

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

LOK SABHA
UNSTARRED QUESTION NO. 2898
TO BE ANSWERED ON 20th MARCH, 2017

IMPACT OF DEMONETISATION ON IMPORTS AND EXPORTS

2898. SHRI M.B. RAJESH:

SHRI ANTO ANTONY:

Will the Minister of **COMMERCE & INDUSTRY** (वाणिज्य एवं उद्योग मंत्री) be pleased to state:

- (a) whether the Government has noticed any impact of demonetization on the country's imports and exports;
- (b) if so, the details thereof along with the comparing data for imports and exports before and after demonetization;
- (c) the details of revenue generated through imports and exports after demonetization, month-wise indicating the decline therein; and
- (d) the details of other factors which influenced the growth of imports and exports of the country?

ANSWER

वाणिज्य एवं उद्योग राज्य मंत्री (श्रीमती निर्मला सीतारमण) (स्वतंत्र प्रभार)

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(INDEPENDENT CHARGE)
(SMT. NIRMALA SITHARAMAN)

(a) & (b): Demonetisation was announced on 8th November, 2016. The monthly Merchandise Trade data for the period April-Feb 2015-16 and April-Feb 2016-17 are as under:

Table 1 :Monthly Merchandise Trade for 2016-17						
Values in USD Billions						
Month	Export			Import		
	2015-16	2016-17	% Growth	2015-16	2016-17	% Growth
April	22.14	20.57	-7.08	33.51	25.41	-24.15
May	22.53	22.17	-1.59	32.84	28.44	-13.38
June	22.32	22.57	1.11	33.54	30.69	-8.49
July	23.28	21.69	-6.84	36.37	29.45	-19.03
August	21.58	21.52	-0.30	33.98	29.19	-14.09
September	21.87	22.88	4.62	32.04	31.22	-2.54
October	21.46	23.51	9.59	31.15	33.67	8.11
November	19.56	20.01	2.29	29.90	33.02	10.44
December	22.59	23.88	5.72	34.10	34.25	0.46
January	21.20	22.12	4.32	28.87	31.96	10.70
February	20.85	24.49*	17.48	27.42	33.39*	21.76

Table 1 gives value of month wise exports and imports of merchandise and it is evident that both exports and imports continue to exhibit the positive growth since September, 2016 till February, 2017.

(c): Month-wise Net Customs duty (on imports and exports) collections for the period April-Feb 2015-16 and April-Feb 2016-17 are as under:

Table2: Month-wise Net Customs duty (on imports and exports) Collections (Amount in ₹ Crore)			
Month	2015-16	2016-17	% Growth
April	14286	17495	22.46
May	15750	18806	19.40
June	17414	18507	6.28
July	19045	16959	-10.95
August	19062	18681	-2.00
September	18312	18373	0.33
October	18998	19104	0.56
November	17659	20510	16.14
December	20093	18820	-6.34
January	17235	18974	10.09
February	16950	18797	10.90

Source: Central Board of Excise and Customs, Department of Revenue

While Demonetisation was announced on 8th November 2016, from table 2 above, it is evident that growth in net customs duty collections was positive in November (16.14%). However, in December, 2016 there was a negative growth (-6.34%), followed by positive growth of 10.09% and 10.90% in January 2017 and February 2017 respectively.

Part (d): Other factors which influenced the growth of imports and exports of the country are;

- Domestic Factors like cost of trade credit, trade infrastructural constraints along with Special Economic Zones (SEZ) related challenges, cost competitiveness.
- Global Factors like Level of growth of the world economy, growth and economic stability of key trading partners, Movement in global prices of Brent and Commodity prices.
