

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF COMMERCE)

LOK SABHA
UNSTARRED QUESTION NO. 2147
TO BE ANSWERED ON 24th DECEMBER,2018

SUGGESTIONS MADE BY FIEO

2147. SHRI G. HARI:

Will the Minister of **COMMERCE & INDUSTRY** (वाणिज्य एवं उद्योग मंत्री) be pleased to state:

- (a) whether the Federation of India Export Organisation (FIEO) has suggested that the Government should focus priority on boosting exports to check the widening current account deficit;
- (b) if so, the details thereof along with the reaction of the Government thereto;
- (c) whether imposing curbs on imports may not have a significant impact and if so, the details thereof;
- (d) whether FIEO has suggested that the Government should not restrict imports to address the rising current account deficit and fall in the rupee; and
- (e) if so, the details thereof?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्री सी. आर. चौधरी)

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SHRI C. R. CHAUDHARY)

(a) to (e): The Federation of India Export Organization (FIEO), in his talk with Press Trust of India, has suggested that the government should not restrict import to address rising current account deficit and fall in rupee. FIEO has also suggested that if the government wants to impose curbs on non-essential items, they should consider product such as high-end electronics goods, refrigerators, watches, gold and high-end footwear and garments. Suggestions received by Government from FIEO/ Export Promotion Councils/other stakeholder time to time, which are taken into consideration as part of the ongoing regular process of review of trade policy.

In order to boost India's exports and reduce trade deficit, the Government has taken several measures through new Foreign Trade Policy 2015-20 launched on 1st April 2015, its Mid-term Review released on December 5, 2017 and other policy measures taken from time to time. The key measures includes:

- i. FTP 2015-20 provides a framework for increasing exports of goods and services as well as generation of employment and increasing value addition in the country, in

- line with the 'Make in India', 'Digital India', 'Skills India', 'Startup India' and 'Ease of doing business' initiatives.
- ii. The main policy objective is to enable India to respond to the challenges of the external environment keeping in view the rapidly evolving international trading architecture and make trade a major contributor to the country's economic growth and development.
 - iii. The policy provides the framework for promotion of exports through schemes of incentives on exports and duty remission/exemption on inputs for export production.
 - iv. The policy introduces two new schemes, namely 'Merchandise Exports from India Scheme (MEIS)' for improving export of specified goods by merging five earlier schemes for better coherence and 'Services Exports from India Scheme (SEIS)' for increasing exports of notified services. Duty credit scrips issued under MEIS and SEIS and the goods imported against these scrips are fully transferable. The MEIS scheme now covers 8057 tariff lines at 8 digits level to all countries.
 - v. The policy includes measures to nudge procurement of capital goods from indigenous manufacturers under the EPCG scheme by reducing specific export obligation from 90 percent to 75 percent of the normal export obligation.
 - vi. The policy provides issue of Advance Authorisation to allow duty free import of inputs, which is physically incorporated in export product within a specified timeline.
 - vii. Interest Equalization Scheme on pre and post shipment rupee export credit has been introduced from 1.4.2015 to help exporters in accessing credit at reduced rates.
 - viii. 'Niryat Bandhu Scheme' has been galvanised and repositioned to achieve the objectives of 'Skill India' and trade promotion/awareness.
 - ix. Trade facilitation and enhancing the ease of doing business measures have been taken with special focus on moving towards paperless working. The Government has launched a Single Window Interface for Facilitating Trade (SWIFT) clearances project with effect from 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. India also ratified the WTO Agreement on Trade Facilitation (TFA) in April 2016 for enhancing trade facilitation.
 - x. A new scheme called "Trade Infrastructure for Export Scheme (TIES)" has been launched from 1st April 2017 to address the export infrastructure gaps in the country.
 - xi. The Mid-term Review of Foreign Trade Policy 2015-20 launched on 5th December 2017 provides more incentives for export promotion.
