

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

UNSTARRED QUESTION NO:2502

ANSWERED ON:09.08.2010

FICCI SURVEY ON EXPORTS

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

- (a) whether Indian exporters are under pressure from various global economic factors including large-scale variation in exchange rate, the evolving situation in the Euro zone and slowdown in export to that region;
- (b) if so, the details thereof;
- (c) whether the rising cost of raw material including oil and the expectation of hike in interest cost have adversely affected Indian exporters as per recent FICCI survey on the export sector;
- (d) if so, the details thereof;
- (e) whether exporters have urged the Government to the duty drawback and continue with other export incentives schemes to tide over the problem of rising input costs; and
- (f) if so, the details thereof and the reaction of the Government thereto?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY(SHRI JYOTIRADITYA M. SCINDIA)

- (a) & (b): Exchange rates do play a role in determining the export competitiveness of the country. However, exchange rates are not the sole determinant. Exports performance is dependent on a host of other factors also, such as Productivity, Price Elasticity, Global prices, import intensity of the product and Demand and Supply conditions (both domestic and international). Fiscal situation in Euro zone, particularly the high fiscal deficits in some of the European Countries may contribute to pressure on Indian exporters.
- (c) & (d): FICCI survey report of June, 2010 on exports, have indicated that amongst others, the rising cost of raw material including the price of oil and the expectation of hike in interest cost on account of switchover to Base rate mechanism would adversely affect Indian exporters. However the merchandise export figures for the 1st quarter of 2010-11 have shown growth over the corresponding period in previous year.
- (e) & (f): Representations have been received from Trade and Industry, particularly, the exporters, for continuation of support measures. The Government and RBI closely monitor the economic developments in the country and internationally on a continuous basis, and need based measures are taken, from time to time, keeping in view the financial and overall economic implications.