

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

UNSTARRED QUESTION NO:4075

ANSWERED ON:27.03.2017

Boosting Exports

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

- (a) the total quantity and value of Indian exports including the merchandise exports from Labour Intensive Sectors of the country during the last three years and the current year, commodity/ sector-wise and year-wise;
- (b) the details of growth/decline registered in country's exports during the said period, commodity and sector-wise along with the factors affecting the exports from the country;
- (c) the details of various impediments affecting exports from the country including those raised by the Federation of Indian Export Organizations along with the reaction of the Government thereto;
- (d) whether the Government has reviewed the impact of previous stimulus package for the sectors which are lagging behind in exports particularly Labour Intensive Sectors and if so, the details and the outcome thereof; and
- (e) the measures taken or being taken by the Government to boost the said exports from the country including the Schemes launched for the same along with their monitoring mechanism?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE)

(SMT. NIRMALA SITHARAMAN)

(a): The value of India's merchandise exports including exports from Labour Intensive Sectors of the country during the last three years and the current year are as follows:

Years Value of exports (in US\$ Millions)

Exports from Labour Intensive Sectors India's Total Merchandise Exports

2013-14 115384.82 314415.73

2014-15 129134.05 310352.01

2015-16 115454.31 262290.13

2016-17 (April-Jan)* 98391.02 221776.35

Source: DGCI&S, Kolkata (* Provisional)

Due to different units of measurement, the quantity figures are not additive and hence total quantity is not compiled. The details of commodity-wise exports from Labour Intensive Sectors for the last three years and the current year are enclosed at Annexure-I.

(b): The details of growth/decline in India's merchandise exports during the last three years and the current year are as follows:

Years India's Merchandise Exports

Value (in US\$ Billions) Percentage Growth

2013-14 314.41 --

2014-15 310.34 -1.29

2015-16 262.29 -15.48

2015-16 (Apr-Jan) 218.53 --

2016-17 (Apr-Jan)* 221.78 1.48

Source: DGCI&S, Kolkata (* Provisional)

The details of India's exports commodity sector-wise during the last three years and the current year are given at Annexure-II.

The factors affecting the exports of the country are as follows:

- (a) Fall in global demand and fall in commodity prices, impacting terms of trade for commodity exporters.
- (b) Fall in the prices of petroleum crude resulting in consequent decline in prices as well as export realizations for petroleum products, which are major terms of exports for India.
- (c) EU countries that account for nearly 16% of India's export are facing problems of stagnation and deflation. China is also experiencing a slowdown. The recovery in US has been moderate and uncertain in terms of sustainability.
- (d) Fall in demand of precious goods like Pearls, Precious and Semi-Precious stones, especially from oil producing countries.

(c): The various organisations including Federation of Indian Export Organisation (FIEO) has raised the various impediments affecting exports like marketing support, Interest Equalization for merchant exporters, high logistic cost and infrastructure inadequacies, export through e-Commerce, grant of export benefit at the time of exports without waiting for realization, withdrawal of landing certificate for

MEIS, combined applications for different norms, grant of TED refund on receipt of even part payment and investment linked benefit for MSMEs. Issues/suggestions received by Government from time to time are processed for suitable action as found appropriate. Government has already done away with landing certificate under the MEIS scheme, as requested above.

(d) & (e): The Government monitors the export performance of different sectors and takes need based measures from time to time, keeping in view the global economic environment. Department of Commerce/Directorate General of Foreign Trade engages with stake holders including Export Promotion Councils to assess the export sector situation. Based on the assessments and feedback received from exporting community, Government has taken suitable measures to promote exports including labour intensive sectors which are as follows:

- (i) The New Foreign Trade Policy (2015-20) was announced on 1st April, 2015 with a focus on supporting both manufacturing and services exports.
- (ii) The Merchandise Exports from India Scheme (MEIS) was introduced in the Foreign Trade Policy (FTP) 2015-20 on April 1, 2015 and is a major export promotion scheme implemented by the Ministry of Commerce and Industry. MEIS aims to incentivize export of merchandise which is produced/ manufactured in India. Rewards @ 2-5% under MEIS are payable as a percentage of realized FOB value of covered exports, by way of the MEIS duty credit scrip, which are transferable and can also be used for payment of a number of duties including the basic customs duty. At present, 7914 tariff lines at 8 digit HS Codes are covered under MEIS scheme.
- (iii) The Government has also launched Services Exports from India Scheme (SEIS) in the FTP 2015-2020. The Scheme provided rewards to service providers of notified services who are providing service from India. The rate of reward under the scheme would be based on net foreign exchange earned. The present rates of reward are 3% and 5%.
- (iv) The Government is implementing the Niryat Bandhu Scheme with an objective to reach out to the new and potential exporters including exporters from Micro, Small & Medium Enterprises (MSMEs) and mentor them through orientation programmes, counseling sessions, individual facilitation, etc., on various aspects of foreign trade for being able to get into international trade and boost exports from India.
- (v) As part of the "Ease of Doing Business" initiatives, the Government has launched Single Window Interface for Facilitating Trade (SWIFT) clearances project w.e.f 1st April, 2016. The scheme enables the importers/exporters to file a common electronic 'Integrated Declaration' on the Indian Customs Electronic Commerce/Electronic Data Interchange (EC/EDI) Gateway i.e. ICEGATE portal. The Integrated Declaration compiles the information requirements of Customs, FSSAI, Plant Quarantine, Animal Quarantine, Drug Controller, Wild Life Control Bureau and Textile Committee. It replaces nine separate forms required by these 6 different agencies and Customs.
- (vi) Interest Equalization Scheme on pre & post shipment credit launched to provide cheaper credit to exporters.
- (vii) Further, the Government continues to provide the facility of access to duty free raw materials and capital goods for exports through schemes like Advance Authorization, Duty Free Import Authorization (DFIA), Export Promotion Capital Goods (EPCG) and drawback / refund of duties.
- (viii) A new scheme called Trade Infrastructure for Export Scheme (TIES) has been announced by the Government with the objective to enhance export competitiveness by bridging gaps in export infrastructure, creating focused export infrastructure, first mile and last mile connectivity for export oriented projects and addressing quality and certification measures. The Central and State Agencies, including Export Promotion Councils, Commodities Boards, SEZ Authorities and Apex Trade Bodies recognised under the EXIM policy of Government of India are eligible for financial support under this scheme.
- (ix) The Government has approved the proposal for notification of commitments under the Trade Facilitation Agreement (TFA) of World Trade Organization (WTO), ratification and acceptance of the Instrument of Acceptance of Protocol of TFA to the WTO Secretariat and constitution of the National Committee on Trade Facilitation (NCTF). The Trade Facilitation Agreement (TFA) contains provisions for expediting the movement, release and clearance of goods, including goods in transit. It also sets out measures for effective cooperation between customs and other appropriate authorities on trade facilitation and customs compliance issues. These objectives are in consonance with India's "Ease of Doing Business" initiative. The Trade Facilitation Agreement shall enter into force for the notified members upon acceptance by two-third WTO Members.

Annexure-I

Statement referred to in reply of part (a) of Lok Sabha Unstarred question no. 4075 for answer on 27th March 2017.

India's merchandise exports by Labour Intensive Sectors (in US\$ Millions)

Commodities

Unit 2013-14 2014-15 2015-16 2016-17(Apr-Jan)*

Qty Value Qty Value Qty Value Qty Value

| | | | | |
|--------------------------------------------|----------|---------|----------|---------|
| Ac, refrigeration machinery etc (blank) | 1164.12 | 1168.33 | 1048.09 | 790.07 |
| Aircraft, spacecraft and parts (blank) | 4584.96 | 6158.51 | 3729.36 | 2429.07 |
| Aluminium, products of aluminium TON | 714409 | 1943.26 | 1039922 | 2859.37 |
| Atm, injectng mlding machinery etc (blank) | 1244.20 | 1344.42 | 1262.83 | 1033.57 |
| Auto components/parts (blank) | 3971.76 | 4438.56 | 4217.37 | 3453.27 |
| Auto tyres and tubes NOS | 32966400 | 1687.52 | 30711609 | 1648.11 |
| Bicycle and parts (blank) | 348.66 | 354.16 | 298.44 | 239.47 |
| Carpet(excl. Silk) handmade SQM | 85475234 | 1175.76 | 79364754 | 1358.16 |
| Copper and products made of copper TON | 341065 | 2855.11 | 468979 | 3420.30 |
| Cotton fabrics, madeups etc. (blank) | 5118.64 | 5516.41 | 5266.17 | 4271.06 |
| Cotton yarn TON | 1310879 | 4550.41 | 1272374 | 3937.41 |
| Cranes, lifts and winches (blank) | 309.72 | 341.79 | 423.63 | 328.85 |
| Electric machinery and equipments (blank) | 3683.15 | 3974.04 | 3689.51 | 3729.60 |
| Finished leather KGS | 67163410 | 1285.15 | 64530167 | 1331.76 |
| | | | 51661459 | 1049.26 |
| | | | 39297022 | 737.26 |

Floor covering of jute SQM 9287763 35.73 7808248 39.09 6257361 34.00 4345403 30.97
Footwear of leather (blank) 2025.73 2279.00 2148.41 1786.56
Gold KGS 72006 3086.46 70819 2845.15 150752 5573.54 106639 4288.63
Gold and other precious metal jewellery (blank) 10801.38 13242.41 10958.01 10568.47
Handloom products (blank) 373.02 369.55 368.52 295.22
Hand tool, cutting tool of metals (blank) 711.13 755.70 640.60 525.99
Ic engines and parts (blank) 1770.36 2397.98 2106.23 1752.16
Indl. Machinery for dairy etc (blank) 4276.28 4769.28 4641.95 3707.59
Iron and steel TON 12918438 9223.70 11148889 8684.40 7570231 5492.75 10833507 6328.94
Jute hessian (blank) 141.70 126.00 125.54 115.02
Jute yarn TON 24963 23.46 23567 22.64 16930 18.34 6185 7.39
Jute, raw TON 44016 18.81 37390 19.41 25107 17.18 12776 8.39
Lead and products made of led TON 80867 194.71 76296 173.20 89390 181.53 72103 151.06
Leather garments KGS 7931870 591.81 8186533 604.58 7770027 553.98 6566790 458.46
Leather goods (blank) 1350.06 1453.20 1370.84 1103.44
Machine tools (blank) 334.92 376.89 392.35 369.56
Manmade yarn, fabrics, madeups (blank) 5183.66 5275.03 4621.63 3707.24
Medical and scientific instrument (blank) 966.88 1080.28 989.24 947.18
Motor vehicle/cars NOS 1014974 6147.95 1110409 6684.05 1139407 6727.44 945782 6171.17
Nickel, product made of nickel TON 26448 437.27 47002 897.58 37606 492.88 8717 88.22
Nuclear reactor, indl boiler, part (blank) 563.10 603.89 680.77 554.99

Commodities

Unit 2013-14 2014-15 2015-16 2016-17(Apr-Jan)*

Qty Value Qty Value Qty Value Qty Value

Office equipments (blank) 30.89 54.77 89.49 100.78
Other non ferrous metal and product KGS 89651275 416.14 105144331 499.29 91130761 431.88 76038840 364.20
Other construction machinery (blank) 1008.68 1177.40 1077.86 823.55
Other jute manufactures (blank) 150.77 109.24 117.47 107.54
Other misc. Engineering items (blank) 1585.97 1835.43 1988.33 1718.55
Other precious and base metals (blank) 321.55 414.05 447.29 297.25
Other rubber product except footwear (blank) 964.19 1071.11 922.30 776.11
Prime mica and mica products KGS 1175902 19.10 894268 19.51 1047819 17.15 852877 14.92
Products of iron and steel (blank) 6780.41 7562.81 6134.95 4743.13
Project goods KGS 4289109 47.35 7502610 36.59 3784411 25.13 2960070 26.61
Pumps of all types (blank) 690.90 773.24 707.18 623.62
Railway transport equipments, parts (blank) 178.17 135.35 109.93 186.25
Rmg cotton including accessories (blank) 9106.74 9282.83 9091.55 6870.64
Rmg manmade fibres (blank) 3148.96 3997.13 4181.71 3957.54
Rmg of other textile material (blank) 2190.77 2941.65 3184.54 2783.68
Rmg silk (blank) 236.55 303.97 244.06 146.81
Rmg wool (blank) 307.48 307.75 262.37 186.67
Ship, boat and floating structure (blank) 3724.85 5268.36 3088.46 2872.03
Silk carpet SQM 29476 2.57 21983 2.62 29835 2.60 27298 6.08
Silver KGS 34247 18.52 7572 5.68 29945 7.35 27136 9.02
Sports goods (blank) 236.46 274.50 227.70 191.16
Tin and products made of tin TON 3345 80.39 1660 37.73 3654 57.22 388 6.22
Two and three wheelers NOS 2110443 1521.47 2594255 1864.34 2531370 1777.84 1973671 1326.71
Zinc and products made of zinc TON 194978 435.39 246388 608.06 257627 527.07 175470 450.61
Grand total 115384.82 129134.05 115454.31 98391.02
India's total exports 314415.73 310352.01 262290.13 221776.35
Source: DGC&S, Kolkata (* Provisional)

Annexure-II

Statement referred to in reply of part (b) of Lok Sabha Unstarred question no. 4075 for answer on 27th March 2017.

India's Merchandise Exports: Commodity Sector-wise

(Values in USD Billions)

S. No. Commodities 2013-14 %Growth 2014-15 %Growth 2015-16 %Growth 2016-17 (Apr-Jan)* %Growth

1 Plantation 1.63 -11.72 1.50 -7.52 1.56 3.97 1.29 0.36
2 Agriculture & allied products 32.95 0.91 30.15 -8.52 24.52 -18.66 19.57 -3.67
3 Marine products 5.02 44.81 5.51 9.85 4.77 -13.48 4.99 21.63
4 Ores & minerals 3.58 -2.65 2.41 -32.75 2.01 -16.4 2.32 42.69
5 Leather & leather manufactures 5.72 17.17 6.20 8.26 5.55 -10.34 4.45 -5.2
6 Gems & jewellery 41.39 -3.72 41.27 -0.3 39.28 -4.8 35.29 11.29
7 Sports goods 0.24 14.44 0.27 16.09 0.23 -17.05 0.19 -2.3
8 Chemicals & related products 30.79 6.5 31.73 3.04 32.17 1.38 27.01 1.26
9 Plastic & rubber articles 6.86 11.02 6.62 -3.57 6.42 -3.01 5.23 -3.03
10 Articles of stone, plaster, cement, asbestos, mica or similar materials; ceramic products; glass and glassware 3.60 13.34 4.04

12.27 3.88 -4.04 3.33 4.45
11 Paper & related products 2.10 8.47 2.18 3.85 2.35 7.66 1.95 -0.11
12 Base metals 22.37 4.24 24.74 10.63 18.50 -25.24 16.78 6.97
13 Optical, medical & surgical instruments 1.56 2.92 1.69 7.89 1.64 -3.04 1.54 14.13
14 Electronics items 7.63 -5.19 6.01 -21.29 5.69 -5.31 4.62 -0.16
15 Machinery 17.57 5.78 19.71 12.16 18.92 -3.97 16.16 3.58
16 Office equipments 0.03 -40.49 0.05 77.31 0.09 63.4 0.10 39.76
17 Transport equipments 22.16 15.19 26.64 20.17 21.34 -19.9 17.90 -0.13
18 Project goods 0.05 -67.56 0.04 -22.73 0.03 -31.33 0.03 15.32
19 Textiles & allied products 36.97 12.41 37.14 0.47 35.95 -3.2 28.82 -3.42
20 Petroleum crude & products 63.18 3.81 56.79 -10.1 30.58 -46.15 25.28 -4.46
21 Others 9.00 -6.71 5.66 -37.18 6.81 20.47 4.92 -15.26
Total 314.41 4.66 310.34 -1.29 262.29 -15.48 221.78 1.48
Source: DGC&S, Kolkata (* Provisional)