

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

LOK SABHA
UNSTARRED QUESTION NO. 140
TO BE ANSWERED ON 18TH JULY, 2016

DECLINE IN EXPORTS

140. SHRI P. KUMAR:
SHRI GOPAL SHETTY:
ADV. NARENDRA KESHAV SAWAIKAR:
SHRI G. HARI:
SHRI ANTO ANTONY:
SHRI SHIVKUMAR UDASI:

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

- (a) the total quantity and value of exports of major commodities from the country during the last three years and the current year along with the revenue generated therefrom during the said period;
- (b) whether India's export in major sectors have declined sharply during the said period resulting in increase in trade deficit and if so, the details thereof, yearwise and sector-wise along with the reasons therefor;
- (c) whether the Government has received suggestions from various Export Promotion Boards/Federation of Indian Export Organization (FIEO) to boost India's exports and if so, the details thereof along with the reaction of the Government thereto;
- (d) whether the FIEO has also demanded investment linked benefit for Micro, Small and Medium Enterprises sector and if so, the response of the Government thereto; and
- (e) the steps taken by the Government to boost exports and reduce the trade deficit?

ANSWER

वाणिज्य एवं उद्योग राज्य मंत्री (श्रीमती निर्मला सीतारमण) (स्वतंत्र प्रभार)

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(INDEPENDENT CHARGE)
(SMT. NIRMALA SITHARAMAN)

(a) & (b) The total value of exports and growth rates by commodity groups for the last three years and current year are given in Table 1. As the quantities are not additive due to different units of measurement of commodities, the total quantity is not compiled. India's trade deficit has decreased from USD (-) 137.68 billion in 2014-15 to USD (-) 118.63 billion in 2015-16. It has improved from

USD (-) 21.73 billion of the first two months of last year (2015-16) to USD (-) 10.59 billion for the same period of the current year (2016-17).

Table 1: India's Merchandise Exports-Commodity Group-wise for last 3 years and current year

Values in US\$ Millions

Commodity Groups	Export							
	2013-14	2014-15	% Growth	2015-16	% Growth	2015-16 (Apr-May)	2016-17 (Apr-May) *	% Growth
1. Plantation	1,625.05	1,502.88	-7.52	1,562.07	3.94	254.58	249.47	-2.01
2. Agri & Allied Products	32,953.57	30,147.31	-8.52	24,249.01	-19.56	4,189.54	3,904.42	-6.81
3. Marine Products	5,016.46	5,510.49	9.85	4,761.96	-13.58	655.65	693.37	5.75
4. Ores & Minerals	3,583.86	2,410.18	-32.75	1,974.65	-18.07	309.89	419.61	35.41
5. Leather & Leather Manufactures	5,722.54	6,195.21	8.26	5,553.68	-10.36	916.12	842.72	-8.01
6. Gems & Jewellery	41,389.07	41,266.07	-0.3	39,441.48	-4.42	6,185.78	7,281.67	17.72
7. Sports Goods	236.45	274.5	16.09	227.3	-17.2	37.14	34.12	-8.15
8. Chemicals & Related Products	30,793.62	31,731.22	3.04	32,138.49	1.28	5,425.71	5,136.29	-5.33
9. Plastic & Rubber Articles	6,860.02	6,615.17	-3.57	6,404.93	-3.18	974.52	1,039.16	6.63
10. Articles Of Stone, Plaster, Cement, Asbestos, Mica etc.	3,600.58	4,042.51	12.27	3,860.01	-4.51	698.19	670.5	-3.97
11. Paper & Related Products	2,099.81	2,180.66	3.85	2,402.43	10.17	422.17	431.43	2.19
12. Base Metals	22,365.63	24,742.75	10.63	18,604.20	-24.81	3,448.12	2,505.16	-27.35
13. Optical, Medical & Surgical Instruments	1,562.96	1,686.34	7.89	1,631.58	-3.25	260.52	281.4	8.01
14. Electronics Items	7,634.85	6,009.07	-21.29	5,694.30	-5.24	888.12	931.5	4.88
15. Machinery	17,569.36	19,705.35	12.16	18,993.52	-3.61	3,108.32	3,184.86	2.46
16. Office Equipments	30.89	54.77	77.31	89.73	63.84	13.26	14.77	11.38
17. Transport Equipments	22,164.67	26,636.37	20.17	21,286.35	-20.09	4,507.30	4,595.18	1.95
18. Project Goods	47.35	36.59	-22.73	24.96	-31.79	4.91	13.89	182.91
19. Textiles & Allied Products	36,967.56	37,140.74	0.47	36,254.18	-2.39	6,056.38	5,663.85	-6.48
20. Petroleum Crude & Products	63,177.46	56,794.15	-10.1	30,423.48	-46.43	5,351.19	4,113.62	-23.13
21. Others	9,003.52	5,656.13	-37.18	6,425.36	13.6	913.27	917.1	0.42
Total	314415.7	310352	-1.29	262031.2	-15.57	44608.9	42924.1	-3.8

Source: DGCI&S * Provisional

(c) & (d) Government has received various suggestions from FIEO/ Export Promotion Councils to boost exports. These suggestions include those related to aggressive marketing, Interest Equalization for Merchant Exporters, Grant of Export Benefit at the time of Exports without waiting for Realization, withdrawal of Landing Certificate for MEIS, Combined Applications for Different Norms, Grant of TED Refund on Receipt of even Part Payment and Investment linked benefit for

MSMEs. Suggestions received by Government from time to time are processed for suitable action as found appropriate. Government has already done away with lending certificate under the MEIS scheme, as requested above.

(e) Details of key steps taken by Government for promoting exports are as follows:

- i. The New Foreign Trade Policy (2015-20) was announced on 1st April, 2015 with a focus on supporting both manufacturing and services exports and improving the 'Ease of Doing Business'. The FTP introduced two new schemes, namely, 'Merchandise Exports from India Scheme' (MEIS) for incentivizing export of specified goods to specified markets and 'Service Exports from India Scheme' (SEIS) for promoting export of notified services from India, by consolidating earlier schemes.
- ii. In the light of the major challenges being faced by Indian exporters in the backdrop of the global economic slowdown, the envisaged revenue outgo under MEIS was increased from Rs. 18000 Crore to Rs. 21000 Crore in October 2015 with accompanying enhancement in benefits on certain products and inclusion of certain additional items. On 04.05.2016, the Government has extended the market coverage to all countries in respect of 2787 lines. Hence Landing Certificates shall not be required under MEIS w.e.f 04.05.2016. This step has been taken as part of 'Ease of Doing Business' and reduction of Transaction Cost of the exporters. Accordingly, revenue foregone under the scheme has been revised from Rs.21000 Crores per annum to Rs.22,000 Crores per annum.
- iii. The Government is implementing the Niryat Bandhu Scheme with an objective to reach out to the new and potential exporters including exporters from Micro, Small & Medium Enterprises (MSMEs) and mentor them through orientation programmes, counselling sessions, individual facilitation, etc., on various aspects of foreign trade for being able to get into international trade and boost exports from India.
- iv. By way of trade facilitation and enhancing the ease of doing business Government reduced the number of mandatory documents required for exports and imports to three each, which is comparable with international benchmarks. The trade community can file applications online for various trade related schemes. Online payment of application fees through Credit/Debit cards and electronic funds transfer from 53 Banks has been put in place.
- v. Further, the Government continues to provide the facility of access to duty free raw materials and capital goods for exports through schemes like Advance Authorisation, Duty Free Import Authorization (DFIA), Export Promotion Capital Goods (EPCG) and drawback / refund of duties.
