

GENERAL STUDIES II

Export Preparedness Index: EPI 2024 Rankings & UPSC Notes

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Explore NITI Aayog's Export Preparedness Index, EPI 2024 rankings, and four pillars and their significance for India's export competitiveness and UPSC preparation. The Export Preparedness Index evaluates the export readiness of India's states and Union Territories. Released in January 2026, EPI 2024 examines infrastructure, business ecosystem, policy and governance, and export performance to identify strengths and reform priorities.

Export Preparedness Index: Understanding EPI 2024, State Rankings and India's Export Readiness

Excerpt / Brief Summary: The Export Preparedness Index evaluates how effectively Indian states and Union Territories support exports. For UPSC aspirants, it connects external trade with infrastructure, business conditions, governance and competitive federalism.

UPSC Syllabus: Prelims — Indian Economy, Institutions and Indices; GS Paper III — Industrial Growth, Infrastructure and Effects of Liberalisation; GS Paper II — Federalism and Government Policies.

1. What Is the Export Preparedness Index?

The **Export Preparedness Index (EPI)** is a NITI Aayog assessment of the export readiness of India's states and Union Territories. Its fourth edition, **EPI 2024**, was released on **14 January 2026**. The first edition appeared in August 2020.

EPI helps identify the conditions that enable businesses to enter and sustain participation in international markets. It examines preparedness alongside export outcomes, rather than functioning only as a list of export values.

Exam caution: EPI 2024 is the edition name. It should not be renamed "EPI 2026" merely because it was released in 2026.

2. Why Assess Export Preparedness?

An exporter's competitiveness depends on more than the product's factory price. Reliable electricity, transport, finance, skilled workers and predictable administrative processes also influence the cost and reliability of delivery.

Preparedness assessment therefore asks a practical question: **How supportive is the surrounding economic and institutional environment for firms seeking to export?**

A state may possess promising products but face constraints that prevent firms from reaching international buyers. Identifying those constraints can help policymakers select more useful interventions.

3. EPI 2024: Four Pillars and Their Weightages

EPI 2024 uses four pillars, 13 sub-pillars and 70 parameters. The report distinguishes **50 vital parameters**, which contribute to scoring, from **20 desirable parameters**, which capture additional achievements and opportunities.

EPI 2024 pillar weights

Pillar	Weight	What It Helps Examine
Export Infrastructure	20%	Utilities and logistics
Business Ecosystem	40%	Economic conditions, skills, finance, enterprise and innovation
Policy and Governance	20%	Policy support and regulatory conditions
Export Performance	20%	Export trends, facilitation and market access

Revision point: The Business Ecosystem pillar carries the highest weight in EPI 2024. Use edition-specific terminology and weights when preparing examination notes.

4. Leading Performers in EPI 2024

The following are the leading performers listed in the official release within the two broad comparison groups.

Leading performers by comparison group

Position	Large States	Small States, North Eastern States and UTs
1	Maharashtra	Uttarakhand
2	Tamil Nadu	Jammu and Kashmir
3	Gujarat	Nagaland
4	Uttar Pradesh	Dadra and Nagar Haveli and Daman and Diu
5	Andhra Pradesh	Goa

Interpretation: These are category-specific positions, not a single combined all-India ranking. The framework also uses the performance labels Leaders, Challengers and Aspirers.

5. Preparedness and Performance: The Difference

Export performance concerns realised outcomes, such as shipments and market participation. Preparedness concerns the capabilities and conditions that support those outcomes.

For example, two regions could record similar export values while differing substantially in supplier depth, access to credit or transport reliability. Those differences may affect their ability to sustain growth.

EPI brings enabling conditions and outcomes into the same assessment. Its interpretation should therefore go beyond the headline rank.

6. Why States Matter in India's Export Strategy

National trade policy operates alongside production conditions shaped within states and districts. Businesses experience infrastructure, local institutions and administrative delivery at these levels.

Cooperative Federalism

Coordination can help connect national market-access objectives with local infrastructure and enterprise development. Many constraints cross departmental and geographical boundaries.

Competitive Federalism

Peer comparison can encourage governments to examine successful practices elsewhere. The most useful competition concerns measurable improvements in business conditions rather than rank alone.

District-Level Capabilities

A state-wide average may conceal differences between industrial clusters, agricultural regions and smaller enterprise centres. Local diagnosis helps translate broad priorities into practical interventions.

7. How Policymakers Can Use an Export Readiness Assessment

The following illustrate possible policy applications rather than findings about any particular state.

- **Diagnose bottlenecks:** Identify whether firms face the greatest constraints in infrastructure, skills, finance or administration.
- **Prioritise spending:** Compare the likely benefits of alternative investments before committing resources.
- **Improve coordination:** Assign clear responsibilities where an exporter's problem involves several agencies.
- **Support smaller firms:** Address shared barriers that individual enterprises cannot economically solve alone.
- **Monitor results:** Check whether interventions improve delivery reliability, participation and competitiveness.

8. Limitations of Composite Rankings

A Rank Is Relative

A state's rank can change because other states improve or deteriorate. Examine its score and underlying indicators as well as its position.

Weights Influence Results

Composite indices combine different dimensions using selected weights. These choices affect how strengths and weaknesses contribute to the final result.

Data May Describe Earlier Conditions

Publication dates and indicator reference periods may differ. An index should not be read as a real-time account of every policy change.

Averages Conceal Variation

Strong aggregate results do not establish that every district, sector or enterprise faces equally supportive conditions.

Scores Do Not Establish Causation

A relationship between readiness and exports does not, by itself, prove that a particular policy caused export growth.

9. Way Forward: From Ranking to Reform

1. **Identify specific constraints:** Supplement index results with consultations and evidence from exporting firms.
2. **Set achievable targets:** Define improvements in service delivery, costs or reliability that agencies can influence.
3. **Strengthen common facilities:** Consider testing, training and logistics services where shared provision is appropriate.
4. **Develop domestic suppliers:** Help enterprises meet quality and delivery requirements in export value chains.
5. **Evaluate outcomes:** Measure whether reforms expand sustainable participation rather than merely improve documentation.

10. UPSC Prelims: Quick Revision

- EPI assesses export readiness at the state and UT level.
- NITI Aayog releases the index.
- EPI 2024 was released in January 2026.
- It's the fourth edition.
- Its framework has four pillars and 13 sub-pillars.
- Business Ecosystem has the highest pillar weight: 40%.
- Maharashtra leads the Large States group.
- Uttarakhand leads the combined smaller-state, North Eastern and UT group.
- A preparedness ranking is different from a ranking by export value alone.

11. UPSC Mains Practice Question

Question: "India's export competitiveness depends on subnational capabilities as well as national trade policy."

Discuss the role and limitations of the Export Preparedness Index in guiding state-level reforms. **(250 words)**

Suggested Answer Framework

Introduction: Define export preparedness and explain why conditions within states matter to firms.

Body: Discuss infrastructure, business capabilities, governance and export outcomes. Explain how benchmarking can encourage coordination and peer learning. Address data limitations, weighting choices and the differences between rankings and actual outcomes.

Conclusion: Recommend using the index as a diagnostic input supported by local evidence and measurable reform targets.

12. Frequently Asked Questions

What is the full form of EPI?

In this context, EPI means Export Preparedness Index.

Does EPI rank individual exporting companies?

No. It assesses the export ecosystems of states and Union Territories.

Is the highest-ranked state necessarily the largest exporter?

Not necessarily. A composite preparedness assessment includes several dimensions beyond the absolute value of exports.

Should pillar definitions from older editions be used for EPI 2024?

Use the framework specified for the edition being discussed. Methodological changes can affect comparisons across editions.

Conclusion

The Export Preparedness Index offers a structured starting point for examining the conditions that support exports. Its practical value lies in helping governments identify constraints, coordinate action and evaluate improvements that businesses experience on the ground.

SEO Tags: Export Preparedness Index, EPI 2024, NITI Aayog, EPI Rankings, UPSC Economy, Export Competitiveness, Competitive Federalism, State Export Readiness, Civil Service Gurukul

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