

No.11/11/2006-E&MDA
Ministry of Commerce And Industry
Department of Commerce
E&MDA Section

New Delhi, the 4th Jan 2007

REVISED MARKET ACCESS INITIATIVE (MAI) SCHEME

1. Scheme

Market Access Initiatives (MAI) Scheme is an Export Promotion Scheme envisaged to act as a catalyst to promote India's export on a sustained basis. The scheme is formulated on focus product-focus country approach to evolve specific market and specific product through market studies/survey. Assistance would be provided to Export Promotion Organizations/ Trade Promotion Organizations/ National Level Institutions/ Research Institutions/ Universities/ Laboratories, Exporters, etc., for enhancement of export through accessing new markets or through increasing the share in the existing markets. Under the Scheme the level of assistance for each eligible activity has been fixed.

2. Scope

The following activities will be eligible for financial assistance under the Scheme:

i) Marketing Projects Abroad:

To support marketing projects abroad based on focus product or focus country approach. Under marketing projects, the following activities will be funded:

- a) Opening of Showrooms & Warehouses;
- b) Organising "Trade Festival of India" – a multi-sectoral event to be organised in select centers abroad to promote 'Brand India' by showcasing our strength in services like Health (Ayurveda & Yoga), Taste of India (Indian Cuisine), Tourism, Culture, etc., besides merchandise;
- c) National Level Participation in Major International Trade Fairs etc.;
- d) Display in International departmental stores;
- e) Publication of World Class Catalogues;
- f) Publicity Campaign and Brand Promotion;
- g) Research and Product Development;
- h) To support Recognized associations in Industrial clusters for marketing abroad;
- i) Reverse visits of the prominent buyers, etc., from the project focus countries.

ii) Capacity Building:

- For imparting training to the Indian Exporters w.r.t. to export in general and on specific region/country basis;
- For up-gradation/improvements in Laboratories, Universities, Research Institutions on stand alone or Public Private Partnership basis for fulfilling SPS measures/related testing etc. including reimbursement of testing charges
- For quality up-gradation of select products for export markets (by skill upgradation using experts/designers, production process improvements, reduction in rejections etc.)
- For developing Common facility centers; design centers; packaging, etc.

- For hiring consultants in the buyer/prospective country

iii) Support for Statutory Compliances:

- Charges/expenses for compliance of statutory requirements in the buyer country including Testing charges for engineering products abroad; Registration charges for product registration abroad for pharmaceuticals, bio-technology and agro-chemicals clinical trials for drugs/pharmaceuticals & medical disposables, medical equipment etc.
- Other commodities/product groups and the nature of compliance covered for reimbursement under the scheme shall be as approved by the Empowered Committee on a case to case basis.
- For contesting litigation(s) in the foreign country concerning restrictions/anti dumping duties etc. on particular product(s) of Indian origin. The commodity/ product groups, nature of litigation to be supported and the extent of support shall be as decided by the Empowered Committee on a case to case basis.

iv) Studies:

- Market studies/survey for evolving proper marketing strategies;
- Export Potential Survey of the States;
- Projects/Study which further the objectives of the schemes;
- WTO studies for evolving WTO compatible strategy;
- All Trade related studies including Joint Study Group(JSG), Free Trade Agreement(FTA), Regional Trade Agreement(RTA) studies etc. Only specific markets studies would be undertaken and these studies would be entrusted to reputed professional organizations.

v) Project Development:

- To generate focussed projects leading to substantial improvement in market access, a shelf of projects shall be prepared by engaging reputed professional organisations. A special focus would be on preparation of projects pertaining to priority sectors and sectors having substantial employment generation potential.

vi) Miscellaneous:

- Developing Foreign Trade Facilitation web Portal (data bases and systems for dissemination of information (electronic or otherwise to Indian Exporters);
- To support Cottage and handicrafts units;

3. Eligible Agencies

Under the Scheme, financial assistance may be given to:

- Departments of Central Government and Organisation of Central/ State Governments including Indian Missions abroad
- Export Promotion Councils
- Registered Trade Promotion Organisation

- Commodity Boards
- Apex Trade Bodies recognized under Foreign Trade Policy of Government of India
- Recognised Industrial & Artisan Clusters
- Individual Exporters (only for statutory compliance etc.)
- National Level Institutions (e.g. Indian Institute of Technologies (IITs), Indian Institute of Management (IIMs), National Institute of Designs (NIDs), NIFT etc.) Research Institutions/ Universities/Recognized laboratories, etc.

4. Criteria for Sanction:

- 4.1 Market Access Initiatives (MAI) Scheme is based on Focus country-product approach and the eligible agencies should formulate a comprehensive project for market access on the basis of Focus-Country Focus – Product approach. The project should be for a particular product for a particular market for the period of 2-3 years so as to get the maximum result.
- 4.2 The proposal should not duplicate the efforts of any existing activity or organization in the same field.
- 4.3 The assistance under the Scheme for activities under the project will not be provided for which assistance under MDA has already been sanctioned.
- 4.4 The funding for the project will be on cost-sharing basis. However, the Empowered Committee may consider for enhancement or curtailment of the level of assistance on the merit of the project.

5. Scrutiny and Sanctions:

- 5.1. There shall be an Empowered Committee (E.C.) which will consider and approve the proposals. The E.C. will also monitor the implementation of the sanctioned proposals. The approval for sanction of the funds for approved projects will be obtained from the competent authority as specified under the existing instructions.

- 5.2 The composition of the Empowered Committee will be as under:

- Commerce Secretary – Chairman
- Chairman, ITPO – Member
- Addl. Secy. & Financial Advisor, DOC – Member
- Director General, Foreign Trade – Member
- Director, Indian Institute of Foreign Trade – Member
- Representative of Secretary, MEA – Member
- Representative of Planning Commission – Member
- Economic Advisor, Department of Commerce – Member
- A representative from the Ministry of Small Scale Industries – Member
- Joint Secretary, Administrative Division, Department of Commerce, dealing with Concerned EPC/Commodity Boards – Member
- A representative from the Department which is dealing with the subject (goods or services) brought before the EC for funding support – Member
- Joint Secretary, In-charge of the Scheme, Department of Commerce – Convener

The Committee would meet as and when required but not less than once every quarter.

- 5.3 The representative of the Eligible Agencies proposing/sponsoring the proposals may be invited to the meeting of the Empowered Committee; if required.
- 5.4 E&MDA Division, Dept. of Commerce, will co-ordinate the work related to the Scheme and liaise with Eligible Agencies for release and utilisation of the sanctioned funds.

- 5.5 Payment made under the Scheme will be subject to audit by the Comptroller and Auditor General of India as also by other means as deemed fit by the Government of India.
- 5.6 Government of India will cause physical verification and other such enquiry as deemed fit, of the projects sanctioned under the Scheme.

6. Submission of the proposal

- 6.1 The project proposal should be specific with related details. All aspects related to the project should invariably be supported by data/surveys. The projected benefits in both qualitative and quantitative terms in future should also be indicated.
- 6.2 Project proposals consisting of eligible activities under the scheme would be forwarded to E&MDA Division Dept. of Commerce by the Eligible Agencies through concerned administrative divisions/ Dept./Ministry concerned with their specific recommendations.
- 6.3 The recognized industrial clusters will forward their project through concerned EPCs or Administrative Ministries or the State Govt. concerned.
- 6.4 The project proposal should be accompanied by an executive summary as per annexure-I.
- 6.5 Project proposals received in E&MDA Division one month ahead of the meeting of the Empowered Committee will be considered in that particular meeting.

7. Details of approved purposes for the scheme and level of assistance

7.1 Marketing Projects Abroad:

7.1.1 Opening of Showrooms and Warehouses

Showrooms / Warehouses would be setup in leased or rental accommodation for identified products at identified centers identified on the basis of marketing studies/surveys. Such showrooms/warehouses may be set up by one or more eligible agencies and for one or more product categories.

Level of Assistance : Under the Scheme 75%, 50% and 33% of leasing/rental charges in the first, second and the third year, respectively, would be provided as assistance. There would be a ceiling of Rs.100.00 lakhs for each market/product per annum.

However, in cases of multi product showroom/warehouse(s) the ceiling would be Rs.500 lakhs for each market per annum.

The Empowered Committee, after the review of the performance and impact made by such interventions, may allow financial support of 25% of leasing / rental charges per year for a further period not exceeding three years.

7.1.2 National Level Participation & Organising Trade Festival of India etc., abroad.

Under the Scheme, assistance would be provided for National Level participation in trade fairs/exhibitions (duly approved so by the Department of Commerce), organizing "Trade Festival of India" to showcase merchandise and service or the participation in the fair is at National Level at identified potential places abroad. Such participation/organisation of such fairs/exhibitions will

normally be part of a comprehensive strategy. To maximize the benefits such efforts should be linked with effective publicity campaign, seminars, buyers-sellers meets etc. These activities will be coordinated by the Eligible Agencies.

Level of Assistance : The assistance would be subject to a ceiling of Rs. 500 lakhs for each fair. The following sub-components would be covered :

- Venue Cost including organizing expenses
- Publicity cost for the event
- Cost of the catalogues and other material
- Translation and interpreter charges
- Any other component approved by the Empowered Committee

The level of assistance shall be 65% of the approved expenditure. However, the assistance upto 90% may be provided by the Empowered Committee in deserving cases on a case to case basis.

7.1.3. Displays in International Departmental Store :

Tie up with local distributors /major stores shall be used as a tool for promoting particular product(s). International Departmental Stores chains would be identified on the basis of marketing studies/surveys.

Level of Assistance : Under the Scheme 50% of rental charges of display space would be provided as assistance, subject to a ceiling of Rs.100 lakhs per annum/each product.

7.1.4 Publication of World Class Catalogues:

World Class Catalogues for identified product/products for use in the identified markets would help in facilitating market access and creation of a brand identity for Indian products in international markets. The eligible agencies may create these catalogues suitable for identified markets.

Level of Assistance : 50% assistance would be provided for a particular market subject to a ceiling of Rs.10 lakhs per market per annum. The assistance can be considered after 3 years for updating the catalogues.

7.1.5 Publicity Campaign and Brand Promotion:

Intensive publicity campaigns for identified product/products in the identified market through various means would help in creating a brand identity for Indian products in International markets. The eligible agencies may also undertake publicity campaigns for establishing the Indian brand.

Level of Assistance : 50% assistance would be provided for two years in a particular market subject to a ceiling of Rs.100 lakhs per annum/per market. The assistance can be considered for the third year after a review of the result of the project in the first two years.

However, upto 90% assistance may be provided to undertake publicity campaigns in Priority sectors having large employment generation potential, viz. Agriculture including food items, Handicrafts, Handlooms, Carpets, Leather & Minor Forest Produce including LAC for establishing Brand India with an overall ceiling of Rs.200 lakhs on any product per annum per market.

7.1.6 Research and Product Development

Selected exporters/Export Promotion Councils (EPCs)/Trade Promotion Organizations/Industrial Clusters would be assisted in modernizing and upgrading the identified products as per the needs of the specific markets. Technical Experts/Consultants/ Designers may also be engaged for this purpose. This may be considered as a separate proposal or as a component of the approved project under the scheme for the assistance. The EPCs concerned etc. would act as coordinator.

Level of Assistance : 65% of the total approved cost subject to a ceiling of Rs.100 lakhs for each product, would be borne by the Scheme and the balance 35% by the concerned EPCs/Exporters / TPOs.

7.1.7 Assistance to Industrial /Artisan Clusters

The funds shall be provided through EPC/State Government concerned on the prescribed scale for the activities such as Market study, participation in trade fairs etc. abroad, opening of warehouse & showroom, display in International store and publicity.

Level of Assistance: 75% of the total approved cost subject to a ceiling of Rs.100 lakhs.

7.1.8. Assistance to reverse visits of the prominent foreign buyers, Foreign Trade Journalists

Under the Scheme, assistance to reverse visits of the prominent buyers, journalists/editors of trade journals and representatives of leading buying houses from the project focus countries for visiting important trade fairs/exhibitions/BSMs/Seminars and to visit important units in India would be provided to the Eligible Agencies.

Level of assistance : 65% of the total approved expenditure. The following sub-components would be covered:

- Venue Cost
- Publicity cost for the event
- Cost of the catalogues and other material
- Translation and Interpreters charges
- Any other component approved by the Empowered Committee

100% of the air travel cost of the foreign visitors in the economy/excursion class and hotel charges would be financed subject to a ceiling of Rs.75,000 (Rs.1,00,000 in case of the American Continent) per visitor.

7.2 Capacity Building

7.2.1. Assistance for imparting training to the Indian Exporters:

The funds will be provided to the concerned Institution/University for developing study material and for organising training programmes for the trainers and exporters.

Level of Assistance : 66% of the total approved expenditure subject to a ceiling of Rs.10 lakhs in addition to approved expenditure on creating master study material for trainers and exporters. The balance 33% of the cost may be recovered by the Institution from the participants. The following sub-components would be covered:

Study Material
Venue Cost
Faculty Charges

Organising Expenses

However, upto 90% of the cost of developing master study material for trainers and exporters subject to a ceiling of Rs.25 lakhs will be supported under the scheme.

7.2.2 Assistance for up-gradation of Laboratories, Universities, Research Institutions, National Level Institutions for fulfilling sanitary and phyto-sanitary(SPS) measures, related testing.

Funds will be provided under this provision for creating sanitary and phyto-sanitary(SPS) compliance measures including testing facilities. No assistance will be available for creating building, renovations, interiors etc. in this regard since the same are covered under the ASIDE Scheme.

Level of Assistance : Assistance under this provision would be provided upto 75% of the approved expenditure subject to a ceiling of Rs.50 lakhs per organisation, for necessary hardware and software needed for creating these facilities.

7.2.3. Capacity building for up-gradation of quality.

Funds will be provided under this provision to National Level Institutions and EPCs to organize training programmes for the skill improvement of the exporters for quality up-gradation, reduction in rejection, product improvement etc.

Level of Assistance : Assistance under this provision would be provided upto 66% of the approved expenditure subject to a ceiling of Rs.25 lakhs per organization per annum.

7.2.4 Developing Common facility Centers, Design Centers, packaging, etc:

Funds will be provided under this provision to Industrial Clusters, EPCs, National Level Institutions like NID, NIFT etc. for necessary hardware and software needed to setup Common facility Centers, Design Centers, packaging, etc. Funds will also be provided for engaging experts, designers for skill development/product development in these centers.

Level of Assistance : Assistance under the provision would be provided upto 65% of the approved expenditure subject to a ceiling of Rs.50 lakhs per such center. The support for hiring experts/designers/consultants shall not exceed Rs.10 lakhs in each case.

7.2.5 Hiring consultants/designers in the prospective/buyer country :

The funds shall be provided for hiring consultants/designers in the buyer country for facilitating negotiations/product modification as per local requirements.

Level of Assistance : Under the Scheme, the assistance at the rate of 65% of the charges shall be provided subject to the condition that an exporter can apply for maximum two reimbursements in a year and the total ceiling for each exporter would be Rs.5 lakh per annum.

7.3 Statutory Compliances

7.3.1 Charges/expenses for fulfilling statutory requirements in the buyer country including Registration charges for product registration abroad for select priority product groups:

Under the Scheme, assistance will be provided on reimbursement basis to individual exporters for charges/fees paid by an Indian exporter for fulfilling the statutory requirements in the buyer country e.g. registration charges paid in case of pharmaceuticals, bio-technology and agro-chemical products. For getting assistance an exporter is required to send the request through concerned EPC along with a certificate from the said EPC and the Indian Mission concerned certifying the amount paid towards such charges. Expenses made for carrying out clinical trials; data validation etc. for pharmaceutical products, equipments, medical consumables/disposables etc. shall also be covered for assistance. Preference shall be given to the small and medium entrepreneurs.

Empowered Committee may decide other product groups, nature of compliance eligible for assistance under this provision.

Level of Assistance : For statutory charges/expenses on statutory compliances of the products allowed by the Empowered Committee, assistance under the Scheme would be 50% of the charges/expenses and the total ceiling for each exporter shall be Rs.50 lakhs per annum.

7.3.2 Testing charges for engineering products abroad:

An exporter can apply through EEPC for getting assistance on reimbursement basis. A certificate from Indian Mission concerned certifying the amount paid for testing charges is required to settle the claim Preference shall be given to the small and medium entrepreneurs.

Level of Assistance :

Under the Scheme, the assistance at the rate of 50% of the testing charges will be provided subject to the condition that an exporter can apply for maximum five tests in a year and the total ceiling for each exporter would be Rs.10 lakhs per annum.

7.3.3 Anti Dumping, Anti Money Laundering and other investigations/ compliances:

Assistance for contesting litigation (s) in the foreign country concerning restrictions/anti dumping duties/Anti Money laundering Law compliances etc. on particular product (s) of Indian origin shall be provided under the scheme.

Level of Assistance : The commodity/product groups, nature of litigation to be supported and the extent of support shall be as decided by the Empowered Committee on a case to case basis. The support shall not exceed 50% of the actual expenditure subject to an upper ceiling of Rs.200 lakhs in each case.

7.4 Studies:

7.4.1 Market Study

Assistance would be provided for undertaking a market study of a particular market (s) for a particular product to have in depth analysis and to evolve a proper marketing strategy for greater market access as per the needs of the particular market. Professional consultants will be employed to undertake marketing studies and Indian Diplomatic Mission in the target countries

would be associated with such studies. Such studies could be approved as a first step of a marketing project and the findings/ recommendations would be the basis for further activities to be taken for greater market access. Only specific market studies would be undertaken and these studies would be entrusted to professional organizations. The Eligible Agencies will ensure the involvement of consultant appointed for surveys/studies during the execution of the project also for smooth implementation.

Level of Assistance : For market studies assistance of 75% of the total cost would be provided under the Scheme and the rest i.e. 25% would be borne by the Eligible Agencies. However, for studies assigned by the D/Commerce for the cause of export promotion, 100% assistance would be provided. The assistance for studies would be subject to a ceiling of Rs.100 lakhs/ each study.

7.4.2 Export Potential Survey of the States:

The Scheme would supplement the organizations of State Governments in carrying out export potential surveys of the State for identified product groups to evolve market related strategy for promoting exports of the identified product groups from the State. The organization of the State Govt. would be the coordinating agency for the survey.

Level of Assistance : 65% of the cost of Survey subject to the ceiling of Rs.100 lakhs would be funded under the Scheme. The rest 35% would be borne by the organization of the State Government.

7.4.3 Project/Study which further the objective of the Scheme

Financial assistance to any project/study which the Empowered Committee in its deliberation feels would further the objectives of the Scheme would be provided.

Level of Assistance: The level of assistance would be decided by Empowered Committee. The assistance would be restricted to 65% of the project cost "subject to maximum of Rs.50 lakhs in each case."

7.4.4 Studies on WTO related matters and JSG/FTA/RTA studies:

Studies relevant to JSG/FTA/RTA/WTO along with other studies relevant for bilateral or multilateral foreign trade would be undertaken. Assistance under the Scheme may also be provided for preparation of projects through reputed professional institutions.

Level of Assistance : Upto 100% of the cost.

7.5 Miscellaneous:

7.5.1 Developing Foreign Trade Facilitation Portal:

Under the Scheme Rs.2 crores per year has been earmarked for creation of Indian Trade facilitation Portal for providing country specific, product specific, procedural, statutory information to facilitate market access.

Level of Assistance : Assistance would be provided on 100% basis.

7.5.2 Assistance to priority sectors : Appropriate resources would be assigned by the Empowered Committee to priority sectors with potential of generating substantial additional employment, such as Cottage & Handicrafts, Leather sectors etc. Preference would also be given to support small and medium entrepreneurs for export promotion.

Level of Assistance:

The level of assistance to Cottage and Handicrafts units for eligible activities under the Scheme would be as under:

Where level of assistance for eligible activities, under the Scheme, in normal course is:	The level of assistance for eligible activities in case of cottage and Handicrafts units would be:	Remarks
Below 50%	75%	Would be subject to the maximum ceiling prescribed in normal course
50% & above	90%	Would be subject to the maximum ceiling prescribed in normal course

The assistance would also be provided for developing website for virtual exhibition @ 75% of approved cost.

7.6 Monitoring and Evaluation (M&E) : To guide the Department/Implementing agencies for optimal utilisation of available resources, Monitoring and Evaluation of sanctioned projects would be undertaken. M&E would be designed and implemented in collaboration with reputed institutions, such as IIFT, NCAER, ICRIER, IIMS, IITs, etc. Empowered Committee would assign necessary resources to ensure regular Monitoring and Evaluation of projects.

Level of assistance : Upto 100% of the cost.

8. Changes in Approved Projects :

Changes in approved projects, if any would be with the prior approval of the Department of Commerce.

9. Monitoring and Review

9.1 The Eligible Agencies shall submit a quarterly report in the prescribed format as given at Annexure – II. This form will be used to review the progress of utilisation of the funds released and also the basis for further release of funds by the Dept. of Commerce. This Quarterly Report should be sent electronically also to moc_mda@nic.in within 10 days of the end of the quarter.

9.2 The Empowered Committee shall periodically review the progress of the scheme and will take steps to ensure achievements of the objectives of the scheme.

- 9.3 E&MDA Division will act as the Secretariat for the Scheme and do physical verification from time to time for proper utilisation of funds and implementation of the projects. A team of officers for this purpose would be constituted by E&MDA Division.

Application form for Assistance under MAI for Marketing Project

(Please enclose a detailed write up wherever necessary)

<p>1. Name of Organisation/EPC/ TPO/Exporter</p> <p>2. Name of Project/Study for which MAI assistance is requested</p>	
<p>3. Whether it is based on Focus country or Focus-product basis</p> <p>3.1 If Yes, Name of Country/ Countries and in case more than one country is to be covered and whether the markets are similar in nature.</p> <p>3.2. If No, give justification for taking it up under the Scheme</p>	
<p>4. Whether the project is based on findings of any study/ survey. If not, the basis/grounds on which the project is prepared.</p> <p>4.1. If Yes, name of the Organisation, which undertook the study/survey. A copy of the summary of the report along with findings/ recommendations should be enclosed.</p> <p>4.2. If No, attach a brief justification for not based on the study/ survey</p>	
<p>5. Whether the project would be taken up by the Organisation/ EPC/Exporter itself, if not, give details about implementing agencies along with the reasons why the project is not being taken up by the Exporter (s) EPC/TPOs itself etc.</p>	
<p>6. Whether financial assistance has been taken earlier for such projects, under MAI/ MDA or from any other Scheme of Government of India/States.</p> <p>6.1 If Yes, the details thereof</p> <p>6.2 What was the cost and what were the specific benefits of the last activity. Please specify:</p> <ul style="list-style-type: none"> a) Number of participants/ contact persons b) Number of orders booked & their value c) Specific results of publicity etc. & how did the industry benefited. d) Other benefits <p>7. Period during which the Project is to be undertaken</p> <p>8. Proposed activities to be undertaken under the project</p>	

<p>9. The total cost of the project- year-wise</p> <p>10. The level of assistance sought under MAI year wise for each activity</p> <p>11. Specific targeted benefits after completion of the project as per item 6.2</p>	
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Annexure - II

Market Access Initiative (MAI) Schemes

Report for the Quarter ending on (Month) (Year) for the project approved under MAI Scheme

Name of the EPC / TPOs:

Name of the Project :

Date of Approval :

Sl. No.	Approved activities under the Project	Amount spent on each activity upto this quarter	Approved amount and pattern of funding – activity wise (in Rs.)			Whether the progress is made as per the proposal*	If not, the reasons thereof*	Remarks*
			MAI	EPC	Exporter			

*Attach a separate sheet giving details.

(This report should be duly authenticated by the authorized officer of the concerned organisation)