

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

UNSTARRED QUESTION NO:7192

ANSWERED ON:21.05.2012

TRADE IN MANUFACTURING SECTOR

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

- (a) the details of the network of supply chain presently available for the trade between various manufacturing sectors in the country;
- (b) the extent to which this supply chain is likely to benefit the farming sector;
- (c) the industrial sectors which have shown better performance in terms of export as compared to others;
- (d) whether any assessment has been made regarding the export of manufactured product resulting in continuing reverse loss to the Government;
- (e) if so, the details thereof; and
- (f) the steps taken/being taken to encourage exports of the better performing sectors including manufactured goods alongwith the promotion of other sectors?

Answer

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

(a) & (b): Supply chain in various manufacturing sector including in the farming sector would depend on market forces present and the availability of infrastructure. Government has given incentive for agriculture infrastructure development where the capital goods and the equipments are allowed for duty free imports. Similarly an Assistance to States for Developing Export Infrastructure and Allied Activities (ASIDE) has been formulated to involve States in the export effort.

(c) In the wake of global economic slowdown and the various issues connected therewith, there has been decline in demand in certain sectors. Despite this, industrial sectors such as Engineering and Electronics goods, Drugs & Pharmaceuticals, Petroleum Products, Plastics and Linoleum have shown improvement in exports and have contributed to 47% of India's exports during April-March 2012 as compared to last year. The export of manufactured products enhances the cost comparative advantage as well as the quality of the products and hence enhances welfare.

(d) & (e) Most of the exports from India is done by the private sector and not by the Government, hence there is no direct linkage between exports and the loss to the Government.

(f) Government has provided support to various sectors like Engineering Pharmaceutical, chemicals, textiles and has included 130 additional items under Focus Product Scheme during October, 2011. 21 new markets under Special Focus Market Schemes were also added. Cuba and Mexico were added as new markets under Focus Market Scheme.