

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

STARRED QUESTION NO:308
ANSWERED ON:16.08.2010
EXPORTS FROM LABOUR INTENSIVE SECTORS
Ahir Shri Hansraj Gangaram

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

- (a) the exports made from labour intensive sectors during the last three years;
- (b) whether the labour intensive sectors are lagging behind despite the increase in exports;
- (c) if so, the details thereof and the reasons therefor;
- (d) whether the Government proposes to take measures to give impetus to export in labour intensive sectors; and
- (e) if so, the details of the measures taken in this regard?

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. 308 FOR ANSWER ON 16TH AUGUST 2010 REGARDING "EXPORTS FROM LABOUR INTENSIVE SECTORS"

(a) to (c): Figures of merchandise exports in dollar terms for the last three years for Major Principal Commodities are given in Annexure. Key labour-intensive sectors like Handicrafts, Textiles(Readymade garments and Cotton textiles), Leather & Leather products, Engineering, Electronics, Chemicals and Oilmeals have shown decline in exports during 2009-10 in comparison to 2008-09. This can be attributed significantly to shrinkage of demand in developed countries due to global economic slowdown.

(d) & (e): The Government and RBI have been closely monitoring the economic developments in the country and internationally on a continuous basis, with special emphasis on monitoring the performance of labour intensive sectors. In order to give impetus to export sectors, 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. Some of the various measures taken include export incentives under Vishesh Krishi and Gram Udyog Yojana (VKGUY), Focus Market Scheme (FMS), Focus Product Scheme (FPS), Market Linked Focus Product Scheme (MLFPS) for market expansion and product diversification, concessional export credit, interest subvention for specified sectors, import of capital goods under Export Promotion Capital Goods (EPCG) scheme at concessional duty for technological upgradation and measures for procedural simplification and rationalization. Government has sought to provide support / incentives to the different export sectors, in particular, the labour intensive sectors, which have been adversely affected by the global economic slowdown.