

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF ECONOMIC AFFAIRS

**LOK SABHA**  
**UNSTARRED QUESTION NO. 2841**  
DUE FOR ANSWERED ON 7<sup>th</sup> AUGUST, 2023

**INTERNATIONAL LOAN**

2841. SHRI SANJAY KAKA PATIL:

Will the Minister of FINANCE be pleased to state:

- (a) the status of current trade deficit and the measures taken/being taken by the Government to reduce it;
- (b) whether the Government has identified any targets for the coming years, if so, the details thereof;
- (c) whether the balance of payments on international loans has been affected due to the appreciating value of the dollar; and
- (d) if so, the details thereof and the interest likely to be on the new loans sanctioned by the World Bank for India in 2023 and the manner in which the said loan is likely to be paid?

**ANSWER**

THE MINISTER OF STATE FOR FINANCE  
(SHRI PANKAJ CHAUDHARY)

- (a) The value of overall (merchandise plus services) balance of trade during current year 2023-24 (April-June) and 2022-23 (Quarter 1) is as follows:

**Table 1: Trade deficit for India** (Value in US\$ Billion)

Years	Export	Import	Balance of Trade
2022-23 (April-June)	197.08	228.56	-31.49
2023-24 (April-June)*	184.73	204.64	-19.91

*Source: DGCI&S and RBI\* Provisional*

The government is undertaking several initiatives to strike a balance between imports and exports, which inter-alia include: -

- (i) Actively working with the State Governments/Union Territories, Industry Associations, Export Promotion Councils, India's Mission abroad and all other stakeholders to create an enabling environment to exports from the Country.
- (ii) A dynamic Foreign Trade Policy 2023 has been announced to accommodate the emerging needs of the time.
- (iii) Districts as Export Hubs has been launched by identifying products with export potential in each district, addressing bottlenecks for exporting these products and supporting local exporters/manufacturers to generate employment in the district.

(iv) Interest Equalization Scheme on pre and post shipment rupee export credit has also been extended upto 31-03-2024.

(v) Assistance provided through several schemes to promote exports, namely, Trade Infrastructure for Export Scheme (TIES) and Market Access Initiatives (MAI) Scheme.

(vi) Remission of Duties and Taxes on Exported Products (RoDTEP) scheme has been implemented since 01.01.2021. With effect from 15.12.2022, uncovered sectors like pharmaceuticals, organic and inorganic chemicals and article of iron and steel has been covered under RoDTEP. Similarly, anomalies in 432 tariff lines have been addressed and the corrected rates have been implemented with effect from 16.01.2023.

(vii) Common Digital Platform for Certificate of Origin has been launched to facilitate trade and increase Free Trade Agreement (FTA) utilization by exporters.

As regards imports, the Government has been monitoring and sensitizing various stakeholders and following broad strategy has been followed:

(i) Addressing domestic supply rigidities and looking at domestic production opportunities /enhancement of capacity;

(ii) Timely use of trade remedy options;

(iii) Adoption of mandatory technical standards;

(iv) Enforcing rules of origin;

(v) Tariff measures /inverted duty correction;

(vi) Import data monitoring on a monthly and annual basis to identify significant changes in import basket and monitor surges in imports;

(vii) Quality Control Orders have been issued from time to time by various Ministries/ Departments of the Government for ensuring availability of quality products by stipulating conformity of the products to Indian Standards. These orders also help in containing substandard goods imports.

(b) An export target of US\$ 2 trillion has been set for year 2030 for India. No target for trade deficit has been fixed so far.

(c) At end-March 2023, India's external debt was placed at US\$ 624.7 billion as against US\$ 619.1 billion as at end-March, 2022. Valuation gains due to the appreciation of the US dollar vis-à-vis the Indian rupee and major currencies such as Yen, SDR, and Euro were placed at US\$ 20.6 billion. Excluding the valuation effect, external debt would have increased by US\$ 26.2 billion instead of US\$ 5.6 billion at end-March 2023 over end-March 2022.

(d) The reference rate for interest payment for any new World Bank loans will be the prevailing Secured Overnight Financing Rate (SOFR) plus variable spread as per repayment cycle of World Bank loans.

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