

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO: 1706

ANSWERED ON: 16.12.2013

EXPORT PERFORMANCE

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Will the Minister of

COMMERCE AND INDUSTRY

be pleased to state:-

- (a) whether there has been any rise in the trade deficit during the last three years and the current year;
- (b) if so, the reasons therefor along with the details of the major commodities exported, trade deficit, targets fixed and achieved for import and export, value, year-wise and country-wise along with the India's rank in the total global trade;
- (c) whether the Government has made any appraisal of the performance of various sectors and assessed the impact of the trade deficit on the national economy and if so, the details of the sector-wise performance and the remedial action taken thereon including review of the foreign trade policy;
- (d) the details of the assistance/incentive being provided to the exporters, sector-wise along with the other measures taken/being taken by the Government to reduce the trade deficit and promote exports; and
- (e) whether the Government has received representations from various trade organisations/export promotion councils to give impetus to exports and if so, the details thereof along with the steps taken by the Government to address their concerns?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. E.M. SUDARSANA NATCHIAPPAN)

(a) & (b) There is rise in the trade deficit in each of the last three years. However, during 2013-14 (Apr-Nov) in comparison to 2012-13(Apr-Nov), the trade deficit has come down. The details are given below:-

| YEAR | Target for Export | Export (A) | (Value in US \$ Billion) | |
|---------|----------------------|------------|--------------------------|--------------------------|
| | | | Import (B) | Trade deficit (= A-B) |
| 2010-11 | 200 | 251.1 | 369.8 | 118.7 |
| 2011-12 | 300 | 306.0 | 489.3 | 183.3 |
| 2012-13 | 350 | 300.4 | 490.7 | 190.3 |
| 2012-13 | - | 192.0 | 321.2 | 129.2 (Apr-Nov) |
| 2013-14 | 325 | 204.0 | 303.9 | 99.9 (Apr-Nov)# |

#figures for 2013-14(April-Nov) are provisional Source: DGCI&S The details of export and import commodity-wise and country-wise during last three years and current year , is available in the DGCI&S publication in CD form namely 'Monthly Statistics of Foreign Trade of India' Vol. I (Exports) and Vol.II (Imports). Such CD's are regularly sent to Parliament Library by DGCI&S, Kolkata. India's ranking in World Trade during 2012 is 19 in export and 10 in Imports.

(c) The Government continuously monitors the export performance of different sectors and need-based corrective measures to boost export are taken from time to time keeping in view the financial and over all economic implications. During the year 2013-14, there is negative export growth in gems & jewellery sector, ores and minerals and electronic goods compared to the previous year. Petroleum, gold and silver, electronic goods, coal etc, edible oil and fertilizers contribute about 59.6% of total import and hence are major contributors of the trade deficit. The import containment measures include raising of import duty on items such as gold, platinum and silver, LCD TV etc. These along with increase in the exports contributed to containment of trade deficit.

(d) & (e) Government has received representations from various trade bodies. These have been considered with due importance. Government has announced certain export promotion measures as part of Annual Supplement to the Foreign Trade Policy (2009-14) on 18.04.2013. Government continued the strategy of product diversification and market diversification. Incremental Export Incentivisation Scheme introduced w.e.f. 1.1.2013, has been further extended for the year 2013-14. Government has also enhanced the rate of interest subvention from 2% to 3% w.e.f. 01.08.2013.