

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

LOK SABHA
STARRED QUESTION NO. 101(H)
TO BE ANSWERED ON 24th JULY, 2017

TRADE DEFICIT

***101(H). SHRI KAPIL MORESHWAR PATIL:**

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

- (a) whether it is a fact that the exports have drastically come down due to which the foreign trade deficit has reached an alarming level during the last six months of the current year;
- (b) if so, the details thereof, sector-wise and the reasons therefor;
- (c) the names of countries with which India has registered favourable trade balance during the last three years and the current year, sector and year-wise;
- (d) the names of those countries with which India has registered trade deficit during the said period, sector and year-wise; and
- (e) the steps taken/being taken by the Government to overcome the trade deficit?

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) to e): A Statement is laid on the Table of the House.

**STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA
STARRED QUESTION NO. 101 FOR ANSWER ON 24TH JULY, 2017
REGARDING “TRADE DEFICIT”.**

(a) & (b): Total value of exports (merchandise and services) of India with other countries during the last six months is as follows:

Months	Value of exports (in US\$ Billions)	% growth over corresponding month of previous year
December,2016	37.84	3.30
January, 2017	35.86	6.17
February, 2017	38.60	16.36
March, 2017	43.09	20.35
April, 2017	37.53	11.03
May, 2017	37.44	4.40

Source: DGCI&S, Kolkata

The above data reflects that India's export has maintained the positive growth during the last six months as compared to exports of corresponding months of previous years.

(c): The names of the top 25 countries with which India has registered favourable trade balance during the last three years and the current year are given at **Annexure-I**. The top 25 Principal Commodities in which India has favourable trade balance during the last three years and the current year are given at **Annexure-II**.

(d): The names of the top 25 countries with which India has registered trade deficit during the last three years and the current year are given at **Annexure-III**. The top 25 Principal Commodities in which India has trade deficit during the last three years and the current year are given at **Annexure-IV**.

(e): The Government has taken the following steps to overcome the trade deficit:

- (i) The New **Foreign Trade Policy (2015-20)** was announced on 1st April, 2015 with a focus on supporting both manufacturing and services exports.
- (ii) The **Merchandise Exports from India Scheme (MEIS)** has been introduced in the Foreign Trade Policy (FTP) 2015-20 on 01.04.2015 with the objective to offset infrastructural inefficiencies and associated costs involved in exporting goods/products which are produced/ manufactured in India and to provide a level playing field to Indian exporters, especially those having high export intensity and employment potential. The Scheme incentivizes exporters in terms of freely

transferable Duty Credit Scrips which are transferable and can be used to pay certain Central duties/taxes including customs duties. The Scheme covers exports of 7914 tariff lines at 8 digit levels to all countries.

- (iii) The **Services Exports from India Scheme (SEIS)** has been introduced in the Foreign Trade Policy (FTP) 2015-20 on 01.04.2015. The Scheme provides rewards at the rate of 3 to 5% on Net Foreign Exchange earnings, to service providers of notified services from India to rest of the world, in the form of Duty Credit Scrips which are transferable and can be used to pay certain Central duties/taxes including customs duties.
- (iv) The Government has implemented the **Niryat Bandhu Scheme** with an objective to reach out to the new and potential exporters including exporters from Micro, Small & Medium Enterprises (MSMEs) and mentor them through orientation programmes, counseling sessions, individual facilitation etc., on various aspects of foreign trade for being able to get into international trade and boost exports from India.
- (v) As part of the “**Ease of Doing Business**” initiatives, the Government has launched **Single Window Interface for Facilitating Trade (SWIFT)** clearances project w.e.f 1st April, 2016. The scheme enables the importers/exporters to file a common electronic ‘Integrated Declaration’ on the Indian Customs Electronic Commerce/Electronic Data Interchange (EC/EDI) Gateway i.e. ICEGATE portal. The Integrated Declaration compiles the information requirements of Customs, FSSAI, Plant Quarantine, Animal Quarantine, Drug Controller, Wild Life Control Bureau and Textile Committee. It replaces nine separate forms required by these 6 different agencies and Customs.
- (vi) **Interest Equalization Scheme on pre & post shipment credit** was launched to provide cheaper credit to exporters.
- (vii) A new scheme called **Special Advance Authorisation Scheme** for export of articles of Apparel and Clothing Accessories was introduced w.e.f. 1st September 2016 wherein exporters are entitled for an authorisation for fabrics including inter lining on pre-import basis and all industry rate of Duty Drawback for non-fabric inputs on the exports.
- (viii) Further, the Government continues to provide the facility of access to duty free raw materials and capital goods for exports through schemes like Advance Authorization, Duty Free Import Authorization (DFIA), Export Promotion Capital Goods (EPCG) and drawback / refund of duties.
- (ix) The Government launched a new scheme called **Trade Infrastructure for Export Scheme (TIES)** w.e.f. 15th March, 2017 with the objective to enhance export competitiveness by bridging gaps in export infrastructure, creating focused export infrastructure, first mile and last mile connectivity for export oriented projects and addressing quality and certification measures. The Central and State Agencies, including Export Promotion Councils, Commodities Boards, SEZ Authorities and Apex

Trade Bodies recognised under the EXIM policy of Government of India are eligible for financial support under this scheme.

- (x) The Government has approved the proposal for notification of commitments under the **Trade Facilitation Agreement (TFA)** of World Trade Organization (WTO), ratification and acceptance of the Instrument of Acceptance of Protocol of TFA to the WTO Secretariat and constitution of the National Committee on Trade Facilitation (NCTF). The Trade Facilitation Agreement (TFA) contains provisions for expediting the movement, release and clearance of goods, including goods in transit. It also sets out measures for effective cooperation between customs and other appropriate authorities on trade facilitation and customs compliance issues. These objectives are in consonance with India's "Ease of Doing Business" initiative.

Statement referred to in reply of part (c) of Lok Sabha Starred Question no. 101 for answer on 24th July 2017.

Top 25 Countries with which India has favourable Trade Balance				
S. No.	2014-15	2015-16	2016-17	2017-18 (Apr-May)*
1	U S A	U S A	U S A	U S A
2	Hong Kong	U Arab Emts	U Arab Emts	U Arab Emts
3	U Arab Emts	Hong Kong	Bangladesh Pr	Bangladesh Pr
4	Sri Lanka DSR	Bangladesh Pr	Hong Kong	Nepal
5	Bangladesh PR	Sri Lanka DSR	Nepal	U K
6	U K	U K	U K	Turkey
7	Kenya	Nepal	Vietnam Soc Rep	Sri Lanka DSR
8	Nepal	Turkey	Turkey	Egypt A RP
9	Turkey	Kenya	Sri Lanka DSR	Netherland
10	Netherland	Netherland	Netherland	Kenya
11	Vietnam Soc Rep	Vietnam Soc Rep	Singapore	Italy
12	Singapore	Pakistan Ir	Kenya	France
13	Mauritius	Spain	Spain	Vietnam Soc Rep
14	Mozambique	Gibraltar	Oman	Singapore
15	Tanzania Rep	Egypt A Rp	Pakistan Ir	Mauritius
16	Pakistan Ir	France	Gibraltar	Spain
17	Egypt A RP	Mozambique	Israel	Pakistan Ir
18	Spain	Mauritius	Italy	Oman
19	Philippines	Philippines	Philippines	Hong Kong
20	Israel	Ethiopia	Egypt A Rp	Israel
21	Italy	Tanzania Rep	Mauritius	Ethiopia
22	Ethiopia	Israel	Tanzania Rep	Poland
23	Gibraltar	Sudan	Ethiopia	Mexico
24	Oman	Mexico	Portugal	Somalia
25	Jordan	Uganda	Mexico	Sudan

Source: DGCI&S, Kolkata (*Provisional)

Annexure-II

Statement referred to in reply of part (c) of Lok Sabha Starred Question no. 101 for answer on 24th July 2017.

Top 25 Principal Commodities in which India has favourable Trade Balance				
S.No.	2014-15	2015-16	2016-17	2017-18 (Apr-May)*
1	Petroleum Products	Petroleum Products	Petroleum Products	Petroleum Products
2	Gold And Other Precious Metal Jewellery	Drug Formulations, Biologicals	Gold And Other Precious Metal Jewellery	Gold And Other Precious Metal Jewellery
3	Drug Formulations, Biologicals	Gold And Other Precious Metal Jewellery	Drug Formulations, Biologicals	Drug Formulations, Biologicals
4	Rmg Cotton Incl Accessories	Rmg Cotton Incl Accessories	Rmg Cotton Incl Accessories	Rmg Cotton Incl Accessories
5	Motor Vehicle/Cars	Motor Vehicle/Cars	Motor Vehicle/Cars	Motor Vehicle/Cars
6	Marine Products	Cotton Fabrics, Madeups Etc.	Marine Products	Rmg Manmade Fibres
7	Cotton Fabrics, Madeups Etc.	Marine Products	Rmg Manmade Fibres	Marine Products
8	Buffalo Meat	Buffalo Meat	Cotton Fabrics, Madeups Etc.	Cotton Fabrics, Madeups Etc.
9	Rice -Basmati	Rmg Manmade Fibres	Buffalo Meat	Rice -Basmati
10	Cotton Yarn	Cotton Yarn	Rmg Of Other Textile Matrl	Ship, Boat And Floating Struct
11	Rmg Manmade Fibres	Rice -Basmati	Cotton Yarn	Rmg Of Other Textile Material
12	Products Of Iron And Steel	Rmg Of Other Textile Material	Rice -Basmati	Buffalo Meat
13	Manmade Yarn, Fabrics, Madeups	Manmade Yarn, Fabrics, Madeups	Manmade Yarn, Fabrics, Madeups	Manmade Yarn, Fabrics, Madeups
14	Rice(Other Than Basmati)	Products Of Iron And Steel	Rice(Other Than Basmati)	Products Of Iron And Steel
15	Rmg Of Other Textile Matrl	Rice(Other Than Basmati)	Products Of Iron And Steel	Cotton Yarn
16	Pearl, Precious, Semiprecious Stones	Pearl, Precious, Semiprecious Stones	Spices	Rice(Other Than Basmati)
17	Footwear Of Leather	Footwear Of Leather	Footwear Of Leather	Spices
18	Two And Three Wheelers	Two And Three Wheelers	Dyes	Two And Three Wheelers
19	Dyes	Spices	Two And Three Wheelers	Granit, Natural Stone And Product
20	Spices	Dyes	Carpet(Excl. Silk) Handmade	Footwear Of Leather
21	Guergam Meal	Cotton Raw Includ. Waste	Granit, Natural Stone And Product	Dyes
22	Granit, Natural Stone And Product	Carpet(Excl. Silk) Handmade	Leather Goods	Carpet(Excl. Silk) Handmade
23	Aircraft, Spacecraft And Parts	Granit, Natural Stone And Product	Pearl, Precious, Semiprecious Stones	Iron And Steel
24	Cotton Raw Include. Waste	Leather Goods	Iron Ore	Iron Ore
25	Leather Goods	Agro Chemicals	Handicrafts(Excl. Handmade Carpets)	Leather Goods

Source: DGCI&S, Kolkata (*Provisional)

Annexure-III

Statement referred to in reply of part (d) of Lok Sabha Starred Question no. 101 for answer on 24th July 2017.

Top 25 Countries with which India has trade deficit				
S.No.	2014-15	2015-16	2016-17	2017-18 (Apr-May)*
1	China P Rp	China P Rp	China P Rp	China P Rp
2	Switzerland	Switzerland	Switzerland	Switzerland
3	Saudi Arab	Saudi Arab	Saudi Arab	Saudi Arab
4	Qatar	Indonesia	Iraq	Indonesia
5	Iraq	Iraq	Indonesia	Iraq
6	Kuwait	Korea Rp	Korea Rp	Korea Rp
7	Venezuela	Qatar	Australia	Australia
8	Nigeria	Nigeria	Iran	Nigeria
9	Indonesia	Unspecified	Qatar	Iran
10	Korea Rp	Australia	Japan	Russia
11	Australia	Venezuela	Nigeria	Qatar
12	Malaysia	Malaysia	Venezuela	Japan
13	Belgium	Japan	Unspecified	Venezuela
14	Germany	Germany	Germany	Kuwait
15	Iran	Kuwait	Malaysia	Unspecified
16	Japan	Iran	Russia	Germany
17	Angola	Belgium	Kuwait	South Africa
18	Unspecified	Russia	Angola	Malaysia
19	Chile	Angola	South Africa	Thailand
20	Thailand	Thailand	Thailand	Canada
21	Russia	South Africa	Ukraine	Ghana
22	Ukraine	Ghana	Canada	Belgium
23	Taiwan	Canada	Argentina	Argentina
24	Canada	Argentina	Brazil	Botswana
25	Argentina	Taiwan	Ghana	Ukraine

Source: DGCI&S, Kolkata (*Provisional)

Annexure-IV

Statement referred to in reply of part (d) of Lok Sabha Starred Question no. 101 for answer on 24th July 2017.

Top 25 Principal Commodities in which India has trade deficit				
S.No.	2014-15	2015-16	2016-17	2017-18 (Apr-May)*
1	Petroleum: Crude	Petroleum: Crude	Petroleum: Crude	Petroleum: Crude
2	Gold	Gold	Gold	Gold
3	Coal, Coke and Briquettes Etc	Telecom Instruments	Coal, Coke and Briquettes Etc	Coal, Coke and Briquettes Etc
4	Telecom Instruments	Coal, Coke and Briquettes Etc	Telecom Instruments	Telecom Instruments
5	Vegetable Oils	Vegetable Oils	Vegetable Oils	Pearl, Precs, Semiprecs Stones
6	Other Commodities	Computer Hardware, Peripherals	Other Commodities	Vegetable Oils
7	Computer Hardware, Peripherals	Fertilizers Manufactured	Computer Hardware, Peripherals	Electronics Components
8	Plastic Raw Materials	Other Commodities	Electronics Components	Plastic Raw Materials
9	Fertilizers Manufactured	Plastic Raw Materials	Plastic Raw Materials	Computer Hardware, Peripherals
10	Bulk Minerals and Ores	Iron And Steel	Aircraft, Spacecraft and Parts	Organic Chemicals
11	Organic Chemicals	Electronics Components	Organic Chemicals	Other Commodities
12	Silver	Incl. Machinery For Dairy Etc	Incl. Machinery For Dairy Etc	Incl. Machinery For Dairy Etc
13	Incl. Machinery For Dairy Etc	Organic Chemicals	Fertilizers Manufactured	Electronics Instruments
14	Inorganic Chemicals	Bulk Minerals And Ores	Pulses	Silver
15	Iron And Steel	Electronics Instruments	Electronics Instruments	Bulk Minerals And Ores
16	Project Goods	Inorganic Chemicals	Bulk Minerals And Ores	Fertilizers Manufactured
17	Electronics Instruments	Silver	Consumer Electronics	Inorganic Chemicals
18	Electronics Components	Pulses	Inorganic Chemicals	Consumer Electronics
19	Consumer Electronics	Consumer Electronics	Medical And Scientific Instrum	Pulses
20	Pulses	Ac, Refrigeration Machinery Etc	Project Goods	Ac, Refrigeration Machinery Etc
21	Medical And Scientific Instrum	Project Goods	Ac, Refrigeration Machnry Etc	Medical And Scientific Instrum
22	Electric Machinery And Equipment	Electric Machinery And Equipment	Silver	Residual Chemical And Allied Prod
23	Other Wood And Wood Products	Medical And Scientific Instrum	Machine Tools	Project Goods
24	Ac, Refrigeration Machinery Etc	Residual Chemical And Allied Prod	Electric Machinery And Equipment	Electric Machinery And Equipment
25	Machine Tools	Machine Tools	Paper, Paper Board And Product	Copper And Products Made Of Copr

Source: DGCI&S, Kolkata (*Provisional)