

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

STARRED QUESTION NO:44
ANSWERED ON:09.12.2013
INCENTIVES FOR EXPORTERS H
Baitha Shri Kameshwar ;Patel Shri Bal Kumar

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

- (a) whether the recessionary trends in Europe and the United States of America has adversely affected the exports from the country during the last three years and the current year and if so, the details thereof, year-wise;
- (b) the details of the schemes/incentives offered/likely to be announced by the Government to promote the exports of various items particularly cotton/textile to counter the effects of the said recession;
- (c) whether the Government has curtailed the export target in view of the recession in the international market and if so, the details thereof;
- (d) whether the Government has announced any incentive package for the exporters of the small and medium industries and if so, the details thereof; and
- (e) the steps taken by the Government to settle the pending financial claims of the exporters at the earliest?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. E.M. SUDARSANA NATCHIAPPAN)

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. 44 FOR ANSWER ON 9TH DECEMBER, 2013 REGARDING "INCENTIVES FOR EXPORTERS"

(a) Exports in the year 2012-13 showed a marginal decline compared with exports achieved in the previous year i.e. 2011-12. This can be attributed to adverse macro economic scenario prevalent globally. The table below gives details of target fixed and export achieved during the last 3 years and the current year (April to October).

Value in US \$ Billion

Year	Target	fixed	Export	Figures
2010-11	200		251.1	
2011-12	300		306.0	
2012-13	350		300.4	
2013-14	325		179.4	

(April -October 2013) (provisional)
(Source: DGCIS)

(b) The Government continuously monitors the export performance of different sectors and need based corrective measures to boost export are taken from time to time, keeping in view the financial and overall economic implications. Government has announced certain export promotion measures as part of Annual Supplement to the Foreign Trade Policy (2009-14) on 18.4.2013. 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 10.7.2013 under Focus Product Scheme. MLFPS benefit for export of Textile items covered under Chapter 61 and Chapter 62 of ITC(HS) Classification of Export and Import Items to EU and USA has been extended for the year 2013-14. Incremental Export Incentivisation Scheme introduced w.e.f 1.1.2013, has been further extended for the year 2013-14. Government has also enhanced the rate of interest subvention from 2% to 3% with effect from 01.08.2013. Further, a second Task Force on Transaction Cost has been constituted by the Government to remove bottlenecks on exports.

(c) Export Target has been achieved in the year 2010-11 and 2011-12. However, in the year 2012-13 the target was not achieved. This is attributable to global economic crisis, sovereign debt crisis in Europe and the economic slowdown in the developed economies which adversely affected demand for our exports. The export target in 2013-14 is US \$ 325 billion and in the first 7 months of the current fiscal year, exports to the tune of US \$ 179.4 billion have already been achieved, which is 6.32% more in comparison to the same period last year.

(d) The incentives announced by the Government are for all sectors including MSME. All MSME exporters are eligible for interest subvention support.

(e) There are no financial claims of exporters pending with DGFT. Drawback claims are handled by Department of Revenue. Drawback of Rs. 18,060.97 Crore has been disbursed from April, 2013 to October, 2013 as compared to Rs. 13,410.48 Crore during the corresponding period last year. This is 34.6% higher than previous year. Department of Revenue has taken a drawback clearance drive this year and reiterated instructions to pay drawback provisionally in brand rate cases.