

### **Question No. 5 Write short notes on the following: iv) Importance of Institutional Infrastructure**

**Solution:** Export marketing effort is of vital importance for the success of export-promotion programme in any country. For undertaking international marketing operations, an exporter needs special guidance and assistance in critical areas like packaging, market promotion and publicity, quality certification, risk coverage, market intelligence, finance and credit support etc. It is only with the support and services rendered by specialised institutions, exporter is able to successfully convert his 'production' into 'sales in international market. Consequently, any country, including India, engaged in the task of export promotion, has to establish specialised institutions for strengthening export-marketing effort for the country as a whole. This along will have the way for creating an export environment and export- culture, on the foundation of which the export marketing effort at the corporate level can be effectively launched on an intensive and sustained basis.

With this object in view, Government of India have established a number of specialised institutions in the country for providing the necessary services and assistance to individual corporate unit for a successful export effort. In view of the widely diversifying nature of the export markets in different parts of the world and an equally diverse and varied nature of products and services traded in international market, Government of India have established specialised institutions at production/industry level for assisting exporters from different sectors.

Institutions engaged in export efforts fall in six distinct tiers. At the top is the Department of Commerce of the Ministry of Commerce. This is the main organisation to formulate and guide India's trade policy. At the second tier, there are deliberate and consultative organisations to ensure that export problems are comprehensively dealt with after mutual discussions between the Government and the Industry. At the third tier are the commodity specific organisations which deal with problems relating to individual commodities and/or groups of commodities. The fourth tier consists of service institutions which facilitate and assist the exporters to expand their operations and reach out more effectively to the world markets. The fifth tier consists of Government trading

organisations specifically set up to handle export/import of specified commodities and to supplement the efforts of the private enterprise in the field of export promotion and import management. Agencies for export promotion at the State level constitute the sixth tier.