

UPSC Preparation

Export Preparedness Index (EPI), 2021

The Export Preparedness Index (EPI) aims to examine the export performance and the export readiness of the states and union territories.

Latest Context: NITI Aayog, in partnership with the Institute of Competitiveness, released the Export Preparedness Index (EPI) 2021. Aspirants would find this topic very helpful while preparing for the [IAS Exam](#).

What is Export Preparedness Index (EPI)?

- The idea behind the Export Preparedness Index (EPI) is to create a benchmark to rank these states and UTs to help them individually promote a conducive export environment in the region.
- The index is an essential tool for policymakers and exporters to identify the drivers and obstacles, and examine the same to strategize a viable export map for the state.
- The report is a comprehensive analysis of India's export achievements. The index can be used by states and union territories (UTs) to benchmark their performance against their peers and analyse potential challenges to develop better policy mechanisms to foster export-led growth at the subnational level.
- It is a data-driven endeavour to identify the fundamental areas critical for subnational export promotion.
- To enhance the robustness of the index, few new indicators have been incorporated in the 2021 report, based on stakeholder suggestions.
- The index entails four pillars, eleven sub pillars and sixty indicators and covers across 28 states and 8 UTs.
- The EPI ranks states and UTs on 4 main pillars. They are
 - Policy
 - Business Ecosystem
 - Export Ecosystem
 - Export Performance
- The 11 sub pillars entailed in the Index are
 - Export Promotion Policy
 - Institutional Framework
 - Business Environment
 - Infrastructure
 - Transport Connectivity
 - Access to Finance
 - Export Infrastructure
 - Trade Support

- R&D Infrastructure
- Export Diversification
- Growth Orientation

Highlights of Export Preparedness Index (EPI), 2021

- According to the Niti Aayog report, Gujarat topped the index followed by Maharashtra, Karnataka, Tamil Nadu, Haryana, Uttar Pradesh, Madhya Pradesh, Punjab, Andhra Pradesh, and Telangana.
- Among union territories, Delhi has topped the index followed by Goa, Jammu and Kashmir, Chandigarh and Puducherry while Uttarakhand, Himachal Pradesh, Tripura, Sikkim and Manipur were at the top five places among Himalayan states.
- Union territories and states such as Lakshadweep, Arunachal Pradesh, Mizoram, Ladakh, and Meghalaya ranked worst.
- Exports have been contributing roughly 20 per cent on average to the GDP of India for the past decade.
- States with higher exports experience a high Gross State Domestic Product (GSDP). US\$ 259.25 billion is the estimated GSDP of Gujarat in Fiscal Year 2022. Maharashtra GSDP stood at US \$366.67 billion in 2020-2021.
- As per the 2021 Index, the three major challenges to India's export promotion. They are
 - Intra and inter regional differences in export infrastructure;
 - Weak trade support and growth orientation across states; and
 - Lack of R & D infrastructure to promote complex and unique exports.
- India has been showing positive statistics in exports since the beginning of the FY 2021-22. Its merchandise exports increased from \$10.17 billion in April 2020 to \$30.21 billion in April 2021, which shows an increase of 197.03 per cent. Since then, the country's exports have been witnessing a rising trend.

The EPI 2021 will help the states and UTs in a long way to plan and execute sound export-oriented policies for ensuring a conducive export ecosystem, to make maximum utilisation of their export potential