

## Digitization and e-commerce: The golden ticket to exports







#### **FOREWORD**



Shri Narayan Tatu Rane Hon'ble Minister, Micro, Small and Medium Enterprises, Government of India

E-commerce marketplaces will play a unique role in enabling Indian MSMEs to engage directly with foreign markets and expand their operations globally.

The COVID-19 pandemic across the globe has posed unprecedented challenges and constraints on business and trade. In these trying times, the Government of India has placed a special emphasis on the MSME sector in the recovery process through a slew of policy measures and programmes. At the heart of all our initiatives is a vision to create an Aatmanirbhar Bharat, built on the intrinsic potential of MSMEs.

The MSME sector in India is endowed with tremendous growth potential. The sector contributes to around a third of India's GDP and drives nearly half of the country's exports. The sector has innate capacity to mark its presence in both national and global markets. Through an unwavering commitment to quality and excellence, I am confident that MSMEs will lead the way to India's sustained economic growth and recovery. As the country moves strongly in the direction of becoming Aatmanirbhar, Indian MSMEs are at a unique vantage point to further integrate themselves into global supply chains and greatly expand the frontiers of Indian exports. The potential of MSMEs in driving exports is reflected in the Hon'ble Prime Minister's special acknowledgement of their contributions towards an unprecedented achievement of \$400 billion in exports in FY 21-22. I am sure that at this pace, our MSMEs will also play a pivotal role in the achievement of the \$2 trillion export target set to be achieved by 2027.

To this end, e-commerce marketplaces will play a unique role in enabling Indian MSMEs to engage directly with foreign markets and expand their operations globally. The increased accessibility to e-commerce has enabled MSMEs to actively participate in foreign markets and deepen their global

footprint. Amazon India, through its various initiatives, has contributed significantly in this direction. The possibilities realized through e-commerce marketplaces will be looked upon as an inflection point in the global expansion of Indian MSMEs in the decades to come. I strongly urge MSMEs to leverage such opportunities to better understand the dynamics of different international markets and calibrate their strategy to serve specific interests in those economies. With the availability of technological tools, I am sure they will soon see their share of overall exports rise to 60% of the overall exports from India.

As we move towards driving export-led growth, the success stories of enterprises will inspire a new generation of global entrepreneurs in India. For India to achieve its exports potential, it is critical for the Government and the industry to work together on this shared agenda. I would like to congratulate Amazon for committing itself to growing India's exports. I would like to extend my best wishes to all those in Amazon who have contributed towards opening up tremendous opportunities for the Indian MSMEs and creating a global recognition for thousands of local Indian products.

I wish the team all success.

2mg

Narayan Rane



# Take the next step towards global success



#### **FOREWORD**



Amit Agarwal Senior Vice President, India and Emerging Markets, Amazon

We are super excited by the momentum Amazon Global Selling is witnessing; the exporters on the program are on track to surpass the \$5 billion milestone in cumulative exports. Importantly, the program took 3 years to enable the first billion dollars in exports, while the last 2 billion have come in just 17 months.

Exports are a key driver to boost our economy, generate employment and provide bigger markets for growing companies. It's no wonder that Hon'ble Prime Minister has stressed the need to boost exports from India and highlighted its importance to revive our economy in the post-pandemic world. For the first time in history, India has breached the \$400 billion mark in annual merchandise exports in FY 21-22 and this has been made possible due to the unwavering commitment of multiple stakeholders. As India moves towards the path of becoming an exports superpower, I strongly believe that embracing technology and e-commerce will be integral to unlocking India's exports potential and helping us realize our vision of being a \$5 trillion economy.

Every day at Amazon, we see how technology and e-commerce are helping lower the entry barrier for lakhs of MSMEs and entrepreneurs to expand their horizons and serve customers across India and the world. Our e-commerce exports program, Global Selling, launched in 2015, has quickly grown to over one lakh exporters – including marquee Indian businesses as well as digital-first brands. It has been truly humbling to see thousands of first-generation entrepreneurs from all corners of India embrace technology to take their passion, expertise and millions of Made in India products to customers across the world.

To give you an example, Abhishek Middha, a Jaipur-based college student, launched a tapestry business in 2012 from the basement of his house. He was amongst the first Indian exporters from India to join Amazon Global Selling. With his business flourishing, Abhishek set up AND Exports and has now ventured into other categories like home décor and leather goods. Despite the

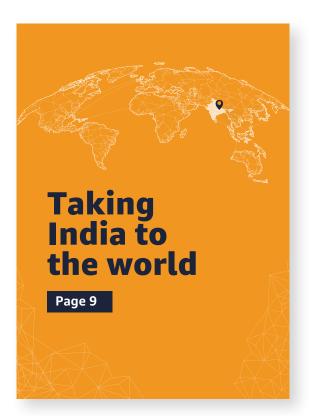
challenges over the last couple of years, AND Exports has grown over 3X year-on-year while serving customers across the USA, Canada and Europe. What strikes me the most about Abhishek isn't the success that he has already achieved, but his optimism to grow. He plans to expand operations to more global markets and double the size of his 40-member team by the end of 2022.

The rapid pace of technology adoption around us reinforces our belief that digitization will play a crucial role in driving non-linear growth in India's exports. E-commerce provides an easy and rapidly scalable route for Indian MSMEs to build robust global brands and businesses, thereby creating employment opportunities in the ecosystem. A laser-sharp focus on empowering Indian MSMEs to leverage e-commerce and drive exports can help us contribute to the Hon'ble PM's vision of 'Aatmanirbhar Bharat' and support the rise of global D2C brands from India.

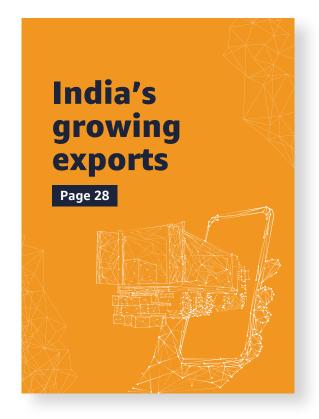
With digital adoption on the rise, and modern manufacturing processes in place, India is well placed to emerge as an export hub. At our end, we are super excited by the momentum Amazon Global Selling is witnessing; the exporters on the program are on track to surpass the \$5 billion milestone in cumulative exports. Importantly, the program took 3 years to enable the first billion dollars in exports, while the last 2 billion have come in just 17 months. Encouraged by this momentum, the rapid adoption of e-commerce as a medium for exports and growing demand for Made in India products across the world, we are doubling down on our commitment to boost exports and raising our pledge to now enable \$20 billion in cumulative exports from India by 2025. I have no doubt that it is still Day 1.

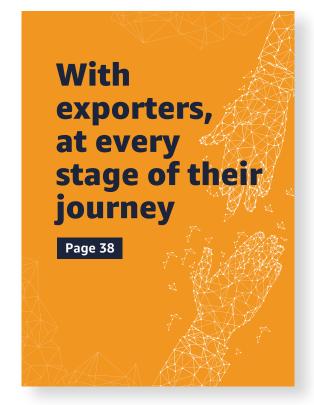


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## United States of America





#### Did you know?

During the Black Friday and Cyber Monday sale in 2021, Indian exporters registered with Amazon Global Selling, witnessed nearly 2X surge in demand across North America, Europe, Middle East and North Africa, with over 500 exporters on the program achieving sales of \$100K.



## Taking India to the world

From Surat to Guwahati and Salem to Amritsar, exporters from across the country are selling locally made Indian products to the world via e-commerce. Join us on a journey to explore top products from different parts of the country that are growing in demand among international customers.

#### **Amazon Spotlight**

#### \$5 billion

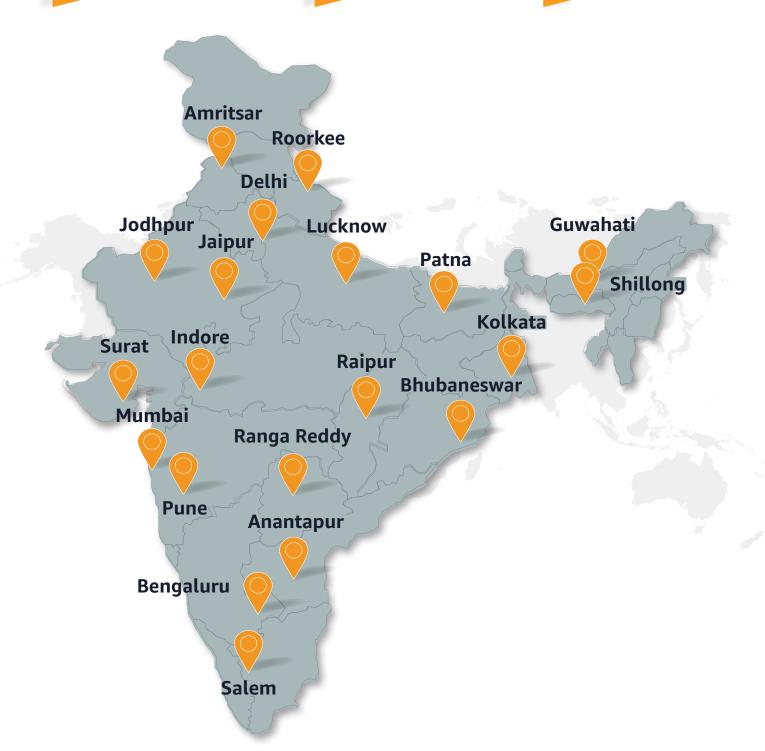
Indian exporters on Amazon Global Selling are on track to surpass \$5 billion in cumulative exports

#### 100,000+

Indian exporters selling through Amazon Global Selling

#### 1000+

Indian exporters on Amazon Global Selling crossed INR 1 crore in sales in 2021



## Top categories & growth

#### **Apparel**

Surat . Jaipur Kolkata . Amritsar





#### Toys

Mumbai . Jodhpur Bengaluru . Roorkee





#### **Jewellery**

Mumbai . Delhi Jaipur . Lucknow





#### Home

Noida . Erode Mumbai . Jaipur





### India's heritage: Ayurveda

Herbal tea





Herbal supplements (Ashwagandha)

Hair mask





**Essential oils** 

#### **Customer testimonial:**





Fitness.Mom



★ ★ ★ ★ ★ it's an intoxicating lovely scent

Reviewed in the United States on September 12, 2020

Color: Muladhara - Root - Grounding | Verified Purchase | Early Reviewer Rewards (What's this?)

The smell is amazing. I bought the roll on and loved the scent so much that I bought the spray. It's sweet and almost floral, but it's truly one of the loveliest scents I've ever purchased which is why I bought more. The spray is lighter than the roll on.

6 people found this helpful

#### **FUN FACTS**



Indian bedsheets are a big hit in the West – but not in any way you can imagine. Owing to their colorful designs, they have been adopted as beach towels, throws, and wall hangings.



The benefits of copper utensils are slowly being realized world over – notably as tumblers to serve beer and cocktails. That's one glass you won't have to worry about tipping over.



The rich flavor of shudh ghee is being recognized by coffee connoisseurs around the world. They are being used as a supplement to enhance coffee blends.



Chandrika soap is being touted as a lather inducer for shaving by virtue of its all-natural nourishing qualities.



#### **REGIONAL DEEP DIVE**

#### Top product categories





#### **Emerging product categories**





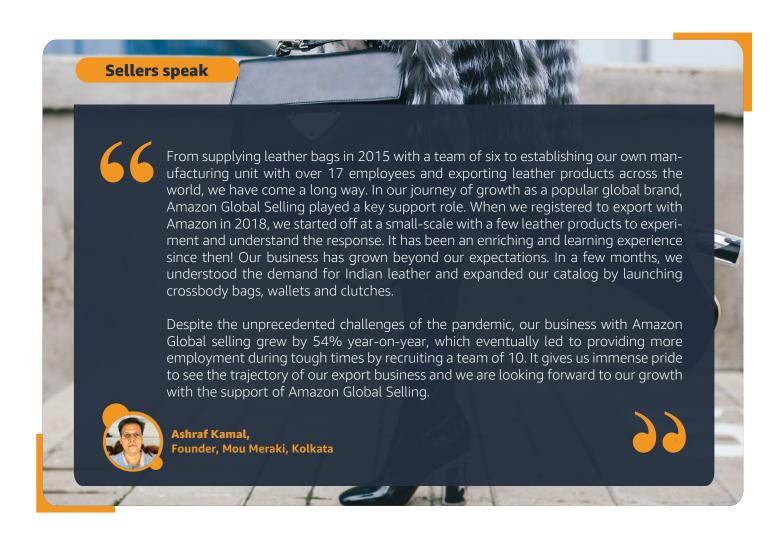
#### REGIONAL DEEP DIVE





#### Emerging product categories





#### **REGIONAL DEEP DIVE**

#### Top product categories



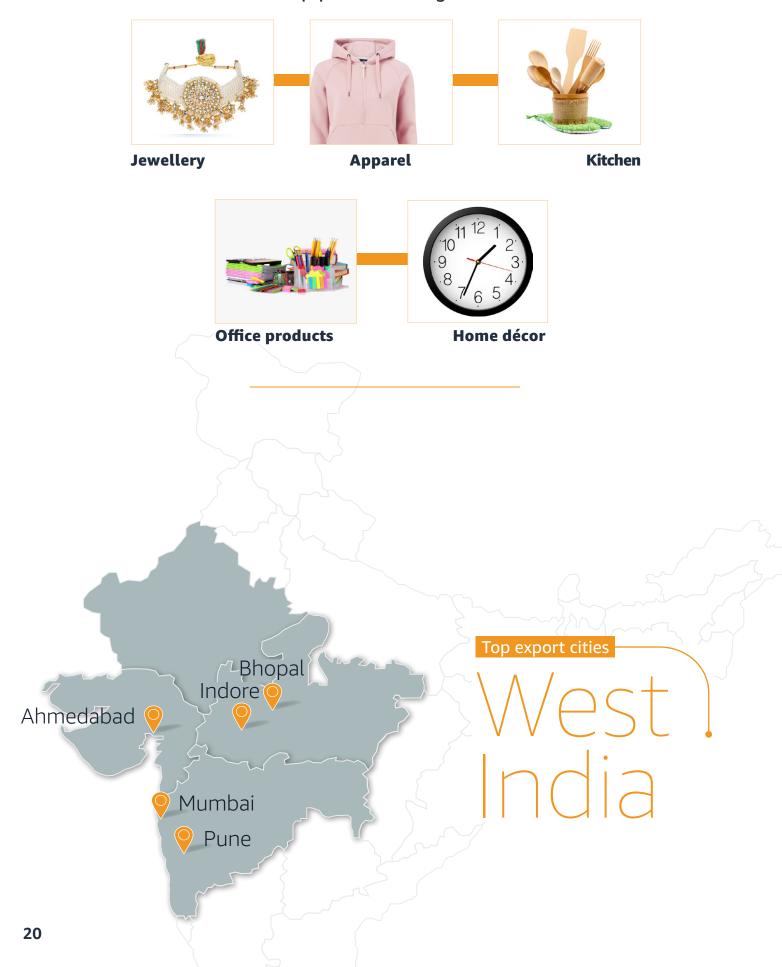
#### **Emerging product categories**





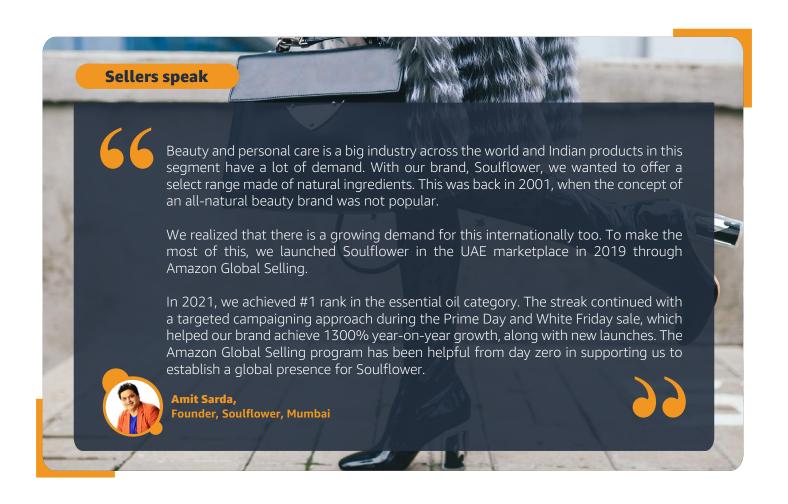
#### **REGIONAL DEEP DIVE**

Top product categories



#### **Emerging product categories**





## United Kingdom







David Yirrell



Reviewed in the United Kingdom on 7 January 2022

Colour Name: Green | Verified Purchase

Despite the strap-line, one can make black tea in it too. It comes up to estimation and has a novel way of stopping too much heat transfer from pot to work surface. Clever. Just big enough for one mug.

Bought this as my wife prefers Assam, my son likes Russian caravan and I like Darjeeling so we now we have a pot each.

# Festivities all-year round for Indian exporters

Whether it is Black Friday and Cyber Monday sale in the USA or Ramadan sale in UAE and Saudi Arabia, Indian exporters benefit from all-year round demand that e-commerce exports offer. Celebrate with us, every month of the year.



**18** International marketplaces



#### Benefit from international sales events





FEBRUARY Valentine's Day



MARCH Easter Day



APRIL
Spring
Cleaning



MAY Mother's Day



JUNE Father's Day



Prime Day

JULY



AUGUST

Back to School



SEPTEMBER
Autumn
Deals



OCTOBER
Halloween
Day



NOVEMBER

Black Friday and
Cyber Monday

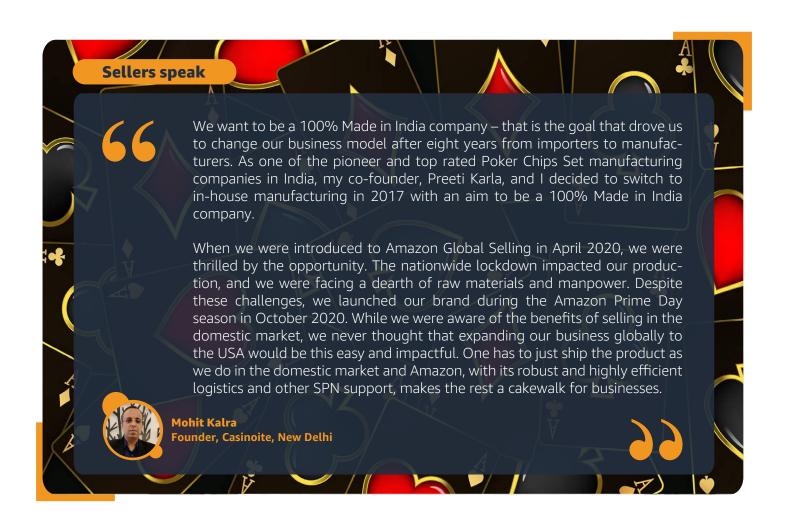
DECEMBER
Christmas
Day





### 52,000+

New products were launched during the 2021 Black Friday & Cyber Monday sale, which happened between November 25 and 29.







Seeing the growth in the number of exporters joining the Amazon Global Selling program and the growing demand for Made in India products across the world, we are scaling up our pledge to boost cumulative exports from India using e-commerce to \$20 billion by 2025.

#### - Amit Agarwal

Senior Vice President, India And Emerging Markets, Amazon



#### United Arab Emirates





#### Did you know?

India and the UAE have signed a Comprehensive Economic Partnership Agreement (CEPA) with the aim of increasing bilateral merchandise trade to \$100 billion by 2030.

# India's growing exports

With growing internet penetration and technology adoption by MSMEs, e-commerce exports have seen a steady rise in India and also around the world. Through this chapter, we take you through the key reasons for this growth, especially during the pandemic.



## India's exports growth and contributing factors

#### \$418 billion

Total merchandise exports growth by India in 2021-2022, surpassing the target of \$400 billion\*

#### **\$40.38** billion

Highest monthly value of merchandise export by India in March 2022\*

#### 190+

Total number of countries to which India exports \*





Rigorous push by the Government of India



High global pent up demand



High disposable income due to fiscal stimulus by top economies

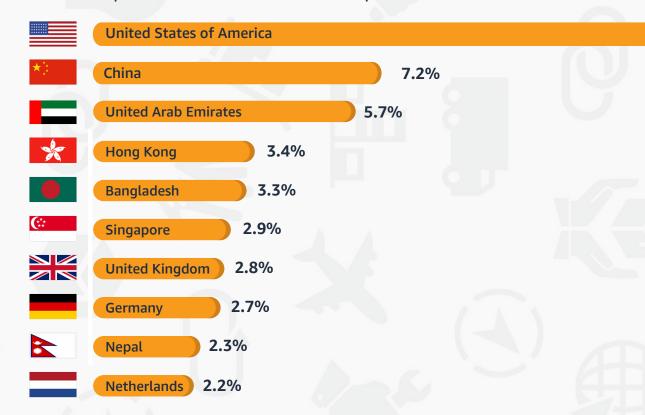


Rise in e-commerce exports

17.6%

\* https://pib.gov.in/PressReleasePage.aspx?PRID=1813194

#### Chart 1: Top countries for India in overall exports\*



#### **Enabling ecosystem for India's exports**



Steady growth of MSMEs





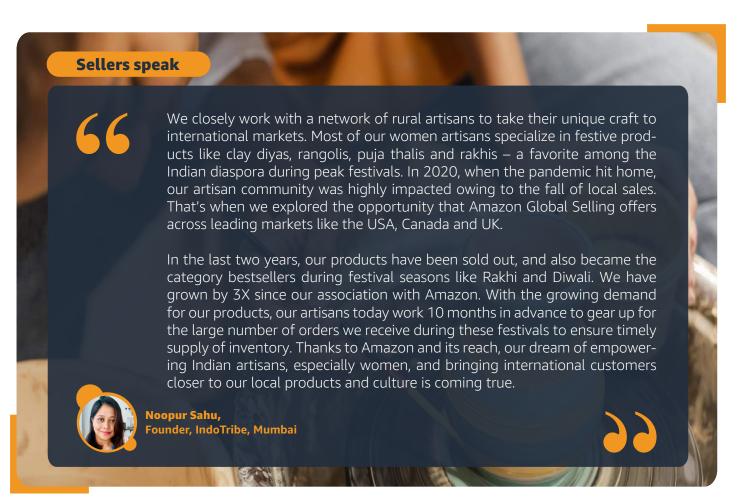
Emerging startup community

With increasing digital penetration, new-age consumer startups are on the rise, exploring new avenues to take their Indian brands to international marketplaces. The Government has taken initiatives to encourage startups and enable them to be self-reliant and also improve manufacturing setup across the country.



Digitization driving agility

Amidst unprecedented challenges during the pandemic, Indian exporters adopted the use of digital technologies and e-commerce, thus shifting their business models. This opened up new revenue and value-producing opportunities – a key to their growth.



## E-commerce cross border trade - A global phenomenon

Not just in India, but also globally, e-commerce cross border trade has been showing accelerated growth since the last five years, with the pandemic further expediting this. This has not only resulted in an increase in e-shoppers, but has also led to these e-shoppers purchasing products from across the globe.



## Key factors



Lowered entry barriers for exporters



Customers seeking diverse products outside home countries



Advanced technologies offered by e-commerce exports program

<sup>\*</sup> https://nasscom.in/knowledge-center/publications/retail-40-india-story-unlocking-value-through-online-offline

## Government initiatives



#### Entitlement of e-commerce in Foreign Trade Policy 2015-20 (FTP)

In the FTP, the Government of India entitled exports of goods through courier or foreign post office using e-commerce for rewards under export incentives.



#### Foreign Trade Agreements

In February and April, India signed an FTA with the UAE and Australia respectively. India is also currently working on FTAs with Israel, Canada, the UK and the EU.



#### Dedicated portal for MSME exporters

'MSME Mart' is an online B2B market-place, which is exclusively meant for MSME exporters to boost export and as a one-stop digital solution to all business needs of exporters.



#### Districts as export hubs

Identifying products with export potential in each district and improving export process.



#### DGFT e-platform

Implemented to ensure paperless and contact less processing of application.

#### Amazon partnerships



Signed MoUs with the Government of Gujarat and Government of Karnataka to help drive e-commerce exports from the states.



Conducted 40+ education webinars for Indian exporters and export promotion councils on e-commerce exports.



Launched Propel Accelerator season 1 in collaboration with Invest India and received endorsement from Shri Amitabh Kant, CEO, Niti Aayog for season 2

We saw an overwhelming response with over 250 participants our webinar with Amazon Global Selling. The Amazon team shed interesting insights on growing opportunities across the globe for Indian products, which helped our exporters understand the possibilities and ease of e-commerce exports.

**Bhupender Singh**, Head of North Region, Federation of Indian Export Organisations (FIEO)

To achieve our vision of global trade of spices, Indian exporters and MSMES play a key role. Our association with Amazon Global Selling is helpful in educating exporters on the ease of expanding internationally with e-commerce, to take Indian spices and spice products across the globe.

**B. N. Jha**, Director - Marketing, Spices Board, Ministry of Commerce and Industry, Govt of India

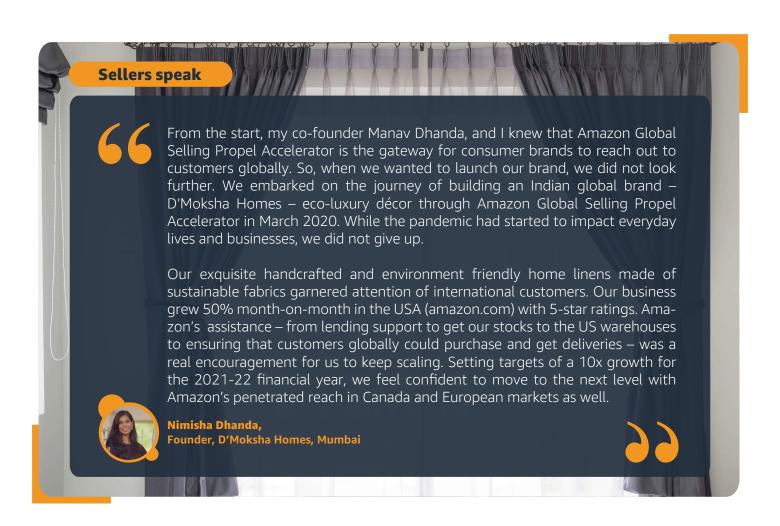


#### amazon global selling Propel

#### **Propel Accelerator**

#### **Enabling D2C Brands go global**

Focused on enabling Indian startups to expand globally, Amazon Global Selling Propel Accelerator is a rigorous eight-week program designed to help early-stage startups in the consumer products space to accelerate their international reach. As a part of the program, a cohort of select startups receive 1:1 mentorship from leaders, a platform to interact with investors and assistance for global launch and expansion.



#### Voice of Indian exporters

Most of the Indian exporters, registered with Amazon Global Selling before 2020, said that e-commerce exports helped them navigate through the COVID-19 pandemic.

Exporters who registered with Amazon Global Selling during the COVID-19 pandemic said that e-commerce helped them recover their businesses by a significant level.

Establishing a global brand, receiving logistic support and being able to provide employment to the local community are some of the key benefits exporters said they received from registering with Amazon Global Selling.



- While our traditional B2B business was impacted by COVID-19, Amazon Global Selling helped us reach B2C customers globally with ease.
- 66 After registering with Amazon Global Selling, international customer feedback encouraged us to start our own manufacturing, and there was no looking back.

The above observations and testimonials are from a qualitative survey that Amazon Global Selling conducted with 50 registered Amazon exporters.



## Easing India's path to becoming global export hub

India's twin targets of a \$5 trillion economy by 2025-26 and Aatmanirbhar Bharat, encompass two other major objectives, namely increasing employment and exports. Generating domestic jobs is crucial for sustaining the growth process, and MSMEs play a pivotal role in this context. Achieving a \$5 trillion economy requires about \$1 trillion in merchandise exports, a large rise from current levels.

India's exports have grown strongly in 2021, owing to focused policy efforts and external factors like the release of pent-up global demand and high international commodity prices, exceeding the target of \$400 billion during 2021-22. To cement India's position as a global export hub in the coming years, continuous efforts would be needed, including through realizing the huge potential of online exports. NASSCOM has estimated that the share of current online-led exports in total exports from India is likely to increase 45 times by 2030.

MSMEs, being both an employment intensive sector and significant contributor to India's exports, is of particular importance. As the industry recovers from the impact of the COVID-19 pandemic, improving access to

untapped segments of the global markets will be critical to driving MSME-led exports.

An obvious area with large potential is Business-To-Consumer (B2C) e-commerce exports. According to UNCTAD, the global B2C e-commerce market was about \$5 trillion in 2019. Of this, B2C e-commerce international trade is about 9% and is growing each year. COVID-19 has given a further spurt to this growth. A similar shift has been observed in India.

The government is making many efforts to improve the operational conditions for e-commerce exporters from India, viz. growing internet connectivity, access to international and indigenous payment platforms and fast developing warehousing and logistics infrastructure, introducing e-commerce specific customs forms, increasing the number of foreign post offices, raising the value limit for e-commerce courier shipments, digital processing of exports customs clearance, and reduction of the number of mandatory documents. Such support policies would help bring India's UNCTAD e-commerce B2C index rank at par with or ahead of its competing economies.



An obvious area with large potential is Business-To-Consumer (B2C) e-commerce exports. According to UNCTAD, the global B2C e-commerce market was about \$5 trillion in 2019. Of this, B2C e-commerce international trade is about 9% and is growing each year. COVID-19 has given a further spurt to this growth. The similar shift has been observed in India.



This momentum needs to be continued with steps such as up-to-date and easy to access information and training to conduct e-commerce, easier regulatory requirements (in particular, the DGFT, RBI and tax related requirements), and continued digitisation of as many processes as possible. Workshops could be organized under the Export Facilitation Centres of MSME, the Export Promotion Councils and utilizing the Niryat Bandhu scheme more effectively. While significant progress has been made by the DGFT and banks in the past few years to enable most of the transactions online, there are a few processes that require integration among them to provide exporters a completely seamless paper-free experience. The need for small exporters or their agents to submit papers in physical form needs to be reduced.

Further, time taken for consignments is another important area of consideration. The 2017 cross border survey of the International Post Corporation (IPC) indicated that 79 percent of European cross border buyers expected to receive deliveries from another country within a maximum of one week. The 2018 survey reflected still more demanding customer expectations for delivery times. Thus, the clearances for export consignments by B2C exporters have to be effected in a matter of hours rather than a few days as at present. To this end, greater digitization and use of risk-based systems needs to be widely introduced to bring down the transaction time sharply.

With the current focus of India on giving a special boost to export capacity, the opportunity for increasing both exports and employment should be emphasized by better enabling MSMEs to opt for e-commerce exports as well as direct selling using technology. The experience of MSMEs, which have used e-commerce to export through established platforms, shows a major untapped capability. Potential e-commerce export product categories cover a wide range such as auto components, machine tools, handheld digital instruments, gems and jewellery, textiles and clothing, leather goods, handicraft products including carpets and a host of items from the food and beverages sector.

India has a major potential to become a global export hub (including active involvement of e-commerce exports of MSMEs), which can be expedited by continuing and consolidating the Government's policy momentum.

## Japan





#### Did you know?

For Indian exporters on Amazon Global Selling, books and home décor are the top favorite categories in Japan.

## With exporters, at every stage of their journey

To make e-commerce exports seamless and hassle-free for Indian MSMEs, Amazon has taken initiatives that solve seller problem statements and pain points at different stages of their journey of selling internationally.



#### 3 steps to export with Amazon

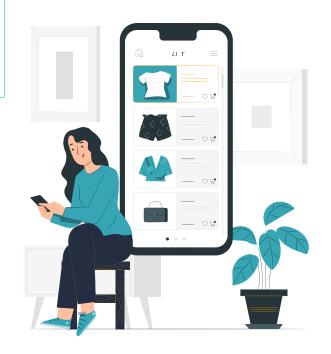


## Register

The first step to export with Amazon is to register on Seller Central by sharing a few key business details and document requirements.



Once registered, exporters list their products on any or all of the 18 Amazon international marketplaces, as per their business goals. Once listed, international customers can view and place orders.

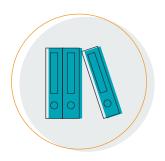






Exporters choose to ship their products through third-party services (MFN) or let Amazon do it. With Fulfillment by Amazon (FBA), Amazon handles storage, packaging, international shipping, delivery & returns.

#### Frequently Asked Questions



### 'How do I know what export documents are required for my business?'

#### **EASE OF EXPORTS DASHBOARD**

Guidance on key requirements and documents required for business across registration, product, shipping and payment reconciliation.



#### 'Can I run and manage my export business in Hindi?'

#### **REGIONAL LANGUAGE PROGRAM**

Assistance in local languages - Hindi (HI) and Tamil (Ta) - across registration, launch and account management.



#### 'How can I ship internationally and track my inventory?'

#### **FULFILLMENT BY AMAZON (FBA)**

Helping exporters focus on their business expansion, Amazon handles international shipping, delivery, returns and customer service.

#### **AMAZON PARTNER CARRIER**

From shipping to customs clearances and delivery to an Amazon fulfillment center, Amazon Partner Carrier program provides support to exporters.



#### 'How to reach more customers and make my products more visible?'

#### AMAZON ADVERTISING

To increase visibility and sales on international marketplaces, Amazon offers advertising where exporters can run sponsored ads, sponsored brands and display ads.

#### **AMAZON BRAND REGISTRY**

Amazon helps brands of all types and sizes build, grow, and protect their business by offering a set of tools like A+ content, brand analytics and sponsored brands ads.



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### amazon global selling

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