Global trade is key to India’s emerging economy, significantly contributing to GDP and potential growth. However, for many years, cross-border trade in the region has been cumbersome and tedious, often involving time-intensive reviews and reconciliation of physical documents.

As more tech hubs bring innovation to India, digitization of trade processes can also help clients overcome traditional trade challenges, which in turn can help spur further investment in the region.

While trade in India can typically face about ten to 25 times longer trade times with costs about three to five times higher than most OECD nations, exports have the potential to increase by about 5-8% solely through digitization. In addition, with the aid of digitization, a 10% improvement in efficiencies could yield approximately US$5Bn in logistical cost savings each year.

**Initiatives to Increase Trade and Business Growth in India**
To help propel the economy forward, the Government of India has taken various steps to help:

- Transform India into a global manufacturing hub as part of the ‘Make-in-India’ initiative
- Streamline cross-border trade by reducing the dependency on conventional processes
- Overall simplification of trade and ease of doing business by introduction of Goods and Services Tax (GST)

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EFFICIENCIES IN DIGITAL TRADE

... with the aid of digitization, a 10% improvement in efficiencies could yield approximately US$5Bn in logistical cost savings each year.

Overall, these goals can help make it easier to do business in India, which ultimately may contribute to overall growth of the economy. As a result, the ranking of India for “Ease of Doing Business” has improved 23 notches from last year and India now ranks number 77 globally. The time and costs related to cross-border trade have shown a significant decrease. Refer to the table below.

In addition, Goods and Services Tax (GST) alone is likely to increase the competitiveness of Indian goods and services overseas and give boost to exports by 3 to 6%.

Trade Innovations Designed for the Changing Environment

As the economy speeds up, corporates are demanding innovative and flexible solutions. They want to drive profitability while delivering a more intuitive, efficient and customer-centric experience. What’s more, they do not just want all this now, in many instances, they want it yesterday.

To deliver products and services that can live up to these expectations, Citi looks to adopt new technologies designed to help reinforce its position as an innovator and deliver more value.

Aligning with the digital renaissance in India, Citi launched one of the first digital solutions for cross-border trade in India, revolutionizing the trade landscape further by making it simpler and faster to do business.

Customer experience is critical to make trade more efficient for clients from end-to-end. We have been focusing on bridging the gap in trade offerings, which have been traditionally paper-intensive.

As technology continues to advance and customer demands become more sophisticated, various initiatives are in progress to deliver more convenience. By working to digitize and enhance trade, we have reduced processing times by up to 80% and helped pre-empt most discrepancies, resulting in faster turn-around-times (TAT) and significantly lower costs.

Leveraging Data and Automation to bring in Efficiencies

In India, Citi has also been successful in navigating the latest regulatory platforms to introduce innovations in trade. With the integration of the country’s Export Data Processing and

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| **MUMBAI** | Import | Export |
| | Documentary Compliance | Border Compliance | Documentary Compliance | Border Compliance |
| | Time / HRS | Cost / $ | Time / HRS | Cost / $ | Time / HRS | Cost / $ | Time / HRS | Cost / $ |
| 2017 | 65 | 129 | 267 | 536 | 58 | 94 | 85 | 348 |
| 2018 | 35 | 100 | 102 | 340 | 24 | 75 | 54 | 250 |

Sources:
3. NCAER Report
Monitoring System (EDPMS) and Import Data Processing and Monitoring System (IDPMS) regulations, Citi has been able to offer paperless export collections (document regularization) and open accounts for import payments processing.

**These developments can help provide the following benefits:**

- **Automation** - Reduce processing and turnaround times
- **Convenience** - Replace physical invoices with system-generated invoices
- **Automatic Reconciliation** - Invoice-level payment details can be made available for auto-reconciliation for more end-to-end visibility with seamless reconciliation
- **Digital Experience** - Providing an end-to-end digital experience for our clients to make trade payments as simple as cash payments with lesser manual touchpoints
- **Operational Efficiency** - Reduce costs, discrepancies, and increase ease of transacting

These are just a few of the trade innovations made possible amidst the digital revolution in India. As market environments change, corporates look for a banking partner with flexible and innovative strategies to stay ahead of the curve. Citi, as one of the industry-leading global banks, provides comprehensive capabilities and proven expertise to corporates in preparing for today’s dynamic environment.