

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

LOK SABHA
UNSTARRED QUESTION NO. 430
TO BE ANSWERED ON 18th DECEMBER, 2017

SLOWDOWN IN EXPORTS

430. SHRI S.P. MUDDAHANUME GOWDA,;
SHRI GUTHA SUKENDER REDDY:

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

- whether there is a continuous slowdown in exports from the country during the last three years and the current year;
- if so, the details thereof, year-wise and the reasons therefor;
- whether Government is planning for a better exchange rate policy to ensure that the rupee-dollar exchange rate reflects the realistic value of the rupee;
- if so, the details thereof along with the other steps taken/being taken by the Government to boost exports and increase competitiveness of our products; and
- whether the Government is contemplating to constitute a Task Force to increase the exports and if so, the details thereof?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्री सी. आर. चौधरी)

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SHRI C. R. CHAUDHARY)

(a) & (b): India's overall export (merchandise and services) registered a positive growth of 4.58% during the year 2016-17 as compared to the year 2015-16 and also registered a positive growth of 7.10% during 2017-18 (Apr-Sept) as compared to the corresponding period of previous year as per the details given below:

(In US\$ billions)

Years	Exports	% Change
2014-15	468.46	--
2015-16	417.43	-10.89
2016-17	436.53	4.58
2016-17 (Apr-Sept)	211.60	--
2017-18 (Apr-Sept)*	226.63	7.10

Source: DGCI&S & RBI, (*Provisional)

(c) & (d): Since the initiation of reforms in the 1990s, India has adopted a market determined exchange rate system. Accordingly, the exchange rate of the rupee is determined by the forces of demand and supply in the domestic foreign exchange market.

Under the extant exchange rate policy, the primary objective of the RBI is maintenance of orderly conditions in the forex market by meeting temporary demand-supply gaps, which may arise due to uncertainties or other reasons and curbing destabilizing and self-fulfilling speculative activities. The RBI does not have any fixed target or band for the exchange rate. The overall objective is to curb excessive volatility in the forex market and to ensure that the exchange rate movements are broadly in line with the country's economic fundamentals. Thus, market forces play a predominant role in determining the exchange rate of the rupee. During the current fiscal year 2017-18 so far (upto December 11), the rupee has been relatively stable, trading in the range of Rs.63.58 to 65.70 per US dollar.

In order to boost exports and increase competitiveness of our products, the Government has launched various schemes under the Foreign Trade policy (2015-20) such as Merchandise Exports from India Scheme (MEIS), Services Exports from India Scheme (SEIS), Duty Drawback scheme, Advance Authorisation scheme, Export Promotion Capital Goods Scheme, Interest Equalisation Scheme and Self Ratification Scheme.

(e): An Expert Task Force on Employment and Exports was constituted by Government on 6th September 2017 under the Chairmanship of Vice Chairman, NITI Aayog with the objective of providing major thrust to job creation by enhancing India's exports. Members of the Task force include CEO, NITI Aayog, Secretary, Department of Commerce, Secretary, Department of Industrial Policy and Promotion, Secretary, Department of Economic Affairs, Secretary, Ministry of Textiles, leading economists and industry experts. The Task Force has submitted its recommendations to the Government in December, 2017.
