

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

STARRED QUESTION NO:2

ANSWERED ON:26.07.2010

PERFORMANCE OF EXPORTS

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

- (a) the details regarding India's position in global trade in terms of import and export and the quantity and value of export of major items during the last three years, item-wise;
- (b) the details regarding decline in Indian exports, if any, during the last six months alongwith the reasons therefor;
- (c) the incentives being given to boost and diversify export sector and ensure achievement of targets;
- (d) whether the Government proposes to consider exchange rate contract with currencies other than dollar; and
- (e) if so, the details thereof and the reasons therefor?

Answer

MINISTER OF COMMERCE AND INDUSTRY(SHRI ANAND SHARMA)

a)to e): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 2 FOR ANSWER ON 26TH JULY 2010 REGARDING "PERFORMANCE OF EXPORTS"

(a): As per WTO figures of world trade, India's share of world merchandise imports and exports in 2009 are 1.93% and 1.24% respectively. Value of export of principal commodities during the last three years are given in Annexure-I.

(b): Figures of Merchandise exports during the last six months i.e., from January to June 2010 and the corresponding period in 2009 is at Annexure-II, which do not show decline in exports.

(c): The Government and RBI have been closely monitoring the economic developments in the country and internationally on a continuous basis. To boost and diversify export sector and to ensure achievement of export targets, various measures including need based incentives have been taken by the Government and RBI in the form of stimulus packages including the announcements made in the Budget, 2009-10 and 2010-11; in the Foreign Trade Policy (FTP), 2009-14; and thereafter in January/March 2010. Government has sought to provide support/incentives to the different export sectors which have been adversely affected by the global economic slowdown. Some of the various measures / incentives being given to exporters to boost and diversify exports and to endeavour achievement of export targets, are in the form of Duty Credit Scrips being issued under Vishesh Krishi and Gram Udyog Yojana (VKGUY), Focus Market Scheme (FMS), Focus Product Scheme (FPS), Market Linked Focus Product Scheme (MLFPS), and Status Holder Incentive Scrip (SHIS) Scheme. Further support measures are also provided to exporters under the scheme for Marketing Support; schemes for Neutralization & Remission of duties; schemes for Export Promotion Capital Goods (EPCG) for technological upgradation; concessional export credit and interest subvention for specified sectors.

(d) & (e): As per the Foreign Trade Policy (FTP), 2009-14, and the Rules, Regulations, Notifications and Directions framed under the Foreign Exchange Management Act, 1999, exporters are free to invoice their export contracts either in any freely convertible currencies (including US dollar) or in Indian Rupees.