

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

STARRED QUESTION NO:49

ANSWERED ON:26.11.2012

TRADE DEFICIT

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

- (a) whether there has been considerable decline in the exports due to which the foreign trade deficit has reached at an alarming level during the last few quarters of the current financial year;
- (b) if so, the facts and the details thereof and the reasons therefor, sector-wise;
- (c) the details of the countries with which India has registered a constant favourable balance of trade during the last three years and the current year, year-wise;
- (d) the details of the countries with which India has registered a trade deficit during the same period, sector-wise and year-wise; and
- (e) the details of the steps taken/being taken to bridge the trade deficit?

Answer

MINISTER 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. 49 FOR ANSWER ON 26TH NOVEMBER 2012 REGARDING "TRADE DEFICIT"

(a) & (b) Trade deficit during last six quarter is as below:

US \$ Billion

Quarter April 11- June 11 July 11 - Sept 11 Oct 11 - Dec 11 Jan 12 - March 12 April 12 - June 12 July 12 - Sept 12

Trade Deficit -46.2 -43.1 -48.1 -46.0 -40.0 -49.2

@: Provisional, Source: DGCI&S, Kolkata

The Trade Deficit during last quarter July 12 - Sept 12 has gone up by 6.5% from corresponding figure of April 11 - June 11 and by 2.9% from the corresponding figures of Oct 11 - Dec 11.

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 importable 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.

(c) & (d) India has favorable balance of trade with 105 countries both during last three years as well as during 2012-13 (April-Sept). Out of these the names of top 10 countries are United States of America, Netherlands, Singapore, Bangladesh, Hong Kong, Kenya, Sri Lanka, Bahamas, Nepal and U.K. The combined share of these 10 countries to the total exports during 2012-13(April-Sept) is 35%.

India has trade deficit with 48 countries both during last three years as well as during 2012-13(April-Sept). Out of these the names of top 10 countries are China, Switzerland, Saudi Arabia, Australia, Nigeria, Kuwait, Iran, Iraq, Korea RP and Qatar. The combined share of these 10 countries to the total exports during 2012-13(April-Sept) is 13.5%.

The details of country-wise/sector-wise Imports and Exports during the last three years and the current year, is available in the DGCI&S publication in CD form namely 'Monthly Statistics of Foreign Trade of India' Vol. I (Exports) & Vol.II (Imports) for March 2010,

March 2011, March 2012 respectively. Such CD's are regularly sent to Parliament Library by DGCI&S, Kolkata.

(e) 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. DGFT has also undertaken a midterm review with detailed discussions with all the Export Promotion Councils.