

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

UNSTARRED QUESTION NO:107

ANSWERED ON:01.08.2011

TRADE DEFICIT

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

- (a) whether the country's trade deficit is continuously rising;
- (b) if so, the details of trade deficit of the country during each of the last three years and current year, sector-wise;
- (c) the details of countries with which our trade deficit is widening every year;
- (d) the efforts made by the Union Government to reduce the trade deficit; and
- (e) the steps being taken by the Government for improving trade with developing countries to increase exports to these countries?

**Answer**

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

(a): No, Madam.

(b) & (c): India's merchandise trade deficit for the last three years are given below:

Financial Trade Deficit (Rs.in Crore)  
Year

2008-09      (-) 533,680

2009-10      (-) 518,202

2010-11      (-) 451,544

(Source: DGCI&S, Kolkata) Provisional figure

A statement showing the trade deficit for the last three years with the countries is annexed at Annexure I. Details of sector-wise deficit is given at Annexure II.

The figures of current year are given at Annexure III.

(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 export sectors. Sectoral performance reviews of export sectors are being conducted at regular interval and support measures are undertaken, keeping in view the need based requirements and the financial implications thereof. The merchandise trade deficit gap is partly adjusted by trade surplus in services and the rest gets adjusted by remittances, Foreign Direct Investment (FDI), Foreign Institutional Investment (FII) and borrowings (both short term and long term).

(e): Government has signed Free Trade Agreements, Preferential Trade Agreements with some developing countries and is also engaged in negotiations for finalizing the Agreements for promoting trade.

