

1. INTRODUCTION

1.1 Background

1.1.1 India has developed strong technological and industrial capabilities in several sectors which could be shared by other countries, particularly developing countries for mutual advantages. Sustained and continuous efforts over the years have been initiated for promoting exports of technologies, services and projects directly and indirectly to other countries by sending experts and skilled labour abroad, establishing joint ventures, undertaking turnkey projects, licensing of know-how and providing training to foreign persons, etc. Also liberalised policies are being evolved to encourage technology related investments abroad. Keeping in view the tremendous export potential of technology and technology intensive products, there is a need to give a special focus on initiating appropriate policy measures to boost exports against the backdrop of the country having built up a strong base of manufacturing and technologies in the diversified sectors, on the one hand, and having developed trained manpower and industrial infrastructural facilities, on the other.

1.1.2 In the context of globalisation of resources of economies and markets, exports are a major determinant of national economic success and expanding technology exports are the strongest levers in a nation's goods and services basket. This is now being increasingly realised in India also. In the Union Budget (2002-03), the outlay for science, technology and environment has been increased from Rs 3,506 crore to Rs 4,414 crore, which is a substantial increase and part of this should be gainfully utilised for enhancing our technology-oriented production capabilities as well as development of exportable technologies. The Union Budget 2002-03 and the Exim Policy 2002-07 have also emphasised the need to build up high value added and technology intensive export and several new measures have been suggested.

The technology intensive exports continue to increase in the overall export basket of India although the manufactured export continue to be generally towards

the lower end of technologies. However, Indian companies have now started realising that they should own technologies if they want to own their businesses. This is a positive attitude of the Indian industry and hopefully should result in higher value of technology intensive exports over a period of time.

1.2 Need and Objectives of the Study

Keeping in view the large export potential for technologies and technology intensive products, projects and services, DSIR had constituted a Task Force in July 1997 for recommending measures needed to promote technology intensive exports from India which submitted its report to DSIR in October 1997. It made several recommendations including simplification of procedures and evolving new policies and incentives to promote technology exports. It was considered desirable to conduct a bench marking study based on the actual experiences of our exporters and their knowledge about the policies and statutory requirements, etc. in the importing countries, and the benefits available to their competitors in their respective countries. Accordingly, a short Study was undertaken by the Centre for International Trade in Technology (CITT) at IIFT, with the primary objective of collecting information as above, and analyse the same to evolve appropriate recommendations for the policy makers, exporters, and others concerned.

However, there are several other factors including a development oriented friendly policy environment for achieving the targeted growth of exports. In the globally competitive markets for our exporters, it is necessary that a bench marking study is available for evolving strategies and development oriented policies. The present report is an attempt towards this direction.