REVIEW OF EXISTING LAWS GOVERNING TEA SECTOR

*295. SHRI KAMAKHYA PRASAD TASA:

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

(a) whether there is any proposal to review the existing laws and rules/ regulations governing the tea sector like the Tea Act, 1953, the Tea (Distribution and Export) Control Order, 2005 and the Tea (Marketing) Control Order, 2003, to meet the challenges of the times;
(b) if so, the details thereof; and
(c) the steps taken by Government to implement the laws governing the tea sector and the problems faced in their implementation?

ANSWER

THE MINISTER OF COMMERCE AND INDUSTRY
(SHRI PIYUSH GOYAL)

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

*****
(a) to (c):  The Tea Act was enacted in 1953 with the objective of addressing the needs of the tea industry. Since the inception of the Tea Act, 1953, the Act and the Rules and Control Orders made thereunder, including the Tea (Marketing) Control Order, 2003 and the Tea (Distribution and Export) Control Order, 2005, have undergone several changes. Reviewing the laws governing the tea sector, is an ongoing process, to enhance the effectiveness of the regulatory and developmental regime, wherever felt necessary.

The provisions of the Tea Act and Control Orders are implemented through the Tea Board, which has various offices and human resources deployed in the tea growing regions of the country, for this purpose.

*****
DECISION OF WTO PANEL ON EXPORT SCHEMES

*300. SHRI V. VIJAYASAI REDDY :

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

(a) the reasons according to WTO Panel for the inconsistency of - Export Oriented Units Scheme, Electronics Hardware Technology Parks and Biotechnology Parks Scheme, Export Promotion Capital Goods Scheme, SEZ Scheme and Duty Free Imports for Exporters Schemes with WTO norms;
(b) the details of norms that the above schemes are violating;
(c) whether it impacts various sectors like steel, pharmaceutical, chemical, IT, textiles, etc.; and
(d) the way out that Government has proposed in the light of the above decision of the WTO?

ANSWER

THE MINISTER OF COMMERCe AND INDUSTRY
(SHRI PIYUSH GOYAL)

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

*****
(a)&(b): In the dispute DS541 filed by the United States against India, a Dispute Settlement Panel in its report issued to members of WTO on 31 October 2019 has ruled some of India’s export related schemes viz., Export Oriented Units Scheme and Sector-Specific Schemes, including the Electronics Hardware Technology Parks (EHTP) Scheme and the Bio-Technology Parks (BTP) Scheme (the EOU/EHTP/BTP Schemes); the Merchandise Exports from India Scheme (MEIS); the Export Promotion Capital Goods (EPCG) Scheme; the Special Economic Zones (SEZ) Scheme; and a part of Duty-Free Imports for Exporters Scheme (DFIS), to be inconsistent with WTO norms. The Panel has ruled that the specified schemes violate Article 3 of the WTO Agreement on Subsidies & Countervailing Measures (ASCM), which prohibits the member countries, who have graduated out of the exemption provided under Annex-VII to ASCM, from providing subsidies that are contingent on export performance.

(c)&(d): India has appealed the Panel Report on 19 November, 2019 and the same has been kept in suspension due to non-functioning of the Appellate Body. Further, the Union Cabinet has recently approved the Remission of Duties or Taxes on Export Products (RoDTEP) scheme for exporters to reimburse taxes and duties, which are not getting exempted or refunded under any other existing mechanism.

*****
RAJYA SABHA
UNSTARRED QUESTION NO. 3051
TO BE ANSWERED ON 20th MARCH, 2020

IMPORT OF EDIBLE OIL

3051. SHRI KUMAR KETKAR :

Will the Minister of COMMERCE & INDUSTRY be pleased to state the quantity of edible oil that is going to be imported in the country during this financial year?

ANSWER

THE MINISTER OF COMMERCE AND INDUSTRY
(SHRI PIYUSH GOYAL)

The quantity of edible oil imported during the year 2019-2020 (up to December, 2019) is 11632948.26 Tons. A detailed statement of imports showing HS code-wise is enclosed at Annexure-I.

*****
### Annexure-I

Import of Edible Oil under Principle Commodity Group: VEGETABLE OIL for current FY (Up to Dec, 19)

<table>
<thead>
<tr>
<th>ITCHS</th>
<th>DESCRIPTION</th>
<th>2019-20 (Up to Dec, 19)</th>
<th>QTY-TON</th>
<th>VAL (US Mill $)</th>
</tr>
</thead>
<tbody>
<tr>
<td>15071000</td>
<td>SOYA BEAN CRUDE OIL W/ N DEGUMMED</td>
<td>2442300.40</td>
<td>1718.23</td>
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<tr>
<td>15079010</td>
<td>SOYA BEAN OIL OF EDIBLE GRADE</td>
<td>39043.70</td>
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<tr>
<td>15081000</td>
<td>GROUND NUT OIL CRUDE</td>
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<td>0.00</td>
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<tr>
<td>15091000</td>
<td>OLIVE OIL VIRGIN</td>
<td>1234.39</td>
<td>4.90</td>
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<tr>
<td>15099010</td>
<td>OLIVE OIL AND ITS FRACTNS (EXCLDNG VRGN)OF EDIBLE GRDE</td>
<td>3948.21</td>
<td>14.28</td>
<td></td>
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<tr>
<td>15100010</td>
<td>OTHER CRUDE OIL NOT CHMCLY MDFD OBTND FROMOLIVES</td>
<td>937.48</td>
<td>0.91</td>
<td></td>
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<tr>
<td>15100091</td>
<td>OTHER OIL (EXCLD CRUDE OIL) OF EDIBLE GRADE NOT CHMCLY MODFD FR OLIVES</td>
<td>2082.06</td>
<td>4.28</td>
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<tr>
<td>15111000</td>
<td>CRUDE PALM OIL AND ITS FRACTNS</td>
<td>4927471.53</td>
<td>2672.27</td>
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<tr>
<td>15119010</td>
<td>REFINED BLEACHED DEODRSED PALM OIL</td>
<td>3862.06</td>
<td>2.32</td>
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</tr>
<tr>
<td>15119020</td>
<td>REFINED BLCHD DEODRSED PALMOLEIN</td>
<td>2216962.26</td>
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<tr>
<td>15119030</td>
<td>REFINED BLEACHED DEODORISED PALM STEARIN</td>
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<tr>
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<td>OTHER REFINED PALM OIL</td>
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<td>1703367.29</td>
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<tr>
<td>15121120</td>
<td>SAFFLOWER SEED OIL(KARDI SEED CRUDE OIL)</td>
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<tr>
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<td>106.83</td>
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<tr>
<td>15121930</td>
<td>EDIBLE GRADE SAFFOLA OIL</td>
<td>3.60</td>
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<tr>
<td>15122100</td>
<td>COTN SD OIL CRUD W/ N GOSYPL HAS BEEN REMVD</td>
<td>0.01</td>
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<tr>
<td>15122910</td>
<td>OTHER COTTON SEED OIL OF EDIBLE GRADE</td>
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<tr>
<td>15131100</td>
<td>COCONUT (COPRA) CRUDE OIL</td>
<td>1885.79</td>
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<tr>
<td>15131900</td>
<td>COCONUT (COPRA) REFINED OIL AND FRACTIONS</td>
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<tr>
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<td>CRUDE PALM KERNEL OIL</td>
<td>115076.56</td>
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<td>REFINED PALM KERNEL OIL AND ITS FRACTNS</td>
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<td>15132920</td>
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<tr>
<td>15141120</td>
<td>CRUDE RAPE OIL</td>
<td>17254.47</td>
<td>12.68</td>
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<td>15141910</td>
<td>REFINED COLZA OIL OF EDIBLE GRDE</td>
<td>5.90</td>
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<tr>
<td>15141920</td>
<td>REFINED RAPESEED OIL OF EDIBLE GRDE</td>
<td>201.14</td>
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<tr>
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<td>CRUDE MUSTARD OIL</td>
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<td>OTHER LINSEED OIL OF EDIBLE GRADE</td>
<td>248.00</td>
<td>0.24</td>
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<tr>
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<td>CRUDE MAIZE(CORN) OIL AND ITS FRACTNS</td>
<td>50.00</td>
<td>0.05</td>
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<td>OTHER MAIZE (CORN) OIL OF EDIBLE GRADE</td>
<td>21.32</td>
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<td>CRUDE SESAME OIL AND ITS FRACTIONS</td>
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<td>SESAME OIL AND ITS FRACTIONS OTHER THEN CRUDE OF EDIBLE GRADE</td>
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<td>15159091</td>
<td>OTHR FXD VEG OILS OF EDIBLE GRADE</td>
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<td>15162011</td>
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<td>Grand Total</td>
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<td>11632948.26</td>
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Note: Figures pertaining to FY: 2019-20, are provisional and subject to change.
GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF COMMERCE)

RAJYA SABHA
UNSTARRED QUESTION NO. 3096
TO BE ANSWERED ON 20TH MARCH, 2020

ECONOMIC IMPACT OF BILATERAL FREE TRADE AGREEMENTS

3096. SHRI PARTAP SINGH BAJWA:

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

(a) whether the Ministry has surveyed the economic impact of India's bilateral Free Trade Agreements (FTAs) with Sri Lanka, Afghanistan, Thailand, Singapore, Japan, Bhutan, Nepal, Republic of Korea and Malaysia;
(b) if so, the industry-wise impact of the above FTAs; and
(c) whether any review has been done on these agreements and if so, the details thereof and if not, the reasons therefor?

ANSWER

THE MINISTER OF COMMERCE AND INDUSTRY
(SHRI PIYUSH GOYAL)

(a) to (b): An internal assessment of India’s bilateral Free Trade Agreements (FTAs) or Preferential Trade Agreements (PTAs) with Sri Lanka, Afghanistan, Thailand, Singapore, Japan, Bhutan, Nepal, Republic of Korea and Malaysia reveals that the cumulative average growth rate (CAGR) in trade with these partners over the last 5 financial years was 7.1%. While there has been growth rate in both imports from and exports to these FTA partners, the utilization rate of FTAs both for India and its partners has been moderate. The economic impact assessment of FTAs is a continuous process which is undertaken both in terms of data analysis and stakeholder consultations. An analysis of preferential import data for some of these agreements indicates that the FTA utilization rates have been moderate to high in the case of some sectors like iron and steel for the India Korea Comprehensive Economic Partnership Agreement (CEPA) and India Japan CEPA. Plastics in the case of India Singapore Comprehensive Economic Cooperation Agreement (CECA) and automotives in the case of India Malaysia CECA.

(C): The review of the trade agreements is undertaken on the basis of mutual consent of the trading partners and demand from domestic stakeholders. Two reviews of the India Singapore CECA have been completed. The India-Bhutan Agreement on Trade, Commerce and Transit was renewed in 2016 while the India-Nepal Treaty of Trade was extended in 2016. Eight rounds of negotiations have been completed for the review of the India Korea CEPA which commenced in 2016. Moreover, India has taken up the review of India Japan CEPA and India ASEAN FTA with its trading partners.

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

RAJYA SABHA
UNSTARRED QUESTION NO. 3098
TO BE ANSWERED ON 20TH MARCH, 2020

EFFECT OF CORONAVIRUS ON INDO-CHINA TRADE AND COMMERCE

3098. SHRI RAJKUMAR DHOOIT:

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

(a) whether Government has assessed the likely effect of Coronavirus (COVID-19) on Indo-China trade and commerce;
(b) if so, the details thereof and if not, the reasons therefor; and
(c) the precautionary measures being taken by Government in this regard?

ANSWER

THE MINISTER OF COMMERCE AND INDUSTRY
(SHRI PIYUSH GOYAL)

(a) to (c): The outbreak of Corona Virus in China has led to restrictions on movement of people and business activities in many provinces of China, in order to control the spread of virus. Disruption in business activities in China may have an impact on Indian industries such as pharmaceuticals, automobile and electronics industries, which depend on China for supplies of raw materials, components or intermediate items.

The Government has taken the initiative to sensitize the Export Promotion Councils / Trade Bodies and our overseas Missions on the likely disruptions in supply chains and put the Export Promotion Councils in contact with our overseas Missions to explore alternate sources / markets in those countries.

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

RAJYA SABHA
UNSTARRED QUESTION NO. 3099
TO BE ANSWERED ON 20th MARCH, 2020

GIFTING OF TRIBAL ITEMS AT OFFICIAL FUNCTIONS

3099. SHRI SUSHIL KUMAR GUPTA:

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

(a) whether it is a fact that various Ministries and Departments may gift only tribal items to dignitaries at official functions and festivals in near future;
(b) if so, the details thereof; and
(c) the other initiatives the Ministry proposes to promote tribal products internationally?

ANSWER

THE MINISTER OF COMMERCE AND INDUSTRY
(SHRI PIYUSH GOYAL)

(a) & (b) : To promote Government institutional purchases, Tribal Co-Operative Marketing Development Federation of India Limited (TRIFED), Ministry of Tribal Affairs has a presence in Government e-Marketplace (GeM) through its outlets ‘TRIBES India’. TRIFED also markets tribal products through its own e-commerce portal ‘tribesindia.com’ and also through other e-Market Channels. As a special drive for boosting the institutional sales and gifting, the Government Departments, Central/State PSUs, other State Federations, Institutions/ Clubs, commercial bodies, Corporates etc are being requested to patronize tribal products by purchasing these products from TRIBES India for all their gifting to dignitaries at official functions and festivals.

(c) : TRIFED, Ministry of Tribal Affairs has been implementing Schemes of “Institutional Support for Development and Marketing of Tribal Products/Produce” for socio-economic development of tribal communities. Tribes India outlets are operational at airports, namely Chennai, Jaipur, Ahmedabad, Udaipur, Coimbatore, Trivandrum, Pune, Kolkata, Goa. TRIFED also participates in international exhibitions / trade fairs through Export Promotion Council for Handicrafts and India Trade Promotion Organisations.

******
BAN ON IMPORT OF BASMATI RICE FROM INDIA

3100. SHRI ANIL DESAI:

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

(a) whether it is a fact that India is a major exporter of best quality of Basmati rice in the world;
(b) if so, the countries who prefer Indian rice for their consumption;
(c) whether there is any complaint from any of such countries for using of excessive chemicals and fertilizers during its plantation; and
(d) if so, whether there is any ban on import of Basmati rice from India, if so, the details thereof?

ANSWER

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI PIYUSH GOYAL)

(a) Yes, Sir. India is the largest exporter of Basmati rice in the world.
(b) Details of top importers of Basmati rice from India are at Annexure-I.
(c) All exports of basmati rice from India have to conform to the quality, sanitary and phyto-sanitary standards of the importing countries. Non-compliance with these standards results in rejection of individual consignments and such cases are reported by the importing countries to the regulatory authorities of India.
(d) No country has imposed a ban on import of Basmati rice from India.

**********
### India's Export of Basmati Rice

**Qty. in MT; Value in Million USD**

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>2018-19</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Quantity</td>
<td>Value</td>
<td></td>
</tr>
<tr>
<td>IRAN</td>
<td>1483697</td>
<td>1556.17</td>
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<tr>
<td>SAUDI ARAB</td>
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<tr>
<td>IRAQ</td>
<td>385732</td>
<td>399.43</td>
<td></td>
</tr>
<tr>
<td>KUWAIT</td>
<td>154745</td>
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</tr>
<tr>
<td>YEMEN REPUBLC</td>
<td>201926</td>
<td>209.95</td>
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<tr>
<td>U ARAB EMTS</td>
<td>282375</td>
<td>297.62</td>
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<tr>
<td>U S A</td>
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</tr>
<tr>
<td>U K</td>
<td>111924</td>
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</tr>
<tr>
<td>OMAN</td>
<td>87832</td>
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<tr>
<td>JORDAN</td>
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<td>QATAR</td>
<td>73569</td>
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<td>CANADA</td>
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<tr>
<td>AUSTRALIA</td>
<td>37337</td>
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<tr>
<td>NETHERLAND</td>
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<td>ISRAEL</td>
<td>40455</td>
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<tr>
<td>OTHERS</td>
<td>418476</td>
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</tr>
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<td><strong>TOTAL</strong></td>
<td>4414612</td>
<td>4712.44</td>
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</tr>
</tbody>
</table>

Source: DGCI&S

****
3101. SHRI TIRUCHI SIVA:

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

(a) the countries that do not allow import of goods manufactured in India as of 2020; and
(b) whether India accept imports from these countries and if so, the names of such countries?

ANSWER

THE MINISTER OF COMMERCE AND INDUSTRY
(SHRI PIYUSH GOYAL)

(a) to (b): Pakistan has prohibited imports from India by not granting the most favoured nation (MFN) status and it further announced the suspension of all trade in August, 2019. India imposed a 200% duty on imports from Pakistan in February, 2019. All countries including India impose prohibitions based on the exceptions provided in the multilateral rules including the WTO Agreements.

*****
REDUCTION IN IMPORTS OWING TO OUTBREAK OF CORONAVIRUS

3102. SHRI TIRUCHI SIVA

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

(a) whether there has been a reduction in imports to India from China owing to the outbreak of the Coronavirus;
(b) the impact on imports of non-oil goods to India from China due to the outbreak of the Coronavirus; and
(c) the loss suffered by India owing to the reduction in imports from China, in Rupees, as of March, 2020?

ANSWER

THE MINISTER OF COMMERCE AND INDUSTRY
(SHRI PIYUSH GOYAL)

(a) to (c) :The Corona Virus outbreak in China has led to restrictions on movement of people and business activities in many provinces of China, in order to contain the spread of the virus. The closure of factories in China may affect Indian industries, which import components, intermediaries and raw-materials from China like the pharmaceutical, electronics and automobile industries.

The Government has taken the initiative to sensitize the Export Promotion Councils /Trade Bodies and our overseas Missions on the likely disruptions in supply chains and put the Export Promotion Councils in contact with our overseas Missions to explore alternate sources/markets in those respective countries.

****
BALANCE OF TRADE WITH SOUTH ASIAN COUNTRIES

3103. SHRI NARAIN DASS GUPTA:

Will the Minister of COMMERCE & INDUSTRY be pleased to state the balance of trade with South Asian countries like Bhutan, Afghanistan, Bangladesh, Maldives, Nepal, Pakistan and Sri Lanka for the last five years, year-wise?

ANSWER

THE MINISTER OF COMMERCE AND INDUSTRY
(SHRI PIYUSH GOYAL)

India’s balance of trade with South Asian countries for the last five years, year-wise and the current year (April-January) is as below;

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<td>Afghanistan</td>
<td>160.65</td>
<td>218.70</td>
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<td>5008.46</td>
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<tr>
<td>Pakistan</td>
<td>1359.98</td>
<td>1730.17</td>
<td>1367.40</td>
<td>1435.75</td>
<td>1571.76</td>
<td>748.17</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>5947.55</td>
<td>4567.96</td>
<td>3310.95</td>
<td>3703.83</td>
<td>3221.54</td>
<td>2487.56</td>
</tr>
<tr>
<td>Total of South Asia</td>
<td>17549.29</td>
<td>15619.21</td>
<td>16408.77</td>
<td>19898.45</td>
<td>20985.86</td>
<td>15147.90</td>
</tr>
</tbody>
</table>

Source: DGCIS Database

P - Provisional

****
IMPACT ON EXPORT OF POLISHED DIAMONDS DUE TO CORONAVIRUS

3106. SHRI K.J. ALPHONS:

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

(a) the impact of Coronavirus on India’s exports;
(b) the steps being taken to minimise the impact; and
(c) how does it affect the export of polished diamonds and diamond jewellery as Hong Kong has cancelled two prestigious diamond exhibitions?

ANSWER

THE MINISTER OF COMMERCE AND INDUSTRY
(SHRI PIYUSH GOYAL)

(a): The outbreak of Corona virus in China and subsequently in other countries has led to restriction on movement of people and business activities in affected countries in order to control the spread of virus.

(b): Government of India has sensitized Export Promotion Councils (EPCs) and Trade Bodies on actions need to be taken by them to hedge against the potential risk of disruption in their supply chain and Indian Missions have been asked to put EPCs in touch with the potential buyers and suppliers in their respective countries and facilitate B2B meeting for them.

(c): The outbreak of coronavirus and cancellation of two prestigious diamond exhibitions in Hong Kong are few of the key reasons for decline of exports of polished diamond & diamond Jewellery.

****
SPECIAL ECONOMIC ZONES IN THE COUNTRY

3107. SHRI VIJAY GOEL

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

(a) the number of Special Economic Zones (SEZs) approved and operational in the country;
(b) whether there are any SEZs which Government is planning to shut down or has already shut down in the past;
(c) if so, the reasons therefor;
(d) whether there are any other incentives being explored for SEZs to make them WTO compliant; and
(e) if so, the details thereof?

ANSWER

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI PIYUSH GOYAL)

(a): There were 7 Central Government Special Economic Zones (SEZs) and 12 State/Private Sector SEZs prior to the enactment of the SEZ Act, 2005. In addition, 421 proposals for setting up of SEZs in the country have been accorded formal approval under the SEZ Act, 2005. Presently, 354 SEZs are notified, out of which 240 SEZs are operational.

(b) and (c): No Sir. However, between 1st April, 2008 and 29th February, 2020, the Board of Approval (BoA) on SEZs on request of SEZ Private Developers, has approved 101 cases of de-notification of SEZs subject to the refund of all duties and tax benefits availed by the SEZ Private Developer and on receipt of ‘No-objection’ from the concerned State Government. The reasons given for these request for de-notification include poor market response, lack of demand for SEZ space and change in the fiscal incentive regime for SEZs, etc.

(d) and (e): The Government had constituted a Group of eminent persons under the Chairmanship of Shri Baba Kalyani, Chairman M/s. Bharat Forge to study the Special Economic Zone (SEZ) Policy of India on 04.06.2018. One of the terms of reference for the Group was to make the SEZ Policy WTO compatible. The Group submitted its report to the Government on 19.11.2018. A number of recommendations of the Group have already been implemented which are at Annexure.

*****
The recommendations of the Group which have already been acted upon are as follows.

- **Review specific exclusions proposed in NFE computation in light of “Make in India” initiative, especially projects of economic importance** - The recommendation sought that the status quo prior to 19.09.2018 should be retained. Accordingly, the same was implemented through a suitable amendment to the SEZ Rules in March-2019.
- **Sharing of duty exempted assets/ infrastructure between units to be allowed against specific approval** – This recommendation was implemented through a suitable Clarification issued on 11.06.2019 for allowing usage of common infrastructure like canteen / datacenters etc among SEZ units against specific approval.
- **Inclusion of indigenous goods in NFE computation should be excluded as there is no foreign exchange outflow on procurement of indigenous goods and same is contrary to the objective of NFE and principles followed for EOUs** - The same was implemented through a suitable amendment to the SEZ Rules in March-2019.
- **Formalize “de-notification” process for enclaves and delink its present mandatory usage for SEZs purpose only** - This recommendation was implemented through a suitable Clarification dated 28.01.2019 issued to all DCs with copy to State/UTs which relaxed the mandatory usage requirement that stipulated that the denotified land shall be used for SEZ purpose only.
- **Support to enable servicification of manufacturing zones. Allowing manufacturing enabling services companies e.g. R&D services, engineering design services, logistics service** – This recommendation has been implemented through a suitable amendment to Rule 5 of the SEZ rules on 17.12.2019 which rendered all existing and future SEZs as multi-sector SEZs thereby allowing for the co-existence of SEZ units of any sector with any other sector.
- **Broad-banding definition of services/allowing multiple services to come together** - This recommendation has been implemented through a suitable amendment to Rule 5 of the SEZ rules on 17.12.2019 which rendered all existing and future SEZs as multi-sector SEZs thereby allowing for the co-existence of SEZ units of any sector with any other sector.
- **Review/relax minimum land/built-up area requirement** - This recommendation has been implemented through a suitable amendment to Rule 5 of the SEZ rules on 17.12.2019 which relaxed the minimum land area requirement for setting up a multi-sector SEZ from the erstwhile requirement of 500 hectares to 50 hectares.
- **Developer should be allowed flexibility to enter into a long term lease agreement with stakeholders in Zones in line with the State policies** - This recommendation was implemented through an instruction No. 98 dated 29.08.2019 which relaxed the earlier stipulation of maximum lease period of 30 years to allow flexibility in lease tenure which would be in line with the maximum tenure allowed under the State / Local Government law / regulations.
- **The application for constructing minimum built up area by Developer or Co-developer beyond a period of ten years from the date of notification of the Special Economic Zone to be considered by BOA on merits of each case** - This recommendation has been implemented through a suitable amendment to Rule 5 of the SEZ rules on 17.12.2019.
thereby empowering the Board of Approval to consider proposals for extensions for period beyond earlier stipulated ten years based on the merits of each case.

- **Enabling provisions for transfer of approval from one co-developer to other co-developer** – This recommendation has been examined and is being implemented through the mechanism of Board of Approvals which examines and approves such proposals on the merits of each case.

- **Funding mechanism for last mile connectivity for SEZs** - A mechanism for funding such requirement of last mile connectivity infrastructure has enabled through the existing scheme of TIES which has been clarified through suitable instruction to Development Commissioners in Jan-2020.

Besides the recommendations of the Group, the following further steps have been taken towards enabling ease of doing business and enhancing flexibility.

- **Delegation of powers to Development Commissioner for shifting of SEZ unit from one SEZ to another within their jurisdiction** – Earlier such proposals for shifting of SEZ units from one SEZ to another were processed and approved at the level of Commerce Secretary which has now been delegated to the level of jurisdictional Development Commissioners.

- **Enable a trust to be considered eligible to set-up a unit in a SEZ, including a unit to be set-up in the International Financial Services Centre (IFSC).** This will also provide flexibility to GoI to include any entity that may be required to be notified from time to time to set-up a unit in a SEZ

- **Setting up of cafeteria, gymnasium, creche and other similar facilities / amenities allowed to SEZ units** – The request of SEZ units to set up facilities such as cafeteria, gymnasium, creche and other similar facilities / amenities were allowed through a suitable Instruction dated 11.06.2019.

- **Revised guidelines for Work from Home policy** – The revised guidelines were enabled through an amendment to the SEZ Rules in March-2019 to allow for employees of SEZ units to work from home.

- **Uniform list of services to SEZ** – This provides for a broad list of input services that could be utilized by SEZ units for their day-to-day operations thereby avoiding the requirement of the units to seek permission of Development Commissioners for each such instance.

    *****
IMPACT ON INDUSTRIES DUE TO CORONAVIRUS

3109(H). SHRI AMAR SHANKAR SABLE:

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

(a) details of segment-wise impact on import-export business of India's industries due to outbreak of Coronavirus in China;
(b) details of strategy being followed by Government to protect industries and common man from inflation;
(c) details of items like medicines for Coronavirus, chemicals, mobiles and electronics that have witnessed increase in price and percentage of increase in their prices in the wake of outbreak of Coronavirus; and
(d) whether price of Paracetamol and Azithromycin drugs have been increased by forty per cent and seventy per cent respectively, if so, whether increase in their prices is due to Coronavirus or any other disease?

ANSWER

THE MINISTER OF COMMERCE AND INDUSTRY
(SHRI PIYUSH GOYAL)

(a) to (d): The Corona Virus outbreak in China has led to restrictions on movement of people and business activities in many countries, in order to contain the spread of virus. The closure of factories in China may affect Indian industries which import components, intermediaries and raw-materials from China like the pharmaceutical, electronics and automobile industries.

The Government has taken the initiative to sensitize the Export Promotion Councils / Trade Bodies and our overseas Missions on the likely disruptions in supply chains and put the Export Promotion Councils in contact with our overseas Missions to explore alternate sources/markets in those respective countries.

The impact of those disruptions would vary across companies depending upon their ability to find alternate sources at competitive rates. This in turn would determine their pricing strategy. As per the information available, the National Pharmaceutical Pricing Authority (NPPA) has not received any reference regarding sudden increase in the price of Paracetamol by 40% and Azithromycin by 70% in the country.

****
**Annexure 1: India's exports of 30 Major segments to China**

<table>
<thead>
<tr>
<th>Major Commodity Groups</th>
<th>Export Values in USD Million</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>CARPET</td>
<td>1.12</td>
<td>0.87</td>
<td>-22%</td>
<td>0.90</td>
<td>1.04</td>
</tr>
<tr>
<td>CASHEW</td>
<td>0.00</td>
<td>0.00</td>
<td>-100%</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>CERAMIC PRODUCTS AND GLASSWARE</td>
<td>2.63</td>
<td>6.77</td>
<td>157%</td>
<td>2.46</td>
<td>4.34</td>
</tr>
<tr>
<td>CEREAL PREPARATIONS AND MISCELLANEOUS PROCESSED ITEM</td>
<td>0.19</td>
<td>0.20</td>
<td>8%</td>
<td>0.14</td>
<td>0.15</td>
</tr>
<tr>
<td>COFFEE</td>
<td>0.12</td>
<td>0.23</td>
<td>93%</td>
<td>0.09</td>
<td>0.19</td>
</tr>
<tr>
<td>COTTON YARN/FABS./MADEUPS., HANDLOOM PRODUCTS ETC.</td>
<td>67.03</td>
<td>53.43</td>
<td>-20%</td>
<td>79.42</td>
<td>73.65</td>
</tr>
<tr>
<td>DRUGS AND PHARMACEUTICALS</td>
<td>21.48</td>
<td>25.89</td>
<td>21%</td>
<td>19.01</td>
<td>21.58</td>
</tr>
<tr>
<td>ELECTRONIC GOODS</td>
<td>49.83</td>
<td>107.94</td>
<td>117%</td>
<td>45.96</td>
<td>82.99</td>
</tr>
<tr>
<td>ENGINEERING GOODS</td>
<td>168.63</td>
<td>260.75</td>
<td>55%</td>
<td>130.72</td>
<td>162.10</td>
</tr>
<tr>
<td>FRUITS AND VEGETABLES</td>
<td>1.80</td>
<td>1.49</td>
<td>-17%</td>
<td>2.59</td>
<td>2.11</td>
</tr>
<tr>
<td>GEMS AND JEWELLERY</td>
<td>35.48</td>
<td>5.32</td>
<td>-85%</td>
<td>8.71</td>
<td>1.78</td>
</tr>
<tr>
<td>HANDICRAFTS EXCL. HANDMADE CARPET</td>
<td>0.82</td>
<td>1.03</td>
<td>26%</td>
<td>1.17</td>
<td>1.50</td>
</tr>
<tr>
<td>IRON ORE</td>
<td>90.48</td>
<td>184.03</td>
<td>103%</td>
<td>71.84</td>
<td>235.10</td>
</tr>
<tr>
<td>JUTE MFG. INCLUDING FLOOR COVERING</td>
<td>0.09</td>
<td>0.16</td>
<td>73%</td>
<td>0.12</td>
<td>0.22</td>
</tr>
<tr>
<td>LEATHER AND LEATHER MANUFACTURES</td>
<td>11.01</td>
<td>10.70</td>
<td>-3%</td>
<td>7.89</td>
<td>10.89</td>
</tr>
<tr>
<td>MAN-MADE YARN/FABS./MADEUPS ETC.</td>
<td>4.93</td>
<td>4.01</td>
<td>-19%</td>
<td>6.00</td>
<td>3.70</td>
</tr>
<tr>
<td>MARINE PRODUCTS</td>
<td>131.04</td>
<td>153.18</td>
<td>17%</td>
<td>58.62</td>
<td>60.48</td>
</tr>
<tr>
<td>MEAT, DAIRY AND Poultry Products</td>
<td>0.00</td>
<td>0.00</td>
<td>-100%</td>
<td>0.00</td>
<td>0.03</td>
</tr>
<tr>
<td>MICA, COAL AND OTHER ORES, MINERALS INCLUDING PROCESS</td>
<td>86.94</td>
<td>54.42</td>
<td>-37%</td>
<td>67.38</td>
<td>71.97</td>
</tr>
<tr>
<td>OIL MEALS</td>
<td>0.08</td>
<td>0.00</td>
<td>-100%</td>
<td>0.22</td>
<td>0.02</td>
</tr>
<tr>
<td>OIL SEEDS</td>
<td>0.10</td>
<td>16.42</td>
<td>16706%</td>
<td>0.09</td>
<td>5.75</td>
</tr>
<tr>
<td>ORGANIC AND INORGANIC CHEMICALS</td>
<td>263.52</td>
<td>167.32</td>
<td>-37%</td>
<td>249.64</td>
<td>225.50</td>
</tr>
<tr>
<td>OTHER CEREALS</td>
<td>0.00</td>
<td>0.00</td>
<td>0%</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>PETROLEUM PRODUCTS</td>
<td>228.28</td>
<td>171.11</td>
<td>-25%</td>
<td>149.17</td>
<td>214.77</td>
</tr>
<tr>
<td>PLASTIC AND LINOLEUM</td>
<td>119.75</td>
<td>75.65</td>
<td>-37%</td>
<td>103.14</td>
<td>59.12</td>
</tr>
<tr>
<td>RICE</td>
<td>0.04</td>
<td>0.00</td>
<td>-100%</td>
<td>0.00</td>
<td>0.05</td>
</tr>
<tr>
<td>RMG OF ALL TEXTILES</td>
<td>8.59</td>
<td>6.22</td>
<td>-28%</td>
<td>8.59</td>
<td>9.02</td>
</tr>
<tr>
<td>SPICES</td>
<td>54.08</td>
<td>40.66</td>
<td>-25%</td>
<td>33.06</td>
<td>50.57</td>
</tr>
<tr>
<td>TEA</td>
<td>2.66</td>
<td>3.09</td>
<td>16%</td>
<td>1.28</td>
<td>1.90</td>
</tr>
<tr>
<td>TOBACCO</td>
<td>0.19</td>
<td>0.00</td>
<td>-100%</td>
<td>0.12</td>
<td>0.14</td>
</tr>
<tr>
<td>OTHERS</td>
<td>211.51</td>
<td>138.89</td>
<td>-34%</td>
<td>174.25</td>
<td>213.77</td>
</tr>
</tbody>
</table>

**Total Export to China** 1562.43  1489.77  -5% 1222.59  1514.44  24% 1296.86  1118.88  -14%

Source: DGCIS
## Annexure 2: India's imports of 30 Major segments from China

<table>
<thead>
<tr>
<th>Major Commodity Groups</th>
<th>Import Values in USD Million</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>COTTON RAW AND WASTE</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
<td>0.00</td>
</tr>
<tr>
<td>VEGETABLE OIL</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
<td>0.05</td>
</tr>
<tr>
<td>PULSES</td>
<td>2.03</td>
<td>3.52</td>
<td>73%</td>
<td>5.00</td>
</tr>
<tr>
<td>FRUITS AND VEGETABLES</td>
<td>2.03</td>
<td>5.29</td>
<td>161%</td>
<td>3.95</td>
</tr>
<tr>
<td>PULP AND WASTE PAPER</td>
<td>1.54</td>
<td>1.86</td>
<td>21%</td>
<td>1.72</td>
</tr>
<tr>
<td>TEXTILE YARN FABRIC, MADEUP ARTICLES</td>
<td>70.15</td>
<td>75.22</td>
<td>7%</td>
<td>84.21</td>
</tr>
<tr>
<td>FERTILISERS, CRUDE AND MANUFACTURED</td>
<td>224.48</td>
<td>93.63</td>
<td>-58%</td>
<td>294.31</td>
</tr>
<tr>
<td>SULPHUR AND UNROASTED IRON PYRTS</td>
<td>0.01</td>
<td>0.02</td>
<td>34%</td>
<td>0.04</td>
</tr>
<tr>
<td>METALIFERROUS ORES AND OTHER MINERALS</td>
<td>27.27</td>
<td>18.95</td>
<td>-30%</td>
<td>31.61</td>
</tr>
<tr>
<td>COAL, COKE AND BRIQUETTES, ETC.</td>
<td>43.45</td>
<td>1.62</td>
<td>-96%</td>
<td>31.12</td>
</tr>
<tr>
<td>PETROLEUM, CRUDE AND PRODUCTS</td>
<td>14.14</td>
<td>26.07</td>
<td>84%</td>
<td>25.00</td>
</tr>
<tr>
<td>WOOD AND WOOD PRODUCTS</td>
<td>66.39</td>
<td>56.04</td>
<td>-16%</td>
<td>67.56</td>
</tr>
<tr>
<td>LEATHER AND LEATHER PRODUCTS</td>
<td>18.28</td>
<td>19.34</td>
<td>6%</td>
<td>24.19</td>
</tr>
<tr>
<td>ORGANIC AND INORGANIC CHEMICALS</td>
<td>453.59</td>
<td>379.32</td>
<td>-16%</td>
<td>494.32</td>
</tr>
<tr>
<td>DYEING/TANNING/COLOURING MTRLs.</td>
<td>53.54</td>
<td>52.57</td>
<td>-2%</td>
<td>61.08</td>
</tr>
<tr>
<td>ARTIFICIAL RESINS, PLASTIC MATERIALS, ETC</td>
<td>244.14</td>
<td>242.64</td>
<td>-1%</td>
<td>277.83</td>
</tr>
<tr>
<td>CHEMICAL MATERIAL AND PRODUCTS</td>
<td>199.26</td>
<td>192.34</td>
<td>-3%</td>
<td>228.89</td>
</tr>
<tr>
<td>NEWSPRINT</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PEARLS, PRECIOUS AND SEMI-PRECIOUS STONES</td>
<td>6.79</td>
<td>4.51</td>
<td>-34%</td>
<td>7.86</td>
</tr>
<tr>
<td>IRON AND STEEL</td>
<td>244.81</td>
<td>230.15</td>
<td>-6%</td>
<td>272.09</td>
</tr>
<tr>
<td>NON-FERROUS METALS</td>
<td>189.54</td>
<td>158.96</td>
<td>-16%</td>
<td>190.17</td>
</tr>
<tr>
<td>MACHINE TOOLS</td>
<td>90.18</td>
<td>85.51</td>
<td>-5%</td>
<td>119.29</td>
</tr>
<tr>
<td>MACHINERY, ELECTRICAL AND NON-ELECTRICAL</td>
<td>962.42</td>
<td>927.23</td>
<td>1049.90</td>
<td>1164.69</td>
</tr>
<tr>
<td>TRANSPORT EQUIPMENT</td>
<td>187.03</td>
<td>173.14</td>
<td>-7%</td>
<td>250.22</td>
</tr>
<tr>
<td>PROJECT GOODS</td>
<td>55.30</td>
<td>17.56</td>
<td>-68%</td>
<td>19.04</td>
</tr>
<tr>
<td>PROFESSIONAL INSTRUMENT, OPTICAL GOODS, ETC.</td>
<td>67.30</td>
<td>74.95</td>
<td>11%</td>
<td>85.94</td>
</tr>
<tr>
<td>ELECTRONIC GOODS</td>
<td>1688.56</td>
<td>1546.39</td>
<td>-8%</td>
<td>1845.54</td>
</tr>
<tr>
<td>MEDCNL. AND PHARMACEUTICAL PRODUCTS</td>
<td>202.34</td>
<td>225.56</td>
<td>11%</td>
<td>238.61</td>
</tr>
<tr>
<td>GOLD</td>
<td>0.33</td>
<td>0.20</td>
<td>-39%</td>
<td>0.53</td>
</tr>
<tr>
<td>OTHERS</td>
<td>411.95</td>
<td>398.53</td>
<td>-3%</td>
<td>466.64</td>
</tr>
<tr>
<td><strong>Total Import from China</strong></td>
<td><strong>5526.86</strong></td>
<td><strong>5011.11</strong></td>
<td><strong>-9%</strong></td>
<td><strong>6226.73</strong></td>
</tr>
</tbody>
</table>

Source: DGCIS
TOXIC CHEMICALS IN THE PRODUCTS IMPORTED FROM CHINA

3110(H). SHRI HARNATH SINGH YADAV:

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

(a) whether Government has banned the import of chocolates, candies, confectionery, milk and milk-made food products from China; and
(b) whether any toxic chemical is found in the said products being imported from China, which is extremely harmful for human health, if so, the details thereof?

ANSWER

THE MINISTER OF COMMERCE AND INDUSTRY
(SHRI PIYUSH GOYAL)

(a) Since 24 September, 2008 import milk and milk products from China is prohibited. Since 1st December, 2008, import prohibition from China was extended to chocolates and chocolate products and candies/confectionary/food preparations with milk and milk solids as an ingredient. Since then import prohibition of the above items from China has been extended from time to time and continues even now.

(b) Does not arise in view of the ban on import of such products from China since 2008.

*****
NEW TEA AUCTION CENTRE IN ASSAM

3111. SHRI KAMAKHYA PRASAD TASA:

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

(a) whether the Ministry is going to set up a new tea auction centre in Assam, if so, the details thereof; and
(b) the total number of tea auction centres in India and the quantity they auction per day, along with the details thereof?

ANSWER

THE MINISTER OF COMMERCE AND INDUSTRY
(SHRI PIYUSH GOYAL)

(a) & (b): Tea Auction Centres are established on the basis of their viability and significance for the tea growers and dealers of the region. Views of stakeholders, including the State Governments, are obtained to study the feasibility and sustainability of the auction centre. Presently, there are six tea auction centres in India viz. Kolkata, Siliguri, Guwahati, Coonoor, Coimbatore and Cochin. The details of average quantity of tea offered and sold (per day) through the different Auction Centres are given in the following Table:

<table>
<thead>
<tr>
<th>Name of the Auction Centre</th>
<th>Per Day average of Tea Offered (Kgs.) 2019</th>
<th>Per Day Average of Tea Sold (Kgs.) 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kolkata</td>
<td>1759171.39</td>
<td>1303853.92</td>
</tr>
<tr>
<td>Guwahati</td>
<td>1897811.50</td>
<td>1391490.61</td>
</tr>
<tr>
<td>Siliguri</td>
<td>1500799.96</td>
<td>1140536.82</td>
</tr>
<tr>
<td>Cochin</td>
<td>594930.13</td>
<td>466179.22</td>
</tr>
<tr>
<td>Coonoor</td>
<td>752175.26</td>
<td>613556.26</td>
</tr>
<tr>
<td>Coimbatore</td>
<td>378675.26</td>
<td>263105.92</td>
</tr>
<tr>
<td>Total</td>
<td><strong>3689195.07</strong></td>
<td><strong>2777420.08</strong></td>
</tr>
</tbody>
</table>

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WITHDRAWAL OF MFN STATUS TO PAKISTAN

3112. SHRI NARESH GUJRAL

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

(a) whether the withdrawal of MFN status to Pakistan has reduced the exports to Pakistan, if so, how much has the loss been post the withdrawal; and

(b) whether the withdrawal caused loss of income to traders in Punjab and Jammu & Kashmir, if so, the steps being taken by the Ministry for supplementing their income?

ANSWER

THE MINISTER OF COMMERCE AND INDUSTRY
(SHRI PIYUSH GOYAL)

(a) The Most Favoured Nation (MFN) status accorded by India to Pakistan was revoked in February 2019, by imposing 200% customs duty on all goods originating in or exported from Pakistan. In August 2019, Pakistan announced suspension of bilateral trade with India and all imports from India and exports from Pakistan to India were prohibited. Partial relaxation has been provided in September 2019 for trade in certain pharmaceutical products with India. As per provisional data, the value of India’s exports to Pakistan amounted to US$ 761.86 million in the period April 2019 to January 2020 as compared to US$ 1768.79 million in similar period in 2018-19, showing a decline of 57%.

(b) No such analysis has been carried out so far. In order to facilitate investments in Union Territory (UT) of Jammu and Kashmir (J&K), the following incentives are offered to attract entrepreneurs by the UT:

i) Allotment of land at subsidized rate.
ii) Cheaper Power Tariffs.
iii) Subsidy on purchase & installation of DG set.
iv) Subsidy on installation of Quality Control/Testing Equipments.
Additionally Department for Promotion of Industry & Internal Trade is implementing following Packages for providing incentives to industries in UT of Jammu & Kashmir:

1. Special Package-I&II (from 14.06.2002 to 14.06.2017) The Scheme provides (i) Central Capital Investment Incentive (30% of the investment in plant & machinery with an upper limit of Rs. 5 crore), (ii) Central Interest Incentive (3% interest on working capital for 5 years) and (iii) Central Comprehensive Insurance Incentive (Reimbursement of 100% insurance premium for 5 years).

2. Industrial Development Scheme (IDS) (From 15.06.2017 – 31.03.2020) the scheme provides (i) Central Capital Investment Incentive (30% of the investment in plant & machinery with an upper limit of Rs. 5 crore), (ii) Central Interest Inventive (3% interest on working capital for 5 years, (iii) Central Comprehensive Insurance Incentive (Reimbursement of 100% insurance premium for 5 years), (iv) Income Tax Reimbursement of centre’s share for 5 years, (v) GST reimbursement of Central Government share of CGST & IGST for 5 years, (vi) Employment Incentive under which additional 3.67% of the employer’s contribution to EPF in addition to Government bearing 8.33% Employee Pension Scheme (EPS) contribution of the employer in PMRPY and (vii) Transport incentive on finished goods movement by Railways (20% cost of the transportation), by Inland Waterways Authority (20% of the cost of transportation) & by air (33% of cost transportation of air freight) from the station/port/airport nearest to unit to the station/port/airport nearest to the destination point.

Also, under this scheme a single unit can avail overall benefits up to Rs.200 Crore.

Besides the above, following steps have also been undertaken by UT of J&K to spur investment:

i. Ease of Doing Business has been strengthened.
ii. Land Bank for new investments has been identified.
iii. 14 Focus Sectors for investment have been identified and policies in all these sectors have been drafted.

The Government of India is fully committed to the overall development and several steps, including preparation of a new Industrial policy, are being taken to boost trade, industry, investment and employment in the Union Territory of Jammu & Kashmir.

Further, schemes/projects under Prime Minister’s Development Package are under various stages of implementation. This package comprises of 63 major development projects in Road, Power, Health, Tourism, Agriculture, Horticulture & Skill Development sectors.
ENTRY OF AMERICAN PRODUCTS IN INDIAN DAIRY AND POULTRY MARKET

3113(H). SHRI VISHAMBHAR PRASAD NISHAD:
SHRIMATI CHHAYA VERMA:
CH. SUKHRAM SINGH YADAV:

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

(a) whether it is a fact that Government had been considering to permit/has permitted proposed entry of American products into Indian dairy and poultry market before the visit of American President;
(b) if so, the products/goods/ technologies which are being permitted/ have been permitted for import;
(c) whether any assessment has been made as to what impact it would have on Indian producers; and
(d) if so, the details thereof?

ANSWER

THE MINISTER OF COMMERCE AND INDUSTRY
(SHRI PIYUSH GOYAL)

(a) to (d) Government has not taken any such decision prior to the recent visit of the President of USA. Moreover, poultry and poultry products are being imported from USA into India, based upon a mutually agreed veterinary certificates, since 2018.

However, trade related issues are a part of any ongoing economic relationship, and will continue to be discussed and addressed as a part of the regular bilateral trade engagement between India and the US. The decisions are taken in the larger public interest after consulting the stakeholders concerned.

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

RAJYA SABHA
UNSTARRED QUESTION NO. 3114 (H)
TO BE ANSWERED ON 20th MARCH, 2020

ADVERSE EFFECTS ON INDIAN ECONOMY DUE TO CORONAVIRUS

3114(H). SHRIMATI CHHAYA VERMA:
SHRIMATI SAMPATIYA UIKEY:
CH. SUKHRAM SINGH YADAV:
SHRI VISHAMBHAR PRASAD NISHAD:

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

(a) the details of adverse effects on Indian economy caused by spread of Coronavirus in China;
(b) the details of goods which have become dearer in Indian market due to reduced import of Chinese goods; and
(c) the steps taken by Government to deal with the long term impact of reduced import of Chinese goods on India?

ANSWER

THE MINISTER OF COMMERCE AND INDUSTRY
(SHRI PIYUSH GOYAL)

(a) to (c): The Corona Virus outbreak in China has led to restrictions on movement of people and business activities in many countries, in order to contain the spread of virus. The closure of factories in China may affect Indian industries which import components, intermediaries and raw-materials from China like the pharmaceutical, electronics and automobile industries.

The Government has taken the initiative to sensitize the Export Promotion Councils and Trade Bodies on the potential disruptions and put them in touch with our overseas Missions to secure existing inventories available, find alternative sources of supply and new markets for their products.

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RAJYA SABHA
UNSTARRED QUESTION NO. 3115 (H)
TO BE ANSWERED ON 20th MARCH, 2020

REVELATION IN ANNUAL REPORT OF EXPORT PROMOTION COUNCIL

3115(H). CH. SUKHRAM SINGH YADAV:
SHRI VISHAMBHAR PRASAD NISHAD:
SHRIMATI CHHAYA VERMA:

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

(a) whether 16th Annual Report of Export Promotion Council for EOU & SEZs and Audited Accounts Report for year 2018-19 suggested that twenty two workers had been sent for Thailand Trade Fair in 2018, whereas documents were fudged and payment was made for thirty four workers to a firm associated with Ministry and similarly, payment was made for forty four workers instead of thirty workers having been sent for a Trade Fair held in Tokyo, Japan;
(b) if so, details thereof; and
(c) the details of persons found involved in above scam along with the action taken after the said report?

ANSWER

THE MINISTER OF COMMERCE AND INDUSTRY
(SHRI PIYUSH GOYAL)

(a) to (c): In the 16th Annual Report and Audited Accounts for 2018-19 of Export Promotion Council for EOU & SEZs (EPCES), the Independent Auditor’s Report had noted that there were some discrepancies in the number of participants who had participated in the events held at Tokyo and Thailand in 2018. The Central Governing Council (CGC) of EPCES, on receipt of a complaint regarding participation in the same events, in its meeting held on 02.08.2019, decided to appoint an internal auditor to examine the matter. The Internal Auditor submitted a detailed report which indicated loss to the EPCES for Thailand and Japan Fair. On 29.08.2019, EPCES constituted a three member committee to investigate the alleged fraud, actions required and to submit their report to CGC for taking appropriate action to recover the loss, if any, incurred by the EPCES from the person/s in guilt. The committee examined the Internal Audit report as well as other relevant documents and concluded that there is a loss to the council and recommended appropriate action to the Vice Chairman, EPCES. Based on the committee report, a show cause notice was issued to 3 employees of the EPCES. Detailed responses have been submitted by all three employees in October, 2019 which is under examination in EPCES.

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3116. SHRI MAJEED MEMON

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

(a) whether it is a fact that generally, half of domestic Copper produced in India is exported;
(b) if so, its quantum in the last three years;
(c) whether it is also a fact that in recent times, the export of refined Copper has plunged and if so, the reasons therefor; and
(d) the measures being taken or proposed to be taken to reverse this trend?

ANSWER

THE MINISTER OF COMMERCE AND INDUSTRY
(SHRI PIYUSH GOYAL)

(a) & (b) The production of Copper in India and its exports from India, during the last three years, are as under:

(Quantity in tonnes)

<table>
<thead>
<tr>
<th>Item</th>
<th>2016-17</th>
<th>2017-18 (#)</th>
<th>2018-19 (#)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production* (Copper cathodes/ refined copper)</td>
<td>787657</td>
<td>830524</td>
<td>454337</td>
</tr>
<tr>
<td>Exports (copper refined)</td>
<td>337294</td>
<td>378555</td>
<td>47917</td>
</tr>
</tbody>
</table>

*: Primary; #: Provisional


(c) The domestic production and exports of refined copper have declined largely due to the closure, since May, 2018, of a copper smelter plant at Tuticorin, Tamil Nadu, which has a production capacity of 4 lakh tonnes per annum.
Important measures taken to enhance production include increase in copper ore production by Hindustan Copper Limited, the amendment of Mines and Mineral (Development and Regulation) Act, 1957 through the Mineral Laws (Amendment) Act, 2020 to facilitate, *inter alia*, exploration and mining of deep seated or other notified minerals, completion of auction of two blocks for copper ore (Thaneswasana and Dubarpeth in Maharashtra), intensifying exploration for copper ore and facilitating early operationalization of auctioned blocks.

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

RAJYA SABHA
UNSTARRED QUESTION NO. 3117
TO BE ANSWERED ON 20th MARCH, 2020

REVAMPING OF SEZ POLICY

3117. SHRI RAJKUMAR DHOOT:
SHRI SUSHIL KUMAR GUPTA:

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

(a) whether it is a fact that the Ministry has examined revamping of Special Economic Zone (SEZ) Policy to meet the global challenges being faced by Indian exporters;
(b) if so, the details thereof; and
(c) if not, the reasons therefor?

ANSWER

THE MINISTER OF COMMERCE AND INDUSTRY
(SHRI PIYUSH GOYAL)

(a) to (c): The Government had constituted a Group of eminent persons under the Chairmanship of Shri Baba Kalyani vide Department of Commerce Order dated 04.06.2018 to study the SEZ Policy of India. The Group submitted its report on 19.11.2018. A number of recommendations of the Group have already been implemented which are at Annexure.

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Annexure to the Rajya Sabha Unstarred Question No.3117 for 20th March, 2020

The recommendations of the Group which have already been acted upon are as follows.

- Review specific exclusions proposed in NFE computation in light of “Make in India” initiative, especially projects of economic importance - The recommendation sought that the status quo prior to 19.09.2018 should be retained. Accordingly, the same was implemented through a suitable amendment to the SEZ Rules in March-2019.
- Sharing of duty exempted assets/ infrastructure between units to be allowed against specific approval – This recommendation was implemented through a suitable Clarification issued on 11.06.2019 for allowing usage of common infrastructure like canteen / datacenters etc among SEZ units against specific approval.
- Inclusion of indigenous goods in NFE computation should be excluded as there is no foreign exchange outflow on procurement of indigenous goods and same is contrary to the objective of NFE and principles followed for EOUs - The same was implemented through a suitable amendment to the SEZ Rules in March-2019.
- Formalize “de-notification” process for enclaves and delink its present mandatory usage for SEZs purpose only - This recommendation was implemented through a suitable Clarification dated 28.01.2019 issued to all DCs with copy to State/UTs which relaxed the mandatory usage requirement that stipulated that the denotified land shall be used for SEZ purpose only.
- Support to enable servification of manufacturing zones. Allowing manufacturing enabling services companies e.g. R&D services, engineering design services, logistics service – This recommendation has been implemented through a suitable amendment to Rule 5 of the SEZ rules on 17.12.2019 which rendered all existing and future SEZs as multi-sector SEZs thereby allowing for the co-existence of SEZ units of any sector with any other sector.
- Broad-banding definition of services/allowing multiple services to come together - This recommendation has been implemented through a suitable amendment to Rule 5 of the SEZ rules on 17.12.2019 which rendered all existing and future SEZs as multi-sector SEZs thereby allowing for the co-existence of SEZ units of any sector with any other sector.
- Review/relax minimum land/built-up area requirement - This recommendation has been implemented through a suitable amendment to Rule 5 of the SEZ rules on 17.12.2019 thereby empowering
- Developer should be allowed flexibility to enter into a long term lease agreement with stakeholders in Zones in line with the State policies - This recommendation was implemented through an instruction No. 98 dated 29.08.2019 which relaxed the earlier stipulation of maximum lease period of 30 years to allow flexibility in lease tenure which would be in line with the maximum tenure allowed under the State / Local Government law / regulations.
- The application for constructing minimum built up area by Developer or Co-developer beyond a period of ten years from the date of notification of the Special Economic Zone to be considered by BOA on merits of each case - This recommendation has been implemented through a suitable amendment to Rule 5 of the SEZ rules on 17.12.2019 thereby empowering
the Board of Approval to consider proposals for extensions for period beyond earlier stipulated ten years based on the merits of each case.

- **Enabling provisions for transfer of approval from one co-developer to other co-developer** – This recommendation has been examined and is being implemented through the mechanism of Board of Approvals which examines and approves such proposals on the merits of each case.
- **Funding mechanism for last mile connectivity for SEZs** - A mechanism for funding such requirement of last mile connectivity infrastructure has enabled through the existing scheme of TIES which has been clarified through suitable instruction to Development Commissioners in Jan-2020.

Besides the recommendations of the Group, the following further steps have been taken towards enabling ease of doing business and enhancing flexibility.

- **Delegation of powers to Development Commissioner for shifting of SEZ unit from one SEZ to another within their jurisdiction** – Earlier such proposals for shifting of SEZ units from one SEZ to another were processed and approved at the level of Commerce Secretary which has now been delegated to the level of jurisdictional Development Commissioners.
- **Enable a trust to be considered eligible to set-up a unit in a SEZ, including a unit to be set-up in the International Financial Services Centre (IFSC).** This will also provide flexibility to GoI to include any entity that may be required to be notified from time to time to set-up a unit in a SEZ
- **Setting up of cafeteria, gymnasium, creche and other similar facilities / amenities allowed to SEZ units** – The request of SEZ units to set up facilities such as cafeteria, gymnasium, creche and other similar facilities / amenities were allowed through a suitable Instruction dated 11.06.2019.
- **Revised guidelines for Work from Home policy** – The revised guidelines were enabled through an amendment to the SEZ Rules in March-2019 to allow for employees of SEZ units to work for home.
- **Uniform list of services to SEZ** – This provides for a broad list of input services that could be utilized by SEZ units for their day-to-day operations thereby avoiding the requirement of the units to seek permission of Development Commissioners for each such instance.

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