

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF COMMERCE)

RAJYA SABHA
UNSTARRED QUESTION NO. 380
TO BE ANSWERED ON 09th DECEMBER, 2022

INCREASE IN TRADE DEFICIT

380 SHRI AYODHYA RAMI REDDY ALLA:

Will the Minister of **COMMERCE & INDUSTRY** be pleased to state:

- (a) the details of exports, imports and trade deficit in the last three years;
- (b) whether it is a fact that India's trade deficit has increased significantly, if so, the details thereof and the reasons therefor; and
- (c) whether Government has taken any steps to reduce import reliance so as to counter the widening trade deficit, if so, the details thereof and if not, the reasons therefor?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SMT. ANUPRIYA PATEL)

(a) & (b): The details of overall (merchandise plus services) exports, imports and trade deficit in the last three years are as given below:

Year	Values in US\$ Billion	
	Export	Import
2019-20	526.55	602.98
2020-21	497.90	511.12
2021-22	676.53	760.06

Source: RBI and DGCI&S, Kolkata

Trade deficit depends upon relative fluctuations in the import and export of different commodities and services due to global and domestic factors such as demand and supply in domestic and international markets, currency fluctuations, international prices, etc.

(c): Government has taken several steps to reduce import reliance so as to curb the trade deficit. These include creating/enhancing of domestic capacity, incentivizing domestic manufacturing through Production Linked Incentive (PLI) schemes, phased manufacturing plans, timely use of trade remedy options, adoption of mandatory technical standards, enforcement of FTA Rules of Origin (RoO) and development of import monitoring system. At the same time, following steps have been taken to boost exports so as to narrow down the trade deficit :

- (i) Foreign Trade Policy (2015-20) extended upto 31-03-2023.
- (ii) Interest Equalization Scheme on pre and post shipment rupee export credit has also been extended upto 31-03-2024.
- (iii) Assistance provided through several schemes to promote exports, namely, Trade Infrastructure for Export Scheme (TIES) and Market Access Initiatives (MAI) Scheme.
- (iv) Rebate of State and Central Levies and Taxes (RoSCTL) Scheme to promote labour oriented textile export has been implemented since 07.03.2019.
- (v) Remission of Duties and Taxes on Exported Products (RoDTEP) scheme has been implemented since 01.01.2021.
- (vi) Common Digital Platform for Certificate of Origin has been launched to facilitate trade and increase Free Trade Agreement (FTA) utilization by exporters.
- (vii) 12 Champion Services Sectors have been identified for promoting and diversifying services exports by pursuing specific action plans.
- (viii) Districts as Export Hubs has been launched by identifying products with export potential in each district, addressing bottlenecks for exporting these products and supporting local exporters/manufacturers to generate employment in the district.
- (ix) Active role of Indian missions abroad towards promoting India's trade, tourism, technology and investment goals has been enhanced.
- (x) Package announced in light of the COVID pandemic to support domestic industry through various banking and financial sector relief measures, especially for MSMEs, which constitute a major share in exports.
