

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

STARRED QUESTION NO:325

ANSWERED ON:27.07.2009

DECLINE IN EXPORTS

Joshi Shri Pralhad Venkatesh;Kalmadi Shri Suresh

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

- (a) whether exports in terms of rupee have registered a negative growth inspite of depreciation of rupee against dollar;
- (b) if so, the details thereof alongwith the reasons therefor;
- (c) the details of the measures taken by the Government to improve competitiveness of Indian exports especially in labour intensive sectors like textiles,gems and jewellery,marine products and raw cotton; and
- (d) the assessment of the Government about its likely impact?

Answer

MINISTER OF COMMERCE AND INDUSTRY(SHRI ANAND SHARMA)

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO. 325 FOR ANSWER ON 27TH JULY 2009 REGARDING "DECLINE IN EXPORTS"

(a) & (b): During 2008-09, Rupee depreciated from Rs. 39.97 to a US \$ (as on 1.4.2008) to Rs. 50.95 to a US \$ (as on 31.3.2009). The merchandise exports in Rupee terms increased by 16.9% in 2008-09 as compared to 2007-08. During the period April, '09 to June '09 the rupee appreciated from Rs. 50.95 (as on 1.4.2009) to Rs. 47.87 to a US\$ (as on 30.6.09). As per the preliminary quick estimates, during the period April to June '09, exports of merchandise goods declined by 19.8% in Rupee terms over the corresponding period of 2008. The decline in exports during the recent months can be attributed significantly to global economic slowdown and recession, particularly in the developed countries, leading to erosion in demand.

(c) & (d): Government and RBI are closely monitoring the economic developments in the country and global situation, and have been taking appropriate steps to arrest the decline in exports. The Government announced a number of measures in the stimulus packages, as well as in the Budget 2009-10. Measures announced so far, particularly for export sector, are given in Annexure I.