

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

LOK SABHA
UNSTARRED QUESTION NO. 1934
TO BE ANSWERED ON 30th JULY, 2018

REPRESENTATIONS RECEIVED FROM TRADE ORGANISATIONS

1934. SHRI JANARDAN SINGH SIGRIWAL

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

- (a) whether the Government has received representations from various trade organisations/export promotion councils to give impetus to exports;
- (b) if so, the details thereof along with the steps taken by the Government to address their concerns;
- (c) whether the Government has set up any Committee to suggest measures to boost exports and bridge the widening trade deficit; and
- (d) if so, the details thereof including the suggestion made by the Committee along with the steps taken/being taken by the Government thereon?

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) to (b) The Government receives representations from various trade organizations/export promotion councils on regular basis with regard to giving impetus to exports.

To address the issues raised in these representations, the Government has taken many measures through new Foreign Trade Policy 2015-20 launched on 1st April 2015, its Mid-term Review released on December 5, 2017 and other policy measures taken from time to time. The key measures include following:

- (i) FTP 2015-20 provides a framework for increasing exports of goods and services as well as generation of employment and increasing value addition in the country, in line with the 'Make in India', 'Digital India', 'Skills India', 'Startup India' and 'Ease of doing business' initiatives.
- (ii) The main policy objective is to enable India to respond to the challenges of the external environment keeping in view the rapidly evolving international trading architecture and make trade a major contributor to the country's economic growth and development.
- (iii) The policy provides the framework for promotion of exports through schemes of incentives on exports and duty remission/exemption on inputs for export production.

- (iv) The policy introduces two new schemes, namely 'Merchandise Exports from India Scheme (MEIS)' for improving export of specified goods by merging five earlier schemes for better coherence and 'Services Exports from India Scheme (SEIS)' for increasing exports of notified services. Duty credit scrips issued under MEIS and SEIS and the goods imported against these scrips are fully transferable. The Scheme now covers exports 8020 tariff lines at 8 digits level to all countries.
- (v) The policy includes measures to nudge procurement of capital goods from indigenous manufacturers under the EPCG scheme by reducing specific export obligation from 90 percent to 75 percent of the normal export obligation.
- (vi) The policy provides issue of Advance Authorisation to allow duty free import of input, which is physically incorporated in export product within a specified timelines.
- (vii) Interest Equalization Scheme on pre and post shipment rupee export credit has been introduced from 1.4.2015 to help exporters in accessing credit at reduced rates
- (viii) 'Niryat Bandhu Scheme' has been galvanised and repositioned to achieve the objectives of 'Skill India' and trade promotion/awareness.
- (ix) Trade facilitation and enhancing the ease of doing business measures have been taken with special focus on moving towards paperless working. The Government has launched a Single Window Interface for Facilitating Trade (SWIFT) clearances project with effect from 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. India also ratified the WTO Agreement on Trade Facilitation (TFA) in April 2016 for enhancing trade facilitation.
- (x) A new scheme called "Trade Infrastructure for Export Scheme (TIES)" has been launched from 1st April 2017 to address the export infrastructure gaps in the country.
- (xi) The validity period of the Duty Credit Scrips has been increased from 18 months to 24 months to enhance their utility in the GST framework.
- (xii) The Mid-term Review of Foreign Trade Policy 2015-20 launched on 5th December 2017 provides more incentives for export promotion. For example, export incentives under MEIS have been increased by 2% for labour intensive and MSME sectors w.e.f 1.11.2017 in addition to already announced increase in MEIS incentives from 2% to 4% for Ready-made Garments and Made Ups in the labour intensive Textiles Sector. Similarly, the SEIS (Service Export from India Scheme) incentive rate have been increased by 2% w.e.f 1.11.2017 for all notified services such as Business, Legal, Accounting, Architectural, Engineering, Educational, Hospital, Hotels and Restaurants.
- (xiii) A new trust based Self Ratification Scheme was introduced to allow duty free inputs for export production under duty exemption scheme for the Authorized Economic Operators (AEOs).
- (xiv) A new Logistics Division has been created in the Commerce Department to develop and coordinate implementation of an Action Plan for the integrated development of the logistics sector, by way of policy changes, improvement in existing procedures, identification of bottlenecks and gaps and introduction of technology in this sector.
- (xv) GST rate for transfer/sale of scrips has been reduced to zero from the earlier rate of 12%.
- (xvi) In order to solve issue of working capital blockage, exemption from IGST and compensation cess was granted to goods imported under Advance Authorisation (AA)/ Export Promotion Capital Goods (EPCG) and Export Oriented Units (EOU) schemes.
- (xvii) Steps have been taken to mainstream States in the process of international trade. A Council for Trade Development and Promotion has been constituted with the objective to ensure a continuous dialogue with State Governments and UTs on international trade.

Twenty eight State Governments have nominated Export Commissioners. States are being exhorted to prepare export strategies. Seventeen States have already formulated export strategies. Government of India has provided access of the state wise export data compiled by DGCIS to State Governments. Recently, all State Governments / UTs, have been requested to constitute a State Export Promotion Committee under the chairmanship of Chief Secretaries for focussing on export promotion.

(c) and (d) A Task Force on Employment and Exports has been constituted by NITI Aayog on September 6, 2017. The task force submitted its report on December 9, 2017 and has given detailed recommendations on measures to be implemented to boost exports and employment in Textiles and Apparel, Travel, Tourism and Hospitality Medical Tourism, Agriculture & Food Processing and Gems and Jewellery sectors besides recommendations on Trade Facilitation. Government has taken steps to prepare sectoral export promotion strategy involving sectors such as Textiles, Chemicals and Petrochemicals, Agriculture among others which comprise a substantial part of India's exports.

In addition to taking measures for promoting exports as detailed above, the Government has taken various measures as detailed below to reduce trade deficit through encouraging domestic industry and rationalizing non-essential imports. These measures include:

- (i) "Make in India" initiative to transform India into a global design and manufacturing hub with a user friendly system helping drive investment, foster innovation, develop skills, protect Intellectual Property and build best-in-class manufacturing infrastructure.
- (ii) 'Start-up India' aimed at promoting bank financing for start-up ventures to boost entrepreneurship and encourage start-ups.
- (iii) Ambitious program of regulatory reform aimed at making it easier to do business in India. It has led to improvement in India's "Ease of Doing Business" rank from 142 in 2014 to 100 in 2018.
- (iv) "Digital India" to ensure that government services are made available to citizens electronically by improving online infrastructure and by increasing internet connectivity.
