

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

RAJYA SABHA
STARRED QUESTION NO. 103
TO BE ANSWERED ON 10th FEBRUARY, 2023

DOUBLING OF TRADE DEFICIT

*103. SHRI JAWHAR SIRCAR:

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

- (a) the reasons for India's trade deficit more than doubling in the April to December 2022 period to USD 118.12 billion as compared to the deficit of USD 57.2 billion in the same period in 2021; and
- (b) the steps being taken to improve the situation before recession hits the western world as predicted?

ANSWER

THE MINISTER OF COMMERCE AND INDUSTRY
(SHRI PIYUSH GOYAL)

(a) & (b): A Statement is laid on the Table of the House.

**STATEMENT REFERRED TO IN REPLY TO PARTS (a) & (b) OF RAJYA SABHA
STARRED QUESTION NO. 103 FOR ANSWER ON 10th FEBRUARY, 2023
REGARDING “DOUBLING OF TRADE DEFICIT”.**

(a): 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 gap in domestic and international markets, currency fluctuations, international prices, etc. India's trade got affected due to slowdown in some developed economies due to COVID, Russia-Ukraine conflict and the consequential slowdown in demand and supply. Various geo-political situations also resulted in supply chain disruptions as well as rise in commodity prices including that of petroleum, coal, fertilizer in which India's import dependence has been fairly high.

(b): The Government has taken the following measures to promote India's export and 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 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. With effect from 15.12.2022, uncovered sectors like pharmaceuticals, organic and inorganic chemicals and article of iron and steel has been covered under RoDTEP. Similarly, anomalies in 432 tariff lines have been addressed and the corrected rates have been implemented with effect from 16.01.2023.
- (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 and Missions have been continuously involved in export promotion initiatives.
- (x) Production Linked Incentive Schemes in 14 strategic sectors have been launched to boost domestic manufacturing and reduce dependency on imports; the objective is to make Indian manufacturers globally competitive, attract investment in the areas of core competency/cutting-edge technology, enhance exports and integrate India in the global supply chain.
- (xi) Various other steps have been taken to support and expand domestic capacities such as Make in India, Start Up India and promoting Ease of doing Business and trade.
