

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

LOK SABHA
UNSTARRED QUESTION NO. 3070
TO BE ANSWERED ON 31st DECEMBER, 2018

EXPORT OF MERCHANDISE PRODUCTS AND SERVICES

3070. SHRI DEEPENDER SINGH HOODA:

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

- (a) whether the total export of merchandise products and services from the country has declined drastically during the last five financial year and the current financial year;
- (b) the details of estimated loss to the economy in view of the slump in exports of merchandise and services during the said period;
- (c) the details of measures taken by the Government to boost export of merchandise and services from the country and the results achieved therein; and
- (d) the details of growth in export of 20 major export merchandise and services between 1st December, 2017 and 1st December, 2018?

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 exports (merchandise and services) 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 2015-16(-11.07%). During 2016-17, exports registered a positive growth of 5.63 % over 2015-16; during 2017-18, it registered a positive growth of 13.31% over 2016-17; during 2018-19 (Apr-Oct), export registered growth of 17.24% as compared to the corresponding period of previous year. The values of India's merchandise, services and total exports along with the percentage change for the last five years and the current year is as follows:

(Value in US\$ billion)

Years	Merchandise Exports	% Change	Services Exports	% Change	Overall Exports	% Change
2013-2014	314.41	--	151.81	--	466.22	--
2014-2015	310.34	-1.29	158.11	4.15	468.45	0.48
2015-2016	262.29	-15.48	154.31	-2.40	416.60	-11.07
2016-2017	275.85	5.17	164.20	6.41	440.05	5.63
2017-2018	303.53	10.03	195.10	18.82	498.63	13.31
2017-18 (Apr-Oct)	168.64	--	94.49	--	263.13	--
2018-19 (Apr-Oct)*	190.62	13.03	117.88	24.76	308.50	17.24

Source: DGCI&S and RBI, * Provisional

(b): The values of India's overall exports, imports and trade balance along with the percentage change for the last five years and the current year is given below:

(Value in US\$ billion)

Years	Overall Exports	% Change	Overall Imports	% Change	Overall Trade Balance
2013-2014	466.22	--	528.95	--	-62.73
2014-2015	468.45	0.48	529.61	0.13	-61.17
2015-2016	416.60	-11.07	465.64	-12.08	-49.04
2016-2017	440.05	5.63	480.26	3.14	-40.21
2017-2018	498.63	13.31	583.08	21.41	-84.46
2017-18 (Apr-Oct)	263.13	--	315.35	--	-52.23
2018-19 (Apr-Oct)*	308.50	17.24	378.28	19.95	-69.78

Source: DGCI&S and RBI, * Provisional

The data in the above table reveals that trade deficit decreased till 2016-17. However, it increased in 2017-18 and 2018-19 (Apr-Oct) as compared to the corresponding period of previous year. Trade deficit depends upon relative fluctuations in the imports and exports of different commodities due to the global and domestic factors such as demand and supply in domestic and international markets, currency fluctuations, trade agreements between competing exporting countries with export destination countries, non-tariff barriers by export destination countries, cost of credit, logistics costs, etc.

(c): In order to boost India's merchandise and services 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. 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 Merchandise Exports from India Scheme (MEIS) was introduced in the Foreign Trade Policy (FTP) 2015-20 on April 1, 2015 with the objective to offset infrastructural inefficiencies and associated costs involved in exporting goods/products which are produced/ manufactured in India. Duty credit scrips issued under MEIS and the goods imported against these scrips are fully transferable. On the demand of the industry, at the time of mid-term review of the FTP in Dec 2017, export rewards under MIES were increased by 2% across the board for labour intensive, MSME sectors, ready-made garments and made ups. Later, rewards to some agricultural products such as Bengal Gram, Milk and Milk Products, Soya de-oiled cake and Non Basmati rice have been provided/enhanced under MEIS for a limited period in the year 2018-19 to boost the exports of these agriculture sector items. As on date, The MEIS scheme covers 8057 tariff lines at 8 digits level, and provide rewards.
- v. The 'Services Exports from India Scheme (SEIS)' was introduced in the Foreign Trade Policy (FTP) 2015-20 on April 1, 2015 for increasing exports of notified services. At the time of mid-term review of Foreign Trade Policy 2015-20, the rates for all the notified services have been increased by 2% for exports with effect from 01.11.2017, leading to additional estimated annual rewards of Rs 1,140 crore to promote exports of notified services.
- vi. An Action Plan on Champion Sectors in Services has been approved on 28th February 2018, whereby, nodal Ministries/Departments of the identified 12 champion services sectors have been directed to undertake sectoral initiatives aimed at, *inter alia*, enhancing services exports.

- vii. Government has been organising various events including the Global Exhibition in Services, Advantage Health Care India, and Higher Education Summit etc. to showcase India's strength in services sector. Government has also been participating in international fairs/ exhibitions relating to services sector.
- viii. In the various bilateral/ pluri-lateral/ multilateral trade negotiations, Government has been seeking commercially meaningful market access for India's services exports.
- ix. 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.
- x. 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.
- xi. 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.
- xii. 'Niryat Bandhu Scheme' has been galvanised and repositioned to achieve the objectives of 'Skill India' and trade promotion/awareness.
- xiii. 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.
- xiv. 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.
- xv. The Mid-term Review of Foreign Trade Policy 2015-20 launched on 5th December 2017 provides more incentives for export promotion.

(d): The details of growth of 20 major sectors of merchandise export for the period December 2017 to November 2018 as compared to the corresponding period of previous year is given at **Annexure-I**.

The details of export growth of 13 major sectors of services for the period January 2018 to September 2018 as compared to the corresponding period of previous year is given at **Annexure-II**.

Statement referred to in reply of part (d) of Lok Sabha Unstarred question no. 3070 for answer on 31st December 2018.

India's Merchandise Exports for major sectors

(Value in US\$ million)

S. No.	Major Sectors	Dec, 16-Nov, 17	Dec, 17-Nov, 18	% Change
1	Engineering Goods	76164.58	82428.36	8.22
2	Petroleum Products	35065.41	48069.80	37.09
3	Gems And Jewellery	42305.19	40574.14	-4.09
4	Organic And Inorganic Chemicals	16769.55	21744.35	29.67
5	Drugs And Pharmaceuticals	16754.25	18487.51	10.35
6	RMG of all Textiles	17437.12	15641.91	-10.30
7	Cotton Yarn/Fabs./Madeups, Handloom Products Etc.	10209.09	11182.29	9.53
8	Plastic And Linoleum	6358.98	8300.22	30.53
9	Electronic Goods	6154.13	7753.31	25.99
10	Rice	7110.69	7499.36	5.47
11	Marine Products	7097.09	6951.07	-2.06
12	Leather And Leather Manufactures	5190.10	5229.91	0.77
13	Man-Made Yarn/Fabs./Madeups Etc.	4759.67	4981.05	4.65
14	Meat, Dairy And Poultry Products	4489.87	4434.30	-1.24
15	Mica, Coal And Other Ores, Minerals Including Process	3705.95	4134.49	11.56
16	Spices	3023.74	3232.09	6.89
17	Fruits And Vegetables	2430.53	2465.21	1.43
18	Ceramic Products And Glassware	1999.64	2434.00	21.72
19	Handicrafts Excl. Hand Made Carpet	1797.65	1828.84	1.74
20	Oil Meals	1158.48	1219.23	5.24
Total export of above 20 sectors		269981.70	298591.46	10.60
% Share of above 20 sectors		91.40	91.68	--
India's total exports		295375.95	325677.92	10.26

Source: DGCI&S, Kolkata (figures for 2018 are provisional)

Statement referred to in reply of part (d) of Lok Sabha Unstarred question no. 3070 for answer on 31st December 2018.

India's Services Exports for major sectors

(Value in US\$ million)

S. No.	Services Sectors	Jan-Sep, 2017	Jan-Sep, 2018	% Change
1	Manufacturing services on physical inputs owned by others	81	138	70.70
2	Maintenance and repair services n.i.e.	177	144	-18.61
3	Transport	12591	14192	12.71
4	Travel	19924	21196	6.38
5	Construction	1756	2311	31.60
6	Insurance and pension services	1848	1891	2.29
7	Financial services	3502	4109	17.33
8	Charges for the use of intellectual property n.i.e.	444	603	35.61
9	Telecommunications, computer, and information services	57589	62555	8.62
10	Other business services	25871	28780	11.24
11	Personal, cultural, and recreational services	1100	1422	29.31
12	Government goods and services n.i.e.	418	489	16.94
13	Others n.i.e.	8717	12024	37.94
Total Services Export		134019	149853	11.81

Source: Balance of Payments, RBI
