeconomy Evaluate economic output, manufacturing share and fiscal deficit	10	3.0	
	 Cost competitiveness Benchmarking cost of labour, water and power	5	2.7	
	 Human capital Understand education & employment parameters	5	2.7	<ul style="list-style-type: none"> Limited banking outreach, high credit dependence, low insurance penetration constrain finance access for MSMEs
	 Finance and credit accessibility Relevant government schemes and insurance	5	0.6	
	 MSME ecosystem Assess growth and export contribution by MSMEs	10	2.4	
	 Industrial and innovation environment Infrastructure maturity	5	1.9	<ul style="list-style-type: none"> Despite strong industrial clusters, the UT faces shortcomings in logistics connectivity, digital infrastructure, and innovation-driven ecosystem development

Pillar	Sub - Pillar	Total Score	Score	Key Insights/ Imperatives
3	State policy support and governance State's export initiatives, digital first policies and ease of export documentation	15	10.0	<ul style="list-style-type: none"> Slow adoption of digital systems for export procedures and documentation limits the ability to streamline processes
	Regulatory environment and compliance Quality standards and certifications, IEC, data readiness	5	2.5	<ul style="list-style-type: none"> Low compliance with quality standards and certifications among manufacturers constrains access to regulated global markets

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
4	State level exports and trends Export trends, growth in exporter base	5	3.9	
	Export promotion and facilitation Government infrastructure and digital maturity	5	3.0	<ul style="list-style-type: none"> Limited district export action plans reveal gaps in localized export development
	Export portfolio and market access Export destinations and key export commodities	10	6.3	<ul style="list-style-type: none"> Limited focus on exporting primary goods restricts the state's access to global markets

SWOT Analysis

Strengths				Weaknesses		
	Significant synthetic textile and plastic exports		Strong MSME ecosystem		Insufficient export branding	
Diverse range of industries				Inadequate cold storage facilities		
	Expansion of marine exports		High value-added pharmaceutical exports		Export graded plastics	
Strategic trade corridor				Limited container availability		
	Leveraging e-commerce for upscaling exports		Overdependence on a single export destination		Sustainability compliance standards	
Opportunities				Threats		

Strengths

Dadra & Nagar Haveli and Daman & Diu host a diverse range of industries, spanning plastics, textiles, pharmaceuticals, engineering goods, and chemicals, contributing to its merchandise exports. The UT is a leading contributor to India's synthetic textile and plastic exports, with industrial hubs like Silvassa and Daman accounting for a large share of the country's polyester texturized yarn and molded plastic goods output. Its geographic position on India's western coast places it within a strategic trade corridor, allowing efficient access to major ports such as JNPT and Hazira, enhancing export logistics for containerized and industrial cargo. The region's strong MSME ecosystem, comprising over 3,000 small and medium units, benefits from investor-friendly industrial policies and infrastructure across 117 industrial estates, making the UT an agile and cost-effective manufacturing base that supports both volume-driven and specialized exports.

Weaknesses

Despite its industrial strengths, Dadra & Nagar Haveli and Daman & Diu faces challenges that impede its export potential. A major shortcoming is the limited branding and international visibility of its export products, especially in textiles and plastics, which are often integrated into global supply chains without origin recognition, thereby missing out on value premiums. The inadequate availability of cold storage and temperature-controlled logistics continues to limit the territory's ability to diversify into perishables, marine products, and pharmaceuticals requiring end-to-end cold chains. Furthermore, despite a strong base of MSMEs, the limited presence of large-scale enterprises constrains the region's ability to scale up exports. While MSMEs form the backbone of production, they often lack the capacity for global marketing, advanced compliance systems, and large-volume fulfilment, functions typically enabled by larger anchor firms that are currently underrepresented in the UT's industrial landscape.

Opportunities

Dadra & Nagar Haveli and Daman & Diu have several avenues to diversify and upscale their export portfolio. The UT's 27 km coastline and seven landing centers present opportunities to expand marine exports, particularly in seafood processing, provided investments are made in cold chain logistics and quality certification systems. Building on its pharmaceutical manufacturing capabilities, the region can venture into high value-added pharmaceutical exports, capitalizing on national schemes supporting bulk drug and medical device production. The UT's strong plastics manufacturing base can be leveraged to produce export-graded plastics that meet global quality and sustainability standards, opening opportunities in diversified markets beyond its current primary destinations. Moreover, leveraging e-commerce platforms can enable local manufacturers and artisans to access international markets, facilitating export growth without substantial physical infrastructure investments.

Threats

Dadra & Nagar Haveli and Daman & Diu face structural export risks stemming from limited container availability, which often disrupts shipment schedules and increases freight costs for local manufacturers. The problem is particularly acute for smaller exporters who lack bargaining power with logistics providers, resulting in delayed deliveries and potential loss of overseas orders. Compounding this challenge is the overdependence on a single export destination, with the United States accounting for nearly 26% of the Union Territory's total

exports. Such concentration exposes exporters to significant vulnerability from fluctuations in U.S. demand, changes in trade policy, or currency movements, potentially impacting overall export stability. Additionally, the dominance of plastic-based industries raises concerns regarding environmental sustainability and compliance with global standards, as international markets increasingly implement stringent regulations on plastic products.

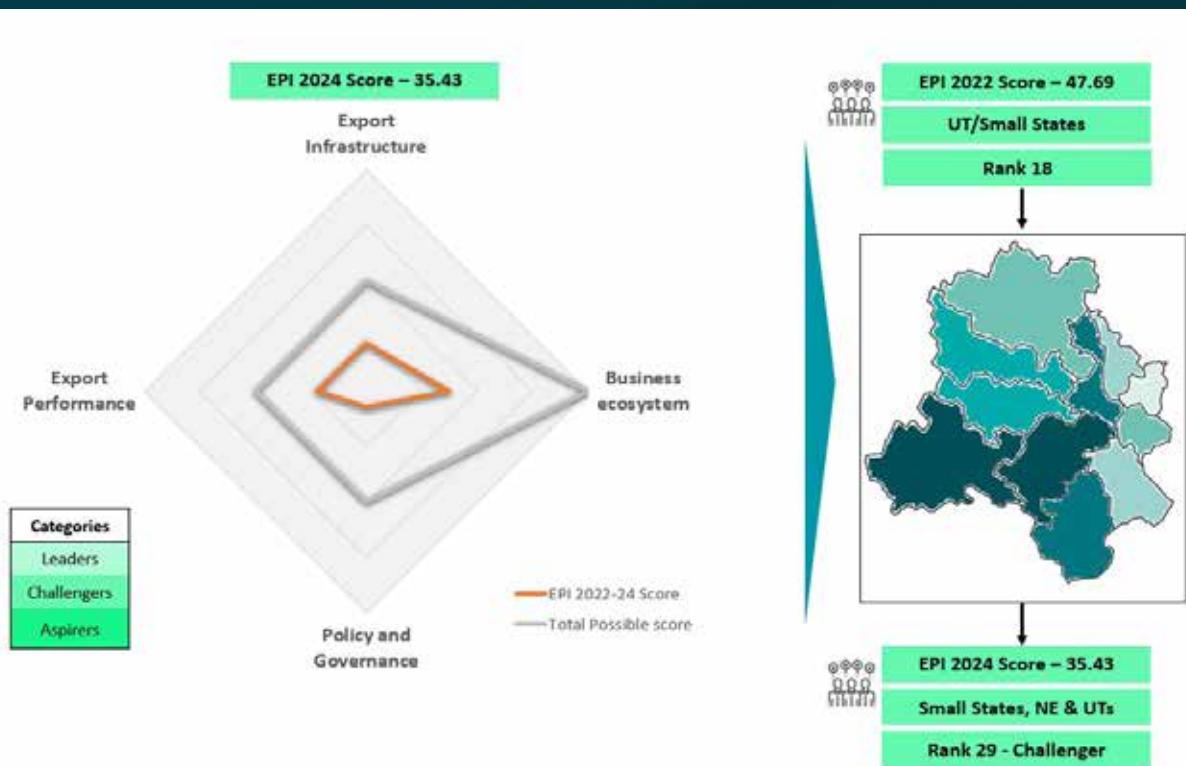
Strategic Roadmap – Focus Areas

Considering global consumption trends and existing strengths, Dadra & Nagar Haveli and Daman & Diu should direct efforts toward:

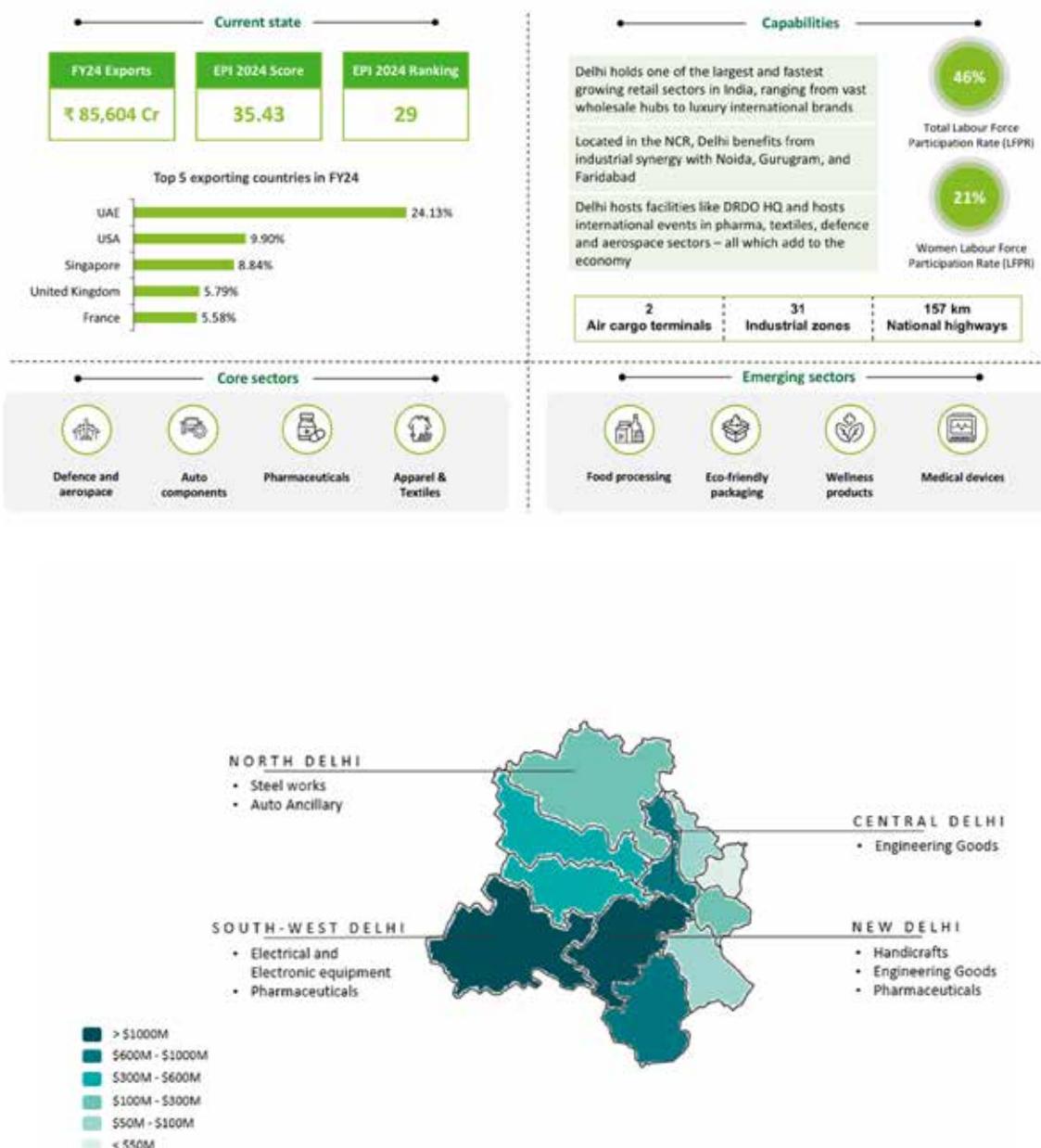




Delhi



5.2.6 Delhi



Introduction

Delhi, part of the National Capital Territory (NCT), is a dynamic hub that blends political, economic, and cultural significance in India. Covering an area of 1,483 square kilometers, it houses over 21.7 million people, making it one of the most populous metropolitan areas globally. While historically service-driven, New Delhi's economy has evolved into a multifaceted powerhouse, reflecting consistent growth across sectors such as IT, real estate, retail, and tourism. This analysis delves into its economic profile, export performance, strategic advantages, challenges, and policy initiatives, substantiated with data from FY24 and projections for the future.¹²⁷

The GSDP was recorded at approximately ₹11.2 lakh crore in FY24, marking an annual growth rate of 9.1%. This positions it as a significant contributor to India's GDP, accounting for 4.7% of the national economy. The service sector dominates the economic landscape, contributing around 80% to the GSDP, with trade, hotels, real estate, and financial services as leading sub-sectors. Meanwhile, the industrial and manufacturing sectors have been expanding steadily, driven by policies promoting innovation and technology adoption. In FY24, the per capita income of New Delhi stood at ₹5,43,920, far above the national average of ₹2,00,832, reflecting its high economic productivity.¹²⁸

Delhi benefits from its strategic position as India's capital, offering unparalleled access to policymaking bodies, foreign embassies, and international trade organizations. The UTs extensive transport infrastructure, including the Indira Gandhi International Airport (handling over 69 million passengers annually), and its connectivity to major economic corridors enhance its logistical capabilities. Connectivity to major economic corridors and industrial hubs like Gurgaon and Noida strengthens its ecosystem for commerce and exports.

The city's digital infrastructure is equally advanced, with nearly 98% broadband penetration and a thriving startup ecosystem that complements its export ambitions in technology-driven sectors. Furthermore, the development of dedicated freight corridors under India's Gati Shakti Master Plan enhances the efficiency of goods movement, reducing export logistics costs.¹²⁹

The government is addressing economic challenges with targeted initiatives to boost exports and growth. The Delhi Export Promotion Policy 2023 sets a ₹1.2 lakh crore export target by 2030, focusing on fiscal incentives, skill development, and upgraded infrastructure. High-potential sectors like IT services, green energy, and digital healthcare are prioritized to diversify the city's ₹71,128 crore export portfolio (FY24). The MSME Growth Strategy 2023-24 aims to formalize 62% of informal MSMEs, offering financial incentives, digital tools, and export facilitation centers to enhance their contribution to exports, currently dominated by engineering goods (25.6%) and textiles (18.4%).¹³⁰

Export Statistics

TOP 10 HS4 COMMODITIES EXPORTED BY DELHI IN FY24

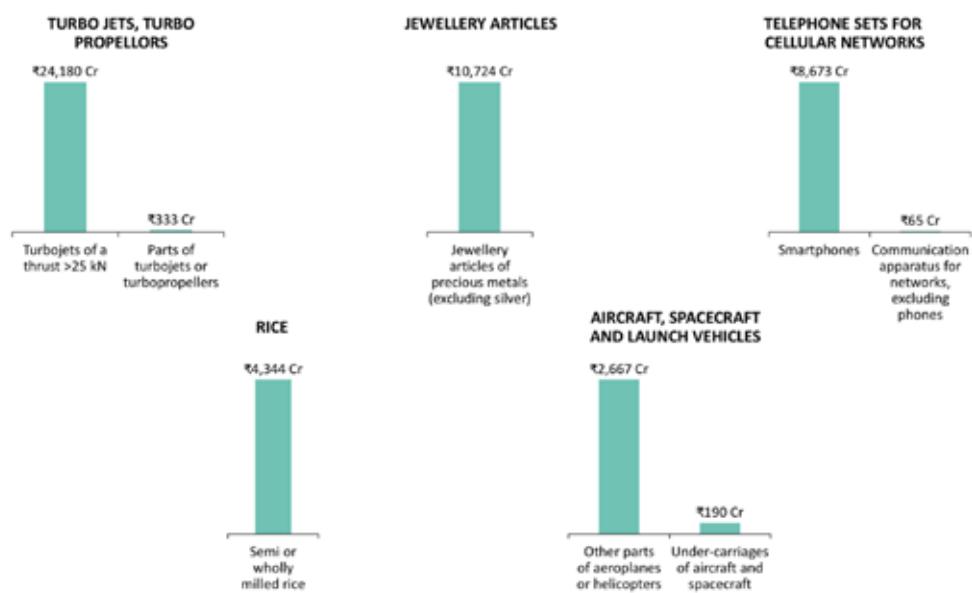


Source: Ministry of Commerce and Industry

Delhi maintains its position as a significant hub for high-value, technology-driven, and design-intensive exports. The city's top export categories include turbojets and turbo-propellers, 128 Planning Department – Government of NCT of Delhi

jewelry articles, smartphones and telecom equipment, rice, and aircraft parts. These exports are underpinned by Delhi's advanced services ecosystem, access to skilled labor, strong air connectivity, and the presence of leading manufacturing and assembly operations in nearby NCR regions like Noida, Gurugram, and Ghaziabad. Delhi serves as both a production and distribution center, with a well-integrated warehousing and logistics network that supports rapid movement of high-value and time-sensitive goods, especially in sectors like aviation components, telecom, and pharmaceuticals.

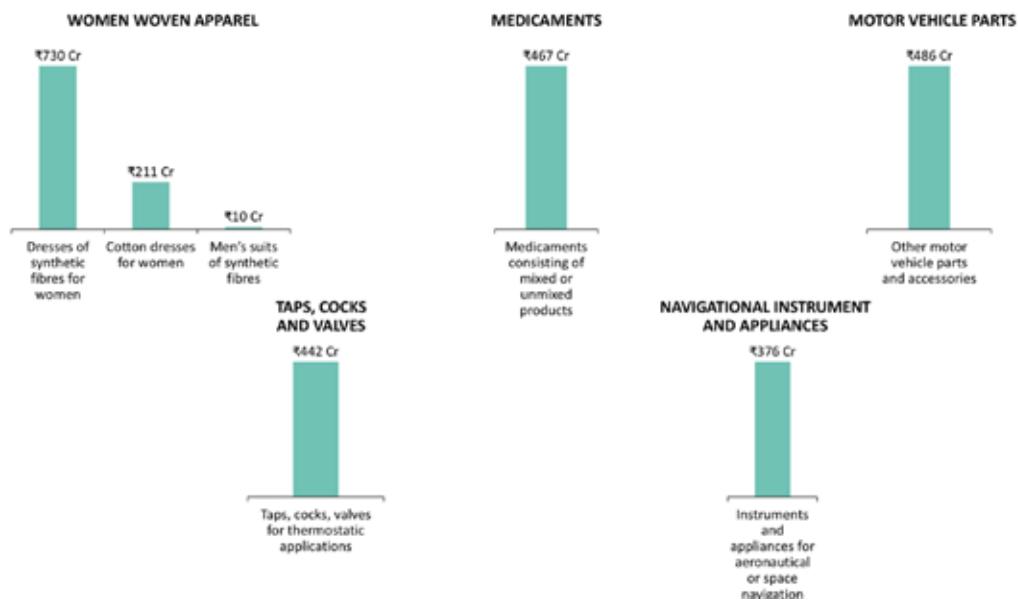
DEEP DIVE INTO THE TOP 5 HS4 COMMODITIES AT HS6 LEVEL EXPORTED BY DELHI IN FY24



Source: Ministry of Commerce and Industry

At a granular level, Delhi's export strengths are evident across a range of detailed commodities. The aviation and aerospace segment includes turbojets with thrust over 25 KN and their parts, along with various aircraft components like undercarriages and parts of helicopters, highlighting Delhi's role in supporting India's growing aerospace manufacturing and maintenance ecosystem. Jewelry exports continue to perform well, especially precious metal jewelry crafted in Delhi's traditional jewelry districts. The city's electronics exports are led by smartphones and communication equipment for telecom networks, indicating Delhi's strategic linkages with electronics assembly units in the NCR. In pharmaceuticals, medicaments composed of mixed or unmixed products and formulations with alkaloids are among Delhi's top performers, supported by robust wholesale and distribution networks.

DEEP DIVE INTO THE NEXT 5 HS4 COMMODITIES AT HS6 LEVEL EXPORTED BY DELHI IN FY24



Source: Ministry of Commerce and Industry

Delhi also shows promising exports in categories that could be scaled further. The apparel sector, particularly women's woven garments like synthetic and cotton dresses, and men's synthetic fiber suits, is growing steadily with fashion and design inputs from Delhi's garment clusters. The city exports a considerable volume of semi or wholly milled rice, leveraging sourcing from northern grain belts and proximity to export hubs. Motor vehicle parts and accessories, taps and valves, and navigational instruments, especially those used in aerospace applications, signal Delhi's evolving capabilities in precision engineering and specialized industrial components. With greater investment in logistics infrastructure, export facilitation services, and product standardization, Delhi can enhance its position as a high-value export center, particularly in aerospace, electronics, pharmaceuticals, and fashion-driven sectors.

Success Stories



EPI 2024-Results and Conclusions

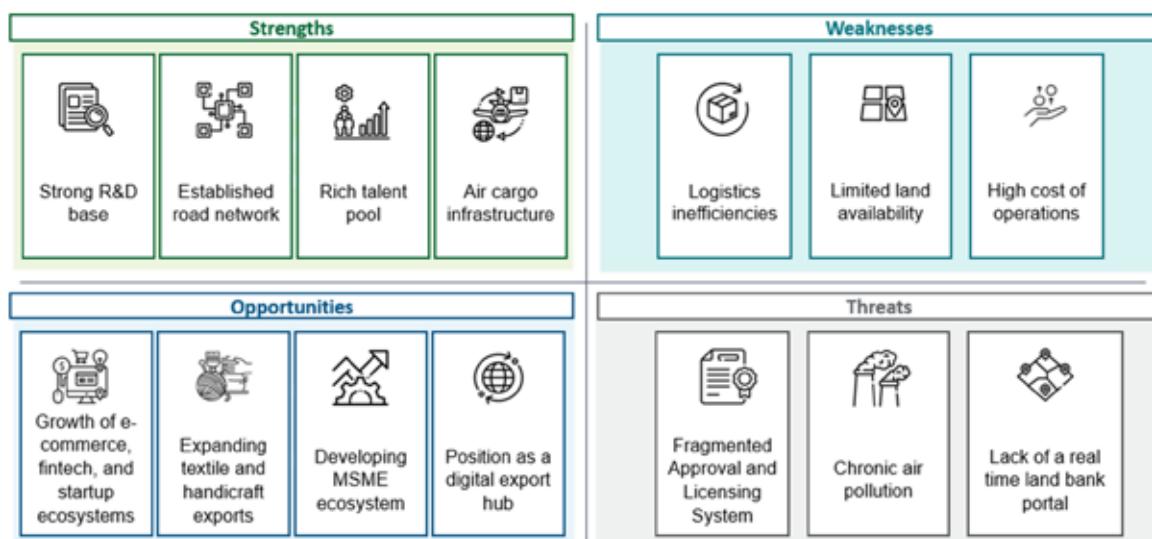
Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
1  Export Infrastructure	Utilities State's power and water availability	10	4.2	<ul style="list-style-type: none"> Limited renewable energy penetration restricts the state's ability to meet increasing business demand for sustainable power. Shortage of logistics infrastructure leads to port congestion, longer transit times, and increased handling costs.
	Logistics State's transportation networks, freight connectivity and storage capacity	10	4.5	

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
2  Business Ecosystem	Macroeconomy Evaluate economic output, manufacturing share and fiscal deficit	10	5.2	<ul style="list-style-type: none"> MSME ecosystem faces limited manufacturing base, high real-estate costs, and low export intensity. Land scarcity, pollution restrictions, and inadequate space for large-scale manufacturing expansion despite strong infrastructure.
	Cost competitiveness Benchmarking cost of labour, water and power	5	2.5	
	Human capital Understand education & employment parameters	5	2.6	
	Finance and credit accessibility Relevant government schemes and insurance	5	1.8	
	MSME ecosystem Assess growth and export contribution by MSMEs	10	0.7	
	Industrial and innovation environment Infrastructure maturity	5	2.1	

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
3  Policy and Governance	State policy support and governance State's export initiatives, digital first policies and ease of export documentation	15	3.0	<ul style="list-style-type: none"> Limited digital transformation of export procedures and documentation constrains efficiency and ease of trade. The absence of state-led marketing initiatives and policy interventions limits Delhi's export visibility.
	Regulatory environment and compliance Quality standards and certifications, IEC, data readiness	5	0.0	



SWOT Analysis



Strengths

Delhi's strong R&D ecosystem, anchored by IIT Delhi and CSIR labs, drives innovation in sectors like electronics, pharma, and renewables, supporting high-quality, export-ready manufacturing. Close academia-industry linkages enhance scalable, tech-led production. The UT benefits from robust connectivity via national highways, expressways, the RRTS, and Dedicated Freight Corridors. The Delhi Metro further links industrial zones like Mundka, improving logistics and workforce mobility. A skilled talent pool from premier institutions fuels growth in high-tech sectors. Delhi's IGI Airport, India's busiest air cargo hub, handles over 1 million tons annually, with global connectivity, modern infrastructure, and dedicated logistics parks, making it a vital node in global trade.

Weaknesses

Despite its strategic position, Delhi's export growth is hindered by logistical inefficiencies such as traffic congestion, lack of last-mile freight options, limited multimodal integration, and inadequate warehousing in central areas. Scarce land availability due to urbanization and zoning restrictions, limits industrial expansion, pushing businesses to peripheral regions like Noida and Gurugram. High operational costs, including expensive real estate, labor, and utilities, further deter MSMEs and large-scale investments, making Delhi less competitive than emerging hubs in neighboring states.

Opportunities

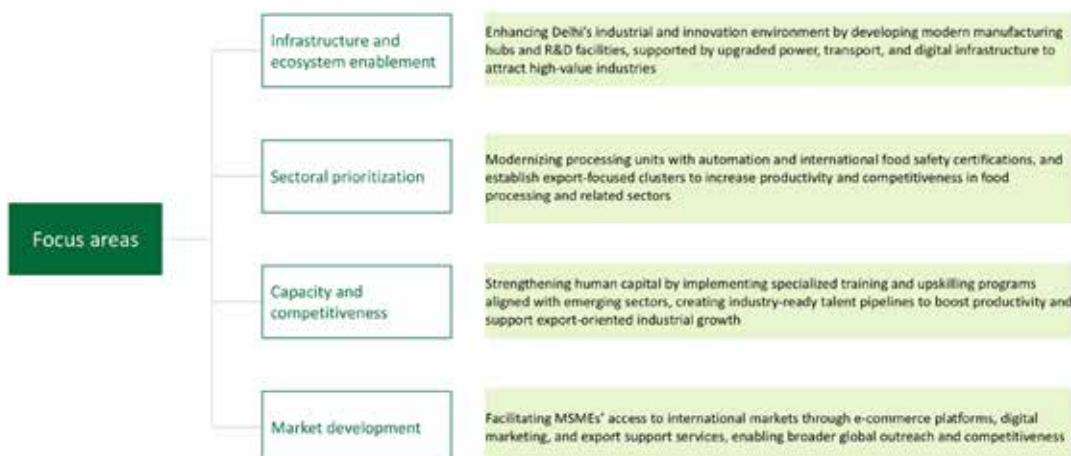
Delhi is well-positioned to drive export-led industrialization by leveraging its digital ecosystem and skilled workforce. In 2024, Delhi-NCR attracted ₹19,246 crore in startup funding, supporting growth in e-commerce and fintech. Fintech leaders like BharatPe and Paytm have built digital payment systems that empower MSMEs and exporters. The city's textile and handicraft sectors hold strong export potential, aided by platforms like IHGF and Bharat Tex, and supported by PLI and MITRA schemes. MSMEs, vital to India's exports, benefit from policies like PMEGP, ODOP, and the Delhi Startup Policy. With over 33% of the population in the working-age group and graduates from top institutions, Delhi offers a strong talent pool. Digital India, ONDC, and Startup India initiatives further enhance export readiness, reinforcing Delhi's status as a rising hub for digital trade and innovation.

Threats

Delhi's export and industrial growth faces multiple threats. A fragmented approval system, with overlapping authority among agencies like DDA, MCD, DSIIDC, and L&DO, creates delays, higher costs, and regulatory uncertainty for establishing export hubs, logistics parks, and industrial clusters. Severe air pollution deters investors and disrupts operations in sectors such as food processing and electronics. Additionally, Delhi's export and industrial development is threatened by the absence of a real-time land bank portal, limiting transparency and access to available land for investors. Without a centralized digital platform, developers face delays and higher acquisition costs. This hampers the timely establishment of export hubs, industrial clusters, and logistics infrastructure.

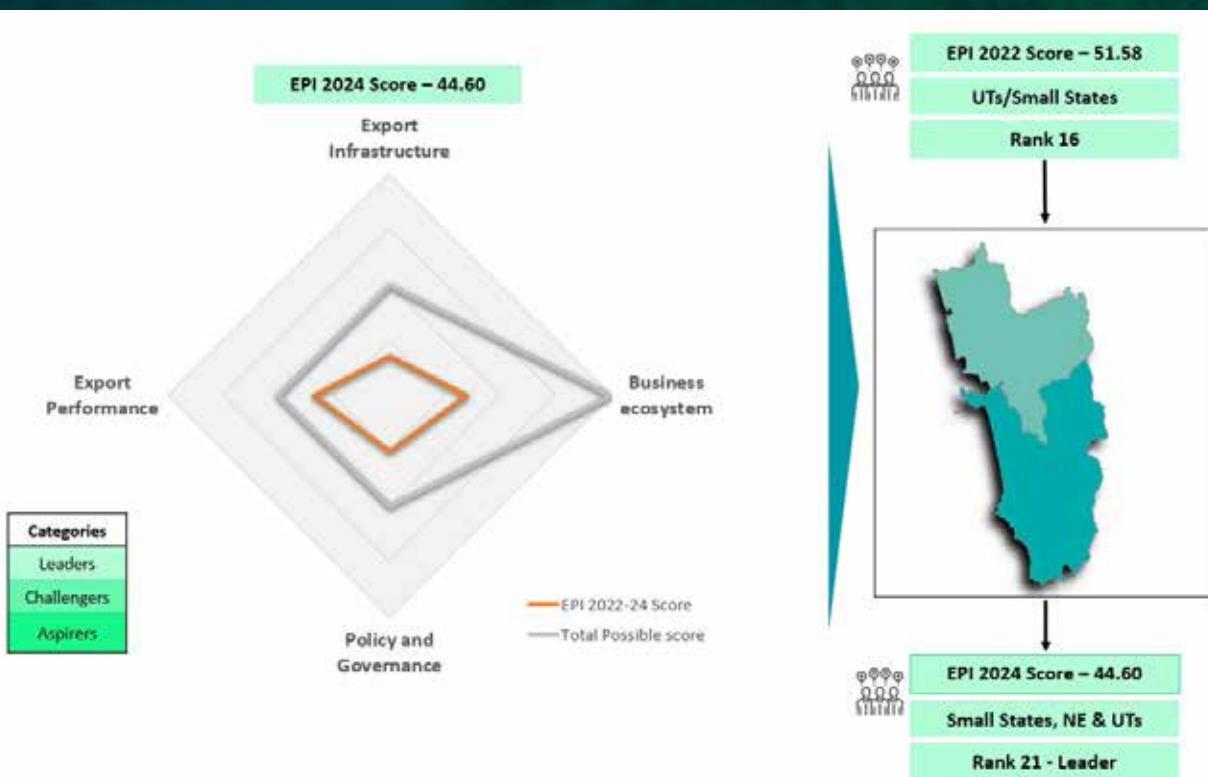
Strategic Roadmap – Focus Areas

Considering global consumption trends and existing strengths, Delhi should direct efforts toward:

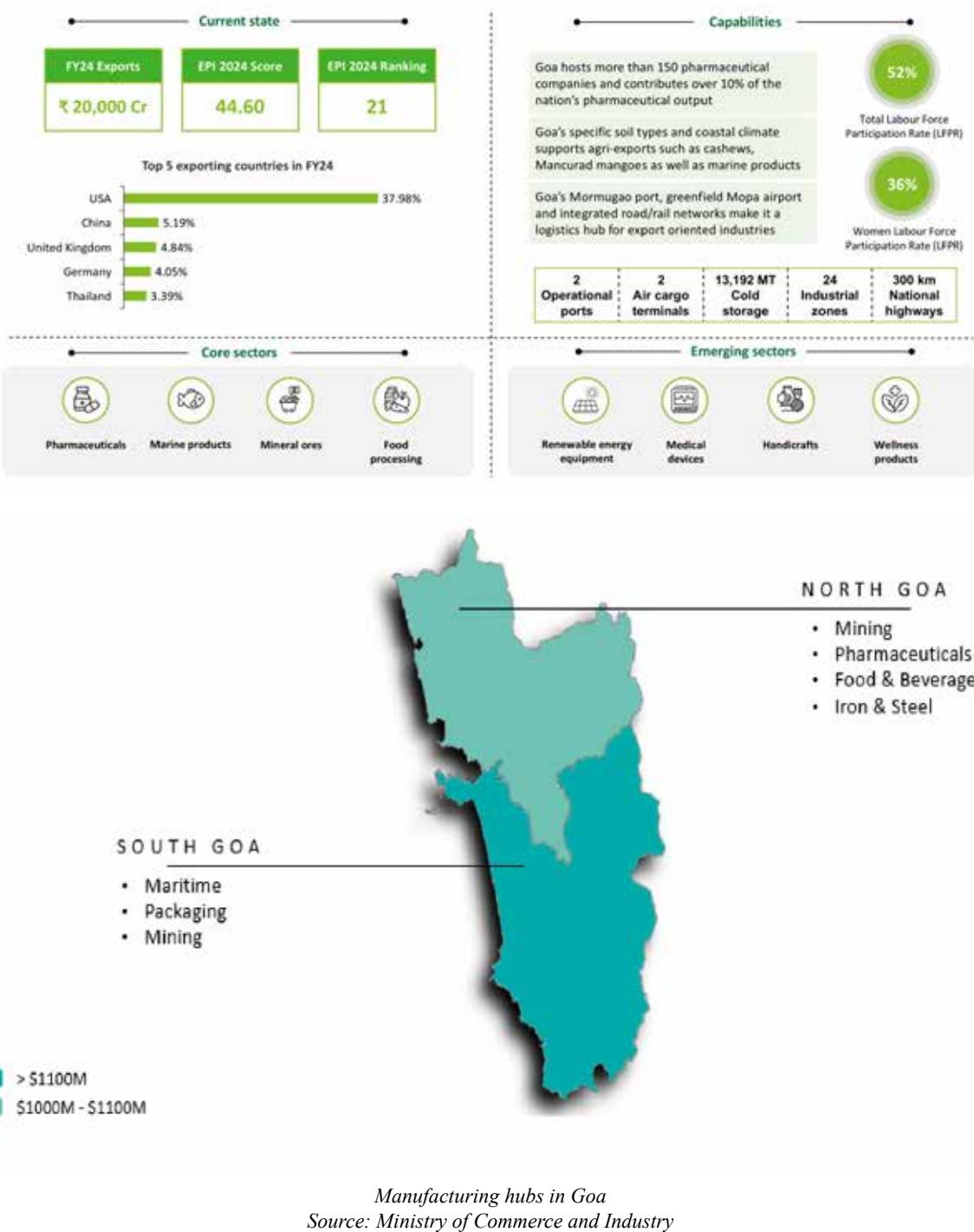




Goa



5.2.7 Goa



Introduction

Goa, India's smallest state by area, continues to shine as a vibrant mix of natural beauty and cultural richness, renowned for its stunning beaches, historic temples, and majestic churches. In FY24, Goa recorded a Gross State Domestic Product (GSDP) of approximately ₹1.1 lakh crore, reflecting a strong 15.4% year-on-year growth. The state's per capita income rose to about ₹680,318, indicating a rising standard of living. Goa's economy is primarily driven by

tourism, but it is also supported by key sectors like agriculture, mining, and manufacturing, including pharmaceuticals. With a literacy rate of 93.6% as of 2024, Goa continues to invest in human capital, strengthening its position as a top destination for both leisure and industry.^{131, 132}

Goa stands as the 8th largest pharmaceutical producer in India, boasting over 120 manufacturing units that contribute significantly to the nation's pharma exports. With pharmaceutical exports making up 47% of Goa's total export sector and accounting for 4.4% of India's overall pharmaceutical exports, the state plays a pivotal role in the global healthcare supply chain. In FY24, Goa's export value reached an impressive ₹20,000 crore, underscoring the sector's strength and its critical impact on the state's economy. Goa's ports, including Mormugao and Panaji, are essential gateways for exporting goods, significantly contributing to the state's economy. These maritime hubs play a key role in facilitating trade, supporting the fishing industry, and boosting tourism, while also enhancing connectivity with global markets. With their rich nautical heritage, Goa's ports continue to generate vital employment opportunities and drive economic growth.^{133, 134, 135}

Since FY22, Goa has experienced a decline in export growth, raising concerns about its global competitiveness and the diversification of its export sectors. For instance, the state's seafood exports peaked in FY23 but saw a 14% decline in FY24, attributed to global challenges and shifting consumer preferences.^{136, 137}

The Government of Goa, in collaboration with the Department for Promotion of Industry and Internal Trade (DPIIT), is actively promoting exports and industrial growth. The "One District One Product" (ODOP) initiative aims to identify unique products from each district, enhancing their export potential and transforming districts into global manufacturing hubs. Additionally, there is ongoing encouragement for the processing of environmentally friendly Agro-products that add value to agricultural, fish, and animal husbandry produce, thereby opening up export potential.^{138, 139}

Export Statistics

TOP HS4 COMMODITIES EXPORTED BY GOA IN FY24



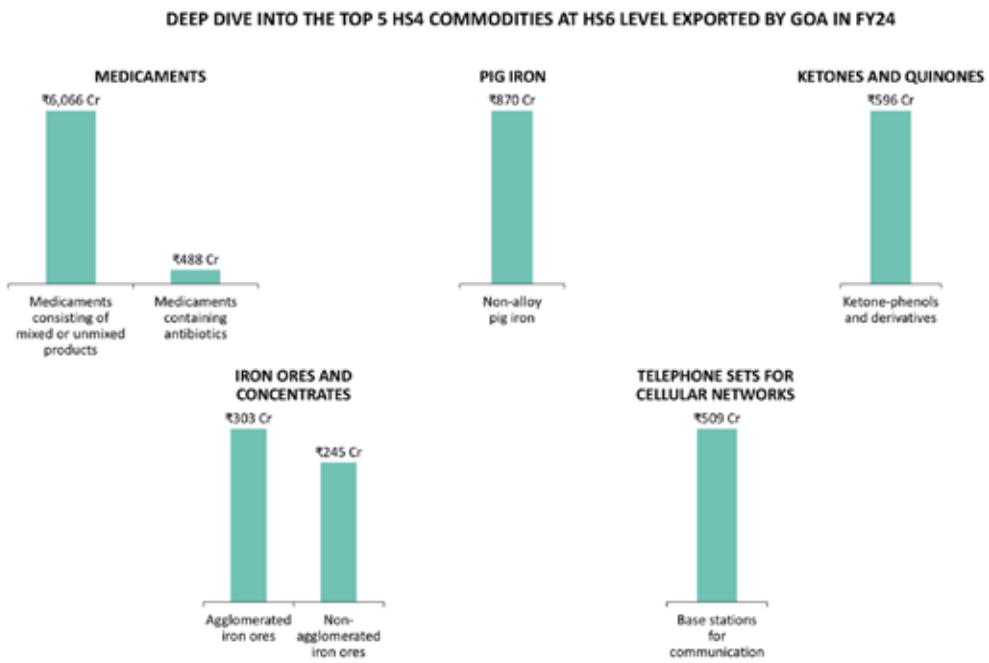
Source: Ministry of Commerce and Industry

Goa's export profile is a distinctive blend of pharmaceutical precision, chemical synthesis, and mineral-based industries, reflecting its compact but highly specialized industrial landscape. The dominance of medicaments at the top of the list confirms Goa's status as a major hub for formulation manufacturing, with many global pharmaceutical firms operating in the state. The presence of iron ores, pig iron, and intermediate chemicals like ketones indicates that Goa

¹³¹ IBEF

¹³² GOA – IPB (Investment Promotion Board, Goa)

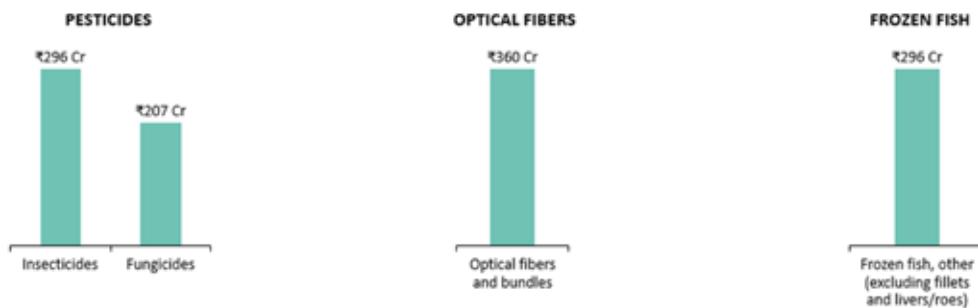
continues to leverage its natural resources and port access for mineral and chemical exports. Notably, emerging categories like optical fibers and mobile communication equipment reflect a pivot toward knowledge-intensive, tech-driven sectors. Overall, Goa's exports demonstrate the potential of high-value, low-footprint industries to drive significant global engagement from a small but strategically located state.



Source: Ministry of Commerce and Industry

Pharmaceuticals, especially formulations with antibiotics and other active compounds, dominate Goa's export basket. These include both mixed/unmixed products and specialized antibiotics, pointing to a robust pharma base with strong regulatory compliance and a focus on generics. The presence of pig iron highlights the processing of local iron ores into primary steel inputs, suggesting an integrated mineral-to-metal pathway supported by local industry and port infrastructure. The export of ketones and related chemicals further reinforces Goa's role in the fine chemicals and intermediates space, catering to both pharma and broader industrial demand. Iron ore, both agglomerated and non-agglomerated, continues to feature as a major export, though in a more regulated and value-enhanced format compared to earlier decades. Communication equipment, especially telecom base stations, rounds out the top five, indicating Goa's increasing participation in the electronics manufacturing ecosystem.

DEEP DIVE INTO THE NEXT 3 HS4 COMMODITIES AT HS6 LEVEL EXPORTED BY GOA IN FY24



Source: Ministry of Commerce and Industry

In the next tier, pesticides, including insecticides and fungicides, signal a growing agrochemical base in the state, possibly linked to synergies with its chemical and pharmaceutical industries. Optical fibers represent a high-tech niche, and their inclusion suggests Goa is aligning with India's push toward telecom infrastructure and digital exports. Frozen fish, particularly whole fish excluding fillets, adds a maritime flavor to the export mix, leveraging the state's coastal resources and processing facilities. These sectors reflect a broadening of Goa's industrial base beyond pharma and minerals, showing signs of diversification into high-tech, Agri-linked, and precision-oriented domains. As Goa continues to invest in quality infrastructure and logistics, its export potential, especially in value-dense, compact industries, can grow substantially.

Success Stories

Success Story – Goa's Pharma on the Rise

Problem	Success Story – Goa's Pharma on the Rise			
Solution	1	2	3	4
Problem	1 Goa's pharma exports (₹6,527.1 crore, FY23-24) face stiff competition and limited product diversification	2 Heavy reliance on generic formulations with minimal biologics, vaccines, or high-complexity drugs	3 Infrastructure and regulatory constraints, including limited industrial plots and port/export logistics	4 Shortage of skilled workforce in R&D, QA/QC, regulatory affairs, and GMP compliance.
Solution	Expanded formulation manufacturing in Verna and other pharma clusters	Strengthened GMP, US FDA, and MHRA certifications for access to premium regulated markets	Streamlined export processes through policy support, incentives, and faster clearances	Enhanced workforce training, night shifts for women, and increased pharmacy graduate intake
Impact	► Goa's pharma exports rose 22% in FY 2023-24, outpacing the national average growth of ~15%, highlighting the state's strong performance relative to peers.	► Goa produces approximately 12% of India's medicines, with 70-90% of these exported to developed countries, giving the state a significant share in both production and export of formulations.	► The state hosts around 70-80 pharma units employing 20,000-25,000 people directly, driving economic growth, supply chain development, and industrial diversification.	► Drugs & pharmaceuticals account for over 50% of Goa's merchandise exports, dominating the export basket.

EPI 2024 – Results and Conclusions

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
1  Export Infrastructure	 Utilities State's power and water availability	10	5.6	<ul style="list-style-type: none"> Goa's power limitations, including a restricted grid and inadequate distribution, hinder industrial development
	 Logistics State's transportation networks, freight connectivity and storage capacity	10	1.6	<ul style="list-style-type: none"> Inadequate logistics infrastructure in the state causes congestion, delays, and higher transit costs

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
2  Business Ecosystem	 Macroeconomy Evaluate economic output, manufacturing share and fiscal deficit	10	7.2	
	 Cost competitiveness Benchmarking cost of labour, water and power	5	2.3	
	 Human capital Understand education & employment parameters	5	1.9	<ul style="list-style-type: none"> High labour, power, and water costs reduce the state's competitiveness in cost-sensitive manufacturing and exports
	 Finance and credit accessibility Review government schemes and insurance	5	0.3	
	 MSME ecosystem Assess growth and export contribution by MSMEs	10	0.1	<ul style="list-style-type: none"> MSME ecosystem remains niche-focused but scale-constrained, limiting export growth and value chain integration
	 Industrial and innovation environment Infrastructure maturity	5	2.0	

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
3  Policy and Governance	 State policy support and governance State's export initiatives, digital first policies and ease of export documentation	15	10.0	<ul style="list-style-type: none"> Policy support remains nascent, hindered by weak ease-of-doing-business rankings, digital bottlenecks, and documentation delays
	 Regulatory environment and compliance Quality standards and certifications, IEC, data readiness	5	0.0	<ul style="list-style-type: none"> Constrained by limited certification support, slow IEC processing, and gaps in digital service reliability

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
4  Export Performance	 State level exports and trends Export trends, growth in exporter base	5	4.0	<ul style="list-style-type: none"> Limited diversification into advanced manufacturing and technology-intensive industries has constrained the state's export base Inadequate diversification, infrastructure gaps, and weak global supply chain integration constrain the state's competitiveness and international market expansion.
	 Export promotion and facilitation Government infrastructure and digital maturity	5	3.0	
	 Export portfolio and market access Export destinations and key export commodities	10	6.5	

SWOT Analysis

Strengths	Weaknesses
 Thriving pharmaceutical sector	 Limited industrial base
 High literacy rate	 Environmental restrictions
 Iron ore exports	 High labor costs
 Leveraging international connections	
Opportunities	Threats
 Improving marine exports	 Enhanced focus on services
 GI tagged product export promotion	 Limited export market diversification
 Medical device exports	 Lack of major air and sea cargo ports
 Focus on organic farming & agri exports	

Strengths

Goa's export strength lies in its globally compliant pharmaceutical sector, which accounts for nearly 50% of the state's ₹10,289 crore export value (FY24), with key players like Cipla, Glenmark, and Mylan operating in the state. A high literacy rate of 93.6% (PLFS 2023-24) provides a skilled and adaptable workforce, especially for high-value sectors. Iron ore exports have also rebounded, contributing to India's three-year high of 47.8 million tons in FY24. Additionally, Goa's longstanding Portuguese heritage offers cultural and trade advantages with Lusophone nations and parts of Europe, facilitating niche export opportunities and international goodwill.

Weaknesses

Goa's limited industrial base, dominated by tourism, mining, and small-scale manufacturing, restricts export scale and diversification. Industrial land is scarce, with estates like Verna and Ponda already constrained. Strict environmental regulations, especially CRZ norms, slow down industrial approvals and limit sectoral scope. High labor costs, driven by Goa's increased per capita income and preference for white-collar jobs, have led to dependency on migrant

labor, increasing operational costs and volatility. These structural challenges hinder large-scale manufacturing and sustained export growth.

Opportunities

Goa can expand its marine exports by leveraging its 105 km coastline and enhancing port facilities, cold chains, and certification systems. GI-tagged products like Feni, Khola chilies, and Mancurad mangoes offer unique global appeal if supported by strong branding and compliance frameworks. The state can also pivot into medical device exports, building on pharmaceutical strengths. Rising interest in organic and sustainable products offers additional scope for Agri-exports, especially in health-focused international markets. Growing cargo capabilities at Mopa Airport can further unlock high-value, perishable export potential if appropriately equipped.

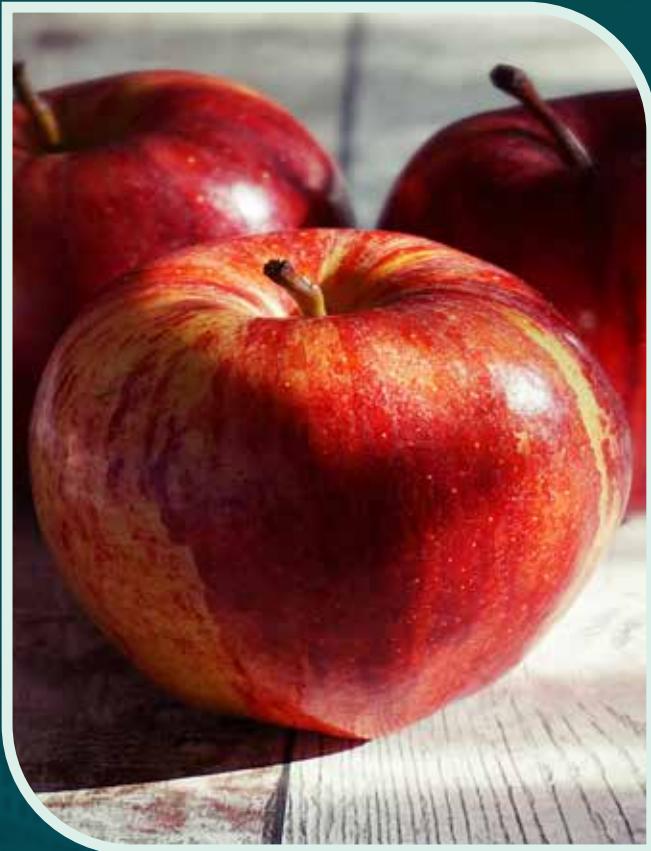
Threats

Goa's export profile is overly dependent on a few sectors, iron ore, pharma, and petroleum, making it vulnerable to price swings, mining restrictions, or regulatory shifts. Its export markets are also geographically concentrated, heightening exposure to external shocks. Weak cargo infrastructure, especially at Mormugao Port, has limited container capacity, pushing exporters toward distant ports like JNPT and raising costs. Although cargo operations have begun at Mopa Airport, critical gaps like the absence of cold storage and APEDA-certified facilities, limit its effectiveness. These factors collectively threaten Goa's long-term trade resilience and global competitiveness.

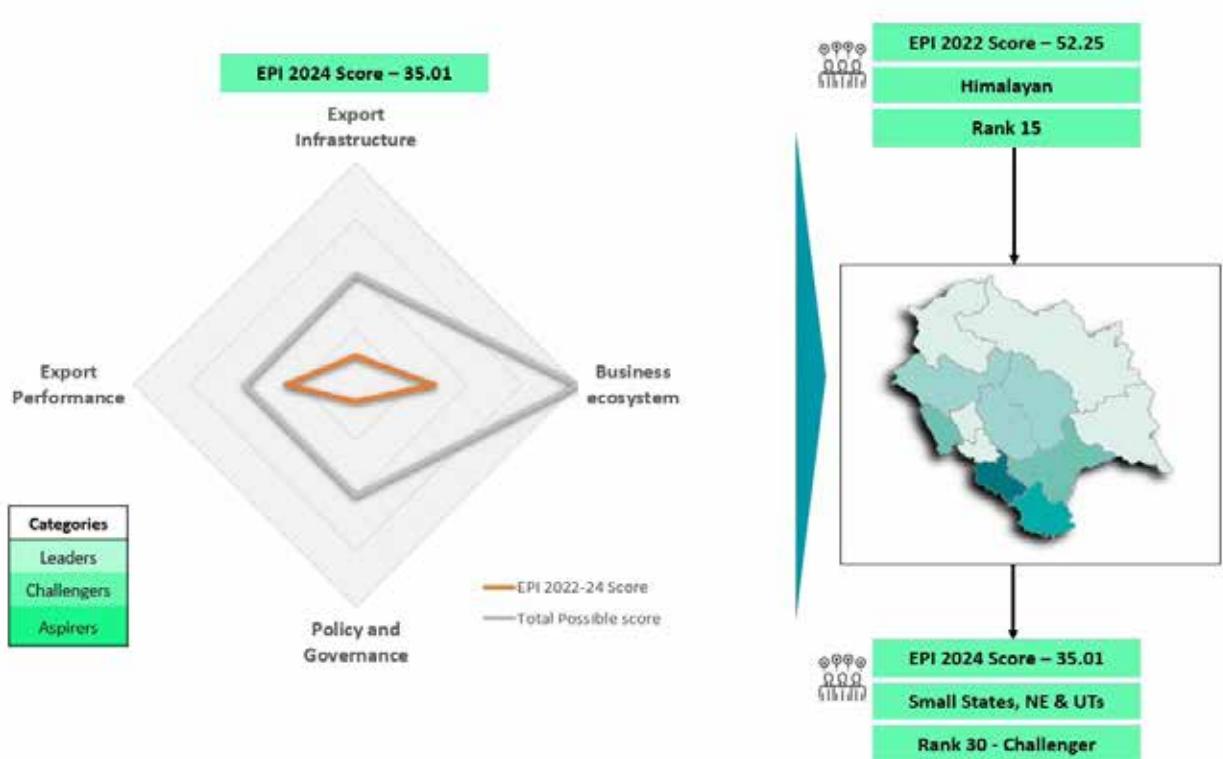
Strategic Roadmap – Focus Areas

Considering global consumption trends and existing strengths, Goa should direct efforts toward:





Himachal Pradesh



5.2.8 Himachal Pradesh



Manufacturing hubs in Himachal Pradesh
Source: Ministry of Commerce and Industry

Introduction

Nestled in the lap of the Himalayas, Himachal Pradesh is a state known for its natural beauty, rich cultural heritage, and agrarian economy. With a GSDP of ₹2.2 lakh crore in FY24, the state's economy reflects a blend of traditional practices and gradual industrialization. However, its export performance has seen challenges in recent years, with a modest YoY growth rate of 5.9% in FY24 and total exports valued at ₹19,414 crore. Despite this, Himachal Pradesh continues to harness its unique geographic and natural advantages to support its economic activities and contribute to the national economy.^{140, 141}

Pharmaceutical and electronics sectors have seen significant development due to the presence of industrial areas like Baddi, which is one of Asia's largest pharmaceutical hubs. The government has implemented various initiatives aimed at boosting productivity and enhancing export capabilities. Programs like the "Him Unnati Yojana" focus on improving agricultural output through structured incentives for milk production and cash crops.¹⁴²

Transport infrastructure in Himachal Pradesh remains a challenge due to its rugged terrain. The high cost of transportation affects the competitiveness of its exports, particularly in the global market. The state has also witnessed a stagnation in the growth of MSMEs, with no growth in FY24. This stagnation underscores the need for stronger policy interventions and financial support to rejuvenate the sector, which has significant potential to contribute to employment and exports. Additionally, the export growth rate has slowed in recent years, indicating a need for diversification and value addition in its export basket. Moreover, the reliance on a few key sectors like pharmaceuticals and horticulture makes the state's economy vulnerable to market fluctuations and climate change.¹⁴³

However, the government is also focusing on improving road connectivity, building tunnels, and upgrading airports which is expected to ease the movement of goods and people, thereby enhancing the state's economic potential. A balanced approach that fosters innovation within MSMEs and enhances export competitiveness will be crucial for improving income from exports for the state.

Export Statistics

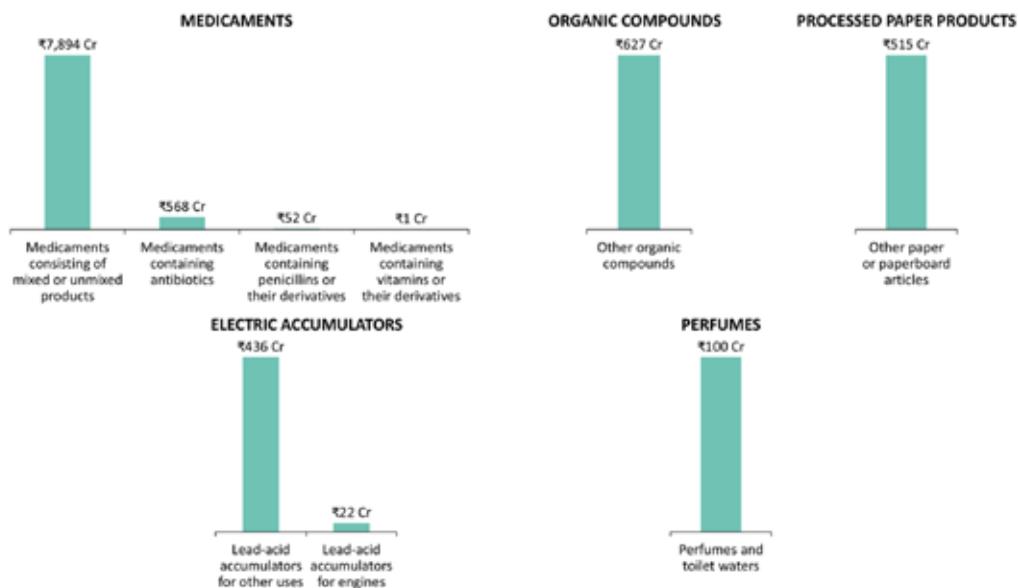
TOP 10 HS4 COMMODITIES EXPORTED BY HIMACHAL PRADESH IN FY24



Source: Ministry of Commerce and Industry

Himachal Pradesh, despite its relatively small geographic and industrial footprint, has carved a distinctive niche in India's export landscape through its robust pharmaceutical manufacturing sector. Dominated by medicaments, both general and antibiotic-based, the state's exports reflect the presence of a thriving pharma cluster, particularly in Baddi, which has emerged as a major hub for formulations. This stronghold in high-value, precision-driven products like pharmaceuticals has enabled Himachal to maintain a disproportionately high export value relative to its industrial size, positioning it as a pharmaceutical export leader among hill states.

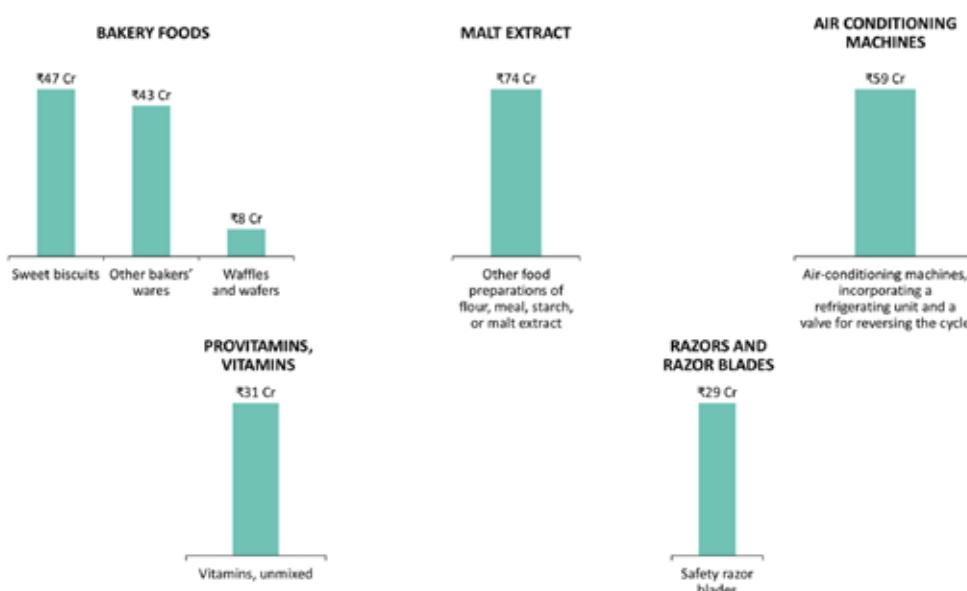
DEEP DIVE INTO THE TOP 5 HS4 COMMODITIES AT HS6 LEVEL EXPORTED BY HIMACHAL PRADESH IN FY24



Source: Ministry of Commerce and Industry

Medicaments alone account for over ₹8,368 crore in export value, including both mixed and unmixed products, as well as antibiotics and penicillin derivatives. Organic compounds, many of which are active pharmaceutical ingredients (APIs) or intermediates, complement this sector, reinforcing the vertically integrated nature of pharma production in the state. The export of processed paper products and packaging items suggests auxiliary industrial activity supporting the pharma ecosystem. The growing presence of electric accumulators (batteries) and air-conditioning machines highlights diversification into electrical and electronic equipment manufacturing, possibly aided by policy incentives and proximity to northern markets.

DEEP DIVE INTO THE NEXT 5 HS4 COMMODITIES AT HS6 LEVEL EXPORTED BY HIMACHAL PRADESH IN FY24



Source: Ministry of Commerce and Industry

Further, Himachal Pradesh shows moderate but growing activity in FMCG and consumer exports. Products like bakery items, malt extract, and sweet biscuits point to food processing ventures leveraging clean water and quality control advantages of the hill state. Niche categories such as perfumes and razor blades reflect light manufacturing suited to Himachal's terrain and labor profile. In sum, Himachal Pradesh's exports are deeply anchored in high-value, low-footprint industries like pharmaceuticals and precision goods, with emerging diversification into consumer durables and processed foods—offering a model of sustainable, quality-driven industrial growth from a hilly region.

Success Stories



EPI 2024-Results and Conclusions

Pillar	Sub - Pillar	Total Score	Score	Key Insights/ Imperatives
1  Export Infrastructure	 Utilities State's power and water availability	10	4.3	<ul style="list-style-type: none"> • Limited state-level and captive power capacity, with reliance on centralized hydropower, restricts local energy autonomy and industrial growth • Inadequate logistics infrastructure in the state causes congestion, delays, and higher transit costs
	 Logistics State's transportation networks, freight connectivity and storage capacity	10	0.9	

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
2  Business Ecosystem	 Macroeconomy Evaluate economic output, manufacturing share and fiscal deficit	10	4.3	<ul style="list-style-type: none"> Education-employment mismatch, limited private sector jobs, and rural-urban employment gaps MSMEs are limited by low exports, high logistics costs, and strict environmental regulations
	 Cost competitiveness Benchmarking cost of labour, water and power	5	1.9	
	 Human capital Understand education & employment parameters	5	3.1	
	 Finance and credit accessibility Relevant government schemes and insurance	5	0.4	
	 MSME ecosystem Assess growth and export contribution by MSMEs	10	2.2	
	 Industrial and innovation environment Infrastructure maturity	5	2.2	
3  Policy and Governance	 State policy support and governance State's export initiatives, digital first policies and ease of export documentation	15	3.0	<ul style="list-style-type: none"> The absence of a dedicated export policy limits Himachal Pradesh's ability to translate sectoral strengths into structured export growth While the state has digital governance systems, similar platforms for export facilitation remain underdeveloped, constraining efficiency for exporters
	 Regulatory environment and compliance Quality standards and certifications, IEC, data readiness	5	0.0	
4  Export Performance	 State level exports and trends Export trends, growth in exporter base	5	3.9	<ul style="list-style-type: none"> Export base remains narrow, limiting diversification and increasing vulnerability to sector-specific risks Export promotion constrained by limited infrastructure scale and emerging digital systems, restricting its ability to fully compete
	 Export promotion and facilitation Government infrastructure and digital maturity	5	3.0	
	 Export portfolio and market access Export destinations and key export commodities	10	5.7	

SWOT Analysis

Strengths				Weaknesses						
				Major pharmaceutical hub	Food processing ecosystem	Single window system	Power surplus	Inadequate cold storage facilities	Limited export diversification	Concentration of exports in certain districts
Opportunities				Threats						
				Improved branding for GI tagged products	Focus on organic farming & agro exports	Enhancing aromatic product exports	Diversifying to high value pharmaceutical products	High logistics costs	Declining growth in number of MSME units	Competition from high growth countries

Strengths

Himachal Pradesh's export strengths are anchored in its thriving pharmaceutical sector, robust food processing ecosystem, streamlined governance, and abundant renewable energy. The Baddi-Barotiwala-Nalagarh (BBN) industrial corridor ranks among Asia's largest pharmaceutical manufacturing zones, with over 700 units, including Cipla, Dr. Reddy's, Sun Pharma, and Torrent Pharma, collectively generating a turnover of ₹30,209 crore, of which ₹9,540 crore comes from exports. This growth is driven by cost-effective production, high compliance standards, and state-level policy support. The state also boasts a nationally recognized food processing sector, with 23 food parks, including a Mega Food Park, and cold chain infrastructure comprising 18 projects that enhance Agri-export efficiency. Governance reforms, such as the Single Window Clearance System (SWCS) under the Himachal Pradesh Investment Promotion Agency (HIPA), enable time-bound approvals for over 90 industrial and export-related services. Furthermore, Himachal's surplus hydropower capacity, 10,500 MW harnessed out of a potential 27,436 MW, ensures uninterrupted, clean energy supply for industries, creating a stable and eco-friendly manufacturing environment.

Weaknesses

Himachal Pradesh faces infrastructure gaps and limited export diversification that constrain its full potential. Inadequate cold storage facilities critically impact the state's high-value horticultural output, particularly apples. With over 1.1 lakh hectares under apple cultivation, nearly 30% of the annual harvest is lost due to post-harvest inefficiencies, compelling farmers to sell at low prices and resulting in substantial income loss. The export basket remains narrowly concentrated in pharmaceuticals and horticulture, making it vulnerable to sector-specific disruptions such as regulatory changes or demand volatility. Furthermore, export activity is largely concentrated in districts like Solan, Sirmaur, and the BBN corridor, creating regional imbalances. Many remote and mountainous regions lack adequate industrial infrastructure, cold chain logistics, and market access, leading to underutilization of resources and increased migration to urban centers. These structural weaknesses hamper inclusive growth and limit the state's ability to scale and diversify its exports.

Opportunities

Himachal Pradesh has strong potential to broaden its export base by leveraging its unique GI-tagged products such as Kinnauri Shawls, Chamba Rumal embroidery, Kangra tea, and Himachali apples. With investments in quality certification, heritage branding, and global promotion, these products can tap into niche international markets with premium pricing. The state's transition toward organic and natural farming presents further opportunities, over 1.3 lakh farmers, including 12,000+ apple growers, practice natural farming across 7,609 hectares, with plans to scale up to 20,000 hectares. Himachal's diverse Agri-climatic zones also support high-value aromatic crops like lavender, rosemary, lemongrass, and wild marigold, enabling exports in essential oils and wellness products. Moreover, the upcoming 1,405-acre Bulk Drug Park in Una and the 300-acre Medical Devices Park in Nalagarh present a strategic opportunity to scale pharmaceutical exports, boost API/device production, and integrate Himachal Pradesh into global healthcare supply chains.

Threats

Himachal's export competitiveness is threatened by structural and external factors. Logistics costs are 5–6% higher than in coastal states due to the state's rugged terrain, limited rail connectivity, and reliance on road transport. The absence of a major cargo airport or multimodal logistics hub delays shipments and reduces export efficiency. Additionally, MSME development is facing stagnation over 72% of registered MSMEs have seen flat or declining performance over the last five years, constrained by limited credit access, outdated infrastructure, and weak market linkages. Traditional sectors such as handloom, handicrafts, and processed foods face rising global competition from countries like Vietnam and Bangladesh, which benefit from lower production costs, aggressive policy support, and superior trade integration. These challenges could erode Himachal's competitiveness in value-added exports, especially if not matched with strategic interventions in trade facilitation, innovation, and market development.

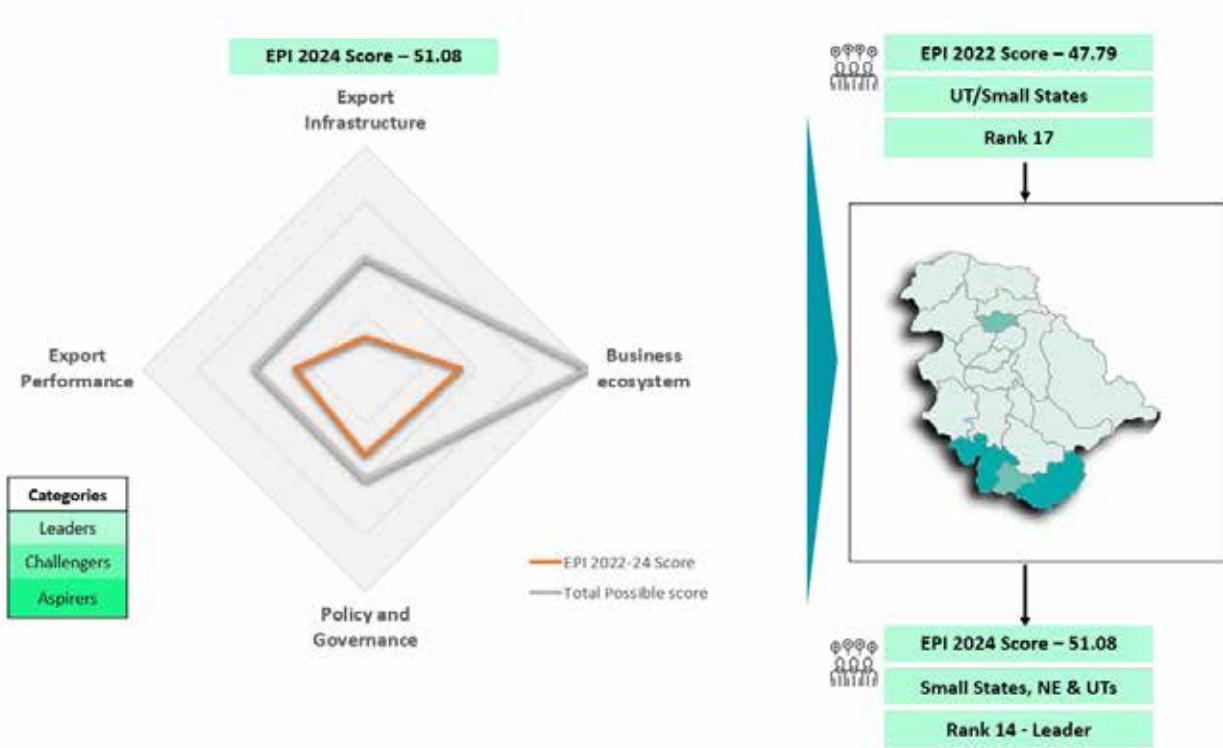
Strategic Roadmap – Focus Areas

Considering global consumption trends and existing strengths, Himachal Pradesh should direct efforts toward:

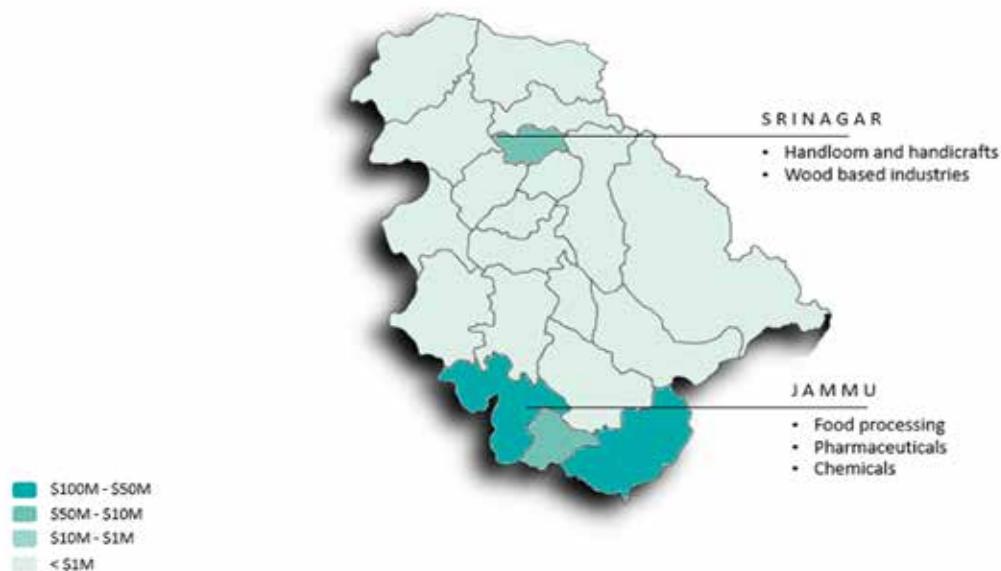
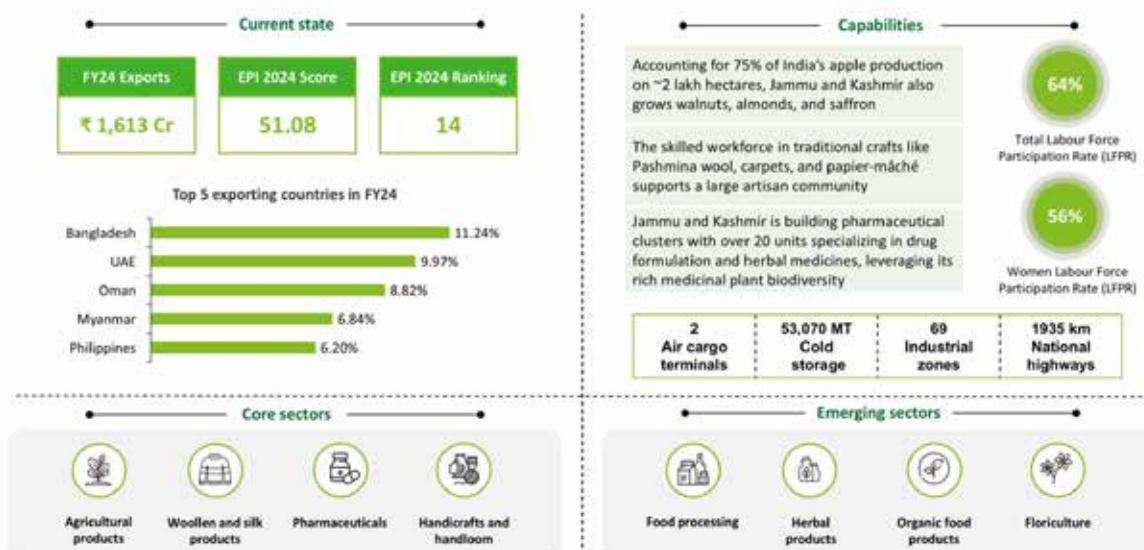




Jammu and Kashmir



5.2.9 Jammu and Kashmir



Introduction

Jammu and Kashmir, known as the paradise on earth is a Union Territory (UT) of India, located in the country's northern part, and a global tourist destination. In addition to traditional recreational tourism, a vast scope exists for adventure, pilgrimage, spiritual, and health tourism. Jammu is famous for its temples, while Kashmir Valley is known for its lakes and gardens. The economy is primarily services based and Agri-oriented. The GSDP of Jammu and Kashmir has been recorded at ₹2.6 lakh crore in 2023-24.

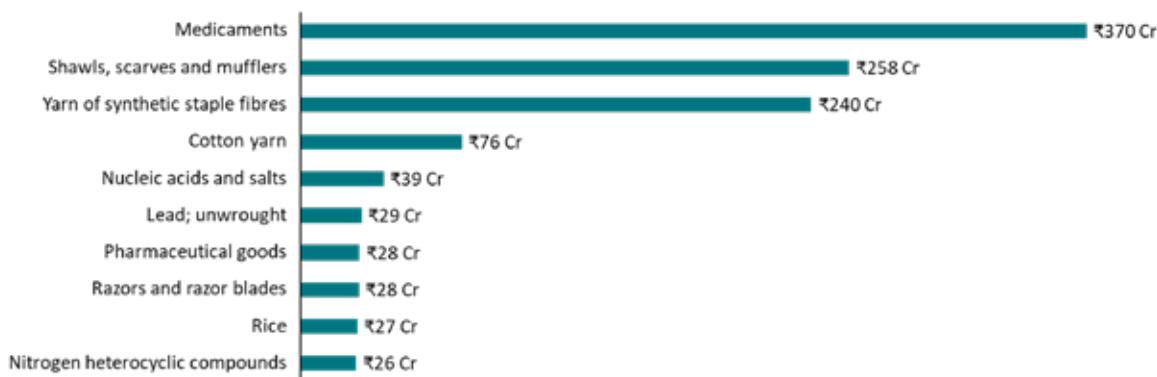
In FY24, the region recorded total exports worth ₹1,614 crore. The primary export items from J&K include drug formulations and biologicals, readymade garments made of wool, and manmade yarn fabrics, reflecting the region's growing participation in pharmaceuticals and textile-based trade. Jammu and Kashmir possesses Agri-climatic conditions that are highly

conducive to horticulture and floriculture, making these sectors the backbone of its rural economy and a key source of employment for thousands of locals. The region's flourishing floriculture industry supplies flowers to both domestic and international markets, showcasing its export potential. Additionally, the people of Jammu and Kashmir are known for their traditional craftsmanship and skills in weaving and textile design, which provides a strong foundation for expanding textile units in the region. Kashmir is well known for its quality of silk and traditional silk weaving industry. Sericulture is an Agri-based labor-intensive cottage industry, providing gainful employment to about 30,000 families in rural areas of the UT. These artisanal skills can be further harnessed to support industrial processes and boost employment. Union Minister of State for Science and Technology highlighted Jammu and Kashmir's emergence as an agricultural start-up hub, particularly in Bhaderwah, where lavender cultivation has flourished.

Jammu & Kashmir has implemented an industrial policy that provides attractive incentives and a streamlined single-window clearance system to encourage investment. In a major boost to the region's development, Prime Minister Narendra Modi inaugurated, dedicated, and laid the foundation for various projects worth over ₹32,133 crore in Jammu, covering key sectors such as health, education, and infrastructure. These initiatives collectively underscore the government's commitment to transforming J&K into a vibrant economic and industrial hub. APCC, a high-power clearance committee, has been set up to rapidly clear projects under the chairmanship of the Chief Secretary of the UT. The committee serves as a single-window clearance system for projects related to all cases of export-oriented units and prestigious units. The entire procedure is completed within a maximum timeframe of two months.

Export Statistics

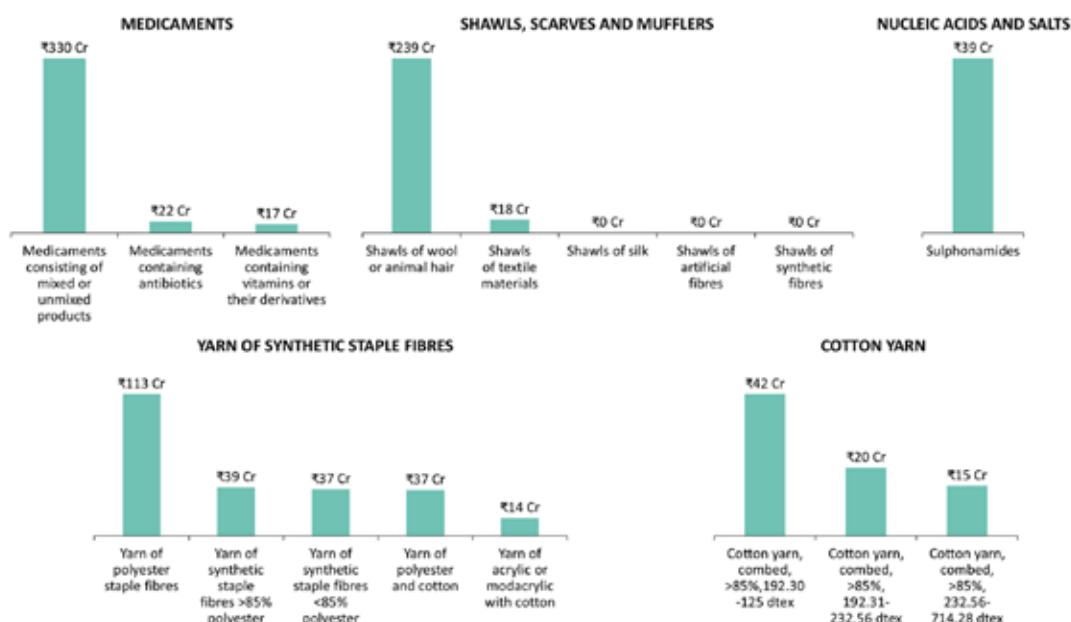
TOP 10 HS4 COMMODITIES EXPORTED BY JAMMU & KASHMIR IN FY24



Source: Ministry of Commerce and Industry

Jammu and Kashmir's export portfolio is led by a strong pharmaceutical presence and a rich legacy in textile craftsmanship. The top HS code export category from the state is medicaments, including mixed/unmixed products, antibiotics, and vitamin-based medicaments. These reflect the increasing industrial activity in the Jammu region, where pharmaceutical manufacturing clusters have developed thanks to policy incentives, industrial parks, and proximity to northern markets. The presence of pharmaceutical goods such as dental cements further reinforces this sector's significance.

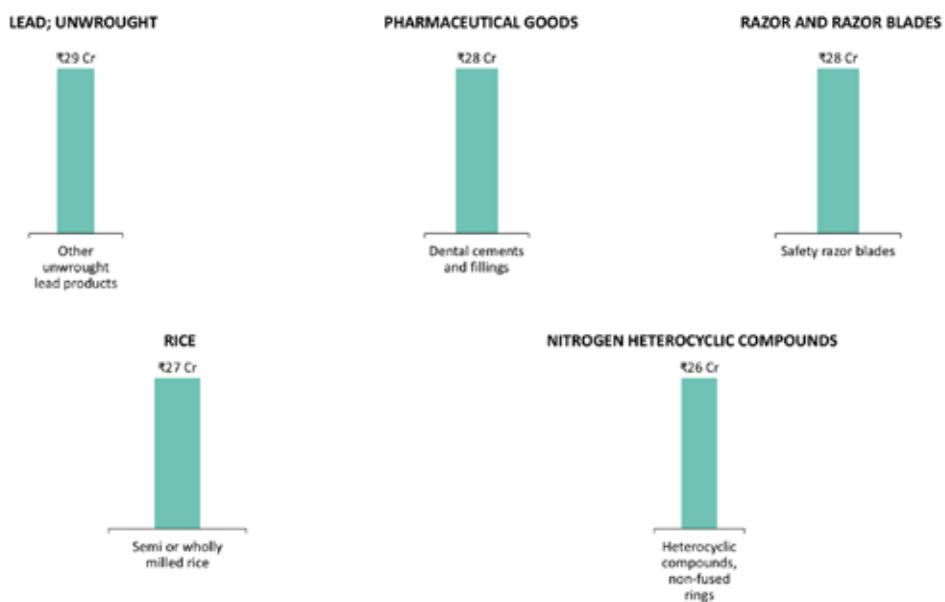
DEEP DIVE INTO THE TOP 5 HS4 COMMODITIES AT HS6 LEVEL EXPORTED BY JAMMU AND KASHMIR IN FY24



Source: Ministry of Commerce and Industry

Equally prominent is the export of shawls, scarves, and mufflers, an emblematic product of Kashmir's cultural and artisanal identity. Within this category, woolen shawls and those made from silk and other textile materials dominate. The diversity across fiber types including synthetic and artificial fibers indicates adaptation to changing market demands while preserving traditional weaving expertise. These handcrafted products continue to find global appeal, especially in high-value fashion and heritage textile markets.

DEEP DIVE INTO THE NEXT 5 HS4 COMMODITIES AT HS6 LEVEL EXPORTED BY JAMMU AND KASHMIR IN FY24



Source: Ministry of Commerce and Industry

Other notable exports include yarn especially polyester, cotton-poly blends, and combed cotton yarns, supporting the state's downstream textile value chain. Niche chemicals such as nucleic acids and sulphonamides and nitrogen heterocyclic compounds also feature, showing signs of chemical and biotech sector emergence. Unwrought lead and razor blades are smaller but stable contributors. Additionally, semi-milled rice offers agricultural diversification. While the region has demonstrated excellence in textiles and pharmaceuticals, categories like chemical intermediates and personal care tools could benefit from enhanced scale, branding, and market linkages to bolster exports further.

Success Stories

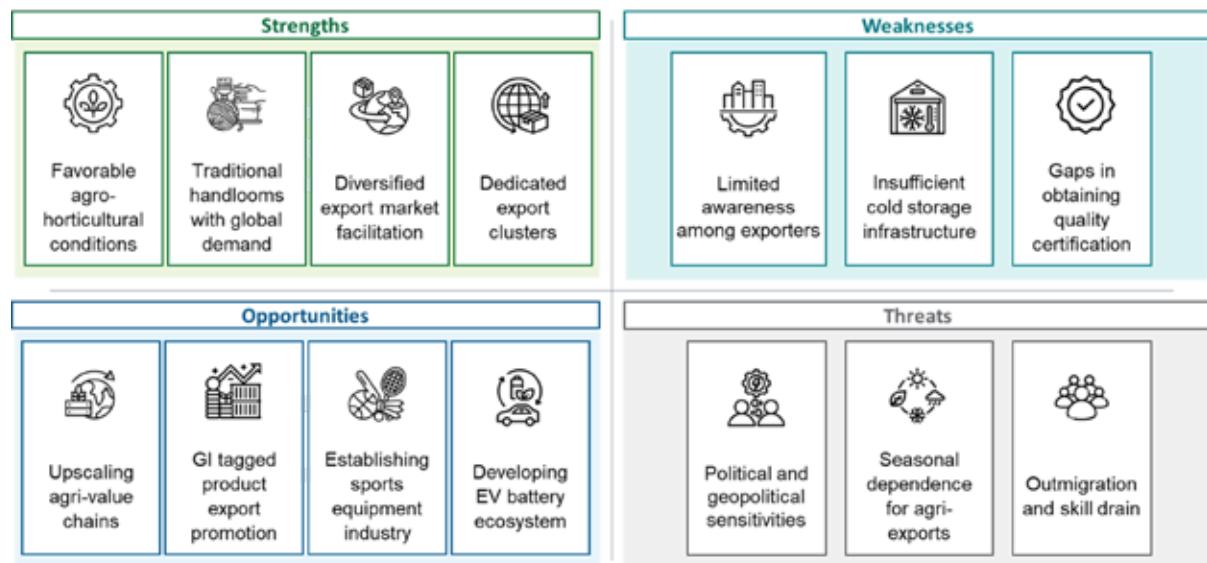


EPI 2024-Results and Conclusions

Pillar	Sub - Pillar	Total Score	Score	Key Insights/ Imperatives
1  Export Infrastructure	 Utilities State's power and water availability	10	4.8	<ul style="list-style-type: none"> Dependent on hydro power and limited captive capacity restrict energy flexibility and industrial growth in the UT
	 Logistics State's transportation networks, freight connectivity and storage capacity	10	0.9	<ul style="list-style-type: none"> The UT's lack of ICDs and CFSs compels exporters to use distant hubs, raising transit time and costs

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
2  Business Ecosystem	Macroeconomy Evaluate economic output, manufacturing share and fiscal deficit	10	2.8	<ul style="list-style-type: none"> Low industrial output, limited manufacturing base, and high fiscal dependence on central transfers, constraining sustainable growth Low female literacy, skill mismatch, and high unemployment despite high enrollment ratios, limiting human capital utilization
	Cost competitiveness Benchmarking cost of labour, water and power	5	2.7	
	Human capital Understand education & employment parameters	5	2.7	
	Finance and credit accessibility Relevant government schemes and insurance	5	1.3	
	MSME ecosystem Assess growth and export contribution by MSMEs	10	5.4	
	Industrial and innovation environment Infrastructure maturity	5	2.3	
3  Policy and Governance	State policy support and governance State's export initiatives, digital first policies and ease of export documentation	15	13.0	<ul style="list-style-type: none"> Limited trade fair activity reduces opportunities for exporters to showcase products and expand market linkages Fewer certified manufacturers constrain the UT's ability to meet quality standards required in certain markets
	Regulatory environment and compliance Quality standards and certifications, IEC, data readiness	5	2.6	
4  Export Performance	State level exports and trends Export trends, growth in exporter base	5	3.9	<ul style="list-style-type: none"> Export facilitation faces challenges from evolving policy frameworks, developing digital infrastructure, and logistical constraints Exports concentrated in a few sectors and destinations, limiting overall scale and market diversification
	Export promotion and facilitation Government infrastructure and digital maturity	5	3.0	
	Export portfolio and market access Export destinations and key export commodities	10	5.8	

SWOT Analysis



Strengths

Jammu and Kashmir's export strengths lie in its Agri-climatic diversity and globally recognized products like apples, walnuts, saffron, and basmati rice. Its traditional handlooms and handicrafts such as pashmina shawls and Kashmiri carpets, enjoy strong global demand and GI-tagged credibility. A diversified export portfolio across countries like Bangladesh, UAE, and Oman reduces market risk. Dedicated clusters in Srinagar, Anantnag, and Kathua further support value addition through shared infrastructure and market linkages.

Weaknesses

Jammu and Kashmir's export potential is constrained by limited awareness among small exporters about trade regulations, quality standards, and support schemes. Insufficient cold storage facilities especially impact perishable exports like apples and cherries, causing spoilage and lead to post-harvest losses. Additionally, limited access to certifications like ISO, HACCP, and organic labels hampers entry into premium global markets and reduces overall competitiveness.

Opportunities

Jammu and Kashmir can significantly enhance its Agri-value chains by leveraging its diverse Agri-climatic zones and promoting high-value crops. Strengthening cold chain infrastructure, pack houses, and processing units will reduce post-harvest losses and boost farmer incomes. Branding and promoting GI-tagged products can unlock niche global markets. The UT also has strong potential to develop a sports goods industry, backed by artisanal skills and MSMEs. Kashmir willow, preferred for professional cricket bats, offers a strategic export opportunity with the right investment in branding and training. Additionally, J&K's untapped lithium and boron reserves in Reasi and Rajouri position it to support India's EV battery ecosystem. With incentives under the New Industrial Policies, the UT can attract investments in battery assembly, components, and R&D. Establishing EV parks and collaborating with institutions like NIT Srinagar can further establish J&K as a green industrial hub in the Himalayan region.

Threats

Jammu and Kashmir faces key threats to its long-term export and industrial growth. Political instability, cross-border tensions, and internal security issues disrupt trade and deter investment. The Agri-export sector is highly seasonal and vulnerable to climate variability and logistical delays, impacting timely harvest and shipment of key crops like apples and saffron. Additionally, rising outmigration of educated youth and skilled workers is depleting the local talent pool, limiting innovation and the region's capacity for value-added production.

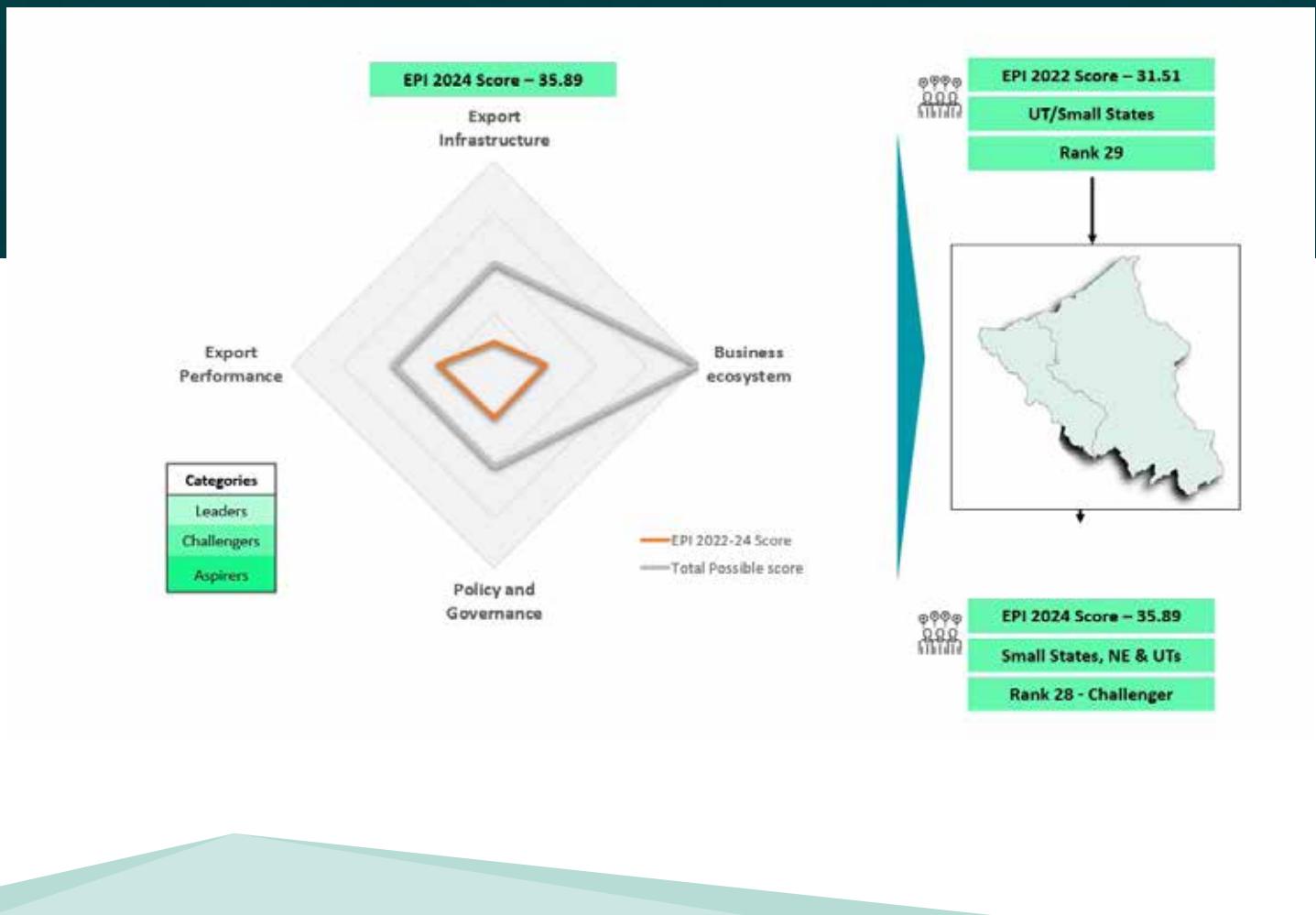
Strategic Roadmap – Focus Areas

Considering global consumption trends and existing strengths, Jammu and Kashmir should direct efforts toward:

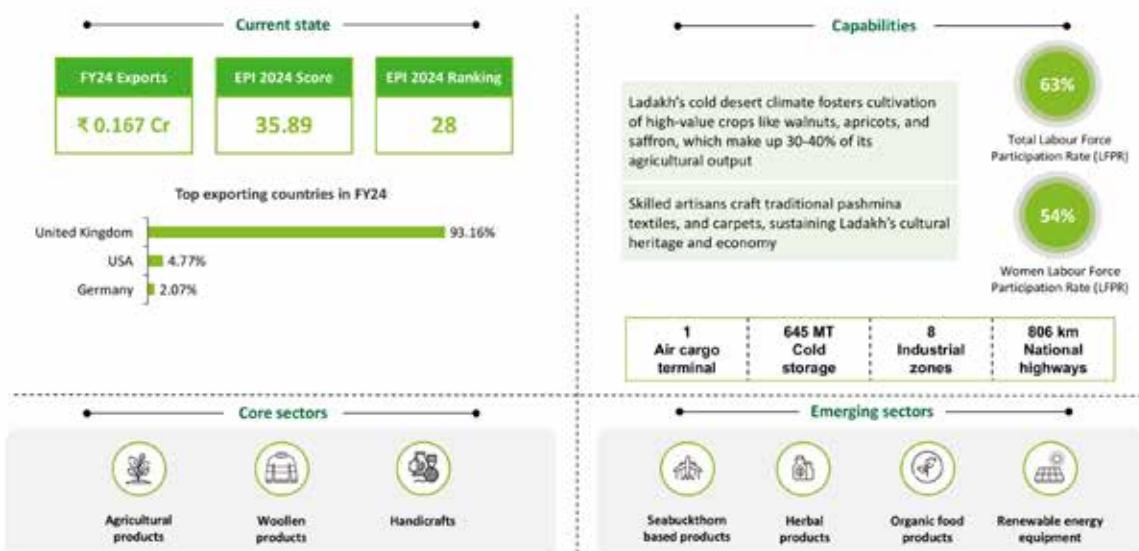




Ladakh



5.2.10 Ladakh



Manufacturing hubs in Ladakh
Source: Ministry of Commerce and Industry

Introduction

Ladakh, located at the Northernmost part of India, is the largest and second least populous union territory. The diverse topology, with high-altitude cold desert located in the Great Himalayas, and picturesque locations make it a favored destination among domestic and foreign tourists.

According to Union Budget for civil aviation. The state faces 320 clear sunny days and receives an average daily global solar radiation of 2022 kWh/m²/annum. These factors have made Ladakh a favorable spot for solar power generation in India. Also, abundance of wind resource due to valley terrain landform creates a potential for harnessing wind energy in Ladakh.

Agriculture forms the backbone of Ladakh's economy, employing over 70% of the workforce, primarily as cultivators, agricultural laborers, and livestock reapers. Tourism also plays a crucial role in generating revenue, creating jobs, and driving the overall growth of the region.

In 2019, the total number of tourists visiting Ladakh was 279,937. This number rose to 304,077 in 2021 and in 2022, the total number of tourist arrivals surged to 531,396, of which 510,137 were domestic tourists and 21,259 were foreign tourists.

In Ladakh, 95% micro and small industries operate at a household-level. To provide large-scale self-employment opportunities to the youth, the Union Territory of Ladakh has formulated first-ever Sustainable Industrial Policy to harness unique strengths such as local resources and traditional skill sets by employing modern technology.

Export Statistics

TOP HS4 COMMODITIES EXPORTED BY LADAKH IN FY24



Source: Ministry of Commerce and Industry

Ladakh's export profile, though modest in scale, reflects a distinct blend of eco-conscious production, traditional craftsmanship, and a budding textile sector. The region's exports are likely driven by local entrepreneurial initiatives and cottage industries rather than large-scale manufacturing. There's a clear emphasis on items that align with sustainability and local culture, furnishing articles and handmade textiles dominate the list, suggesting an economy rooted in resourcefulness and heritage. While volumes remain small, the diversity hints at potential for growth through targeted support and branding of artisanal products.

DEEP DIVE INTO THE TOP HS4 COMMODITIES AT HS6 LEVEL EXPORTED BY LADAKH IN FY24

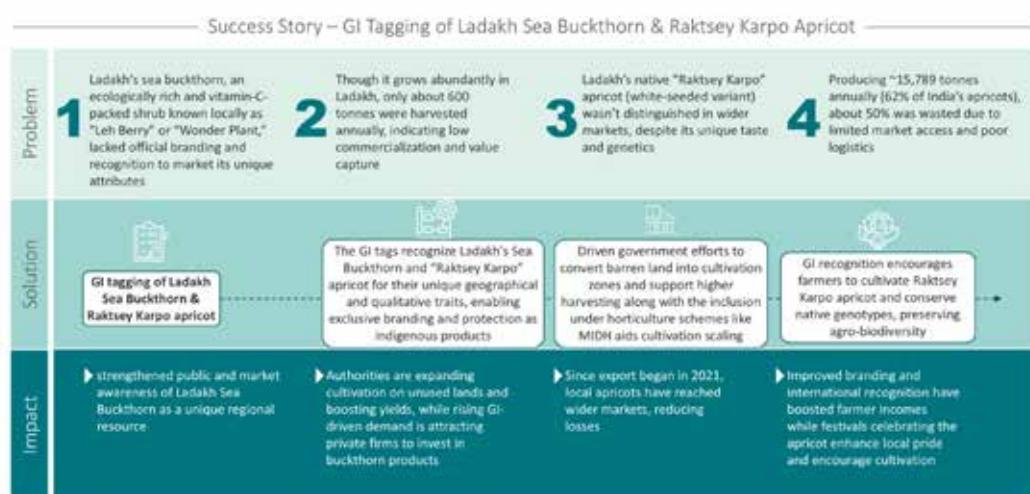


Source: Ministry of Commerce and Industry

Leading the list are furnishing articles made of textiles, pointing to small-scale home décor or utility products possibly crafted with traditional designs. Women's woven apparel, especially

cotton dresses, and knitwear like woolen dresses, further underscore Ladakh's role in producing niche, climate-appropriate garments. Women's cotton blouses and shirts continue the theme of small-batch textile manufacturing aimed at both comfort and regional style. Woven silk fabrics, especially those with high silk content, suggest a preservation of traditional weaving techniques, possibly aimed at niche luxury or cultural markets. Lastly, miscellaneous textile articles like dishcloths and dusters represent everyday utility goods, simple but essential. Together, these products present a picture of Ladakh's economy as one where traditional skills, sustainable choices, and slow-scale production converge into a unique export identity.

Success Stories



EPI 2024-Results and Conclusions

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
<p>1</p> <p> Export Infrastructure</p>	<p> Utilities State's power and water availability</p>	10	4.2	<ul style="list-style-type: none"> limited hydro and diesel-based power capacity, with minimal captive generation, restricts energy flexibility and hinders industrial and export growth.
	<p> Logistics State's transportation networks, freight connectivity and storage capacity</p>	10	0.3	<ul style="list-style-type: none"> Shortage of logistics infrastructure: leads to port congestion, longer transit times, and increased handling costs

Pillar	Sub - Pillar	Total Score	Score	Key Insights/ Imperatives
2  Business Ecosystem	Macroeconomy Evaluate economic output, manufacturing share and fiscal deficit	10	4.5	<ul style="list-style-type: none"> MSMEs suffer from low industrial base, weak export linkages, and inadequate access to finance and skilled manpower Industrial growth hindered by underdeveloped infrastructure, unreliable power supply, and logistical isolation
	Cost competitiveness Benchmarking cost of labour, water and power	5	2.4	
	Human capital Understand education & employment parameters	5	2.3	
	Finance and credit accessibility Relevant government schemes and insurance	5	0.7	
	MSME ecosystem Assess growth and export contribution by MSMEs	10	0.0	
	Industrial and innovation environment Infrastructure maturity	5	0.0	

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
3  Policy and Governance	State policy support and governance State's export initiatives, digital first policies and ease of export documentation	15	10.3	<ul style="list-style-type: none"> Gaps in digital infrastructure for export related procedures and documentation hampers efficiency and smooth facilitation of trade Minimal number of exporters with certification compliance constrains the UT's participation in global markets
	Regulatory environment and compliance Quality standards and certifications, IEC, data readiness	5	0.0	

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
4  Export Performance	State level exports and trends Export trends, growth in exporter base	5	4.4	<ul style="list-style-type: none"> Absence of a single window clearance mechanism adds procedural complexity for exporters Limited focus on exporting primary and intermediate goods restricts the state's access to global markets
	Export promotion and facilitation Government infrastructure and digital maturity	5	1.5	
	Export portfolio and market access Export destinations and key export commodities	10	5.2	

SWOT Analysis

Strengths				Weaknesses		
Opportunities				Threats		
					Severe logistics constraints	
Availability of exclusive niche products	ODOP and GI tagged products	Medicinal plants	Lower power costs		Skilling and labour shortages	Minimal industrial base
					Overdependence on a single export destination	
Growing MSME sector	Organic farming	Enhancing promotion efforts	Leveraging E-commerce		Geopolitical sensitivity	
					Harsh climatic conditions	

Strengths

Ladakh holds strong potential for niche exports and sustainable industrialization, driven by its unique high-altitude products like Ladakhi Pashmina, sea buckthorn, and Raktsey Karpo apricots. The region's ODOP focus and GI-tagged products such as Pashmina wool and wood carvings reinforce its export identity by ensuring quality, traceability, and market differentiation. Ladakh's rich biodiversity, including over 1,000 medicinal and aromatic plant species like Rhodiola and black cumin, further strengthens its export prospects in the pharma and nutraceutical sectors. Ladakh benefits from relatively lower power tariffs compared to other states and UTs, largely due to the availability of subsidized hydroelectric power. This cost advantage can support energy-dependent sectors like Agri-processing, cold storage, and small-scale manufacturing.

Weaknesses

Ladakh's export and industrial growth is hindered by severe logistical challenges due to harsh terrain, seasonal road closures, and costly, limited air cargo capacity. Skilling gaps and labor shortages further constrain growth, with a small, scattered population lacking access to industrial training. The weak industrial base, marked by a lack of large industries, modern infrastructure, and anchor industries limits value addition and deters private investment, keeping the region reliant on raw exports.

Opportunities

Ladakh's growing MSME sector in crafts, processed foods, and herbal products can boost rural employment with proper credit, training, and infrastructure. Ladakh's clean environment and traditional farming practices provide a strong base to position the region as a hub for organic produce with high export potential. Stronger branding and targeted promotion of Ladakh's unique products such as pashmina, apricots, and handicrafts can boost their visibility in global markets. Digital platforms can help Ladakh overcome location constraints by directly connecting local producers with buyers worldwide.

Threats

Ladakh's export ecosystem is vulnerable due to overreliance on a few international markets, especially the UK, making it prone to external disruptions. Its geopolitical sensitivity and border proximity to China and Pakistan create uncertainty, delaying infrastructure and deterring investment. Harsh climatic conditions, short growing seasons, and high operational costs further limit production and scalability, hindering export diversification and economic resilience.

Strategic Roadmap – Focus Areas

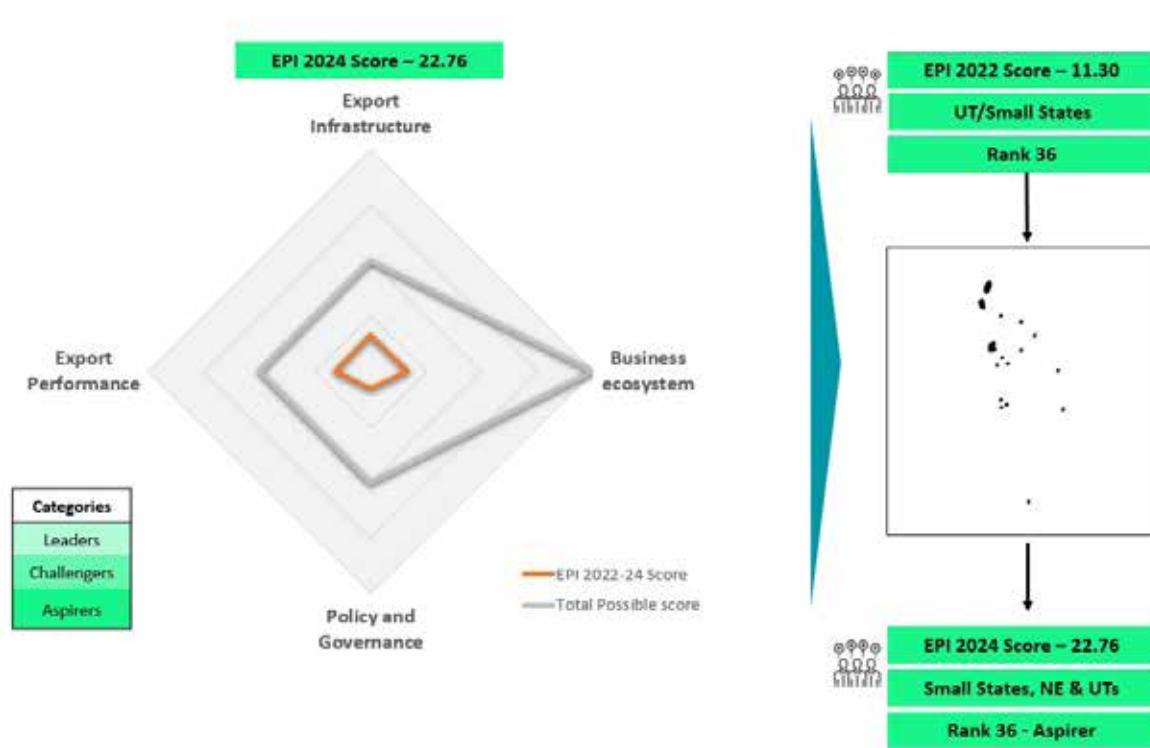
Considering global consumption trends and existing strengths, Ladakh should direct efforts toward:



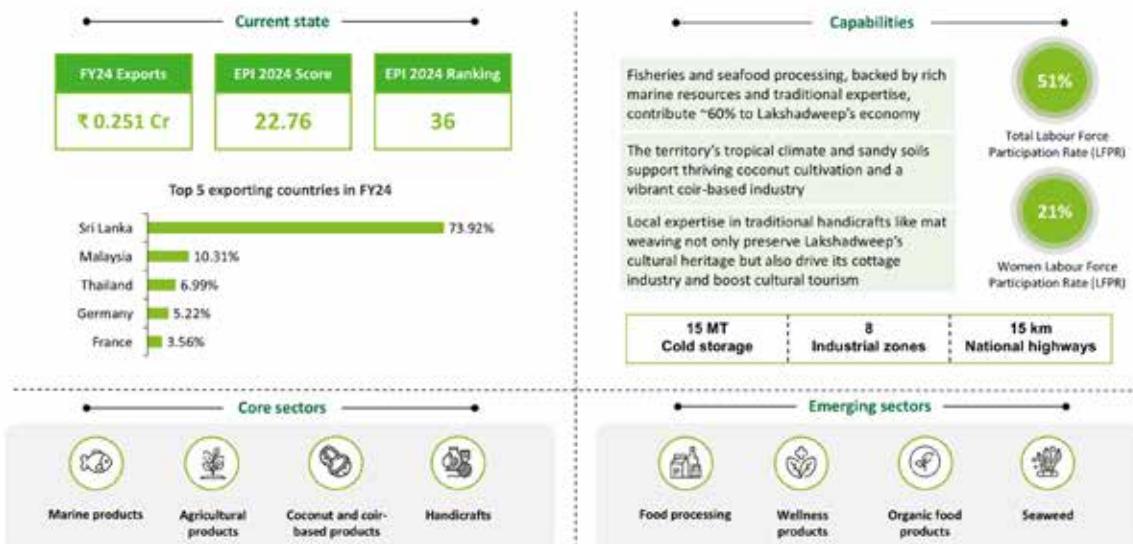




Lakshadweep



5.2.11 Lakshadweep



LAKSHADWEEP

- Fisheries and marine products
- Food processing
- Handicrafts

Manufacturing hubs in Lakshadweep
Source: Ministry of Commerce and Industry

Introduction

Lakshadweep, India's smallest Union Territory, comprises 36 coral islands located in the Arabian Sea, 200–440 km off the southwestern coast of the Indian mainland. Spanning just 32.6 sq. km in land area with a population of ~69,000 (projected 2024, UIDAI), the territory boasts a literacy rate of 91.8% and a unique cultural identity shaped by Malayalam, Jeseri, and Dhivehi-speaking communities. The islands' ecological richness, untouched beaches, and atolls have positioned them as emerging eco-tourism destinations, with places like Bangaram and Thinnakara gaining traction for their pristine beauty and rare bioluminescent waters. Strategically, Lakshadweep plays a crucial defense role underscored by the commissioning of INS Jataayu at Minicoy Island in March 2024 which enhances India's maritime surveillance and security footprint in the western Indian Ocean, especially amid increasing regional competition.

The union territory is also leveraging its marine geography for energy, water, and export development. A significant initiative is the Ocean Thermal Energy Conversion (OTEC) plant being developed in Kavaratti by the National Institute of Ocean Technology (NIOT) under the Ministry of Earth Sciences. This 65-kW renewable energy facility will power a 1-lakh-litre-per-day desalination plant that uses Low-Temperature Thermal Desalination (LTTD) to convert seawater into potable water positioning Lakshadweep as a pioneer in sustainable ocean-based technologies. Additionally, the islands operate 41 diesel generators and 12 solar PV units (totaling 18.5 MW), forming a hybrid energy model. The archipelago is surrounded by an Exclusive Economic Zone (EEZ) of over 400,000 sq. km, rich in pelagic fish species like tuna and sharks. With an estimated annual fishery potential of 100,000 tons, the government is actively promoting marine exports under schemes like the Pradhan Mantri Matsya Sampada Yojana (PMMSY), which supports cold chain infrastructure, modern fishing equipment, and value-added processing. These efforts collectively position Lakshadweep as a strategically significant and export-ready maritime territory.

Export Statistics

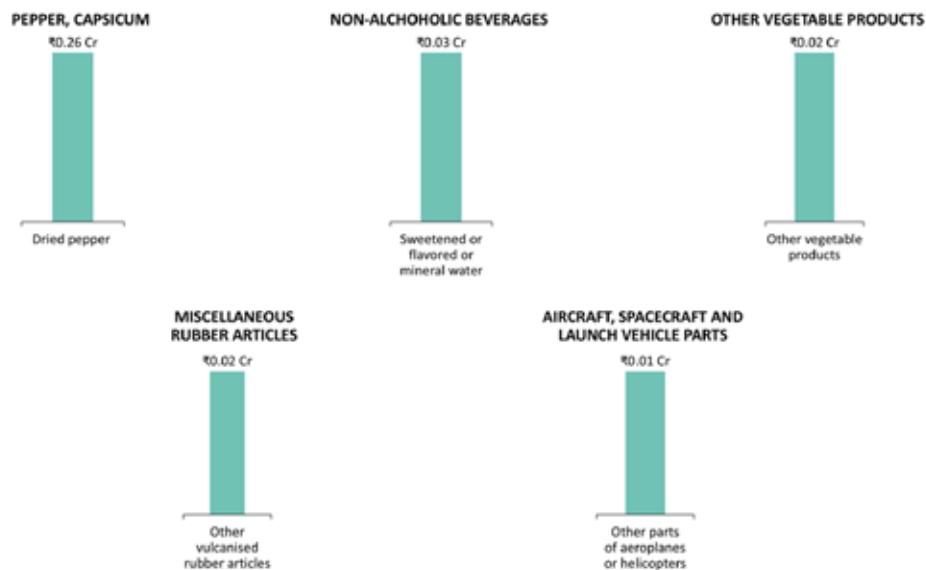
TOP HS4 COMMODITIES EXPORTED BY LAKSHADWEEP IN FY24



Source: Ministry of Commerce and Industry

Lakshadweep, though geographically isolated and relatively small in economic scale, has begun to showcase export activity in niche and region-specific product categories. A key export from the islands is pepper, particularly dried pepper, which leverages the region's tropical Agri-climatic conditions that favor the cultivation of high-quality spices. The unique terroir of the islands lends distinct aroma and flavor to the pepper, making it desirable in global spice markets.

DEEP DIVE INTO THE TOP 5 HS4 COMMODITIES AT HS6 LEVEL EXPORTED BY LAKSHADWEEP IN FY24



Source: Ministry of Commerce and Industry

Additionally, Lakshadweep's export profile includes non-alcoholic beverages, especially flavored and sweetened mineral water. Given the growing domestic tourism in the islands and investments in sustainable hospitality, there is potential for scaling up production of bottled beverages tailored to niche, eco-conscious consumer segments. Other notable exports include vegetable products not elsewhere classified, likely linked to seaweed, coir or other tropical vegetation, indicating opportunities for value-added natural products like bio-fertilizers or herbal supplements.

DEEP DIVE INTO THE NEXT 2 HS4 COMMODITIES AT HS6 LEVEL EXPORTED BY LAKSHADWEEP IN FY24



Source: Ministry of Commerce and Industry

A few industrial and mechanical items also feature in Lakshadweep's modest export list. These include miscellaneous rubber articles and parts for engines and motors, as well as aerospace components. While these may represent transshipment or specialized low-scale fabrication, they point to potential participation in high-tech value chains through strategic partnerships or defense-linked manufacturing. Exports of fresh cut roses, although niche, hint at floriculture efforts possibly aided by controlled-environment farming. Overall, Lakshadweep's exports are still in early stages but demonstrate promise in spice cultivation, sustainable beverages, and select high-value components. Scaling these sectors will require investments in infrastructure, logistics, and market access.

Success Stories

Success Story – Eco-Labelling and the Future of Tuna Exports in Lakshadweep



EPI 2024-Results and Conclusions

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
1  Export Infrastructure	 Utilities State's power and water availability	10	5.4	<ul style="list-style-type: none"> Reliance on diesel power and minimal captive capacity limits energy reliability, raises business costs, and constrains industrial and export growth.
	 Logistics State's transportation networks, freight connectivity and storage capacity	10	1.3	<ul style="list-style-type: none"> The lack of integrated cold chain infrastructure delays perishable transit to mainland, raises costs, and weakens export competitiveness.

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
2  Business Ecosystem	Macroeconomy Evaluate economic output, manufacturing share and fiscal deficit	10	3.0	<ul style="list-style-type: none"> Low higher education access, limited skilling avenues, and a narrow job market beyond fisheries and government employment Finance and credit accessibility limited due to weak banking infrastructure, low financial literacy, and high dependence on central schemes
	Cost competitiveness Benchmarking cost of labour, water and power	5	2.6	
	Human capital Understand education & employment parameters	5	1.0	
	Finance and credit accessibility Relevant government schemes and insurance	5	0.0	
	MSME ecosystem Assess growth and export contribution by MSMEs	10	0.0	
	Industrial and innovation environment Infrastructure maturity	5	0.0	

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
3  Policy and Governance	State policy support and governance State's export initiatives, digital first policies and ease of export documentation	15	3.0	<ul style="list-style-type: none"> Absence of a dedicated export policy limits structured efforts to enhance the UT's export potential Lack of state-led marketing initiatives and policy interventions constrains visibility and global promotion of local products
	Regulatory environment and compliance Quality standards and certifications, IEC, data readiness	5	0.0	

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
4  Export Performance	State level exports and trends Export trends, growth in exporter base	5	3.6	<ul style="list-style-type: none"> Absence of a single window clearance mechanism adds procedural complexity for exporters. Scope to enhance export share by focusing on primary and intermediate goods.
	Export promotion and facilitation Government infrastructure and digital maturity	5	0.0	
	Export portfolio and market access Export destinations and key export commodities	10	2.8	

SWOT Analysis

Strengths				Weaknesses		
Opportunities				Threats		
 Organic agriculture produce	 Strategic location	 Marine products – EEZ for fisheries	 Tourism driven demand	 Lack of support infrastructure	 Minimal manufacturing base	 Regulatory hurdles and land restrictions
 Food processing and export	 Eco-friendly product branding	 Aquaculture projects – Seaweed	 Coconut-based product diversification	 Excessive focus on tourism sector	 Competition from other established states	 Ecological restrictions

Strengths

Lakshadweep's strategic location along key international sea lanes and its pristine ecosystem positions it as a niche hub for marine-based exports and sustainable industrial growth. Its vast EEZ, rich in high-value fish like tuna and mackerel, supports eco-friendly fisheries and premium seafood exports. The pollution-free environment also favors organic agriculture, aligning with global demand for sustainable produce. The growing tourism sector supports the production and branding of local artisanal and Agri-based goods, which can find export markets as niche lifestyle and wellness products. These strengths make Lakshadweep a promising player in India's blue economy and a potential transshipment and coastal logistics hub.

Weaknesses

One of the foremost challenges is the lack of support infrastructure, including inadequate port facilities, limited cargo handling capacity, and the absence of cold chains or warehousing needed for perishable and high-value goods. The union territory also has a minimal manufacturing base, with no significant industrial clusters or value-addition units, making it heavily dependent on raw or semi-processed exports and reducing its competitiveness in global markets. Regulatory hurdles, especially those linked to environmental clearances and Coastal Regulation Zone (CRZ) norms, often delay project approvals, and deter private sector investments. Additionally, land restrictions due to ecological sensitivity and limited availability of flat, developable land across the islands make it difficult to set up export-oriented infrastructure or industrial facilities. These structural and regulatory constraints collectively hinder Lakshadweep's ability to scale its export ecosystem and attract long-term, sustainable industrial investments.

Opportunities

Lakshadweep offers emerging opportunities in sustainable exports, particularly in value-added seafood, eco-branded products, and coconut-based diversification. Its pristine marine environment supports high-end exports like tuna loins and dried fish, while certifications for organic and eco-friendly products can boost global appeal. Seaweed farming is also gaining momentum, driven by demand from pharma and cosmetics sectors. Additionally, expanding coconut-based exports such as virgin oil, coir products, and beverages can diversify livelihoods and enhance the UT's export footprint in line with sustainability goals.

Threats

Overreliance on tourism in Lakshadweep risks diverting focus from sustainable, export-oriented sectors like fisheries and food processing, leaving the economy exposed to seasonal and global disruptions. The UT also faces stiff competition from coastal states with stronger infrastructure and diversified exports. Moreover, strict ecological regulations, though vital, limit land use and delay industrial projects, hindering the development of export infrastructure and deterring large-scale investment.

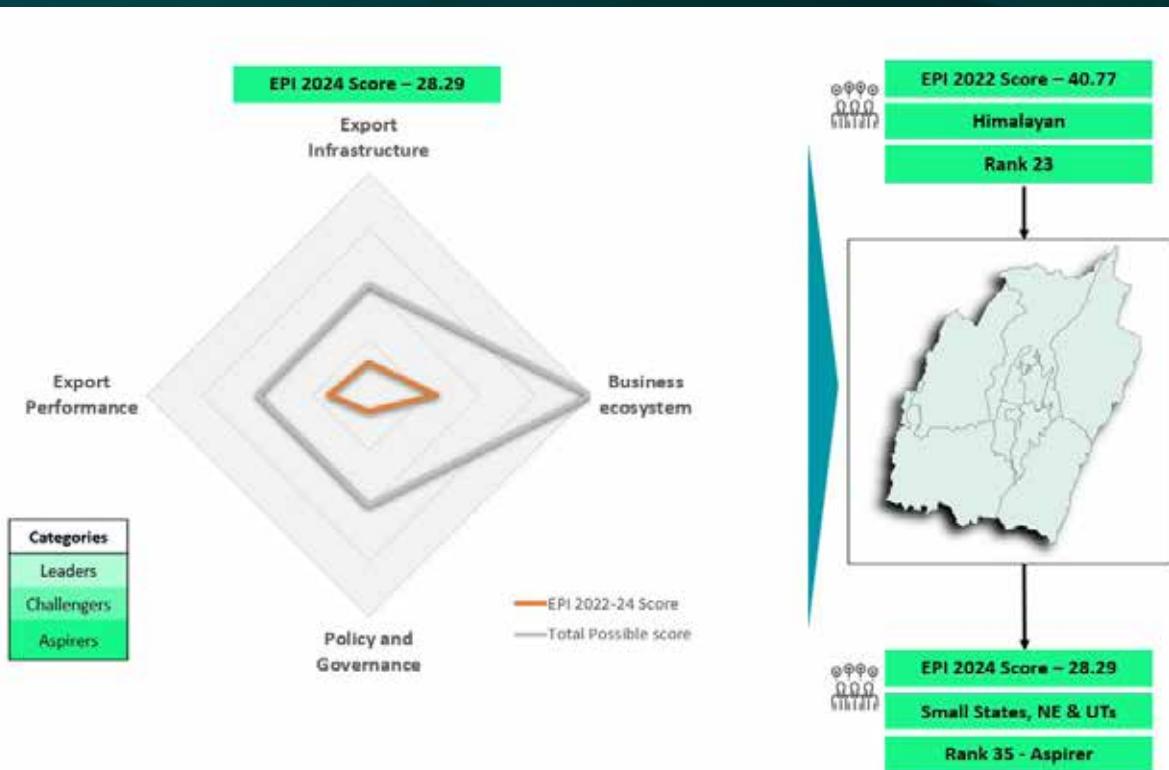
Strategic Roadmap – Focus Areas

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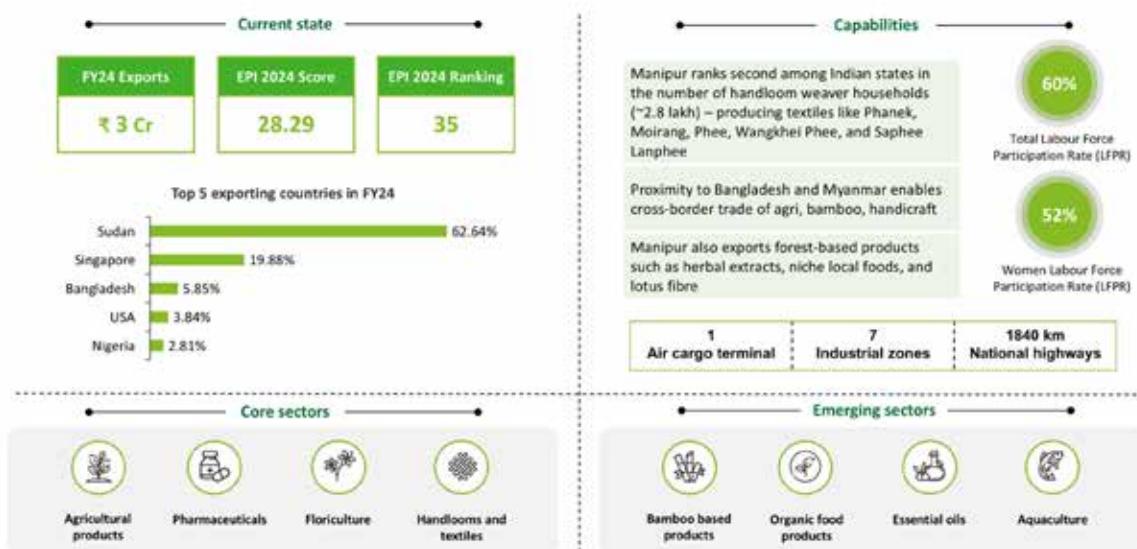




Manipur



5.2.12 Manipur



Manufacturing hubs in Manipur
Source: Ministry of Commerce and Industry

Introduction

Manipur is situated in the eastern-most corner of Northeast India. The state shares borders with other northeast states like Nagaland, Mizoram, and Assam, as well as with the neighboring country of Myanmar. Due to its wealth of flora and fauna, Manipur is described as a ‘flower on lofty heights’, ‘a jewel of India’ and the ‘Switzerland of the East’. Its breathtaking scenic beauty makes it a tourist’s paradise.

As of the fiscal year FY24, Manipur’s Gross State Domestic Product (GSDP) at current prices

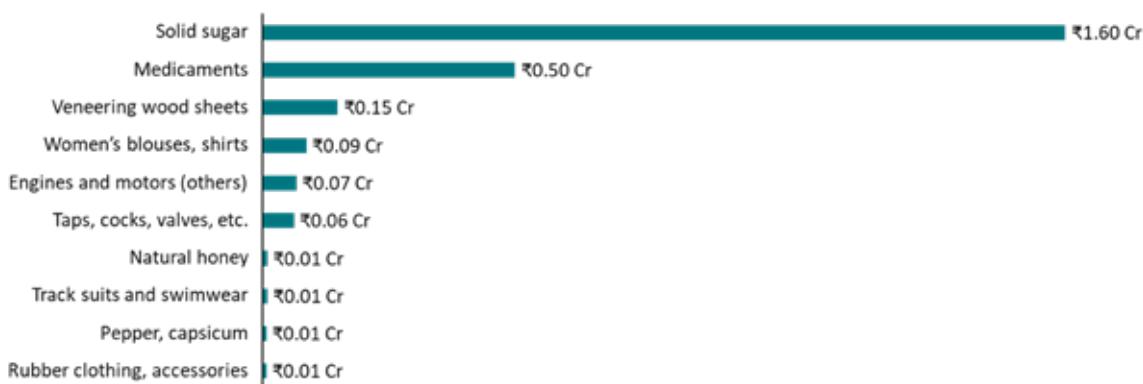
is estimated at ₹45,522 crore, reflecting a 21.9% increase over the revised estimates for FY23. The state has the advantage of acting as India's 'Gateway to the East' through Moreh town, which is the only feasible land route for trade between India and Myanmar, as well as other Southeast Asian countries. With about 8,377 square km of area covered by bamboo forests, Manipur is one of India's.

Handloom is the largest cottage industry in the state. Manipur ranks among the top 5 states in terms of number of looms in the country. Manipur has around 40 active handloom production centers. Agriculture is the main occupation of the people of Manipur. The agriculture sector contributes a majority share to the total state domestic product and employs about 52.8% of the total workers in Manipur. Thus, agriculture is a living proposition rather than a commercial proposition. Natural forests cover about 77% of the total geographical area of Manipur. Teak, pine, oak, Uningthou, leihao, bamboo, cane, etc. are important forest resources. In addition, rubber, tea, coffee, orange, and cardamom are grown in the hilly areas. Food and cash crops are grown mainly in the valley region.

Industrial diversification is essential for Manipur, as the state continues to rely predominantly on traditional sectors. To create more employment opportunities and enhance export potential, it is crucial to strengthen modern industries including manufacturing, agro-processing, and information technology services. In addition, greater investment in healthcare, education, and skill development is vital to empower the youth and bridge the existing human capital gap.

Export Statistics

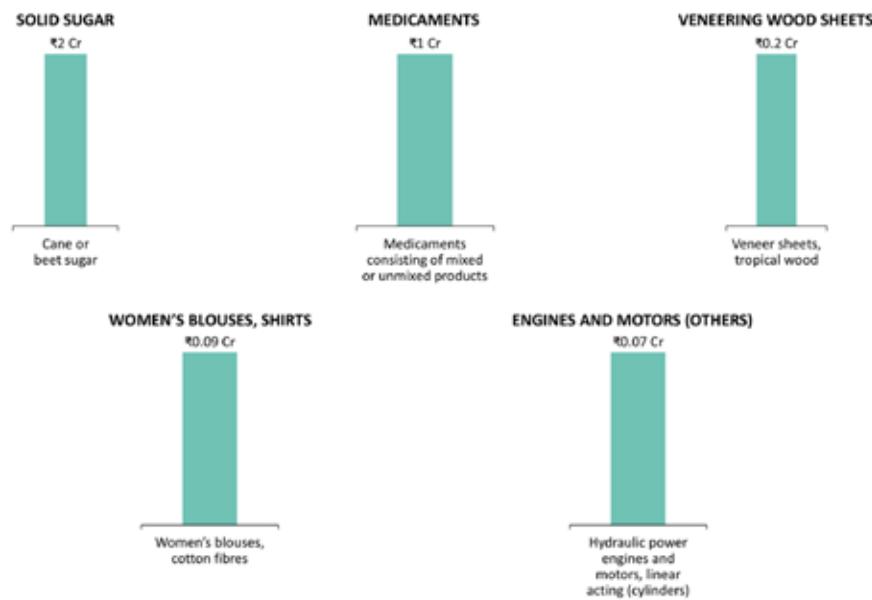
TOP 10 HS4 COMMODITIES EXPORTED BY MANIPUR IN FY24



Source: Ministry of Commerce and Industry

Manipur's export profile, though modest in scale, provides a window into the early-stage industrial and artisanal ecosystem of a landlocked northeastern state. The state's outbound shipments are characterized by a mix of processed agricultural products, light manufacturing, and niche handmade or semi-industrial items. Manipur's location along India's eastern border positions it as a potential trade conduit to Southeast Asia, and its export basket hints at sectors where small enterprises and resource-based processing are gradually gaining momentum. Though still developing, this export structure reflects an economy exploring value addition in traditional sectors while cautiously expanding into select industrial goods.

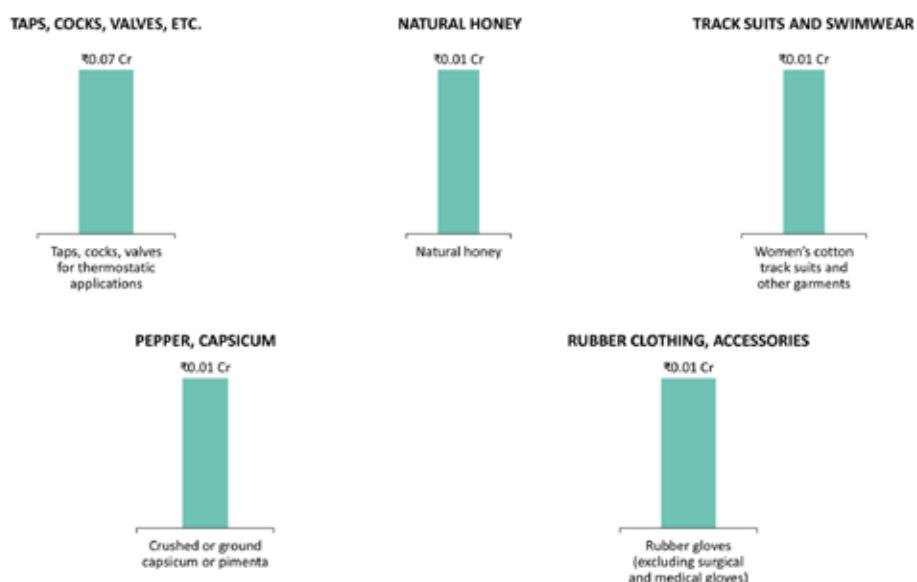
DEEP DIVE INTO THE TOP 5 HS4 COMMODITIES AT HS6 LEVEL EXPORTED BY MANIPUR IN FY24



Source: Ministry of Commerce and Industry

At the top of Manipur's export basket is solid cane or beet sugar, indicating agro-processing activity likely driven by local sugarcane production and small-scale refineries. Pharmaceuticals, particularly finished medicaments, suggest some presence of medical distribution or contract packaging, albeit on a limited scale. Veneered wood sheets made from tropical wood mark the beginning of timber-based value addition, possibly tapping into forest resources through controlled harvesting and local finishing. Women's blouses and shirts, particularly those made of cotton, show signs of a nascent garment manufacturing industry catering to domestic styles or ethnic fashion. Hydraulic power engines and motors, especially linear-acting cylinders, reflect isolated industrial components manufacturing or distribution likely linked to infrastructure or automotive assembly chains in the region.

DEEP DIVE INTO THE NEXT 5 HS4 COMMODITIES AT HS6 LEVEL EXPORTED BY MANIPUR IN FY24



Source: Ministry of Commerce and Industry

The next set of commodities includes metal taps and valves, likely for thermostatic or fluid control applications, which suggest the presence of engineering goods either assembled locally or rerouted from nearby industrial centers. Natural honey indicates the cultivation and processing of apiculture products, supported by Manipur's forested terrain and biodiversity. Niche garment items such as cotton track suits highlight small-scale tailoring or custom clothing, often geared toward sport or leisurewear. The inclusion of crushed or ground capsicum reflects local spice cultivation especially chili, which is abundant in the region and modest spice processing. Lastly, exports of rubber gloves point to the presence of protective gear manufacturing or re-packaging, a category that saw a spike in global demand during health emergencies and continues to serve niche utility sectors.

Success Stories



Results and Conclusions

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
1  Export Infrastructure	 Utilities State's power and water availability	 10	 4.3	<ul style="list-style-type: none"> Limited installed and captive power capacity reduces energy self-sufficiency and constrains industrial and export growth
	 Logistics State's transportation networks, freight connectivity and storage capacity	 10	 1.5	<ul style="list-style-type: none"> Limited FTWZ infrastructure restricts access to warehousing and customs clearance, making exporters rely on standard ports and private warehouses

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
2  Business Ecosystem	Macroeconomy Evaluate economic output, manufacturing share and fiscal deficit	10	3.7	<ul style="list-style-type: none"> Human capital faces gaps between education and jobs, insufficient vocational training, and weak infrastructure Industrial growth limited by poor connectivity, narrow industrial base, and security challenges
	Cost competitiveness Benchmarking cost of labour, water and power	5	2.8	
	Human capital Understand education & employment parameters	5	2.8	
	Finance and credit accessibility Relevant government schemes and insurance	5	0.9	
	MSME ecosystem Assess growth and export contribution by MSMEs	10	0.1	
	Industrial and innovation environment Infrastructure maturity	5	2.0	
3  Policy and Governance	State policy support and governance State's export initiatives, digital first policies and ease of export documentation	15	3.0	<ul style="list-style-type: none"> Manipur lacks a formal export-specific policy framework, which limits sustained strategic direction and structured support to transform its sectoral strengths into export advantages A slowdown in the growth of the exporter base limits Manipur's ability to expand its participation in global trade
	Regulatory environment and compliance Quality standards and certifications, IEC, data readiness	5	0.0	
4  Export Performance	State level exports and trends Export trends, growth in exporter base	5	1.8	<ul style="list-style-type: none"> Lack of a district-level export strategy limits Manipur's ability to address supply chain bottlenecks and enhance competitiveness Limited infrastructure and market linkages hinder Manipur's export competitiveness
	Export promotion and facilitation Government infrastructure and digital maturity	5	0.8	
	Export portfolio and market access Export destinations and key export commodities	10	4.6	

SWOT Analysis

Strengths				Weaknesses		
Opportunities				Threats		
					Adequate agri-export infrastructure	Logistical challenges
					Unique agricultural produce	Absence of large-scale manufacturing
					Large number of skilled artisans	Limited access to export finance
					Act East policy and border trade	Overdependence on a single export destination
					Upscaling handloom exports	Security concerns and disruptions
					Lack of value-added exports	Lack of value-added exports

Strengths

Manipur has developed a reasonably strong Agri-export infrastructure, including integrated food parks, cold-chain hubs, and processing units that support value addition and market readiness. The state is known for its unique agricultural produce such as black rice (Chak-Hao), mandarin, figs, olives and passionfruit, which provide strong export differentiation. Manipur also has a deep-rooted artisan base, with over two lakh weavers and craftsperson, especially women, sustaining vibrant handloom and handicrafts exports. Moreover, with nearly 70% of its installed power capacity from renewable sources mainly hydro projects. The state offers a low-carbon manufacturing environment that aligns with global sustainability trends.

Weaknesses

The state faces persistent logistical challenges due to hilly terrain, limited rail connectivity, and underdeveloped road networks, which hinder the efficient movement of goods to ports and border points. There is also an absence of large-scale manufacturing facilities, which restricts Manipur's ability to scale exports beyond primary and semi-processed goods, limiting competitiveness in global value chains. In addition, the UT faces a key weakness in limited access to export finance, especially among SMEs, artisans, and Agri-based producers operating in the informal sector. The lack of credit history, collateral, and awareness of export financing schemes restricts their eligibility for formal financial support. Low penetration of instruments like pre/post-shipment credit and export insurance hampers their ability to scale and compete globally. This financial gap limits export readiness and stalls Manipur's integration into broader value chains.

Opportunities

Manipur has strong potential to grow floriculture and medicinal plant exports, building on its biodiversity and growing global demand for natural wellness products. With expanding organic cultivation under government schemes, the state is well-positioned to brand and export organic Agri-products to premium markets. The Act East Policy and the development of border trade infrastructure at Moreh offer strategic access to Southeast Asian markets. Additionally,

the state can significantly upscale handloom and handicraft exports by leveraging its cultural heritage and skilled workforce to meet international demand for artisanal goods.

Threats

Overdependence on a few export destinations increases the vulnerability of Manipur's trade to geopolitical or regulatory changes in those markets. Security concerns and periodic disruptions within the state or at border points can interrupt trade flow and reduce investor confidence. Furthermore, environmental challenges such as deforestation and unsustainable agricultural practices may attract stricter regulations, potentially limiting the growth of resource-based exports. The lack of value-added exports poses a significant threat to Manipur's export sustainability, as most products like handlooms, bamboo crafts, and Agri-produce are exported in raw or minimally processed forms, limiting profitability and global market appeal. Without modern processing units, packaging facilities, and product innovation, local exporters struggle to meet international quality standards and tap into high-value markets. This constraint reduces export competitiveness, hampers job creation, and undermines the development of a resilient industrial base.

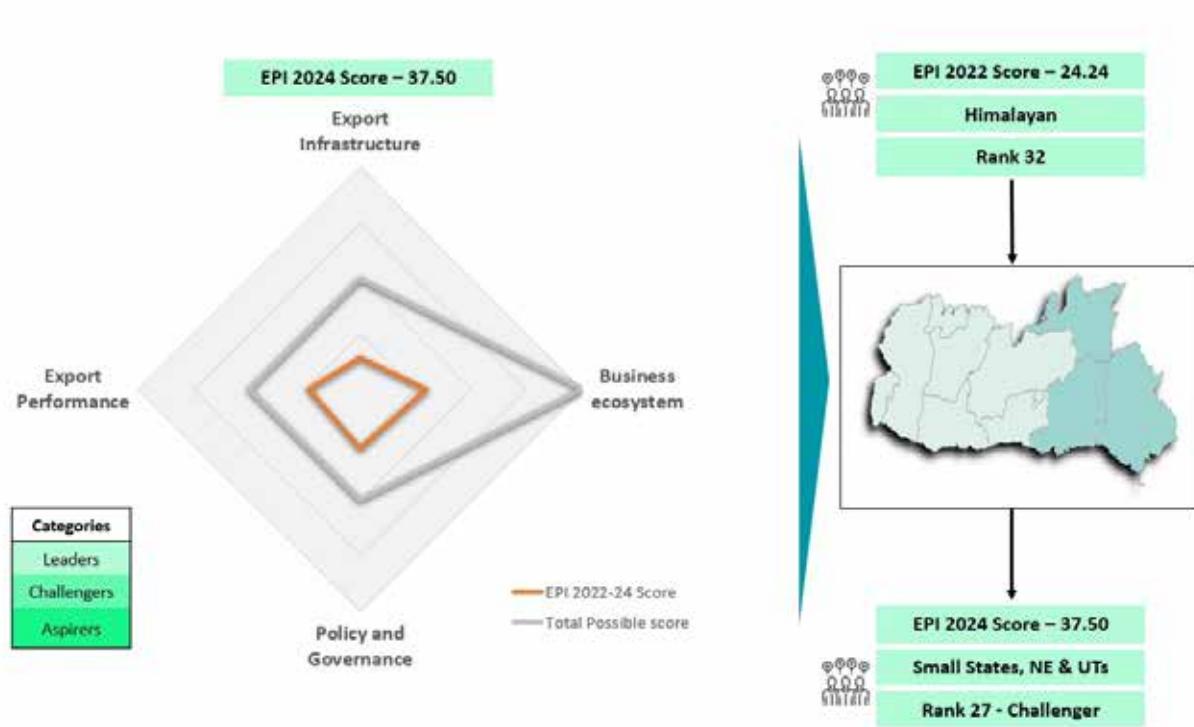
Strategic Roadmap – Focus Areas

Considering global consumption trends and existing strengths, Manipur should direct efforts toward:

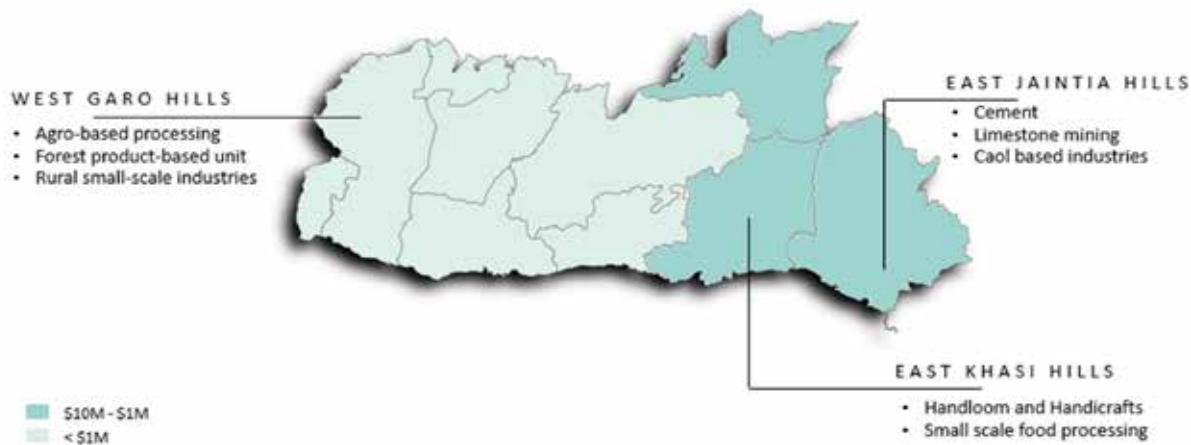
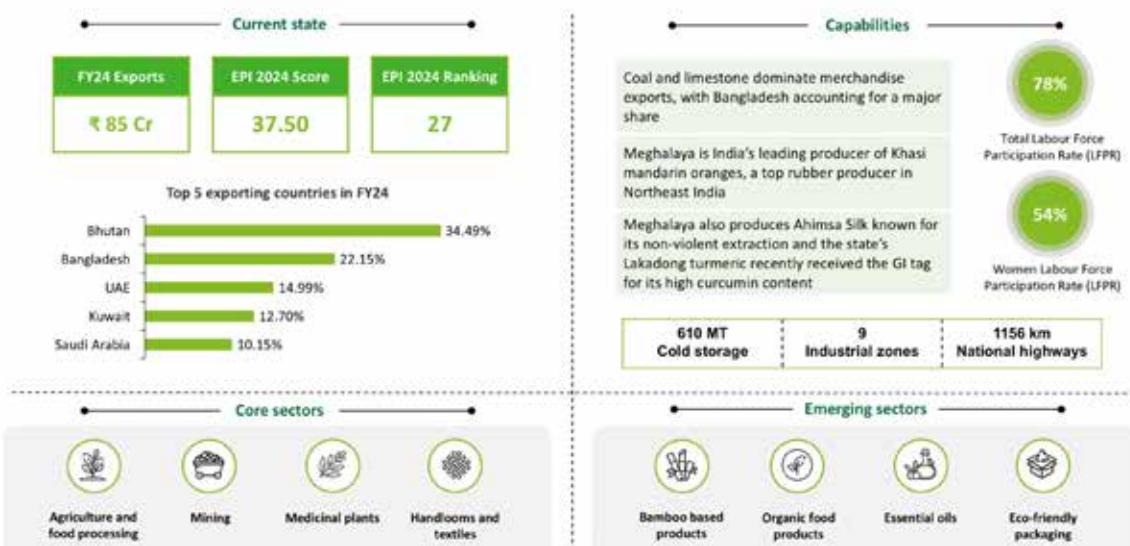




Meghalaya



5.2.13 Meghalaya



Manufacturing hubs in Meghalaya
Source: Ministry of Commerce and Industry

Introduction

Located in the northeastern region of India, Meghalaya is a hilly state known for its rich natural resources, biodiversity, and cultural heritage. With a GSDP of approximately ₹47,700 crore in 2023-24, Meghalaya contributes in its own way to the national economy. The state's export performance remains limited, with a total export value of around ₹83.7 crore in FY24. Meghalaya's exports are largely resource-based, with key products including coal and limestone, agricultural produce like bay leaves and turmeric, and niche items such as handloom and handicrafts.

Meghalaya's economy is primarily agrarian, with over 80% of its population dependent on

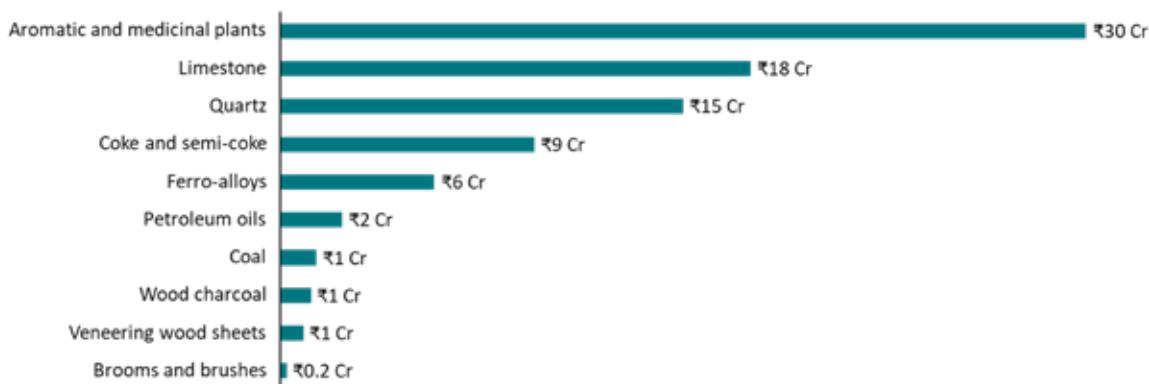
agriculture and allied activities. The state is known for the cultivation of high-value crops such as areca nut, turmeric, ginger, and Lakadong turmeric, which has a uniquely high curcumin content and growing global demand. Traditional knowledge and organic practices are often embedded in farming systems, giving Meghalaya's Agri-exports a distinctive identity. The state is also rich in mineral resources, and prior to regulatory changes, coal and limestone exports formed a significant part of its trade. While the ban on rat-hole mining reduced coal exports, limestone continues to be exported through land ports on the Indo-Bangladesh border.

Meghalaya shares a 443-km international border with Bangladesh, and several border markets and land customs stations such as Dawki and Borsora facilitate trade. However, the absence of large-scale processing industries, limited logistical infrastructure, and terrain-related connectivity challenges restrict the state's ability to scale up exports. Additionally, Meghalaya lacks an industrial base capable of value addition, which means many products are exported in raw or semi-processed form.

Despite these constraints, Meghalaya's strategic location, natural produce and cultural assets provide it with a unique export identity among India's smaller states. Its trade flows may be limited in volume, but they reflect the distinctiveness of its economy and the role of small-scale, community-led production in cross-border trade.

Export Statistics

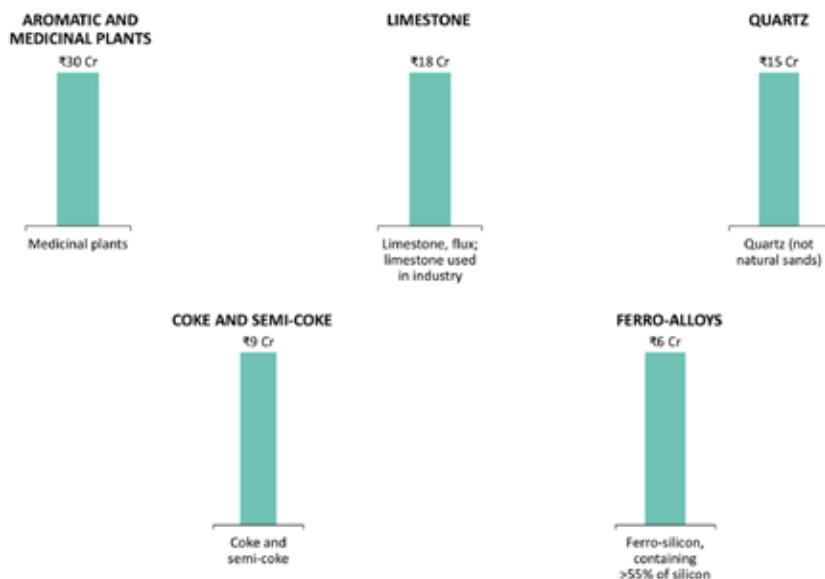
TOP 10 HS4 COMMODITIES EXPORTED BY MEGHALAYA IN FY24



Source: Ministry of Commerce and Industry

Meghalaya's export portfolio is anchored by its rich natural resources and traditional industries. The top commodities include aromatic and medicinal plants, limestone, and quartz. The state's favorable climate and biodiversity support the cultivation and harvesting of medicinal plants, which are processed and exported under specific sub-categories like medicinal plants. Limestone, abundant in Meghalaya's extensive cave systems and geological formations, is exported mainly for industrial use as flux and raw material. Quartz, sourced from local mines, is also a notable export commodity, serving industries requiring high-purity silica.

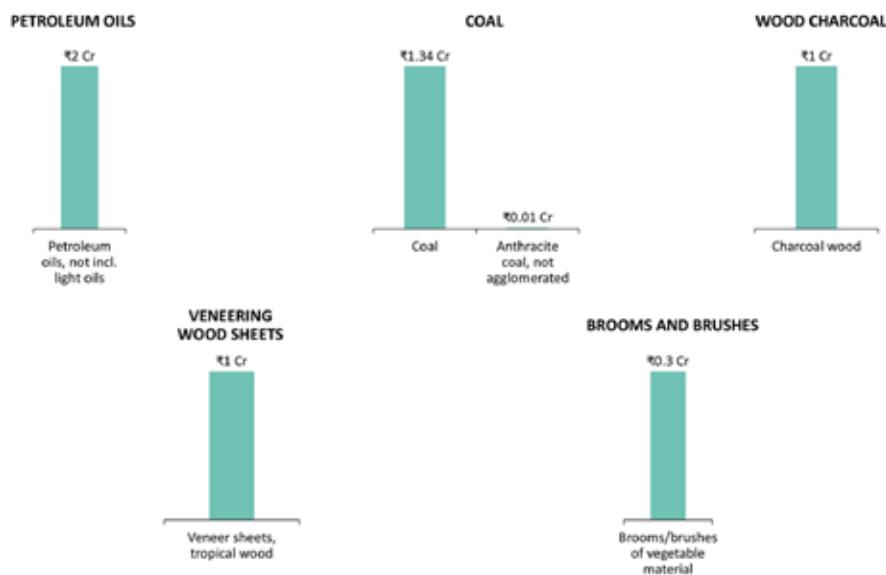
DEEP DIVE INTO THE TOP 5 HS4 COMMODITIES AT HS6 LEVEL EXPORTED BY MEGHALAYA IN FY24



Source: Ministry of Commerce and Industry

Looking deeper into the HS6 categories under these main HS4 groups, Meghalaya shows strong export presence in medicinal plants and limestone for industrial use. The export of quartz is significant given the quality required for manufacturing and industrial applications. The state also exports coke and semi-coke, largely a byproduct of local coal processing. Exports of ferro-alloys, particularly ferro-silicon containing more than 55% silicon, reflect emerging industrial activity in mineral beneficiation and metallurgical products. These sectors form the backbone of Meghalaya's export capabilities, supported by its mineral-rich geology and established mining infrastructure.

DEEP DIVE INTO THE NEXT 5 HS4 COMMODITIES AT HS6 LEVEL EXPORTED BY MEGHALAYA IN FY24



Source: Ministry of Commerce and Industry

While Meghalaya has strengths in these traditional mineral and plant-based exports, there are clear opportunities to enhance exports in several other HS6 categories. Products like wood charcoal and veneering wood sheets of tropical timber are exported in modest quantities, suggesting potential for value addition and sustainable forestry management to boost foreign demand. Additionally, brooms and brushes made of vegetable materials represent niche handicraft exports with scope for growth through better market linkages and branding. Enhancing processing capacities, improving quality standards, and developing export-oriented clusters could enable Meghalaya to diversify its export basket and increase value realization from its abundant natural resources.

Success Stories



EPI 2024-Results and Conclusions

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
<p>1</p> <p> Export Infrastructure</p>	<p> Utilities State's power and water availability</p> <p> Logistics State's transportation networks, freight connectivity and storage capacity</p>	<p>10</p>	<p>4.6</p>	<ul style="list-style-type: none"> • limited installed and captive power capacity reduces energy self-sufficiency and constrains industrial and export growth • Shortage of logistics infrastructure leads to port congestion, longer transit times, and increased handling costs
		<p>10</p>	<p>1.0</p>	

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
2  Business Ecosystem	Macroeconomy Evaluate economic output, manufacturing share and fiscal deficit	10	3.6	<ul style="list-style-type: none"> MSME ecosystem constrained by poor infrastructure, limited access to finance, and skill gaps in the workforce Economic growth tempered by limited manufacturing diversification and persistent fiscal pressures
	Cost competitiveness Benchmarking cost of labour, water and power	5	2.7	
	Human capital Understand education & employment parameters	5	3.2	
	Finance and credit accessibility Relevant government schemes and insurance	5	0.4	
	MSME ecosystem Assess growth and export contribution by MSMEs	10	0.0	
	Industrial and innovation environment Infrastructure maturity	5	2.0	
3  Policy and Governance	State policy support and governance State's export initiatives, digital first policies and ease of export documentation	15	10.7	<ul style="list-style-type: none"> Limited digital transformation of export procedures and documentation constrains efficiency and ease of trade Low compliance with quality standards and certifications among manufacturers constrains access to regulated global markets
	Regulatory environment and compliance Quality standards and certifications, IEC, data readiness	5	0.0	
4  Export Performance	State level exports and trends Export trends, growth in exporter base	5	3.9	<ul style="list-style-type: none"> Export planning is limited, with only a few district-level action plans formulated Exports remain largely dependent on primary goods, with minimal value-added products in the basket
	Export promotion and facilitation Government infrastructure and digital maturity	5	3.1	
	Export portfolio and market access Export destinations and key export commodities	10	2.2	

SWOT Analysis

Strengths				Weaknesses		
					Limited connectivity	Inadequate cold-chain infrastructure
Significant mineral reserves	Presence of single window system	Cross border trade	Presence of GI-tagged products		Lack of major investments	
Opportunities				Threats		
					Industrial Growth Bottlenecks	
High value wellness exports	Community based eco-friendly handicrafts	Enhancing export infrastructure	Value-added wood exports		Limited financial support for upscaling	High logistics costs

Strengths

Meghalaya possesses significant mineral reserves including coal, limestone, bauxite, and other industrial minerals, making it a key contributor to regional exports of raw materials and cement-related products. The state has implemented a Single Window Clearance System to streamline investment and export-related approvals, improving ease of doing business. Additionally, Meghalaya's strategic location along Bangladesh, Bhutan and Nepal enables robust cross-border trade, especially through functional border haats and land customs stations, offering natural trade corridors for Agri-commodities, minerals, and forest-based products. Meghalaya's GI-tagged products like Lakadong Turmeric, Khasi Mandarin, and Memong Narang boost its export identity through unique quality, traceability, and organic cultivation. These tags enhance branding, enable premium pricing, and open doors to health-conscious global markets. The state's biodiversity and eco-friendly farming further strengthen its position in niche export segments.

Weaknesses

Despite its export potential, Meghalaya struggles with limited physical connectivity due to challenging terrain and underdeveloped transport infrastructure, which restricts efficient movement of goods. The state also faces a major gap in cold-chain infrastructure, particularly affecting its agri-horticulture exports like pineapples and turmeric that require temperature-sensitive logistics. Furthermore, the lack of substantial private and institutional investment in processing, logistics, and warehousing has hindered the development of large-scale export-oriented industries, curbing the state's value addition capabilities.

Opportunities

Meghalaya stands to gain significant opportunities in export-led growth by aligning its natural strengths with global market trends. The rising international demand for natural health and wellness products offers strong potential for exporting herbal supplements, essential oils, and medicinal plants, leveraging the state's biodiversity and traditional knowledge. Community-driven bamboo and cane handicrafts can tap into eco-conscious export markets, promoting sustainable rural livelihoods. Enhancing export infrastructure such as establishing modern logistics hubs, improving warehousing facilities, and expanding cold chain networks can significantly boost the efficiency, reliability, and competitiveness of Meghalaya's export supply chains. Additionally, the state's forest wealth and artisan base present a major opportunity to

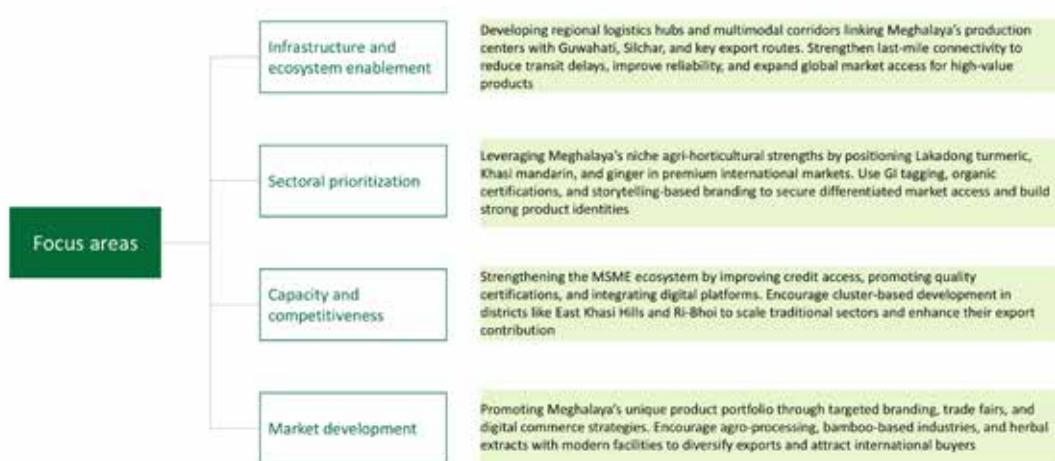
scale value-added wood exports, especially in premium furniture and décor segments through modern design, branding, and quality certification.

Threats

Meghalaya's industrial base remains narrow, largely dominated by cement and limestone mining, which together contribute only 18–20% to the state's GSDP, well below the national average. Limited diversification into high-value sectors such as pharmaceuticals, textiles, or electronics restricts export potential, leaving the state heavily reliant on primary commodities and vulnerable to external market fluctuations. Simultaneously, limited access to affordable credit and export financing, particularly for small producers and MSMEs, poses a threat to scaling up operations, adopting advanced infrastructure, or meeting global quality standards, thereby impacting the long-term competitiveness of Meghalaya's export ecosystem. The state's hilly landscape and frequent landslides, especially during the monsoon, disrupt the timely movement of goods and increase transit times. Poor connectivity with major ports and industrial hubs means exporters must rely on long-distance road transport to reach logistics nodes in Assam or West Bengal, which escalates freight charges and reduces price competitiveness in national and international markets.

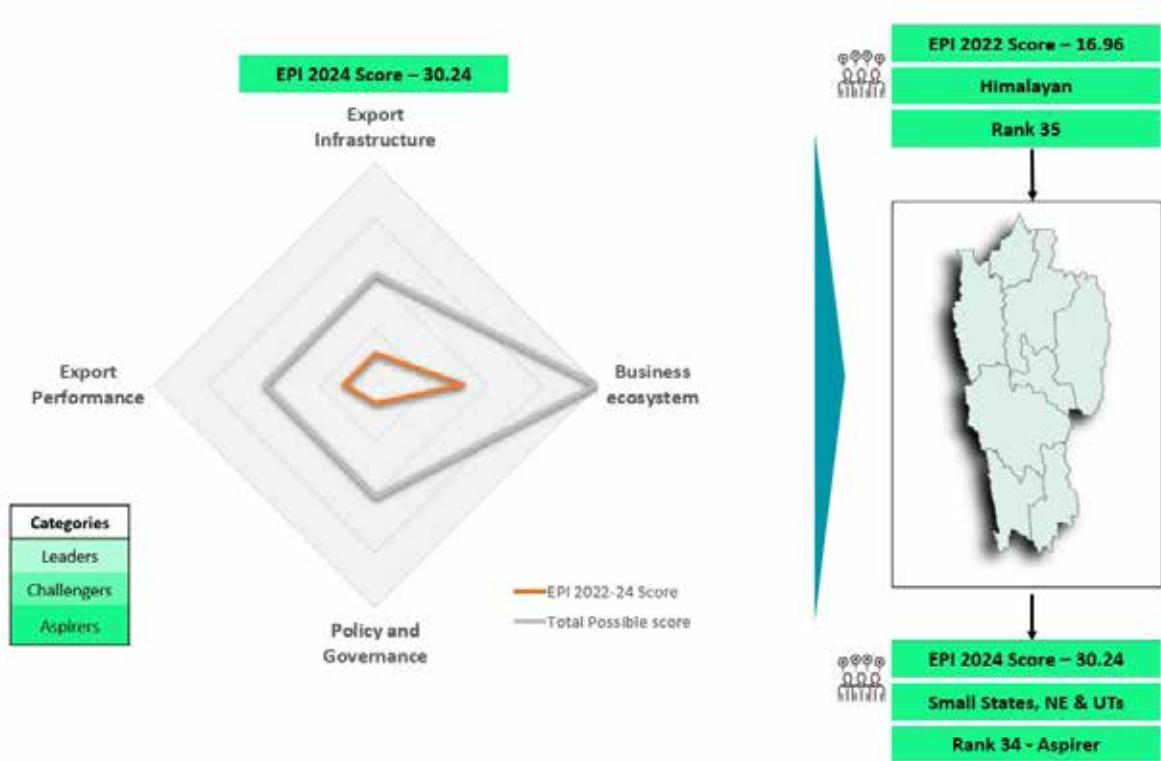
Strategic roadmap – Focus areas

Considering global consumption trends and existing strengths, Meghalaya should direct efforts toward:

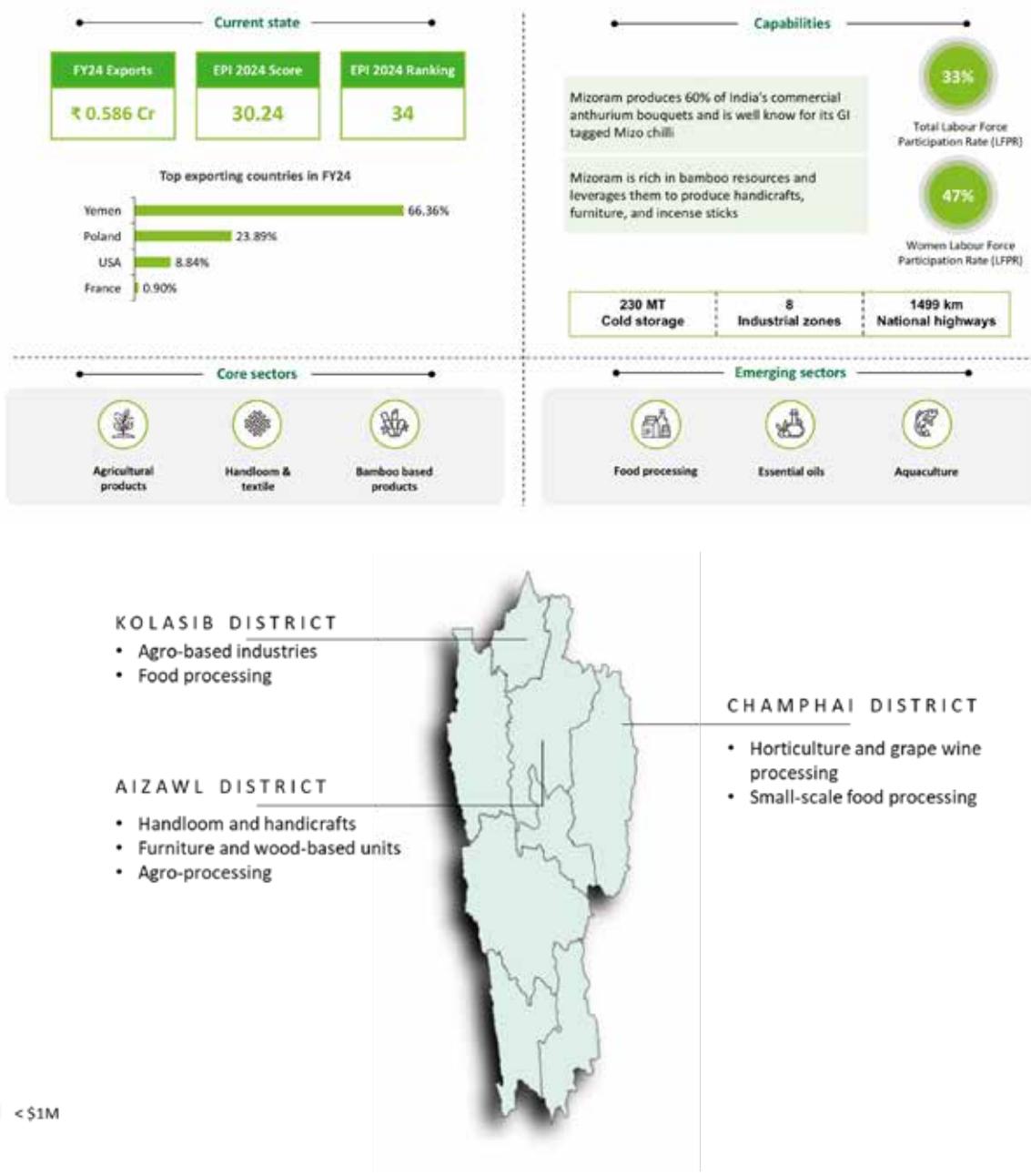




Mizoram



5.2.14 Mizoram



Introduction

Mizoram is one of the seven states in the northeast. Mizoram shares its borders with other northeast states like Manipur, Tripura, and Assam as well as with neighboring countries of Bangladesh and Myanmar. In 2024, Mizoram's tourism sector experienced a significant resurgence, attracting a total of 219,149 visitors between April 2023 and March 2024. This figure comprises 215,265 domestic tourists and 3,884 international travelers.

Industries in the state have a unique location-specific advantage. Bordering Myanmar and Bangladesh, Mizoram offers a gateway for engaging in international trade with Southeast

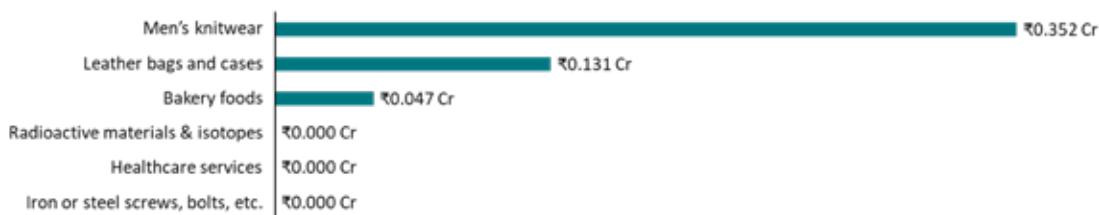
Asian countries. With improving road, rail and air connectivity and the establishment of trade routes with neighboring countries, trade facilitation has improved over the last decade. The Gross state domestic product (GSDP) of Mizoram was recorded at ₹35,579 crore in 2023-24.

The climatic conditions in the state provide a conducive breeding ground for commercial exploitation of all kinds of silkworms. Sericulture remains one of the state's key industries. Raw silk production in Mizoram stood at 59 metric tonnes in FY22 and 84 MT in FY23. In FY24, the state produced 346.07 thousand tonnes of fruits under an area of 68.8 thousand hectares. Similarly, 101.21 thousand tonnes of spices were produced in the state under an area of 27.8 thousand hectares in FY24.

The UT road and rail connectivity with the rest of India remains limited. Accelerating the development of projects like the Kaladan Multi-Modal Transit Transport Project, along with the expansion and improvement of internal road networks, is essential for seamless movement of goods and people. Additionally, expanding Lengpui Airport and introducing more direct flight connections to major Indian cities would significantly enhance tourism, trade, and overall economic integration.

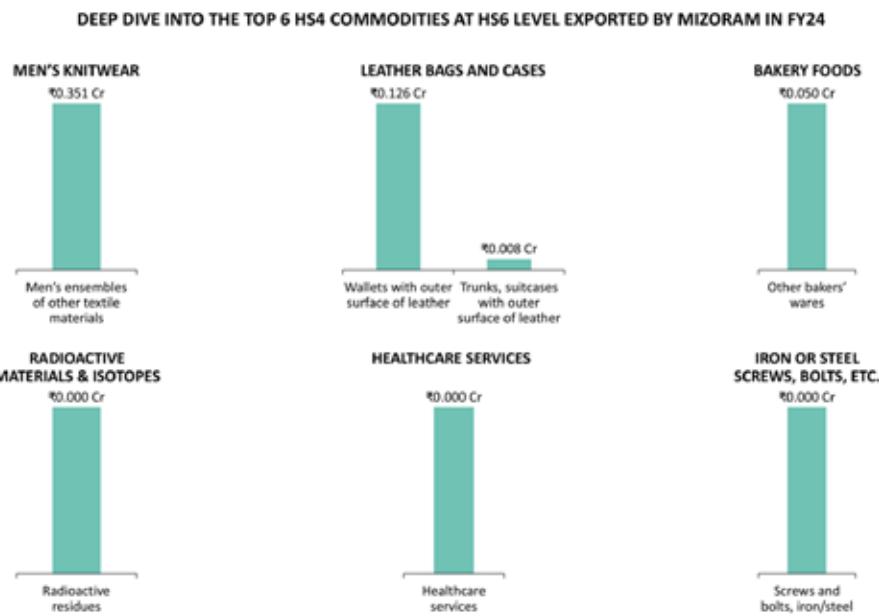
Export Statistics

TOP HS4 COMMODITIES EXPORTED BY MIZORAM IN FY24



Source: Ministry of Commerce and Industry

Mizoram's export footprint, though limited in scale, reflects a developing industrial identity with a strong presence in apparel and leather goods. The state's geographical isolation and hilly terrain pose logistical challenges, but local industries have carved out niches in value-added, lightweight products suited for export. With a mix of textile-based items, handcrafted leather goods, and emerging food products, Mizoram's exports are likely driven by micro, small, and medium enterprises, with potential for further growth through improved connectivity and market access.



Source: Ministry of Commerce and Industry

The standout commodity is men's knitwear, particularly ensembles made from non-cotton textile materials, which form the backbone of Mizoram's outward shipments. This suggests a focused manufacturing segment catering to fashion or contract production. Following this, leather bags and cases especially wallets and leather-surfaced suitcases highlight the region's capability in crafting finished leather products. The quality and finish required for these items imply a certain level of artisanal expertise and market orientation. Bakery products also make a modest but noteworthy appearance, pointing to the potential of processed foods from the region perhaps supported by local ingredients or small-scale enterprises. Interestingly, the list also includes minuscule shipments of radioactive materials and isotopes, as well as healthcare services most likely anomalies or small-value technical exports that may relate to institutional activities or research-linked transfers. Lastly, the presence of iron and steel screws, though symbolic in volume, signals the early signs of diversification, even into industrial goods.

Success Stories

Success Story – Village to Export: A Composite Onboarding Approach



EPI 2024-Results and Conclusions

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
1  Export Infrastructure	 Utilities State's power and water availability	10	4.4	<ul style="list-style-type: none"> Limited installed and captive power, mainly dependent on large hydro projects, constrains Mizoram's energy demands for industrial development Limited logistics facilities leads to longer transit times and costs, reducing Mizoram's export competitiveness
	 Logistics State's transportation networks, freight connectivity and storage capacity	10	1.3	
2  Business Ecosystem	 Macroeconomy Evaluate economic output, manufacturing share and fiscal deficit	10	3.2	<ul style="list-style-type: none"> Macroeconomy faces a relatively high fiscal deficit, and limited industrial diversification Industrial and innovation growth held back by infrastructure gaps, and weak academia-industry linkages
	 Cost competitiveness Benchmarking cost of labour, water and power	5	3.5	
	 Human capital Understand education & employment parameters	5	1.5	
	 Finance and credit accessibility Relevant government schemes and insurance	5	0.6	
	 MSME ecosystem Assess growth and export contribution by MSMEs	10	5.0	
	 Industrial and innovation environment Infrastructure maturity	5	2.0	
3  Policy and Governance	 State policy support and governance State's export initiatives, digital first policies and ease of export documentation	15	3.4	<ul style="list-style-type: none"> Absence of a dedicated export policy limits the state's ability to provide targeted support to exporters Minimal number of certified exporters hampers Mizoram's capacity to meet global quality standards
	 Regulatory environment and compliance Quality standards and certifications, IEC, data readiness	5	0.0	

Pillar	Sub - Pillar	Total Score	Score	Key Insights/ Imperatives
4  Export Performance	State level exports and trends Export trends, growth in exporter base	5	1.3	<ul style="list-style-type: none"> Export facilitation limited by nascent infrastructure and emerging digital systems, constraining its competitiveness
	Export promotion and facilitation Government, infrastructure and digital maturity	5	1.6	<ul style="list-style-type: none"> Growth constrained by border trade disruptions, and inadequate processing capabilities, restricting its full market potential
	Export portfolio and market access Export destinations and key export commodities	10	2.6	

SWOT Analysis

Strengths				Weaknesses		
 Horticultural produce	 Focus on organic farming	 GI tagged products	 Active trade promotion efforts	 Limited industrial base	 Severe infrastructure bottlenecks	 Relatively higher costs of operation
Opportunities				Threats		
 Development of bamboo-based industries	 Act east policy and border trade	 Value added silk exports	 Scope for palm oil exports	 Overdependence on a single export destination	 Geopolitical instability along borders	 Outmigration of young talent

Strengths

Mizoram possesses rich horticultural diversity, with significant production of fruits like bananas, oranges, pineapples, and passion fruit, forming the backbone of its Agri-export potential. The state's strong focus on organic farming further enhances its global competitiveness, catering to rising international demand for clean, residue-free produce. Several of Mizoram's unique offerings have received Geographical Indication (GI) tags, such as the Mizo Chili and handicrafts like Hmaram and Pawndum among others, helping establish brand identity in niche markets. Notably, the state has demonstrated commendable enthusiasm in promoting its trade potential, organizing 28 trade fairs and exhibitions in recent years, which is a high number compared to other states of similar size and economic scale, signaling strong institutional intent to integrate local producers into broader markets.

Weaknesses

Mizoram continues to face challenges due to a limited industrial base, with very few organized industrial clusters or large-scale manufacturing units established in the state. This restricts the scope for industrial employment and limits opportunities for scaling up export-oriented production. Additionally, the state suffers from severe infrastructure bottlenecks, including underdeveloped road and rail connectivity, limited cold chain and warehousing facilities, and insufficient transport logistics, factors that constrain movement of goods and increase lead times. Furthermore, relatively higher costs of operation, including comparatively increased wage rates and water charges pose challenges for businesses, especially when benchmarked against other Northeastern states with similar profiles, thereby reducing competitiveness and deterring industrial investment.

Opportunities

The state's vast bamboo reserves, covering over 31% of its geographical area, create strong prospects for developing bamboo-based industries such as engineered wood, furniture, handicrafts, and incense sticks, which align with rising global demand for sustainable products. The state's location is strategically aligned with the Act East Policy, offering opportunities for enhanced border trade with Myanmar and Bangladesh, which could facilitate greater integration with Southeast Asian value chains. Additionally, value-added silk exports, especially those building on local Eri and Muga silk production, offer a niche export opportunity. The state also holds scope for palm oil exports, with potential for expansion through targeted agro-industrial initiatives.

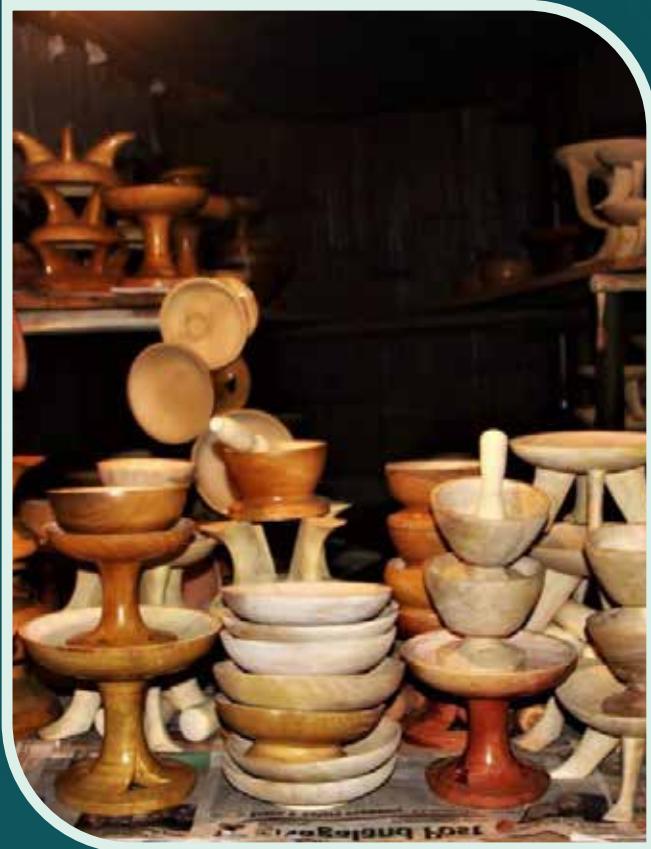
Threats

Mizoram's overdependence on a single export destination, with 66% of exports directed to Yemen, creates significant vulnerability to market disruptions or trade barriers originating from geopolitical or economic shocks in that region. Moreover, the state's geographical positioning along politically sensitive and occasionally volatile international borders can pose serious challenges to consistent trade flows, infrastructure development, and investor confidence. Instances of cross-border tension or insurgent activity can result in border closures or transport disruptions, limiting the reliability and scalability of international trade. Compounding these risks is the outmigration of young talent, driven by limited industrial and professional opportunities, which gradually erodes the availability of skilled human capital essential for export-oriented growth.

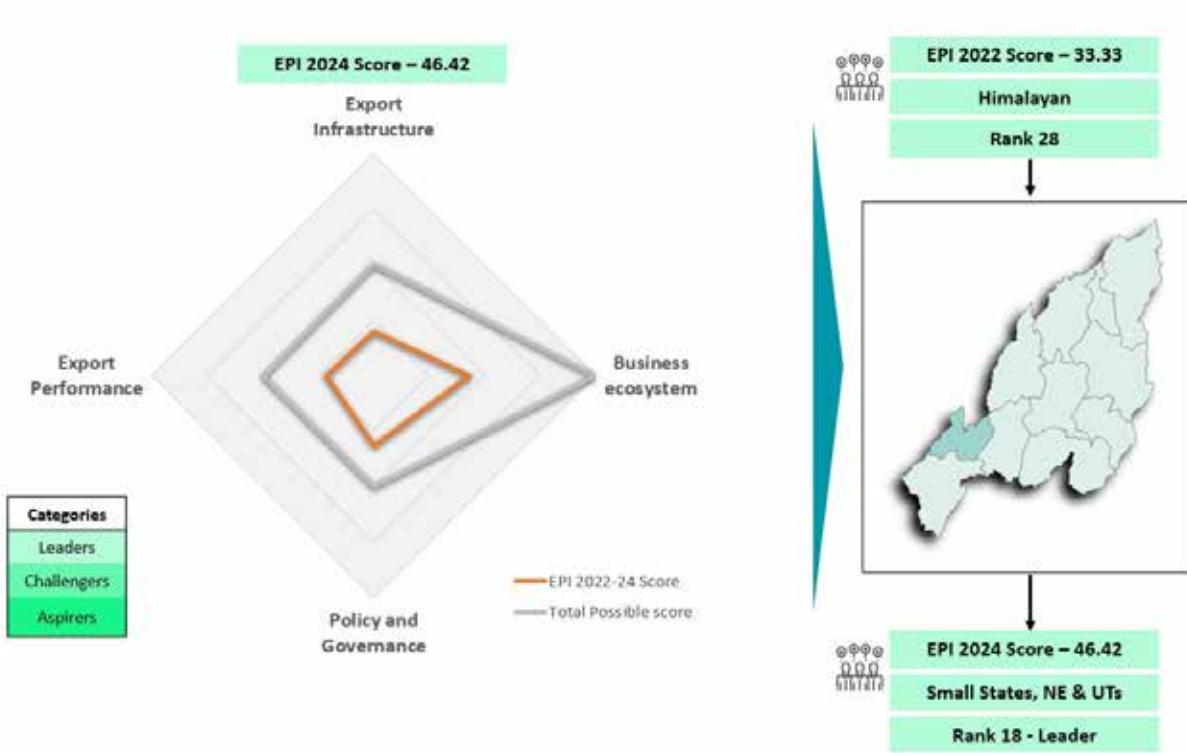
Strategic Roadmap – Focus Areas

Considering global consumption trends and existing strengths, Mizoram should direct efforts toward:

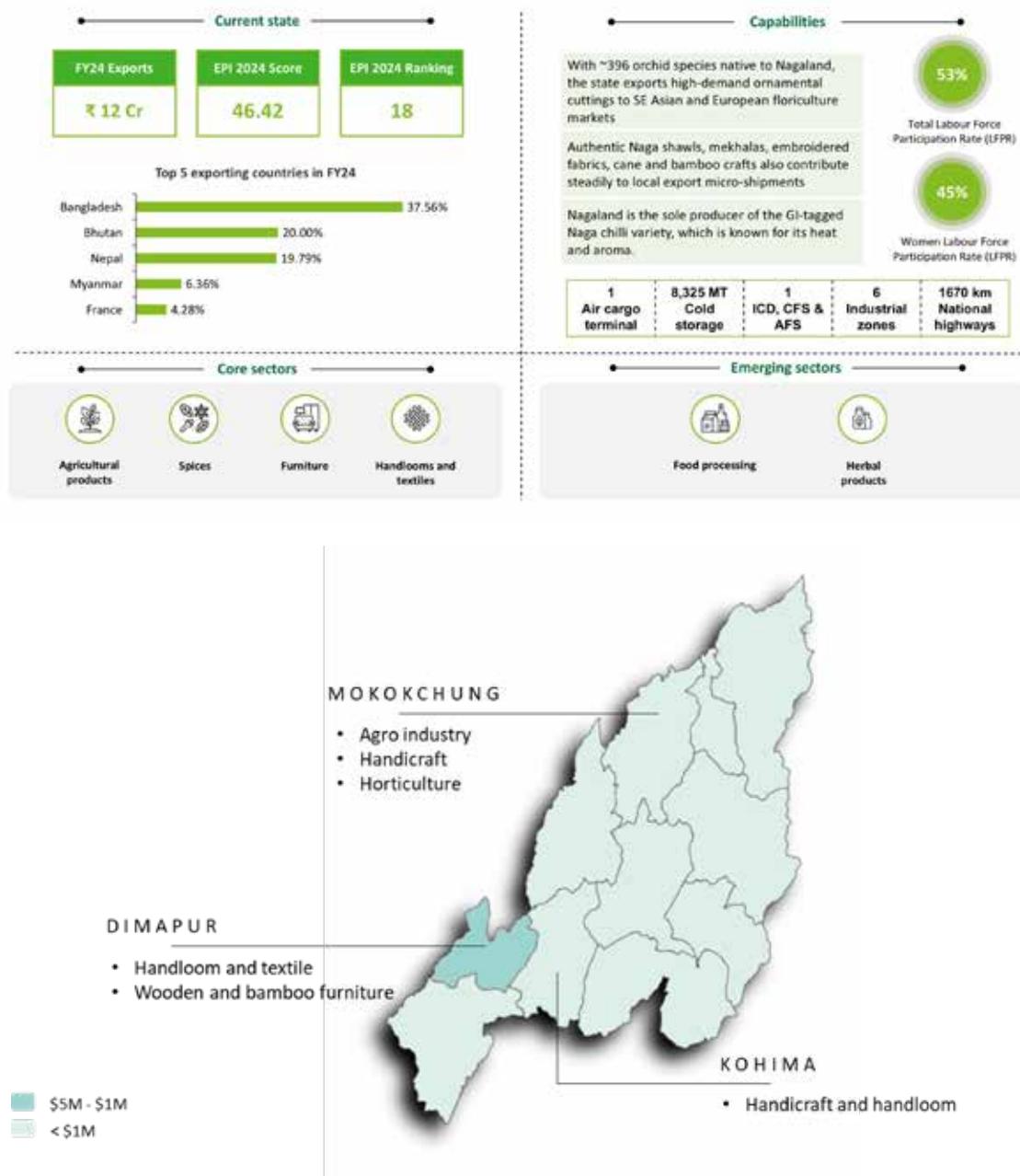




Nagaland



5.2.15 Nagaland



Source: Ministry of commerce and industry

Introduction

Nagaland, one of the seven northeastern states of India, is located on the far eastern edge of the country. It shares its borders with Myanmar to the east, Arunachal Pradesh to the north, Assam to the west, and Manipur to the south. The state is rich in natural resources, including significant reserves of minerals, petroleum, and hydropower. GSDP of Nagaland for FY24 is recorded at ₹39,566 crore. Notably, Nagaland has unexploited reserves of approximately 600 million MT of crude oil and over 20 MT of hydrocarbons. Additionally, it possesses around 315 MT of coal reserves and 1,038 MT of limestone reserves, offering considerable potential for future industrial and energy development.¹⁴⁴

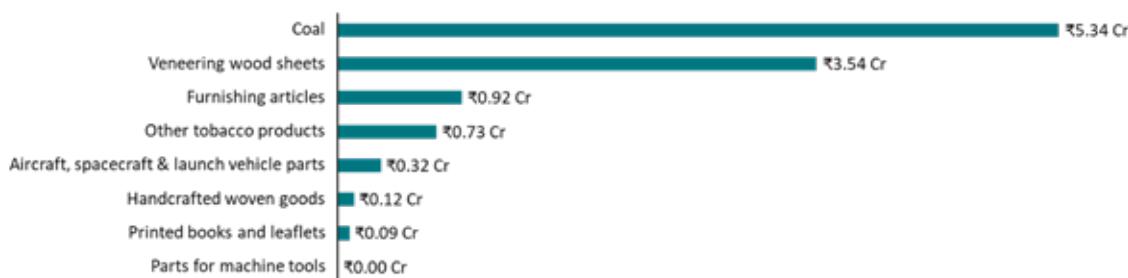
Nagaland offers significant commercial potential owing to its favorable Agri-climatic conditions, especially in floriculture and horticulture. The state is home to 650 indigenous species of medicinal and aromatic plants, enhancing both its agricultural and ecological value. In FY24, horticulture crop production reached approximately 901.68 thousand metric tons across 93.2 thousand hectares. The state holds significant potential for organic honey and pollen production, thanks to its rich biodiversity, traditional knowledge, widespread beekeeping practices, and the presence of numerous honeybee species. The state is estimated to be capable of producing around 15,000 metric tons of honey and 100 metric tons of wax annually.

Nagaland also plays a notable role in India's bamboo economy, with its bamboo growing stock representing nearly 5% of the national total. Additionally, the state has demonstrated steady progress in sericulture, with raw silk production increasing from 264 metric tons in FY21 to 304 metric tons in 2022–23. These strengths underscore Nagaland's growing importance in sectors tied to biodiversity, traditional agriculture, and sustainable natural resource utilization.

The state recorded total exports worth ₹11.7 crore in FY24, with major export items including minerals, handloom products, engineering goods and manufactured tobacco. These sectors collectively reflect the state's growing economic diversification and export potential. The state received business investment intent in various sectors worth ₹4,560 crore from both national and international business delegates during the Business 20 conference in April 2023.

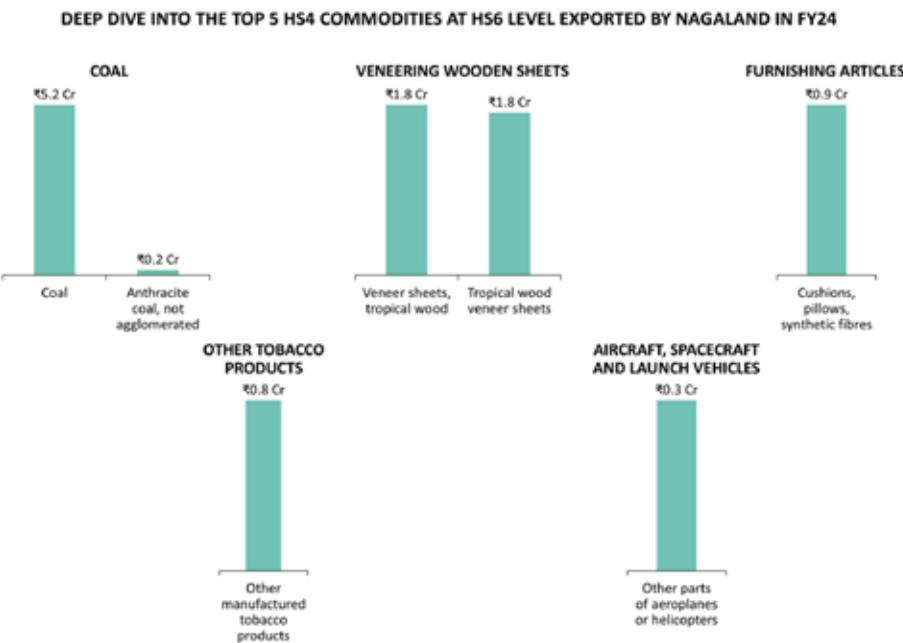
Export Statistics

TOP HS4 COMMODITIES EXPORTED BY NAGALAND IN FY24



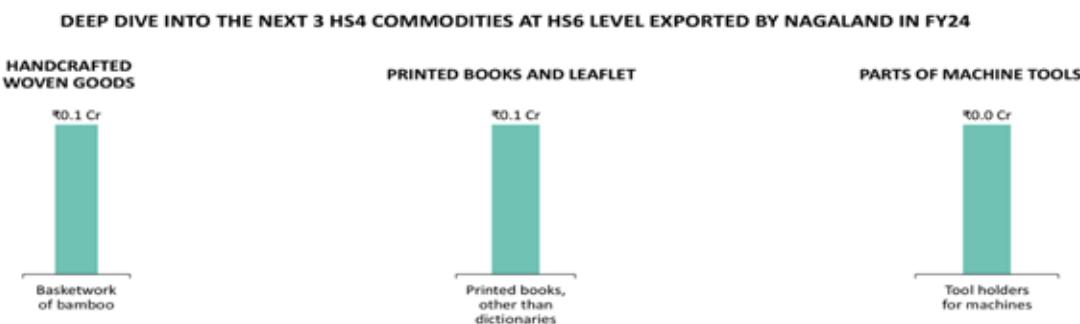
Source: Ministry of Commerce and Industry

Nagaland's export landscape is largely shaped by its natural resources and traditional artisanal crafts. The state's leading export commodity is coal, specifically anthracite coal, not agglomerated, which forms the backbone of its mineral exports. The availability of high-quality coal deposits in Nagaland supports significant shipments to domestic and international markets. Alongside coal, veneering wood sheets, including tropical wood veneer sheets, contribute substantially to the export value. The rich forest resources of Nagaland facilitate the production of these wood products, which are used widely in furniture and interior decoration industries.



Source: Ministry of Commerce and Industry

Examining further within the top export groups, Nagaland has notable exports in tropical wood veneer sheets and furnishing articles, such as cushions and pillows made of synthetic fibers, reflecting growing capabilities in value-added wood and textile products. The state also exports other tobacco products, a significant item given the region's traditional tobacco cultivation and processing practices. Additionally, exports of aircraft and spacecraft parts, mainly "other parts of airplanes or helicopters", indicate emerging industrial activities, possibly linked to niche manufacturing or assembly units. The export of handcrafted woven goods like basketwork of bamboo underscores Nagaland's strong heritage in bamboo craftsmanship.



Source: Ministry of Commerce and Industry

While Nagaland's current exports are dominated by coal and forest products, there is clear potential for growth in other segments. Categories such as printed books and leaflets and parts for machine tools, including tool holders for machines, represent opportunities for industrial diversification and expansion. The development of local manufacturing ecosystems and enhancement of artisan skills could help scale up exports in these areas. Focusing on sustainable resource management, product innovation, and improved market access will be crucial for Nagaland to leverage its diverse export potential and drive broader economic growth.

Success Stories



EPI 2024-Results and Conclusions

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
1 Export Infrastructure	 Utilities State's power and water availability	10	4.7	<ul style="list-style-type: none"> ▪ Nagaland's limited installed and captive power, reliant on an aging hydro plant, restricts energy supply and hinders industrial and export growth ▪ Limited logistics facilities leads to longer transit times and costs, reducing Nagaland export competitiveness

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
2 Business Ecosystem	 Macroeconomy Evaluate economic output, manufacturing share and fiscal deficit	10	6.2	<ul style="list-style-type: none"> ▪ High youth educated unemployment, low higher education enrollment, and over-reliance on government jobs ▪ Infrastructure gaps, weak innovation hubs, and poor R&D–industry linkages

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
3	 State policy support and governance State's export initiatives, digital first policies and ease of export documentation	15	10.1	<ul style="list-style-type: none"> Absence of digital infrastructure for export documentation creates procedural delays
	 Regulatory environment and compliance Quality standards and certifications, IEC, data readiness	5	2.5	<ul style="list-style-type: none"> The limited pool of certified manufacturers restricts Nagaland's ability to build credibility and competitiveness in international markets
4	 State level exports and trends Export trends, growth in exporter base	5	3.7	<ul style="list-style-type: none"> Absence of a single-window clearance mechanism hinders ease of export operations
	 Export promotion and facilitation Government infrastructure and digital maturity	5	2.1	<ul style="list-style-type: none"> Export market diversification remains modest, with scope to expand presence across a wider range of international destinations
	 Export portfolio and market access Export destinations and key export commodities	10	2.8	

SWOT Analysis

Strengths				Weaknesses		
 Organic farming	 Agri-export zones	 Cross-Border trade infrastructure	 High literacy rate	 Underdeveloped industrial base	 Inadequate financial ecosystem	 Weak infrastructure & connectivity
Opportunities				Threats		
 Cross-border exports	 Value added bamboo industry	 Horticulture exports	 Digital marketing	 Logistics costs	 Outmigration of young talent	 Accounting of exports in neighbouring states

Strengths

Nagaland's core strength lies in its thriving organic farming ecosystem, built on traditional, chemical-free practices and strong community participation. Over 6,800 hectares are under certified organic cultivation, producing high-value, GI-tagged crops like Naga Mircha (King Chili), ginger, and millets. Schemes such as the Mission Organic Value Chain Development for Northeastern Region (MOVCDNER) and Paramparagat Krishi Vikas Yojana (PKVY) provide training, certification, and input support, especially benefiting tribal communities and women-led cooperatives. Agri-export zones in Dimapur and Kohima enhance export readiness by linking organic clusters to global markets. Nagaland's location on the India-Myanmar border, with facilities like the ICP at Moreh and trade points at Longwa and Pangsha, boosts cross-border trade. This strengthens links to Southeast Asia and positions the state as a hub for regional trade and economic diversification. In addition, the state has high literacy rate of around 80% which is a key socio-economic strength, fostering a well-informed and education-focused population. It supports youth-driven skill development, entrepreneurship, and civic engagement. The relatively high female literacy also promotes gender equity and greater participation of women in governance and the workforce.

Weaknesses

Nagaland's export potential is constrained by an underdeveloped industrial base, with limited presence in large-scale and value-added manufacturing sectors. The economy remains focused on agriculture, handicrafts, and cottage industries, which lack the scale and infrastructure for global competitiveness. Nagaland faces a weak financial and industrial base, with limited private investment and few large-scale enterprises or anchor companies establishing operations, hindering industrial growth and export-linked value addition. Informal cross-border trade with Myanmar, driven by porous borders and weak enforcement, results in revenue leakage and unrecorded exports. Additionally, limited road and rail networks, inadequate warehousing, and the lack of direct air cargo facilities hinder the smooth movement of goods, delaying shipments and reducing Nagaland's competitiveness in international markets.

Opportunities

Nagaland's strategic location near Myanmar and Southeast Asia, supported by India's Act East Policy and projects like the Asian Highway Network, offers strong opportunities for cross-border trade. The state's abundant bamboo resources provide great potential for value-added products like furniture and handicrafts, which can boost exports and rural employment through better technology and branding. Expanding horticulture exports of crops like pineapples and medicinal plants, along with improved infrastructure such as cold storage and processing facilities, will help meet rising global demand. Skill development and entrepreneurship training, coupled with better access to finance via schemes like PMEGP and MUDRA, can support local businesses. Nagaland has significant opportunities to leverage digital marketing to expand the reach of its unique products, including organic agricultural produce, handicrafts, and handloom goods. E-commerce platforms and strategic online promotions can help artisans and farmers access international markets directly, increase brand visibility, and boost export potential.

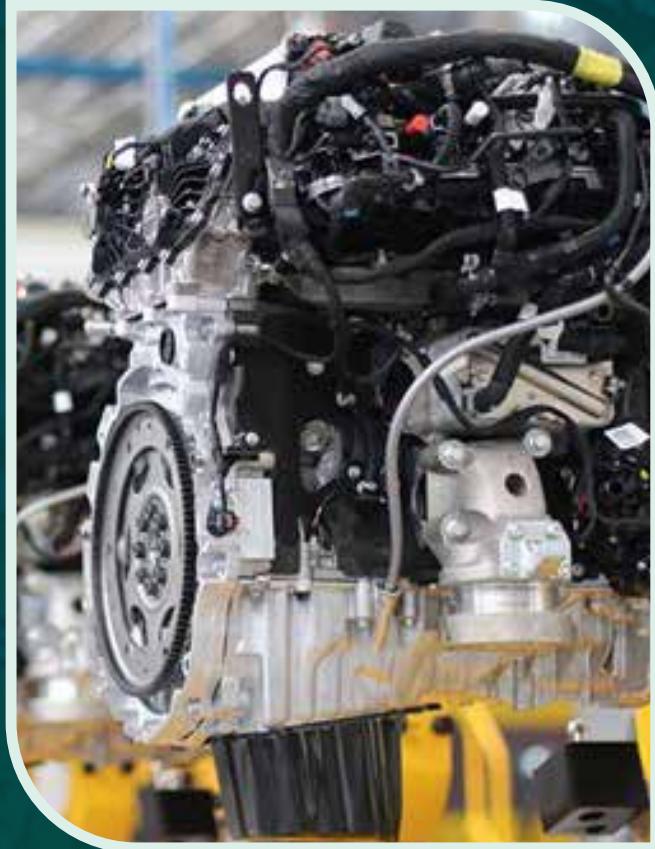
Threats

Nagaland's export competitiveness is hindered by high logistics costs, significantly exceeding the national average of 8.3% of GDP (NCAER). The state's challenging terrain, inadequate infrastructure, and dependence on slow, costly road transport exacerbated by frequent landslides and the absence of direct rail connections to ports increase freight expenses, reduce exporter profits, and discourage investment. Additionally, Nagaland faces a critical loss of human capital due to the outmigration of educated and skilled youth seeking better job opportunities. The latest Periodic Labor Force Survey (PLFS) 2023-24 reports youth unemployment at 27.4%, rising to 39.6% in urban areas, which undermines innovation, entrepreneurship, and the growth of export-oriented sectors. Moreover, a major challenge for Nagaland's exports is the misattribution of its goods to neighboring states like Assam and West Bengal due to the lack of local export infrastructure. Without functional dry ports, customs stations, or warehousing facilities, many products are routed through other states. This leads to underreporting of Nagaland's actual export performance and limits its visibility in policy decisions.

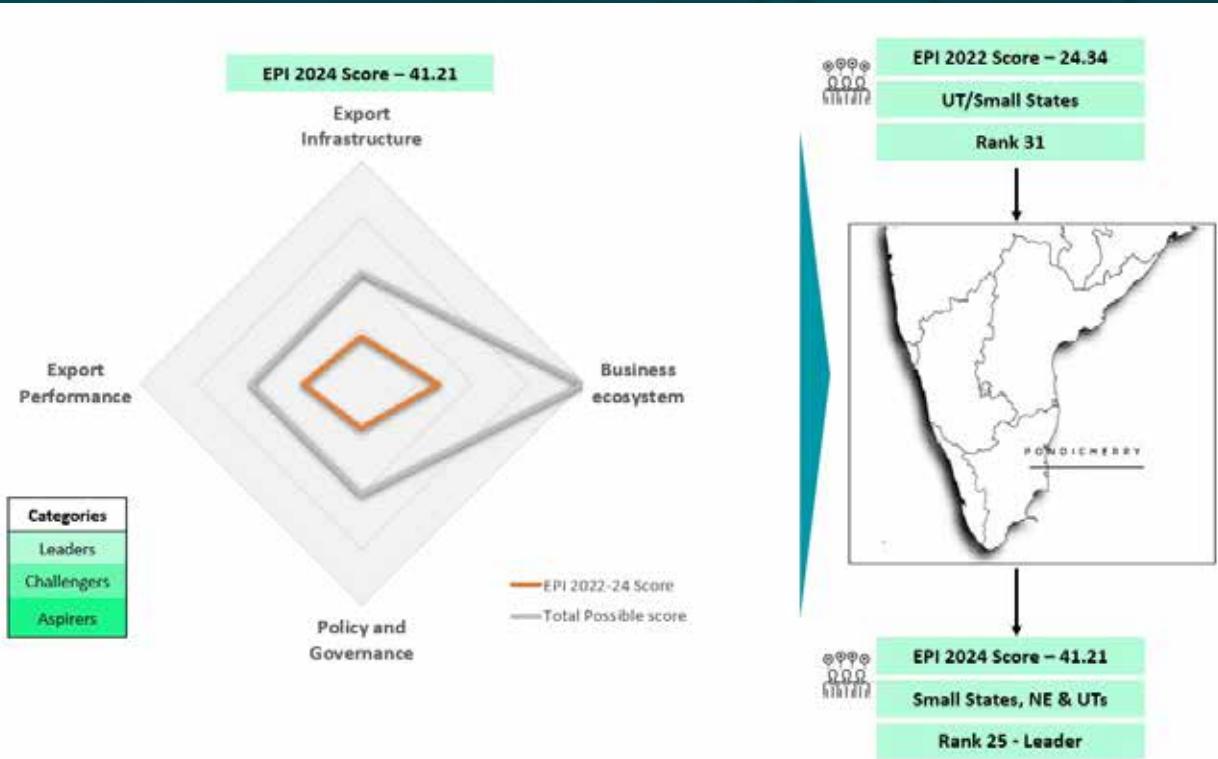
Strategic Roadmap – Focus Areas

Considering global consumption trends and existing strengths, Nagaland should direct efforts toward:

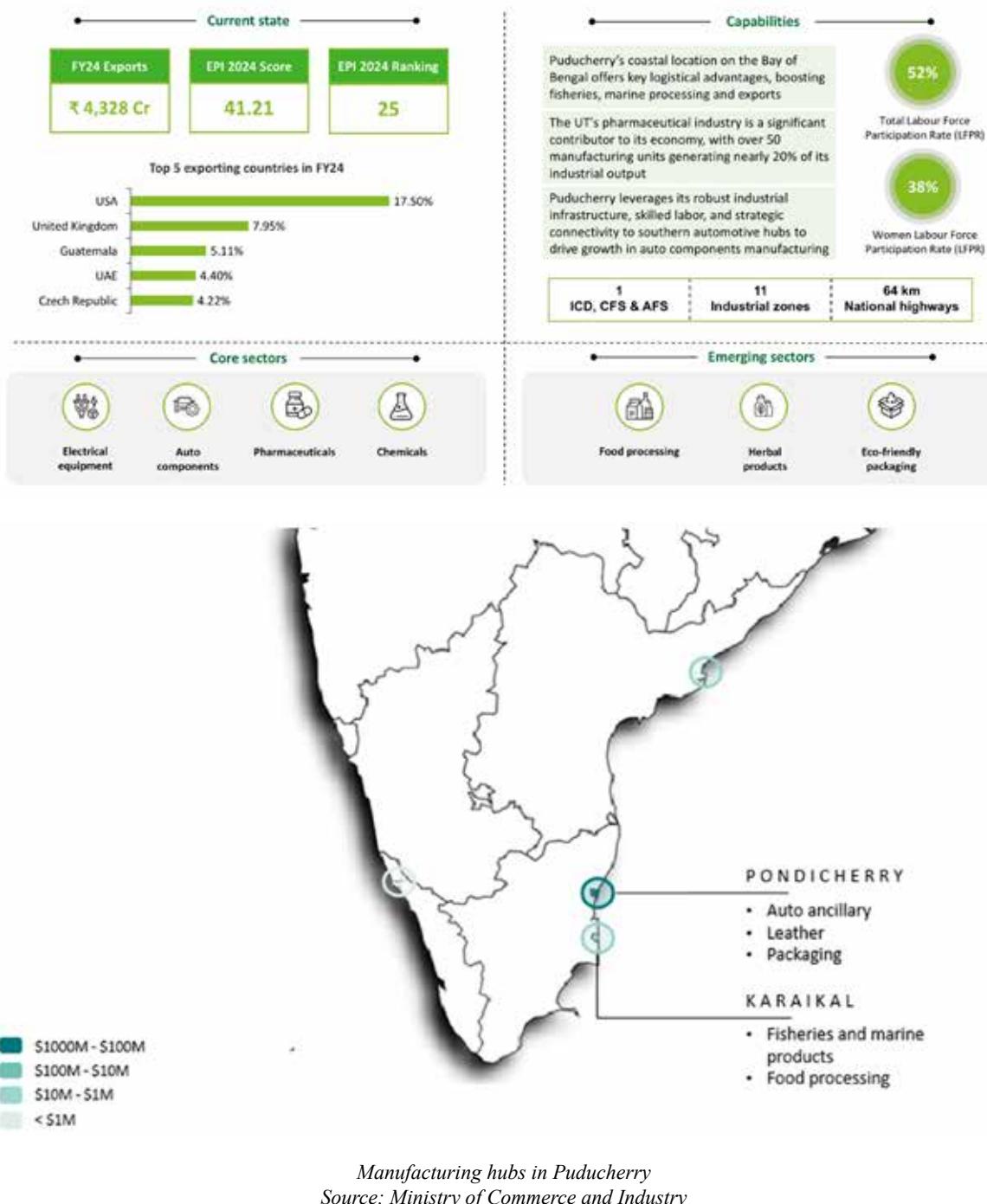




Puducherry



5.2.16 Puducherry



Introduction

Puducherry, a Union Territory located along India's southeastern coastline, is unique in its geographic distribution, comprising four enclaves, Puducherry, Karaikal, Mahe, and Yanam, spread across Tamil Nadu, Kerala, and Andhra Pradesh. Covering a total area of 490 sq. km, the territory has a population of approximately 1.6 million, with a relatively high literacy rate of 85.8%. Puducherry's colonial heritage, vibrant tourism infrastructure, and serene coastal environment make it a major tourist draw. Key attractions include its beaches, French colonial architecture, and religious sites, with growing infrastructure investments under the 10-year Tourism Perspective Plan aimed at generating 5,000 jobs over five years.

The Union Territory is increasingly recognized for its industrial and logistical infrastructure. Puducherry has nine established industrial estates housing over 9,400 registered industrial units, including 77 large-scale and over 9,100 small and medium-scale enterprises. Key industries include textiles and garments, chemicals, leather goods, electronics, food processing, and light engineering. The secondary sector accounted for 48.2% of the Gross State Value Added (GSVA) in FY22, and the UT's GSDP grew at a CAGR of 7.6%, reaching ₹47,901 crore by FY24.

Export performance from Puducherry has been gaining momentum, with total exports reaching ₹4,327 crore in FY24. The Union Territory leverages port connectivity through Puducherry Port and the deep-draft Karaikal Port, which is projected to handle over 125 MMT of cargo by 2025 under Adani Ports' development. The government has supported the fisheries sector with a dedicated budget of ₹108.3 crore and technology interventions such as subsidized GPS-enabled transponders to improve safety and traceability. Puducherry's export preparedness is underpinned by its focus on port modernization, renewable energy adoption, and digitization of industrial governance.

Export Statistics

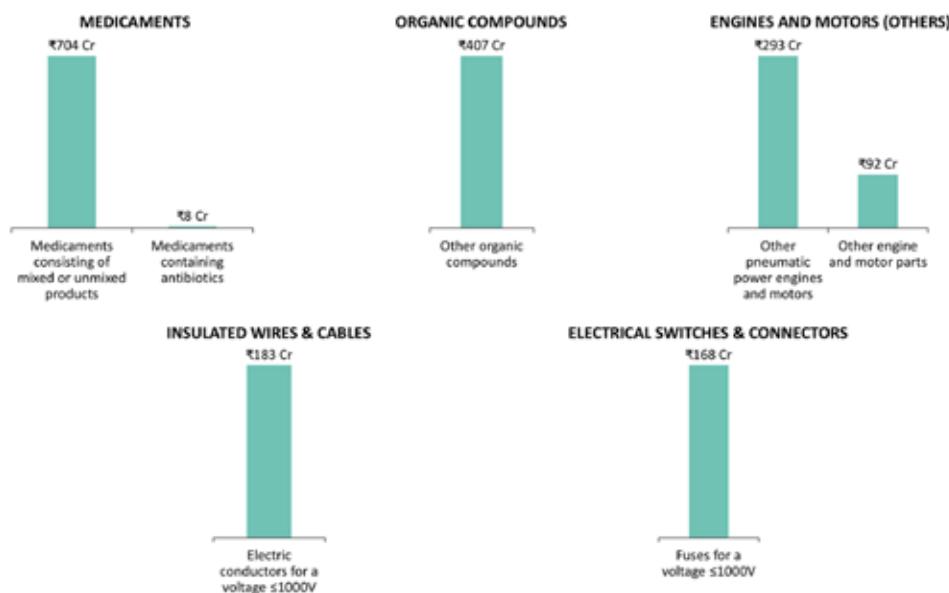
TOP 10 HS4 COMMODITIES EXPORTED BY PUDUCHERRY IN FY24



Source: Ministry of Commerce and Industry

Puducherry's export landscape is defined by its strong industrial orientation, anchored by a robust pharmaceutical sector and a notable presence in engineering goods and electrical components. With a foundation built on industrial parks and consistent investments in manufacturing, the union territory leverages its proximity to Tamil Nadu's supply chain ecosystem while carving a distinct identity in select high-value domains. Its export profile suggests a mature manufacturing base that caters to global demands across healthcare, electronics, chemicals, and automotive parts.

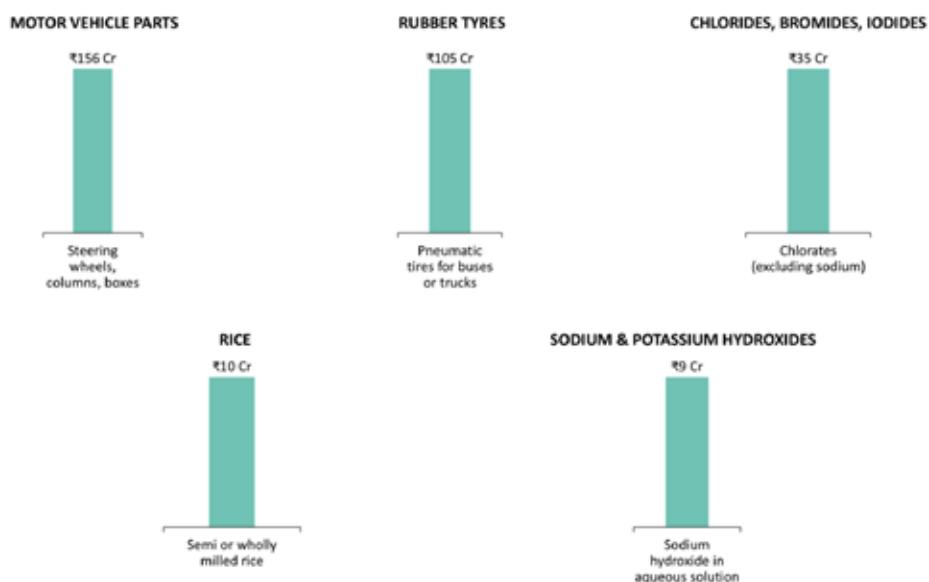
DEEP DIVE INTO THE TOP 5 HS4 COMMODITIES AT HS6 LEVEL EXPORTED BY PUDUCHERRY IN FY24



Source: Ministry of Commerce and Industry

Medicaments top the charts by a wide margin, led primarily by mixed or unmixed formulations used in a broad range of treatments. The pharmaceutical segment is further supported by antibiotic-based products, pointing to a strong formulation and packaging capability in the region. Organic compounds, too, occupy a significant share, dominated by specialized, export-oriented chemical intermediates which suggests integration with global pharmaceutical and specialty chemical supply chains. Exports of engines and motors reflect another key strength, with a split between pneumatic power units and a wide range of associated parts, indicating a well-rounded capability in precision mechanical systems. Electrical products also feature prominently, with insulated cables and low-voltage electric conductors reflecting demand in construction, electronics, and power sectors, while the export of electrical switches and connectors points toward a mature electricals manufacturing base.

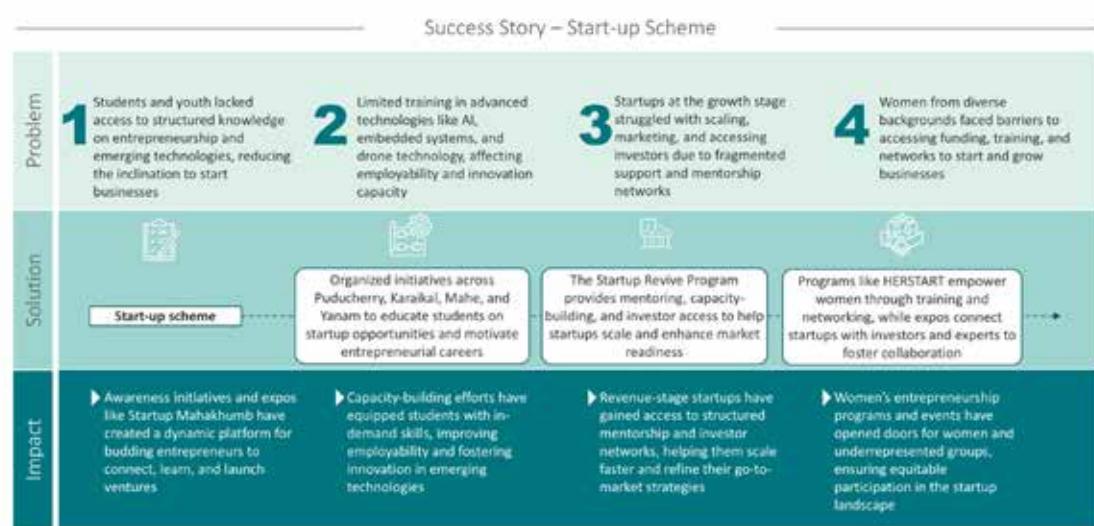
DEEP DIVE INTO THE NEXT 5 HS4 COMMODITIES AT HS6 LEVEL EXPORTED BY PUDUCHERRY IN FY24



Source: Ministry of Commerce and Industry

The next tier of exports is equally diverse. Automotive parts, such as steering components, underscore Puducherry's integration with southern India's auto manufacturing corridors. Rubber tires, especially those used in commercial vehicles like buses and trucks, further reflect this alignment. Among chemical exports, the presence of chlorates and hydroxides, such as sodium hydroxide, suggests steady output in basic industrial chemicals. On the agricultural side, milled rice appears in modest volumes, possibly representing either niche varieties or residual Agri-processing. Together, these exports reflect an industrial base that spans sophisticated pharmaceuticals to practical components, with an underlying consistency in manufacturing scale and export readiness.

Success Stories



EPI 2024-Results and Conclusions

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
 1 Export Infrastructure	 Utilities State's power and water availability	10	4.8	<ul style="list-style-type: none"> • Limited renewable energy penetration restricts the state's ability to meet increasing business demand for sustainable power • Lack of FTWZs requires reliance on neighboring states, raising transit time, costs, and weakening export performance
	 Logistics State's transportation networks, freight connectivity and storage capacity	10	3.8	

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
2  Business Ecosystem	Macroeconomy Evaluate economic output, manufacturing share and fiscal deficit	10	2.0	<ul style="list-style-type: none"> Low manufacturing share, weak industrial diversification, and fiscal stress from high revenue expenditure MSMEs face low operational activity, minimal export contribution, and weak data transparency
	Cost competitiveness Benchmarking cost of labour, water and power	5	2.2	
	Human capital Understand education & employment parameters	5	1.8	
	Finance and credit accessibility Relevant government schemes and insurance	5	0.9	
	MSME ecosystem Assess growth and export contribution by MSMEs	10	5.1	
	Industrial and innovation environment Infrastructure maturity	5	2.0	
3  Policy and Governance	State policy support and governance State's export initiatives, digital first policies and ease of export documentation	15	8.0	<ul style="list-style-type: none"> Slow adoption of digital systems for export procedures and documentation limits Puducherry's ability to streamline processes A lack of trade fairs reduces opportunities for exporters to widen market access and build global linkages
	Regulatory environment and compliance Quality standards and certifications, IEC, data readiness	5	0.0	
4  Export Performance	State level exports and trends Export trends, growth in exporter base	5	3.5	<ul style="list-style-type: none"> Absence of a single-window clearance mechanism hinders ease of export operations Export market diversification remains modest, with scope to expand presence across a wider range of international destinations
	Export promotion and facilitation Government infrastructure and digital maturity	5	1.5	
	Export portfolio and market access Export destinations and key export commodities	10	5.6	

SWOT Analysis

Strengths				Weaknesses		
						
Significant industrial landscape	Proximity to major ports and industrial ecosystems	Export oriented skill development and skilled manpower	Leveraging international connections	Limited port capacity and infrastructure	Insufficient Air Freight Infrastructure	Lack of cold chain infrastructure
Opportunities				Threats		
						
Enhancing marine exports	Diversifying to high-value pharma exports	Export participation from MSMEs	Position as an R&D destination	Regulatory and environmental constraints	Limited space for industrial expansion	Outmigration of workforce

Strengths

Puducherry hosts a well-established industrial landscape, with over 25 industrial estates and major sectoral strengths in automotive components, pharmaceuticals, chemicals, and electrical components. The UT benefits from proximity to key industrial corridors in Tamil Nadu, including Chennai and Sriperumbudur, enabling integration with larger supply chains. Its location along the southern coast offers convenient access to ports such as Chennai and Karaikal, facilitating smoother export logistics and multimodal connectivity. Puducherry's technical and vocational training institutes, aligned with industry needs, develop skilled manpower and a pipeline of export-ready talent proficient in manufacturing, compliance, and international trade. Additionally, Puducherry's historical French connections and large diaspora in France and the Francophone world offer opportunities to leverage cultural and trade ties for niche export markets and tourism-linked exports.

Weaknesses

Despite its strategic location, Puducherry's port infrastructure remains underdeveloped, with limited cargo handling capacity and no large-scale container terminals, making it reliant on nearby ports like Chennai and Karaikal. This dependency increases logistics costs and delays. In addition, the UT's air cargo capacity hampers the timely export of high-value goods, increases costs, undermines competitiveness, and discourages investment in industries dependent on rapid supply chains. Furthermore, the lack of robust cold chain infrastructure hampers export potential in marine products, perishables, and pharmaceuticals, sectors where temperature control is essential for value retention and regulatory compliance.

Opportunities

Puducherry's coastal location and active fishing base offer a foundation for scaling up marine exports, particularly in seafood processing and value-added aquaculture products. The UT is also positioned to diversify into high-value pharmaceutical exports, leveraging its existing base of formulation units and proximity to the Chennai pharma cluster. Enabling policies can drive greater export participation from MSMEs, which account for a significant share of the UT's industrial base. Additionally, Puducherry's high literacy, research institutions, and peaceful

environment make it well-suited to emerge as an R&D destination, particularly in biotech, green chemistry, and food technology, areas with growing global demand.

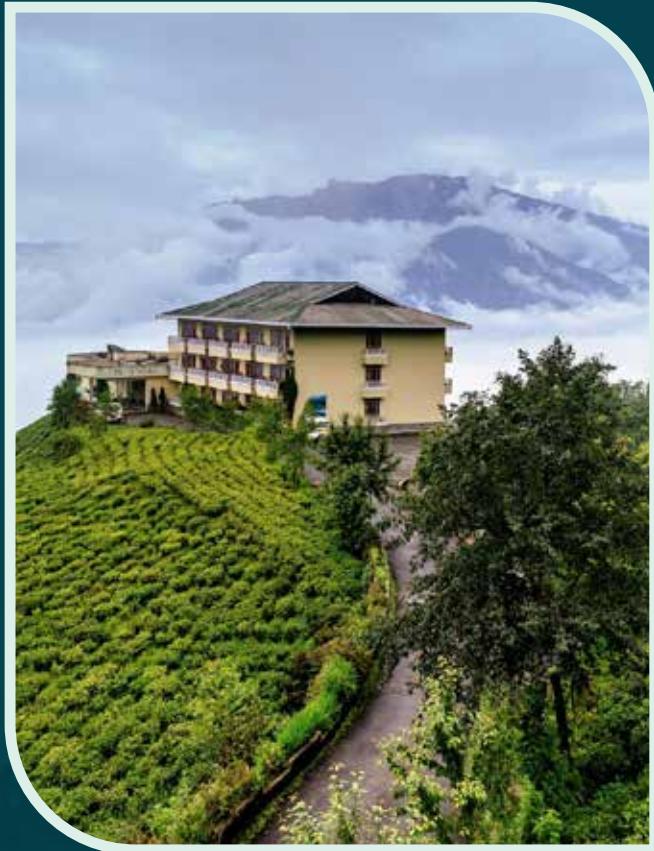
Threats

Puducherry faces growing regulatory and environmental constraints, particularly from coastal zone norms, land use regulations, and pollution control mandates, which can restrict industrial operations along the coast. The UT's geographic compactness limits availability of land for new industrial zones, creating challenges for space-intensive manufacturing. In addition, there is a trend of outmigration of the workforce, especially among the youth, which affects the availability of skilled human capital and may reduce long-term competitiveness in knowledge-intensive and export-driven sectors.

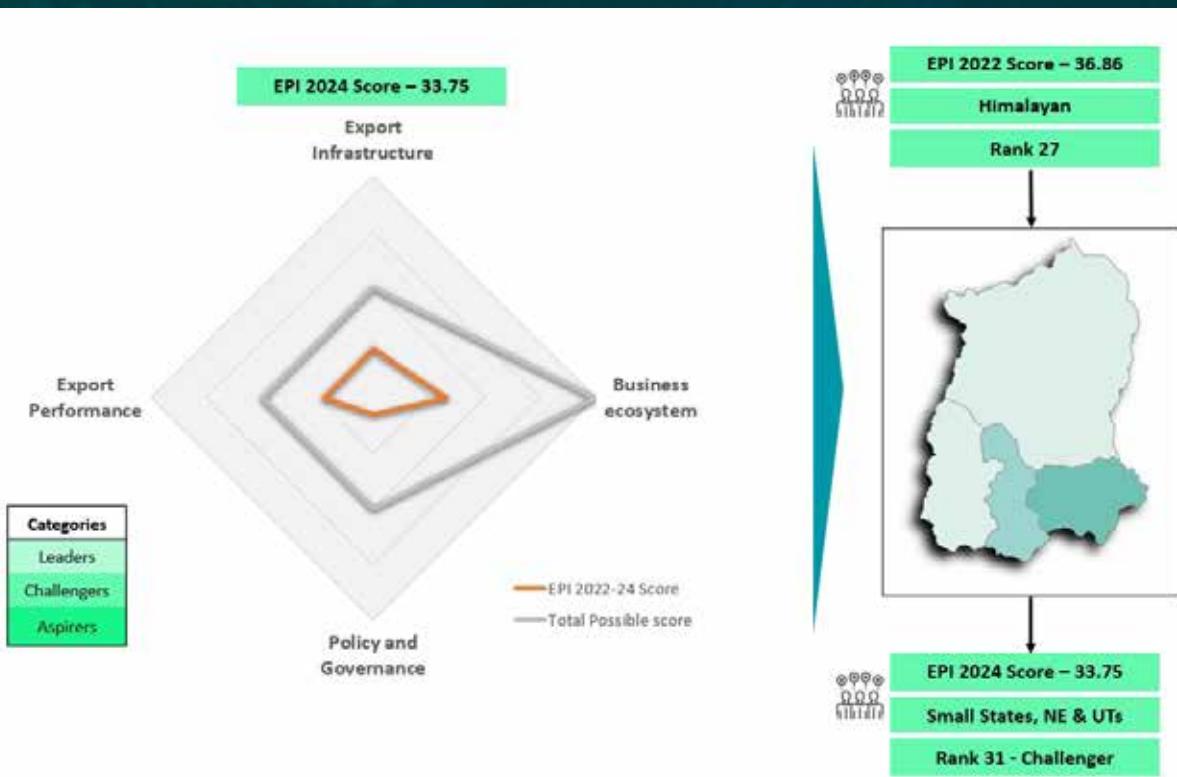
Strategic Roadmap – Focus Areas

Considering global consumption trends and existing strengths, Puducherry should direct efforts toward:

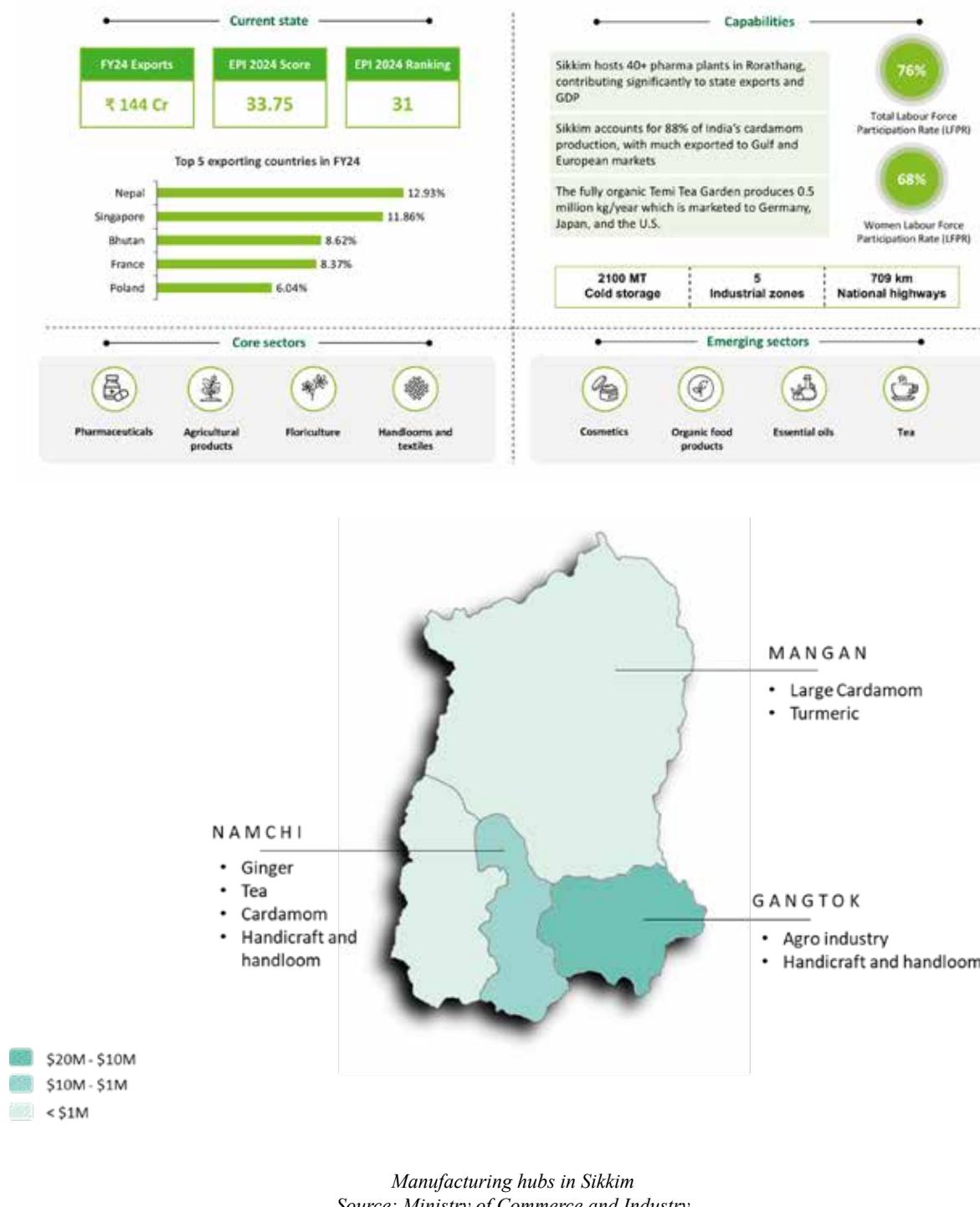




Sikkim



5.2.17 Sikkim



Introduction

Nestled in the eastern Himalayas, Sikkim is India's least populous state and one of the most environmentally conscious regions. Despite its small size, Sikkim has made notable strides in economic development, with a GSDP of approximately ₹47,700 crore in FY24. The state's total export value in FY24 stood at around ₹142.3 crore, a significant figure given its demographic and geographic scale. Sikkim's export profile is dominated by the pharmaceutical sector, which accounts for a large share of its outbound trade, followed by organic agricultural products and handicrafts.

A standout feature of Sikkim's economy is its thriving pharmaceutical industry. Over the past decade, the state has attracted major pharmaceutical companies, thanks to its industry-friendly policies, tax incentives, and pollution-free environment. This sector alone contributes a substantial share of Sikkim's exports and industrial output. In addition, Sikkim's push towards organic farming has created international demand for products such as ginger, large cardamom, turmeric, and buckwheat. These are increasingly finding niche markets in countries interested in sustainably grown food products.

However, Sikkim faces significant structural and logistical constraints. Its mountainous terrain and landlocked geography lead to high transportation costs and a heavy reliance on the Siliguri Corridor in West Bengal for the movement of goods. The absence of direct access to major ports or international cargo airports, coupled with limited availability of industrial land, constrains the state's ability to expand large-scale export-oriented industries. Export infrastructure is largely reliant on road connectivity, which is vulnerable to weather disruptions.

Nonetheless, Sikkim presents a compelling case of a small state leveraging its strengths namely clean industry, organic farming, and environmental branding to create a distinct export niche. Its contribution to India's export basket may be modest in scale, but it stands out in terms of product identity and sustainability-driven trade.

Export Statistics

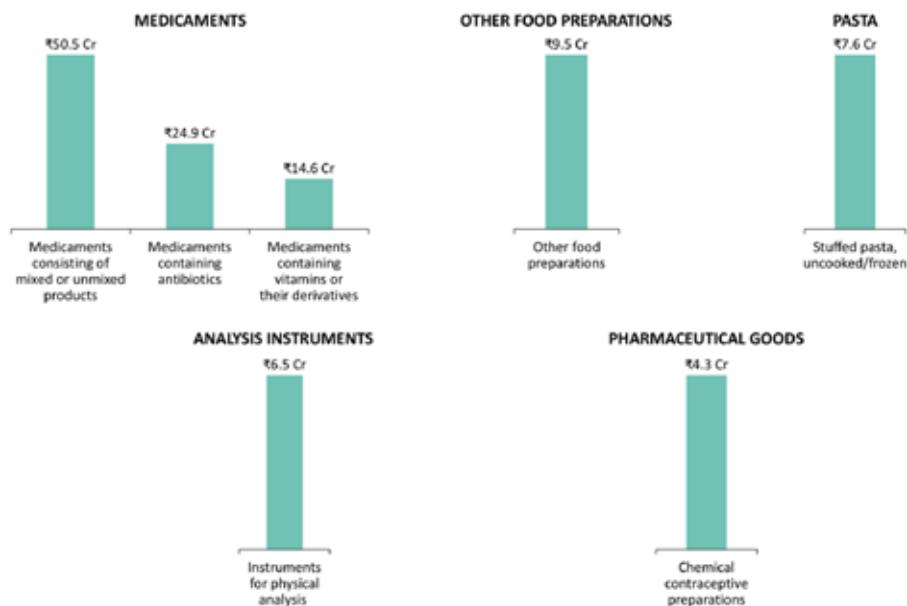
TOP 10 HS4 COMMODITIES EXPORTED BY SIKKIM IN FY24



Source: Ministry of Commerce and Industry

Sikkim's export profile is a compelling example of how a small state can carve a niche through specialization in high-value, low-volume industries. Dominated by pharmaceuticals, the state's export strategy capitalizes on its clean environment and investor-friendly policies to attract leading healthcare manufacturers. This focus on precision manufacturing, complemented by smaller yet sophisticated categories like instruments and food products, reflects a well-orchestrated industrial policy aimed at sustainable and high-margin sectors. Though the scale is modest, the composition of exports highlights Sikkim's growing importance in quality-driven manufacturing.

DEEP DIVE INTO THE TOP 5 HS4 COMMODITIES AT HS6 LEVEL EXPORTED BY SIKKIM IN FY24



Source: Ministry of Commerce and Industry

Pharmaceuticals form the backbone of Sikkim's exports, led by a strong presence of finished medicaments. The bulk of this comes from mixed and unmixed formulations, followed by specialized products containing antibiotics and vitamins suggesting a diversified production line within therapeutic segments. Closely aligned to this are other food preparations and pasta, which hint at auxiliary food processing units, likely driven by the state's clean water and regulatory compliance advantages. The pasta exports are mainly of the stuffed, uncooked, or frozen variety, suggesting a focus on packaged convenience foods with export-friendly shelf lives. Together, these sectors paint a picture of a tightly integrated, high-quality manufacturing ecosystem.

DEEP DIVE INTO THE NEXT 5 HS4 COMMODITIES AT HS6 LEVEL EXPORTED BY SIKKIM IN FY24



Source: Ministry of Commerce and Industry

The next set of products reflects Sikkim's branching into precision and niche markets. Instruments for physical analysis lead this segment, indicating export-oriented production in scientific equipment. Pharmaceutical goods such as contraceptive preparations add further depth to the state's healthcare portfolio. Plastic packaging products and parts for precision instruments, though modest in value, point to supporting industries that enable the pharma and scientific sectors. Meanwhile, malt extracts and beauty products suggest emerging consumer-focused segments, while medical dressings round out the portfolio with specialized healthcare essentials. Collectively, these categories suggest a measured but strategic diversification into complementary and value-added sectors.

Success Stories



EPI 2024-Results and Conclusions

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
1 Export Infrastructure	Utilities State's power and water availability	10	4.4	<ul style="list-style-type: none"> Sikkim's modest, hydro-dependent power capacity with limited captive sources reduces energy flexibility and restricts industrial and export growth
	Logistics State's transportation networks, freight connectivity and storage capacity	10	4.4	<ul style="list-style-type: none"> Limited logistics facilities leads to longer transit times and costs, reducing Sikkim export competitiveness

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
2  Business Ecosystem	 Macroeconomy Evaluate economic output, manufacturing share and fiscal deficit	10	5.9	<ul style="list-style-type: none"> MSMEs face infrastructure constraints, limited scalability due to mountainous terrain, and skill gaps Finance and credit ecosystem limited by low scheme awareness, difficult accessibility in remote areas, and insufficient capacity-building support for entrepreneurs
	 Cost competitiveness Benchmarking cost of labour, water and power	5	3.4	
	 Human capital Understand education & employment parameters	5	3.4	
	 Finance and credit accessibility Relevant government schemes and insurance	5	0.5	
	 MSME ecosystem Assess growth and export contribution by MSMEs	10	0.0	
	 Industrial and innovation environment Infrastructure maturity	5	0.0	

Pillar	Sub - Pillar	Total Score	Score	Key Insights/ Imperatives
3  Policy and Governance	 State policy support and governance State's export initiatives, digital first policies and ease of export documentation	15	3.0	<ul style="list-style-type: none"> Absence of a dedicated export policy undermines Sikkim's capacity to transform its niche strengths into structured export development Lack of state-led export marketing initiatives and absence of trade fairs significantly limits visibility and integration into broader export networks
	 Regulatory environment and compliance Quality standards and certifications, IEC, data readiness	5	0.0	

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
4  Export Performance	 State level exports and trends Export trends, growth in exporter base	5	2.7	<ul style="list-style-type: none"> No district level export action plans have been framed to guide localized export growth Exports show limited market reach, with low diversification across destinations
	 Export promotion and facilitation Government infrastructure and digital maturity	5	1.5	
	 Export portfolio and market access Export destinations and key export commodities	10	4.5	

SWOT Analysis

Strengths				Weaknesses			
				Strong pharmaceutical base	India's first 100% organic state	Diverse export market facilitation	High contribution of secondary sector in GSVA
				Single sector export reliance	Logistics infrastructure constraints	Limited awareness among exporters	Small-scale processing capacity for niche crops
Opportunities				Threats			
				Horticulture and floriculture exports	High value-added pharma exports	Enhance cold chain infrastructure	Focus on tea exports
				Logistics infrastructure constraints	Global compliance challenges for organic exports	Risk of frequent landslides	

Strengths

Sikkim boasts a strong pharmaceutical base, with a rapidly growing manufacturing sector supported by several major national players operating in the state, including Sun Pharma, Zydus, and Cipla, alongside a network of small and medium enterprises (SMEs) that specialize in organic-based formulations. Its unique distinction as India's first 100% organic state has bolstered its commitment to sustainable agriculture, contributing to a growing export portfolio of certified organic products such as large cardamom, ginger, and turmeric, which enjoy high demand in global markets. Sikkim's export profile is also supported by diverse market access, with shipments reaching destinations like France, Singapore, and Poland, aided by organic certification credibility and trade linkages with neighboring countries such as Bhutan and Nepal. Additionally, the secondary sector contributes significantly to the state's GSVA, particularly through pharmaceuticals and food processing, offering a strong base for future export-oriented industrial expansion.

Weaknesses

Despite its manufacturing strengths, Sikkim's export profile remains heavily reliant on the pharmaceutical sector, making it vulnerable to sector-specific disruptions and changing global regulatory frameworks. The state also grapples with logistics infrastructure constraints, including limited freight handling capacity, poor last-mile connectivity, and dependence on distant ports, all of which increase export turnaround times and costs—especially for time-sensitive and perishable goods. Due to Sikkim's limited awareness among local exporters regarding export procedures, compliance requirements, and market opportunities, which hampers broader participation in international trade. Additionally, the scarce number of small-scale processing and cold storage for Sikkim's niche crops like cardamom and ginger restrict value addition and market access. Enhancing processing infrastructure is vital to boost competitiveness and farmer incomes.

Opportunities

Sikkim has considerable potential to scale up horticulture and floriculture exports, leveraging its temperate climate and biodiversity to grow high-value flowers and fruits with global market

potential. The pharmaceutical sector also presents scope for high-value exports in the form of organic, herbal, and ayurvedic formulations, aligning well with global demand for wellness products. Strengthening cold chain infrastructure could significantly improve the shelf life and quality of perishable exports like organic produce and temperature-sensitive drugs. Moreover, with increasing interest in sustainable and ethical consumption, Sikkim can position itself to tap into premium global markets. The state can also focus on promoting tea exports, capitalizing on its niche organic tea production and growing demand for specialty teas. Furthermore, premium global branding for GI and organic products provides Sikkim an opportunity to differentiate its exports and capture higher-value market segments.

Threats

Sikkim's logistics infrastructure constraints pose significant threats to its trade and export potential. Limited freight handling capacity, inadequate road connectivity, and a lack of modern warehousing facilities hinder timely movement of goods, increase transportation costs, and reduce competitiveness in international markets. The state's reliance on organic exports is also vulnerable to global compliance challenges, as differing organic standards across regions can impose high certification costs and restrict market entry. Furthermore, Sikkim's mountainous terrain makes it highly prone to frequent landslides, especially during monsoons, disrupting road connectivity, damaging infrastructure, and severely affecting the reliability of logistics and export cycles. Additionally, the highly competitive international market for both pharmaceuticals and organic products poses challenges for Sikkim to sustain and expand its global trade presence.

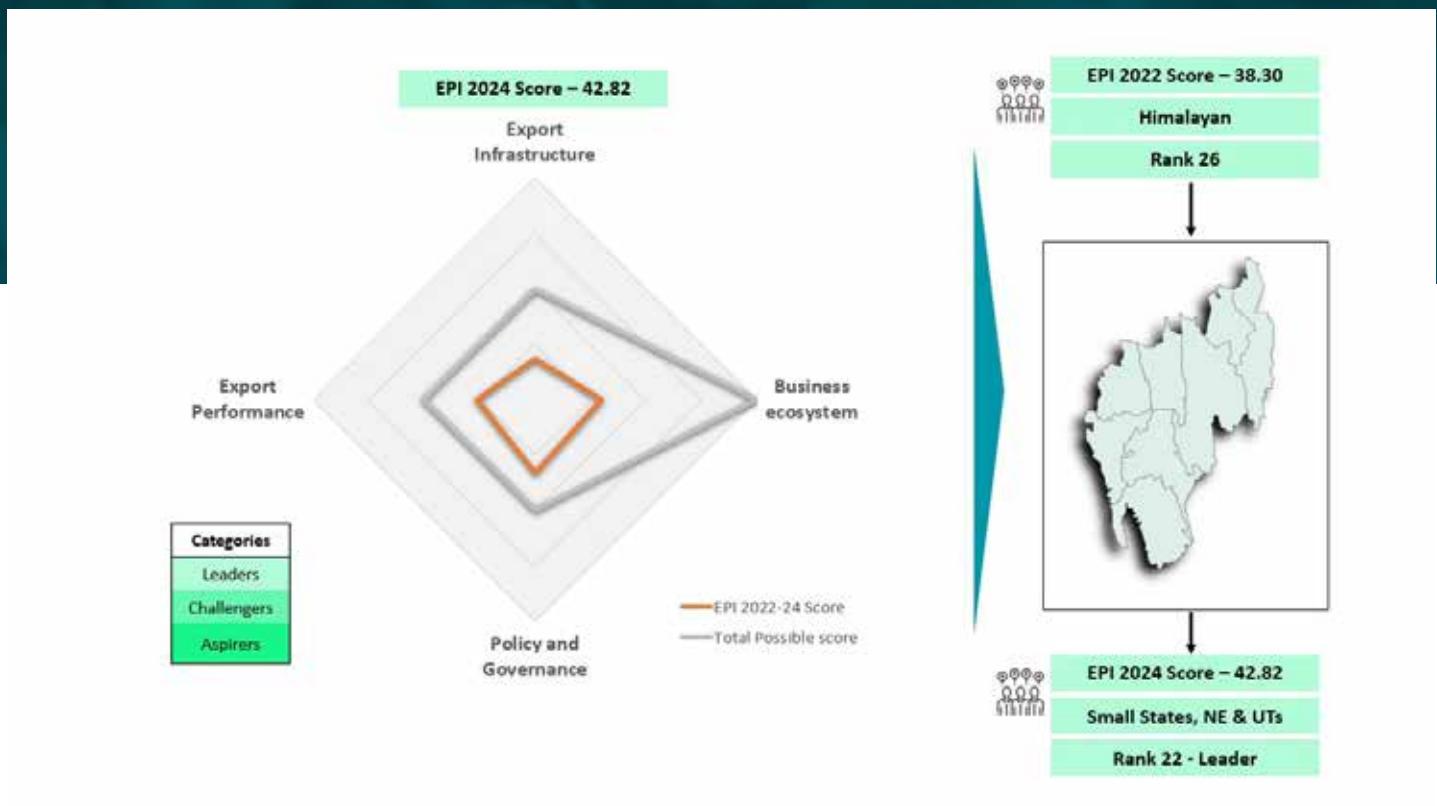
Strategic Roadmap – Focus Areas

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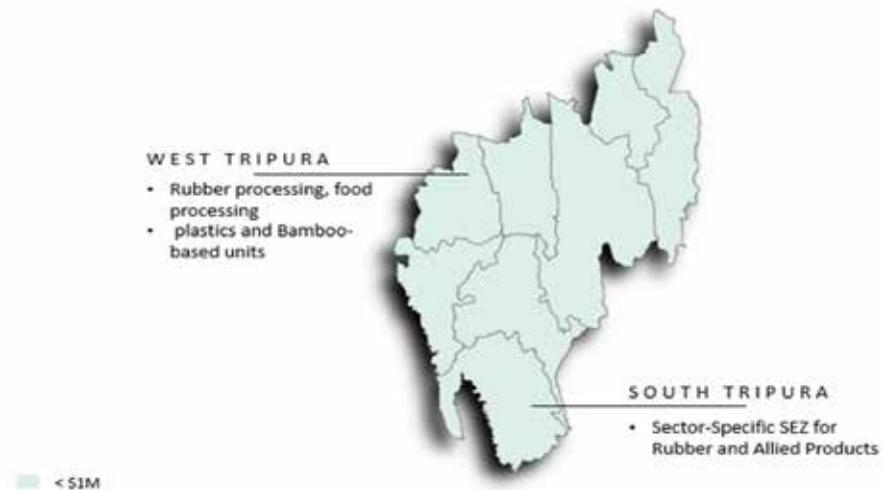




Tripura



5.2.18 Tripura



Manufacturing hubs in Tripura
Source: Ministry of Commerce and Industry

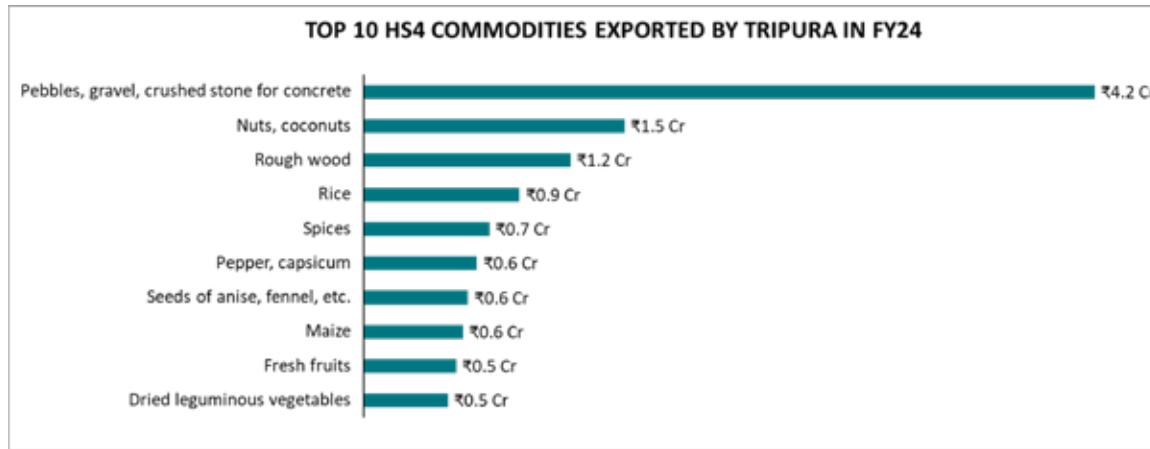
Introduction

Tripura, a Northeastern state of India, shares its borders with Bangladesh on the north, west, south, and southeast, and with Assam and Mizoram to the east. The state's economy has shown steady growth, with its GSDP reaching approximately ₹82,625 crore in 2023–24, growing at a CAGR of 8.8% between FY16 and FY24. According to the DPIIT, the state attracted FDI worth ₹6.28 crore between October 2019 and June 2024. Tripura also boasts a high literacy rate of 87.2%, surpassing the national average, which positions it as a promising hub for knowledge-based industries.

Tripura enjoys a favorable climate that supports the cultivation of a wide range of fruits and horticultural crops, including rice, jackfruit, pineapple, potato, sugarcane, chili, and natural rubber. Rice is the dominant crop, occupying 91% of the total cropped area. The state is also known for its rich biodiversity, with a vast array of medicinal plants 266 species alongside 379 types of trees, 581 herbs, 320 shrubs, and 165 climbers. In addition to its agricultural and ecological wealth, Tripura is endowed with natural resources such as natural gas, glass sands, limestone, plastic clay, and hard rock. Its pleasant climate and scenic landscapes make it an attractive tourist destination, featuring historical Hindu and Buddhist sites, temples, rivers, and rock carvings. In 2019, the state recorded 154,405 foreign tourist arrivals, underscoring its growing appeal on the global tourism map.

Tripura, with its pleasant climate, scenic landscapes, and rich cultural heritage, is emerging as a favored tourist destination. To further enhance the tourism experience and promote sustainable practices, the government introduced the Tourism Policy 2020–25. In addition to its tourism appeal, Tripura offers a strong foundation for knowledge-based industries, supported by a large pool of skilled labor and premier institutions like the NIT and TIT, which supply talent to various sectors. The state also holds significant untapped potential in areas such as organic spices, biofuels, and eco-tourism, offering new avenues for sustainable economic development.

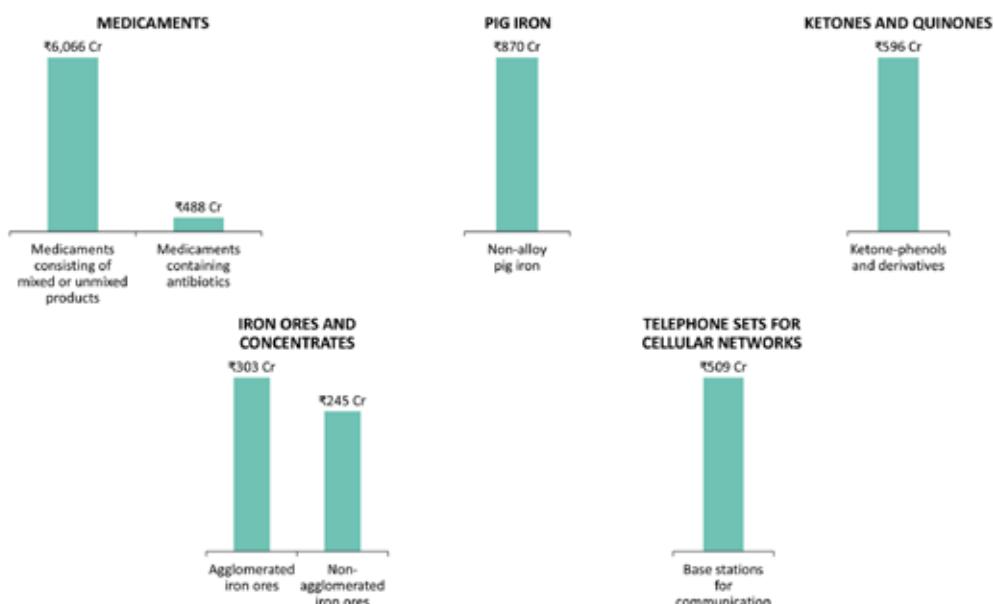
Export Statistics



Source: Ministry of Commerce and Industry

Tripura's export portfolio is deeply rooted in its rich natural resources and agricultural produce. The top ten export commodities included construction-grade stone materials like pebbles and gravel, a variety of nuts and coconuts, rough wood, rice, and an array of spices. These were followed by exports of pepper and capsicum, seeds such as anise and fennel, different forms of maize, fresh fruits, and dried pulses. The spread across minerals, forestry products, and multiple agricultural segments signals a balanced export base, even if still in a nascent stage of development.

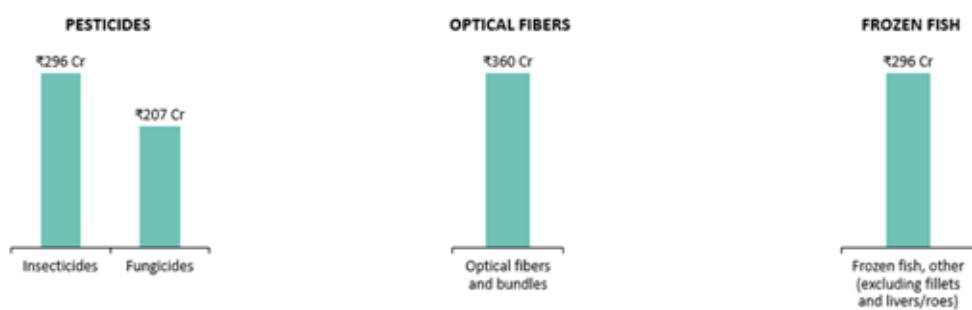
DEEP DIVE INTO THE TOP 5 HS4 COMMODITIES AT HS6 LEVEL EXPORTED BY GOA IN FY24



Source: Ministry of Commerce and Industry

Delving deeper into the top five product groups, Tripura's exports are notably rooted in its geography and climate. The export of crushed stone for concrete use stems from the state's abundant hilly terrain and natural deposits, supporting construction markets in nearby regions. Shelled cashew nuts dominate the nut category, supported by Tripura's favorable Agri-climatic conditions for cashew cultivation. Rough wood exports are primarily composed of coniferous timber, tapping into the state's forest wealth and traditional logging practices. In rice, the state largely exports husked (brown) rice, indicating limited processing but strong cultivation. Ginger leads the spice exports, aligning with both government promotion and the region's longstanding reputation for high-quality spice production.

DEEP DIVE INTO THE NEXT 3 HS4 COMMODITIES AT HS6 LEVEL EXPORTED BY GOA IN FY24



Source: Ministry of Commerce and Industry

Among the next five key commodities, Tripura continues to show niche strengths. Dried pepper exports point to localized spice farming practices, often sustained by tribal communities and smallholders. Cumin seed exports reflect expanding spice cultivation in response to rising regional demand. Maize exports include both seed and feed varieties, suggesting utility across food and farming uses. The presence of frozen fruit indicates initial development of cold-chain and processing infrastructure, hinting at future growth in horticulture-based value addition. Finally, dried lentils though limited in volume represent Tripura's engagement in the pulses trade, backed by small-scale farming and local consumption linkages. Together, these exports reinforce that while Tripura's volumes are still emerging, the diversity and depth of its products offer a solid foundation for targeted export growth.

Success Stories



EPI 2024-Results and Conclusions

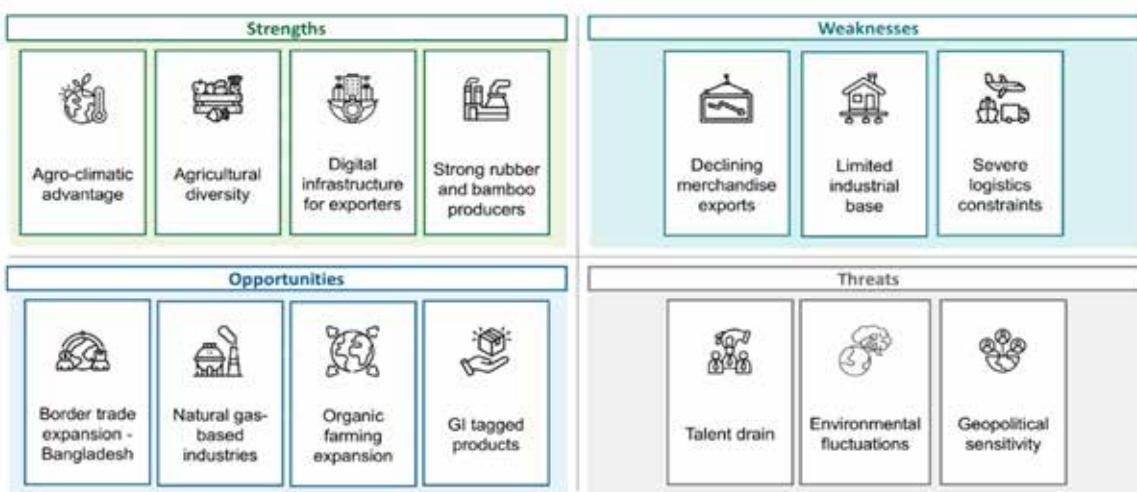
Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
1 Export Infrastructure	 Utilities State's power and water availability	10	3.2	<ul style="list-style-type: none"> Limited renewable energy penetration constrains the state's ability to meet growing business demand for sustainability Limited logistics facilities increase transit time and costs, weakening Tripura's export competitiveness
	 Logistics State's transportation networks, freight connectivity and storage capacity	10	4.1	

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
2  Business Ecosystem	 Macroeconomy Evaluate economic output, manufacturing share and fiscal deficit	10	3.1	<ul style="list-style-type: none"> Nascent infrastructure, low industrial diversification, and underdeveloped innovation ecosystem Rising electricity and water tariffs, and limited access to advanced technology despite low labor costs
	 Cost competitiveness Benchmarking cost of labour, water and power	5	2.2	
	 Human capital Understand education & employment parameters	5	3.6	
	 Finance and credit accessibility Relevant government schemes and insurance	5	0.7	
	 MSME ecosystem Assess growth and export contribution by MSMEs	10	0.4	
	 Industrial and innovation environment Infrastructure maturity	5	2.0	

Pillar	Sub - Pillar	Total Score	Score	Key Insights/ Imperatives
3  Policy and Governance	 State policy support and governance State's export initiatives, digital first policies and ease of export documentation	15	13.2	<ul style="list-style-type: none"> Limited trade fairs and exhibitions curtail Tripura's ability to showcase products and forge new export linkages Lack of certified manufacturers restrict the state's competitiveness and credibility in regulated international markets
	 Regulatory environment and compliance Quality standards and certifications, IEC, data readiness	5	0.0	

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
4  Export Performance	 State level exports and trends Export trends, growth in exporter base	5	3.3	<ul style="list-style-type: none"> Export facilitation limited by incomplete infrastructure and nascent digital systems, constraining its full trade potential Export portfolio overly reliant on a few agricultural commodities, limiting diversification and resilience in international markets
	 Export promotion and facilitation Government infrastructure and digital maturity	5	1.7	
	 Export portfolio and market access Export destinations and key export commodities	10	5.4	

SWOT Analysis



Strengths

Tripura's Agri-climatic conditions—fertile soil, ample rainfall, and a subtropical climate, enable year-round cultivation of high-value crops over 2.5 lakh hectares, supporting strong export potential. Its organic produce, including GI-tagged Queen Pineapple, oranges, litchi, and ginger, is exported to markets like Bangladesh and Oman. The state is also leveraging technologies like AI and 5G under its IT and Data Center policies to improve export efficiency. Tripura is a leading producer of natural rubber and bamboo, India's second-largest rubber producer and home to 28% of the country's bamboo stock, supplying nearly 70% of incense bamboo sticks, highlighting its importance in both national and export markets.

Weaknesses

Tripura's exports have sharply declined from ₹122.6 crore in 2022-23 to just ₹13.4 crore in 2023-24, a 90% drop over two years. This is driven by a lack of key infrastructure such as certification labs, standardization facilities, and export-oriented clusters. Heavy dependence on a few border trade points with Bangladesh also exposes trade to disruptions. The industrial sector contributes less than 10% to the state's GSDP, dominated by small-scale units with limited presence in high-value sectors like textiles, electronics, or pharma. In addition, export growth and industrialization are hampered by poor connectivity, limited rail and road links, and reliance on distant ports, leading to higher transit times and costs. Border procedural delays and the absence of integrated multimodal logistics further undermine competitiveness and deter large-scale investments.

Opportunities

The state is upgrading Land Customs Stations and developing ICPs like Khowaighat, while 12 proposed border haats aim to boost local exports such as fruits, spices, and handicrafts. Infrastructure projects like the Maitri Setu bridge and Agartala-Akhaura rail link will improve access to Chittagong port, cutting logistics costs. Tripura's natural gas output (3.5 MMSCMD, rising to 4 MMSCMD) supports energy-intensive export industries like petrochemicals and food processing. Organic farming has expanded from 2,000 to 20,000 hectares (2017-2023), targeting 50,000 hectares by 2026-27, supported by FPOs and better logistics. GI-tagged products like Queen Pineapple, Risa, and bamboo crafts, along with new applications for items

like Sobri Banana and Shidol, position Tripura to access premium global markets.

Threats

Tripura's export growth is threatened by a persistent talent drain due to limited industrial and job opportunities, pushing skilled youth to migrate and weakening sectors like Agri-processing and high-value manufacturing. Increasing climate risks such as over 60 extreme rainfall days in recent years, disrupt agricultural cycles and affect key exports like pineapples, rubber, and bamboo. Declining forest cover also impacts non-timber products crucial for handicrafts and herbal trade. While the 856 km border with Bangladesh offers trade potential, it remains vulnerable to political tensions, border disputes, and regional instability involving China and Myanmar, posing risks to cross-border trade and corridor development.

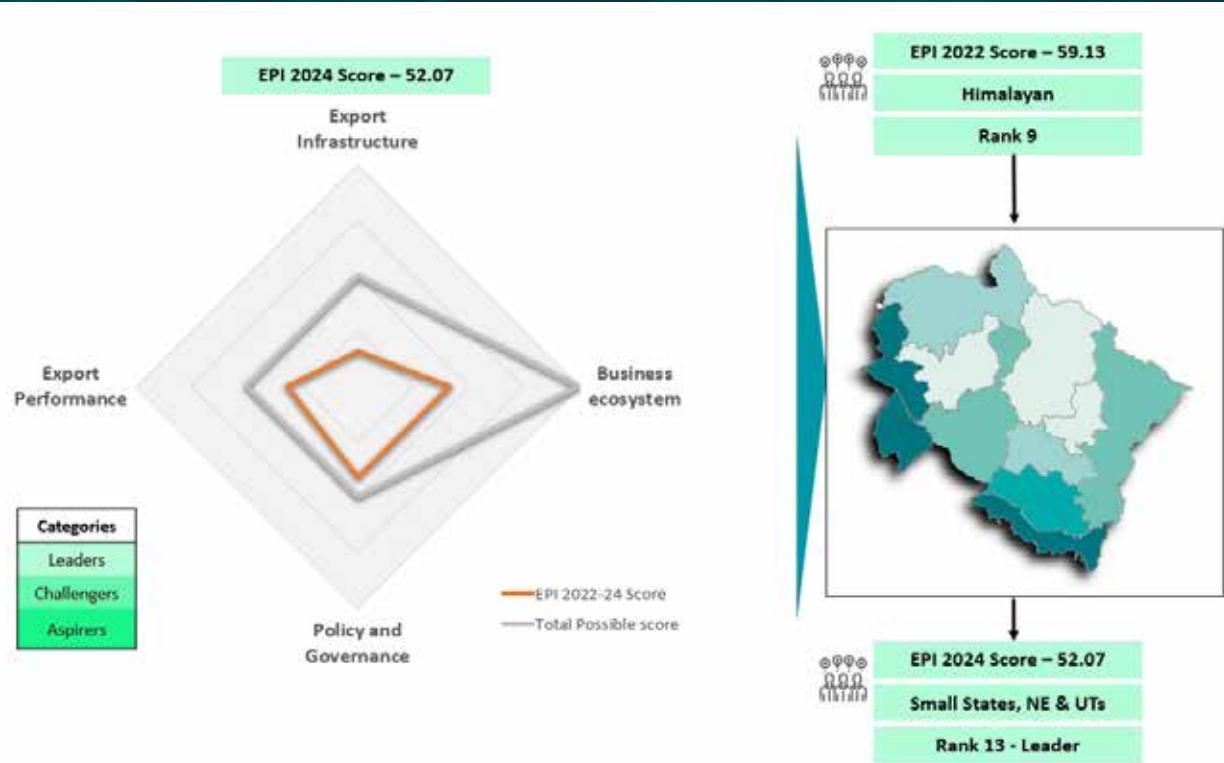
Strategic Roadmap – Focus Areas

Considering global consumption trends and existing strengths, Tripura should direct efforts toward:

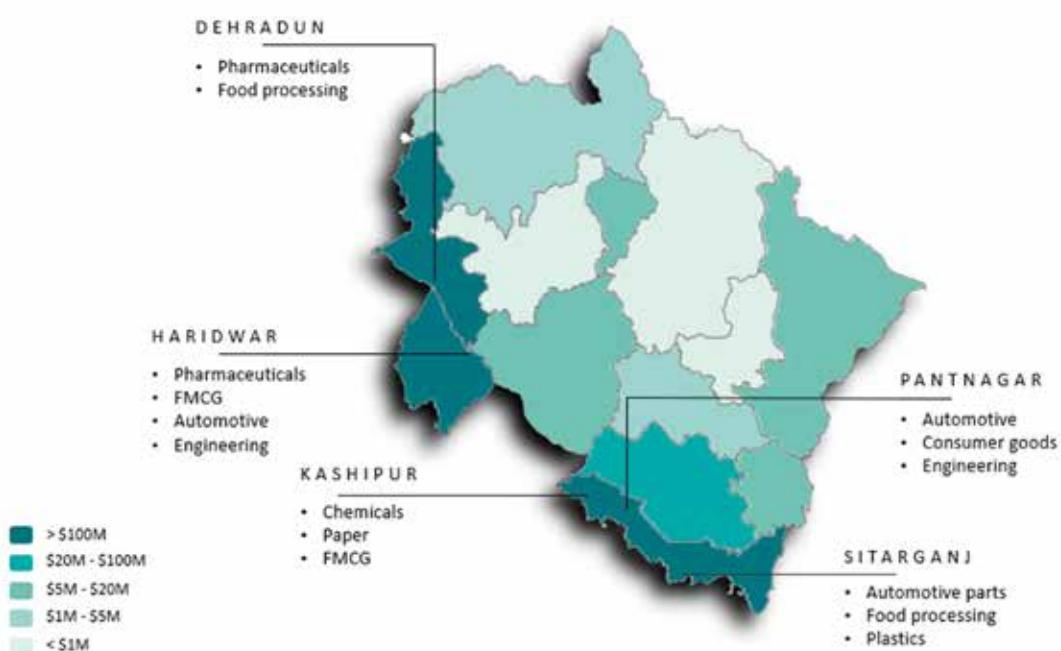
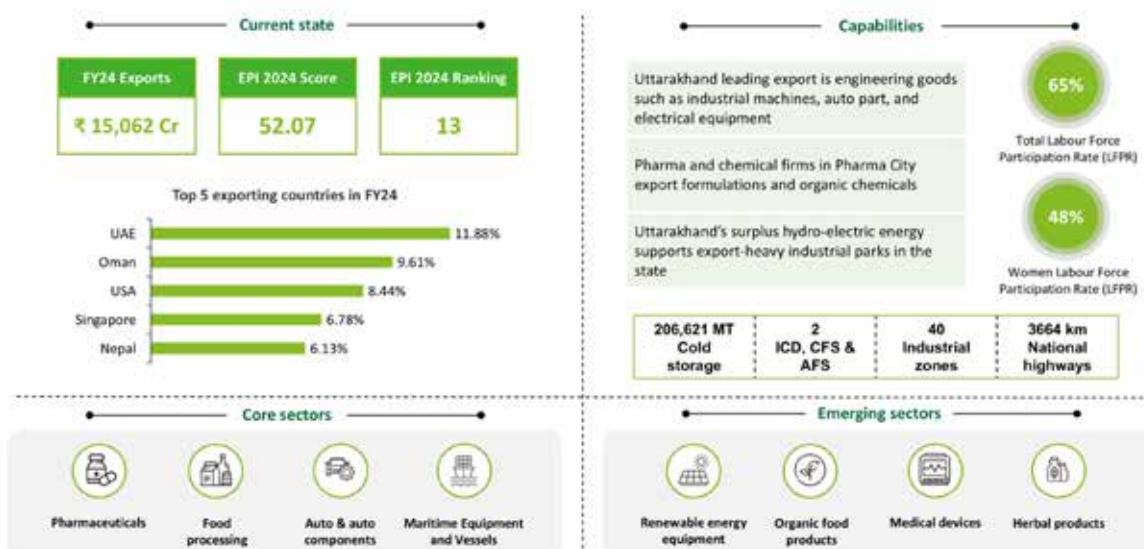




Uttarakhand



5.2.19 Uttarakhand



Manufacturing hubs in Uttarakhand

Source: Ministry of Commerce and Industry

Introduction

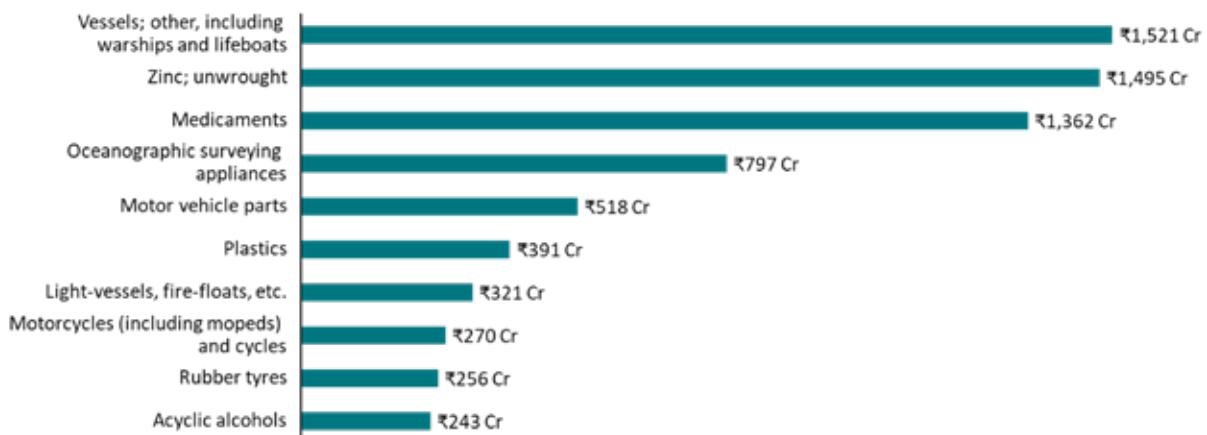
Uttarakhand, a Northern Indian state, showcases a dynamic economic landscape with both emerging opportunities and areas for development. In FY24, its Gross State Domestic Product (GSDP) was approximately ₹3.5 lakh crore, reflecting steady economic activity. The state's export sector recorded a total value of ₹15,062 crore in FY24, with a year-on-year growth rate of 1.1%. While this growth is moderate, it points to a stable export base with potential for expansion. Uttarakhand's unique geography, particularly its mountainous terrain,

presents logistical challenges that can affect connectivity to industrial hubs and remote areas. However, several infrastructure initiatives such as the Rishikesh-Karnaprayag railway line and enhancements at Jolly Grant Airport are underway to improve transportation networks. These developments are expected to ease existing constraints, enhance market access, and support more competitive and efficient exports, paving the way for broader industrial growth across the state.^{145, 146, 147}

With the Uttarakhand Logistics Policy, 2023 the state implemented measures to reduce logistics costs and enhance efficiency, which benefits the export sector. These include creating logistics parks, relaxing regulations for warehouse establishment, and promoting green logistics practices to support sustainable development. In terms of industrial development, the state has reported a remarkable 61.4% growth in micro, small, and medium enterprises (MSMEs) in FY24 compared to FY23. The MSME sector is crucial for job creation and economic diversification.^{148, 149}

Export Statistics

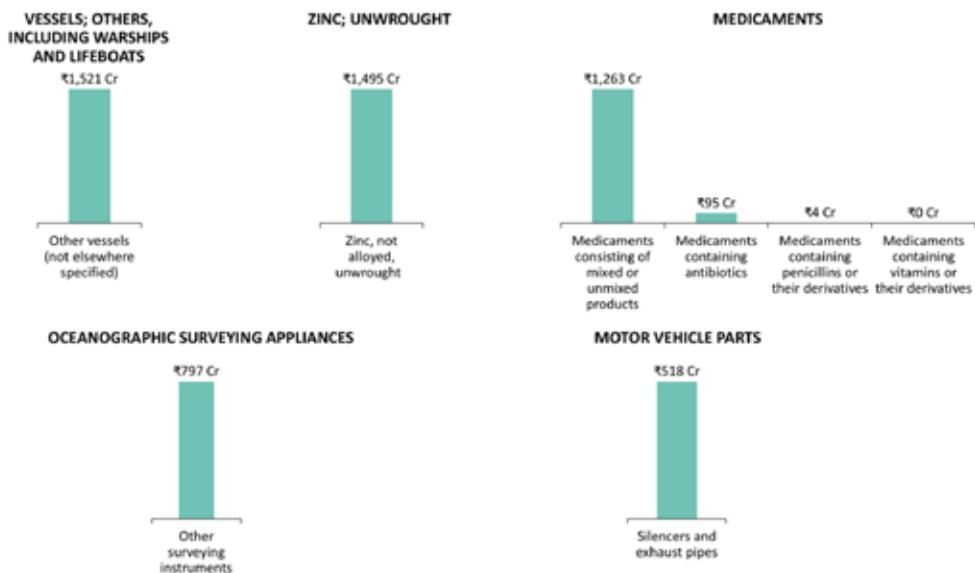
TOP 10 HS4 COMMODITIES EXPORTED BY UTTARAKHAND IN FY24



Source: Ministry of Commerce and Industry

In FY24, Uttarakhand's export profile reflected a diverse but focused industrial base, led by ten key product categories. The foremost among these were vessels and other floating structures, followed by unwrought zinc and pharmaceutical formulations. Scientific and precision instruments, especially oceanographic appliances, featured prominently, indicating niche technological capabilities. Automotive components and plastic-based industrial products also held substantial shares. Rounding off the top ten were exports of light-vessels, motorcycles, heavy-duty rubber tires, and select chemical compounds. Despite the overall modest export value compared to major industrial states, Uttarakhand's export portfolio underscores a commendable diversity spanning sectors such as metallurgy, healthcare, engineering, and chemicals.

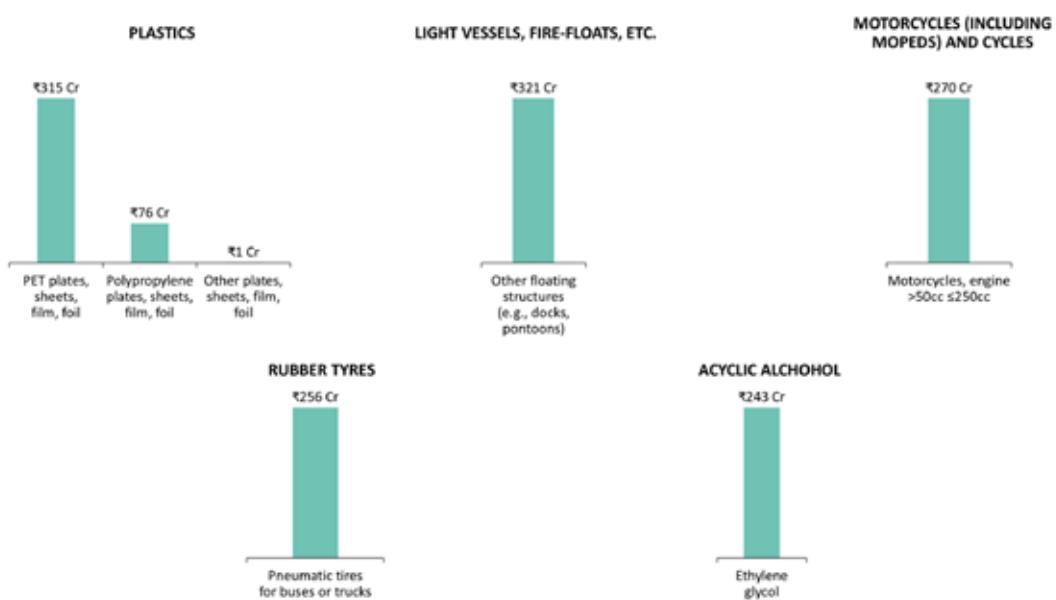
DEEP DIVE INTO THE TOP 5 HS4 COMMODITIES AT HS6 LEVEL EXPORTED BY UTTARAKHAND IN FY24



Source: Ministry of Commerce and Industry

A deeper look into the top five product categories reveals concentrated strengths. Exports of vessels are primarily driven by specialized manufacturing of industrial and defense-related floating structures, possibly facilitated by dedicated infrastructure and government contracts. Zinc exports are focused entirely on unwrought, non-alloyed forms, highlighting mineral resource processing capabilities within the state. Pharmaceutical exports show significant internal diversity ranging from general formulations to antibiotic and vitamin-based medicaments supported by a robust ecosystem of pharmaceutical clusters in areas like Selaqui and Haridwar. Precision instruments exports, particularly oceanographic surveying devices, point to Uttarakhand's role in specialized, low-volume, high-skill manufacturing. Automotive parts, notably silencers and exhaust pipes, further reflect the presence of organized auto component manufacturing zones.

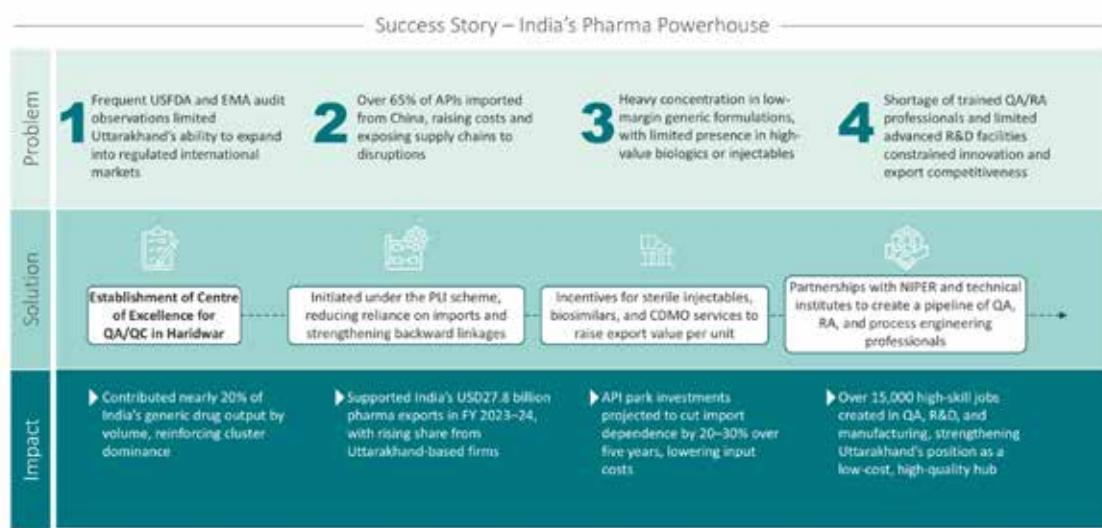
DEEP DIVE INTO THE NEXT 5 HS4 AT HS6 LEVEL COMMODITIES EXPORTED BY UTTARAKHAND IN FY24



Source: Ministry of Commerce and Industry

In the next five key categories, the trend of specialization continues. Plastic exports center on processed PET and polypropylene films, likely stemming from downstream petrochemical activities. The state also produces advanced floating structures like pontoons and fire-floats, indicating continuity in marine-related manufacturing. Motorcycle exports are driven by mid-range engine capacity models, aligning with the operations of major two-wheeler OEMs based in Uttarakhand. The rubber tire segment is focused on truck and bus applications, leveraging the state's capacity for heavy-duty industrial goods. Lastly, chemicals like ethylene glycol point to Uttarakhand's capabilities in producing essential industrial intermediates. Together, these categories reflect a manufacturing base that, while not high in overall value, is rich in technical variety and sectoral specialization.

Success Stories

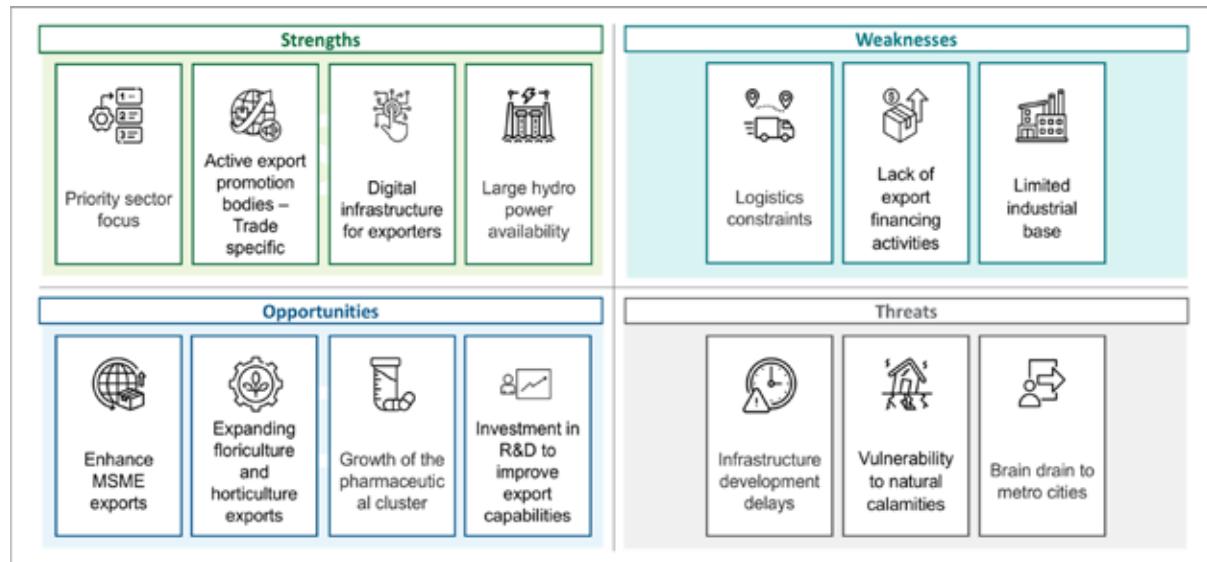


EPI 2024-Results and Conclusions

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
1  Export Infrastructure	 Utilities State's power and water availability	10	3.8	<ul style="list-style-type: none"> Over-extraction and limited recharge, undermines agriculture and challenges industrial sustainability
	 Logistics State's transportation networks, freight connectivity and storage capacity	10	2.6	<ul style="list-style-type: none"> The lack of integrated cold chain infrastructure hampers timely delivery of perishables, raises costs, and weakens the export competitiveness

Pillar	Sub - Pillar	Total Score	Score	Key insights/ Imperatives
2  Business Ecosystem	Macroeconomy Evaluate economic output, manufacturing share and fiscal deficit	10	5.6	
	Cost competitiveness Benchmarking cost of labour, water and power	5	2.8	
	Human capital Understand education & employment parameters	5	2.9	
	Finance and credit accessibility Relevant government schemes and insurance	5	0.6	
	MSME ecosystem Assess growth and export contribution by MSMEs	10	2.5	
	Industrial and innovation environment Infrastructure maturity	5	2.1	<ul style="list-style-type: none"> Staffing shortages and administrative delays in schools, skill mismatches, and persistent youth employment challenges MSMEs face regional disparities, infrastructure gaps, and uneven access to investment and employment opportunities
3  Policy and Governance	State policy support and governance State's export initiatives, digital first policies and ease of export documentation	15	13.5	
	Regulatory environment and compliance Quality standards and certifications, IEC, data readiness	5	2.8	<ul style="list-style-type: none"> The state hosts a reasonable number of trade fairs, but greater scale and diversity could enhance exporter visibility While some certified manufacturers exist, gaps in broader compliance with quality standards constrain Uttarakhand's global competitiveness
4  Export Performance	State level exports and trends Export trends, growth in exporter base	5	3.9	
	Export promotion and facilitation Government infrastructure and digital maturity	5	3.0	
	Export portfolio and market access Export destinations and key export commodities	10	5.8	<ul style="list-style-type: none"> Export growth in Uttarakhand is limited as SMEs face capital, infrastructure, and market access challenges. Lack of district-level export action plans limits Uttarakhand's ability to leverage local strengths for global trade

SWOT Analysis



Strengths

Uttarakhand is driving export growth by focusing on pharmaceuticals, food processing, handloom, handicrafts, and horticulture, leveraging its diverse agro-climatic zones and natural resources. It collaborates with national export bodies like FIEO, APEDA, and Pharmexcil for market access and capacity building. Strong digital infrastructure supports exporters through online documentation, e-commerce training, and the 'Invest Uttarakhand' Portal, which has issued over 25,000 digital approvals since 2023, cutting processing time by 30-40%. Additionally, hydroelectric power generation of 5,157.9 GWh in 2024 ensures reliable clean energy, strengthening Uttarakhand's appeal for energy-intensive industries.

Weaknesses

Uttarakhand's export sector faces key structural challenges that limit its global trade competitiveness. Difficult terrain and poor transport infrastructure lead to high logistics costs, delays, and cargo risks, especially in remote areas. The lack of multimodal facilities like ICDs and MMLPs further hampers cargo movement. Exporters, particularly MSMEs, struggle with inadequate access to export credit and insurance, exposing them to financial risks and limiting their ability to scale. A limited industrial base also restricts export volume and diversity, reducing Uttarakhand's integration into global value chains and its attractiveness for trade-led investments.

Opportunities

Uttarakhand's MSME sector plays a vital role in employment and export growth, supported by initiatives like ODOP and skill development programs. Enhancing access to credit, digital platforms, and quality certifications can boost value-added exports in handicrafts, herbal products, and processed foods. The state's agro-climatic diversity enables high-value crop cultivation, offering scope to expand floriculture and horticulture exports with better cold chain, packaging, and market linkages. Pharma manufacturing hubs in SIDCUL (Haridwar and Dehradun) provide a base for export-focused clusters, supported by investments in bulk drug parks and regulatory upgrades. To shift from volume to value, Uttarakhand must strengthen R&D through public-private partnerships and specialized centers in pharma, AYUSH, biotech, and food processing.

Threats

Uttarakhand's export growth is threatened by delays in infrastructure projects such as logistics parks, industrial corridors, and transport upgrades which hamper supply chain efficiency and deter export-focused investments. The state's vulnerability to natural disasters like landslides and floods frequently disrupts transport networks, causing export delays and financial losses while weakening investor confidence. Additionally, a significant talent drain, over 500,000 people have migrated in the past decade, leaving 734 villages abandoned has reduced the availability of skilled labor, limiting innovation and operational capacity in the export ecosystem.

Strategic Roadmap – Focus Areas

Considering global consumption trends and existing strengths, Uttarakhand should direct efforts toward:



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