

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

UNSTARRED QUESTION NO:1603

ANSWERED ON:27.11.2007

LOSSES SUFFERED BY EXPORTERS

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

- (a) whether the increase in exchange rate of the Rupee in comparison to the Dollar has adversely affected export trade;
- (b) if so, whether the Government has made any assessment of its impact on the country's export trade and the extent to which India's exports have been affected during each of the last two years;
- (c) if so, the details thereof;
- (d) whether the Government has provided any financial assistance to the exporters; and
- (e) if so, the steps taken by the Government to check the adverse effect of the said trend on the exporters?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH)

(a) Yes, Sir.

(b) & (c) The exports from India increased from US\$ 103 billion in 2005-06 to US\$ 126 billion in 2006-07 recording an annual average growth rate of around 23%. During the current year, export growth rate has decelerated to 18.5% in US\$ terms in the first half of the current year. India's exports in US\$ and growth during 2005-06 to 2007-08 (April-September) is given below:-

India's Foreign Trade (US\$ Million)

| Year | Exports | Growth Rate |
|------|---------------|-------------|
| | in percentage | |

| | | |
|---------|--------|------|
| 2005-06 | 103091 | 23.4 |
| 2006-07 | 126362 | 22.6 |
| 2007-08 | 72281 | 18.5 |

(April-September) - (P)

(against the same period last year)

As per preliminary estimates, during the first half of the current year, there was a Negative growth in export of a number of items including textiles, handicrafts, Tea, Coffee, Fruits and Vegetables, Carpet, Plastic and Linoleum, Cashew, Cotton, Yarn, Fabrics and Made-Ups, Jute Manufacturing including Floor Covering etc.

(d) & (e) With a view to provide relief to the exporters to check the adverse effect of rupee appreciation, Government has taken many steps which include accelerated reimbursement of certain dues to exporters, reduction in the rate of interest on pre-shipment and post-shipment credit, revision in drawback rates and Duty Entitlement Passbook Scheme (DEPB) rates, refund/exemption of service tax in respect of certain services involved in exports, provision of payment of interest on EEFC balances, reduction of Export Credit and Guarantee Corporation (ECGC) premia rates.