

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

UNSTARRED QUESTION NO:1777

ANSWERED ON:12.12.2003

TRADE BALANCE

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

- (a) the balance of trade position of India as on date;
- (b) whether the exports during the past few months has shown declining trend and imports increase;
- (c) if so, the export growth during the first half of the current year as compared to corresponding period of last year;
- (d) the main items where exports has declined and the reasons therefor;
- (e) the estimated import growth during the same period alongwith the names of items whose import has increased and the reasons therefor;
- (f) whether rise in import has disturbed on trade balance and also affected our industry; and
- (g) if so, the steps being taken to tackle the situation and to improve the export positions?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI S.B. MOOKHERJEE)

(a). As per DGC I&S Provisional data, India`s balance of trade during April-October 2003, the latest period for which data is available, is US dollar (-) 9269.2 million.

(b) to(e). As per DGC I&S Provisional data, during April-September, 2003 export growth in dollar terms was 9.07% as compared to the corresponding period of the last year. The month wise export and import figures during the last few months are placed at Annexure-I. As per the latest disaggregated trade data provided by the DGC I&S, during April-July,2003-04, a decline in export growth (in dollar terms) has been witnessed in exports of plantations including tea, meat & preparations, project goods, handicrafts, textiles, sports goods, ores & minerals and carpets. During the same period, moderate to high import growth in dollar terms has been witnessed in the case of edible oil, iron and steel, machinery, non-ferrous metals, petroleum crude and products, gold & silver, newsprint, transport equipment, organic & inorganic chemicals and electronic goods. The decline in exports is mainly due to higher base of exports, SARS, Iraq War and decline in imports in major economies like USA and Japan. Among the items which have registered a high growth in imports, some are necessities and many others are needed as inputs for exports and industrial activity.

(f). No Sir. Though trade deficit has increased in April- September,2003-04, it is within manageable limits. Moreover, the growth in non-oil imports is helping GDP growth rate of manufacturing sector which is also picking up.

(g) Based on the strategies contained in the Medium Term Export Strategy 2002-07, announced in January, 2002, a number of programmes/schemes have been launched through the Union Budget, 2003-04 and Exim Policy, 2003-04. In the Exim Policy, 2003-04, besides, the focus on Service exports, policies have been devised to strengthen Special Economic Zones (SEZs), 100% Export Oriented Units (EOU`s), etc. A new programme called `Focus CIS` has been introduced. Duty Neutralization Schemes for import of inputs used for export production have been strengthened. Export Promotion being a constant endeavor of the Government, export performance is monitored on a regular basis.

Annexure-I

MONTH-WISE EXPORTS

(In US\$ Mill.)

(Not adjusted for late returns)

APRIL	3994.67	4176.92	4.56			
MAY	3982.21	4491.11		12.78		
JUNE	3861.12	4308.83		11.60		
JULY	4433.53		4688.35		5.75	
AUGUST	4376.97			4560.34		4.19
SEPTEMBER			4297.54		4982.20	15.93
OCTOBER			4649.16	4884.66		5.07
APRIL-OCTOBER		29595.19			32092.42	8.44

MONTH-WISE IMPORTS

APRIL	4207.22	5586.52	32.78		
MAY	5180.98	6026.39	16.32		
JUNE	4250.70	5553.50	30.65		
JULY	4873.60	5848.17	20.00		
AUGUST	4861.37	5529.42	13.74		
SEPTEMBER	5085.74	5911.96	16.25		
OCTOBER	5593.07	6905.70	23.47		
APRIL-OCTOBER		34052.68		41361.66	21.46

PS : data are provisional and subject to change