

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

UNSTARRED QUESTION NO:1123

ANSWERED ON:28.11.2011

MERCHANDISE EXPORT

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

- (a) whether India's merchandise exports growth slumped to its lowest level in October, 2011 in comparison to the previous two years;
- (b) if so, the details thereof and the reasons for the same;
- (c) the details of the impact of this slump on the trade deficit;
- (d) the details of the schemes already in existence for the benefit of the exporters; and
- (e) the other steps taken/being taken by the Government to boost the export?

Answer

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

(a) & (b) Yes Madam. As per the provisional figures from DGCI&S, exports during Oct 2011 grew by 10.8% over the corresponding period of last year. The slowdown in exports is mainly due to a demand contraction in traditional markets such as the US and Europe.

(c) Trade deficit during April-Oct 2011 stands at US \$ 93.5 billion. Trade deficit depends both on export as well as import. Therefore while encouraging growth of export may contribute to lower trade deficit, final figure would depend on the trend of import.

(d) & (e) Under the Foreign Trade Policy 2009-2014, various schemes are being implemented to boost exports by way of duty neutralization/ remission schemes, incentive schemes and Schemes for Technological / Equipment Upgradation by Exporters. To boost performance of the export 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; thereafter in January / March 2010; in the Annual Supplement to FTP released on 23rd August, 2010; announcements made in February, 2011; and in Oct 2011. Some of the various measures undertaken include fiscal incentives, primarily for enhanced market access across the world and diversification of export markets; concessional export credit, interest subvention; procedural rationalization; and facilitation of technological upgradation.