

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

**LOK SABHA**  
**UNSTARRED QUESTION NO. 95**  
**TO BE ANSWERED ON 04<sup>th</sup> FEBRUARY, 2019**

**TRADE DEFICIT**

95. SHRI RAHUL SHEWALE:  
SHRI BHARTRUHARI MAHTAB:  
SHRI S.P. MUDDAHANUME GOWDA:  
SHRI SANJAY DHOTRE:

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

- (a) whether the trade deficit has widened due to decline in net export of the country during each of the last four years and the current year and if so, the details thereof, Sector-wise and the reasons therefor;
- (b) the quantum and value of net export and its target set by the Government during the said period along with the country's share in world's trade and the details of imports during the period;
- (c) whether such decline in net export has adversely impacted the Gross Domestic Product (GDP) of the country during the said period;
- (d) if so, the details thereof along with the reaction of the Government thereto;
- (e) whether the Government proposes to review the existing export promotion schemes/programmes being implemented in the country and if so, the details thereof; and
- (f) the other measures taken/being taken by the Government to improve net export and GDP of the country and bring down the trade deficit in the future?

**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 export, import, net export (the value of total exports minus the value of total imports) and GDP at current prices during the last four years and current year are as follows:

(Rs. in crore)

Year	Exports of Goods and Services (at Current Prices)	Imports of Goods and Services (at Current Prices)	Net Exports of Goods and Services (at Current Prices)	GDP (at Current Prices)

2014-15	2863636	3235962	(-)372326	12467959
2015-16	2728641	3044915	(-)316274	13764037
2016-17	2946243	3208505	(-)262262	15253714
2017-18 (RE)	3194507	3694286	(-) 499779	16773145
2018-19 (1 <sup>st</sup> AE)	3727937	4387991	(-)660054	18840731

RE: Revised Estimates, AE: Advance Estimates, Source: CSO, Ministry of Statistics and Programme Implementation

Due to different units of measurement, the total quantity of exports and imports is not additive. The data in the above table reveals that the net export decreased in the year 2015-16 and 2016-17 as compared to the corresponding period of the previous years. However, it has increased in the year 2017-18 and 2018-19 as compared to the corresponding period of the previous years. Trade deficit depends upon relative fluctuations in the import and export of different commodities due to the global and domestic factors such as demand and supply in domestic and international markets, currency fluctuations, cost of credit, logistics costs, etc. The decline in net export has very insignificant impact on the Gross Domestic Product (GDP) of the country.

The top 30 principal commodity-wise values of trade deficit for the last four years and the current year is given at **Annexure-I**.

India's share in world trade during 2014 to 2017 is given as follows:

Years	India's Share in World Merchandise Plus Services Exports (%)	India's Share in World Merchandise Plus Services Imports (%)
2014	1.99	2.45
2015	1.98	2.32
2016	2.03	2.27
2017	2.10	2.60

Source: World Trade Organisation

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) & (f): The Government carried out mid-term review of the Foreign Trade Policy 2015-20, which was released on December 5, 2017. In order to boost India's exports and bring down

the trade deficit, the Government has taken several measures through 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', '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 28<sup>th</sup> 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 1<sup>st</sup> 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 1<sup>st</sup> April 2017 to address the export infrastructure gaps in the country.

- xv. The Mid-term Review of Foreign Trade Policy 2015-20 launched on 5<sup>th</sup> December 2017 provides more incentives for export promotion.
- xvi. 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 6<sup>th</sup> 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.

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**Annexure-I**

**Statement referred to in reply of part (a) of Lok Sabha Unstarred question no. 95 for answer on 4<sup>th</sup> February 2019.**

**Trade deficit during 2014-15 to 2018-19 ( Apr-Nov) for 30 Principal commodities having highest trade deficit in the current year**

Value in Million USD							
Sr. No:	Principal Commodity	2014-15	2015-16	2016-17	2017-18	2017-18 (Apr-Nov)	2018-19 (Apr-Nov)*
1	PETROLEUM: CRUDE	116442.86	-65922.98	-70705.39	-87372.27	-52575.49	-80061.55
2	GOLD	-31562.03	-26197.20	-21396.60	-31263.47	-21115.62	-21749.59
3	COAL,COKE AND BRIQUITES ETC	-17666.05	-13507.14	-15595.36	-22733.41	-14204.12	-17482.93
4	PETROLEUM PRODUCTS	-13624.08	-14521.90	-15527.97	-20645.52	-13853.38	-11921.43
5	GOLD AND OTH PRECS METL JWLERY	-3502.82	-5272.77	-6618.27	-8043.47	-5023.23	-8719.77
6	DRUG FORMULATIONS, BIOLOGICALS	-10526.92	-10412.15	-10776.46	-11549.65	-8120.87	-6687.14
7	MOTOR VEHICLE/CARS	-6899.66	-7143.71	-6631.98	-7879.31	-5232.18	-5947.73
8	RMG COTTON INCL ACCESSORIES	-6714.53	-6330.20	-6301.06	-7453.90	-5128.68	-4668.66
9	MARINE PRODUCTS	-6289.39	-6965.95	-4205.43	-4553.71	-3438.07	-4306.79
10	COTTON FABRICS, MADEUPS ETC.	-4414.93	-5023.52	-4734.99	-5137.48	-3393.81	-4265.38
11	COTTON YARN	-3507.40	-3919.88	-4054.67	-4884.19	-3245.79	-3728.18
12	RICE -BASMOTI	-5947.33	-4764.80	-5034.67	-5286.11	-3581.53	-3644.14
13	BUFFALO MEAT	-3314.03	-3450.03	-3408.33	-4016.60	-2765.90	-3154.65
14	RMG MANMADE FIBRES	-3810.67	-3818.91	-3219.66	-3786.96	-2587.85	-3152.66
15	RICE(OTHER THAN BASMOTI)	122.35	-819.15	-776.46	-1093.75	-792.46	-2891.13
16	RMG OF OTHR TEXTLE MATRL	1451.80	-1024.72	-4990.71	-5412.42	-3952.58	-2786.56
17	MANMADE YARN,FABRICS,MADEUPS	-4517.83	-3735.38	-1827.88	-3203.59	-2265.51	-2759.69
18	SPICES	-6178.16	-4705.59	-3867.75	-5805.20	-3705.38	-2478.93
19	TWO AND THREE WHEELERS	-2306.51	-2294.56	-2369.04	-2732.42	-1762.96	-2092.62
20	DYES	-1790.58	-1518.11	-1804.84	-2067.50	-1226.97	-1982.16
21	PRODUCTS OF IRON AND STEEL	-3657.63	-5759.33	444.13	812.52	259.07	-1965.60
22	FOOTWEAR OF LEATHER	-1675.98	-1583.02	-1403.43	-2034.63	-1344.39	-1779.54
23	GRANIT, NATRL STONE AND PRODCT	-3594.84	-2732.06	-2045.70	-2055.65	-1341.22	-1503.68
24	AGRO CHEMICALS	-7024.93	-8166.36	-7924.77	-2365.77	-1505.56	-1441.53
25	AUTO TYRES AND TUBES	-2087.60	-2115.25	-1573.53	-1579.86	-1249.08	-1145.02
26	CARPET(EXCL. SILK) HANDMADE	-1384.57	-1223.07	-1384.05	-1827.83	-1261.58	-1074.39
27	LEATHER GOODS	-1895.00	-2984.73	-1915.02	-2090.88	-1242.82	-1019.87
28	OIL MEALS	-177.90	-570.78	-559.65	-496.23	-427.70	-1011.77
29	COTTON RAW INCLD. WASTE	-1048.94	-1059.35	-939.65	-1181.14	-901.58	-994.68
30	HANDCRFS(EXCL.HANDMA DE CRPTS)	-383.51	-633.15	-632.25	-969.73	-608.33	-977.60

\*Provisional, Source: DGCIS, Kolkata\*\*\*\*