

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

**RAJYA SABHA**  
**UNSTARRED QUESTION No. 537**  
ANSWERED ON 07/02/2025

**STAGNATION IN BALANCE OF TRADE DEFICIT**

537. SMT. SUNETRA AJIT PAWAR:

Will the Minister of Commerce and Industry be pleased to state:

- a) whether the balance of trade deficit in the Indian economy has remained stagnant over the years;
- b) if so, the details thereof;
- c) whether the trade balance has been financed by remittances and foreign investment over the last several years;
- d) if so, the details thereof;
- e) whether there is a need to increase exports to become self-reliant; and
- f) if so, the steps taken by the Government to increase exports?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY  
(SHRI JITIN PRASADA)

**(a) & (b)** India's overall (merchandise plus services) trade deficit has decreased from US \$ 121.62 billion in the year 2022-23 to US \$ 78.39 billion in the year 2023-24. Trade balance 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, GDP growth of domestic and foreign countries, currency fluctuations, international prices, etc. The Government keeps a watch on the overall surplus/deficit and takes measures periodically to address it.

**(c) to (f)** The trade deficit is financed by remittances, Foreign Direct Investments and Foreign Portfolio Investments and the RBI has been maintaining a healthy Foreign Exchange Reserve of above US \$ 600 Billion in the recent past.

To increase its exports, the Government of India has taken various proactive measures aimed at enhancing domestic capacities, boosting exports, diversifying supply chains, exploring

alternate sources of imports and fostering economic resilience. This is part of India's broader 'Atmanirbhar Bharat' vision, which aims to make India a strong manufacturing hub and reduce dependence on any single country. Moreover, in this era of globalization, as India is increasingly integrating with Global Value Chains, imports matter as much as exports for such integration. Further, the Government has taken following steps to boost exports from the country: -

- (i) The Directorate General of Trade Remedies (DGTR) actively monitors unfair trade practices by foreign companies and recommend corrective remedial actions.
- (ii) The Government is also encouraging Vocal for Local Campaign by promoting awareness among consumers and businesses to buy Indian-made products, thereby aiming to reduce demand for imported goods.
- (iii) Production Linked Incentive (PLI) Schemes for 14 key sectors are under implementation to enhance India's manufacturing capabilities and exports. The Production Linked Incentive (PLI) Scheme is positioning India as a key player in the global value chain by incentivizing manufacturing in high-growth sectors such as electronics, pharmaceuticals, and renewable energy. The PLI scheme strengthens India's role in global supply chains, attracting significant FDI and integrating the country into critical production networks.
- (iv) New foreign Trade Policy has been launched on 31<sup>st</sup> March, 2023 and came into effect from 1<sup>st</sup> April, 2023.
- (v) Assistance provided through several schemes to promote exports, namely, Trade Infrastructure for Export Scheme (TIES) and Market Access Initiatives (MAI) Scheme.
- (vi) Agricultural & Processed Food Products Export Development Authority (APEDA) has Central Sector specific scheme for Financial Assistance to facilitate the export of agri-products by providing assistance to exporters for augmenting export related infrastructure, participating in Buyer Seller Meets, etc.
- (vii) The APEDA is implementing the National Programme for Organic Production (NPOP). The programme involves the accreditation of Certification Bodies, standards for organic production, promotion of organic farming and marketing etc.
- (viii) The Marine Products Export Development Authority (MPEDA) provides assistance for upgrading the infrastructure facilities for value addition, establishing testing laboratories, participating in international trade fairs, and providing technical assistance for aquaculture production meant for exports etc.
- (ix) Quality Control Orders (QCOs) have been notified by Bureau of Indian Standards (BIS) for improving the quality of Indian products and to prevent import of substandard goods into Indian market.

- (x) Rebate of State and Central Levies and Taxes (RoSCTL) Scheme to promote labour oriented sector export has been implemented since 07.03.2019.
- (xi) 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 also been covered under RoDTEP.
- (xii) Districts as Export Hubs initiative 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.
- (xiii) Common Digital Platform for Certificate of Origin has been launched to facilitate trade and increase Free Trade Agreement (FTA) utilization by exporters.
- (xiv) Active role of Indian missions abroad towards promoting India's trade, tourism, technology and investment goals has been enhanced.
- (xv) Regular monitoring of export performance with Commercial Missions abroad, Export Promotion Councils, Commodity Boards/ Authorities and Industry Associations and taking corrective measures from time to time.
- (xvi) The government has launched Trade Connect ePlatform on 11<sup>th</sup> September 2024. Trade connect ePlatform is an information and intermediation platform on international trade bringing together Indian Missions Abroad and officials from Department of Commerce and other organisations to provide comprehensive services for both new and existing exporters.

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