

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

UNSTARRED QUESTION NO:1780

ANSWERED ON:16.12.2013

PACKAGE FOR LABOUR INTENSIVE SECTOR

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

(a) the details of the exports from sectors such as engineering goods, gems and jewellery and labour intensive sectors like leather, textiles, etc. during each of the last three years and the current year, value-wise;

(b) 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;

(c) whether the Government proposes to provide sops and stimulus package for the sectors which are lagging behind in exports particularly the labour intensive sectors and if so, the details thereof;

(d) whether the Government has reviewed the impact of the previous stimulus package and if so, the outcome thereof and the fiscal and non-fiscal measures taken by the Government to promote the exports from the engineering goods, gems and jewellery and the labour intensive sectors; and

(e) whether new employment opportunities were proposed to be generated in the gems and jewellery sector and other labour intensive sector during the 11th Five Year Plan period and if so, the progress made so far in this regard along with the reaction of the Government thereto?

Answer

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

(a) The export figures of the labour Intensive sectors including Gems and Jewellery for the last three years and current year are as under:

(Value in Billions US\$)

Labour intensive sectors including Gems and Jewellery	2010-11	2011-12	2012-13	2013-14
(April to Oct. 2013) (Provisional)				
1. Leather & Manufacture	3.9	4.8	4.9	3.2
2. Engineering Goods	49.8	58.5	56.8	34.1
3. Textiles	23.2	27.2	26.4	17.0
4. Handicrafts	0.3	0.3	0.2	0.2
5. Carpets	1.0	0.8	1.0	0.6
6. Sports goods	0.2	0.2	0.2	0.1
7. Gems and Jewellery	40.5	44.9	43.3	24.6

[Source: DGCIS, Kolkata]

(b) to (d) The Government monitors the export performance on a regular basis and corrective measures to boost exports are taken from time to time. Sectoral meetings with Apex Chambers of Trade & Industry and Export Promotion Councils (EPCs) are also held at regular intervals. Recently DGFT has attended Open House meetings in Mumbai and Chennai to address queries of exporters and to take suggestion for improving export performance. To increase export, certain measures were announced as part of the Annual Supplement to the Foreign Trade Policy (2009-14) on 18.04.2013. Government has added Norway to Focus Market Scheme (FMS) thereby brings the total markets under Focus Market Scheme to 125. 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). Incremental Exports Incentivisation Scheme (IEIS) has been extended for the year 2013-14 and 53 Latin American and African countries have been added in the list of eligible countries w.e.f. 1.4.2013. Government has

notified 153 hi-tech products on 10.07.2013. Government has also enhanced the rate of Interest Subvention from 2% to 3% with effect from 01.08.2013. The Government has taken the following budgetary measures to promote export from Labour intensive sectors including Gems and Jewellery: # Reduction in customs duty on machinery for Leather Sector from 7.5 % to 5 %. # Abolition of Export duty on rice bran oil & de-oiled cake to spur export from that sector. # Development of Bengaluru Mumbai Industrial Corridor to spur manufacturing and exports from the states of Tamil Nadu, Karnataka and Andhra Pradesh. # Reduction in duty on Pre-forms of precious & semi precious stones to help value addition in Gems & Jewellery sector. All these measures were designed to increase export and seem to be showing result. Exports during April-Oct. 2013 were to the tune of 179.02 Billion US\$ vis-à-vis 168.70 Billion US\$ in the same period last year. This is an increase of 6.11% in 2013-14 over the same period in the previous year.

(e) Planning Commission in the 11th Five year Plan has identified Leather, Rubber and Rubber Products, Wood and Bamboo Products, Gems and Jewellery, Handicrafts, Handlooms, Khadi and village industries etc. as the sectors with prospects for high growth in output, creation of new establishments and for creation of new employment opportunities. The Planning Commission has identified Textile, Leather, Gems & Jewellery, Retail Chains sectors, where there is shortage of supply of trained labour, under a new subset of the Swarnajayanti Gram Swarajgar Yojna (SGSY). Further during the 11th Five Year Plan, Department of Industrial Policy and Promotion has implemented Indian Leather Development Programme (IDLP), a scheme in which about 14,400 leather artisans have been covered for providing livelihood support and marketing support along with promotion of the traditional rural clusters.