

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

LOK SABHA
UNSTARRED QUESTION NO. 1112
TO BE ANSWERED ON 17th DECEMBER, 2018

DECLINE IN EXPORTS

1112. SHRI RAJESH PANDEY:
SHRI RAM CHARITRA NISHAD:
SHRI VENKATESH BABU T.G.:
SHRI RAVINDRA KUMAR PANDEY:
SHRI NISHIKANT DUBEY:
SHRI SHIVKUMAR UDASI:

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

- (a) whether the country's exports have touched an all time low and if so, the details thereof, sector-wise and the reasons therefor along with the sector-wise details of exports made to various countries during the last three years and the current year, country-wise;
- (b) whether it is true that exports of over half of the 30 sectors closely monitored by the Government were in the negative zone for the last several months and this negative growth is primarily due to high base effect last year and if so, the details thereof;
- (c) whether it is also true that India's exports have been hovering around \$300 billion a year since 2011-12 without substantial growth and one of the main challenges for exports is finance and if so, the details thereof;
- (d) whether the Government has convened or proposed a meeting with the States Governments and Industry representatives to discuss the ways and means to boost the country's exports and if so, the details thereof along with the incentives, if any, proposed to various sectors and the targets for exports fixed for the next three years and if not, the reasons therefor; and
- (e) whether the Government has also any plan to prepare a new strategy to make country's exports a major source of economic growth and if so, the measures proposed to be taken to boost the exports along with the details of contribution of exports to country's GDP during the last three years?

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) India's merchandise exports have been continuously increasing since 2016-17 after a steady recovery from the downturn in exports seen in the face of the global slowdown in 2014-15 (-1.29%) and 2015-16(-15.49%). During the current period 2018-19 (Apr-Nov), India's exports registered a positive growth of 11.58% over corresponding period of the previous year. The details of India's exports for last three years and the current year are as follows:

Years	Value of Export (in US\$ billions)	% Change
2015-16	262.29	-15.49
2016-17	275.85	5.17
2017-18	303.53	10.03
2017-18 (Apr-Nov)	194.93	--
2018-19 (Apr-Nov)*	217.52	11.58

Source: DGCI&S, Kolkata (*: Quick Estimates)

The sector-wise values of exports during the last three years and the current year are given at **Annexure-I**. The values of exports to top 40 destinations during the last three years and the current year are given at **Annexure-II**.

(b) The data given in the table at **annexure-III** reveals that of the 30 sectors of exports during the last eight months of the current year 2018-19 (Apr- Nov), 12 sectors show negative growth as compared with the same period of the last year 2017-18 (Apr-Nov).

(c) The details of merchandise exports since 2011-12 are as below:

Years	Value in Billion USD	% change in growth
2011-12	305.96	
2012-13	300.40	-1.82
2013-14	314.42	4.67
2014-15	310.35	-1.29
2015-16	262.29	-15.49
2016-17	275.85	5.17
2017-18	303.53	10.03
2017-18 (Apr-Nov)	194.93	--
2018-19 (Apr-Nov))*	217.52	11.58

Source: DGCI&S, Kolkata (*: Quick Estimates)

The data in the above table reveals that India's exports were hovering around \$300 billion a year during 2011-12 to 2014-15. The exports continued to decline till 2015-16 following global trend of decline in growth of exports due to economic slowdown leading to lower demand in international markets and lower commodity prices. However, India's merchandise exports have been continuously increasing since 2016-17 after a steady recovery from the downturn in exports seen in the face of the global slowdown in 2014-15 (-1.29%) and 2015-16(-15.49%). During the current period 2018-19 (Apr-Nov), India's exports registered a positive growth of 11.58% over corresponding period of the previous year.

(d) To involve the States in export promotions, two meetings of the Board of Trade were held in April 2016 and June 2018 and two meetings of Councils for Trade and Investment were held in January 2016 and January 2017. The 3rd meeting of the Council for Trade Development & Promotion was held on 08th January, 2018 in New Delhi under the Chairmanship of Hon'ble Commerce & Industry Minister in which representatives from 28 States and 4 UTs participated, including 13 Ministers. The State/UT representatives articulated their perspective on the trade policy, the need for creating more awareness about export related issues and resolved to jointly address impediments in trade which affect India's exports. The major issues discussed were promoting services exports, organic farming, value addition to agricultural products including facilitation for branding, promotion, packing and developing post-harvest infrastructure for agri-horti

product exports, facilitation to exporters and creation of exports infrastructure at the borders.

As per Foreign Trade Policy 2015-20, the Government aims to increase India's exports of merchandise and services from US\$ 465.9 billions to approximately US\$ 900 billions by 2019-20 and to raise India's share in world exports (Goods and Services) from 2% to 3.5%.

(e) In order to promote India's exports, the Government has taken several 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:

- 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. Facilitating Transparency through Ease of Doing Business and IT initiatives:*
 - (a) Directorate General of Foreign Trade (DGFT) and Special Economic Zone (SEZ) online integrated with Customs ICEGATE.*
 - (b) Mandatory documents required for exports and imports reduced to 3 each.*
 - (c) Import Export Code (IEC) integrated with PAN and MoU signed with GSTN for complete integration.*
 - (d) Electronic bank realisation certificate (eBRC) system shared with 14 States Governments for quick tax refunds.*
 - (e) MoU signed with GST Network for integration of E-BRC with GSTN.*
- iii. 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.*
- iv. The policy provides the framework for promotion of exports through schemes of incentives on exports and duty remission/exemption on inputs for export production.*
- v. 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 MEIS scheme now covers 8057 tariff lines at 8 digits level to all countries.*
- vi. 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.*
- vii. The policy provides issue of Advance Authorisation to allow duty free import of inputs, which is physically incorporated in export product within a specified timeline.*
- viii. 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.*
- ix. 'Niryat Bandhu Scheme' has been galvanised and repositioned to achieve the objectives of 'Skill India' and trade promotion/awareness.*

- x. 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.
- xi. 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.
- xii. A new Logistic Division was created in Department of Commerce to focus on improving logistic efficiency and enhancing growth.
- xiii. The Mid-term Review of Foreign Trade Policy 2015-20 launched on 5th December 2017 provides more incentives for export promotion.

Due to the above mentioned steps taken by the Government over the few years, country's export has been a major source of economic growth. The details of contribution of exports to country's GDP during the last three years are as follows:

Years	India's Overall Exports (in Rs. Crore)	GDP at current prices (in Rs. Crore)	% Share of Exports in GDP
2015-2016	27,28,641	13764037	19.82
2016-2017	29,46,243	15253714	19.31
2017-2018	31,94,507	16773145	19.05

Source: Press release, CSO, MoSPI, 31st May 2018.

Annexure-I

Statement referred to in reply of part (a) of Lok Sabha Unstarred question no. 1112 for answer on 17th December 2018.

Sector-wise India's export

(value in US\$ million)						
S. No.	Major Commodities	2015-16	2016-17	2017-18	2017-18 (Apr- Nov)	2018-19 (Apr- Nov)*
1	Engineering Goods	61949.53	67216.12	78695.69	50210.87	53950.72
2	Petroleum Products	30582.64	31545.26	37465.08	23136.88	33931.10
3	Gems And Jewellery	39284.27	43412.76	41544.44	28025.64	27035.75
4	Organic And Inorganic Chemicals	13696.98	14476.86	18508.5	11341.49	14644.77
5	Drugs And Pharmaceuticals	16909.49	16785	17282.81	11082.66	12326.79
6	Rmg Of All Textiles	16964.36	17368.15	16706.94	11040.58	9976.14
7	Cotton Yarn/Fabs./Madeups, Handloom Products Etc.	10119.36	9862.2	10260.36	6588.52	7503.06
8	Plastic And Linoleum	5764.18	5796.46	6851.13	4293.32	5744.00
9	Electronic Goods	5959.52	5962.93	6393.12	4091.72	5475.32
10	Marine Products	4767.51	5903.06	7389.22	5232.81	4793.70
11	Rice	5846.62	5733.79	7806.15	4960.21	4602.81
12	Leather And Leather Manufactures	5407.84	5165.6	5289.13	3512.32	3452.60
13	Man-Made Yarn/Fabs./Madeups Etc.	4621.66	4557.08	4826.33	3138.16	3291.99
14	Meat, Dairy And Poultry Products	4575.47	4368.79	4610.06	3117.57	2941.47
15	Mica, Coal And Other Ores, Minerals Including Process	3656.04	3578.16	3776.88	2336.01	2669.84
16	Spices	2541.46	2851.95	3115.37	1999.59	2095.89
17	Ceramic Products And Glassware	1712.05	1856.63	2131.78	1375.21	1672.45
18	Fruits And Vegetables	2268.81	2454.72	2513.33	1477.06	1439.93
19	Handicrafts Excl. Hand Made Carpet	1648	1926.75	1823.34	1195.03	1202.58
20	Cereal Preparations And Miscellaneous Processed Item	1319.75	1270.85	1416.64	910.94	1006.45
21	Carpet	1440.07	1490.19	1429.82	953.15	985.38
22	Oil Meals	553.01	805.45	1093.16	692.05	801.84
23	Iron Ore	191.46	1533.53	1471.06	933.55	787.32
24	Oil Seeds	1246.89	1355.23	1174.34	749.81	754.71
25	Tobacco	982.01	958.69	934.25	596.03	644.73
26	Tea	720.03	731.26	837.36	545.43	534.94
27	Coffee	783.87	842.84	968.57	642.75	531.99
28	Cashew	768.55	786.93	922.41	657.58	435.29
29	Other Cereals	261.18	212.3	248.59	145.42	230.54
30	Jute Mfg. Including Floor Covering	295.36	309.95	335.08	224.73	221.97
31	Others	15453.12	14732.96	15705.21	9727.81	11830.44
India's total Export		262291.09	275852.43	303526.16	194934.90	217516.51

Source: DGCI&S, Kolkata (*: Quick Estimates)

Annexure-II

Statement referred to in reply of part (a) of Lok Sabha Unstarred question no. 1112 for answer on 17th December 2018.

Destination-wise India's export

Value in US\$ million						
S.No.	COUNTRY	2015-16	2016-17	2017-18	2017-18 (Apr-Nov)	2018-19 (Apr-Nov)*
1	U S A	40336.01	42212.27	47878.48	31089.67	34601.10
2	U Arab Emts	30316.50	31175.50	28146.12	19433.36	20187.01
3	China P Rp	9011.36	10171.89	13333.53	8112.80	11113.15
4	Hong Kong	12092.28	14047.24	14690.27	9928.94	8750.35
5	Singapore	7719.81	9564.58	10202.82	6849.33	7180.17
6	U K	8828.48	8530.07	9691.07	6032.06	6136.54
7	Germany	7092.87	7181.61	8687.80	5471.43	5833.79
8	Netherland	4725.10	5069.69	6261.14	3514.74	5803.34
9	Bangladesh Pr	6034.94	6820.11	8614.34	5192.34	5813.21
10	Nepal	3902.70	5453.59	6612.96	3965.77	5157.71
11	Vietnam Soc Rep	5265.99	6786.56	7813.08	5182.03	4509.30
12	Belgium	5027.61	5656.89	6206.88	3913.75	4659.41
13	Malaysia	3706.83	5224.86	5701.56	3600.41	4515.55
14	Italy	4217.73	4902.18	5709.85	3710.24	3617.53
15	Turkey	4140.00	4626.59	5090.70	3325.01	3656.18
16	Saudi Arab	6381.47	5110.28	5410.70	3302.83	3457.83
17	Korea Rp	3523.43	4241.42	4460.98	2844.75	3374.19
18	France	4633.40	5250.05	4900.27	3056.23	3258.62
19	Indonesia	2819.49	3488.12	3963.77	2492.36	3244.82
20	Japan	4662.85	3845.73	4734.22	3086.04	3054.30
21	Thailand	2987.86	3133.44	3653.83	2311.58	2986.39
22	South Africa	3588.07	3545.95	3825.21	2648.69	2930.45
23	Sri Lanka Dsr	5310.75	3913.15	4476.46	2768.97	2878.22
24	Mexico	2865.13	3460.98	3782.79	2509.10	2611.72
25	Spain	3237.11	3424.99	3995.11	2513.02	2646.67
26	Australia	3262.98	2957.79	4012.32	2658.48	2492.27
27	Israel	2821.18	3087.16	3364.05	2110.62	2583.42
28	Brazil	2650.34	2400.46	3063.49	2009.91	2494.24
29	Iran	2781.51	2379.61	2652.37	1844.38	1928.73
30	Egypt A Rp	2337.68	2067.35	2392.34	1615.11	1921.22
31	Canada	2018.42	2004.12	2506.15	1542.62	1819.78
32	Nigeria	2221.90	1764.11	2254.92	1363.12	1802.06
33	Taiwan	1425.92	2183.64	2156.67	1347.54	2143.23
34	Kenya	3025.85	2194.29	1974.57	1207.14	1476.33
35	Oman	2190.96	2728.30	2439.46	1713.91	1535.34
36	Russia	1587.81	1937.06	2113.39	1352.21	1523.25
37	Tanzania Rep	1654.64	1783.57	1618.80	919.19	1272.82
38	Pakistan Ir	2171.17	1821.87	1924.28	996.74	1414.04
39	Philippines	1353.34	1482.52	1692.83	1032.70	1116.65
40	Kuwait	1247.51	1497.99	1365.66	878.66	857.68
	Total of above 40	225178.99	239127.60	263375.24	169447.80	188358.62
	% Share of above top 40	85.85	86.69	86.77	86.93	86.60
	India's Total	262291.09	275852.43	303526.16	194934.90	217516.51

Source: DGCI&S, Kolkata (*: Quick Estimates)

Annexure-III

Statement referred to in reply of part (b) of Lok Sabha Unstarred question no. 1112 for answer on 17th December 2018

Sector-wise India's exports:

				(Value in US\$ million)
S. No.	Major Commodities	2017-18 (Apr-Nov)	2018-19 (Apr- Nov)*	%Change
1	Other cereals	145.42	230.54	58.53
2	Petroleum Products	23136.88	33931.10	46.65
3	Electronic Goods	4091.72	5475.32	33.81
4	Plastic & Linoleum	4293.32	5744.00	33.79
5	Organic & Inorganic Chemicals	11341.49	14644.77	29.13
6	Ceramic products & glassware	1375.21	1672.45	21.61
7	Oil Meals	692.05	801.84	15.86
8	Mica, Coal & Other Ores, Minerals including processed minerals	2336.01	2669.84	14.29
9	Cotton Yarn/Fabs./made-ups, Handloom Products etc.	6588.52	7503.06	13.88
10	Drugs & Pharmaceuticals	11082.66	12326.79	11.23
11	Cereal preparations & miscellaneous processed items	910.94	1006.45	10.48
12	Tobacco	596.03	644.73	8.17
13	Engineering Goods	50210.87	53950.72	7.45
14	Man-made Yarn/Fabs./made-ups etc.	3138.16	3291.99	4.90
15	Spices	1999.59	2095.89	4.82
16	Carpet	953.15	985.38	3.38
17	Oil seeds	749.81	754.71	0.65
18	Handicrafts excl. handmade carpet	1195.03	1202.58	0.63
19	Jute Mfg. including Floor Covering	224.73	221.97	-1.23
20	Leather & leather products	3512.32	3452.60	-1.70
21	Tea	545.43	534.94	-1.92
22	Fruits & Vegetables	1477.06	1439.93	-2.51
23	Gems & Jewellery	28025.64	27035.75	-3.53
24	Meat, dairy & poultry products	3117.57	2941.47	-5.65
25	Rice	4960.21	4602.81	-7.21
26	Marine Products	5232.81	4793.70	-8.39
27	RMG of all Textiles	11040.58	9976.14	-9.64
28	Iron Ore	933.55	787.32	-15.66
29	Coffee	642.75	531.99	-17.23
30	Cashew	657.58	435.29	-33.80
31	Others	9727.81	11830.44	21.61
India's total Export		194934.90	217516.51	11.58

Source: DGCI&S, Kolkata (*: Quick Estimates)
