

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

UNSTARRED QUESTION NO:666

ANSWERED ON:23.11.2009

PROMOTION OF SERVICE EXPORTS

Kodikunnil Shri Suresh;Swamygowda Shri N Cheluvarama Swamy

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

(a) whether there has been a sharp fall in export of services including IT software as compared with merchandise trade, due to the global recession;

(b) if so, the details thereof, sector-wise alongwith the reasons therefor; and

(c) the steps being taken by the Government to take policy measures to strengthen IT business processes outsourcing and other services export and the outcome thereon?

**Answer**

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

(a) No, Madam.

(b) Does not arise.

(c) To enable the Indian ICT product and services firms to overcome the unfavourable global market conditions, Government of India has announced stimulus packages which include following incentives:

1. Government back-up guarantee to Export Credit Guarantee Corporation of India Limited (ECGC) to the extent of Rs. 350 crore to enable it to provide guarantees for exports to difficult markets/products.
2. An additional allocation of Rs. 350 crore for export incentive schemes.
3. To restore Duty Entitlement Passbook Scheme (DEPB) rates to those prevailing prior to November, 2008 and extension of the DEPB Scheme till 31.12.2010.
4. Additional funds of Rs. 1100 crore to be provided for full refund of Terminal Excise Duty/Central Sales Tax .
5. Refund of service tax on foreign agent commissions of up to 10 percent of FOB value of exports and refund of service tax on output services while availing of benefits under Duty Drawback Scheme. The notification vide which the DEPB rates were slashed down was withdrawn in January, 2009.
6. Sun-set clauses for deduction in respect of export profits under sections 10A and 10B of the Income-Tax Act being extended by one more year i.e. for the financial year 2010-11
7. Fringe Benefit Tax on the value of certain fringe benefits provided by employers to their employees to be abolished.
8. Scope of provisions relating to weighted deduction of 150 percent on expenditure incurred on in-house Research & Development to all manufacturing businesses being extended except for a small negative list.