

**Performance audit of the functioning of commercial wings
in the Indian Missions/Posts abroad**

Highlights

- ❖ **Commercial wings in the Indian Missions/Posts abroad were not restructured keeping in view the changing international trade scenario. Several proposals to restructure and streamline these wings to enable them to discharge their functions efficiently and effectively remained unimplemented. The recommendations of the Expenditure Reforms Commission on downsizing were also not implemented by the DOC.**

(Paragraphs 8.1.1 and 8.1.2)

- ❖ **The commercial representation was not commensurate with the trade potential. Posts in many countries identified as ‘focus markets’ were functioning without adequate commercial presence, whereas, a large number of India based and local staff were provided in other countries that were not regarded as top export destinations.**

(Paragraph 8.3.1)

- ❖ **Only 2 per cent of the total expenditure of Rs. 337 crore was incurred on ‘Trade Promotion’ by the commercial wings during 2001-02 to 2005-06 while the major part of the allocation (75 per cent) was utilised to meet establishment costs. The decision of the Commerce Secretary (May 2000) to reduce establishment costs and increase trade promotional activities was not implemented.**

(Paragraphs 8.2.1 and 8.2.2)

- ❖ **Commercial wings in the Indian Missions/Posts abroad did not discharge their mandated responsibilities efficiently and effectively so far as they related to preparation of annual action plan, conducting market research/surveys, development of business strategy elements, settlement of trade disputes, follow up on trade and investment delegations to post countries, and furnishing of reports pertaining to the trade fairs and exhibitions in the countries where they were located.**

(Paragraphs 8.4.1, 8.4.3, 8.4.4, 8.4.5, 8.4.6 and 8.4.7)

- ❖ **Monitoring of the performance of commercial wings by the DOC and the MEA was lax. The commercial wings did not submit the monthly/annual commercial reports regularly to the DOC and the MEA. The reports received in the DOC and the MEA were seldom analysed or reviewed to measure the performance of the wings.**

(Paragraph 8.5.2)