

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3319

ANSWERED ON:30.08.2013

TRADE IMBALANCE

Hegde Shri Anant Kumar; Joshi Dr. Murli Manohar

Will the Minister of FINANCE be pleased to state:

(a) whether a deficit of 191.6 billion dollar has been registered in the country's foreign Trade on the basis of value of our import/export in 2012-13;

(b) if so, the details thereof and the reaction of the Government thereto; and

(c) the corrective steps taken/proposed to be taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) & (b) Yes Sirs. According to Department of Commerce, in the year 2012-13 total imports were US\$ 491.9 billion while total exports were US\$ 300.3 billion thereby the trade deficit being US\$ 191.6 billion. The increase in trade deficit has negatively impacted the economic condition of the country. Though merchandise trade has increased, the trade deficit has also increased. The global economic crisis, the sovereign debt crisis in Europe and the economic slowdown in developed economies have adversely impacted demand for our exports. Exports of engineering goods, gems & jewelry, textiles, electronic goods, iron ore, mining have been affected during 2012-13.

c) According to Department of Commerce, the Government assesses the export performance on a continuous basis and need based corrective measures to boost exports are taken from time to time. Government has announced certain export promotion measures as part of Annual Supplement to the Foreign Trade Policy (2009-14) on 18-04-2013. Government continued the strategy of product diversification and market diversification. More countries have been added under both Focus Market Scheme (FMS) and Special Focus Market Scheme (Special FMS). 47 new items have been added to the Market Linked Focus Product Scheme (MLFPS) and 122 new items have been added to the Focus Product Scheme (FPS). Subsequently, Government has notified 153 high-tech products on 10-07-2013 under Focus Product Scheme. Government has further enhanced the rate of interest subvention from 2% to 3% with effect from 01.08.2013.