234. SHRI K.N. BALAGOPAL:

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

a) whether Government has discussed about the trade agreements with US Government in the last six months;

b) if so, the details thereof; and

c) whether any new clauses have been adopted or accepted in this regard?

ANSWER

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

a) No, Sir.

b) & c): Does not arise.

************
INCENTIVES UNDER THE NEW POLICY FOR COFFEE GROWERS

239. DR. T. SUBBARAMI REDDY:

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

a) whether the Coffee Board has come out with a new policy, proposing incentives if coffee growers sell their produce through auction platforms such as Indian Coffee Trade Association (ICTA), if so, the details thereof;
b) whether any subsidy will also be provided for export through Self-Help Groups or farmer producer organisations, if so, the details thereof; and
c) whether subsidy is also proposed for small roaster and curing units to boost domestic promotion of coffee, if so, the details thereof?

ANSWER

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

a) to c): A Statement is laid on the Table of the House.

**********
STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF RAJYA SABHA
STARRED QUESTION NO. 239 FOR ANSWER ON 10TH DECEMBER, 2014 REGARDING
“INCENTIVES UNDER THE NEW POLICY FOR COFFEE GROWERS”

(a) & (b): The ‘Integrated Coffee Development Project’ of the Coffee Board approved for implementation during the Twelfth (XIIth) Plan includes a component of support to small growers’ collectives/Self Help Groups (SHGs)/ Cooperatives for marketing of coffee at the rate of Rs.4.00 per kg of clean coffee. The subsidy is available to the small growers’ collectives / SHGs / Cooperatives for coffee sold through public auction platforms such as that operated by Indian Coffee Trade Association (ICTA) or through a registered exporter in the name of Growers’ collectives / SHGs / Cooperatives.

(c): During the XII Plan, the small roasting units with a capacity of less than twenty five kg are eligible for subsidy support of thirty five percent of the machinery cost with a ceiling of Rupees fifty lakhs. For the Self Help Groups (SHGs), women entrepreneurs and SC/ ST beneficiaries, subsidy support is forty percent of the machinery cost with a ceiling of Rupees fifty lakhs. Small commercial gourmet roasting units with less than ten kg capacity are eligible for subsidy support of thirty five percent of the cost of the machinery with a maximum ceiling of Rupees ten lakhs per unit.

Curing units are eligible for subsidy at the rate of twenty five percent of the cost of the machinery purchased and installed subject to a ceiling of Rupees fifty lakhs per Curing Unit.

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

RAJYA SABHA
STARRED QUESTION NO. 240
TO BE ANSWERED ON 10TH DECEMBER, 2014

FALL IN PRICES OF BASMATI RICE IN WORLD MARKET

240. SHRI NARESH GUJRAL:

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

a) whether it is a fact that the world prices of Basmati rice have crashed in the past two months;
b) if so, how would this impact export of Basmati rice in the current year; and
c) whether Government has an estimate of the quantum of loss that shall be caused to the farmers due to the fall in prices?

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

a) to c): A Statement is laid on the Table of the House.

**********
STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF RAJYA SABHA STARRED QUESTION NO. 240 FOR ANSWER ON 10TH DECEMBER, 2014 REGARDING “FALL IN PRICES OF BASMATI RICE IN WORLD MARKET”

(a) The data for actual exports of basmati rice for the current year, maintained by DGCI&S, is available only for the period April to September 2014. However, as per the information from registration of export contracts by APEDA, the average FOB prices for the last two months viz. October and November 2014 are USD 1292 PMT and USD 1218 PMT respectively. As compared to average FOB value of USD 1295.14 PMT for the previous year (2013-14), the prices are marginally down by 0.24% and 5.96% for October and November 2014 respectively. The 5 year average FOB value is USD 1104.90 PMT. The prices during October and November 2014 are still higher by 17.21% and 10.24% respectively as compared to the 5 year average.

(b) & (c) The fall in export of basmati rice cannot be attributed solely to the international prices. Export of an agricultural commodity like basmati rice depends on various factors including availability of surplus over and above the domestic requirement, international demand and supply situation, quality standards in the importing countries, varieties traded and price competitiveness etc.

As per the information available from DGCI&S, the actual export data for basmati rice during April-September in the current year and the same period in the previous year is as follows:

<table>
<thead>
<tr>
<th></th>
<th>Quantity in lakh MT</th>
<th>Value in USD Million</th>
</tr>
</thead>
<tbody>
<tr>
<td>April-Sept 2014</td>
<td>16.41</td>
<td>2304.69</td>
</tr>
<tr>
<td>April-Sept 2013</td>
<td>19.31</td>
<td>2412.61</td>
</tr>
</tbody>
</table>

As can be seen from the above data the export of basmati rice during the current year (Apr – Sept) has fallen by 4.46% in value terms.

Although prevailing international prices of Basmati rice have fallen in the recent months, seen in the background of 5 year average FOB value of USD 1104.90/MT, the prices have not fallen to unprecedented levels.

******
WITHDRAWAL OF EXPORT INCENTIVES TO TEXTILE SECTOR

1871. SHRI AVINASH RAI KHANNA:

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

a) whether Government is contemplating withdrawal of export incentives to textile sector;
b) if so, the details thereof; and
c) the impact thereof on the Indian textile industry?

ANSWER

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

a) to c): The new Foreign Trade Policy is under consultation and finalization. View about withdrawal or continuation of export incentives to textile sector has not been taken so far.

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

a) whether it is a fact that 50 per cent of land allotted to various Special Economic Zones (SEZs) in the country is lying without utilisation leading to wastage of resources;

b) whether it is also a fact that SEZ schemes have failed to generate desired employment in the country;

c) if so, the details thereof and the reasons therefor; and

d) the efforts being made to improve the SEZ scheme for better use of resources?

ANSWER

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

(a): Out of total notified area of 46085.55 hectares in respect of 370 notified Special Economic Zones (SEZs) including 7 Central Government SEZs and 11 State/Private Sector SEZs set-up prior to the enactment of the SEZ Act, 2005, 18299.29 hectares are lying vacant in Processing Area of these SEZs.

(b) & (c): The contribution of SEZ exports, employment generated and investment made in SEZs during the last three years is as under:

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>Exports (Rs. Crore)</th>
<th>Employment (Persons)</th>
<th>Investment (Rs. Crore)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011-2012</td>
<td>364478</td>
<td>844916</td>
<td>201875</td>
</tr>
<tr>
<td>2012-2013</td>
<td>476159</td>
<td>1074904</td>
<td>236717</td>
</tr>
<tr>
<td>2013-2014</td>
<td>494077</td>
<td>1283309</td>
<td>296663</td>
</tr>
</tbody>
</table>

* Calculated on cumulative basis.
(d): 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 reduced land requirement criteria and other reform measure to boost SEZ policy framework. Besides, steps for time bound delivery of services, digitization and online processing of various activities involving Developers and Units have been taken.

*****
DISCUSSION IN WTO ON WELFARE OF AGRICULTURAL SECTOR

1875. SHRI DARSHAN SINGH YADAV:
SHRI K.C. TYAGI:

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

a) whether any discussion has been taken recently in World Trade Organisation (WTO) on the issue of the welfare of agricultural sector;
b) if so, the details thereof; and
c) if not, the reasons therefor?

ANSWER

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

(a) & (b) The focus of the ongoing Doha Round of trade negotiations in the World Trade Organization is ‘development’. The Doha Development Agenda (DDA) envisages disciplines on and reductions in trade-distorting agricultural subsidies with special and differential treatment for developing countries. At a Ministerial Conference of the WTO in Bali, Indonesia in December 2013, decisions were taken on some of the issues in the DDA. Decisions in the area of agriculture relate to public stockholding for food security purposes, agricultural quotas, export competition and cotton.

India has since succeeded in getting a Decision adopted by the WTO General Council 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. 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.

(c) Does not arise, in view of reply to (a) & (b) above.

**********
1876. DR. T.N. SEEMA:

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

a) the value-wise details of the exports from labour intensive sectors like leather, textiles, etc. during each of the last three years and the current year;
b) whether Government has conducted any study to analyse and identify the sectors which are lagging behind in international trade, if so, the details thereof;
c) whether Government has reviewed the impact of the previous stimulus package for the sectors which are lagging behind in exports particularly the labour intensive sectors; and
d) if so, the outcome thereof and the fiscal and non-fiscal measures taken by Government to promote the exports from the labour intensive sectors?

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

(a) The value-wise details of the merchandise exports from labour intensive sectors like leather, textiles, etc. during each of the last three years and the current year are as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Leather &amp; Manufacturers</td>
<td>4.8</td>
<td>4.9</td>
<td>5.7</td>
<td>3.7</td>
</tr>
<tr>
<td>Textiles</td>
<td>27.2</td>
<td>26.4</td>
<td>30.5</td>
<td>16.7</td>
</tr>
<tr>
<td>Handloom Products</td>
<td>0.6</td>
<td>0.5</td>
<td>0.4</td>
<td>0.2</td>
</tr>
<tr>
<td>Carpet</td>
<td>0.8</td>
<td>1</td>
<td>1</td>
<td>0.9</td>
</tr>
<tr>
<td>Handicrafts</td>
<td>0.3</td>
<td>0.2</td>
<td>0.3</td>
<td>0.8</td>
</tr>
<tr>
<td>Sports Goods</td>
<td>0.2</td>
<td>0.2</td>
<td>0.2</td>
<td>0.2</td>
</tr>
</tbody>
</table>
(b) to (d). Exports of handloom, handicrafts and other labour intensive sectors are supported through various schemes under Foreign Trade Policy like, Focus Market Scheme, Market Linked Focus Product Scheme, Focus Product Scheme and Duty Drawback Scheme. Exporters of these products can also avail duty free import of capital Goods under EPCG scheme and raw materials under Advance Authorisation Scheme or Duty Free Import Authorization (DFIA) Scheme. Exports of these sectors are also supported through different schemes implemented by various Ministries/ Departments like, Ministry of Textiles, Department of Industry Policy and Promotion, Ministry of MSME, Ministry of Food Processing Industries etc. These schemes are reviewed from time to time by the concerned Ministries.

Some of the promotional measures taken by the Government for Labour intensive sectors are:

(i) Two percent Interest Subvention Scheme, which was available for certain export sectors viz. Handicrafts, Carpet, Handlooms, SMEs, Readymade Garments, Processed Agriculture Products and Toys was enhanced from 2% to 3% with effect from 1.8.2013 to 31.3.2014.
(ii) The exemption of excise duty on handmade carpets and textile floor coverings of coir and jute.
(iii) The zero excise duty at fibre stage for cotton and a duty of 12 per cent at the fibre stage for spun yarn made of manmade fibre.
(iv) In Union Budget 2014-15 also, following steps have been announced to encourage exports of labour intensive sectors, including handicrafts and handlooms:
   • Duty free entitlements for import of trimmings, embellishments and other specified items have enhanced from 3% to 5% of the value of exports for readymade garments.
   • Mega textile clusters with a sum of Rs. 200 crore at various places of India like Varanasi, Bareily etc.
   • Trade Facilitation Centre and a Crafts Museum with an outlay of Rs. 50 crore.
   • A Hastkala Academy with an outlay of Rs. 30 crore.

*********************
LIFTING BAN ON IMPORT OF AGRICULTURAL PRODUCTS FROM USA

1877. SHRIMATI KANIMOZHI:

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

a) whether it is a fact that the World Trade Organisation (WTO) has asked for lifting the ban on import of US agricultural products to India, if so, the details thereof;
b) whether independent research has shown that poultry firms in US frequently feed antibiotics to chickens, if so, the details thereof; and
c) whether the agricultural import from US is likely to have adverse impact on the Indian poultry industry and the health of the consumers?

ANSWER

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

(a): In the WTO dispute DS430, the WTO Panel had ruled that the restrictions imposed on importation of certain Agricultural Products including poultry and poultry products from the United States, on account of outbreak of Avian Influenza (highly pathogenic or low pathogenic Avian Influenza) in the country from where exports happen, vide the Government of India notification No. S.O. 1663(E) dated 16 July, 2011, is inconsistent with the WTO Law.

(b): No research study has been made available to the Department of Commerce, Government of India showing poultry firms in the US frequently feeding antibiotics to chickens.

(c): During the last five years, there has been no import of poultry and poultry products from the USA. So far, no assessment has been made on the likely impact on the Indian poultry industry and the health of the consumers in case the aforesaid ban is withdrawn for imports from USA.

**********
ENCOURAGING SMALL AND MEDIUM ENTERPRISES IN COCONUT, SPICES AND COIR CONVENTIONS

1878. DR. E.M. SUDARSANA NATCHIAPPAN:

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

a) whether Government is encouraging Small and Medium Enterprises in coconut, spices and coir conventions to catch up international market share; and

b) if so, whether the trade shows such as ‘An International Coconut, Spices and Coir Convention’, Coimbatore, Tamil Nadu, is financially supported by trade promotion institutions?

ANSWER

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

(a): Government undertakes export promotion activities and provides assistance to Small and Medium Enterprises (SME) through the Coconut Development Board, the Spices Board and the Coir Board to access the international markets. The Boards provide support, inter alia, for participation in international trade fairs and market development to entrepreneurs including those in the SME sector.

(b): The Coconut Development Board, the Coir Board and the Spices Board have not sponsored the ‘International Coconut, Spices and Coir Convention’. However, their participation in the exhibition will depend on the feasibility and perceived benefits from the participation.

*******
1879. SHRI SUKHENDU SEKHAR ROY:

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

a) whether India's merchandise exports in October, 2014 fell 5.04 per cent year-on-year to 26.09 billion dollars, and imports during October 2014 grew 3.16 per cent to 39.45 billion dollars, widening the trade deficit to 13.3 billion dollars compared to 10.59 billion dollars in October, 2013;

b) if so, the details thereof and the reasons therefor; and

c) whether one of the main factors could be attributed to stoppage of interest subsidy to exporters, especially MSME exporters and recovering the same from them?

ANSWER

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

(a) Yes Sir. The details are as under:

<table>
<thead>
<tr>
<th>Month</th>
<th>Export</th>
<th>Import</th>
<th>Trade Deficit</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 2013</td>
<td>27.48</td>
<td>38.08</td>
<td>10.59</td>
</tr>
<tr>
<td>October 2014</td>
<td>26.09</td>
<td>39.45</td>
<td>13.35</td>
</tr>
<tr>
<td>Growth %</td>
<td>-5.04</td>
<td>3.62</td>
<td>26.06</td>
</tr>
</tbody>
</table>

(b) & (c) Details of merchandise export by various sectors under MSME, that are mostly labour intensive, for the months of current year 2014-15 (Apr-Oct) and corresponding period of last year 2013-14 (Apr-Oct) are as under:
One of the important markets for Indian exports, Euro Zone is presently facing problems of stagnation and deflation. WTO also in its Press Release dated, 26th September, 2014, has reduced the forecast for World Trade growth in 2014 to 3.1% (down from 4.7% in April, 2014), which has an impact on India’s Export also. Despite forecast of slowing down of exports globally, India’s exports in most of the segments of MSME sector have not come down during 2014-15, therefore it would not be proper to conclude that stopping of interest subsidy to exporters has affected the MSME exports.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Leather &amp; Manufacturers</td>
<td>3.21</td>
<td>3.75</td>
</tr>
<tr>
<td>Textiles</td>
<td>15.07</td>
<td>16.75</td>
</tr>
<tr>
<td>Sports Goods</td>
<td>0.14</td>
<td>0.17</td>
</tr>
<tr>
<td>Handloom Products</td>
<td>0.25</td>
<td>0.22</td>
</tr>
<tr>
<td>Handicrafts</td>
<td>0.86</td>
<td>0.81</td>
</tr>
<tr>
<td>Carpet</td>
<td>0.68</td>
<td>0.86</td>
</tr>
</tbody>
</table>

1883. SHRI SANJAY RAUT:

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

a) whether the Ministry of Health and Family Welfare has urged Government for the implementation of the total ban on tobacco farming and all forms of processed/flavoured/scented chewing tobacco, whether going by the name or form of 'gutka', 'zarda' etc.;

b) if so, Government's response and reaction thereto;

c) whether Government is seriously considering to ban tobacco farming in the country;

d) if so, whether Government is prepared for giving any alternative farming method to the tobacco farming people; and

e) if so, the details thereof?

ANSWER

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

(SMT. NIRMALA SITHARAMAN)

(a) There is no such proposal from the Ministry of Health and Family Welfare for total ban on tobacco farming. However, Food Safety and Standards (Prohibition and Restrictions on Sales) Regulations, 2011 dated 1st August 2011, issued under the Food Safety and Standards Act, 2006, inter alia prohibit that use of tobacco and nicotine as ingredients in any food products, The said Regulation 2.3.4 lays down as under:-

“Products not to contain any substance which may be injurious to health; Tobacco and nicotine shall not be used as ingredients in any food products”

(b) Does not arise.

(c) There is no such proposal under the consideration of the Department of Commerce.

(d & e) Do not arise.

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

RAJYA SABHA
UNSTARRED QUESTION NO. 1885
TO BE ANSWERED ON 10TH DECEMBER, 2014

FUNCTIONING SEZs

1885. SHRI C. P. NARAYANAN:

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

a) how many Special Economic Zones (SEZs) are there in the country at present;
b) whether all of them function at present and whether they satisfy all the norms;
c) the number of people employed by them;
d) the contribution of these SEZs to the National GDP in the most recent year for which data are available; and
e) the total tax revenue from them during that year?

ANSWER

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

(a) & (b): In addition to Seven Central Government Special Economic Zones (SEZs) and 11 State/Private Sector SEZs set-up prior to the enactment of the SEZ Act, 2005, approval has been accorded to 524 proposals out of which 352 SEZs have been notified. Presently, a total of 196 SEZs are exporting.

(c): As on 30th September, 2014, out of the total employment provided to 13,50,071 persons in SEZs as a whole, 12,15,367 persons is incremental employment generated after February, 2006 when the SEZ Act has come into force. This is apart from millions of man days of employment generated by the developers for infrastructure activities.

(d) & (e): The total exports from SEZs as on 30th September, 2014 i.e. in the first two quarter of the current financial year 2014-15 has been to the tune of Rs.2,34,821 crore approximately. The total investment in SEZs till 30th September, 2014 is Rs.3,80,284 crore. The contribution of SEZs exports in the total exports of the country is 23.71%. Taxes including direct taxes, indirect taxes and State level taxes are collected as per the respective Acts and Rules.

*****
1886(H). SHRI PRABHAT JHA:

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

a) whether it is a fact that demand for Indian products has decreased in foreign countries due to slowdown of the pace of development in various economies of the world and consequently export has also gone down;

b) if so, the details thereof; and

c) the details of the short term and long term measures being adopted by Government to insulate export sector of the country in view of the apprehension of global recession in the world economy?

ANSWER

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

(a) & (b) Due to slowdown of the pace of development in various economies of the World, the demand of World has come down. WTO in its Press Release dated, 26th September, 2014, has reduced the forecast for World Trade growth in 2014 to 3.1% (down from 4.7% in April, 2014). Despite forecast of slowing down of exports globally, India’s total exports have increased by 4.72 percent during April- October, 2014. However, for certain commodities exports have come down, namely Tea, Coffee, Cereals other than Rice, Tobacco, Spices, Oil Meals, Fruits and Vegetables, Iron Ore, Mica, Coal & Other Ores, Minerals including Processed Minerals, Gems & Jewellery, Electronic Goods, Cotton Yarn/Fabrics/made-ups, Handloom Products etc., Jute Manufacturing including Floor Covering, Handicrafts excluding handmade carpet.

(c) Exports are supported through schemes of Foreign Trade Policy as well as various promotional schemes of concerned Ministries/Departments. Government has also taken steps like withdrawing export duty on de-oiled rice bran oil cake, exemption of excise duty on handmade carpets and textile floor coverings of coir and jute and zero excise duty at fiber stage for cotton.

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

RAJYA SABHA
UNSTARRED QUESTION NO. 1887
TO BE ANSWERED ON 10TH DECEMBER, 2014

SUSTAINABILITY CHALLENGES FOR TEA GROWERS

1887. SHRI VIJAY JAWAHARLAL DARDA:

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

a) whether Government is aware that India, the world's second largest tea producer, is facing sustainability challenges in areas like agricultural issues, quality and safety, rising production costs;

b) if so, the steps Government proposes to take on each of the above issues;

c) whether Government proposes to provide incentives to tea growers due to rising of cost of production; and

d) if not, the reasons therefor?

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

(a): Tea production in India is faced with challenges including those appearing in form of rising cost of production and high standards of quality and safety demanded in export destinations.

(b): Government has taken steps through the Tea Board to implement Plant Protection Code (PPC) for safe use of chemicals in cultivation of tea. The PPC is a comprehensive Code of best practice guide to tea production. Tea Board has also launched a “Trustea” code certification programme under which the social, economic, agronomic and environmental performance of Indian tea estates, small growers and Bought Leaf Factories (BLF) is evaluated with regard to quality and safety measures. Higher allocation of subsidy as compared with the existing levels is included in the XII Plan under various plan schemes of Tea Board with a view to compensate rising cost of production.

(c) & (d): The Government of India have initiated several steps through the Tea Board to boost production and productivity. The Schemes under implementation include, inter alia, financial support on easy terms for undertaking replanting, replacement planting, rejuvenation of old aged tea bushes, quality certification, and incentives for the production of orthodox and green tea. Total funds disbursed during XI plan period and first two years of XII Plan period by way of subsidy on this account are Rs. 646.66Cr.

************
WIDENING TRADE DEFICIT

1888. SHRIMATI AMBIKA SONI:

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

a) the month-wise rate of imports and exports during the current year;
b) whether India's exports show decline recently, widening trade deficit;
c) if so, whether reasons were analysed and steps taken for giving thrust on exports; and
d) how do they compare with the corresponding period last year, the details thereof?

ANSWER

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

(a) & (d) Monthly growth rate of merchandise exports and imports during the current year 2014-15 (April – October) are in Table-1. Month-wise figures of merchandise exports, imports and trade deficit for the current year 2014-15 (April-October) and the corresponding period of last year 2013-14 (April-October) are in Table-2.

Table -1:

<table>
<thead>
<tr>
<th>Month</th>
<th>2014-15</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Values in US $ Billion</td>
</tr>
<tr>
<td>Month</td>
<td>Monthly growth rate of Exports</td>
</tr>
<tr>
<td>Apr</td>
<td>-</td>
</tr>
<tr>
<td>May</td>
<td>12.25</td>
</tr>
<tr>
<td>Jun</td>
<td>-4.69</td>
</tr>
<tr>
<td>Jul</td>
<td>6.82</td>
</tr>
<tr>
<td>Aug</td>
<td>-4.41</td>
</tr>
</tbody>
</table>
(b)&(c) As per WTO Press Release dated, 26th September, 2014, the forecast for World Trade growth in 2014 is 3.1% (down from 4.7% in April, 2014). Despite slowing down of Global demand, India’s exports during 2014-15 (April-October), have shown moderate export growth (4.7%) and trade deficit has reduced by 4.08%. Negative growth of exports of certain major commodities, namely, Petroleum, Engineering goods, Drugs and Pharmaceuticals, Cotton/Textiles/Made-ups, Rice, Spices, Fruits & Vegetables, Oil Meal, Tea have been analysed. Recently the government has also taken many initiatives to boost exports. These *inter alia* include withdrawing export duty on de-oiled rice bran oil cake, exemption of excise duty on handmade carpets and textile floor coverings of coir and jute and zero excise duty at fibre stage for cotton and a duty of 12 per cent at the fibre stage for spun yarn made of manmade fibre.

<table>
<thead>
<tr>
<th></th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Apr-Oct</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Exports</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>2013-14</td>
<td>24.52</td>
<td>24.92</td>
<td>24</td>
<td>25.84</td>
<td>26.34</td>
<td>28.14</td>
<td>27.48</td>
<td>181.23</td>
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<tr>
<td>%Growth</td>
<td>-0.38</td>
<td>10.03</td>
<td>8.91</td>
<td>8.07</td>
<td>1.33</td>
<td>2.7</td>
<td>-5.04</td>
<td>4.72</td>
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<tr>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>2013-14</td>
<td>41.58</td>
<td>43.99</td>
<td>35.3</td>
<td>38.33</td>
<td>37.03</td>
<td>34.26</td>
<td>38.07</td>
<td>268.55</td>
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<tr>
<td>2014-15</td>
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<td>38.49</td>
<td>40.11</td>
<td>37.51</td>
<td>42.98</td>
<td>39.45</td>
<td>273.55</td>
</tr>
<tr>
<td>%Growth</td>
<td>-13.85</td>
<td>-10.77</td>
<td>9.01</td>
<td>4.65</td>
<td>1.31</td>
<td>25.46</td>
<td>3.63</td>
<td>1.86</td>
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<tr>
<td><strong>Trade Deficit</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013-14</td>
<td>17.05</td>
<td>19.06</td>
<td>11.31</td>
<td>12.49</td>
<td>10.69</td>
<td>6.12</td>
<td>10.59</td>
<td>87.32</td>
</tr>
<tr>
<td>%Growth</td>
<td>-33.20</td>
<td>-37.93</td>
<td>9.20</td>
<td>-2.40</td>
<td>1.22</td>
<td>130.23</td>
<td>26.16</td>
<td>-4.08</td>
</tr>
</tbody>
</table>

*Source: DGCIS, 2014-15 data provisional*
ILLEGAL IMPORT OF FOREIGN MADE CRACKERS

1889(H). SHRI MOTILAL VORA:

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

a) whether it is a fact that bringing foreign made crackers in India, selling or keeping them is illegal;

b) whether it is also a fact that in spite of the warning by Government large number of Chinese crackers have been imported clandestinely and sold in Indian markets;

c) if so, the steps taken by Government to stop it in future;

d) if not, the reasons therefor; and

e) the big businessmen who had applied for importing Chinese crackers?

ANSWER

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

(a) Import of foreign made crackers is restricted. Import can be made only on the basis of an import authorisation. No authorisation has been issued by the Directorate General of Foreign Trade for import of crackers.

(b) Few cases of such import have been detected by the Directorate of Revenue Intelligence and Customs.

(c) & (d) The Petroleum and Explosive Safety Organisation (PESO) has written to Chief Commissioner of Customs, Kolkata, Chennai, Nhava Sheva, Raigad (Maharashtra) and New Delhi in this regard. Public Notice was also published in National and Local News papers across the nation to create awareness amongst public against the purchase and use of fireworks of foreign origin.

(e) Since 2010, three applications were received for import of fireworks/crackers from China. All these were rejected on the advise of Petroleum and Explosive Safety Organization.

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1891. SHRIMATI WANSUK SYIEM:

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

(a) whether the recently released DHL Global Connectedness Index, 2014 is a unique 3-D view of the globalisation of 140 countries’ trade, capital, information and people inflows;

(b) whether India ranks, 71st out of 140 countries in this index on its overall level of global connectedness, down from 68th two years ago;

(c) whether India missed out on the WTO’s Bali package projected to generate global gains of $1 trillion or more for its middle of the pack ranking; 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) DHL Global Connectedness (GCI) index is prepared by the DHL, an international private logistics company giving ranking to different countries based on certain parameters.

(b) Yes, Sir.

(c)&(d) No, Sir. The two are not related. As far as the Bali Package is concerned, India raised its concerns on public stock holding for food security purposes which have since been addressed. The projected global gains of $1 trillion from the Trade Facilitation Agreement is not a substantiated figure. In fact various reports have used various figures based on their assumptions and therefore these cannot be taken as accepted figures.

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1894. SHRI D. RAJA:
SHRI M.P. ACHUTHAN:

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

a) whether it is a fact that India and USA have agreed to pave the way for global trade pact after US agreed to accommodate India's concern over food security, during upcoming general council meeting of WTO; 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) & (b) At the Ninth Ministerial Conference of the World Trade Organization (WTO) held in Bali during 3-7 December 2013, Ministerial Decisions were taken on various issues including Trade Facilitation, agricultural trade rules and others relating to development and Least Developed Countries. Subsequently, India 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.

India and the United States of America, thereafter, resolved their differences in the matter, paving the way for talks to proceed in the WTO. On 27 November 2014, the General Council of the WTO adopted Decisions on Public Stockholding for Food Security Purposes, the Trade Facilitation Agreement and Post Bali Work. The Decision on Public Stockholding for Food Security Purposes 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 development will enable talks in the WTO to proceed for the full implementation of the Doha Development Agenda, including all elements of the Bali package.

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

RAJYA SABHA
UNSTARRED QUESTION NO. 1933
TO BE ANSWERED ON 10TH DECEMBER, 2014

IMPORT OF SOLAR PANELS

1933. SHRI DEVENDER GOUD T.:

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

a) the country-wise, component-wise and year-wise details of solar panels, photovoltaic cells, etc., imported from various countries in the last ten years for production of solar power;
b) to what extent, in the absence of antidumping proposal, helps India to import solar energy technology, solar panels, etc., more easily; and
c) in view of (b) above, to what extent the solar power has become cheap?

ANSWER

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

(a) The country-wise/commodity-wise details of export and import in last ten years are available in the DGCI&S publication in CD form, 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.

However, details of solar panels, photovoltaic cells, etc. imported from various countries in the last ten years for production of solar power are as follows:

<table>
<thead>
<tr>
<th>Period</th>
<th>Quantity (thousand Kgs)</th>
<th>Value (US$ Million)</th>
<th>Quantity (number in thousand)</th>
<th>Value (US$ Million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004-05</td>
<td>0.00</td>
<td>0</td>
<td>10,300.42</td>
<td>36.24</td>
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<tr>
<td>2005-06</td>
<td>0.00</td>
<td>0</td>
<td>11,628.62</td>
<td>41.18</td>
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<tr>
<td>2006-07</td>
<td>0.00</td>
<td>0</td>
<td>15,982.56</td>
<td>91.92</td>
</tr>
<tr>
<td>2007-08</td>
<td>8.69</td>
<td>0.02</td>
<td>22,024.28</td>
<td>168.85</td>
</tr>
<tr>
<td>----------------</td>
<td>---------</td>
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<td>---------</td>
<td>-----------</td>
</tr>
<tr>
<td>Amount</td>
<td>6.19</td>
<td>9.33</td>
<td>13.46</td>
<td>20.37</td>
</tr>
<tr>
<td>Percentage</td>
<td>0.04</td>
<td>0.05</td>
<td>0.04</td>
<td>0.1</td>
</tr>
<tr>
<td>Value</td>
<td>38,535.81</td>
<td>47,776.84</td>
<td>52,548.17</td>
<td>139,724.69</td>
</tr>
<tr>
<td>Cost</td>
<td>380.26</td>
<td>213.75</td>
<td>252.63</td>
<td>1,348.48</td>
</tr>
</tbody>
</table>

Source: DGCI&S,*Provisional Figures

(b) & (c) The current domestic manufacturing capacity for solar cells is inadequate to meet the current demand and it cannot meet the ambitious expansion plans for solar power in the country. The absence of anti-dumping proposal would help the development of solar power in the country. Major expansion is possible only if the price of solar power matches grid parity and can sustain without government subsidies. The Government has decided not to impose anti-dumping duty on imports of Solar Cells, originating in or exported from China PR, Chinese Taipei, Malaysia and United States of America (USA). Anti-dumping duty on these four countries alone would not have benefited the domestic manufacturers as imports from remaining countries would have continued. As a result the cost of imports has become cheaper by Rs. 0.66 crore per MW to Rs. 4.86 crore per MW, depending upon the source of imports. Accordingly, solar power would also be cheaper by Rs. 0.66 per Kwh to Rs. 4.86 per Kwh, depending upon the source of imports.

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