



KAMARAJ IAS ACADEMY
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Export Preparedness Index

Published On: 15-07-2023

Why is in news? NITI Aayog is releasing the third edition of Export Preparedness Index (EPI) for States/UTs of India for the year 2022 on July 17, 2023.

NITI Aayog is releasing the third edition of Export Preparedness Index (EPI) for States/UTs of India for the year 2022 on July 17, 2023.

The report **discusses India's export performance** amid the prevailing global trade context in FY22, followed by an overview of the country's sector-specific export performance.

The report **further highlights the need to develop our districts as export hubs** in the country and **undertakes a district-level analysis of merchandise exports** in the country.

EPI is a **comprehensive tool** which measures the export preparedness of the States and UTs in India.

Exports are vital for simulating economic growth and development in a country, which necessitates understanding the factors which influence export performance.

The index undertakes a comprehensive analysis of States and UTs across export-related parameters in order to identify their strengths and weaknesses.

Developing the methodology for the index is an evolving process which constantly incorporates stakeholder feedback.

Thus, the results and rankings published in this edition are not directly comparable to the previous editions, however EPI, with its insights, continues to seek to assist the States and UTs in driving policy changes which are relevant to address their specific challenges.

EPI has **four pillars – Policy, Business Ecosystem, Export Ecosystem, and Export Performance**.

Each pillar is composed of sub-pillars, which in turn capture a state's performance using relevant indicators.

Policy Pillar evaluates states and UTs' performance based on its adoption of export-related policy ecosystem at a state and district level as well as the institutional framework surrounding the ecosystem.

Business Ecosystem assesses the prevailing business environment in a state/UT, along with the extent of business-supportive infrastructure, and a state/UTs' transport connectivity.

Export Ecosystem focuses on the export-related infrastructure in a state/UT along with the trade support provided to the exporters, and the prevalence of Research and Development in the state/UT to foster innovation.

Export Performance is an output-based indicator which gauges the growth of a state's export over the previous year and analyses its export concentration and footprint on the global markets.

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With its ranking and scorecards, the report aims to present a comprehensive picture of a states and UT's export preparedness.

It also highlights the achievements of states/UTs and encourages peer-learning among the states/UTs to uphold the spirit of competitive federalism.

By improving collaboration among states, and between state and Centre, India can aspire to achieve sustained economic growth and leverage its heterogeneity to foster development at national and sub-national levels