

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

UNSTARRED QUESTION NO:2023
ANSWERED ON:22.11.2010
INCENTIVES FOR EXPORT SECTOR
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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether it is proposed to extend incentives for labour intensive export sector i.e. textiles, handicrafts and leather sectors to help them cruise through the fragile global economic recovery phase;
- (b) if so, the details thereof;
- (c) the details of schemes that are proposed to be launched/extended to boost labour-intensive exports;and
- (d) the action plan to promote exports in handloom and apparel sector to improve its economy?

Answer

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

(a) to (d): 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 including textiles, handicrafts and leather 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; thereafter in January / March 2010; and in the Annual Supplement to FTP, released on 23rd August, 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 nil or 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.