

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

LOK SABHA  
UNSTARRED QUESTION NO. 3119  
TO BE ANSWERED ON 31<sup>ST</sup> DECEMBER, 2018

INDIA'S SHARE IN WORLD TRADE

3119. SHRI ANANDRAO ADSUL:  
DR. SHRIKANT EKNATH SHINDE:  
SHRI KUNWAR PUSHPENDRA SINGH CHANDEL:  
SHRI DHARMENDRA YADAV:  
SHRI VINAYAK BHAURAO RAUT:

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

- (a) whether the Government proposes to raise its share in world trade from 2.52 per cent at present to 3.5 per cent by 2020;
- (b) if so, the details thereof along with the steps taken by the Government in this regard;
- (c) whether it is a fact that Indian goods are less competitive in the world markets as logistics costs of exports are very high in the country and if so, the details thereof;
- (d) whether the Government is planning to form a separate logistics department to deal with the issues such as rising costs in the sector which impacts global competitiveness of exporters;
- (e) if so, the details thereof along with the time by which a final decision is likely to be taken in this regard; and
- (f) whether the Government has taken steps to create trade zone in Bundelkhand and if so, the details thereof?

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

**(b):** In order to promote India's Exports, the Government has taken several measures through New Foreign Trade Policy 2015-20 launched on 1<sup>st</sup> 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, Skill India, Start-up 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 realization certificate (eBRC) system shared with 14 State 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 exports production.
  - (v) The policy introduces two new schemes, namely Merchandise Exports from India Scheme (MEIS) for improving exports of specified goods by merging five earlier schemes for better coherence and Service 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 digit level to all countries.
  - (vi) The policy includes measures to nudge procurement of capital goods from indigenous manufacturers under the EPCG schemes by reducing specific export obligations from 90 percent to 75 percent of the normal export obligation.
  - (vii) The policy provides issue of advance authorisation to allow duty free imports of inputs, which is physically incorporated in export product within a specified time line.
  - (viii) Interest Equalisation Scheme on Pre & Post Shipment Rupee Export Credit has been introduced from 01.04.2015 to help exporters in accessing credit at reduced rates. Enhancement of Interest Equalization Rate from 3% to 5% for MSME Sector has been introduced under Interest Equalization scheme for pre & post shipment credit.
  - (ix) 'Niryat Bandhu Scheme' has been galvanized 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 govt. has launched a single window interface for facilitating trade (SWIFT) clearances project with effect from 1<sup>st</sup> Apr 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 namely Trade Infrastructure for Export Schemes (TIES) has been launched from 1<sup>st</sup> April, 2017 to address the export infrastructure gaps in the country.
  - (xii) A Logistics Division was created in Department of Commerce (DOC) to focus on improving logistics efficiency and enhancing growth.
  - (xiii) The Mid-term Review of Foreign Trade Policy 2015-20 launched on December 5, 2017 focused on emerging exports by MSME and Labour intensive industries. FTP was aligned with the GST Regime.
- (c):** There is no official study that has assessed the logistics costs in the country. However, some studies have assessed the logistics costs as 14% of the GDP in India as compared to 9% - 10% in some of the developed nations.

**(d) & (e):** The allocation of Business Rules have been amended on 7<sup>th</sup> July, 2018 and a new Logistics Division has been created in the Department of Commerce. The mandate of this Division is 'integrated development of logistics'

**(f):** As far DOC is concerned, no such information is available.

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