

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

STARRED QUESTION NO:12

ANSWERED ON:05.08.2013

TRADE DEFICIT

Bapurao Shri Khatgaonkar Patil Bhaskarrao;Kateel Shri Nalin Kumar

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

- (a) whether there has been a continuous rise in the trade deficit during each of the last three years and the current year and if so, the details thereof, year-wise and the reasons therefor;
- (b) the details of the targets fixed and achieved for import and export along with the details of the countries with which India's trade deficit has widened during the said period;
- (c) whether the Government has received representations from various trade organisations /export promotion councils to give impetus to exports and if so, the details thereof along with the steps taken by the Government to address their concerns;
- (d) whether the Government has set up any Committee to suggest measures to boost exports and bridge the widening trade deficit and the rising current account deficit; and
- (e) if so, the details thereof including the suggestions made by the Committee along with the steps taken/being taken by the Government thereon?

**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. 12 FOR ANSWER ON 5TH AUGUST, 2013 REGARDING "TRADE DEFICIT"

(a) & (b) There is continuous rise in the trade deficit during each of the last three years. In the first quarter of current year also deficit has increased compared to the corresponding period of last year. The Details of Export Target and actual figures of Export, Import and Trade deficit during the last three years are given below:

Value in US \$ Billion

YEAR	Target for Export	(A)	Export (B)	Import deficit (= A-B)	Trade
2010-11	200	251.1	369.8	118.7	
2011-12	300	306.0	489.3	183.3	
2012-13	350	300.3	491.9	191.6	
2012-13 (Apr- June)	-	73.48	115.41	41.93	
2013-14 (Apr- June) #	-	72.27	122.74	50.4	

# figures for 2013-14(Apr-June) are provisional Source: DGCI&S

India has trade deficit with 80 countries in 2012-13. Top 10 countries are China PRP Switzerland, Saudi Arabia, Iraq, Kuwait, Qatar, Venezuela, Nigeria, Australia and Indonesia. Contribution of trade deficit of these 10 countries to our trade deficit is 76.5 %.

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

(c) Government has received representations from various trade bodies. These have been considered with due importance . Consultations have been made with Export Promotion Councils ( EPCs ), apex chamber of Trade and Industry. Meeting of Board of Trade was also convened in March, 2013.

(d ) & (e) Government had set up "Inter-Ministerial Committee for Boosting Exports from MSME Sector " to suggest measures to boost exports. The committee has submitted the report in July,2013. Several steps have been taken to reduce trade deficit by imposing restrictions on import of Gold. To increase exports, measures were announced as part of the Annual Supplement to the Foreign Trade Policy (2009-14) on 18.4.2013. Subsequently, Government has notified 153 hi-tech products on 10.7.2013. Government has also announced to enhance the rate of Interest Subvention from 2% to 3 % with effect from 1.8.2013.