

Govt plans to set up 50 e-commerce export hubs

Ten hubs are to be built in FY25, while the rest will be built over five years

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NEW DELHI: The ministry of commerce and industry is working on a plan to set up about 50 e-commerce export hubs over the next five years as public-private partnerships (PPP), two people aware of the development said. India currently has an insignificant presence in e-commerce exports.

Ten of these hubs are planned to be built in the current financial year to accelerate merchandise exports through online platforms, they said, requesting anonymity.

A regulatory framework for e-commerce exports is expected to be ready by next month, they added.

India's current e-commerce exports are significantly low at a mere \$5 billion, as compared with China's \$300 billion.

The new model aims to enhance efficiency, reduce logis-



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tical bottlenecks and provide businesses, especially small and medium enterprises (SMEs), with infrastructure and support to access global markets more effectively.

"The government is finalizing the details of its plan to establish e-commerce export hubs, which was announced in the Union budget in July. The government is identifying key zones for their development and is exploring the possibility of establishing them in nearly every state and Union Territory, including northeastern states," the first person cited above said.

Setting up e-commerce export

hubs would require enhancing logistics, creating large warehousing facilities, and aligning trade facilitation. These export hubs would also help small producers sell to aggregators, who can then find markets for the products. The proposed export hubs are planned to be set up in cities with strong connectivity via road, shipping and airways.

"No doubt this initiative will benefit our MSME units and other producers of consumer items like apparel and handicrafts, potentially creating jobs, it is crucial to focus on product quality and ensure that the items meet buyer expectations," said

Sanjay Kumar, former principal commissioner of income tax. "Therefore, the government will need to develop a road map to ensure that the DGFT, RBI, export associations, respective ministries and agencies, and the CBIC are aligned in providing security, collecting revenue, facilitating trade, and ensuring health and safety, to realize the significant export opportunity," he said.

"The government will provide land and customs clearance facilities, as well as necessary civil clearances, at the proposed export hubs for e-commerce products," the second person said.

"All these export hubs will be developed in a plug-and-play mode, which means they will be designed to be easily and quickly operational. It will minimize set-up time and allow businesses to start operations with minimal additional installation or modifications," this person explained.

For a small e-commerce export hub, a minimum investment of ₹4 crore is required. This amount doubles for medium-sized hubs and is about ten times more for large export hubs.