

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

LOK SABHA
UNSTARRED QUESTION NO. 2800
TO BE ANSWERED ON 11th MARCH, 2020

PRODUCT AND DESTINATION DIVERSIFICATION

2800. SHRI SANJAY KAKA PATIL:

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

- (a) whether the Government proposes to take any measure to promote product and destination diversification in order to improve the exports of the country;
- (b) if so, the details thereof;
- (c) if not, whether the Government is proposing an alternate measure towards increasing exports; and
- (d) 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): Primary focus of major Government export promotion schemes/ policies is to refund duties and taxes levied on inputs used in production of export products, reduce cost disability by providing incentives to specified products and improve all-round ease of doing business. Overall thrust is on enhancing competitiveness and growth in exports of all products groups across all destinations. As a result, our export products and destinations are fairly diversified. In Financial Year 2018-19 products were exported to 233 countries/territories covering all big and small trading countries. During this period, we exported products in all the 168 principal commodity groups.

Government is taking holistic measures to make exports competitive whether it is ensuring access to affordable credit, initiating exporter friendly schemes, promoting districts as export hubs, improving logistics and improving utilisation of Free Trade Agreements (FTAs).

In order to boost India's exports, Government has taken several steps, including:

- (i) A new Foreign Trade Policy (FTP) 2015-20 was launched on 1st April 2015. The policy, inter alia, rationalised the earlier export promotion schemes and introduced two new schemes, namely Merchandise Exports from India Scheme (MEIS) for improving export of goods and 'Services Exports from India Scheme (SEIS)' for increasing exports of services. Duty credit scrips issued under these schemes were made fully transferable.
- (ii) Based on Mid-term Review of the FTP 2015-20 undertaken on 5th December, 2017, incentives for labour intensive / MSME sectors were increased by 2%.
- (iii) A new Logistics Division was created in the Department of Commerce for 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.
- (iv) Interest Equalization Scheme on pre and post shipment rupee export credit was introduced from 1.4.2015 providing interest equalisation at 3% for labour intensive / MSME sectors. The rate was increased to 5% for MSME sectors with effect from 2.11.2018 and merchant exporters were covered under the scheme with effect from 2.1.2019.
- (v) For improving ease of doing business, online issuance of Importer Exporter Codes (IEC), has been started. 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 80.
- (vi) 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.
- (vii) A comprehensive "Agriculture Export Policy" was launched on 6th December, 2018 with an aim to double farmers' income by 2022 and provide an impetus to agricultural exports.
- (viii) 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.
