

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

UNSTARRED QUESTION NO:3638
ANSWERED ON:03.09.2012
EXPORT FROM LABOUR INTENSIVE SECTOR
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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) the quantum of exports made from labour intensive sector during the last three years;
- (b) whether labour intensive sectors are lagging behind despite the rise in the net exports;
- (c) if so, the details thereof and the reasons therefor;
- (d) whether the Government proposes to promote export in labour intensive sector;
- (e) if so, the details thereof; and
- (f) the steps taken by the Government to boost the export of goods from the labour intensive sectors?

Answer

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

(a) Quantum of exports made from labour intensive sector during the last three years; Commodity Group

Values in Million USD

2009-10 2010-11 2011-12

Cotton Yarn/Fabs./made-ups, 3966.85 6137.42 7369.24
Handloom Products etc.

Man-made Yarn/Fabs./made-ups 3607.52 4284.66 5078.91
etc.

RMG of all Textiles 10710.30 11614.21 13708.98

Jute Mfg. including 217.63 458.73 458.00
Floor Covering

Carpet 736.59 1037.93 843.68

Handicrafts excl. 225.48 257.21 237.41
hand made carpet

Processed Agricultural 846.0878 973.94 1355.38
Products#

Sports Goods 141.00 166.10 208.45

Toys 12.27207 14.840489 19.065671

Total of the Above 20463.73 24945.04 29279.11

India`s Total Exports 178751.431 251136.19 304623.53

Processed Agricultural Products includes Processed Vegetables, Fruits & Juices and other miscellaneous processed items.

Source: DGCIS

(b)&(c) Few labour-intensive sectors like Jute, Carpet, handicrafts have shown decline in export during 2011-12 in comparison to 2010-11. This is mainly because of slow down and reduction in demand.

(d) to (f) Government announced annual supplement to Foreign Trade Policy (FTP) on 05.06.2012. Following measures approved on 05.06.2012 may also encourage labour intensive sectors:

(i) 2% Interest Subvention Scheme was extended from 01.04.2012 to 31.03.2013 for handloom, handicrafts, carpet and SMEs and further extended to sectors like toys, sports goods, processed agricultural products & readymade garments.

(ii) Under EPCG Scheme, condition of maintenance of average level of exports for carpet, coir & jute was dispensed with.

(iii) Market Linked Focus Product Scheme (MLFPS) has been extended till 31st March, 2013 for export to USA and EU in respect of all garment falling in Chapter 61 and Chapter 62 of ITC HS Classification of Export and Import. Recognizing the role of labour intensive sectors like handlooms, handicrafts, leather, textiles and engineering goods, etc. in India's exports, these sectors are incentivized under Focus Product Scheme by granting incentive @ 2% to 7% of the free on board (FOB) value of exports.

(iv) Scrips issued under chapter 3 (pertaining to schemes like Vishesh Krishi and Gram Udyog Yojana (VKGUY), Served From India Scheme (SFIS), Agri Infrastructure Incentive Scrip (AIS) Scheme of Foreign Trade Policy (FTP) shall be permitted for payment of excise duty for domestic procurement.