

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

STARRED QUESTION NO:55

ANSWERED ON:13.08.2012

TRADE DEFICIT

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

- (a) the details of the targets fixed and achieved for export and import during each of the last three years and the current year, item-wise and value-wise along with the reasons for variations, if any;
- (b) whether India's trade deficit has continuously increased during the said period as compared to other developing countries;
- (c) if so, the details thereof and the reasons therefor;
- (d) whether the Government has received representations from various trade organizations/Export Promotion Councils to give impetus to exports; and
- (e) if so, the details thereof along with the steps taken by the Government to reduce the trade deficit and promote exports?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI ANAND SHARMA)

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 55 FOR ANSWER ON 13TH AUGUST 2012 REGARDING "TRADE DEFICIT"

(i) The details of the country's export target fixed, achieved and trade deficit during last three year and current year(as per DGCI&S, Kolkata) are as under:

(Values in US \$ Billion)

Year	Export Target (US \$ Billion)	Export Achieved	Trade Deficit
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2009-10	Target was not fixed	178.8	109.6
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2010-11	200	251.1	118.6
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2011-12	300 Provisional	304.6 Provisional	184.8
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2012-13	350 (April-June) Provisional	75.2 (April-June) Provisional	40.0 (April-June) Provisional
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Item wise export targets are not fixed. No target is fixed for import.

(ii) Based on the WTO figures, there is a mixed trend in growth of trade deficit in developing countries.

(iii) The global economic crisis, the sovereign debt crisis in Europe and the economic slowdown in developed economies has adversely impacted demand for our exports. The imports have also been growing both because of higher prices of importables and increased demand. The international prices of petroleum, fertilizers, gold, edible oil etc. have increased. Their demand also has increased. These lead to a higher value of imports. As a result the trade deficit has increased in the above said period.

(iv) Representations from various trade organizations / Export Promotion Councils were received for incentivizing the exports under chapter 3 schemes of Foreign Trade Policy and were duly considered while announcing the Annual Supplement to Foreign Trade Policy on 5th June 2012.

(v) To increase our exports and reduce trade deficit a strategy paper to double our exports by 2013-14 was released in May 2011 as part of plan of action. Earlier measures taken by the Government and RBI include 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; and in announcements made in February and October, 2011. In the wake of continuous economic slowdown which has impacted the trade, a number of measures / incentives as part of the Annual Supplement to Foreign Trade Policy were announced on 5th June 2012.