

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

LOK SABHA
UNSTARRED QUESTION NO. 4204
TO BE ANSWERED ON 07th JANUARY, 2019

EXPORTS FROM LABOUR INTENSIVE SECTORS

4204. SHRI SUDHEER GUPTA:
SHRI S.R. VIJAYAKUMAR:
KUNWAR HARIBANSH SINGH:

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

- the total quantity and value of exports from the labour-intensive sectors during each of the last three years, Sectorwise;
- the percentage of total export of India from the labour-intensive sectors during the said period;
- whether the exports from the labour intensive sectors have declined during the period;
- if so, the details thereof and the reasons therefor along with the corrective measures taken/being taken by the Government in this regard, sectorwise;
- whether the Government has formulated any schemes to promote the exports from the labour intensive sectors and if so, the details thereof; and
- the steps taken/being taken by the Government to include agricultural products/produce under the said scheme?

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 (d): The values of India's merchandise exports and exports from labour intensive sectors along with the percentage share during the last three years are as follows:

(Value in US\$ million)

Years	Exports from Labour intensive sectors	% Change	India's merchandise exports	% share of exports from labour intensive sectors
2015-16	116868.51	--	262291.09	44.56
2016-17	123443.40	5.63	275852.43	44.75
2017-18	132131.75	7.04	303526.16	43.53

Source: DGCI&S, Kolkata

The data in the above table reflect that the exports from labour intensive sectors registered a positive growth of 5.63% during 2016-17 over 2015-16. During 2017-18, it registered a positive growth of 7.04% over

the year 2016-17. Due to different units of measurement, the total quantity of exports is not additive. However, the sector-wise details of quantity and values of exports from labour intensive sectors for last three years is given at **Annexure-I**.

(e) & (f): In order to promote India's exports including labour intensive sectors, 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 measure includes:

- 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 policy provides the framework for promotion of exports through schemes of incentives on exports and duty remission/exemption on inputs for export production.
- iii. 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.
- 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. The Scheme incentivizes exporters in terms of Duty Credit Scrips at the rate 2, 3, 4, 5 and 7, 10 and 20% of FOB value of exports realized. The Scheme covers exports of 8057 tariff lines. The total annual financial envelope available for MEIS for Financial Year 2018-19 is Rs 30,819.91 crore. 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. Interest Equalization Scheme on pre and post shipment rupee export credit introduced from 1.4.2015 helps exporters in accessing credit at reduced rates. Still then, it was observed that MSME sector is facing multiple problems. One of the problems faced by the MSME exporters is access to low cost export finance to make them internationally competitive. Therefore, interest equalization reduces the cost of the credit offered by banks to exporters and serves as a complementary tool for enhancing India's exports. Keeping in view the poor performance of exports from MSMEs and the difficulties faced by them in accessing loan at competitive rates, it has been decided that the MSME exporters would be given extra push by way of enhancing interest equalization rate from 3% to 5%. Accordingly, CCEA in its meeting held on 1.11.2018 has given its approval on increasing the interest equalization rate from 3% to 5% for exports being made by MSME sector under the ongoing Interest Equalization Scheme on pre and post Shipment Rupee Export Credit along with providing operational flexibility to carry out modifications in the scheme from time to time without changing its basic character.
- vi. The Government has implemented the Niryat Bandhu Scheme with an objective to reach out to the new and potential exporters including exporters from Micro, Small & Medium Enterprises (MSMEs) and mentor them through orientation programmes, counseling sessions, individual facilitation etc., on various aspects of foreign trade for being able to get into international trade and boost exports from India.
- vii. A new scheme called Special Advance Authorisation Scheme for export of articles of Apparel and Clothing Accessories was introduced w.e.f. 1st September 2016 wherein exporters are entitled for an authorisation for fabrics including inter lining on pre-import basis and all industry rate of Duty Drawback for non-fabric inputs on the exports.
- viii. 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.
- ix. The Mid-term Review of Foreign Trade Policy 2015-20 launched on 5th December 2017 provides more incentives for export promotion. Export incentives under MEIS have been increased by 2% for labour intensive and MSME sectors leading to additional annual incentive of Rs 4,567 crore. This was 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 with an additional annual incentive of Rs 2,743 crore.
- x. In order to double farmers' income by 2022 and provide an impetus to agricultural exports, the Government has launched a comprehensive "Agriculture Export Policy" on 6th December, 2018 which

would also integrate Indian farmers and agricultural products with the global value chains. Objectives of the Agriculture Export Policy are as under:

- To double agricultural exports from present ~US\$ 30+ Billion to ~US\$ 60+ Billion by 2022 and reach US\$ 100 Billion in the next few years thereafter, with a stable trade policy regime.
- To diversify our export basket, destinations and boost high value and value added agricultural exports including focus on perishables.
- To promote novel, indigenous, organic, ethnic, traditional and non-traditional Agri products exports.
- To provide an institutional mechanism for pursuing market access, tackling barriers and deal with sanitary and phyto-sanitary issues.
- To strive to double India's share in world agri exports by integrating with global value chain at the earliest.
- Enable farmers to get benefit of export opportunities in overseas market.

xi. In addition to above, financial assistance under Agriculture Export Promotion Plan Scheme of APEDA were provided to exporters for export of APEDA's scheduled products under the following components:

- i. Development of export infrastructure
- ii. Quality development
- iii. Market development

Annexure-I

Statement referred to in reply of part (a) of Lok Sabha Unstarred question no. 4204 for answer on 7th January 2019.

India's Export of Labour Intensive Sectors

(Value in US\$ million)

S. No.	Labour Intensive Sectors	Unit	2015-16		2016-17		2017-18	
			Qty	Value	Qty	Value	Qty	Value
1	Ac, Refrigeration Machnry Etc			1058.14		983.59		1294.63
2	Aircraft, Spacecraft And Parts			3959.11		3381.66		2264.27
3	Aluminium, Products Of Aluminn	TON	1158767	2639.74	1552536	3244.69	2018992	4800.89
4	Atm, Injctng Mlding Mchnry Etc			1263.42		1268.77		1521.53
5	Auto Components/Parts			4217.58		4205.38		5207.24
6	Auto Tyres And Tubes	NOS	27911579	1388.68	31342904	1494.25	30555026	1785.96
7	Bicycle And Parts			298.44		293.68		328.20
8	Carpet(Excl. Silk) Handmade	SQM	101015566	1437.82	103389966	1480.69	105108201	1427.14
9	Copper And Prdcts Made Of Copr	TON	424485	2539.75	458480	2672.94		3481.36
10	Cotton Fabrics, Madeups Etc.			5266.23		5212.53		5482.87
11	Cotton Yarn	TON	1307110	3608.12	1156331	3337.49	1097389	3424.92
12	Cranes, Lifts And Winches			432.70		386.28		385.44
13	Electric Machinery And Equipme			3925.41		4742.25		6708.29
14	Finished Leather	KGS	51638460	1049.47	46526196	887.03	43410934	873.97
15	Floor Cvrng Of Jute	SQM	6259182	34.01	5105462	37.75	5792024	46.48
16	Footwear Of Leather			2148.41		2127.90		2194.73
17	Gold	KGS	150752	5573.54	152922	6121.43	59631	2393.74
18	Gold And Oth Precs Metl Jwlery			10958.79		11934.61		12807.35
19	Handloom Products			368.57		359.73		355.94
20	Hnd Tool, Ctng Tool Of Metals			640.99		638.95		711.60
21	Ic Engines And Parts			2109.93		2115.14		2402.94
22	Indl. Machnry For Dairy Etc			4645.77		4640.98		5344.58
23	Iron And Steel	TON	7570179	5492.56	14035205	8683.01	15888130	11244.74
24	Jute Hessian			125.54		138.23		141.23
25	Jute Yarn	TON	16930	18.34	9076	10.65	16976	20.20
26	Jute, Raw	TON	25107	17.18	18184	11.44	27199	14.81
27	Lead And Products Made Of Led	TON	89390	181.53	108063	236.89	159531	396.65
28	Leather Garments	KGS	7770092	553.98	7511083	535.37	7423050	519.32
29	Leather Goods			1370.86		1316.59		1365.79
30	Machine Tools			393.82		452.01		470.38

S. No.	Labour Intensive Sectors	Unit	2015-16	2016-17	2017-18	2015-16	2016-17	2017-18
			Qty	Value	Qty	Qty	Value	Qty
31	Manmade Yarn,Fabrics,Madeups			4621.66		4557.08		4826.33
32	Medical And Scientific Instrum			994.38		1176.69		1429.32
33	Motor Vehicle/Cars	NOS	1139434	6727.45	1126223	7547.45	1222665	8472.51
34	Nickel, Product Made Of Nickel	TON	37605	492.84	9045	92.65	3190	44.78
35	Nucler Reactr, Indl Boilr, Prt			680.85		669.96		606.55
36	Office Equipments			89.50		117.92		78.60
37	Oth Non Ferous Metal And Prodc	KGS	91130806	431.80	91490179	446.17		505.18
38	Other Construction Machinery			1079.38		1067.42		1441.75
39	Other Jute Manufactures			117.47		123.31		127.17
40	Other Misc. Engineering Items			1990.57		2132.95		2435.91
41	Other Precious And Base Metals			447.29		421.66		461.43
42	Othr Rubber Prodct Excpt Footw			922.24		961.33		1161.96
43	Prime Mica And Mica Products	KGS	1047310	17.08	1084310	18.17		20.77
44	Products Of Iron And Steel			6142.47		5895.44		6770.20
45	Project Goods	KGS	3785921	29.01	3559862	28.74	656036	21.95
46	Pumps Of All Types			707.66		761.50		966.99
47	Railwy Trnsprt Equipmnts, Prts			110.06		231.92		346.81
48	Rmg Cotton Incl Accessories			9091.58		8513.22		8510.76
49	Rmg Manmade Fibres			4181.77		5035.94		4746.97
50	Rmg Of Othr Textle Matrl			3184.53		3462.79		3122.15
51	Rmg Silk			244.10		141.71		157.92
52	Rmg Wool			262.38		214.50		169.14
53	Ship, Boat And Floating Struct			3984.52		4370.60		3074.94
54	Silk Carpet	SQM	29680	2.25	45578	9.50	17527	2.68
55	Silver	KGS	29946	7.36	32721	11.29	29490	10.21
56	Sports Goods			227.72		224.83		232.80
57	Tin And Products Made Of Tin	TON	3654	57.22	520	8.84	572	11.10
58	Two And Three Wheelers	NOS	2531371	1777.86	2392382	1638.19	2784365	2001.48
59	Zinc And Products Made Of Zinc	TON	257627	527.07	228016	609.71	286964	956.18
Total export from Labour Intensive Sectors				116868.51		123443.40		132131.75
India's Total Exports				262291.09		275852.43		303526.16
% share of labour intensive sectors				44.56		44.75		43.53

Source: DGCI&S, Kolkata
