

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

STARRED QUESTION NO:523
ANSWERED ON:14.05.2012
EXPORT FROM LABOUR INTENSIVE SECTORS
Adhalrao Patil Shri Shivaji;Yadav Shri Dharmendra

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

- (a) whether the exports from some labour intensive sectors from the country are lagging behind in the international market;
- (b) if so, the details thereof;
- (c) whether the Union Government has completed the sectoral reviews and made final analysis to identify the sectors which are lagging behind in the international market;
- (d) if so, the outcome thereof;
- (e) whether there is any proposal to provide incentive package for such sectors including tea, handicrafts, readymade garments and other labour intensive sectors; and
- (f) if so, the details thereof alongwith the action being taken in this regard?

Answer

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

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (f) OF LOK SABHA STARRED QUESTION NO. 523 FOR ANSWER ON 14TH MAY, 2012 REGARDING "EXPORT FROM LABOUR INTENSIVE SECTORS"

(a) & (b): Few labour-intensive sectors like Handicrafts, Carpets have shown decline in exports during 2011-12 in comparison to 2010-11 while Leather & Leather products, Engineering, Textiles (Readymade garments and Cotton textiles) and Tea have shown increase in exports. Figures of merchandise exports in dollar terms for the last two years for major Principal Commodities are given in Annexure. The decline in certain sectors can be attributed significantly to shrinkage of demand in developed countries due to global economic slowdown.

(c) to (f): Consultations with the stakeholders are held on regular basis and performance of various export sectors are reviewed and need based corrective action is undertaken to increase exports. The Government and RBI closely monitor the internal economic developments as well as the domestic situation on a continuous basis. 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 Foreign Trade Policy (FTP), 2009-14; and in announcement made in February/October, 2011. Government has provided support to the different export sectors, in particular, the labour intensive sectors, which have been adversely affected by the global economic slowdown.

Some of the various measures taken include export incentives under Vishesh Krishi and Gram Udyog Yojana (VKGUY), Focus Market Scheme (FMS)/ Special Focus Market Scheme within FMS, Focus Product Scheme (FPS)/ Special Bonus Benefit Scheme within 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 concessional duty for technological upgradation and measures for procedural simplification and rationalization.