

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

LOK SABHA
UNSTARRED QUESTION NO. 2183
TO BE ANSWERED ON 24th DECEMBER, 2018

INDIA'S TRADE WITH UAE AND JAPAN

2183. SHRIMATI V. SATHYA BAMA:
SHRI PR. SENTHIL NATHAN:
SHRIMATI VANAROJA R.

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

- (a) whether the Government has signed currency swap agreements with the United Arab Emirates (UAE), Japan and other countries without bringing in a third benchmark currency like US dollar;
- (b) if so, the details thereof and the Government's gain therefrom;
- (c) whether the Government is expecting rise in exports and imports with these countries; and
- (d) if so, the details thereof and the EXIM trade between India, UAE and Japan in the last four 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) & (b): As per the information received from RBI, the RBI has recently signed Bilateral Currency Swap Agreement with Central Bank of the United Arab Emirates, effective for a period of three years. While Central Bank of the United Arab Emirates (CBUA) will provide two (2) Billion United Arab Emirates dirham (AED) as the maximum amount for the Swap currency; RBI will provide credit of INR 35 Billion. The currency swap with UAE is a pact between two countries that allows payments for imports and exports (domestic currencies), without bringing in a third benchmark currency like the US dollar. Both the countries are expected to gain in terms of better and stable trade relations. India and Japan have agreed to enter into a Bilateral Swap Agreement of USD 75 billion. This will be in USD and is expected to act as a backdrop arrangement for the foreign exchange reserves. As per the revised Framework on Currency Swap Agreement for SAARC countries, the table given below gives the amount allocated :-

	Amount allocated under revised Framework on Currency Swap Arrangement for SAARC countries						
Country	Afghanistan	Bangladesh	Bhutan	Maldives	Nepal	Pakistan	Sri Lanka

Swap Amount Available in US\$ million	100	400	100	200	400	400	400
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Each member country is required to enter into a separate agreement with us for operationalizing the same. Currently, the agreements with Bhutan, Nepal and Maldives are in force. These countries can draw the amount in either USD or an equivalent amount in Euro. Bhutan is given a facility to draw the equivalent amount in INR also. Pakistan, Bangladesh and Afghanistan have never approached us for operationalizing this arrangement. The Agreement with Sri Lanka lapsed in March 2018. The SAARC swap arrangement is meant as an emergency liquidity support for the member countries in times of temporary difficulties.

(c) : Bilateral trade depends on several macroeconomic factors which inter-alia includes demand side and supply side fundamentals of trading partners. Government of India, through Institutional mechanism such as Joint Commission Meetings (JCMs) and Joint Trade Committees (JTCs) meets its trading partners including UAE and Japan periodically to strengthen bilateral ties in trade, and to address bottlenecks impeding trade, if any. Further, in order to promote Indian exports to its trading partners including UAE and Japan, Department of Commerce under Market Access Initiative (MAI) scheme also provides financial support to Business Federations, Chambers and Export Promotion Councils (EPCs) for organizing trade exhibitions, trade fairs, business meets etc., showcasing Indian products abroad including in UAE and Japan.

(d): Details of India's trade with UAE and Japan in the last four years are given below:-

Values in US \$ Millions						
Year/country	UAE			Japan		
Ex/imp/TT	Exports	Import	Total trade	Export	Import	Total Trade
2014-15	33038.08	26139.91	59167.99	5385.57	10131.36	15516.93
2015-16	30316.50	19445.68	49762.18	4662.85	9850.22	14513.07
2016-17	31175.50	21509.83	52685.33	3845.73	9754.64	13600.37
2017-18	28146.12	21739.11	49885.23	4734.22	10973.35	15707.57

Source: DG&CIS
