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

RAJYA SABHA  
STARRED QUESTION NO. 154  
TO BE ANSWERED ON 3RD DECEMBER, 2014  

RELEASE OF FOREIGN TRADE POLICY  

*154. SHRI PRAMOD TIWARI:  

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

a) by when Government is likely to release the Foreign Trade Policy;  
b) the areas on which the proposed policy will have emphasis;  
c) whether any special attention has been paid on the export of processed food, if so, the details thereof; and  
d) to what extent the proposed policy would help in boosting manufacturing in the country?  

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

a) to d): A Statement is laid on the Table of the House.
a): The new Foreign Trade Policy is under consultation and finalization. The date of release of Foreign Trade Policy is not finalized as yet.

b): The new Foreign Trade Policy will have emphasis on measures to boost exports of manufacturing and service sector and to deliver various services in a transparent and efficient manner.

c) & d): The Government has held extensive consultations with all stakeholders, including food processing industry, and taken a note of their suggestions. The details of the policy will be announced at the time of release of new foreign trade policy.
GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF COMMERCE)

RAJYA SABHA
UNSTARRED QUESTION NO. 1089
TO BE ANSWERED ON 3RD DECEMBER, 2014

REVIEW OF FUNCTIONING OF SEZs

1089. DR. K.V.P. RAMACHANDRA RAO:

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

a) whether Government proposes to review the functioning and performance of Special Economic Zones (SEZs) in the country;
b) if so, the details thereof;
c) the review done so far in this regard; and
d) the steps taken to improve the functioning of SEZs?

ANSWER

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

(a) to (d): Sir, ongoing review and reform, as necessary, of Government policy and procedure is inherent to Public Policy. The Government, on the basis of inputs/suggestions received from stakeholders on the policy and operational framework of the SEZ Scheme, periodically reviews the policy and operational framework of SEZs and takes necessary measures so as to facilitate speedy and effective implementation of SEZs. The Government has notified SEZ Rules (Amendment) 2013 vide GSR 540E dated 12.8.2013 to reduce land requirement criteria and other reform measure to boost SEZ policy framework.

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1090. DR. BHALCHANDRA MUNGEKAR:

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

a) the stand the Ministry has taken in the recently held World Trade Organization (WTO) Ministerial Conference with respect to the Treaty on Agriculture;

b) the status of the ‘peace clause’;

c) whether it has been lapsed or indefinitely postponed; and

d) the impact of (b) and (c) above on India's food security?

ANSWER

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

(a) The Ninth Ministerial Conference of the World Trade Organization (WTO) held in Bali during 3-7 December 2013 agreed on a Package including ten Decisions on various issues including Trade Facilitation, issues relating to agricultural trade rules and others relating to development and Least Developed Countries (LDCs). Following the Bali Ministerial Conference, India had decided not to join the consensus in the WTO on the implementation of the Trade Facilitation Agreement till its concerns relating to the implementation of other Bali Ministerial Decisions, in particular, the Decision on Public Stockholding for Food Security Purposes, were addressed.

(b) to (d) The General Council of the WTO adopted a decision on 27 November 2014 which makes it clear that a mechanism, under which WTO Members will not challenge the public stockholding programmes of developing country members for food security purposes, in relation to certain obligations under the WTO Agreement on Agriculture, will remain in place in perpetuity until a permanent solution regarding this issue has been agreed and adopted. The Decision also includes a commitment to find a permanent solution on public stockholding for food security purposes by 31 December 2015 on a best endeavour basis through an intensified programme of work.

This decision by the WTO General Council strengthens the safeguard available for continuing the Minimum Support Price policy and will ensure that India’s food security operations are not constrained due to WTO rules.
GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF COMMERCE)

RAJYA SABHA
UNSTARRED QUESTION NO. 1091
TO BE ANSWERED ON 3RD DECEMBER, 2014

STEPS TO HELP RUBBER CULTIVATORS IN KERALA

1091. SHRI M.P. ACHUTHAN:

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

a) whether Government's attention has been drawn to the plight of rubber cultivators in Kerala due to the fall in the prices of natural rubber recently;
b) if so, the details of the variation in prices of rubber during the last two years, the current per kg. price and the estimated remunerative price of rubber;
c) whether it is a fact that the faulty import policy of rubber has been the main reason for the fall in indigenous prices of rubber; and

d) if so, the details thereof and the measures being taken to help the rubber cultivators in Kerala?

ANSWER

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

(a) & (b): Details and variation of prices of the main grade of natural rubber of Rubber Smoked Sheet (RSS 4 grade) in the domestic market and RSS 3, which is the comparable grade of rubber in the international market during the last two years and the current year are as under:

<table>
<thead>
<tr>
<th>Year/Month</th>
<th>Domestic (RSS 4 Kottayam) (Rs / kg)</th>
<th>Variation over previous year/month (Rs/kg)</th>
<th>International (RSS 3 Bangkok) (Rs / kg)</th>
<th>Variation over previous year/month (Rs/kg)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012-13</td>
<td>176.82</td>
<td>-31.23</td>
<td>175.76</td>
<td>-33.39</td>
</tr>
<tr>
<td>2013-14</td>
<td>166.02</td>
<td>-10.80</td>
<td>155.25</td>
<td>-20.51</td>
</tr>
<tr>
<td>April 2014</td>
<td>143.80</td>
<td>-4.22</td>
<td>132.56</td>
<td>-6.72</td>
</tr>
<tr>
<td>May</td>
<td>143.41</td>
<td>-0.39</td>
<td>123.45</td>
<td>-9.11</td>
</tr>
<tr>
<td>June</td>
<td>145.46</td>
<td>2.05</td>
<td>124.60</td>
<td>1.15</td>
</tr>
<tr>
<td>July</td>
<td>141.15</td>
<td>-4.31</td>
<td>121.23</td>
<td>-3.37</td>
</tr>
<tr>
<td>August</td>
<td>132.50</td>
<td>-8.65</td>
<td>113.56</td>
<td>-7.67</td>
</tr>
<tr>
<td>Year/ Month</td>
<td>Domestic (RSS 4 Kottayam) (Rs / kg)</td>
<td>Variation over previous year/month (Rs/kg)</td>
<td>International (RSS 3 Bangkok) (Rs / kg)</td>
<td>Variation over previous year/month (Rs/kg)</td>
</tr>
<tr>
<td>------------</td>
<td>------------------------------------</td>
<td>--------------------------------------------</td>
<td>----------------------------------------</td>
<td>--------------------------------------------</td>
</tr>
<tr>
<td>September</td>
<td>123.28</td>
<td>-9.22</td>
<td>101.30</td>
<td>-12.26</td>
</tr>
<tr>
<td>October</td>
<td>123.27</td>
<td>-0.01</td>
<td>99.85</td>
<td>-1.45</td>
</tr>
</tbody>
</table>

It is not feasible to predict estimated remunerative price of rubber as the market prices are determined by demand and supply.

(c): Main reasons for the fall in rubber prices in the domestic market are low rubber prices in the international market; import of natural rubber(NR) due to prevailing deficit in consumption vis-à-vis production, irregular market arrivals; moderating economic growth in China, slow recovery in the United States and Europe and consequent weak demand for NR; increase in world stock of NR; projections of a surplus situation in world rubber market in 2014; and declining oil and butadiene prices which have reduced the cost of synthetic rubber.

(d): Import duty of dry forms of NR was raised from “20% or Rs 20 per kg whichever is lower” to “20% or Rs 30 per kg whichever is lower” in December 2013. The Government has formed an Expert Committee in June 2014 with the mandate to examine all aspects of consumption, production and trade of natural rubber and formulate a National Rubber Policy. The Government has increased planting subsidy from Rs.19,500 per ha in the 11th Plan to Rs.25,000 per ha in the 12th Plan in the traditional region and increased planting subsidy from Rs 30,000 per ha in the 11th Plan to Rs 35,000 per ha in the 12th Plan period in the non-traditional regions.
1092. DR. R. LAKSHMANAN:

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

a) whether funds released to State of Tamil Nadu under the Assistance to States for Infrastructure Development of Exports (ASIDE) has been reduced from Rs.67.27 crores in 2011-12 to Rs/60.66 crores in 2013-2014; and
b) if so, the reasons for reduction in allocation of funds under this scheme?

ANSWER

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

(a & b) Yes. The allocation of funds to States / UTs of the approved annual budget under ASIDE Scheme is done as per criteria laid down under the guidelines of the scheme, which is based on an empirical formula where 75% weightage is given to the export performance of the last 4 years and remaining 25% to the population of the State. There was a reduction in the budget outlay to ASIDE Scheme for 2013-14 to Rs. 800 crore and therefore, allocation to Tamil Nadu got reduced from Rs. 67.27 crore to Rs. 60.66 crore.

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1093. SHRI PRAMOD TIWARI:
SHRI K.C. TYAGI:

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

a) whether India and China have set up a joint official Panel to sort out trade related issues;
b) if so, the composition of members of the Panel and whether the Panel has since discussed the trade related disputes;
c) if so, the details thereof; and
d) the details of trade related issues under consultation with China and the manner in which those issues are likely to be sorted out?

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

(a) and (b): No, Sir. However issues related to bilateral trade are taken up periodically with China at India-China Joint Group on Economic Relations, Trade Science and Technology (JEG) a Government-to-Government ministerial-level dialogue mechanism established in 1988. The JEG is co-chaired by the Commerce Ministers from India and China. The 10th JEG meeting was held on 2nd September 2014 in Beijing.

(c) and (d) India has taken up a number of trade related issues with China at India-China Joint Group on Economic Relations, Trade Science and Technology (JEG) level, including those related to trade imbalance, pending market access of Indian agricultural products (bovine meat, oil meals & cake, tobacco, rice, fruits & vegetables), deepening bilateral trade cooperation in sectors like textiles, handmade carpets, oil-seeds, issues relating to export of pharma products, cooperation and market access in IT & IT enabled Services, export of Indian films to China and enhancing tourism. During the 10th JEG meeting held on 2nd September 2014 in Beijing, bilateral trade & economic issues including those stated above were raised by the Indian side. Both sides acknowledged that continued imbalance in bilateral trade has implications on long term sustainability and agreed to seek trade balance through expanding
cooperation in trade in goods, trade in services, investment, technical cooperation and tourism. Both sides agreed on a number of measures to be taken including expeditious finalisation of the protocol on export of Indian feed meal products to China, protocol on India’s export of okra, and to address the technical issues to actualize export of bovine meat from India, build on mutual co-operation in sectors such as IT&ITeS, pharmaceutical, and tourism. During the Chinese President’s visit to India in September, 2014 India and China signed the “Five Year Development Program for Economic and Trade Cooperation” laying down a medium term roadmap for promotion of balanced and sustainable development of economic and trade relations between India and China. An MoU on Audio-Visual Co-production between Ministry of Information and Broadcasting, Government of India and the State Administration of Press, Publication, Radio, Film and Television (SAPPRFT) of China was also signed during the visit of Chinese President to India. The MoU envisages Indian audio-visual products to gain greater market access in China.

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

a) whether it is a fact that in the joint statement issued during the visit of Prime Minister Narendra Modi to United States, there is a provision to form a Trade Policy Forum (TPF) to discuss trade and investment issues between the two countries; and

b) if so, the details thereof?

**ANSWER**

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

a) India-US TPF is already in existence since the time it was first established in July, 2005. The India-US TPF is designed to enhance bilateral trade and investment relations between India and the United States.

b): The 8th Ministerial Meeting of the TPF was recently held in New Delhi on 25th November, 2014. During the Meeting a range of issues including Market Access for identified products, market access for pharmaceutical & traditional medicines pharmacopeia besides Totalisation Agreement, and US Immigration Reforms were discussed.
PROTECTIVE MEASURES/BANS ON EXPORTS FROM INDIA

1098. SHRIMATI JAYA BACHCHAN:

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

a) whether Government has taken note of the protective measures and bans by various countries and regional associations against Indian exports;
b) if so, the details thereof;
c) whether Government has taken any measure to promote Indian exports in such situations; and
d) if so, the details thereof?

ANSWER

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

a) to d): A few WTO members have been taking trade remedial actions in the form of Safeguard duty, Anti-dumping Duty and Countervailing duty against imports of products originating from other countries including India, applying the provisions of WTO Agreement.

Proactive and timely action by the Government against the trade remedial investigations by member countries has definitely helped in withdrawal or reduction of such penultimate duties against some of the Indian products. Moreover, in case of blatant inconsistency in the determination to impose such duties, Government has been promptly addressing them through the Dispute Settlement Mechanism of WTO.

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

RAJYA SABHA
UNSTARRED QUESTION NO. 1099
TO BE ANSWERED ON 3RD DECEMBER, 2014

ISSUE OF FOOD SECURITY RAISED AT WTO

1099. SHRIMATI WANSUK SYIEM:

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

a) whether India had stalled signing of WTO Trade Facilitation Agreement at the Bali Ministerial Conference, demanding that the issue of public stockholding for food security, crucial for India, be addressed simultaneously;

b) whether India’s subsidies are presently below the limit, it apprehends a risk once the food security law is rolled out breaching the limit in case of rice, which could invite action from members of WTO, if the peace clause is not resolved; and

c) whether the developed world interprets the peace clause as a four-year moratorium while developing countries like India saw it as an open-ended relief?

ANSWER

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

(a) Following the Bali Ministerial Conference, India had decided not to join the consensus in the World Trade Organization (WTO) on the implementation of the Trade Facilitation Agreement till its concerns relating to the implementation of other Bali Ministerial Decisions, in particular, the Decision on Public Stockholding for Food Security Purposes, were addressed.

(b) India wanted to ensure that its public procurement for food security purposes is not constrained due to current WTO rules on the subject, under which the subsidy element in procurement at Minimum Support Prices has to be calculated in comparison with fixed External Reference Prices of the 1986-88 period without adjusting for inflation. The subsidy element has to be kept within 10% of the value of production of the agricultural product. As prices go up including for reasons of inflation and procurement increases, there is a risk of eventually exceeding this limit.

(c) The ambiguity in the language of the Bali Ministerial Decision on Public Stockholding for Food Security Purposes suggested that the peace clause would be applicable only till 2017. However, India has since succeeded in getting a Decision adopted by the WTO General Council on 27 November 2014 which makes it clear that the peace clause will remain in place in perpetuity until a permanent solution regarding this issue has been agreed and adopted. This strengthens the safeguard available for continuing the Minimum Support Price policy and will ensure that India’s food security operations are not constrained due to WTO rules.

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1101. SHRI BAISHNAB PARIDA:

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

(a) whether Government proposes to revive Special Economic Zones (SEZs), develop industrial corridors, fast track development in manufacturing and other sectors in the country;

(b) if so, the details of important major industrial corridors proposed to be built up to link eastern States, especially Odisha, with other regions in the country; and

(c) the time-frame within which these would be started and completed to reap their benefits by the individual units?

ANSWER

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

(a) to (c): Ongoing review and reform, as necessary, of Government policy and procedure is inherent to Public Policy. The Government, on the basis of inputs/suggestions received from stakeholders on the policy and operational framework of the SEZ Scheme, periodically reviews the policy and operational framework of SEZs and takes necessary measures so as to facilitate speedy and effective implementation of SEZs.

The Department of Industrial Policy and Promotion is developing five Industrial corridors in the country such as Delhi-Mumbai Industrial Corridor (DMIC), Chennai-Bengaluru Industrial corridor (CBIC), Bengaluru-Mumbai Economic Corridor (BMEC), Vizag-Chennai Industrial Corridor (VCIC) and Amritsar-Kolkata Industrial Corridor (AKIC). DMIC is already under implementation whereas other corridors are at their early stages of implementation. There is no proposal to cover the State of Odisha under these Industrial/economic corridors.

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1102. SHRIMATI SASIKALA PUSHPA:

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

a) the year-wise and country-wise details regarding total volume and value of export of mangoes to USA and other countries during the last three years;
b) whether USA has imposed a ban on import of mangoes;
c) if so, the details thereof and the reasons therefor; and
d) the steps taken to increase export of mangoes to earn more foreign exchange?

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

(a) The year-wise and country-wise details of total volume and value of export of mangoes to USA and other countries (top ten) during the last three year are as under:

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>2011-12</th>
<th>2012-13</th>
<th>2013-14</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Quantity</td>
<td>Value</td>
<td>Quantity</td>
</tr>
<tr>
<td>USA</td>
<td>4452</td>
<td>6.58</td>
<td>4301</td>
</tr>
<tr>
<td>SAUDI ARABIA</td>
<td>47353</td>
<td>35.98</td>
<td>45853</td>
</tr>
<tr>
<td>UAE</td>
<td>33366</td>
<td>32.34</td>
<td>29456</td>
</tr>
<tr>
<td>YEMEN</td>
<td>18290</td>
<td>10.42</td>
<td>25203</td>
</tr>
<tr>
<td>NETHERLAND</td>
<td>17083</td>
<td>19.81</td>
<td>11846</td>
</tr>
<tr>
<td>U K</td>
<td>8245</td>
<td>9.81</td>
<td>6583</td>
</tr>
<tr>
<td>SUDAN</td>
<td>2399</td>
<td>1.69</td>
<td>6305</td>
</tr>
<tr>
<td>CHINA</td>
<td>2951</td>
<td>3.54</td>
<td>2886</td>
</tr>
<tr>
<td>KUWAIT</td>
<td>9414</td>
<td>7.96</td>
<td>5597</td>
</tr>
<tr>
<td>GERMANY</td>
<td>2452</td>
<td>3.04</td>
<td>1760</td>
</tr>
<tr>
<td>OTHER COUNTRIES</td>
<td>71896</td>
<td>48.90</td>
<td>45743</td>
</tr>
<tr>
<td>Grand Total</td>
<td>217903</td>
<td>180.07</td>
<td>185532</td>
</tr>
</tbody>
</table>

Source: DGCI&S

(b) No, Sir.

(c) Does not arise in view of (b) above.
The Agricultural and Processed Food Products Export Development Authority (APEDA), under the administrative control of the Department of Commerce has taken following steps to increase export of mangoes:

- APEDA provides financial assistance to its registered eligible exporters for setting up post harvest infrastructure facilities, purchase of laboratory equipment, implementing quality management system and transport assistance for non traditional markets.

- To meet the quarantine concerns of importing countries, APEDA has extended financial assistance to state government agencies to establish Vapour Heat Treatment (VHT) facilities in Andhra Pradesh, Uttar Pradesh and Maharashtra and for irradiation facility in Maharashtra and Gujarat.

- For ensuring food safety aspects, export of fruits and vegetables to EU is now regulated through APEDA recognized pack houses only.

- APEDA has made efforts for opening up new markets for Indian mangoes such as USA, China, Japan, Australia, New Zealand, Chile etc.

- APEDA has organized mango promotion programmes in several locations in Middle East Europe, China and South East Asia.

Besides these measures, the Ministry of Commerce & Industry has put in place various schemes namely Market Development Assistance (MDA), Market Assistance Initiative (MAI), Assistance to States for Developing Export Infrastructure and Allied Activities (ASIDE), Vishesh Krishi and Gram Upaj Yojana, Focus Product Scheme, Focus Market Scheme etc. to provide assistance to encourage exports. These schemes are open to exporters/associations from all States/UTs.

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ASSISTANCE TO STATES FOR GROWTH OF EXPORTS

1104. SHRI C.M. RAMESH:

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

a) whether Government is providing assistance to the State Governments for creating appropriate infrastructure for the development and growth of exports;

b) if so, the details of the assistance provided by Government to augment the infrastructure capacity in the State of Andhra Pradesh during the last five years; and

c) if no such assistance is provided the reasons therefor?

ANSWER

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

(a) Yes, Department of Commerce is operating Assistance to States for Developing Export Infrastructure and Allied Activities (ASIDE) scheme to assist the State Governments for creating appropriate infrastructure for the development and growth of exports.

(b) The details of amount released to Andhra Pradesh under Assistance to States for Developing Export Infrastructure and Allied Activities (ASIDE) Scheme during last five years and the current year is as under:

(Rs. in crore)

<table>
<thead>
<tr>
<th>Released 2009-10</th>
<th>Released 2010-11</th>
<th>Released 2011-12</th>
<th>Released 2012-13</th>
<th>Released 2013-14</th>
<th>Released 2014-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>20.41</td>
<td>31.21</td>
<td>40.82</td>
<td>36.44</td>
<td>39.09</td>
<td>20.38*</td>
</tr>
</tbody>
</table>

* The allocation for 2014-15 is less than previous year due to Andhra Pradesh Reorganization Act, 2014 leading to bifurcation of the State. Equal allocation has been made for Telangana, the new State carved out of Andhra Pradesh.

(c) Does not arise.

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