

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

LOK SABHA
UNSTARRED QUESTION NO. 498
TO BE ANSWERED ON 05th FEBRUARY, 2020

INDIA'S TRADE DEFICIT

498. SHRI NALIN KUMAR KATEEL:

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

- (a) whether trade deficit of India is widening gradually;
- (b) if so, the details thereof during each of the last three years;
- (c) whether the Government has maintained any data regarding the percentage of trade deficit with the Asian countries during the last three years, if so, the details thereof;
- (d) whether the Government has taken any steps on the balance of trade during the last three years; and
- (e) if so, the details thereof?

ANSWER

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

(a) and (b): India's merchandise trade deficit for last three years are as follows:

Years	Trade deficit (US\$ Billion)	% Change
2015-16	-118.72	--
2016-17	-108.50	-8.61
2017-18	-162.05	49.35
2018-19	-183.96	13.52

Source: DGCI&S.

The data in the above table shows that India's trade deficit decreased by 8.61 percent in 2016-17 over 2015-16 and thereafter increased by 49.35 percent in 2017-18 and 13.52 percent in 2018-19 as compared to the previous years.

(c) The details of merchandise trade deficits along with percentage change of Asian countries during last three years are given in **Annexure-I**.

(d) and (e): In order to boost India's exports and bring down trade deficit, Government has taken following steps:

- (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.

Statement referred to in reply of part (c) of Lok Sabha Unstarred question no. 498 for answer on 5th February 2020.

Merchandise trade deficits along with percentage change of Asian countries during last three years

(Value in US\$ Million)

SR. No.	COUNTRIES IN ASIA	TRADE DEFICIT 2015-16	TRADE DEFICIT 2016-17	% Change 2016-17 over 2015-16	TRADE DEFICIT 2017-18	% Change 2017-18 over 2016-17	TRADE DEFICIT 2018-19	% Change 2018-19 over 2017-18
1	CHINA P RP	-39740	-51111	29	-63047	23	-53567	-15
2	SAUDI ARAB	-11213	-14862	33	-16659	12	-22917	38
3	IRAQ	-8067	-10596	31	-16154	52	-20584	27
4	KOREA RP	-7200	-8344	16	-11901	43	-12054	1
5	INDONESIA	-8120	-9940	22	-12475	26	-10574	-15
6	IRAN	-2944	-8127	176	-8459	4	-10015	18
7	QATAR	-6375	-6862	8	-6937	1	-9111	31
8	JAPAN	-3733	-5909	58	-6239	6	-7911	27
9	KUWAIT	-3105	-2964	-5	-5800	96	-6097	5
10	HONG KONG	4315	5843	35	4014	-31	-4985	-224
11	SINGAPORE	350	2478	609	2736	10	-4709	-272
12	MALAYSIA	-4107	-3709	-10	-3310	-11	-4382	32
13	THAILAND	-2040	-2282	12	-3481	53	-3000	-14
14	TAIWAN	-1497	-959	-36	-1770	84	-1970	11
15	VIETNAM SOC REP	2144	3466	62	2795	-19	-685	-125
16	JORDAN	-268	-306	14	-444	45	-537	21
17	BRUNEI	-461	-585	27	-372	-36	-535	44
18	OMAN	138	1438	939	-1825	-227	-513	-72
19	MACAO	-5	-6	30	6	-187	-5	-194
20	MONGOLIA	3	8	152	19	141	22	16
21	KOREA DP RP	16	-44	-373	32	-174	24	-26
22	LAO PD RP	-86	-182	112	-144	-21	38	-127
23	SYRIA	68	89	31	128	43	140	10
24	CAMBODIA	68	69	1	66	-5	153	134
25	BAHARAIN IS	275	181	-34	126	-31	203	61
26	MALDIVES	129	189	46	211	12	203	-4
27	LEBANON	160	180	12	219	21	225	3
28	AFGHANISTAN	191	213	11	276	29	280	1
29	BHUTAN	116	201	74	168	-17	286	70
30	U ARAB EMTS	7208	9666	34	6407	-34	341	-95
31	MYANMAR	-163	41	-125	327	704	684	109
32	YEMEN REPUBLC	260	441	70	410	-7	730	78
33	PHILIPPINES	542	988	82	928	-6	1163	25
34	PAKISTAN IR	1265	1367	8	1436	5	1572	9
35	ISRAEL	605	1126	86	1298	15	1786	38
36	SRI LANKA DSR	3429	3311	-3	3704	12	3222	-13
37	NEPAL	2244	5008	123	6175	23	7258	18
38	BANGLADESH PR	3844	6118	59	7929	30	8165	3
Total of Asian Countries		-94814	-92824	-2	-130037	40	-157546	21

Note: -ve connotes trade deficit and +ve connotes trade surplus

Source: DGCI&S.