GOVERNMENT OF INDIA

MINISTRY OF FINANCE

DEPARTMENT OF REVENUE
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LOK SABHA

UNSTARRED QUESTION NO.1014

TO BE ANSWERED ON FRIDAY THE 29TH APRIL, 2016

VAISAKHA 9 , 1938 (SAKA)

REVENUE EARNED THROUGH EXPORT

1014. SHRI AJAY MISRA TENI:

Will the Minister of FINANCE be pleased to state:

(a) the sector-wise revenue earned through export during each of the last three years and the reasons for reduction, if any;

(b) whether the Gross Domestic Product (GDP), Foreign Exchange Reserves and Current Account Deficit are affected by export, if so, the details thereof; and

(c) the steps taken or proposed to be taken to stabilise the economy of the country?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI JAYANT SINHA)

(a): As per data available ,the revenue from exports of commodities like Iron Ore & Concentrate, Chromium Ore & Concentrate, Mica, Coir, Animal Feed, Leather and other items during F.Y 2013-14, 2014-15 and 2015-16 was Rs. 2821.29 Crore, Rs. 607.65 Crore and Rs. 901.93 Crore (provisional figure) respectively. The revenue from exports in a financial year mainly depends upon factors such as, *inter alia*, export duty structure, value of dutiable exports and the regulatory framework in respect of these sectors.

(b): Yes, Sir. There are several factors that impact the GDP, Foreign Exchange Reserve and Current Account Deficit of an economy, exports being one of them. Exports represent the external demand for Indian output and hence can have an impact on GDP as, by definition, they are a part of GDP. Current account balance is affected by exports and imports of goods and services, transfers, compensation of employees and investment income. As a result of low international commodity prices, particularly crude oil prices, exports and imports of goods registered negative growth rates in 2014-15 and 2015-16 which resulted in lower trade and current account deficits.

As India has historically had large trade deficit and generally runs current account deficit, foreign exchange reserves have not been based on surpluses on either trade or current accounts of balance of payments (BoP). The level of foreign exchange reserves particularly foreign currency assets is largely the outcome of Reserve Bank of India's intervention in the foreign exchange market to stabilise the rupee value.

(c): The Government of India has taken various steps to stabilize the economy and to boost the growth. The General Budget 2016-17 reaffirms the commitment of Government to continue fiscal consolidation. Accordingly, fiscal deficit has been projected at 3.5 per cent of GDP in 2016-17, as against 3.9 per cent in 2015-16 (Revised Estimates).

The steps to boost growth, *inter alia*, include: measures to accelerate growth in manufacturing; "Make in India" initiative along with the attendant facilitatory measures intended to create a more conducive environment for investment; and, Skill India initiative. Start-up India initiative, Micro Units Development and Refinance Agency Ltd and "Stand Up India" schemes have also been launched to promote entrepreneurship. The Budget 2016-17 continued the Government's growth promoting agenda with many measures which, among others, include: continued push to domestic demand; measures to improve agricultural growth and infrastructure, particularly, rural infrastructure; and, time-bound plans for rural electrification and connectivity; boost to manufacturing with rationalization of customs and excise duties; liberalized FDI policy in various sectors; and improved ease of doing business for start-ups.

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