

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

UNSTARRED QUESTION NO:4139

ANSWERED ON:20.03.2015

TRADE DEFICIT

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

- (a) the quantum and value of export and import vis-a-vis export target fixed during each of the last three years and the current year, country, commodity/sector-wise along with the country's share in world's trade including share of various States therein;
- (b) the share/contribution of the various export sectors in the Gross Domestic Product (GDP) of the country, sector-wise;
- (c) whether trade deficit is constantly increasing in the country and if so, the details thereof indicating the comparative value of export and import from/to the country and corresponding rise in volume of trade with such gap during the said period;
- (d) the impact of trade deficit on the economic condition of the country indicating the sectors adversely affected thereby along with the reaction of the Government thereto;
- (e) whether the Government proposes to diversify the export sector and reduce dependence on traditional market and if so, the details thereof indicating the role of export promotion council therein along with the extent to which the Government is successful in achieving its objectives in this regard; and
- (f) the measures taken by the Government to boost exports to minimize the impact of the trade deficit and to achieve the export target fixed in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE) (SMT. NIRMALA SITHARAMAN)

(a) & (b) The details of Export, Import, Trade Deficit and Exports as percentage of GDP(Financial year wise) for Merchandise goods is given in Table-1. Indias Total Trade and its share in the World (Calendar year wise) is given in Table-2. The details of state-wise exports during 2013-14 (as reported by Customs and compiled by DGCI&S Kolkata, but not validated) are given in Table-3. Table-2 and Table-3 are at Annexure-1.

Table-1:

Value (US \$ Billion)

YEAR	2011-12	2012-13	2013-14	2013-14	2014-15
	(Apr-Feb)				
	(QE)				
Export Target	300.0	350.0	325.0	340.0	
Export	306.0	300.4	314.4	284.1	286.6

Import Target	Import targets are not fixed				
Import	489.3	490.7	450.2	408.9	411.8
Trade Deficit	183.3	190.3	135.8	124.8	125.2
	Value (Rs. Crores)				
Export	1,465,959	1,634,318	1,905,011	1,719,888	1,747,451
Import	2,345,463	2,669,162	2,715,434	2,463,480	2,510,824
Trade Deficit	879,504	1,034,844	810,423	743,592	763,373
# GDP(Current Prices),	8,832,012 9,988,540 11,345,056				
2011-12					
base year					
Export as Percentage	16.60	16.36	16.79		
of GDP					
Import as Percentage	26.56	26.72	23.93		

of GDP
Trade deficit 9.96 10.36 7.14
as Percentage
of GDP
Source: DGCI&S Kolkata, MOSPI

Figures from Quick Estimate (QE)

Export target for the financial year 2014-15

Figures from the revised base year 2011-12. GDP data is not available for (Apr-Feb)

The details of export and import, commodity-wise/country-wise and quantity are available in the DGCI&S publication in CD from namely Monthly Statistics of Foreign Trade of India Vol. I and Vol II. Such CDs are regularly sent to Parliament Library by DGCI&S, Kolkata.

(c) & (d) The trade deficit and percentage of Trade deficit to GDP over the period have shown a mixed trend. However, one of the prime contributors of trade deficit is import of Petroleum & Crude oil, accounting for nearly one-third of countrys total imports, which is critical for the growth of the economy and meeting the energy needs of the country. As such, these imports are essential in nature and do not cause negative impact on the economic condition of the country.

(e) & (f) The Government assesses the export performance on a continuous basis and need based corrective measures to boost exports are taken. To diversify the export sectors and reduce dependence on traditional markets, schemes like Focus Market Scheme, Market Linked Focus Product Scheme, Focus Product Scheme, Vishesh Krishi and Gram Udyog Yojana (VKGUY) are implemented. The Government is also implementing other schemes for promotion of exports and improving the competitiveness of the industry, e.g. Market Development Assistance (MDA) scheme, Market Access Initiative (MAI) scheme.

In order to evolve a strategy to boost exports, achieve export targets and manage trade deficit, intensive consultations are held with Export Promotion Councils (EPCs), Apex Chambers of Trade and Industry, various Union Ministries / Departments and State Governments and with Board of Trade from time to time.

Development of strategy for product and market diversification is a continuous process through market study initiatives to identify product tariff lines and potential markets. Issues relating to tariff/non-tariff barriers are also actively taken up during bilateral meetings and Institutional dialogues and accordingly Foreign Trade Agreement (FTA) are signed between countries. As a result of various measures and steps taken by the Government, Indias exports basket has expanded substantially and share of export to the emerging economies has also increased over the period.