

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:4968
ANSWERED ON:25.08.2000
USE OF EARNINGS FROM EXPORT IN FOREIGN COUNTRIES
RAMJI LAL SUMAN;ZORA SINGH MANN

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether the exporters have been permitted to use a fixed portion of their income earned by way of exports in foreign countries;
- (b) if so, the details thereof;
- (c) whether average annual amount of the income from exports which was used abroad has been estimated; and
- (d) if so, the details thereof for the last three years and the total amount out of this Income remained in the foreign countries by the end of March, 2000?

Answer

MINISTER OF COMMERCE & INDUSTRY (SHRI MURASOLI MARAN)

(a) & (b) Exporters are allowed to retain a portion of their receipts in foreign exchange in Exchange Earners' Foreign Currency (EEFC) Account with authorized dealers, in India. Exporters can freely use the funds held in their EEFC accounts for all transactions of current account in nature. 100% Export Oriented Units and units in Export Processing Zones/ Software Technology Parks/Electronic Hardware Technology Parks are allowed to credit upto 35% of their export earning to EEFC accounts. Other exporters can credit 25% of their export earnings to EEFC accounts. Authorised Dealers are permitted to open and maintain such EEFC accounts.

(c) & (d) The Reserve Bank of India does not compile information regarding the amount utilized by Indian exporters abroad out of their EEFC balances.