

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

**LOK SABHA**  
**STARRED QUESTION NO. 23**  
**TO BE ANSWERED ON 05<sup>th</sup> FEBRUARY, 2018**

**PROMOTION OF EXPORTS**

\*23. SHRIMATI VANAROJA R.:  
SHRI P. KUMAR:

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

- (a) whether the growth in exports has declined during the last three years, if so, the details thereof and the reasons therefor along with the plan to promote exports;
- (b) whether the Union Government has held a meeting with the State Governments and industry representatives to discuss ways to boost the country's exports;
- (c) if so, the deliberations made in the said meeting;
- (d) whether the small and medium exporters are facing several issues related to the Goods and Services Tax and if so, the steps taken by the Government to resolve the same; and
- (e) whether the exporters have sought greater support to improve infrastructure to increase competitiveness of their products in global markets and if so, the details thereof along with the response of the Government in this regard?

**ANSWER**

वाणिज्य एवं उद्योग मंत्री ( श्री सुरेश प्रभु )

THE MINISTER OF COMMERCE AND INDUSTRY  
(SHRI SURESH PRABHU)

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

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**STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA  
STARRED QUESTION NO. 23 FOR ANSWER ON 05<sup>th</sup> FEBRUARY,2018  
REGARDING “PROMOTION OF EXPORTS”.**

- (a) The details of merchandise and services exports during last three years are as below:

|                     | Exports (in USD Billion) |          | Total Exports | % Change |
|---------------------|--------------------------|----------|---------------|----------|
|                     | Merchandise              | Services |               |          |
| 2013-14             | 314.41                   | 151.80   | 466.21        | --       |
| 2014-15             | 310.34                   | 158.10   | 468.44        | 0.48     |
| 2015-16             | 262.29                   | 155.14   | 417.43        | -10.89   |
| 2016-17             | 275.85                   | 160.68   | 436.53        | 4.58     |
| 2016-17 (Apr-Nov)   | 175.41                   | 106.07   | 281.48        | --       |
| 2017-18 (Apr- Nov)* | 194.75                   | 109.88   | 304.62        | 8.22     |

After reaching a peak in 2013-14, the exports continued to decline till 2015-16 following global trend of decline in growth of exports due to general economic slowdown leading to lower demand in international markets and lower commodity prices. However, exports started increasing from the second half of 2016-17. In 2017-18 (April-December), the merchandise export growth has picked up further to 11.31%. Export Growth in 2016-17 was fairly broad based except textiles and allied products and leather and leather manufactures. In 2017-18 too, among the major sectors, there has been good export growth in engineering goods, Petroleum crude and products; moderate growth in chemical and related products, and textiles and allied products; but negative growth in gems and jewellery. With world trade expected to grow at 4.2% and 4% in 2017 and 2018 respectively, the prospects for exports in this and coming year look bright.

Exports depend upon a multitude of global and domestic factors. In order to promote exports, while on one hand Government is improving trade related infrastructure and ease of doing business in the country, it is also implementing a number of export promotion schemes including Merchandise Exports From India Scheme (MEIS), Services Exports From India Scheme (SEIS), Interest Equalisation Scheme, Duty Drawback Scheme, Market Access Initiatives Scheme (MAIS), etc. to mitigate the disadvantages faced by

exporters due to higher cost of capital, insufficient infrastructure and high logistics costs.

(b) & (c):

- i. Yes Madam. Apart from regular interaction with the State Governments and Trade associations, there are institutional mechanisms in the form of a Council of Trade Development and Promotion comprising Ministers of the State Governments and representatives of Industry associations and a Board of Trade comprising representatives of export promotion councils and trade associations to discuss export strategies for promotion of exports.
- ii. The 3rd meeting of the Council for Trade Development and Promotion was held on 08th January, 2018 in New Delhi with the participation of Industry/Trade Ministers from states. The members of the Council from the States placed their perspective of the Trade Policy and resolved to jointly address impediments which affect India's exports.
- iii. Last meeting of the Board of Trade was held on 20.6.2017 to discuss mid term review of Foreign Trade Policy.
- iv. Besides, another meeting of the States/UT Governments was held on 22.12.2017 in New Delhi with the Industry Secretary and Export Commissioners of States/UTs to sensitize the State Governments on the formulation of State export strategies, Agriculture Exports and SEZ related issues.
- v. A meeting with Stakeholders and Industry representatives was also held in October 2017, where in measures to boost exports were discussed. All sector specific export promotion councils participated in the meeting. The major suggestions were regarding early refund of GST to address the issue of blockage of working capital, reduction of GST on job work and other items, addressing inverted customs duties and increase in rates of incentives under MEIS.

(d) Yes Madam. The Government has received many representations from the industry including from the Small and Medium enterprises regarding the difficulties being faced in the implementation of GST. The major issue was related to working capital blockage due to the process of upfront payment of GST, filing of returns, GST rates on job work and refund of Integrated GST and Input Tax Credit (ITC). The Government addressed these issues through announcement of a relief package for exporters in October 2017. Benefits under the Advance Authorization Scheme, Export Promotion Capital Goods Scheme and 100% Export Oriented Unit Scheme were extended for sourcing inputs from abroad as well as domestic suppliers without payment of GST and Customs Duty. Exports were allowed on furnishing of Legal Undertaking (LUT), without the requirement of Bond/bank guarantee. Further, GST on sale of scrips has been reduced to Zero from the earlier rate of 12%. In addition, merchant exporters have been allowed to pay a nominal 0.1% GST for procurement of goods from domestic suppliers for exports. GST on

job work in textiles sector, diamond processing in Jewellery sector and leather and footwear sectors has been brought down to 5%. The Government has also taken measures and issued instructions to expeditiously disburse the refund of IGST paid on goods exported. Besides, GST council is meeting at regular interval to address concerns of industry regarding various issues related to GST including rationalisation of GST rates, simplification in filing of GST returns, expediting the process of refunds of Integrated GST and Input Tax Credit for exporters.

(e)

- i. Yes Madam. The Government has received multiple representations from different sectors and members of industry to increase the support for specific products to offset infrastructural inefficiencies and other factors impeding exports. Consequently, at the time of Mid Term Review of Foreign Trade Policy (FTP) 2015-20 in December 2017, additional annual incentives of Rs 2,743 Cr for Ready-made garments and made-up sector, Rs 4,567 Cr for other labour intensive and MSME sectors have been provided under the Merchandise Exports from India Scheme (MEIS). Further, Government has released a study “LEADS-Logistics Ease Across Different States” which is a first ever sub-national logistics performance index focussing on perceptions about logistics and infrastructural gaps in different states so that Ministries of the Central and State Governments concerned can take actions for addressing these gaps.
- ii. Further, a new Scheme Trade Infrastructure for Export Scheme (TIES) has been launched w.e.f 01.04.2017 to address the export infrastructure gaps in the country. 10 proposals have been approved with total project cost of Rs 135.3 Cr and an amount of Rs 47.2 Cr has been released.

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