

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

UNSTARRED QUESTION NO:3741
ANSWERED ON:17.12.2012
EXPORTS FROM ENGINEERING SECTOR
Maadam Shri Vikrambhai Arjanbhai

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

- (a) whether the exports from the engineering sector has been Shrinking due to the constraints faced by sector due to scarcity of raw material;
- (b) if so, the details thereof;
- (c) whether the full potential and capacity of this sector has not been tapped leading to idle capacity in this sector; and
- (d) if so, the details thereof and the action taken by the Government to ensure the availability of the raw material for this sector?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. D. PURANDESWARI)

(a) & (b) : There is no evidence or exporters` feedback that exports from engineering sector has been shrinking due to constraints faced by the engineering sector on account of scarcity of raw materials.

(c) & (d): The fall in external demand due to the global economic crisis in major engineering exports markets of the country, primarily USA and EU, is the main factor behind the idle capacity in this sector rather than shortage of raw materials. Accordingly, the Government`s efforts have been to provide support measures to the engineering sector to improve their competitiveness in global markets. Various initiatives such as expanding the list of engineering tariff lines in the Focus Product Scheme and the Market Linked Focus Product Scheme as well as widening the list of markets in the Focus Market Scheme, lowering transaction costs through the use of information technology etc. are the main instruments by which the Government is attempting to enhance competitiveness of Indian engineering exports.