TARIFFS ON STEEL IMPORTS BY THE US

*350. SHRI RANJIB BISWAL:

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

(a) whether Government is aware that the US Department of Commerce has recommended to impose steep tariffs on steel imports from India and a few other countries;
(b) if so, the details thereof and the reasons therefor;
(c) the total quantity of steel that India exported to the US during last three years and the current year and total foreign exchange earned from it as a result thereof; and
(d) what steps Government has taken so far to convince the US authorities that steel manufactured in India and exported to the US is of a good and reliable quality and safe to use?

ANSWER

THE MINISTER OF COMMERCE AND INDUSTRY
(SHRI SURESH PRABHU)

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

*****

On 8 March 2018, the U.S. President issued a Presidential Proclamation imposing 25% tariffs on US import of steel from all countries except Canada and Mexico on the ground that the steel articles are being imported into the U.S. in such quantities and under such circumstances as to threaten to impair the national security of the U.S., the global excess capacity for producing steel is weakening their internal economy and persistent threat of further closure of their domestic steel production.

The total quantity of steel exported to U.S. by India and the total value/foreign exchange earned during the last three years and the current year are as below:

<table>
<thead>
<tr>
<th>Steel</th>
<th>India’s export to USA (Under Chapter 72 and 73)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Quantity in thousand tonnes</td>
</tr>
<tr>
<td>Chapter 72 – “Iron and steel”</td>
<td>677.86</td>
</tr>
<tr>
<td>Chapter 73 - “Articles of iron or steel”</td>
<td>817.18</td>
</tr>
<tr>
<td>Total</td>
<td>1495.04</td>
</tr>
</tbody>
</table>

(Source: DGCIS)

The Government has raised this issue with the United States highlighting that Indian steel exports are primarily of those items which are not domestically produced in the U.S. and in no way threaten US industry. The Government has urged the US to exempt India from these tariffs.

*****
IMPACT ON BLACK PEPPER DUE TO IMPORTS FROM VIETNAM

3682. SHRI SANJAY SETH

Will the Minister of COMMERCCE & INDUSTRY be pleased to state:

(a) whether the prices of Indian black pepper continue to sink due to high imports from Vietnam routed through Sri Lanka because of duty concessions under South Asian Free Trade Agreement (SAFTA) and hitting the pepper growers in south Indian States;

(b) whether this will also reduce the demand of Indian black pepper prices in domestic market; and

(c) what steps are taken by Government to address this issue and protect the domestic farmers from getting hurt?

ANSWER

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

(a) & (b) The domestic prices of pepper have fallen primarily due to decline in international prices owing to higher production and supply of pepper in the international market and also due to import of cheap pepper from other origins into India. Representations have been received from traders/growers associations of pepper in the country regarding alleged import of low quality pepper into India from Vietnam through Sri Lanka. Since most of the pepper producing countries are in the Association of Southeast Asian Nations (ASEAN) region, the stakeholders have raised apprehensions of routing the pepper produced in ASEAN countries including Vietnam, to India through Sri Lanka, by utilizing the provisions of India Sri Lanka Free Trade Agreement (ISLFTA) and Agreement on South Asian Free Trade Area (SAFTA). It may not reduce the demand for Indian Black pepper in the domestic market as Indian pepper is superior in quality.

(c) In order to stop the possibility of inferior quality pepper of other countries entering into India through Sri Lanka to take duty advantage and to stabilize the domestic prices of pepper, Government has fixed the CIF value of Rs.500/- per kg as Minimum Import Price for Black Pepper vide DGFT Notification dated 6/12/2017. Further, DGFT has brought about amendment in the import policy of pepper by bringing import of pepper under the clause “Prohibited” for regulating the import of pepper to protect domestic farmers. Sri Lankan Authorities have been requested to exercise extreme care and diligence in issuing the Certificates of Origin under ISLFTA and SAFTA. Government of Sri Lanka has informed that Sri Lanka Customs along with Ministry of Primary Industries and National Quarantine Service have introduced a new procedure with the aim of preventing Sri Lankan exporters from obtaining SAFTA or ISLFTA Certificates of Origin issued by the Department for third-country black pepper shipments destined to India.

****
3683. SHRI A.K. SELVARAJ

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

(a) whether it is a fact that the panel appointed by Government had suggested various measures to make Special Economic Zone (SEZ) policy more attractive and feasible;
(b) if so, the details thereof;
(c) whether it is also a fact that many Special Economic Zones were not operating successfully due to several lapses and loopholes; and
(d) if so, the details thereof?

ANSWER

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

(a) and (b): A Committee was constituted by the Government for review of Special Economic Zones (SEZs) Rules, 2006. The Committee has suggested changes in various provisions which were necessitated due to introduction of GST Scheme and other issues raised by the entrepreneurs from time to time.

(c) and (d): No Sir. The main objectives of the SEZ Scheme were promotion of exports of goods and services, promotion of investment & creation of employment. The SEZs were operating successfully and the details of export, employment and investment relating to operational SEZs in the country during the last three years are as under:

<table>
<thead>
<tr>
<th>Year (as on 30.09.2017)</th>
<th>Total exports of the Country (INR-Crs)</th>
<th>Total export of the SEZs (INR-Crs)</th>
<th>% share of the SEZs exports in the total export of the country</th>
<th>Employment* (in persons)</th>
<th>Investment* (Rs. Crores)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015-2016</td>
<td>2746636</td>
<td>4,67,337</td>
<td>17.01</td>
<td>15,91,381</td>
<td>3,76,494</td>
</tr>
<tr>
<td>2016-2017</td>
<td>2930041</td>
<td>5,23,637</td>
<td>17.87</td>
<td>17,31,641</td>
<td>4,23,189</td>
</tr>
<tr>
<td>2017-2018</td>
<td>1021714</td>
<td>2,66,773</td>
<td>26.11</td>
<td>18,23,451</td>
<td>4,48,832</td>
</tr>
</tbody>
</table>

* Calculated on cumulative basis.
IMPOSITION OF TARIFFS BY THE US ON IMPORTED STEEL AND ALUMINIUM

3684. SHRI DEVENDER GOUD T.:

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

(a) how Government looks at the order signed by the US President imposing heavy tariffs on imported steel and aluminium;
(b) the details of steel that India exported to the US during the last four years and the current year, year-wise;
(c) what impact the order will have on India;
(d) whether the tariff is permissible under World Trade Atlas (WTA);
(e) whether it is a fact that the International Monetary Fund (IMF) is opposing the tariff on steel and aluminium; and
(f) if so, whether India intends to appeal to the US for exemption to its steel exports to the US?

ANSWER

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

a) Government has taken note of the President of United States (U.S.) Proclamations dated 08-03-2018 on steel and aluminium imposing a tariff of 25% and 10% respectively, as it would impact Indian exports to the U.S. The protectionist measure on steel & Aluminium is not in the best interest of furthering global trade.
(b) Details of steel exported by India to the U.S. during the last four years and the current year is as below -

<table>
<thead>
<tr>
<th>Steel</th>
<th>India's export to USA (Under Chapter 72 and 73) (Value in US $ Million)</th>
<th>2013-14</th>
<th>2014-15</th>
<th>2015-16</th>
<th>2016-17</th>
<th>2017-18 (Apr-Jan)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chapter 72 – “Iron and steel”</td>
<td></td>
<td>581.88</td>
<td>700.26</td>
<td>405.74</td>
<td>330.17</td>
<td>309.18</td>
</tr>
<tr>
<td>Chapter 73 - “Articles of iron or steel”</td>
<td></td>
<td>1328.70</td>
<td>1712.60</td>
<td>1232.58</td>
<td>1263.60</td>
<td>1353.02</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>1910.58</td>
<td>2412.86</td>
<td>1638.32</td>
<td>1593.77</td>
<td>1662.20</td>
</tr>
</tbody>
</table>

(c) The U.S. Presidential Proclamations on steel and aluminium mentions specific tariff lines at HS code 6-digit and the exports under the same would get impacted. Though it would be difficult to estimate what would be the quantum of impact on Indian steel and aluminium exports, the Indian exports may become costlier and uncompetitive in the U.S. market especially against other countries who are exempted from levy of tariff by the U.S.

(d) Under the provisions of World Trade Organisation (WTO) and General Agreement on Tariffs and Trade, 1994 the member countries are bound by the duty committed under each tariff line. The current tariff imposed by the U.S. on steel and aluminium is beyond the bound rate committed by U.S. to WTO.

(e) As per press release of IMF dated 02-03-2018, IMF stated that the import restrictions announced by the U.S. President are likely to cause damage not only outside the U.S., but also to the U.S. economy itself, including to its manufacturing and construction sectors, which are major users of aluminium and steel. The measures proposed by the U.S. will, de facto, expand the circumstances where countries use the national-security rationale to justify broad-based import restrictions. U.S and its trading partners may need to work constructively together to reduce trade barriers and to resolve trade disagreements without resorting to such emergency measures.

(f) Yes, Sir. India has already requested the U.S. for exemption.

*****
RAJYA SABHA
UNSTARRED QUESTION NO. 3686
TO BE ANSWERED ON 28th MARCH, 2018

IMPROVEMENT IN EXPORTS

3686. SHRI DARSHAN SINGH YADAV:
SHRI P. BHATTACHARYA:

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

(a) the details of quantity and value of exports of major items during the last two years;
(b) whether Indian exports have improved during the last six months;
(c) if so, the details thereof in percentage of improvement in comparison to last year;
(d) whether Government has made any assessment of the sectors affected by the shrinking global demand and export potential of the country during the last two years; and
(e) the steps being taken to reduce trade deficit and boost export performance, till date?

ANSWER

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

(a): India’s merchandise export of major sector-wise during the last two years are as follows:

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Sectors</th>
<th>2015-16</th>
<th>2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Gems &amp; Jewellery</td>
<td>39,283.46</td>
<td>43,412.76</td>
</tr>
<tr>
<td>2</td>
<td>Textiles &amp; Allied Products</td>
<td>35,952.65</td>
<td>35,766.63</td>
</tr>
<tr>
<td>3</td>
<td>Chemicals &amp; Related Products</td>
<td>32,169.23</td>
<td>32,779.30</td>
</tr>
<tr>
<td>4</td>
<td>Petroleum Crude &amp; Products</td>
<td>30,582.72</td>
<td>31,545.26</td>
</tr>
<tr>
<td>5</td>
<td>Agri. &amp; Allied Products</td>
<td>24,521.93</td>
<td>24,549.19</td>
</tr>
<tr>
<td>6</td>
<td>Transport Equipments</td>
<td>21,336.08</td>
<td>23,163.13</td>
</tr>
<tr>
<td>7</td>
<td>Base Metals</td>
<td>18,497.79</td>
<td>21,890.32</td>
</tr>
<tr>
<td>8</td>
<td>Machinery</td>
<td>18,922.31</td>
<td>20,151.74</td>
</tr>
<tr>
<td>9</td>
<td>Plastic &amp; Rubber Articles</td>
<td>6,415.86</td>
<td>6,438.39</td>
</tr>
<tr>
<td>10</td>
<td>Marine Products</td>
<td>4,767.50</td>
<td>5,903.06</td>
</tr>
<tr>
<td>11</td>
<td>Others</td>
<td>6,814.13</td>
<td>5,703.27</td>
</tr>
<tr>
<td>12</td>
<td>Electronics Items</td>
<td>5,690.23</td>
<td>5,689.18</td>
</tr>
<tr>
<td>13</td>
<td>Leather &amp; Leather Manufactures</td>
<td>5,554.34</td>
<td>5,308.30</td>
</tr>
<tr>
<td>14</td>
<td>Articles of Stone, Plaster, Cement, Asbestos, Mica or Similar Materials; Ceramic Products; Glass and Glassware</td>
<td>3,879.36</td>
<td>4,087.58</td>
</tr>
<tr>
<td>15</td>
<td>Ores &amp; Minerals</td>
<td>2,014.92</td>
<td>3,255.61</td>
</tr>
<tr>
<td>16</td>
<td>Paper &amp; Related Products</td>
<td>2,347.60</td>
<td>2,335.17</td>
</tr>
<tr>
<td></td>
<td>Description</td>
<td>2016-17</td>
<td>2017-18</td>
</tr>
<tr>
<td>----------</td>
<td>------------------------------------------</td>
<td>----------</td>
<td>----------</td>
</tr>
<tr>
<td>17</td>
<td>Optical, Medical &amp; Surgical Instruments</td>
<td>1,635.07</td>
<td>1,889.58</td>
</tr>
<tr>
<td>18</td>
<td>Plantation</td>
<td>1,562.60</td>
<td>1,611.74</td>
</tr>
<tr>
<td>19</td>
<td>Sports Goods</td>
<td>227.7</td>
<td>224.83</td>
</tr>
<tr>
<td>20</td>
<td>Office Equipments</td>
<td>89.49</td>
<td>117.92</td>
</tr>
<tr>
<td>21</td>
<td>Project Goods</td>
<td>25.13</td>
<td>28.74</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>2,62,290.13</td>
<td>2,75,851.71</td>
</tr>
</tbody>
</table>

Source: DGCI&S, Kolkata

Due to different units of measurement, sector-wise quantities are not additive and hence quantity of export is not available.

(b) & (c): The India’s merchandise export has increased by 13.43% during the last six months of the year 2017-18(Sept-Feb) as compared to the corresponding period of previous year as per the details below:

<table>
<thead>
<tr>
<th>Months</th>
<th>Value (in Million USD)</th>
<th>% change over last year</th>
</tr>
</thead>
<tbody>
<tr>
<td>September</td>
<td>22768.35</td>
<td>28367.44</td>
</tr>
<tr>
<td>October</td>
<td>23360.61</td>
<td>22852.41</td>
</tr>
<tr>
<td>November</td>
<td>20066.26</td>
<td>26087.15</td>
</tr>
<tr>
<td>December</td>
<td>24056.48</td>
<td>27676.86</td>
</tr>
<tr>
<td>January</td>
<td>22356.32</td>
<td>24955.99</td>
</tr>
<tr>
<td>February</td>
<td>24726.71</td>
<td>25834.36</td>
</tr>
<tr>
<td><strong>TOTAL (last six months)</strong></td>
<td><strong>137334.73</strong></td>
<td><strong>155774.21</strong></td>
</tr>
</tbody>
</table>

Source: DGCI&S, Kolkata (* Provisional)

(d) and(e): Need based assessments are made based on sector-wise trade data from time to time in consultation with stakeholders. In order to reduce trade deficit and boost export performance, the Government announced a major relief package for exporters in October 2017 by extending the Advance Authorization (AA)/ Export Promotion Capital Goods (EPCG)/ 100% EOU schemes for sourcing inputs etc. from abroad as well as domestic suppliers. During the mid-term review of Foreign Trade Policy, export incentives under Merchandise Exports from India (MEIS) have been increased by 2% for labour intensive and MSME sectors leading to additional annual incentive of Rs 4,567 crore. This was in addition to already announced increase in MEIS incentives from 2% to 4% for Ready-made Garments and Made Ups in the labour intensive Textiles Sector with an additional annual incentive of Rs 2,743 crore. Further, incentives under Services Exports from India Scheme (SEIS) have also been increased by 2% leading to additional annual incentive of Rs 1,140 crore.

For reducing imports and promoting manufacturing in India, Government has taken up major initiatives under “Make in India” and improving “Ease of Doing Business”.

***
WTO RESTRICTIONS ON FOOD PROCUREMENT AT ADMINISTERED PRICES

3687. SHRIMATI SASIKALA PUSHPA:

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

(a) whether WTO has imposed any restrictions on food procurement at administered prices for food security programme by Government;
(b) if so, the details thereof;
(c) whether Government has accepted the restrictions imposed by WTO on food procurement at administered prices for food security programme by Government; and
(d) if so, the details thereof?

ANSWER

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

(a) to (d) The relevant rules of the World Trade Organization (WTO), adopted at the end of the Uruguay Round of trade negotiations in 1994, are applicable to the purchase of food under public stockholding programmes for food security purposes. As per the rules, if the food for these programmes is purchased at “administered” prices, and not at market prices, then this is considered as support to farmers. The WTO rules impose certain limits on such support. In order to ensure that these limits do not constrain public stockholding programmes for food security purposes in developing countries, a coalition of developing countries, including India, sought to amend the WTO rules. As per decisions taken at Ministerial Conferences of the WTO held in Bali (December 2013), Nairobi (December 2015) and in the WTO General Council in November 2014, an interim mechanism is in place. This provides that WTO members would exercise due restraint (popularly termed as a ‘Peace Clause’) in raising disputes under the relevant provisions of the WTO Agreement on
Agriculture in respect of public stockholding programmes for food security purposes even if countries exceed their permissible limits on the subsidies involved in food purchases under such programmes. It was also decided that a permanent solution would be negotiated. While a permanent solution could not be achieved at the recently concluded 11th Ministerial Conference of the WTO held in Buenos Aires, Argentina in December 2017 due to a lack of consensus, India’s public stockholding programmes continue to be protected due to the interim mechanism, which is available in perpetuity.

****
3688. SHRI TIRUCHI SIVA:

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

(a) the reasons for decline in farm exports during last year;
(b) what export restrictions are put on farm exports; and
(c) whether it is a fact that these export restrictions have disadvantaged farmers in the international market?

ANSWER

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

(a) India’s exports of farm products (including plantation and marine products) during 2016-17 amounted to USD 33.37 billion as compared to USD 32.09 billion in 2015-16. As such, there was no decline in the overall export of farm products during 2016-17.

(b & c) The only major farm product, export of which is prohibited, is edible oils. However, several exemptions have been allowed w.r.t. major oilseeds grown in India and bulk export of Groundnut oil, Sesame oil, Soyabean oil, Maize (Corn) oil, Rice Bran oil, Coconut oil, Organic edible oils and minor forest produce oils is permitted. Exports of all edible oils are also allowed in consumer packs of up to 5 Kgs subject to Minimum Export Price of USD 900/MT. Export of all other farm products is permitted subject to fulfilment of conditions specified for individual products. Occasionally minimum export price or export duty is imposed on items like onion, sugar etc. to overcome a domestic shortfall in production, purely as a temporary measure. Exports of farm products are also subject to the phytosanitary and quality requirements of the importing countries. Various export promotion agencies under the Department of Commerce viz. Export Inspection Council, Agricultural & Processed Food Products Export Development Authority (APEDA), Marine Products Export Development Authority (MPEDA) and various Commodity Boards take necessary steps to support exporters/farmers in meeting the phytosanitary and quality requirements of the importing countries.

*******
IMPACT OF DECISION OF THE US TO INCREASE TARIFFS ON IMPORTED STEEL AND ALUMINIUM

3692. SHRI SUKHENDU SEKHAR RAY

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

(a) whether decision of the US to increase tariffs on certain imported steel and aluminium products has created any impact on India's foreign trade;
(b) if so, the details thereof;
(c) whether this US tariff barrier on these products has violated the mandates of world trade organisation on free trade;
(d) if so, whether government is contemplating imposition of new tariff on imported goods from the US; and
(e) if not, the reasons therefor?

ANSWER

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

(a) & (b) The tariff imposed on steel and aluminium is effective from 23-03-2018. Though it would be difficult to estimate what would be the quantum of impact on Indian steel and aluminium exports, the Indian exports may become costlier and uncompetitive at U.S. market especially against other countries who are exempted from levy of tariff by the U.S.

(c) Under the provisions of World Trade Organisation (WTO) and General Agreement on Tariffs and Trade, 1994 the member countries are bound by the duty committed under each tariff line. The current tariff imposed by the U.S. on steel and aluminium is beyond the bound rate committed by U.S. to WTO.

(d) & (e) It is Government’s pro-active policy to encourage its exports, and the issues arising in bilateral trade from time to time are taken up with the Government of United States at various levels, including at the highest level. India has also taken up with the U.S. to exempt India from the steel and aluminium tariffs. India is examining all the options to deal with the issue, in case it is not resolved, bilaterally.

*****
3693. SHRI A. VIJAYAKUMAR:

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

(a) whether any new policy on EXIM is to be formulated in favour of exporters and importers in the country;
(b) if so, the details thereof;
(c) whether there are alarming number of pending cases on export subsidy to exporters in the country; and
(d) if so, the details thereof?

ANSWER

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

(a) & (b) India’s Foreign Trade Policy has, conventionally been formulated for five years at a time. The current Foreign Trade Policy 2015-20 came into effect from 1st April, 2015. The mid-term review of the new Foreign Trade Policy 2015-20 was released on 05.12.2017. The Foreign Trade Policy is dynamic policy and changes in policy and procedure are carried out as and when required through Notifications and Public Notices. Key changes in the mid-term review of the Foreign Trade Policy are as under:

- MEIS (Merchandise Exports from India Scheme) was increased by 2% to MSMEs / labour intensive industries involving an additional outlay of Rs.7310 crore that includes Rs. 2743 crore incentives for two sub-sectors of Textiles i.e. ready made garments and made-ups on which MEIS was raised from 2% to 4%. Similarly, the SEIS (Service Export from India Scheme) incentive rate was increased by 2% for all notified services such as Business, Legal, Accounting, Architectural, Engineering, Educational, Hospital, Hotels and Restaurants amounting to Rs. 1140 crore.
- The validity period of the Duty Credit Scrips was increased from 18 months to 24 months to enhance their utility in the GST framework. GST rate for transfer/sale of scrips was reduced to zero from the earlier rate of 12%.
- A new trust based Self Ratification Scheme was introduced to allow duty free inputs for export production under duty exemption scheme for the Authorized Economic Operators (AEOs).
- Issue of working capital blockage of the exporters due to upfront payment of GST on inputs has also been addressed. Exemption of IGST was allowed to schemes like the
Advance Authorization Scheme, Export Promotion Capital Goods Scheme and 100% Export Oriented Unit Scheme for sourcing inputs from abroad apart from Customs Duty.

The 26th meeting of the GST Council held on 10th March 2018 has further extended these benefits till 01.10.2018.

(c) & (d) No Sir. No export subsidy is provided to the exporters. However, the applications for claims under export promotion schemes notified in the Foreign Trade Policy are disposed off in a time bound manner. A total of 4,27,557 applications under Merchandise Exports from India Scheme (MEIS) and 3305 applications under Service Exports from India Scheme (SEIS) have been received in the period 01.04.2015 to 22.3.2018, out of which only 8564 of MEIS and 601 of SEIS applications are pending as on date, majority of which are due to deficiencies in the applications that have been communicated to the exporter.

*****
HOLDING OF MINI-MINISTERIAL MEETING OF WTO MEMBERS

3694. SHRI N. GOKULAKRISHNAN:

Will the Minister of COMMERCENE & INDUSTRY be pleased to state:

(a) whether it is a fact that India is considering to hold a mini-ministerial meeting of about 40 World Trade Organisation members to discuss ways to increase global trade;
(b) if so, the details thereof;
(c) whether it is also a fact that the idea of the meeting is to deliberate on ways to create bigger markets, rather than finding out grounds on contentious issues; and
(d) if so, the details thereof?

ANSWER

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

(a)–(b) India hosted an Informal WTO Ministerial Meeting on 19-20 March 2018 in New Delhi. The meeting, which was attended by more than fifty WTO member countries, was organised with the objective of facilitating a free and frank exchange of views on various issues related to the World Trade Organization (WTO).

(c)-(d) No, Sir. The meeting was held with a view to providing an opportunity to deliberate on issues concerning the WTO. During the meeting, it was recognized by almost all the participants that it is the collective responsibility of all WTO member countries to address the challenges facing the system and put it back on a steady and meaningful way forward.

****
IMPACT OF RECIPROCAL TAX AND PROTECTIONIST MEASURES BY THE US ON INDIAN ECONOMY

3695. SHRI C.P. NARAYANAN:

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

(a) the total exports of the country to the US from 2014-15 to 1st January, 2018;
(b) how much of the exports will be affected by the US threat of imposing reciprocal tax and protectionist measures;
(c) how much Indians employed in the US will be affected by this;
(d) the total expected impact on Indian economy; and
(e) the intended steps India is adopting to tide over the crisis, if any?

ANSWER

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

(a) Total exports of India to the United States (U.S) from 2014-15 to the end of January, 2018 is as below:

<table>
<thead>
<tr>
<th>TRADE INDICATOR</th>
<th>2014-15</th>
<th>2015-16</th>
<th>2016-17</th>
<th>2017-18 (P)</th>
</tr>
</thead>
<tbody>
<tr>
<td>INDIAN EXPORTS TO U.S.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(IN US $ BILLION)</td>
<td>42.44</td>
<td>40.33</td>
<td>42.21</td>
<td>39.38</td>
</tr>
</tbody>
</table>

(b) & (d) So far, the U.S. has not imposed any such reciprocal tax on any of the commodities nor indicated any commodities and hence it is not possible to estimate the impact. The U.S. however, has imposed tariffs on steel and aluminium at the rate of 25% and 10%, respectively. Presidential Proclamations on steel and aluminium mentions specific tariff lines at HS code 6-digit and the Indian exports under the same would get impacted. Though it would be difficult to estimate what would be the quantum of impact on Indian steel and aluminium exports, the Indian exports may become costlier and uncompetitive at U.S. market especially against other countries who are exempted from levy of tariff by the U.S.

(c) No data or estimate is readily available and therefore, it may not be possible to establish such direct relationship.
It is Government's pro-active policy to encourage its exports, and the issues arising in bilateral trade from time to time are taken up with the Government of United States at various levels, including at the highest level. India has also taken up with the U.S. to exempt India from the steel and aluminium tariffs.

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3696. SHRI JOY ABRAHAM:

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

(a) whether it is a fact that the Price Stabilisation Fund (PSF) Scheme, 2003 was closed on 30th September, 2013, if so, the status of the corpus of the fund amounting to ₹ 1,011 crores;
(b) whether the said amount of ₹1,011 crores was utilised for the new Revenue Insurance Scheme for Plantation Crops (RISPC) covering rubber, tea, coffee, cardamom and tobacco, if so, the details thereof; and
(c) the details of the RISPC Scheme including its date of commencement and the number of beneficiaries of RISPC both crop-wise and State-wise, till date?

ANSWER

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

(a) to (c): Yes, Sir. The Price Stabilization Fund Scheme was implemented by the Central Government from the year 2003 to 2013 with a view to protect the farmers of plantation crops from losses on account of price fluctuations with the support from the Price Stabilization Fund (PSF). The scheme was closed on 30th September, 2013 and the Corpus Fund at present amounting to Rs. 1187.67 crores is vested in the Public Account of Government of India.

Revenue Insurance Scheme for Plantation Crops (RISPC), which is a modified form of PSF Scheme for plantation crops is under implementation on a pilot basis for two years commencing from 16.9.2016, for protecting growers of plantation crops i.e. tea, coffee, rubber, cardamom and tobacco from the twin risks of yield loss due to adverse weather parameters, pest attacks etc and income loss caused by fall in international/domestic prices. RISPC was approved to be funded out of the accumulated resources of the PSF. State-wise and crop-wise details are at Annexure.

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## List of 9 Pilot Districts under RISPC

<table>
<thead>
<tr>
<th>Crop</th>
<th>State</th>
<th>Pilot Districts</th>
<th>No. of growers (having land holding upto 10 ha.)</th>
<th>Area covered (ha.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rubber</td>
<td>Kerala</td>
<td>Palakkad</td>
<td>18000</td>
<td>15000</td>
</tr>
<tr>
<td></td>
<td>Kerala</td>
<td>Kottayam</td>
<td>50000</td>
<td>25000</td>
</tr>
<tr>
<td><strong>Total Rubber</strong></td>
<td></td>
<td></td>
<td><strong>68,000</strong></td>
<td><strong>40,000</strong></td>
</tr>
<tr>
<td>Tea</td>
<td>Tamil Nadu</td>
<td>Coonoor (Nilgiris)</td>
<td>38311</td>
<td>27000</td>
</tr>
<tr>
<td></td>
<td>West Bengal</td>
<td>Jalpaiguri</td>
<td>9000</td>
<td>8000</td>
</tr>
<tr>
<td></td>
<td>Assam</td>
<td>Golaghat</td>
<td>10044</td>
<td>9224</td>
</tr>
<tr>
<td><strong>Total Tea</strong></td>
<td></td>
<td></td>
<td><strong>57355</strong></td>
<td><strong>44224</strong></td>
</tr>
<tr>
<td>Coffee (Robusta)</td>
<td>Karnataka</td>
<td>Chikmagalur</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coffee (Arabica)</td>
<td>Karnataka</td>
<td>Chikmagalur</td>
<td><strong>14853</strong></td>
<td><strong>45520</strong></td>
</tr>
<tr>
<td><strong>Total Coffee</strong></td>
<td></td>
<td></td>
<td><strong>71094</strong></td>
<td></td>
</tr>
<tr>
<td>Tobacco</td>
<td>Andhra Pradesh</td>
<td>West Godavari</td>
<td>11424</td>
<td>24406</td>
</tr>
<tr>
<td>Cardamom (small)</td>
<td>Kerala</td>
<td>Idukki</td>
<td>25000</td>
<td>28925</td>
</tr>
<tr>
<td>Cardamom (large)</td>
<td>Sikkim</td>
<td>East Sikkim</td>
<td>5200</td>
<td>6204</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>181832</strong></td>
<td><strong>214853</strong></td>
</tr>
</tbody>
</table>
IMPORTS FROM ASEAN COUNTRIES ORIGINATING FROM CHINA

3701. SHRI NARESH GUJRAL:

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

(a) whether Government is aware that a lot of imports taking place from some ASEAN countries with whom India has signed Free Trade Agreements are actually originating from China; and

(b) if so, what steps are being taken to check this menace as they harm the domestic industry of India?

ANSWER

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

(a) and (b) The imports from ASEAN Countries enjoy preferential tariff under ASEAN India Trade in Goods Agreement subject to meeting the requirements of Rules of Origin. The Central Board of Excise and Customs (CBEC) monitors the imports at preferential arrangements made under Free Trade Agreements (FTAs) including the India – ASEAN FTA.

The CBEC issues various guidance circulars, instructions and alert Circulars on the implementation of FTAs including the checks to be done for detecting and investigating mis-declaration of origin. 16 cases have been booked during the year 2014-15, 2015-16, 2016-17 and 2017-18 regarding import from ASEAN countries claiming the benefit of India ASEAN FTA, but originating from China.

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