

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

UNSTARRED QUESTION NO:1145

ANSWERED ON:12.08.2013

EXPORT OF LABOUR INTENSIVE SECTORS

Meghe Shri Datta Raghobaji; Rajaram Shri Wakchaure Bhausahab; Siddeswara Shri Gowdar Mallikarjunappa

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

- (a) whether there has been a significant change in the volume of export and sale of value added goods including gems and jewellery during the last three years and the current year and if so, the details thereof, year and value-wise along with the reasons therefor;
- (b) the steps taken/being taken by the Government to boost the export of gems and jewellery;
- (c) whether the exports from labour intensive sectors from the country have been lagging behind in the international trade during the said period and if so, the details thereof, year and value-wise along with the reasons therefor;
- (d) whether the Government has completed the sectoral reviews and made final analysis to identify the sectors which are lagging behind in international trade and if so, the outcome thereof; and
- (e) whether there has been any proposal to provide incentive package for such sectors including tea, handicrafts, readymade garments and other labour intensive sectors and if so, the details thereof along with the action taken by the Government in this regard?

Answer

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

- (a) There has been an increase in our exports in 2010-11 & 2011-12, but our exports showed a decline in 2012-13. Exports of Gems and Jewellery sector also witnessed a similar trend.

Value in US\$ Billions					
2010-11	2011-12	2012-13	2012-13	2013-14	
(April to June 2012)		(April to June 2013)		(P)	
Total exports	251.136	305.963	300.274	73.476	72.272
Gems and Jewellery	40.508	44.887	43.397	10.945	10.105

[Source: DGCIS, Kolkata]

- (b) The Government has inter-alia taken following steps to boost the export of Gems & Jewellery Sector:
- (i) Revision of duty drawback rates for Gold from Rs 100.70 per gram to Rs 173.70 per gram.
- (ii) Introduction of Private/Public Bonded Warehouse for Gems & Jewellery.
- (iii) Revision in size of diamonds from 0.25 carat to 0.10 carat for export for testing purposes and thereafter re-import duty free after certification by authorised laboratories.
- (c) The export figures of the labour Intensive sectors for the last three years and current year are as under:

(Value in Billions US\$)					
Labour intensive sectors	2010-11	2011-12	2012-13	2013-14	
(April to June 2013) (P)					
1. Leather & Manufacture	3.909	4.803	4.878	1.257	
2. Engineering Goods	49.814	58.553	56.723	13.524	
3. Textiles	23.205	27.207	26.353	7.005	
4. Handicrafts	0.257	0.279	0.203	0.039	
5. Carpets	1.037	0.847	0.988	0.265	
6. Sports goods	0.166	0.210	0.206	0.049	

[Source: DGCIS, Kolkata]

Exports of these labour intensive sectors had declined marginally in the year 2012-13 compared to the year 2011-12 except for Leather & manufactures and Carpets.

(d) & (e) Sectoral meetings with Apex Chambers of Trade and Industry and Export promotion Council (EPCs) have been held before announcement of Annual Supplement to Foreign Trade Policy in April, 2013. To increase exports, measures were announced as part of the Annual Supplement to the Foreign Trade Policy (2009-14) on 18.04.2013. As part of product diversification and market diversification strategy, Government has added Norway to Focus Market Scheme (FMS). Venezuela has been added to Special Focus Market Scheme (Special FMS). 47 new items have been added to Market Linked Focus Product Scheme (MLFPS) and 122 new items have been added to the Focus Product Scheme (FPS). Government has notified 153 hi-tech products on 10.07.2013. Government has enhanced the rate of Interest Subvention from 2% to 3% with effect from 01.08.2013.