

Export Preparedness Index (EPI), 2022

The Export Preparedness Index (EPI), 2022, reflects the measures taken and implemented at national and sub-national levels. The index ranks all the states and union territories in the country to determine their export readiness. It aims to examine the export performance and the export readiness of the states and union territories.

Latest Context: NITI Aayog released the Export Preparedness Index (EPI) 2022. 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 Union Territories (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 [Indian states and union territories](#) to benchmark their performance against their peers and analyse potential challenges to develop better policy mechanisms to foster export-led growth at the sub-national level.
- It is a data-driven endeavour to identify the fundamental areas critical for subnational export promotion.
- To enhance the robustness of the index, a 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 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), 2022

- Coastal States have performed well, with the states of Tamil Nadu, Maharashtra, Karnataka and Gujarat being the top performers in the Export Preparedness Index across the country, in all categories of states.
- The efforts of state governments in improving the policy ecosystem have led many states to create export promotion policies and district-level export action plans.
- However, there is a scope for improvement in the business and export ecosystem in many states which is necessary to improve their export performance.
- The top five performers are Tamil Nadu, Maharashtra, Karnataka, Gujarat and Haryana in that order. The least performing state/UT is Lakshadweep.
- The report encourages state governments to create solutions to their context-specific challenges to exports.
- It also asks governments to invest more in R&D and also focus on products that are unique to their regions.
- The report aims to facilitate competitive federalism in the country which creates a spirit of healthy competition among the states and encourage peer learning among the states.

EPI 2022 Overall Rankings

Rank	State	Category	Score
1	Tamil Nadu	Coastal	80.89
2	Maharashtra	Coastal	78.20
3	Karnataka	Coastal	76.36
4	Gujarat	Coastal	73.22
5	Haryana	Landlocked	63.65
6	Telangana	Landlocked	61.36
7	Uttar Pradesh	Landlocked	61.23
8	Andhra Pradesh	Coastal	59.27
9	Uttarakhand	Himalayan	59.13
10	Punjab	Landlocked	58.95
11	Odisha	Coastal	58.84

12	Madhya Pradesh	Landlocked	55.68
13	Rajasthan	Landlocked	54.80
14	West Bengal	Coastal	53.57
15	Himachal Pradesh	Himalayan	52.25
16	Goa	UT/Small States	51.58
17	Jammu and Kashmir	UT/Small States	47.79
18	Delhi	UT/Small States	47.69
19	Kerala	Coastal	44.03
20	Jharkhand	Landlocked	43.91
21	Assam	Landlocked	43.19
22	Bihar	Landlocked	41.06
23	Manipur	Himalayan	40.77
24	Andaman & Nicobar Islands	UT/Small States	40.65
25	Chhattisgarh	Landlocked	39.10
26	Tripura	Himalayan	38.30
27	Sikkim	Himalayan	36.86
28	Nagaland	Himalayan	34.63
29	Ladakh	UT/Small States	31.51
30	Chandigarh	UT/Small States	31.27
31	Puducherry	UT/Small States	24.34
32	Meghalaya	Himalayan	24.24
33	Arunachal Pradesh	Himalayan	19.92
34	Dadra Nagar and Haveli & Daman and Diu	UT/Small States	18.74
35	Mizoram	Himalayan	16.96
36	Lakshadweep	UT/Small States	11.30

Highlights of Export Preparedness Index (EPI), 2021

- According to the 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 paces 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 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.

FAQ about Export Preparedness Index (EPI)

Q. What is export preparedness index?

Ans. Export Preparedness Index (EPI) is released by NITI Aayog to identify challenges and opportunities, enhance the effectiveness of government policies and encourage a facilitative regulatory framework for export.

Q. What is export competitiveness?

Ans. Export competitiveness is the ability of a region/country to export more in value added than it imports.

Q. Which indices are released by NITI Aayog?

Ans. Some important indices released by NITI Aayog are School Education Quality Index, State Health Index, Composite Water Management Index, Sustainable Development Goals Index, India Innovation Index and Export Competitiveness Index.