

**GOVERNMENT OF INDIA
LABOUR AND EMPLOYMENT
LOK SABHA**

UNSTARRED QUESTION NO:2113

ANSWERED ON:20.07.2009

SPECIAL PACKAGE FOR CREATION OF JOB OPPORTUNITIES

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Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

(a) whether the Government proposes to provide special package to various sectors including labour-incentive sectors for maintaining production level of units to provide enough job opportunities to workers/labourers rendered jobless due to economic recessions; and

(b) if so, the details thereof alongwith the funds allocated for the purpose?

Answer

MINISTER OF STATE FOR LABOUR AND EMPLOYMENT (SHRI HARISH RAWAT)

(a) & (b) In order to counter the negative effects of the global slowdown on Indian economy, Government has provided three stimulus packages in the form of tax relief to boost demand and increase expenditure on public projects to create employment and public assets. The RBI took a number of monetary easing and liquidity enhancing measures to facilitate flow of funds from the financial system to meet the needs of productive sectors. The fiscal stimulus at 3.5% of GDP at current market prices for 2008-09 amounts to Rs. 1,86,000 crore. The budget estimates for 2009-10 provide for a total expenditure of Rs. 10,20,838 crore consisting of Rs. 6,95,689 crore towards non-plan and Rs. 3,25,149 crore towards plan expenditure. The fiscal deficit as a percentage of GDP is projected at 6.8% compared to 2.5% in 2008-09 (BE).

In addition to the three stimulus packages, the Union Budget 2009-10 has also announced many measures to help the export sector which include, among others, the following:

(i) Extension of the adjustment assistance scheme to provide enhanced Export Credit Guarantee Corporation (ECGC) cover at 95% to badly hit sector upto March 2010.

(ii) Enhancement of allocation to Market Development Assistance Scheme by 148%.

(iii) Interest subvention of 2 per cent to the labour intensive sectors extended to 31.3.2010.

(iv) Flow of credit at reasonable rates to Micro, Small and Medium Enterprises (MSMEs)

(v) Mega Handloom clusters in West Bengal and Tamil Nadu and Powerloom cluster in Rajasthan and New Mega clusters for carpets in Srinagar and Mirzapur approved;

(vi) Section 10A and 10B related to Sunset clauses for STPI and EOUs schemes respectively extended for the financial year 2010-2011. Anomaly removed in Section 10AA related to taxation benefit of 'unit vis-à-vis assessee';

(vii) Additional items allowed within the existing duty free imports entitlement for the following employment oriented sectors;

(a) 5 additional items for sports goods sector;

(b) Additional items for leather garments and footwear and textile items.

(viii) Measures related to service tax which include, among others, exemption from service tax on following services linked to exports;

(a) Service related to transport of export goods by road from any CFS or ICD to the port or Airport and on service related to transport of export goods by road directly from their place of removal, to an ICD, a CFS, a port or airport;

(b) Services provided by Foreign Agent Commission service.