

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

LOK SABHA
UNSTARRED QUESTION NO. 3851(H)
TO BE ANSWERED ON 11th DECEMBER, 2019

BENEFIT OF FTAs TO SMALL EXPORTERS

3851(H). SHRI PANKAJ CHAUDHARY:

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

- (a) whether the small and medium sized exporters are not getting the benefits of Free Trade Agreements (FTAs) signed with various countries;
- (b) if so, whether the Government is taking any step/likely to take any step to extend the benefits of FTAs to the small and medium sized exporters and if so, the details thereof;
- (c) the details of steps taken by the Government to promote world trade; and
- (d) whether the Government has decided to give any package for this purpose and if so, the details thereof?

ANSWER

वाणिज्य एवं उद्योग मंत्री (श्री पीयूष गोयल)
THE MINISTER OF COMMERCE AND INDUSTRY
(SHRI PIYUSH GOYAL)

(a) to (d): The Free Trade Agreements (FTAs) signed by India provide tariff concessions thereby giving opportunities for exports of products including those related to small and medium enterprises (SMEs). Some of the SME products on which tariff concessions have been provided by trading partners such as Japan, South Korea and some ASEAN countries fall into the category of readymade garments, leather goods, processed foods and engineering products like auto components. The specific export promotion schemes for micro, small and medium enterprises (MSMEs) include those for participation in international exhibitions and fairs, training programme on packaging for exports, Market Development Assistance (MDA) Scheme for MSME exporters and National Award for quality products. The Government has also taken the following key steps to boost India's trade and competitiveness:

- i. The new Foreign Trade Policy (FTP) 2015-20 was launched on 1st April 2015. The 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. The policy, inter alia, rationalised the earlier export promotion schemes for increasing export of goods and services.
- ii. A new logistics related division was created in the Department of Commerce to coordinate integrated development of the logistics sector. India's rank in World Bank's Logistics Performance Index moved up from 54 in 2014 to 44 in 2018.
- iii. Various measures for improving ease of doing business were taken. India's rank in World Bank 'Ease of doing business' ranking improved from 142 in 2014 to 63 in 2019 with the rank in 'trading across borders' moving up from 122 to 68.
- iv. A comprehensive "Agriculture Export Policy" was launched on 6th December, 2018 with an aim to provide an impetus to agricultural exports.
- v. A new scheme called "Trade Infrastructure for Export Scheme (TIES)" was launched with effect from 1st April 2017 to address the export infrastructure gaps in the country.
- vi. Interest Equalization Scheme on pre and post shipment rupee export credit was introduced from 01.04.2015 providing interest equalisation at 3% for labour intensive / MSME sectors. The rate was increased to 5% for MSME sectors with effect from 02.11.2018 and merchant exporters were covered under the scheme with effect from 02.01.2019.
- vii. A new scheme called "Transport and Marketing Assistance" (TMA) has been launched for mitigating disadvantage of higher cost of transportation for export of specified agriculture products.
