RAJYA SABHA
STARRED QUESTION NO. 98
TO BE ANSWERED ON 19th DECEMBER, 2018

CARDAMOM IMPORTS FROM SRI LANKA

*98. SHRI K.K. RAGESH:

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

(a) whether the imports of cardamom from Sri Lanka to India is increasing;
(b) if so, the month-wise details of such cardamom imports from Sri Lanka during the last six months;
(c) whether Government is in receipt of any complaints about the dubious financial dealings involved in such increased imports of cardamom;
(d) if so, the details thereof; and
(e) whether any inquiry is being done into such complaints?

ANSWER

THE MINISTER OF COMMERCE AND INDUSTRY
(SHRI SURESH PRABHU)

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

*****
STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (e) OF RAJYA SABHA
STARRED QUESTION NO. 98 FOR ANSWER ON 19th DECEMBER, 2018
REGARDING “CARDAMOM IMPORTS FROM SRI LANKA”:

(a) Details of import of Cardamom from Sri Lanka to India during the last three years and in the current year are given below. While these imports increased between 2015-16 and 2016-17, they have decreased subsequently.

<table>
<thead>
<tr>
<th>Year</th>
<th>Qty.(MT)</th>
<th>Value (Rs. in lakhs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015-16</td>
<td>263</td>
<td>1440.45</td>
</tr>
<tr>
<td>2016-17</td>
<td>732</td>
<td>3845.05</td>
</tr>
<tr>
<td>2017-18 (Est)</td>
<td>185</td>
<td>1128.61</td>
</tr>
<tr>
<td>2018-19 (Apr-Sept)</td>
<td>29</td>
<td>165.01</td>
</tr>
</tbody>
</table>

(Est: Estimate)
Source: DGCI&S Kolkata/DLI from Customs

(b) Month-wise import of Cardamom (small) into India from Sri Lanka in recent months for which data is available is given below:

<table>
<thead>
<tr>
<th>Month/Year</th>
<th>Quantity(MT)</th>
<th>Value (Rs. in lakhs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 2018</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>May 2018</td>
<td>19</td>
<td>100.87</td>
</tr>
<tr>
<td>June 2018</td>
<td>10</td>
<td>64.14</td>
</tr>
<tr>
<td>July 2018</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>August 2018</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>September 2018</td>
<td>Nil</td>
<td>Nil</td>
</tr>
</tbody>
</table>

Source: DGCI&S Kolkata

(c) Government is not in receipt of any complaint about the dubious financial dealing involved in the import of Cardamom.

(d) & (e) Does not arise.

***
TRADE FACILITATION IN SERVICES IN WTO

998. SHRIMATI ROOPA GANGULY

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

(a) whether India has submitted any proposal for trade facilitation in services in WTO;
(b) if so, the details thereof; and
(c) if not, the details of steps taken by Government to smoothen up trade facilitation for India around the globe and overcome issues such as work visas, temporary stay norms, permits, taxes, fees, charges and contribution in social security accounting sector?

ANSWER

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

(a), (b) and (c): India tabled the “Concept Note for an initiative on Trade Facilitation in Services” (S/WPDR/W/55) at the World Trade Organisation (WTO) on 6th October, 2016 with the objective to briefly outline the concept of a Trade Facilitation Agreement for Services (TFS Agreement). Subsequently, India tabled a follow-up proposal dated 14th November, 2016 on “Possible Elements of a Trade Facilitation in Services Agreement” (S/WPDR/W/57) at the WTO, which outlines the possible elements of the TFS Agreement, as conceived by India, in a more detailed manner.

On 22nd February, 2017, India tabled a draft legal text on Trade Facilitation in Services at the WTO to facilitate discussions among WTO members and to take forward this agenda. Based on the comments received from Members on the Indian proposal, India tabled a revised draft text on TFS for consideration of Members on 27th July, 2017.

***
NATIONAL POLICY ON RUBBER

999. SHRI K. K. RAGESH:

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

(a) whether the national policy on rubber is under consideration;
(b) if so, whether any time-frame has been kept to release the policy;
(c) if so, the details about the consultations done and the suggestions collected from rubber growers/planters or their collective bodies as part of formulating the policy;
(d) whether any mechanism regarding procurement of rubber on Minimum Support Price is a part of the policy; and
(e) if so, the details thereof?

ANSWER

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

(a) A Task Force was constituted to recommend short term solutions and long term strategies for mitigating the problems being faced by the rubber growers especially prevailing low prices, boosting production to breach the gap between demand and supply, regulation of import, to coordinate and develop synergy with the various Ministries/Departments of the Central Government and State Government and to suggest a policy on rubber. The Task Force submitted its report to this Department including recommendations on short term strategy and long term strategies for development of Rubber sector in the form of draft National Rubber Policy.

(b) Does not arise.

(c) The Task Force held extensive consultations with various stakeholders of rubber sector. The main suggestions received were to restrict import of Natural Rubber (NR), impose Minimum Import Price (MIP), treat NR and rubber wood as agricultural products, include NR under Minimum Support Price (MSP) Scheme, enhance planting subsidy, promote road rubberisation, support farmer producer companies, enhance social security measures for tappers etc.

(d) & (e) The recommendations of the Task Force include examining extending MSP for Natural Rubber and rolling out a national scheme in the pattern of Rubber Production Incentive Scheme (RPIS) implemented by Government of Kerala at the national level under Centre-State sharing.

******
1002. SHRI ANUBHAV MOHANTY:

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

(a) whether it is a fact that Government is importing Tur dal at a price of 410 US dollars (₹ 27,000) per ton from Kenya whereas it is locally available in the country at ₹3,400/- per ton;
(b) the stock of pulses particularly Tur dal, in Government warehouses in the country;
(c) whether Government will continue importing pulses despite having enough stock in Government warehouses besides the stock with the traders and the farmers; and
(d) whether Government will consider restricting the import of pulses to stabilise the prices and protect the interest of the farmers?

ANSWER

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

(a) Government has not imported Tur Dal from Kenya. However, import of Tur Dal by various private importers during the last three years and current year is as under:

<table>
<thead>
<tr>
<th>Period</th>
<th>Quantity in Metric Ton</th>
<th>Import Value in million US$</th>
<th>Import Value in Crore Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015-16</td>
<td>9434</td>
<td>10.44</td>
<td>68.63</td>
</tr>
<tr>
<td>2016-17</td>
<td>24961</td>
<td>19.90</td>
<td>133.37</td>
</tr>
<tr>
<td>2017-18</td>
<td>141</td>
<td>.07</td>
<td>.49</td>
</tr>
<tr>
<td>2018-19 till Oct'18</td>
<td>240</td>
<td>.06</td>
<td>.46</td>
</tr>
</tbody>
</table>

*Figures pertaining to the financial year 2018-19 are provisional and are subject to change.

(b): As on 15.12.2018 about 1.48 LMT of Tur is available in the buffer stock under Price Stabilisation Fund (PSF). Apart from this, Tur procured at MSP under Price Support Scheme (PSS) is also available.

(c) & (d): The Government has restricted import of pulses like tur, moong and urad with since August, 2017 with annual Quota Restriction of 5 lakh MT (2 lak MT for tur, 1.5 lakh MT each for urad and moong) in order to stabilise the prices and protect the interest of the farmers.

*****
1003. SHRIMATI ROOPA GANGULY:

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

(a) the status of implementation of General Agreement on Trade in Services (GATS) of World Trade Organisation;
(b) the four modes of the agreement; and
(c) negotiations India has done in World Trade Organisation's conferences to push this GATS agreement?

ANSWER

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

(a): The conclusion of Uruguay Round negotiations led to the creation of new agreements, such as the General Agreement on Trade in Services (GATS), and the establishment of the World Trade Organization (WTO) in 1995. The General Agreement on Trade in Services (GATS) is a part of the Marrakesh Agreement establishing the WTO.

(b): In the GATS, trade in services is defined as the supply of a service:
(i) Mode 1 – from the territory of one Member into the territory of another Member;
(ii) Mode 2 – in the territory of one Member to the service consumer of another Member;
(iii) Mode 3 – by a service supplier of one Member, through commercial presence in the territory of any other Member;
(iv) Mode 4 – by a service supplier of one Member through presence of natural person of a Member in the territory of any other Member.

(c): India has actively participated in the Council for Trade in Services (CTS) meetings as well as the meetings of all the subsidiary bodies to the CTS looking at various aspects of the GATS. India has also tabled a number of proposals in the CTS and all its subsidiary bodies to promote its interests further. India has been a key player in services negotiations at the WTO.

***
1004. DR. V. MAITREYAN:

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

(a) whether Government has allocated any funds for the development of APEDA and marine products exports promotion in the country;
(b) if so, the details thereof and total quantity and value of marine products got exported;
(c) the funds allocated to various States/ UTs during the last three years, year-wise details thereof;
(d) whether Government has any plans to support Tamil Nadu in increasing the exports of the marine products; and
(e) if so, the details thereof?

ANSWER

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

(a) Yes Sir.

(b) The details of fund allocated to Agricultural Products Export Development Authority (APEDA) and Marine Products Export Development Authority (MPEDA) in the last 4 years is given as below:-

APEDA:-

<table>
<thead>
<tr>
<th>Year</th>
<th>2015-16</th>
<th>2016-17</th>
<th>2017-18</th>
<th>2018-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount allocated (in ₹ Crores)</td>
<td>142.06</td>
<td>104.94</td>
<td>180.00</td>
<td>100.00*</td>
</tr>
</tbody>
</table>

*RE for the year 2018-19

MPEDA:-

<table>
<thead>
<tr>
<th>Year</th>
<th>2015-16</th>
<th>2016-17</th>
<th>2017-18</th>
<th>2018-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount allocated (in ₹ Crores)</td>
<td>135.00</td>
<td>102.50</td>
<td>105.00</td>
<td>120.00*</td>
</tr>
</tbody>
</table>

* This is the Revised Estimate as per the allocation made by Ministry of Finance to DoC, which is yet to be finalized.
The total quantity and value of marine products exported from the country during last three years and the current year is given as below:-

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Quantity (in tonnes)</strong></td>
<td>9,45,892</td>
<td>11,34,948</td>
<td>13,77,244</td>
<td>4,55,651</td>
</tr>
<tr>
<td><strong>Value (in million USD)</strong></td>
<td>4687.94</td>
<td>5777.61</td>
<td>7081.55</td>
<td>2364.97</td>
</tr>
</tbody>
</table>

Source: MPEDA.

*Figures are provisional

(c) The fund allocation to APEDA and MPEDA is for the schemes implemented across the country and no specific State/UT wise allocation is made.

(d) & (e). Government through Marine Products Export Development Authority (MPEDA) takes various initiatives and steps for the benefit of seafood exports from the country in respect of all the states including Tamil Nadu.

*****
1005. SHRI N. GOKULAKRISHNAN:

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

(a) whether it is a fact that smartphones shipments in India grew by 11 per cent to 30 million units in the first three months of this year;
(b) whether it is also a fact that in contrast about 27 million smartphones were shipped to India in the first quarter of 2017;
(c) whether it is also a fact that 4G feature phone market in India continued to grow at more than 50 per cent quarter on quarter basis; 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): The Smartphone shipment in India in first quarter of 2018 (January, 2018-March, 2018) was 32.37 million as compared to 25.95 million in first quarter of 2017 (January, 2017-March, 2017) and, hence, it registered a positive growth of 25% during the 1st quarter of 2018 as compared to the corresponding period of previous year.

(c) & (d): India’s import of 4G feature phones and the quarterly growth for the last few quarters are given below:

<table>
<thead>
<tr>
<th>Quarters</th>
<th>Quantity (in million numbers)</th>
<th>% Change (quarter on quarter basis)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3’2017 (Jul’17 - Sep’17)</td>
<td>2.42</td>
<td>--</td>
</tr>
<tr>
<td>Q4’2017 (Oct’17 – Dec’17)</td>
<td>15.56</td>
<td>542.98</td>
</tr>
<tr>
<td>Q1’2018 (Jan’18 – Mar’18)</td>
<td>21.45</td>
<td>37.85</td>
</tr>
<tr>
<td>Q3’2018 (Jul’18 – Sep’18)</td>
<td>8.13</td>
<td>-57.30</td>
</tr>
</tbody>
</table>

*Source: India Cellular & Electronics Association (ICEA)*

The above data reflects that in contrast to exponential growth in Q4 of 2017 (543%) over previous quarter, there has been decline in import of 4G feature phones in the last two quarters of 2018.

***
TRADE WITH U.K.

1006. SHRI SANJAY RAUT

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

(a) whether Government has worked out its strategy on trade with U.K. after Britain got out of the European Union;
(b) if so, the details thereof;
(c) whether Government has ironed out free trade issues with the European Union; and
(d) if so, the details thereof and if not, the reasons therefor?

ANSWER

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

(a) and (b): Britain can be engaged in trade after the process of separation from EU is completed, subject to invocation of Article 50 of the Lisbon Treaty. The strategy for engagement with U.K. will be dependent on the final terms and conditions of UK’s withdrawal arrangement with the European Union.

(c) and (d): India-European Union Broad-based Bilateral Trade and Investment Agreement (India-EU BTIA) negotiation started in 2007 and after sixteen rounds of negotiations (the last being in 2013), EU withdrew from the negotiations due to some outstanding issues. Nine rounds of meetings of India-EU BTIA negotiations have been held since January, 2016 in order to proceed with the negotiations. India has expressed its willingness to resume negotiations in these meetings and is committed to an early and balanced outcome of the India-EU BTIA Negotiations. As is consistent with previous and established practice in ongoing negotiations, disclosure before finalisation of the Agreement may adversely affect India’s position in the negotiations.
GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF COMMERCE)

RAJYA SABHA
UNSTARRED QUESTION NO. 1007
TO BE ANSWERED ON 19th DECEMBER, 2018

UNDERPAID RESEARCH FELLOWS

1007. SHRI SANJAY SETH:

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

(a) whether India has lately faced multiple setbacks at the WTO for nonconformity with the covered agreements, if so, the details thereof;
(b) the details of the think tanks established by Government for reviewing country's internal laws to conform to international commitments at the WTO;
(c) whether it is also a fact that the research fellows at these think tanks are extremely underpaid as compared to their foreign counterparts, and hired contractually;
(d) whether Government think that such dis-incentives are the reasons for country's setbacks at the WTO; and
(e) if so, the steps taken to raise pay scales and remedy the situation?

ANSWER

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

(a) No, Sir. Raising concerns and issues on member’s policies is a part of discussion process in various committees and bodies of the WTO. Besides, members can also take each other to disputes for breach of WTO rules. India has been responding to questions raised on its policies like many other members in the relevant bodies of the WTO. India is also defending and articulating its policies on all disputes brought against it and has also taken some of the members to disputes on their policies.

(b) to (e) The three centres namely Centre for WTO Studies, Centre for Regional Trade and Centre for Trade & Investment Law under Indian Institute of Foreign Trade (IIFT) assist Department of Commerce in its WTO related work. The salaries are commensurate with the qualifications and experience of the individuals hired by these centres.

*****
RAJYA SABHA
UNSTARRED QUESTION NO. 1008
TO BE ANSWERED ON 19TH DECEMBER, 2018

MFN STATUS TO PAKISTAN

1008. SHRI SHWAIT MALIK

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

(a) whether India had extended Most Favoured Nation (MFN) status in international trade to Pakistan;
(b) if so, when was the MFN status granted to Pakistan;
(c) whether Government has made any decision whether to continue with this MFN status for Pakistan or to terminate it; and
(d) whether Pakistan has extended MFN status to India?

ANSWER

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

(a) to (d) Article 1 of General Agreement on Tariffs and Trade (GATT), 1994 requires every WTO member country to accord Most Favoured Nation (MFN) status to all other member countries. Accordingly, India accorded MFN status to all WTO member countries, including Pakistan, from the date of entry into force of Marrakesh Agreement, establishing the WTO.

However, Pakistan is yet to transition fully to Most Favoured Nation (MFN) status for India. It maintains a Negative List of 1209 products which are not allowed to be imported from India. In addition, Pakistan permits only 138 products to be imported from India through Wagah/Attari border land route. Inspite of these restrictions, India continues to maintain a substantial trade surplus with Pakistan.

No decision has been taken to review the MFN status accorded to Pakistan, so far.

*****
IMPACT OF US TARIFF ON INDIAN STEEL EXPORTS

1009. SHRI NARAYAN LAL PANCHARIYA:

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

(a) whether the US Government has hiked duties on Indian steel exports;
(b) if so, the details thereof;
(c) whether Indian steel exports to the US have declined due to such hike in duties;
(d) if so, the details thereof;
(e) whether export of any other metal to the US has declined in recent quarters; and
(f) if so, the details thereof?

ANSWER

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

(a) Yes, sir.

(b) The United States (US) imposed a duty of 25% on certain steel tariff lines for all countries including India, under Section 232 of US Trade Expansion Act of 1962 which came into effect from 23rd March, 2018.

(c) Yes, sir. The hike in duties is one of the reason for the decline.

(d) The exports of Indian steel under affected tariff lines have declined due to imposition of Section 232 tariffs and high countervailing duties (CVD) on certain steel tariff lines by the US. The Indian exports to the US under affected steel tariff lines in the current financial year from April, 2018 to October, 2018 (provisional) accounted for USD 222 million while for the same period during the previous financial year 2017-18 (i.e. April, 2017 to October, 2017) the exports were USD 413 million.

(e) Yes, sir.

(f) There is a decline in Indian exports to US for some metals and increase in respect of others. Despite hike in duty by 10% on Aluminium, Indian exports
to US are showing increasing trend in the current financial year. The increase in exports in the current financial year could also be noticed for nickel and articles thereof, tin and articles thereof, other base metals and articles thereof and miscellaneous articles of base metal. However, the Indian exports declined in the current financial year in respect of zinc and articles thereof, lead and articles thereof and copper and articles thereof, in addition to iron and steel and articles of iron and steel. The detailed statement of export figures is enclosed at Annex-I.

*****
### Comparative Statement of India’s exports to US during April, 2017 to October, 2017 and April, 2018 to October, 2018

<table>
<thead>
<tr>
<th>Chapter/HSCode</th>
<th>Chapter</th>
<th>Apr-Oct 2017</th>
<th>Apr-Oct 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>72</td>
<td>IRON AND STEEL</td>
<td>207.89</td>
<td>161.28</td>
</tr>
<tr>
<td>73</td>
<td>ARTICLES OF IRON OR STEEL</td>
<td>961.16</td>
<td>935.82</td>
</tr>
<tr>
<td>74</td>
<td>COPPER AND ARTICLES THEREOF.</td>
<td>90.09</td>
<td>89.21</td>
</tr>
<tr>
<td>75</td>
<td>NICKEL AND ARTICLES THEREOF.</td>
<td>3.51</td>
<td>5.8</td>
</tr>
<tr>
<td>76</td>
<td>ALUMINIUM AND ARTICLES THEREOF.</td>
<td>302.61</td>
<td>438.93</td>
</tr>
<tr>
<td>78</td>
<td>LEAD AND ARTICLES THEREOF.</td>
<td>54.76</td>
<td>8.78</td>
</tr>
<tr>
<td>79</td>
<td>ZINC AND ARTICLES THEREOF.</td>
<td>26.36</td>
<td>3.01</td>
</tr>
<tr>
<td>80</td>
<td>TIN AND ARTICLES THEREOF.</td>
<td>0.09</td>
<td>0.19</td>
</tr>
<tr>
<td>81</td>
<td>OTHER BASE METALS; CERMETS; ARTICLES THEREOF.</td>
<td>9.86</td>
<td>12.57</td>
</tr>
<tr>
<td>82</td>
<td>TOOLS IMPLEMENTS, CUTLERY, SPOONS AND FORKS, OF BASE METAL; PARTS THEREOF OF BASE METAL.</td>
<td>88.47</td>
<td>90.2</td>
</tr>
<tr>
<td>83</td>
<td>MISCELLANEOUS ARTICLES OF BASE METAL.</td>
<td>57.63</td>
<td>62.44</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>1802.43</strong></td>
<td><strong>1808.23</strong></td>
</tr>
</tbody>
</table>

(Source: DGCIS)

****
DECLINE IN EXPORTS

1010. SHRIMATI KANIMOZHI:

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

(a) whether there is a decline in the exports in major sectors resulting in increase in trade deficit, if so, the details thereof along with the reasons therefor, sector-wise and its impact on country's economic growth; and

(b) the details of the problems/ challenges being faced by Indian exporters along with the steps taken by Government to address them including the export incentive schemes announced by Government for exporters?

ANSWER

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

(a): India’s merchandise exports have increased since 2016-17. During the current period 2018-19 (Apr-Nov), India’s merchandise exports registered a high positive growth of 11.58% as compared to the corresponding period of previous year. The values of India’s merchandise exports, imports and trade balance for the last three years and the current year are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Exports</th>
<th>% Change</th>
<th>Imports</th>
<th>% Change</th>
<th>Trade Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015-16</td>
<td>262.29</td>
<td>--</td>
<td>381.01</td>
<td>--</td>
<td>-118.72</td>
</tr>
<tr>
<td>2016-17</td>
<td>275.85</td>
<td>5.17</td>
<td>384.36</td>
<td>0.88</td>
<td>-108.51</td>
</tr>
<tr>
<td>2017-18</td>
<td>303.53</td>
<td>10.03</td>
<td>465.58</td>
<td>21.13</td>
<td>-162.06</td>
</tr>
<tr>
<td>2017-18 (Apr-Nov)</td>
<td>194.93</td>
<td>--</td>
<td>301.31</td>
<td>--</td>
<td>-106.37</td>
</tr>
<tr>
<td>2018-19 (Apr-Nov)*</td>
<td>217.52</td>
<td>11.58</td>
<td>345.64</td>
<td>14.71</td>
<td>-128.13</td>
</tr>
</tbody>
</table>

Source: DGCI&S (*: figures are based on quick estimates)

The data given in foregoing table reflects that the trade deficit decreased in 2016-17 over 2015-16. However, it increased in 2017-18 and 2018-19 (Apr-Nov) as compared to the corresponding period of previous year. Trade deficit depends upon relative fluctuations in the
imports and exports of different commodities due to the global and domestic factors such as demand and supply in domestic and international markets, currency fluctuations, cost of credit, logistics costs, etc. The increasing trade deficit in spite of positive growth of exports is mainly due to higher imports particularly of the Petroleum Crude & Products, Electronics Items, Iron & Steel, Chemicals & Related Products, Coal, Coke & Briquettes, Fertilizers, Machinery and Non-ferrous Metals, which contribute to more than 65% share in total imports. The Trade Deficit adversely affects on country's economic growth as exports less of imports is a component of GDP.

The sector-wise values of exports for the last three years and the current year is given at Annexure-I.

(b): The major challenges being faced by Indian exporters emanate from global and domestic factors such as demand and supply in domestic and international markets, currency fluctuations, cost of credit, logistics costs, global competitiveness of products and depreciation of Indian currency against international currencies, especially US Dollar. In order to address these challenges faced by exporters, the Government has taken several measures through new Foreign Trade Policy 2015-20 launched on 1st April 2015, its Mid-term Review released on December 5, 2017 and other policy measures taken from time to time. The key measures include:

i. FTP 2015-20 provides a framework for increasing exports of goods and services as well as generation of employment and increasing value addition in the country, in line with the ‘Make in India’, ‘Digital India’, ‘Skills India’, ‘Startup India’ and ‘Ease of doing business’ initiatives.

ii. Facilitating Transparency through Ease of Doing Business and IT initiatives:
   (a) Directorate General of Foreign Trade (DGFT) and Special Economic Zone (SEZ) online integrated with Customs ICEGATE.
   (b) Mandatory documents required for exports and imports reduced to 3 each.
   (c) Import Export Code (IEC) integrated with PAN and MoU signed with GSTN for complete integration.
   (d) Electronic bank realisation certificate (eBRC) system shared with 14 States Governments for quick tax refunds.
   (e) MoU signed with GST Network for integration of E-BRC with GSTN.

iii. The main policy objective is to enable India to respond to the challenges of the external environment keeping in view the rapidly evolving international trading architecture and make trade a major contributor to the country’s economic growth and development.

iv. The policy provides the framework for promotion of exports through schemes of incentives on exports and duty remission/exemption on inputs for export production.

v. The policy introduces two new schemes, namely ‘Merchandise Exports from India Scheme (MEIS)’ for improving export of specified goods by merging five earlier schemes for better coherence and ‘Services Exports from India Scheme (SEIS)’ for increasing exports of notified services.

vi. The MEIS incentivizes exporters in terms of Duty Credit Scrips at the rate 2, 3, 4, 5 and 7, 10 and 20% of FOB value of exports realized. The Scheme covers exports of 8057
tariff lines. The total annual financial envelope available for MEIS for Financial Year 2018-19 is Rs 30,819.91 crore. The online e-com module to grant MEIS benefit without any manual intervention under a system authenticated mechanism for most HS Codes of the MEIS schedule was launched and has been running successfully since Sept 2018. Further, a facility has been incorporated in the module, so that the authorization’s dispatch by speed post can be tracked by the exporter. A new Risk Management System has been developed to scrutinize cases under MEIS based on HS Codes rather than random selection and is under implementation by the field offices of DGFT. MEIS benefits to some agricultural products such as Bengal Gram, Milk and Milk Products, Soya de-oiled cake and Non Basmati rice have been provided for a limited period in year 2018-19 to boost the agriculture sector.

vii. Under the SEIS, there are rewards on net foreign exchange earnings, to service providers of notified services who are providing service from India to the rest of the world, in the form of Duty Credit scrips which are transferable and can be used to pay certain Central Duties/Taxes including customs duties. The service exporters are eligible for SEIS at the rate of 5% and 7% of the net Foreign Exchange earnings. The total financial envelope for SEIS is Rs 2,640 Crore in 2017-18. The sectors covered under the scheme are Business Services, Communication services, Construction and related engineering Services, Educational Services, Environmental Services, Health related and Social Services, Tourism and Travel related services, Recreational, Cultural and Sporting Services and Transport Services. The last update were done vide PN 45 dated 05.12.2017.

viii. Under the EPCG scheme, procurement of capital goods from indigenous manufacturers is incentivised by reducing specific export obligation from 90 percent to 75 percent of the normal export obligation.

ix. Advance Authorisation allows duty free import of inputs, which is physically incorporated in export product within a specified timeline.

x. Interest Equalization Scheme on pre and post shipment rupee export credit introduced from 1.4.2015 helps exporters in accessing credit at reduced rates. Still then, it was observed that MSME sector is facing multiple problems. One of the problems faced by the MSME exporters is access to low cost export finance to make them internationally competitive. Therefore, interest equalization reduces the cost of the credit offered by banks to exporters and serves as a complementary tool for enhancing India’s exports. Keeping in view the poor performance of exports from MSMEs and the difficulties faced by them in accessing loan at competitive rates, it has been decided that the MSME exporters would be given extra push by way of enhancing interest equalization rate from 3% to 5%. Accordingly, CCEA in its meeting held on 1.11.2018 has given its approval on increasing the interest equalization rate from 3% to 5% for exports being made by MSME sector under the ongoing Interest Equalization Scheme on pre and post Shipment Rupee Export Credit along with providing operational flexibility to carry out modifications in the scheme from time to time without changing its basic character.

xi. The Government has implemented the Niryat Bandhu Scheme with an objective to reach out to the new and potential exporters including exporters from Micro, Small &
Medium Enterprises (MSMEs) and mentor them through orientation programmes, counseling sessions, individual facilitation etc., on various aspects of foreign trade for being able to get into international trade and boost exports from India.

xii. A new scheme called Special Advance Authorisation Scheme for export of articles of Apparel and Clothing Accessories was introduced w.e.f. 1st September 2016 wherein exporters are entitled for an authorisation for fabrics including inter lining on pre-import basis and all industry rate of Duty Drawback for non-fabric inputs on the exports.

xiii. Trade facilitation and enhancing the ease of doing business measures have been taken with special focus on moving towards paperless working. The Government has launched a Single Window Interface for Facilitating Trade (SWIFT) clearances project with effect from 1st April, 2016. The scheme enables the importers/exporters to file a common electronic ‘Integrated Declaration’ on the Indian Customs Electronic Commerce/Electronic Data Interchange (EC/EDI) Gateway i.e. ICEGATE portal. India also ratified the WTO Agreement on Trade Facilitation (TFA) in April 2016 for enhancing trade facilitation.

xiv. A new scheme called “Trade Infrastructure for Export Scheme (TIES)” has been launched from 1st April 2017 to address the export infrastructure gaps in the country.

xv. A new Logistic Division was created in Department of Commerce to focus on improving logistic efficiency and enhancing growth.

xvi. The Mid-term Review of Foreign Trade Policy 2015-20 launched on 5th December 2017 provides more incentives for export promotion. During the mid-term review of Foreign Trade Policy in December 2017, export incentives under Merchandise Exports from India Scheme (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.

xvii. In order to double farmers’ income by 2022 and provide an impetus to agricultural exports, the Government has launched a comprehensive “Agriculture Export Policy” on 6th December, 2018 which would also integrate Indian farmers and agricultural products with the global value chains. Objectives of the Agriculture Export Policy are as under:

- To double agricultural exports from present ~US$ 30+ Billion to ~US$ 60+ Billion by 2022 and reach US$ 100 Billion in the next few years thereafter, with a stable trade policy regime.
- To diversify our export basket, destinations and boost high value and value added agricultural exports including focus on perishables.
- To promote novel, indigenous, organic, ethnic, traditional and non-traditional Agri products exports.
- To provide an institutional mechanism for pursuing market access, tackling barriers and deal with sanitary and phyto-sanitary issues.
• To strive to double India’s share in world agri exports by integrating with global value chain at the earliest.
• Enable farmers to get benefit of export opportunities in overseas market.
Annexure-I

Statement referred to in reply of part (a) of Rajya Sabha Unstarred question no. 1010 for answer on 19th December 2018.

Sector-wise India’s export

<table>
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<tbody>
<tr>
<td>1</td>
<td>Engineering Goods</td>
<td>61949.53</td>
<td>67216.12</td>
<td>78695.69</td>
<td>50210.87</td>
<td>53950.72</td>
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<td>2</td>
<td>Petroleum Products</td>
<td>30582.64</td>
<td>31545.26</td>
<td>37465.08</td>
<td>23136.88</td>
<td>33931.11</td>
<td>46.65</td>
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<td>3</td>
<td>Gems And Jewellery</td>
<td>39284.27</td>
<td>43412.76</td>
<td>41544.44</td>
<td>28025.64</td>
<td>27035.75</td>
<td>-3.53</td>
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<td>4</td>
<td>Organic And Inorganic Chemicals</td>
<td>13696.98</td>
<td>14768.86</td>
<td>18508.5</td>
<td>11341.49</td>
<td>14644.77</td>
<td>29.13</td>
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<td>5</td>
<td>Drugs And Pharmaceuticals</td>
<td>16909.49</td>
<td>16785.48</td>
<td>17282.81</td>
<td>11082.66</td>
<td>12326.79</td>
<td>11.23</td>
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<tr>
<td>6</td>
<td>Rmg Of All Textiles</td>
<td>16964.36</td>
<td>17368.15</td>
<td>16706.94</td>
<td>11040.58</td>
<td>9976.14</td>
<td>-9.64</td>
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<td>7</td>
<td>Cotton Yarn/Fabs./Madeups, Handloom Products Etc.</td>
<td>10119.36</td>
<td>9862.2</td>
<td>10260.36</td>
<td>6588.52</td>
<td>7503.06</td>
<td>13.88</td>
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<td>8</td>
<td>Plastic And Linoleum</td>
<td>5764.18</td>
<td>5796.46</td>
<td>6851.13</td>
<td>4293.32</td>
<td>5744</td>
<td>33.79</td>
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<td>9</td>
<td>Electronic Goods</td>
<td>5959.52</td>
<td>5962.93</td>
<td>6393.12</td>
<td>4091.72</td>
<td>5475.32</td>
<td>33.81</td>
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<td>10</td>
<td>Marine Products</td>
<td>4767.51</td>
<td>5903.06</td>
<td>7389.22</td>
<td>5232.81</td>
<td>4793.7</td>
<td>-8.39</td>
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<td>11</td>
<td>Rice</td>
<td>5846.62</td>
<td>5733.79</td>
<td>7806.15</td>
<td>4960.21</td>
<td>4602.81</td>
<td>-7.21</td>
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<td>12</td>
<td>Leather And Leather Manufactures</td>
<td>5407.84</td>
<td>5165.6</td>
<td>5289.13</td>
<td>3512.32</td>
<td>3452.6</td>
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<td>13</td>
<td>Man-Made Yarn/Fabs./Madeups Etc.</td>
<td>4621.66</td>
<td>4557.08</td>
<td>4826.33</td>
<td>3138.16</td>
<td>3291.99</td>
<td>4.90</td>
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<td>14</td>
<td>Meat, Dairy And Poultry Products</td>
<td>4575.47</td>
<td>4368.79</td>
<td>4610.06</td>
<td>3117.57</td>
<td>2941.47</td>
<td>-5.65</td>
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<td>15</td>
<td>Mica, Coal And Other Ores, Minerals Including Process</td>
<td>3586.04</td>
<td>3578.16</td>
<td>3776.88</td>
<td>2336.01</td>
<td>2669.84</td>
<td>14.29</td>
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<td>16</td>
<td>Spices</td>
<td>2541.46</td>
<td>2851.95</td>
<td>3115.37</td>
<td>1999.59</td>
<td>2095.89</td>
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<td>17</td>
<td>Ceramic Products And Glassware</td>
<td>1712.05</td>
<td>1856.63</td>
<td>2131.78</td>
<td>1375.21</td>
<td>1672.45</td>
<td>21.61</td>
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<tr>
<td>18</td>
<td>Fruits And Vegetables</td>
<td>2268.81</td>
<td>2454.72</td>
<td>2513.33</td>
<td>1477.06</td>
<td>1439.93</td>
<td>-2.51</td>
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<td>19</td>
<td>Handicrafts Excl. Hand Made Carpet</td>
<td>1648</td>
<td>1926.75</td>
<td>1823.34</td>
<td>1195.03</td>
<td>1202.58</td>
<td>0.63</td>
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<td>20</td>
<td>Cereal Preparations And Miscellaneous Processed Item</td>
<td>1319.75</td>
<td>1270.85</td>
<td>1416.64</td>
<td>910.94</td>
<td>1006.45</td>
<td>10.48</td>
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<td>21</td>
<td>Carpet</td>
<td>1440.07</td>
<td>1490.19</td>
<td>1429.82</td>
<td>953.12</td>
<td>985.38</td>
<td>3.38</td>
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<tr>
<td>22</td>
<td>Oil Meals</td>
<td>553.01</td>
<td>805.45</td>
<td>1093.16</td>
<td>692.05</td>
<td>801.84</td>
<td>15.86</td>
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<tr>
<td>23</td>
<td>Iron Ore</td>
<td>191.46</td>
<td>1533.53</td>
<td>1471.06</td>
<td>933.55</td>
<td>787.32</td>
<td>-15.66</td>
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<tr>
<td>24</td>
<td>Oil Seeds</td>
<td>1246.89</td>
<td>1355.23</td>
<td>1174.34</td>
<td>749.81</td>
<td>754.71</td>
<td>0.65</td>
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<tr>
<td>25</td>
<td>Tobacco</td>
<td>982.01</td>
<td>958.69</td>
<td>934.25</td>
<td>596.03</td>
<td>644.73</td>
<td>8.17</td>
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<tr>
<td>26</td>
<td>Tea</td>
<td>720.03</td>
<td>731.26</td>
<td>837.36</td>
<td>545.43</td>
<td>534.94</td>
<td>-1.92</td>
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<tr>
<td>27</td>
<td>Coffee</td>
<td>783.87</td>
<td>842.84</td>
<td>968.57</td>
<td>642.75</td>
<td>531.99</td>
<td>-17.23</td>
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<tr>
<td>28</td>
<td>Cashew</td>
<td>768.55</td>
<td>786.93</td>
<td>922.41</td>
<td>657.58</td>
<td>435.29</td>
<td>-33.80</td>
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<tr>
<td>29</td>
<td>Other Cereals</td>
<td>261.18</td>
<td>212.3</td>
<td>248.59</td>
<td>145.42</td>
<td>230.54</td>
<td>58.53</td>
</tr>
<tr>
<td>30</td>
<td>Jute Mfg. Including Floor Covering</td>
<td>295.36</td>
<td>309.95</td>
<td>335.08</td>
<td>224.73</td>
<td>221.97</td>
<td>-1.23</td>
</tr>
<tr>
<td>31</td>
<td>Others</td>
<td>15453.12</td>
<td>14732.96</td>
<td>15705.21</td>
<td>9727.81</td>
<td>11830.44</td>
<td>21.61</td>
</tr>
</tbody>
</table>

**India’s total Export**

|                     | 262291.09 | 275852.43 | 303526.16 | 194934.90 | 217516.51 | 11.58 |

*Source: DGCI&S, Kolkata (*: Quick Estimates)

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DEMAND TO INCREASE EXPORTS

1013(H). SHRI LAL SINH VADODIA:

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

(a) whether it is a fact that there is demand on Government to increase exports;
(b) if so, whether Government has considered this demand so far; and
(c) if so, the details thereof and if not, the reasons therefor?

ANSWER

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

(a), (b) & (c): The Government regularly receives representations, from the Industry associations, Export Promotion Councils and members of trade to facilitate and promote exports. Due consideration is given to all the representations and appropriate measures are taken by the Government.

The Government has taken several measures, in the recent past, through the new Foreign Trade Policy (FTP) 2015-20 launched on 1st April 2015, its mid-term review released on December 5, 2017 and other policy measures taken from time to time to increase exports. The key measures include:

xviii. The FTP 2015-20 introduced two new schemes, namely ‘Merchandise Exports from India Scheme (MEIS)’ for boosting manufacture and export of specified goods, and ‘Services Exports from India Scheme (SEIS)’ for increasing exports of notified services. Duty credit scrips issued under MEIS and SEIS, and the goods imported against these scrips are fully transferable. On the demand of the industry, at the time of mid-term review of the FTP in Dec 2017, export rewards under MEIS were increased by 2% across the board for labor intensive, MSME sectors, ready-made garments
and made ups. In addition, incentives under SEIS were also increased at the time of mid-term review of FTP by 2%. Later, rewards to some agricultural products such as Bengal Gram, Milk and Milk Products, Soya de-oiled cake and Non Basmati rice have been provided / enhanced under MEIS for a limited period in the year 2018-19 to boost the exports of these agriculture sector items. Further, in order to enhance the ease of doing business, an online module to process MEIS benefit without any manual intervention, under a system authenticated mechanism, for most HS Codes has been launched in Sept 2018, with a facility to track the dispatch of the authorization. As on date, the MEIS scheme covers 8057 tariff lines at 8 digit level, and provides rewards at the rate ranging from 2 to 20% on realized FOB value of exports.

xix. A framework for promotion of exports through duty remission/exemption on inputs for export production has been made under the Advance Authorization (AA) Scheme and Export Promotion Capital Goods (EPCG) Scheme of the FTP 2015-20. After the advent of the GST, an export package was announced in October 2017, wherein, holders of AA / EPCG and EOUs were granted ab-initio exemption from payment of Integrated Goods and Services Tax (IGST) while sourcing inputs/capital goods for exports. Further, to nudge procurement of capital goods from indigenous manufacturers, under the EPCG scheme, specific export obligation has been reduced from 90 percent to 75 percent for locally sourced capital goods. Also, the validity period of EPCG authorisation has been increased from earlier 18 months to 24 months.

xx. Under the Interest Equalization Scheme (IES) pre and post Shipment Rupee Export Credit @ 3% per annum was made available to all exports under 416 tariff lines [at ITC (HS) code of 4 digits], and exports made by Micro, Small & Medium Enterprises (MSMEs) across all ITC (HS) codes from 01.04.2015. Subsequently, the Interest Equalization rates have been increased w.e.f. November 02, 2018 from 3% to 5% in respect of exports of all tariff lines by the Micro, Small & Medium Enterprises (MSME) sector manufacturers.

xxi. The Government operates a scheme called “Niryat Bandhu” to create awareness amongst new/potential exporters about intricacies of exports and imports.
xxii. To boost exports of gems and jewellery sector, suitable amendments in FTP has been made to allow export of gold findings with gold content of 3k and above (earlier minimum purity level for gold content was 8k). Further, export of religious gold idols of gold content above 22k has been allowed subject to certain conditions. The job-work period for SEZ units has been increased from 28 days to 45 days for studded/silver/imitation jewellery.

xxiii. Many trade facilitation and ‘ease of doing business’ enhancing measures have been taken with special focus on moving towards paperless working. The Government has launched a Single Window Interface for Facilitating Trade (SWIFT) clearances project with effect from 1st April, 2016. The scheme enables the importers/exporters to file a common electronic ‘Integrated Declaration’ on the Indian Customs Electronic Commerce/Electronic Data Interchange (EC/EDI) Gateway i.e. ICEGATE portal. India has also ratified the WTO Agreement on Trade Facilitation (TFA) in April 2016 for enhancing trade facilitation.

xxiv. A new scheme called “Trade Infrastructure for Export Scheme (TIES)” has been launched from 1st April 2017 to address the export infrastructure gaps in the country.

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1078. SHRI PARIMAL NATHWANI:

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

(a) whether Government proposes to use its e-Market (GeM) portal for transparent and open platform to get buyers more choices and sellers including micro and small scale manufacturers to get benefits in doing business; and

(b) if so, the details thereof including the number of sellers registered on the GeM portal along with the list of products?

ANSWER

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

(a): Yes, Sir.

(b): As on 10th December 2018 there are more than 6.61 lakh products 1,862 services, are available in the portal. There are 1,67,080 sellers and service providers registered in the portal. The total value of transactions made through the portal is Rs. 15,323 Crores. Details of products listed by the sellers are available on www.gem.gov.in.

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