

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

UNSTARRED QUESTION NO:2013
ANSWERED ON:03.08.2001
NORMS FOR ISSUANCE OF ADVANCE LICENCES
JASWANT SINGH YADAV;RAJESH VERMA

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

- (a) the policy of the Government for issue of Duty Free Advance Licence where input-output norms are fixed;
- (b) whether the office of the Director General , Foreign Trade in New Delhi insist on minimum 33% value addition, whereas its office in Mumbai are issuing Advance Licence at positive value addition only; and
- (c) if so, the reaction of the Government thereon ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI DIGVIJAY SINGH)

(a) to(c) : The Policy of the Government for issue of Duty Free Advance Licence where input-output norms are fixed is outlined in Chapter - 7 of the Export Import Policy for 1997-2002 , in terms of which such licences are required to be issued with a positive value addition. However, for exports for which payments are not received in freely convertible currency (App.39 of Hand Book of Procedures) value addition required is 33% or the percentage of value addition indicated in the Hand Book (Vol.II), whichever is higher. All Regional Licencing authorities are required to follow the above provisions.