

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

UNSTARRED QUESTION NO:2519
ANSWERED ON:09.08.2010
TRADE DEFICIT
Kumar Shri Vishwa Mohan

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

- (a) the details regarding trade deficit of the country during the last three years;
- (b) whether increases in export has been more than increase in imports;
- (c) if so, the details thereof;
- (d) whether India`s trade deficit is likely to widen in the fiscal year 2010-11, despite registering increase in exports;
- (e) if so, the details thereof and the reasons therefor; and
- (f) the remedial steps likely to be taken in this regard?

Answer

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

(a) to (f): India's merchandise exports and import figures along with the trade deficit for the period 2007-08, 2008-09, 2009-10 and the period April, 2010 to June, 2010 and the corresponding period last year, in US Dollar terms are given in Annexure. During the first quarter of 2010-11, the trade deficit has increased primarily on account of higher imports of petroleum crude / products, pearls, precious & semi-precious stones, raw materials and machinery / equipment required for Indian Industry.

The Government and RBI have been closely monitoring the economic developments in the country and internationally on a continuous basis. To reduce the trade deficit and to boost the export performance by way of extending support to the exporting sectors, various measures 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. Sectoral performance reviews are being conducted at regular intervals.