321. SHRI T. RATHINAVEL:

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

(a) whether it is a fact that Government has granted more time to developers of 13 Special Economic Zones (SEZs) including Navi Mumbai to implement their projects;
(b) if so, the details thereof;
(c) whether it is also a fact that Government has approved two proposals for establishing IT/Information Technology enabled Services (ITeS); 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) & (b): In terms of Rule 6(2)(a) of the Special Economic Zones Rules, 2006, the letter of approval granted to a Special Economic Zone (SEZ) developer is valid for a period of three years within which time effective steps are to be taken by the developer to implement the approved project. The Board of Approval may, on an application by the developer, extend the validity period of the letter of approval. During the last four years and current financial year (upto 25th April, 2016), extension of time have been granted to 138 developers of SEZ across the country to complete their projects including M/s Navi Mumbai SEZ Private Limited at Kalamboli, Navi Mumbai, Maharashtra.

(c) & (d): Recently, the Board of Approval (BoA) for Special Economic Zones (SEZs) in its meetings held on 30.12.2015 and 23.02.2016 has approved Six proposals for setting up of SEZs. All the six proposals relate to Information Technology/ Information Technology Enabled Services (IT/ITES) sectors. Details of the proposals is at Annexure-I.
<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name of SEZ</th>
<th>Location</th>
<th>Sector</th>
<th>Area (Hectares)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>M/s ValueLabs Infra LLP</td>
<td>Kokapet Village, Rajender Nagar Mandal, Ranga Reddy District, Telangana</td>
<td>IT/ITES</td>
<td>3.12</td>
</tr>
<tr>
<td>2.</td>
<td>M/s GAR Corporation Private Limited</td>
<td>Sy. No. 107, Kokapet Village, Rajender Nagar Mandal, Telangana</td>
<td>IT/ITES</td>
<td>2.22</td>
</tr>
<tr>
<td>3.</td>
<td>M/s Cognizant Technologies Services Private Limited</td>
<td>Nanakramguda village, Serilingampally Mandal, Ranga Reddy District, Telangana</td>
<td>IT/ITES</td>
<td>2.5161</td>
</tr>
<tr>
<td>4.</td>
<td>M/s Saltire Developers Private Limited</td>
<td>Rachanahalli Village, Nagavar, Bangalore, Karnataka</td>
<td>IT/ITES</td>
<td>4.05</td>
</tr>
<tr>
<td>5.</td>
<td>M/s Amin Properties LLP</td>
<td>Pujanahalli Village, Devanahalli Taluk, Bangalore, Karnataka</td>
<td>IT/ITES</td>
<td>2.76</td>
</tr>
<tr>
<td>6.</td>
<td>M/s Infosys Limited</td>
<td>Sector-83, Alpha, SAS Nagar, Mohali</td>
<td>IT/ITES</td>
<td>20.234</td>
</tr>
</tbody>
</table>

*****
322. SHRI T. RATHINAVEL:

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

(a) whether Government is in the process of identifying reasons for the slowdown in the Special Economic Zones;
(b) whether the Export Promotion Council for EOUs and SEZs (EPCES) wants SEZ units to be allowed to sell in the domestic tariff area by shelling out same duty applicable to imports from nations who are free trade agreement partners of India;
(c) whether the imposition of MAT and DDT on SEZs has led to slowdown in terms of growth in exports from these enclaves; and
(d) if so, the details thereof and the steps taken by Government in this regard?

ANSWER

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

*****

(a), (c) and (d): The Special Economic Zones (SEZs) located in the country has seen a slowdown in terms of SEZ exports, slower operationalisation of SEZs, increased number of applications for denotification of SEZs, fewer number of application for setting up of new SEZ, etc. The slowdown may be due to a number of reasons including withdrawal of exemption from Minimum Alternate Tax (MAT) and Dividend Distribution Tax (DDT) provisions, uncertain fiscal regime for SEZs, global slowdown in exports etc. Exports from the SEZs during the last four years are as under:

<table>
<thead>
<tr>
<th>Years</th>
<th>Exports (Rs. in crore)</th>
<th>Growth/decline over previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012-2013</td>
<td>4,76,159</td>
<td>31%</td>
</tr>
<tr>
<td>2013-2014</td>
<td>4,94,077</td>
<td>4%</td>
</tr>
<tr>
<td>2014-2015</td>
<td>4,63,770</td>
<td>-6.13%</td>
</tr>
<tr>
<td>2015-2016 (April to December, 2015)</td>
<td>3,41,685</td>
<td>-1.89% (corresponding period of previous financial year 2014-15)</td>
</tr>
</tbody>
</table>

In order to boost SEZs, review meetings with the Development Commissioners of SEZs are held regularly. Further, open house meetings with SEZ stakeholders, Road Shows have been organised in various places of the country to give wide publicity of SEZs.

(b): The Export Promotion Council for EOUs and SEZs (EPCES) has represented for allowing best Free Trade Agreement rates to SEZ Developers and units for selling their goods in Domestic Tariff Area (DTA).
GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF COMMERCE)

RAJYA SABHA
UNSTARRED QUESTION NO. 323
TO BE ANSWERED ON 27TH APRIL, 2016

DISCRIMINATORY TAXATION OF NON-SMOKING AND SMOKING VARIANTS OF TOBACCO

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

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

(a) whether Government’s attention has been drawn to the demands of Andhra Pradesh and Karnataka FCV Tobacco Farmers’ Associations over discriminatory taxation between non-smoking and smoking variants of the commodity; and

(b) if so, the response of Government thereon?

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

*****

(a) Yes.

(b) Smokeless tobacco products viz. Chewing Tobacco, Gutkha (Pan Masala containing tobacco), Filter Khaini, Jarda Scented Tobacco, Unmanufactured Tobacco and Smoking tobacco products viz. Cigars and Cheroots, Cigarillos of tobacco and Cigarettes, etc. are demerit goods and therefore, chargeable to higher excise duty than other goods. Further, specified tobacco products including cigarettes attract a specific excise duty rate. So, it is essential that the specific duty rates are indexed to inflation and growth so as to achieve tax buoyancy which is otherwise achieved in respect of other goods which are chargeable to excise duty on ad valorem basis.

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

RAJYA SABHA  
UNSTARRED QUESTION NO. 326  
TO BE ANSWERED ON 27TH APRIL, 2016

IMPORT OF PULSES

326. SHRI SUKHENDU SEKHAR ROY:

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

(a) how much quantity of pulses has been imported for 2013-14, 2014-15 and between April, 2015 to February, 2016 and the respective rates thereof;
(b) what was the domestic price of pulses during the said periods; and
(c) the names of the companies through which Government imported pulses during the said years?

ANSWER

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

*****

(a) Year-wise India’s import of Pulses along with average import price for the periods 2013-14, 2014-15 and 2015-16 (Apr’15 to Feb’16) is as under:

<table>
<thead>
<tr>
<th>Year</th>
<th>Qty.(Ton)</th>
<th>Val(Million USD)</th>
<th>Average Price (US S/Ton)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013-14</td>
<td>3643705</td>
<td>2119.32</td>
<td>581.64</td>
</tr>
<tr>
<td>2014-15</td>
<td>4584852</td>
<td>2786.11</td>
<td>607.68</td>
</tr>
<tr>
<td>2015-16(Apr’15 to Feb’16)</td>
<td>5507732</td>
<td>3690.27</td>
<td>670.02</td>
</tr>
</tbody>
</table>

Note: Figures For Apr’15 To Feb’16 are provisional.

(b) : The all India monthly average retail prices of major pulses (Rs./Kg) during the period 2013-14, 2014-15 and 2015-16 (Apr’15 to Feb’16) are at Annex – I.

(c) : To augment domestic availability and stabilize prices of pulses, Government of India has imported 5,000 MT of Tur (Malawi) through Metals and Minerals Trading Corporation of India (MMTC) during 2015-16. For the bufferstock of pulses, MMTC has already contracted for import of 13,500 MT of Tur and 12,500 MT of Urad.
**Annexure-I**

**All-India Monthly Average Retail Prices of Major Pulses (Rs/kg)**

<table>
<thead>
<tr>
<th>Centre</th>
<th>GRAM DAL</th>
<th>TUR DAL</th>
<th>URAD DAL</th>
<th>MOONG DAL</th>
<th>MASOOR DAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apr-13</td>
<td>68.28</td>
<td>68.28</td>
<td>58.07</td>
<td>73.12</td>
<td>54.74</td>
</tr>
<tr>
<td>May-13</td>
<td>68.89</td>
<td>68.89</td>
<td>58.43</td>
<td>73.91</td>
<td>55.72</td>
</tr>
<tr>
<td>Jun-13</td>
<td>69.04</td>
<td>69.04</td>
<td>58.47</td>
<td>74.75</td>
<td>57.43</td>
</tr>
<tr>
<td>Jul-13</td>
<td>68.78</td>
<td>68.78</td>
<td>58.33</td>
<td>74.26</td>
<td>58</td>
</tr>
<tr>
<td>Aug-13</td>
<td>68.4</td>
<td>68.4</td>
<td>58.73</td>
<td>73.71</td>
<td>58.3</td>
</tr>
<tr>
<td>Sep-13</td>
<td>69.07</td>
<td>69.07</td>
<td>59.81</td>
<td>73.19</td>
<td>58.54</td>
</tr>
<tr>
<td>Oct-13</td>
<td>69.53</td>
<td>69.53</td>
<td>60.75</td>
<td>74.08</td>
<td>58.38</td>
</tr>
<tr>
<td>Nov-13</td>
<td>70.18</td>
<td>70.18</td>
<td>63</td>
<td>75.71</td>
<td>59.29</td>
</tr>
<tr>
<td>Dec-13</td>
<td>70.41</td>
<td>70.41</td>
<td>63.41</td>
<td>76.64</td>
<td>58.45</td>
</tr>
<tr>
<td>Jan-14</td>
<td>70.02</td>
<td>70.02</td>
<td>64.35</td>
<td>78.78</td>
<td>59.07</td>
</tr>
<tr>
<td>Feb-14</td>
<td>69.95</td>
<td>69.95</td>
<td>65.13</td>
<td>82.24</td>
<td>59.07</td>
</tr>
<tr>
<td>Mar-14</td>
<td>70.14</td>
<td>70.14</td>
<td>65.87</td>
<td>85.13</td>
<td>60.33</td>
</tr>
<tr>
<td>Apr-14</td>
<td>70.25</td>
<td>70.25</td>
<td>67.26</td>
<td>88.31</td>
<td>62.57</td>
</tr>
<tr>
<td>May-14</td>
<td>70.41</td>
<td>70.41</td>
<td>69.07</td>
<td>89.08</td>
<td>64.79</td>
</tr>
<tr>
<td>Jun-14</td>
<td>69.93</td>
<td>69.93</td>
<td>71.2</td>
<td>87.08</td>
<td>65.45</td>
</tr>
<tr>
<td>Jul-14</td>
<td>70.35</td>
<td>70.35</td>
<td>72.75</td>
<td>86.69</td>
<td>66.31</td>
</tr>
<tr>
<td>Aug-14</td>
<td>71.68</td>
<td>71.68</td>
<td>76.01</td>
<td>88.29</td>
<td>67.81</td>
</tr>
<tr>
<td>Sep-14</td>
<td>73.93</td>
<td>73.93</td>
<td>78.61</td>
<td>89.09</td>
<td>69.22</td>
</tr>
<tr>
<td>Oct-14</td>
<td>74.11</td>
<td>74.11</td>
<td>76.32</td>
<td>89.25</td>
<td>69.81</td>
</tr>
<tr>
<td>Nov-14</td>
<td>75.1</td>
<td>75.1</td>
<td>75.71</td>
<td>93.64</td>
<td>71.05</td>
</tr>
<tr>
<td>Dec-14</td>
<td>75.65</td>
<td>75.65</td>
<td>76.27</td>
<td>96.02</td>
<td>71.8</td>
</tr>
<tr>
<td>Jan-15</td>
<td>77.13</td>
<td>77.13</td>
<td>77.97</td>
<td>98.14</td>
<td>74</td>
</tr>
<tr>
<td>Feb-15</td>
<td>79</td>
<td>79</td>
<td>79.15</td>
<td>99.32</td>
<td>74.32</td>
</tr>
<tr>
<td>Mar-15</td>
<td>81.75</td>
<td>81.75</td>
<td>79.62</td>
<td>99.21</td>
<td>73.49</td>
</tr>
<tr>
<td>Apr-15</td>
<td>85.23</td>
<td>85.23</td>
<td>82.99</td>
<td>100.41</td>
<td>74.18</td>
</tr>
<tr>
<td>May-15</td>
<td>91.89</td>
<td>91.89</td>
<td>91.33</td>
<td>102.29</td>
<td>77.84</td>
</tr>
<tr>
<td>Jun-15</td>
<td>95.33</td>
<td>95.33</td>
<td>97.34</td>
<td>101.29</td>
<td>80.78</td>
</tr>
<tr>
<td>Jul-15</td>
<td>98.42</td>
<td>98.42</td>
<td>98.86</td>
<td>99.11</td>
<td>82.32</td>
</tr>
<tr>
<td>Aug-15</td>
<td>105.13</td>
<td>105.13</td>
<td>100.88</td>
<td>98.36</td>
<td>84.75</td>
</tr>
<tr>
<td>Sep-15</td>
<td>119.95</td>
<td>119.95</td>
<td>107.54</td>
<td>99.71</td>
<td>88.48</td>
</tr>
<tr>
<td>Oct-15</td>
<td>143.78</td>
<td>143.78</td>
<td>129.42</td>
<td>107.2</td>
<td>90.27</td>
</tr>
<tr>
<td>Nov-15</td>
<td>152.29</td>
<td>152.29</td>
<td>142.15</td>
<td>108.78</td>
<td>89.74</td>
</tr>
<tr>
<td>Dec-15</td>
<td>150.08</td>
<td>150.08</td>
<td>142.64</td>
<td>107.31</td>
<td>87.6</td>
</tr>
<tr>
<td>Jan-16</td>
<td>145.74</td>
<td>145.74</td>
<td>139.56</td>
<td>105.31</td>
<td>83.61</td>
</tr>
<tr>
<td>Feb-16</td>
<td>140.14</td>
<td>140.14</td>
<td>137.17</td>
<td>102.56</td>
<td>80.33</td>
</tr>
</tbody>
</table>

*Source: - States/UTs Civil Supplies Deptts.*
327. DR. PRABHAKAR KORE:

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

(a) whether it is a fact that Government has been considering for setting up of specified pharmaceutical zones to curb dependence of the pharmaceutical industry on Chinese imports;
(b) what is the annual import of Active Pharmaceutical Ingredients (API) required for producing these medicines especially from China;
(c) whether the issues such as delayed environmental clearances are plaguing the manufacturing sector; and
(d) if so, the details of the steps taken by Government to help the manufacturing sector in the country?

ANSWER

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

*****

(a) No, Sir as per information provided by Department of Industrial Policy & Promotion and Department of Pharmaceuticals there is no such proposal.

(b) India imports US$ 3245.64 mn (2014-15) worth APIs from various countries like China, Germany, USA, Japan, Italy, South Korea etc. Out of total imports, China contributed about 63.6% in 2014-15. Import of Bulk Drugs is as under: -

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bulk Drugs</td>
<td>2997</td>
<td>3357</td>
<td>3189.67</td>
<td>3146.76</td>
<td>3245.64</td>
</tr>
</tbody>
</table>

Source: CMIE/DGCIS

(c) & (d): The Department of Pharmaceuticals in association with Ministry of Environment, Forests & Climate Change and Ministry of Commerce & Industry are sorting out the issue relating to the difficulties being faced by the Bulk Drug Manufacturers relating to Environment issues to give boost to manufacturing.

*****
ALLOCATION OF FUNDS FOR CEZS IN TAMIL NADU

329. DR. V. MAITREYAN:

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

(a) whether Government envisages the Coastal Economic Zones (CEZs) as spatial-economic regions around major and minor ports;
(b) if so, the details thereof and the proposals for the major and minor ports in Tamil Nadu;
(c) the total amount allocated or to be allocated for the CEZs and the employment to be generated in the next three years in Tamil Nadu; and
(d) the various steps taken by the Union Government to develop CEZ infrastructure in Tamil Nadu?

ANSWER

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

*****

(a) & (b): The Sagarmala Programme conceptualized by the Government envisages Coastal Economic Zones (CEZs) as spatial-economic regions around and integrally linked to a group of major and minor ports. Three Coastal Economic Zones have been identified for Tamil Nadu and the details are as under:

<table>
<thead>
<tr>
<th>CEZ</th>
<th>Major / Minor Ports Covered</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEZ 1</td>
<td>VoCPT (Tuticorin), Enayam (proposed new port)</td>
</tr>
<tr>
<td>CEZ 2</td>
<td>Cuddalore / Sirkazhi (proposed new port)</td>
</tr>
<tr>
<td>CEZ 3</td>
<td>Chennai, Ennore, Katupalli</td>
</tr>
</tbody>
</table>

c): The total estimated investment in basic infrastructure and land for all the proposed three CEZs in Tamil Nadu would be approximately Rs. 35,000 Crore and expected to generate 8-10 lakh direct jobs in the next 10 years.

d): Once the perspective plans for the 3 proposed CEZs in Tamil Nadu are finalised and the detailed Master Plans leading to identification of projects and their Detailed Project Reports (DPRs) are prepared, the projects would be implemented preferably through private sector or PPP route, wherever feasible.

*****
330. **SHRI AJAY SANCHETI:**

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

(a) the names of the countries with whom Government has signed Free Trade Agreements (FTAs) in the past;
(b) the objectives behind these FTAs;
(c) whether Government intends to take a comprehensive review of these FTAs; and
(d) if so, the details thereof along with need for such a review?

**ANSWER**

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

*****

(a) The list of Free Trade Agreements (FTAs) India has entered into with other countries/blocs is annexed to the reply of the Question.

(b) The objectives behind these FTAs are to boost trade in goods, services and investment with partner countries/blocs of countries.

(c)&(d): A review/amendment of the FTAs is undertaken on the basis of mutual consent of the trading partners as and when the need for the same arises. However, internal assessment/evaluations of FTAs is a continuous process in consultation with various stakeholders, including industry representatives as well as Administrative Ministries/Departments.

*******
List of Free Trade Agreements (FTAs) India has entered into with other countries/blocs

<table>
<thead>
<tr>
<th>SN</th>
<th>Name of the Agreement</th>
<th>Date of Signing of the Agreement</th>
<th>Date of Implementation of the Agreement</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>India - Sri Lanka FTA</td>
<td>28th Dec. 1998</td>
<td>1st March, 2000</td>
</tr>
<tr>
<td>2</td>
<td>Agreement on SAFTA (India, Pakistan, Nepal, Sri Lanka, Bangladesh, Bhutan, the Maldives and Afghanistan)</td>
<td>4th January, 2004</td>
<td>1st January, 2006 (Tariff concessions implemented from 1st July, 2006)</td>
</tr>
<tr>
<td>3</td>
<td>Revised Agreement of Cooperation between Government of India and Nepal to control unauthorized trade</td>
<td>27th October, 2009</td>
<td>27th October, 2009</td>
</tr>
<tr>
<td>4</td>
<td>India - Bhutan Agreement on Trade Commerce and Transit</td>
<td>17th January, 1972</td>
<td>Renewed periodically, with mutually agreed modifications.</td>
</tr>
<tr>
<td>5</td>
<td>India - Thailand FTA - Early Harvest Scheme (EHS)</td>
<td>9th October, 2003.</td>
<td>1st September, 2004</td>
</tr>
<tr>
<td>6</td>
<td>India - Singapore CECA</td>
<td>29th June, 2005</td>
<td>1st August, 2005</td>
</tr>
</tbody>
</table>
| 7  | India – ASEAN Trade in Goods Agreement (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam) | 13th August, 2009                | • 1st January 2010 in respect of India and Malaysia, Singapore, Thailand.  
• 1st June 2010 in respect of India and Vietnam.  
• 1st September 2010 in respect of India and Myanmar.  
• 1st October 2010 in respect of India and Indonesia.  
• 1st November 2010 in respect of India and Brunei.  
• 24 January 2011 in respect of India and Laos.  
• 1st June 2011 in respect of India and the Philippines.  
• 1st August, 2011 in respect of India and Cambodia. |
| 8  | India - South Korea CEPA                                                                  | 7th August 2009                  | 1st January, 2010                                           |
| 9  | India - Japan CEPA                                                                       | 16th February, 2011              | 1st August, 2011                                            |
| 10 | India - Malaysia CECA                                                                    | 18th February, 2011              | 1st July, 2011                                              |
| 11 | India – ASEAN Services and Investment Agreement                                          | November, 2014                   | 1 July, 2015                                                |
GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF COMMERCE)

RAJYA SABHA
UNSTARRED QUESTION NO. 333
TO BE ANSWERED ON 27TH APRIL, 2016

RULING OF WTO ON SOLAR PROGRAMME

333. SHRI D. RAJA:

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

(a) whether it is a fact that the World Trade Organisation (WTO) has made a ruling that the domestic content requirement imposed under India's national solar programme is inconsistent with its treaty obligations under the global trading regime;
(b) if so, the details thereof and Government's reaction thereto;
(c) whether there has been criticism in the country that this action of WTO amounts to undermining India's efforts towards promoting the use of clean energy; 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 United States has challenged the use of domestic content requirements for solar cells and modules in few schemes of the National Solar Mission in the World Trade Organisation (WTO). United States has claimed that the domestic content requirement clause appears to be inconsistent with certain articles of GATT 1994 and TRIMS Agreement of WTO. India has defended its claims in WTO as per the provisions contained under GATT Article III : 8(a) at Panel Stage in WTO. The Panel’s report upheld the US complaint against the domestic content requirement on the ground that these measures violate India’s national treatment obligations for domestic and imported products under the WTO Agreement.

(c) & (d) : Aggrieved by the ruling of the WTO Panel, the Government of India has decided to appeal against the Panel’s ruling at the WTO’s Appellate Body. India appeal’s focus is on the need for a holistic approach to the issue of government procurement, keeping in view the public policy objectives of ensuring energy security, while achieving ecologically sustainable growth. This will result in dependence on imported solar cells and modules, as present India manufacturers are not competitive and will impact the entire green energy security of the country.

*****
SEEKING CABINET'S APPROVAL FOR WTO'S TRADE FACILITATION AGREEMENT

334. SHRI PAUL MANOJ PANDIAN:

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

(a) whether it is a fact that the Ministry will soon seek the Cabinet's approval for the WTO’s trade facilitation agreement which aims at easing customs, procedures to boost commerce;
(b) whether the Ministry has received comments on the draft Cabinet Note from all the Departments and now the final note would soon be sent for Cabinet's consideration;
(c) whether the agreement aims at simplifying customs rules, increasing transparency and reducing transaction costs for traders; and
(d) whether as part of the agreement, India would take further steps to ease customs procedures to boost trade?

ANSWER

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

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(a) & (b) The Department of Commerce circulated a draft Cabinet Note to all concerned ministries on 16.11.2015, seeking Cabinet approval for India’s ratification and acceptance of the Instrument of Acceptance of Protocol of TFA to the WTO Secretariat. After receiving inputs/comments from various Ministries/Departments the final Note was placed before the Cabinet for consideration on 17th February, 2016 and the Cabinet approved the proposal for India’s ratification of the Trade Facilitation Agreement to the WTO.

(c) Yes, the Agreement aims at simplifying customs rules, increasing transparency and reducing transaction costs for traders.

(d) Yes, as part of the Agreement India would be taking the requisite steps to ease customs and border procedures which is expected to boost trade.

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

RAJYA SABHA
UNSTARRED QUESTION NO. 335
TO BE ANSWERED ON 27TH APRIL, 2016

DEPRECIATING VALUE OF INDIAN RUPEE

335. SHRI VIJAY GOEL:

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

(a) whether the Ministry thinks that a depreciating rupee against the dollar is the right tool to boost exports;
(b) if so, the reasons for the belief and if not, the reasons for such a view;
(c) the details of the impact of the depreciating rupee on the cost of imports especially crude oil;
(d) whether the Ministry plans to take active measures to revive the value of the rupee against the US dollar; and
(e) if so, the details thereof and if not, the reasons therefor?

ANSWER

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

*****

(a& b): Decline in exports are due to many factors such as slowdown in global economy, sharp fall in global commodity prices, rebalancing and slowdown in China, relative movements in exchange rate of competitors' currencies and inflation differentials. As India traditionally had a large trade deficit, higher inflation and moderate current account deficit, appreciation of currency value in real terms may affect the competitiveness.

Exchange rate of the rupee is by and large market determined. Government does not target any specific level of exchange rates as policy tool to boost exports. Government and the RBI are closely monitoring emerging external position including rupee exchange rate on continuous basis calibrating policies or regulations to support robust macroeconomic outcome.

(c): Imports are influenced by a number of macro and micro factors like demand by trade & industry, trade policies of supplier countries, infrastructural constraints, commodity prices, etc. Given that other factors remain unchanged, depreciation of rupee, is theoretically expected to increase cost of imports for India. However, since the global commodity prices are also falling simultaneously, the value of our imports at present are impacted favorably leading a fall in import value.

(d & e): Exchange rate of the rupee is market determined. Reserve Bank of India (RBI), however, intervenes in the domestic foreign exchange market to manage excessive volatility and maintain orderly conditions without having any fixed target or band for the exchange rate.

*****
SERIOUS CONDITION OF EXPORT SECTOR

336 (H). SHRI PRABHAT JHA:

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

(a) whether it is a fact that the situation of export sector of the country has consistently become serious and there is a need to take more effective steps soon to increase the exports which are decreasing continuously;

(b) if so, the details thereof;

(c) whether the measures like revival of special export sectors and inclusion of export sector into the priority sector are under consideration to increase export and bail out the export sector from crisis; 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). As per Directorate General of Commercial Intelligence and Statistics data, India’s Merchandise Exports were US $ 261.14 billion (Provisional) during April 2015-March 2016 compared to US $ 310.34 billion during April 2014-March 2015 and US $ 314.41 billion during April 2013-March 2014. The decline in exports of the country is consistent with the global economic and trade slowdown.

Key reasons for decline in exports include the following:

(i) Fall in global demand and fall in commodity prices, impacting terms of trade for commodity exporters.

(ii) Fall in the prices of petroleum crude resulting in consequent decline in prices as well as export realizations for petroleum products, which are major items of exports for India.

(iii) EU Countries that account for nearly 16% of India’s export are facing problems of stagnation and deflation. China is also experiencing a slowdown. The recovery in US has been moderate and uncertain in terms of sustainability.
(iv) Fall in demand of precious goods like Pearls, Precious and Semi-Precious Stones, especially from Oil Producing countries.
(v) There is a general slowdown in the world GDP growth and hence, in growth in World Trade. Some increase in trade barriers has also been reported.

The policy initiatives taken by Government to arrest falling exports and enhance merchandise exports are as follows:

(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.

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

RAJYA SABHA
UNSTARRED QUESTION NO. 337
TO BE ANSWERED ON 27TH APRIL, 2016

TRADE BY EOUS

337. SHRI KIRANMAY NANDA:

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

(a) the year-wise percentage of trade by export-oriented industrial units in the total import-export trade of the country during the last 22 months;
(b) the foreign exchange earned from this trade during the said period;
(c) whether these units are getting many financial concessions; 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) Sir, the year- wise percentage of trade by 100 % Export Oriented Units (EOUs) in the total import-export trade (excluding services sector) of the country for the years 2014-2015 & 2015-2016 is as under:-

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage of Exports</th>
<th>Percentage of Imports</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014 - 2015</td>
<td>0.055%</td>
<td>0.016%</td>
</tr>
<tr>
<td>2015 - 2016</td>
<td>0.053%</td>
<td>0.016%</td>
</tr>
</tbody>
</table>

(b) the year wise Net Foreign Exchange earned by these 100% EOUs are as under :-

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Foreign Exchange Earned</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014 - 2015</td>
<td>Rs. 58,643.</td>
</tr>
<tr>
<td>2015 - 2016</td>
<td>Rs. 42,000.</td>
</tr>
</tbody>
</table>

(c) & (d) The 100 % Export Oriented Units are eligible for the following financial concessions under Chapter 6 of the Foreign Trade Policy 2015-2020:-

- Duty free imports.
- Reimbursement of Central Sales Tax.
- Terminal Excise Duty Refund Benefit.
- Duty Drawback.
- Duty Credit Scrips
- Concessional duty payment on DTA sales.
- CENVAT credit on Service Tax paid
- Exemption from VAT on raw material, consumables and packing material.
IRREGULARITIES IN STC BENGALURU

340. SHRI MD. NADIMUL HAQUE:

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

(a) whether it is a fact that the Vigilance Division has unearthed large scale irregularities in STC Bengaluru;
(b) if so, the details thereof;
(c) whether Vigilance Division has recommended that the case be referred to CBI;
(d) if so, the details thereof and if not, the reasons therefor;
(e) the details of any action taken against the responsible officers for above irregularities; and
(f) the total loss of money to the exchequer?

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

*****

(a) to (b): During the vigilance inspection conducted in September, 2015, irregularities in the following areas in STC Bengaluru branch for the period 2014-15 were observed:

i. STC, Bengaluru flouted the tender guidelines/CVC guidelines while awarding the job to parties for supply and distribution of fertilizers to tobacco farmers in Karnataka.

ii. Continuation of housekeeping/maintenance contract without finalizing the tenders. Payments were made to the firm exceeding the approved rates, release of certain payments for the services of personnel hired for marketing/finance which were outside the purview of the contract without the approval of Competent Authority.

(c) to (f): The Vigilance Division of STC has recommended that the matter be referred to Anti-Corruption Branch, CBI, and also to place the Branch Manager of Bengaluru under suspension. Accordingly, the then Branch Manager has been placed under suspension by the management, and departmental proceedings for major penalty initiated against him. The Management is collecting further factual details for referring the matter to CBI, if required. The loss to STC, if any, will be determined once the factual details are available.
TRADE WITH NEIGHBOURING COUNTRIES

341. SHRI P. BHATTACHARYA:
SHRI K.C. TYAGI:

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

(a) the main features of India’s trade with neighbouring countries;
(b) how the trade relations among these countries moved during the last three years;
(c) what is the scope for strengthening trade relations with neighbouring countries; and
(d) the details of the measures proposed to be taken by Government in this direction?

ANSWER

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

*****

(a) On account of its geographical size and population, diversified and mature economy, size of Gross Domestic Product (GDP), faster growth rate and trade surplus with all its neighbours, India occupies a pre-eminent position in the South Asia region. At the Fourteenth SAARC Summit held in New Delhi in April, 2007, India announced that it is ready to accept asymmetrical responsibilities, opening her market to her South Asian neighbours, without insisting on reciprocity.

(b) Trade data for the current year i.e., 2016-17 is not yet available. The value of trade (exports and imports) with neighbouring/ SAARC countries from 2012-13 to 2015-16 is given below:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>South Asia</td>
<td>472.63</td>
<td>159.55</td>
<td>474.34</td>
<td>208.77</td>
<td>422.56</td>
<td>261.91</td>
<td>495.00</td>
<td>286.81</td>
</tr>
<tr>
<td>1.</td>
<td>AFGHANISTAN TIS</td>
<td>5,144.99</td>
<td>639.33</td>
<td>6,166.97</td>
<td>484.34</td>
<td>6,451.48</td>
<td>621.37</td>
<td>5,146.02</td>
<td>603.29</td>
</tr>
<tr>
<td>2.</td>
<td>BHUTAN</td>
<td>233.22</td>
<td>164.00</td>
<td>355.60</td>
<td>192.17</td>
<td>333.94</td>
<td>149.87</td>
<td>367.65</td>
<td>301.50</td>
</tr>
<tr>
<td>3.</td>
<td>BANGLADESH PR</td>
<td>123.36</td>
<td>9.29</td>
<td>106.07</td>
<td>3.97</td>
<td>152.38</td>
<td>4.32</td>
<td>162.66</td>
<td>4.14</td>
</tr>
<tr>
<td>4.</td>
<td>MALDIVES</td>
<td>3,088.84</td>
<td>543.10</td>
<td>3,592.30</td>
<td>529.93</td>
<td>4,558.77</td>
<td>639.91</td>
<td>3,204.31</td>
<td>422.50</td>
</tr>
<tr>
<td>5.</td>
<td>NEPAL</td>
<td>2,064.89</td>
<td>541.87</td>
<td>2,274.30</td>
<td>426.88</td>
<td>1,857.29</td>
<td>497.31</td>
<td>1,925.26</td>
<td>407.75</td>
</tr>
<tr>
<td>6.</td>
<td>PAKISTAN IR</td>
<td>3,983.87</td>
<td>625.81</td>
<td>4,534.35</td>
<td>666.93</td>
<td>6,703.72</td>
<td>756.17</td>
<td>4,948.69</td>
<td>700.12</td>
</tr>
</tbody>
</table>

Data Source: DGCIS, Kolkata

Values in US $ Millions
The share of India’s exports to the South Asian (SAARC) countries vis-à-vis total Indian exports to all the countries has increased from 5.03% in 2012-13 to 6.80% in 2015-16 (April-February). Similarly, the share of India’s imports from the South Asian (SAARC) countries vis-à-vis total Indian imports from all the countries has increased from 0.55% in 2012-13 to 0.77% in 2015-16 (April-February).

(c) & (d) Government has taken various steps to improve the trade infrastructure with neighbouring/SAARC countries which, inter-alia, include upgradation / modernization of Land Customs Stations, establishment of Integrated Check Posts / Border Haats etc. SAFTA provisions have also been liberalized by India/SAARC Countries to encourage greater trade. The Government continues to engage pro-actively with SAARC countries to strengthen trade and economic relations. Bilateral and multilateral trade discussions, held with these countries from time to time, also explore mechanisms for enhancement of trade, including trade in services.

*****
IMPACT OF VISA FEE INCREASE ON INDO-US SERVICES TRADE

343. SHRI C.M. RAMESH:

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

(a) the details of the letter written to US Commerce Secretary, Penny Pritzker, in connection with huge Visa fee increase;
(b) to what extent the huge increase in Visa fee hurts India-US services trade; and
(c) the efforts being made by Government to include the above Visa fee hike and other related issues in the IndoUS trade policy forum and also Indo-US strategic and commercial dialogue?

ANSWER

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

*****

(a) In connection with the huge visa fee increase, a letter was written to US Commerce Secretary, Penny Pritzker, in December, 2015, wherein it was requested not to incorporate such discriminatory and punitive measures into legislations without due process of Notice and Comment, as it would seriously impede the on-going efforts to take the India-US bilateral trade and investment relationship forward.

(b) Even though it is difficult to assess the adverse impact on trade in precise terms, but as per NASSCOM’s estimate, the impact could be around US$ 400 million per year, amounting to a total of about US$ 4 billion over the next 10 years, as the increase in visa fees has been made applicable for 10 years.

(c) Concerns about the above visa fee hike and other related issues were raised during the Indo-US Trade Policy Forum meeting held in Washington DC in October, 2015.

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