ACTION AGAINST STC OFFICIALS FOR VIOLATING DPE GUIDELINES

2080. SHRI MD. NADIMUL HAQUE:

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

(a) whether any action has been taken against State Trading Corporation (STC) officials who have been taking more than entitlement of cafeteria based perks and allowances and thus flouting Department of Public Enterprises guidelines and if not, the reasons therefor;

(b) the details of total loss to the exchequer of the country; and

(c) the details of the amount due for recovery from each official?

ANSWER

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

*****

(a)to(c) In terms of Department of Public Enterprises (DPE) guidelines dated 26.11.2008 and 2.4.2009, the Cafeteria based perks and allowances are paid to employees of STC including Board level functionaries within the prescribed ceiling of 50% of the Basic pay. However, keeping in view the functional requirement and administrative needs, STC was also reimbursing certain expenses to CMD, Directors, CVO, Chief General Managers, other Executives and employees at different levels, incurred in connection with official work within the prescribed limits fixed from time to time as per policy of the corporation. In addition, certain service awards/facilities are provided to the employees by the corporation as welfare measures as per policy of the Corporation, including the medical facilities to ex-employees. The matter regarding grant of other benefits beyond 50% of the basic pay in violation of the extant guidelines, came to the notice of Department of Commerce and the same was examined in consultation with DPE.
After receiving the clarification from DPE, STC was advised vide this Department letter dated 21.1.2016 that the extension of perks, allowances and other benefit being provided beyond 50% of the basis pay to the executives may be dis-continued forthwith and the process of recovery of extra allowances/perks and other benefits may be placed before the Board of Directors since the facilities had been provided with the prior approval of the Board.

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

RAJYA SABHA  
UNSTARRED QUESTION NO.2081  
TO BE ANSWERED ON 16TH MARCH, 2016

TARGET FOR EXPORTS

2081. SHRI K.C. TYAGI:  
SHRI KIRANMAY NANDA:

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

(a) whether Government has set target for export for the financial year 2016-17, if so, the details thereof;
(b) whether the export target includes the value of export from the Special Economic Zones;
(c) if so, the target set for such export;
(d) the total amount of exports made from the Special Economic Zones and Non-Special Economic Zones during the period April-December, 2015; and
(e) the difference between the actual amount of exports vis-a-vis targets?

ANSWER

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

*****

(a) to (e): No export targets are set for Special Economic Zones (SEZs). The SEZ units are under obligation to achieve positive Net Foreign Exchange (NFE) earnings to be calculated cumulatively for a period of 5 years from the commencement of production. The total exports from SEZs vis-a-vis country’s exports during the period from April to December, 2015 is as under:

<table>
<thead>
<tr>
<th>Period</th>
<th>SEZ exports</th>
<th>Country’s exports*</th>
</tr>
</thead>
<tbody>
<tr>
<td>April to December, 2015</td>
<td>3,41,685 crore</td>
<td>12,87,585 crore (provisional)</td>
</tr>
</tbody>
</table>

*Source: DGCIS & RBI website

*****
RAJYA SABHA
UNSTARRED QUESTION NO.2083
TO BE ANSWERED ON 16TH MARCH, 2016

SCHEMES FOR PROMOTION OF AGRICULTURE EXPORTS

2083. SHRI DEVENDER GOUD T.:

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

(a) whether it is a fact that as per WTO trade statistics, India is the 7th largest exporter of agriculture goods;
(b) if so, the efforts being made to make India one of the top three agriculture exporting countries of the world by 2020;
(c) whether any blueprint for this purpose has been prepared by the Ministry, if so, the details thereof; and
(d) the year-wise and scheme-wise details of schemes being implemented to promote agriculture exports and performance of each scheme in the last three years and the current year?

ANSWER

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

*****

(a) As per International Trade Statistics 2015 published by WTO India ranks as 7th largest exporter of agricultural products, with value of export at USD 43 billion during 2014.

(b) The export of agricultural products depends on various factors including availability of surplus over and above the requirement of buffer stock including strategic reserve, if any, concerns of food security, diplomatic/humanitarian considerations, international demand and supply situation, quality standards in the importing countries, varieties traded and price competitiveness, need to balance between remunerative prices to the growers and availability of agricultural products to common man at affordable prices.

With high domestic consumption base and limited arable land, India is not likely to have adequate export surplus to become one of the top three agriculture export countries of the world by 2020.

(c) No, Sir.
The Agricultural and Processed Food Products Export Development Authority (APEDA) an autonomous organization under the administrative control of Department of Commerce, provides financial assistance to the exporters of agricultural products under various components of the “Agriculture Export Promotion Plan Scheme”.

The year-wise details of expenditure under various component of the above scheme during the past three years and the current year, are as under:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Development of Infrastructure</td>
<td>43.35</td>
<td>43.35</td>
<td>37.91</td>
<td>45.00</td>
</tr>
<tr>
<td>Market Development</td>
<td>26.98</td>
<td>26.98</td>
<td>17.09</td>
<td>21.02</td>
</tr>
<tr>
<td>Quality Development</td>
<td>6.68</td>
<td>6.68</td>
<td>3.32</td>
<td>8.10</td>
</tr>
<tr>
<td>Transport Assistance</td>
<td>72.99</td>
<td>72.99</td>
<td>56.68</td>
<td>55.88</td>
</tr>
<tr>
<td>North East Area (NER)</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>8.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>150.00</strong></td>
<td><strong>150.00</strong></td>
<td><strong>115.00</strong></td>
<td><strong>115.00</strong></td>
</tr>
</tbody>
</table>

Source: APEDA

APEDA participates in 10-12 international trade fairs every year to promote the export of agro products from India. APEDA also works with the regulatory bodies in the importing countries to negotiate and achieve market access for Indian agro products. Exports of many of the agricultural products also qualify for rewards under the Merchandise Exports from India Scheme (MEIS), Assistance for promoting agricultural exports is also provided under Marketing Development Assistance (MDA) and Market Access Initiative (MAI) scheme of the Department of Commerce.

**********
NOTIFICATION OF GUIDELINES FOR POWER TO SEZS

2084. SHRIMATI AMBIKA SONI:
DR. T. SUBBARAMI REDDY:

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

(a) whether Government recently notified guidelines for power generation, transmission, distribution in Special Economic Zones (SEZs), if so, the details thereof;

(b) whether fiscal incentives are provided for supplying uninterrupted power supply at stable frequency, if so, the details thereof;

(c) whether operation and maintenance benefits were restored for uninterrupted power supply, including Minimum Alternate Tax (MAT) and tax relief, if so, the details thereof; and

(d) if not, what concessions are provided to power generation companies in SEZs as compared to non-processing areas?

ANSWER

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

*****

(a): Government has recently issued the guidelines on generation, transmission and distribution of power in Special Economic Zones (SEZs) in supersession of all previous guidelines issued by Department of Commerce. The said guidelines is available at www.sezindia.nic.in

(b) to (d): These guidelines, inter-alia, provides for fiscal benefits covered under Section 26 of the SEZs Act, 2005, including the benefits for initial setting up, maintenance and the duty free import of raw materials and consumables for generation of the power within the processing area in respect of IT/ITES SEZs, Research and Development (R&D) facilities, Fabless Semi-Conductor Industry, Electronic Manufacturing Services (EMS) and such other sectors as may be decided by the Central Government, having the requirement of uninterrupted quality power supply at stable frequency in the Zone.

Ministry of Finance has withdrawn the exemption from Minimum Alternate Tax (MAT) to SEZ Developers and Units with effect from 1st April, 2012.

*****
NON-OPERATIONAL SEZS IN TAMIL NADU

2086. DR. R. LAKSHMANAN:

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

(a) whether it is a fact that there are 9 Special Economic Zones (SEZs) which are non-operational in the State of Tamil Nadu;
(b) if so, the details of those SEZs which are non-functional and reasons for their nonfunctioning; and
(c) the steps taken by Government to revive the non-operational SEZs in the State of Tamil Nadu?

ANSWER

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

*****

(a) to (c): Out of 50 Special Economic Zones (SEZs) notified in the State of Tamil Nadu, a total of 36 SEZs are exporting and remaining 14 notified SEZs are non-operational. In order to boost SEZs, review meetings with the Development Commissioners of SEZs are held regularly. Besides, open house meeting with SEZ stakeholders and Road Shows have been organised in various parts of the State to give wide publicity of SEZs.

*****
RAJYA SABHA
UNSTARRED QUESTION NO.2088
TO BE ANSWERED ON 16TH MARCH, 2016

INCREASE IN IMPORTS OF RUBBER AND SPICES

2088. SHRI C.P. NARAYANAN:

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

(a) whether imports of rubber and spices during 2013-14 and 2014-15 exceeded exports, if so, by how much;
(b) what are the imports of these during current year so far;
(c) whether Government will take steps to reduce imports so that farmers in the country get fair price for their products; and
(d) if not, whether Government will purchase these products from farmers at a fair price?

ANSWER

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

(a): Import of Natural Rubber (NR) exceeded export during 2013-14 and 2014-15. As far as spices are concerned, the import during 2013-14 and 2014-15 did not exceed exports. Details of export and import of NR and Spices are given in the table below.

<table>
<thead>
<tr>
<th>Year</th>
<th>Spices (Tons)</th>
<th>NR (Tons)</th>
<th>Spices (Tons)</th>
<th>NR (Tons)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013-14</td>
<td>817,250</td>
<td>5,398</td>
<td>130,010</td>
<td>360,263</td>
</tr>
<tr>
<td>2014-15</td>
<td>893,920</td>
<td>1,002</td>
<td>138,715</td>
<td>442,130</td>
</tr>
</tbody>
</table>

(b): Import of NR during current year 2015-16 (April-January) was around 365,805 tonnes and the import of the spices during 2015-16 (April-November) was around 90,000 tonnes.
(c): Government has taken various steps to regulate import of NR which include, interalia, reduction in export obligation period, enhancement of basic import duty, port restriction and suspension of import under the scheme for advance authorization for rubber imports. NR is also included in the negative/exclusion lists of Free Trade Agreements with major natural rubber producing countries. India imports spices to meet the domestic demand as well as for value addition and re-export.

(d): For stabilizing market prices, a Revenue Insurance Scheme for Plantation Crops has been formulated to provide market linked insurance to farmers from losses ensuing from fluctuations in prices and yields. Besides, in case of spices, Government has taken other steps such as establishment of e-auction centers and fixing minimum import price of Rs.500/kg for cardamom.

*****
RAJYA SABHA
UNSTARRED QUESTION NO.2089
TO BE ANSWERED ON 16TH MARCH, 2016

ACTION TAKEN TO CONTROL TRADE DEFICIT

2089. SHRI PARVEZ HASHMI:

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

(a) whether it is a fact that under foreign trade in the country, exports from the country is less than the imports;
(b) whether it is also a fact that the current account deficit goes up due to the exports being less than the imports; and
(c) if so, what action (s) has so far been taken by Government and its reaction thereto?

ANSWER

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

*****

(a) Total Merchandise Exports/Imports from the country for the last two years are given as under:

<table>
<thead>
<tr>
<th>YEAR</th>
<th>EXPORTS</th>
<th>IMPORTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013-14</td>
<td>314415.73</td>
<td>450213.63</td>
</tr>
<tr>
<td>2014-15</td>
<td>310338.47</td>
<td>448033.42</td>
</tr>
</tbody>
</table>

Source: DGCI&S

(b) Total Current account for the last two years is given as under:

<table>
<thead>
<tr>
<th>Year</th>
<th>Credit</th>
<th>Debit</th>
<th>Net</th>
<th>Credit</th>
<th>Debit</th>
<th>Net</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013-14</td>
<td>551838</td>
<td>584235</td>
<td>-32397</td>
<td>553824</td>
<td>581761</td>
<td>-27937</td>
</tr>
</tbody>
</table>

Source: RBI

Inter-alia, the value of exports and imports of Merchandise goods, and the difference between them, is one of the elements impacting the Current Account Deficit.

(c) Details of some of the key steps taken for promoting exports 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 and improving the ‘Ease of Doing Business’. The FTP introduced two new schemes, namely, ‘Merchandise Exports from India Scheme’ (MEIS) for incentivising export of specified goods to specified markets and ‘Service Exports from India Scheme’ (SEIS) for promoting export of notified services from India, by consolidating earlier schemes.

ii. E-Commerce exports of handloom products, books/periodicals, leather footwear, toys and customized fashion garments through courier or foreign post offices were also included for benefit under MEIS. In order to give a boost to exports from SEZs, benefits of both MEIS and SEIS were extended to units located in SEZs.

iii. In light of the major challenges being faced by Indian exporters in the backdrop of the global economic slowdown, the envisaged revenue outgo under MEIS was increased from Rs. 18000 Crore to Rs. 21000 Crore in October 2015 with accompanying enhancement in benefits on certain products and inclusion of certain additional items. As per DGCI&S data, while merchandise exports during the period April to December 2015 have declined by about 19% as a whole, items covered under MEIS have shown a decline of only about 9% during this period in the face of a severe global economic slowdown. This demonstrates a likely positive impact of this intervention in promoting our exports.

iv. By way of trade facilitation and enhancing the ease of doing business Government reduced the number of mandatory documents required for exports and imports to three each, which is comparable with international benchmarks. The trade community can file applications online for various trade related schemes. Online payment of application fees through Credit/Debit cards and electronic funds transfer from 53 Banks has been put in place.

v. Government has infused additional Corpus (Capital) to the tune of Rs.375 Crore into the National Export Insurance Account (NEIA), raising the corpus to over Rs.2100 Crore, and strengthening the capacity to augment Project exports from the country. The equity capital of ECGC Ltd. has also been raised by Rs.50 Crore to Rs.1300 Crore enabling higher underwriting capacity to support exporters to expand their business and support banks for adequate lending to exporters.

vi. Further, the Government continues to provide the facility of access to duty free raw materials and capital goods for exports through schemes like Advance Authorisation, Duty Free Import Authorisation (DFIA), Export Promotion Capital Goods (EPCG) and drawback / refund of duties.

*****
出口发展基金

2091. DR. PRADEEP KUMAR BALMUCHU:

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

(a) whether it is a fact that Government is concerned about the falling exports of the country which have shown downward trend during the last one year, if so, the details thereof;
(b) whether taking cognizance of the declining exports trend Government is planning to create an 'Export Development Fund' to propose a financing mechanism; and
(c) the steps being taken by Government to increase the exports and thereby earn foreign revenue for the country?

ANSWER

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

*****

(a): The decline in exports of the country is consistent with the global economic and trade slowdown. As per quick estimates of the Directorate General of Commercial Intelligence and Statistics (DGCI&S), there is a decline of 17.65% in US$ terms and 12.10% in Rupee terms in merchandise exports during the period April 2015-January 2016 as compared to the period April 2014 –January 2015. The Government has paid serious attention to the situation and has taken steps to address it.

(b): There is already an Export Development Fund, created in Exim Bank under the provisions of the Export-Import Bank of India Act, 1981. Ministry of Finance (Department of Financial Service) is the administrative Ministry in respect of the said fund.

(c): The policy initiatives taken by Government to arrest falling exports and
enhance exports include the following:

(i) The Merchandise Exports from India Scheme (MEIS) was introduced in the Foreign Trade Policy (FTP) 2015-20 on April 1, 2015. At the time of introduction of MEIS on April 1, 2015, the scheme covered 4914 tariff lines at 8 digit level. Countries of the globe were grouped into 3 market categories (Country Group A, Country Group B & Country Group C) for grant of incentives under MEIS. Slight changes in lines covered etc. were made on 14.07.2015 and 15.7.2015, thereafter on 29.10.2015, 110 new Tariff Lines at 8 digit level were added under the scheme. The rates/country coverage for 2228 lines at 8 digit level were enhanced. As on date, 5012 Tariff Lines at 8 digit level are eligible for rewards under MEIS. The annual resource allocation under MEIS was enhanced from Rs. 18000 crore to Rs. 21000 crore in October 2015.

(ii) The Government has introduced the Interest Equalisation Scheme on Pre & Post Shipment Rupee Export Credit with effect from 1.4.2015. The scheme is available to all exports under 416 tariff lines [at ITC (HS) code of 4 digit] and exports made by Micro, Small & Medium Enterprises (MSMEs) across all ITC (HS) codes. The rate of interest equalisation is 3% per annum.

(iii) In addition the Government continues to provide the facility of access to duty free raw materials and capital goods for exports through schemes like Advance Authorisation, Duty Free Import Authorisation (DFIA), Export Promotion Capital Goods (EPCG) Scheme and drawback/refund of duties.

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GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF COMMERCE)
BRINGING EXPORTERS OF COTTON UNDER FREE LIST

2092. SHRI PARIMAL NATHWANI:

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

(a) whether Government proposes to remove the mandatory registration for export of cotton and cotton yarn and bring them under the free list;
(b) if so, the details thereof;
(c) the likely impact of such move to reduce transaction cost for the exporters of cotton yarn; and
(d) by when a final decision in this regard is likely to be taken?

ANSWER

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

*****

(a) Vide Directorate General Foreign Trade (DGFT)'s Notification No. 102(RE-2013)/2009-2014 dated 08.12.2014 and No. 103(RE-2013)/2009-2014 dated 08.12.2014, the registration requirement for export of cotton (Tariff Codes 5201 & 5203) and cotton yarn (Tariff Codes 5205, 5206 & 5207) has been dispensed with.

(b) to (d) Do not arise in view of reply to (a) above.

*****
2094. SHRIMATI RENUKA CHOWDHURY:

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

(a) whether a large number of tea gardens in West Bengal have been closed, abandoned or are non-functional;
(b) if so, the details thereof along with the reasons therefor; and
(c) the steps taken by Government to reopen the tea gardens of the region and ensure that non-functional or abandoned tea gardens function properly?

ANSWER

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

*****

(a) & (b): As per information available, six tea gardens in West Bengal are, at present, closed and seven tea gardens are not functioning properly. The closed gardens, namely Dheklapara, Bundapani, Dharanipur, Redbank, Surendranagar and Madhu are reported to be closed due to several reasons including, inter alia, poor yields, poor garden management, excessive reliance of owners on debt with negligible equity infusion and poor condition of the gardens and factories resulting in low tea quality and price realization.

The seven gardens, namely Birpara, Garganda, Lankapara, Tulsipara, Huntapara, Dhumchipara and Demdima are reported to be under stress as the gardens have defaulted in payment of workers’ dues in respect of P.F. Gratuity, Bonus, Wages and Salary etc. and are being managed in a manner detrimental to the tea industry.

(c): The Govt. of West Bengal has cancelled the lease of gardens viz. Bundapani, Red Bank, Surendranagar, Dharanipur for handing over the management of the gardens to prospective buyers.

The Central Government vide notification dated 28.01.2016 has authorized the Tea Board to take steps to take over the management or the control of seven tea gardens, namely (i) Birpara Tea Estate, (ii) Garganda Tea Estate, (iii) Lankapara Tea Estate, (iv) Tulsipara Tea
Estate, (v) Huntapara Tea Estate, (vi) Dhumchipara Tea Estate, and (vii) Demdima Tea Estate owned by M/s Duncan Industries Ltd. and M/s Santipara Tea Co. Pvt. Ltd.

*****
RESUMPTION OF NEGOTIATIONS ON ETA WITH EU

2095. SHRI VIJAY JAWAHARLAL DARDA:

Will the Minister of Commerce and Industry be pleased to state:

(a) whether it is a fact that Government proposes to resume negotiations on Free Trade Agreement with European Union;
(b) if so, what was the rationale of suspending the negotiations and under what conditions is Government resuming the negotiations;
(c) whether Government has consulted the industry associations and other stakeholders before resuming the free trade negotiations with EU; and
(d) if so, what are the apprehensions of domestic industry associations and how does the FTA propose to address these apprehensions?

ANSWER

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

*****

(a) & (b) The Government of India is negotiating a Bilateral Broad Based Trade and Investment Agreement (BTIA) with the European Union (EU). Since May 2013, EU had disengaged from the negotiations. Now, on the request of EU side, the Government has agreed to hold further talks with a view to explore resumptions of negotiations.

(c) &(d) The Government consults stakeholders, including industry associations in order to assess the requirement of domestic industries and develops India’s negotiation strategy which appropriately address their apprehensions.

*****
RUBBER IMPORT

2096. SHRIMATI JHARNA DAS BAIDYA:

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

(a) how much rubber has been imported during the last three years;
(b) the details of the import duty levied by Government on rubber imports; and
(c) whether the Ministry has decided to change the tariff of import duty, if so, the details thereof?

ANSWER

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

*****

(a): Import of Natural Rubber (NR) during the last three years is given as under:

<table>
<thead>
<tr>
<th>Year</th>
<th>Quantity (Tonne)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012-13</td>
<td>262,753</td>
</tr>
<tr>
<td>2013-14</td>
<td>360,263</td>
</tr>
<tr>
<td>2014-15</td>
<td>442,130</td>
</tr>
<tr>
<td>2015-16</td>
<td>365,805 (Apr-Jan.) Provisional</td>
</tr>
</tbody>
</table>

(b): The bound rate for tariff on import of NR as per WTO agreement is 25% for all dry forms of NR (HS 400121, 400122 and 400129). The tariff on latex (HS 400110) is unbound. Current rate of import duty for all dry forms of NR is “25% or Rs 30/ kg whichever is lower” and that of latex is “70% or Rs 49 per kg whichever is lower”.


(c): As the current tariff is at the maximum of bound rate of 25% for NR, no further change in the duty rate is contemplated.
BALANCING OF ANTI-TOBACCO REGULATIONS BY TOBACCO BOARD

2097. DR. K.V.P. RAMACHANDRA RAO:

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

(a) whether the Tobacco Board is equipped to balance the stringent antitobacco regulations at home and abroad and the concerns of growers for remunerative prices;
(b) if so, the details thereof;
(c) what is the response of the tobacco trade at the latest auctions; and
(d) whether Government would assure that tobacco farmers would not be pushed into distress like last year which had forced some farmers to commit suicide?

ANSWER

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

*****

(a) to (b) India is a signatory to Framework Convention on Tobacco Control (FCTC) which entails demand and supply reduction strategies. The Tobacco Board, set up under an Act of Parliament “TOBACCO BOARD ACT, 1975” is regulating the production and curing of FCV tobacco having regard to the demand for tobacco in India and abroad, marketability of different types of FCV tobacco and other factors to ensure fair and remunerative prices to growers. This objective is achieved through crop planning and fixing crop size of FCV Tobacco every year and by registering tobacco growers.

Further, Tobacco Board, in collaboration with other organizations viz. State Government, Central Tobacco Research Institute (CTRI), Nation Institute of Plant Health Management (NIPHM), is implementing various extension and developmental schemes for improvement of productivity and quality of Indian FCV Tobacco to make it more competitive in the international market.

(c) to (d) The traders are active during the current auctions for sale of 2015-16 crop of FCV tobacco in the state of Karnataka and Andhra Pradesh. The average price realized as on 09.03.2016 in Karnataka auction for crop season 2015-16 is Rs.135.74 per kg which is higher by Rs.28.25 per kg (26%) over the last year final average price of Rs.107.49 per kg. Similarly, the average price realized on 09.03.2016 in Andhra Pradesh auction for 2015-16 crops season is Rs.139.08
per kg which is higher by Rs. 18.58 (15%) per kg as against 120.50 per kg during last year for the corresponding volume marketed.

*****
2099. DR. K.P. RAMALINGAM:

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

(a) whether it is a fact that the Tea Board has expanded the list of pesticides and chemicals that the Indian tea industry is permitted to use, following persistent, attacks by certain types of pests which the industry believes, have increased due to climate change;

(b) if so, the details thereof;

(c) whether it is also a fact that the Tea Board has added two more chemicals to the existing list of 35 formulations that the industry is allowed to use; 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): Tea Board of India has implemented a comprehensive guideline called “Plant Protection Code” (PPC) for safe usage of Plant Protection Formulations (PPFs) in the tea plantations in India. Full compliance of the Code requirements has come into force with effect from 1st January, 2015. The list of approved PPFs for use in Tea Plantations in the 4th version of PPC had 35 number of PPFs. The Tea Board has recently added two more chemicals namely, Emamectin Benzoate 5 SG and Flubendiamide 20 WG increasing the number to 37 as reflected in the 5th version of PPC notified on 18th January, 2016.

*****
INCREASE IN MERCHANDISE AND SERVICES EXPORTS

2100. SHRI A.K. SELVARAJ:

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

(a) whether it is a fact that India's total merchandise exports for 2014 was valued at 321 billion US dollars against 314 billion US dollars in the previous year;

(b) if so, the details thereof; and

(c) whether it is also a fact that the services exports grew strongly in 2014 at 4.8 per cent and if so, the details thereof?

ANSWER

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

*****

(a) and (b) India's total merchandise exports for 2013 and 2014 are given below:

<table>
<thead>
<tr>
<th>YEAR</th>
<th>VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>January-December 2013</td>
<td>314.82</td>
</tr>
<tr>
<td>January-December 2014</td>
<td>322.51</td>
</tr>
</tbody>
</table>

Source: DGCI&S

(c) India's Services exports and growth rate (%) for 2014 is given below:

<table>
<thead>
<tr>
<th>YEAR</th>
<th>Services Exports (Values in US$ Billion)</th>
<th>Growth %</th>
</tr>
</thead>
<tbody>
<tr>
<td>January-December 2014 (P)</td>
<td>156.79</td>
<td>5.48</td>
</tr>
</tbody>
</table>

Source: RBI BoP Statistics

*****
ABOLITION OF DIRECT TAX BENEFITS FOR NON-OPERATIONAL SEZS

2101. SHRI A.K. SELVARAJ:

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

(a) whether it is a fact that the Export Promotion Council for export oriented units and Special Economic Zones has opposed a proposal considered for abolition of all direct tax benefits for SEZs not operated before April, 2017;

(b) if so, the details thereof;

(c) whether despite various representations from the SEZ community, Government has neither withdrawn Minimum Alternate Tax (MAT) and Dividend Distribution Tax (DDT) nor reduced the rates of MAT so far and the matter is still pending with Government; 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) and (b): Export Promotion Council for Export Oriented Units (EOUs) and Special Economic Zones (SEZs) has made representation against the proposal of Ministry of Finance for abolition of tax benefits available to SEZ developers and units having not operationalized by 31.03.2017.

(c) and (d): The provisions of Minimum Alternate Tax (MAT) have been made applicable to Special Economic Zone (SEZ) Developers and Units with effect from 1st April, 2012, and the exemption of Dividend Distribution Tax (DDT) in the case of SEZ Developers under the Income-tax Act for dividends declared, distributed or paid is not available after 1st June, 2011.

During the presentation of budget for the financial year 2016-17, honourable Finance Minister has announced that the companies located in international financial service centre shall not be liable to Dividend Distribution Tax and Minimum Alternate Tax shall be charged at the rate of nine per cent from units located in international financial service centre.

*****
RAJYA SABHA
UNSTARRED QUESTION NO.2102
TO BE ANSWERED ON 16TH MARCH, 2016

VOLUME OF EXPORTS AND IMPORTS

2102. SHRI K.N. BALAGOPAL:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state the year-wise volume of exports and imports of the country for the last three years?

ANSWER

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

*****

The year-wise data on volume of exports and imports of the country for the last three years is available in the DGCI&S publication ‘Monthly Statistics of Foreign Trade of India’ Vol. I (Exports) and Vol.II (Imports) for March 2013, March 2014 and March 2015. These CDs are regularly sent to Parliament Library by DGCI&S, Kolkata for reference. The data in this regard for certain key commodity groups is as follows:

<table>
<thead>
<tr>
<th>Commodity Group</th>
<th>UNIT</th>
<th>2012-13</th>
<th>2013-14</th>
<th>2014-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>PETROLEUM PRODUCTS</td>
<td>TON</td>
<td>65857389</td>
<td>68735701</td>
<td>73107098</td>
</tr>
<tr>
<td>DRUG FORMULATIONS, BIOLOGICALS</td>
<td>KGS</td>
<td>288910004</td>
<td>353762206</td>
<td>414637056</td>
</tr>
<tr>
<td>IRON AND STEEL</td>
<td>TON</td>
<td>8679405</td>
<td>12918438</td>
<td>10577421</td>
</tr>
<tr>
<td>MARINE PRODUCTS</td>
<td>KGS</td>
<td>965099417</td>
<td>1192882374</td>
<td>1073965690</td>
</tr>
<tr>
<td>ORGANIC CHEMICALS</td>
<td>KGS</td>
<td>2799688651</td>
<td>2983389030</td>
<td>3020617797</td>
</tr>
<tr>
<td>BUFFALO MEAT</td>
<td>TON</td>
<td>1076103</td>
<td>1365643</td>
<td>1475540</td>
</tr>
<tr>
<td>RICE -BASMOTI</td>
<td>TON</td>
<td>3459829</td>
<td>3754102</td>
<td>3698927</td>
</tr>
<tr>
<td>COTTON YARN</td>
<td>TON</td>
<td>1047116</td>
<td>1310879</td>
<td>1253342</td>
</tr>
<tr>
<td>BULK DRUGS, DRUG INTERMEDIATES</td>
<td>KGS</td>
<td>290298572</td>
<td>305675878</td>
<td>328391895</td>
</tr>
<tr>
<td>COPPER AND PROCTS MADE OF COPR</td>
<td>TON</td>
<td>337878</td>
<td>341065</td>
<td>466823</td>
</tr>
<tr>
<td>RICE(OTHER THAN BASMOTI)</td>
<td>TON</td>
<td>6687851</td>
<td>7136191</td>
<td>8278233</td>
</tr>
<tr>
<td>ALUMINIUM, PRODUCTS OF ALUMINM</td>
<td>TON</td>
<td>574840</td>
<td>714409</td>
<td>1038923</td>
</tr>
<tr>
<td>GOLD</td>
<td>KGS</td>
<td>93032</td>
<td>72006</td>
<td>70819</td>
</tr>
<tr>
<td>PLASTIC RAW MATERIALS</td>
<td>TON</td>
<td>1687661</td>
<td>1911202</td>
<td>1565607</td>
</tr>
<tr>
<td>SPICES</td>
<td>KGS</td>
<td>932591861</td>
<td>895914703</td>
<td>926020950</td>
</tr>
<tr>
<td>DYES</td>
<td>KGS</td>
<td>314131787</td>
<td>336104089</td>
<td>344420382</td>
</tr>
<tr>
<td>AGRO CHEMICALS</td>
<td>KGS</td>
<td>229211736</td>
<td>253548348</td>
<td>285825711</td>
</tr>
<tr>
<td>COTTON RAW INCLD. WASTE</td>
<td>TON</td>
<td>2056696754</td>
<td>1947686</td>
<td>1142528</td>
</tr>
<tr>
<td>GUERGAM MEAL</td>
<td>TON</td>
<td>406323</td>
<td>601973</td>
<td>665109</td>
</tr>
<tr>
<td>FINISHED LEATHER</td>
<td>KGS</td>
<td>52941695</td>
<td>67163410</td>
<td>64503936</td>
</tr>
</tbody>
</table>
### Imports

<table>
<thead>
<tr>
<th>Commodity Group</th>
<th>UNIT</th>
<th>2012-13</th>
<th>2013-14</th>
<th>2014-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>PETROLEUM: CRUDE</td>
<td>TON</td>
<td>185533067</td>
<td>189178265</td>
<td>187913565</td>
</tr>
<tr>
<td>GOLD</td>
<td>KGS</td>
<td>1013717</td>
<td>661713</td>
<td>915471</td>
</tr>
<tr>
<td>PETROLEUM PRODUCTS</td>
<td>TON</td>
<td>28521536</td>
<td>29667279</td>
<td>34083153</td>
</tr>
<tr>
<td>COAL, COKE AND BRIQUETTES ETC</td>
<td>TON</td>
<td>148866638</td>
<td>171028822</td>
<td>215397990</td>
</tr>
<tr>
<td>IRON AND STEEL</td>
<td>TON</td>
<td>18447572</td>
<td>11581109</td>
<td>16651371</td>
</tr>
<tr>
<td>ORGANIC CHEMICALS</td>
<td>KGS</td>
<td>6736983572</td>
<td>7641359493</td>
<td>8242623543</td>
</tr>
<tr>
<td>VEGETABLE OILS</td>
<td>TON</td>
<td>11017661</td>
<td>10467303</td>
<td>12731595</td>
</tr>
<tr>
<td>PLASTIC RAW MATERIALS</td>
<td>TON</td>
<td>4544676</td>
<td>4699878</td>
<td>5533055</td>
</tr>
<tr>
<td>FERTILEZERS MANUFACTURED</td>
<td>TON</td>
<td>15950207</td>
<td>14890860</td>
<td>18368748</td>
</tr>
<tr>
<td>SILVER</td>
<td>KGS</td>
<td>2020011</td>
<td>6512006</td>
<td>7707855</td>
</tr>
<tr>
<td>INORGANIC CHEMICALS</td>
<td>KGS</td>
<td>6549441242</td>
<td>7178333236</td>
<td>7884384631</td>
</tr>
<tr>
<td>ALUMINIUM, PRODUCTS OF ALUMINIM</td>
<td>TON</td>
<td>1337055</td>
<td>1361797</td>
<td>1611455</td>
</tr>
<tr>
<td>COPPER AND PRODCTS MADE OF COPR</td>
<td>TON</td>
<td>421759</td>
<td>423323</td>
<td>500129</td>
</tr>
<tr>
<td>BULK DRUGS, DRUG INTERMEDIATES</td>
<td>KGS</td>
<td>222147437</td>
<td>246466558</td>
<td>249944641</td>
</tr>
<tr>
<td>PULSES</td>
<td>TON</td>
<td>4013236</td>
<td>3643713</td>
<td>4584852</td>
</tr>
<tr>
<td>FRESH FRUITS</td>
<td>TON</td>
<td>802142</td>
<td>769204</td>
<td>866149</td>
</tr>
<tr>
<td>DRUG FORMULATIONS, BIOLOGICALS</td>
<td>KGS</td>
<td>1765638</td>
<td>2226930</td>
<td>2764238</td>
</tr>
<tr>
<td>NICKEL, PRODUCT MADE OF NICKEL</td>
<td>TON</td>
<td>54291</td>
<td>57083</td>
<td>76468</td>
</tr>
<tr>
<td>PAINT, VARNISH AND ALLID PRODC</td>
<td>KGS</td>
<td>336158220</td>
<td>353475900</td>
<td>374574624</td>
</tr>
<tr>
<td>FERTILEZERS CRUDE</td>
<td>TON</td>
<td>8167073</td>
<td>71070688</td>
<td>8280265</td>
</tr>
</tbody>
</table>

Source: DGCIS

Last three years value of exports and imports of the country are as under:

### EXIMDATA (VALUE in US $ Million)

<table>
<thead>
<tr>
<th>YEAR</th>
<th>EXPORTS</th>
<th>IMPORTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012-13</td>
<td>300400.58</td>
<td>490736.66</td>
</tr>
<tr>
<td>2013-14</td>
<td>314415.73</td>
<td>450213.63</td>
</tr>
<tr>
<td>2014-15</td>
<td>310338.47</td>
<td>448033.42</td>
</tr>
</tbody>
</table>

Source: DGCIS

*****
ROLE OF EXPORT SECTOR IN 'MAKE IN INDIA' PROGRAMME

2103(H). SHRI PRABHAT JHA:

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

(a) whether it is a fact that the role of Indian export-sector has been prominent in the success of 'Make in India' programme;
(b) if so, the details thereof; and
(c) the policy measures taken by Government to boost export sector during the last one year and the details of positive results thereof?

ANSWER

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

*****

(a) & (b): The Government has launched the ‘Make in India’ initiative, which aims at promoting India as an important investment destination and a global hub for manufacturing design and innovation. The initiative is aimed at creating a conducive environment for investment, development of modern and efficient infrastructure, opening up new sectors for foreign investments and forging a partnership between government and industry through a positive mindset. As manufactured goods form a key part of India’s export basket, “Make in India” is an important element in promoting Indian exports also. In the Foreign Trade Policy 2015-20, Government has on the foreign trade side, inter-alia, taken the following measures to boost the “Make in India” initiative:-

(i) Specific Export Obligation under the Export Promotion Capital Goods (EPCG) scheme, in case capital goods are procured from indigenous manufacturers, has been reduced to 75% of the normal export obligation. This may help indigenous manufacture of capital goods.
(ii) Under Merchandise Exports from India Scheme (MEIS), export items with high domestic content and value addition have generally been provided higher level of rewards.

(c) The following are some of the measures Government has taken recently to promote exports:

(i) The Merchandise Exports from India Scheme (MEIS) was introduced in the Foreign Trade Policy (FTP) 2015-20 on April 1, 2015. MEIS aims to incentivize export of merchandise which are produced/manufactured in India. At the time of introduction of MEIS on April 1, 2015, the scheme covered 4914 tariff lines at 8 digit level. Countries of the globe were grouped into 3 market categories (Country Group A, Country Group B & Country Group C) for grant of incentives under MEIS. Slight changes in lines covered etc. were made on 14.07.2015 and 15.7.2015. Thereafter on 29.10.2015, 110 new Tariff Lines at 8 digit level were added under the scheme. The rates/country coverage for 2228 lines at 8 digit level were enhanced. As on date, 5012 Tariff Lines at 8 digit level are eligible for rewards under MEIS. The annual resource allocation under MEIS was enhanced from Rs. 18000 crore to Rs. 21000 crore in October 2015.

(ii) The Government has introduced the Interest Equalisation Scheme on Pre & Post Shipment Rupee Export Credit with effect from 1.4.2015. The scheme is available to all exports under 416 tariff lines [at ITC (HS) code of 4 digit] and exports made by Micro, Small & Medium Enterprises (MSMEs) across all ITC (HS) codes. The rate of interest equalisation is 3% per annum.

(iii) In addition the Government continues to provide the facility of access to duty free raw materials and capital goods for exports through schemes like Advance Authorisation, Duty Free Import Authorisation (DFIA), Export Promotion Capital Goods (EPCG) and drawback/refund of duties.

As per DGCI&S data, while merchandise exports during the period April to December 2015 have declined by about 19% as a whole, items covered under
the Merchandise Exports from India Scheme (MEIS) under the Foreign Trade Policy (2015-20) have shown a decline of only about 9% during this period in the face of a severe global economic slowdown. This demonstrates a likely positive impact of this intervention in promoting our exports.

*******
EFFECT OF MANDATORY MANUFACTURING OF API LOCALLY

2104. SHRI D. RAJA:

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

(a) whether it is a fact that a new US rule making it mandatory for Active Pharmaceutical Ingredients (API) to be manufactured locally will affect Indian exports as about 80 per cent of the drug raw material requirements in US is met by India and China;
(b) if so, the details thereof; and
(c) whether Government has taken up the issue with the US authorities, if so, the details thereof and response thereto?

ANSWER

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

*****

(a) & (b) : As per available information, there is no such order by US government making it mandatory to manufacture active pharmaceutical ingredients (APIs) locally. However, it has come to the notice of Pharmaceutical Export Promotion Council of India (Pharmexcil) and Govt. that in one case with respect to procurement of generic medicines for the purposes of U.S. Government, the Customs and Border Protection agency (CBP) had considered that 'country of origin' of the product would depend where the active ingredient was produced and rejected the subject application on the grounds that API in that case was manufactured in China/India and not in USA or its partner countries. This decision was applicable only to an individual case and was restricted to US Govt. procurements only. However, if such interpretation by CBP...
linking country of manufacture of API for deciding country of manufacture of formulation is extended to other procurements, then it may lead to adverse impact. Department of Commerce is monitoring the situation closely.

(c ) : The matter has been taken up with senior US Government representative who assured DOC that, there is no change in the US Government procurement policy.

*****
REDEVELOPMENT OF PRAGATI MAIDAN STRUCTURES

2105. SHRI D. RAJA:

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

(a) whether it is a fact that the India Trade Promotion Organisation (ITPO) has a proposal to redevelop the Pragati Maidan structure;
(b) if so, the details of the project;
(c) whether the architects and structural engineers of the city have moved court to stop demolition of iconic structures, the Hall of Nations and Nehru Pavilion at the Pragati Maidan; and
(d) if so, the details thereof, and Government's reaction thereto?

ANSWER

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

*****

(a) & (b) : Yes, Sir.

The project entails the total development of 3,26,065 sq. mtrs. of built-up area including 1,19,445 sq. mtrs. of exhibition space, a Convention Centre with a seating capacity of 7,000 persons with a number of differently sized meeting rooms, space for public circulation, support facilities and parking space for about 4,800 passenger cars in Phase-I of the development plan. In Phase-II, development of 86,225 sq. mtrs. of exhibition space, along with support facilities, is proposed.

(c) & (d) : Yes, Sir.

A Public Interest Litigation (PIL) had been filed by the Indian Institute of Architects and others. The Hon’ble High Court of Delhi has dismissed the PIL.

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

RAJYA SABHA
UNSTARRED QUESTION NO.2106
TO BE ANSWERED ON 16TH MARCH, 2016

HIGH TRADE DEFICIT

2106. SHRI VAYALAR RAVI:

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

(a) what is the foreign trade deficit for the first six months of 2015-16 and how does it compare with the trade deficit for the same period of 2013-14 and 2014-15;
(b) what are the reasons for the continuing high trade deficit in spite of the fact that crude oil prices, which is the major item of import, have come down by around 40 per cent during the last one year; and
(c) what are the steps taken by Government to boost exports and reverse the current trend in foreign trade?

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

*****

(a) The foreign trade deficit for the first six months of 2013-14, 2014-15 and 2015-16 are given as under:

<table>
<thead>
<tr>
<th>YEAR</th>
<th>Trade Deficit</th>
<th>% Growth of Trade Deficit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013-14 (Apr-Sep)</td>
<td>-76724.5</td>
<td></td>
</tr>
<tr>
<td>2014-15 (Apr-Sep)</td>
<td>-72692.1</td>
<td>-5.26</td>
</tr>
<tr>
<td>2015-16 (Apr-Sep)</td>
<td>-67309.7</td>
<td>-7.4</td>
</tr>
</tbody>
</table>

Source: DGCI&S

(b) The Merchandise Trade Deficit relates to the total deficit based on the total imports and exports of Merchandise goods and not only imports / exports related to the petroleum sector. However, as is apparent from the above table, due to contributory factors like fall in crude prices etc., the trade deficit has declined for the period 2014-15 (April- September)
and 2015-16 (April-September) as compared with the corresponding period of the previous financial year.

(c) Details of some of the key steps taken by Government to boost exports and reverse the current trend in foreign trade 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 and improving the ‘Ease of Doing Business’. The FTP introduced two new schemes, namely, ‘Merchandise Exports from India Scheme’ (MEIS) for incentivising export of specified goods to specified markets and ‘Service Exports from India Scheme’ (SEIS) for promoting export of notified services from India, by consolidating earlier schemes.

ii. E-Commerce exports of handloom products, books/periodicals, leather footwear, toys and customized fashion garments through courier or foreign post offices were also included for benefit under MEIS. In order to give a boost to exports from SEZs, benefits of both MEIS and SEIS were extended to units located in SEZs.

iii. In light of the major challenges being faced by Indian exporters in the backdrop of the global economic slowdown, the envisaged revenue outgo under MEIS was increased from Rs. 18000 Crore to Rs. 21000 Crore in October 2015 with accompanying enhancement in benefits on certain products and inclusion of certain additional items. As per DGCI&S data, while merchandise exports during the period April to December 2015 have declined by about 19% as a whole, items covered under MEIS have shown a decline of only about 9% during this period in the face of a severe global economic slowdown. This demonstrates a likely positive impact of this intervention in promoting our exports.

iv. By way of trade facilitation and enhancing the ease of doing business Government reduced the number of mandatory documents required for exports and imports to three each, which is comparable with international benchmarks. The trade community can file applications online for various trade related schemes. Online payment of application fees through Credit/Debit cards and electronic funds transfer from 53 Banks has been put in place.

v. Government has infused additional Corpus (Capital) to the tune of Rs.375 Crore into the National Export Insurance Account (NEIA), raising the corpus to over Rs.2100 Crore, and strengthening the capacity to augment Project exports from the country. The equity
capital of ECGC Ltd. has also been raised by Rs.50 Crore to Rs.1300 Crore enabling higher underwriting capacity to support exporters to expand their business and support banks for adequate lending to exporters.

vi. Further, the Government continues to provide the facility of access to duty free raw materials and capital goods for exports through schemes like Advance Authorisation, Duty Free Import Authorisation (DFIA), Export Promotion Capital Goods (EPCG) and drawback / refund of duties.

*****
RAJYA SABHA
UNSTARRED QUESTION NO.2108
TO BE ANSWERED ON 16TH MARCH, 2016

EXPORT TARGET

2108. DR. CHANDAN MITRA:

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

(a) the export target of the country fixed for the year 2014-15 vis-a-vis actual export during the year;
(b) the reasons for continuous expansion of trade deficit for the last several years;
(c) whether Government has taken any aggressive marketing initiative to check the trend of declining exports and if so, the details thereof; and
(d) the fresh steps taken by Government to boost country's export and achieve the export targets?

ANSWER

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

*****

(a) the export target for the country fixed for the year 2014-15 vis-a-vis actual exports during the year are as under:

<table>
<thead>
<tr>
<th>Exports target*</th>
<th>Actual exports**</th>
</tr>
</thead>
<tbody>
<tr>
<td>340</td>
<td>310.34</td>
</tr>
</tbody>
</table>

*Source:DoC   **Source:DGCI&S

(b) Merchandise Trade deficit for the years 2012-13, 2013-14 and 2014-15 are as under:

<table>
<thead>
<tr>
<th>YEAR</th>
<th>Trade Deficit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012-13</td>
<td>-190.34</td>
</tr>
<tr>
<td>2013-14</td>
<td>-135.8</td>
</tr>
<tr>
<td>2014-15</td>
<td>-137.69</td>
</tr>
</tbody>
</table>
The Merchandise Trade deficit data does not indicate any steady increase in value of the trade deficit in the recent period.

(c ) and (d) Details of some of the key steps taken for promoting exports 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 and improving the ‘Ease of Doing Business’. The FTP introduced two new schemes, namely, ‘Merchandise Exports from India Scheme’ (MEIS) for incentivising export of specified goods to specified markets and ‘Service Exports from India Scheme’ (SEIS) for promoting export of notified services from India, by consolidating earlier schemes.

ii. E-Commerce exports of handloom products, books/periodicals, leather footwear, toys and customized fashion garments through courier or foreign post offices were also included for benefit under MEIS. In order to give a boost to exports from SEZs, benefits of both MEIS and SEIS were extended to units located in SEZs.

iii. In light of the major challenges being faced by Indian exporters in the backdrop of the global economic slowdown, the envisaged revenue outgo under MEIS was increased from Rs. 18000 Crore to Rs. 21000 Crore in October 2015 with accompanying enhancement in benefits on certain products and inclusion of certain additional items. As per DGCI&S data, while merchandise exports during the period April to December 2015 have declined by about 19% as a whole, items covered under MEIS have shown a decline of only about 9% during this period in the face of a severe global economic slowdown. This demonstrates a likely positive impact of this intervention in promoting our exports.

iv. By way of trade facilitation and enhancing the ease of doing business Government reduced the number of mandatory documents required for exports and imports to three each, which is comparable with international benchmarks. The trade community can file applications online for various trade related schemes. Online payment of application fees through Credit/Debit cards and electronic funds transfer from 53 Banks has been put in place.

v. Government has infused additional Corpus (Capital) to the tune of Rs.375 Crore into the National Export Insurance Account (NEIA), raising the corpus to over Rs.2100 Crore, and strengthening the capacity to augment Project exports from the country. The equity capital of ECGC Ltd. has also been raised by Rs.50 Crore to Rs.1300 Crore enabling higher
underwriting capacity to support exporters to expand their business and support banks for adequate lending to exporters.

vi. Further, the Government continues to provide the facility of access to duty free raw materials and capital goods for exports through schemes like Advance Authorisation, Duty Free Import Authorisation (DFIA), Export Promotion Capital Goods (EPCG) and drawback / refund of duties.

*****
SHARE OF INDIA'S SPICES IN WORLD MARKET

2109. DR. T. SUBBARAMI REDDY

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

(a) what is the share of India's spices in the world market, in terms of quantity and rupee value, in the last three years;
(b) the efforts made by Government and Spice Board of India to increase export of quality spices;
(c) the details of lab test facilities available in the country at present to check pesticide residuals and microbiological contamination in spices with details; and
(d) the details of steps taken for 'Target 2020: Clean, Safe and Sustainable Supply Chain' of spices in the country?

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

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(a): India is the largest producer, consumer and exporter of spices in the world. The share of Indian spices constitute around 48% in volume and 44% in value in the world market for the last three years.

(b): For encouraging increase in export of quality spices, the Government of India through Spices Board implements several development and promotion programmes including, inter alia, development of infrastructure for common processing facilities in Spice Parks, adaptation of upgraded technology in spice processing, setting up of quality evaluation labs, quality certification and training of laboratory personnel, assistance to farmers on post-harvest quality improvement and imparting training to farmers in Good Agricultural Practices etc.

(c): Spices Board has established Quality Evaluation Laboratories at Kochi, Mumbai, Delhi, Tuticorin, Chennai, and Guntur which are equipped with state of the art facilities for analysis of pesticide residuals and microbiological contamination in spices. For
Microbiological analysis, the list of laboratories approved by Export Inspection Council of India can also be approached. The other Government agencies viz. Pesticide Referral Laboratory, Indian Agricultural Research Institute, New Delhi; National Institute of Plant Health Management, Hyderabad; Nodal Codex Food Analysis Laboratory, Mysuru and Pesticide Residue Laboratory, Bengaluru also provide the facilities for pesticide residue analysis in Spices.

(d): During the World Spice Congress, 2016 held from 27– 29 February 2016 at Ahmedabad, Gujarat, steps to achieve its theme “Target 2020: Clean, Safe and Sustainable Supply Chain” were deliberated upon and based on the suggestion received a road map for improvement in production, quality, value chain and marketing of spices was prepared.

*****
JOINT WORKING GROUPS UNDER INDO-US DIALOGUE

2111. SHRI AJAY SANCHETI:

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

(a) whether in the context of Indo-US commercial dialogue, four Joint Working Groups have been set up in areas including infrastructure standards, textiles and services;
(b) if so, the details in this regard; and
(c) the progress made in these areas so far?

ANSWER

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

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(a) & (b) In the context of Indo-US Strategic and Commercial Dialogue meeting held in September, 2015, four Working Groups were set up, which are (i) infrastructure; (ii) business climate; (iii) innovation, entrepreneurship and skill development; and (iv) standards.

(c) Regular interaction between the two sides under these Working Groups is being held to expand bilateral trade and investment.

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RAJYA SABHA
UNSTARRED QUESTION NO.2114(H)
TO BE ANSWERED ON 16TH MARCH, 2016

SHORTFALL IN EXPORTS

2114(H). SHRI HARI VANSH:

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

(a) the steps taken by Government to meet the shortfall in exports and the results thereof;
(b) whether the rising trade deficit is affecting the growth rate of the country; and
(c) the countries with whom trade deficit is rising and the levels at which efforts were made to address this issue?

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

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(a) Details of some key steps taken by Government to promote exports 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 and improving the ‘Ease of Doing Business’. The FTP introduced two new schemes, namely, ‘Merchandise Exports from India Scheme’ (MEIS) for incentivising export of specified goods to specified markets and ‘Service Exports from India Scheme’ (SEIS) for promoting export of notified services from India, by consolidating earlier schemes.

ii. E-Commerce exports of handloom products, books/periodicals, leather footwear, toys and customized fashion garments through courier or foreign post offices were also included for benefit under MEIS. In order to give a boost to exports from SEZs, benefits of both MEIS and SEIS were extended to units located in SEZs.
iii. In light of the major challenges being faced by Indian exporters in the backdrop of the global economic slowdown, the envisaged revenue outgo under MEIS was increased from Rs. 18000 Crore to Rs. 21000 Crore in October 2015 with accompanying enhancement in benefits on certain products and inclusion of certain additional items. As per DGCI&S data, while merchandise exports during the period April to December 2015 have declined by about 19% as a whole, items covered under MEIS have shown a decline of only about 9% during this period in the face of a severe global economic slowdown. This demonstrates a likely positive impact of this intervention in promoting our exports.

iv. By way of trade facilitation and enhancing the ease of doing business Government reduced the number of mandatory documents required for exports and imports to three each, which is comparable with international benchmarks. The trade community can file applications online for various trade related schemes. Online payment of application fees through Credit/Debit cards and electronic funds transfer from 53 Banks has been put in place.

v. Government has infused additional Corpus (Capital) to the tune of Rs.375 Crore into the National Export Insurance Account (NEIA), raising the corpus to over Rs.2100 Crore, and strengthening the capacity to augment Project exports from the country. The equity capital of ECGC Ltd. has also been raised by Rs.50 Crore to Rs.1300 Crore enabling higher underwriting capacity to support exporters to expand their business and support banks for adequate lending to exporters.

vi. Further, the Government continues to provide the facility of access to duty free raw materials and capital goods for exports through schemes like Advance Authorisation, Duty Free Import Authorisation (DFIA), Export Promotion Capital Goods (EPCG) and drawback / refund of duties.

(b) Growth rate of a country is impacted by many determinants including trade levels. India’s exports (Goods and Services) formed about 24.8% of GDP in 2014-15.

(c) List of some key countries with whom our merchandise trade deficit rose in 2014-15 corresponding to the previous year 2013-14 is given as under:
### Countries with rising Trade Deficit in 2014-15

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Country</th>
<th>% Growth 2014-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>China P R</td>
<td>33.98</td>
</tr>
<tr>
<td>2</td>
<td>Switzerland</td>
<td>20.27</td>
</tr>
<tr>
<td>3</td>
<td>Indonesia</td>
<td>10.74</td>
</tr>
<tr>
<td>4</td>
<td>Korea RP</td>
<td>8.03</td>
</tr>
<tr>
<td>5</td>
<td>Malaysia</td>
<td>5.35</td>
</tr>
<tr>
<td>6</td>
<td>Belgium</td>
<td>20.84</td>
</tr>
<tr>
<td>7</td>
<td>Japan</td>
<td>77.98</td>
</tr>
<tr>
<td>8</td>
<td>Chile</td>
<td>36.39</td>
</tr>
<tr>
<td>9</td>
<td>Thailand</td>
<td>46.68</td>
</tr>
<tr>
<td>10</td>
<td>Russia</td>
<td>21.38</td>
</tr>
<tr>
<td>11</td>
<td>Ukraine</td>
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</tr>
<tr>
<td>12</td>
<td>Canada</td>
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<tr>
<td>13</td>
<td>Argentina</td>
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<tr>
<td>14</td>
<td>South Africa</td>
<td>19.34</td>
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<tr>
<td>15</td>
<td>Sweden</td>
<td>6.55</td>
</tr>
<tr>
<td>16</td>
<td>Brunei</td>
<td>9.27</td>
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<tr>
<td>17</td>
<td>Norway</td>
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<td>18</td>
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<td>19</td>
<td>Kazakhstan</td>
<td>14.23</td>
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<tr>
<td>20</td>
<td>Czech Republic</td>
<td>6.43</td>
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<td>21</td>
<td>Belarus</td>
<td>28.32</td>
</tr>
<tr>
<td>22</td>
<td>Estonia</td>
<td>38.15</td>
</tr>
</tbody>
</table>

Source: DGCI&S

Steps have been taken to address the trade deficit through promotion of exports, as described above. Efforts are also made to address country specific impediments through bilateral trade engagements.

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FTAS WITH AFRICAN COUNTRIES

2116. SHRI DEVENDER GOUD T.:

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

(a) how the Ministry is planning to take advantage of recently held Indo-African Summit to push its exports to African countries in the coming years;
(b) the details of FTAs with African countries and details of trade with those countries; and
(c) whether any blueprint has been prepared in this regard, and if so, the details thereof?

ANSWER

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

*****

(a): During the recently concluded India-Africa Forum Summit, India and African countries recognized that businesses of both sides through growing trade, investment and technology linkages provide a strong dimension to India-Africa partnership. Both sides further recognized the huge potential for expansion of trade and investment in Africa and India. Some of the major trade related issues that were discussed and agreed were: to fast track the implementation of the Duty Free Tariff Preference Scheme offered by India; work towards creating conducive environment for trade facilitation in accordance with the WTO Bali Trade Facilitation Agreement; Support establishment of Small and Medium Enterprises (SMEs) and Medium and Small Industries (MSIs) in order to promote employment creation and income generation for people of both sides; Promote Public Private Partnership (PPP) by encouraging Indian businesses to set up skills development units in African industrial zones with the aim to train African engineers, technicians, managers and workers as well as other experts in areas such as food security and solar energy; create a mechanism to enable women groups to access credit for productive activities and markets for their products; enhance cooperation through training and collective negotiations on global trade issues, including at the WTO and enter into bilateral Preferential/Free Trade Agreements with African nations, wherever possible.
(b): India has not entered into Free Trade Agreement with any country in Africa, so far.

(c): India is exploring the feasibility of FTAs with Common Market for East Southern Africa (COMESA), a Regional Economic Community in Africa comprising of 19 member States and Economic Community of West African States (ECOWAS), a Regional Economic Community in Africa comprising of 15 member States.

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