

- An additional allocation for export incentive schemes of Rs. 350 crore.
- Government back-up guarantee to Export Credit Guarantee Corporation (ECGC) to the extent of Rs.350 crore to enable it to provide guarantees for exports to difficult markets/products.
- Refund of service tax to exporters on foreign agent commissions of upto 10 percent of Freight On Board (FOB) value of exports.
- **Housing** : Refinance facility of Rs. 4000 crore for the National Housing Bank by RBI.
- **Micro Small & Medium Enterprise (MSME) Sector** : Refinance facility of Rs. 7000 crore for Small Industries Development Bank of India (SIDBI) by the Reserve Bank of India (RBI) to support MSMEs.
- **Textiles** : An additional allocation of Rs. 1400 crore to clear the entire backlog in Technology Upgradation Fund (TUF) Scheme.
- **Others** : (a) Government departments allowed to replace government vehicles within the allowed budget, in relaxation of extant economy instructions. (b) Elimination of Import Duty on Naphtha for use in the power sector. (c) Elimination of export duty on iron ore fines and reduction of duty to 5% for lumps.

In addition, Reserve Bank of India (RBI) has recently taken a number of steps to reduce the cost of credit and improve liquidity for industry by reducing Repo rate, Statutory Liquidity Ratio (SLR), Cash Reserve Ratio (CRR).

With the lowering of cost through reduction in interest rates and across the board cut of 4% in CENVAT rates, demand stimulus through lower prices has been made feasible.

#### **Effect of Rupee instability on import and export**

† \*124. DR. MURLI MANOHAR JOSHI:  
SHRI SHIVANAND TIWARI:

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

(a) whether it is a fact that due to instability of Rupee *vis-a-vis* international currencies particularly, Dollar, Pound etc., the Indian Foreign Trade suffers losses from time-to-time;

(b) if so, the reaction of Government thereto; and

(c) the effect of said instability in the value of Rupee on Indian import and export in each of the financial years from 2004-05 to 2008-09?

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI KAMAL NATH): (a) to (c) There is no clear-cut relationship between exchange rate volatility and trade flows. Exports are determined by a host of factors such as the productivity and international competitiveness, price

---

†Original notice of the question was received in Hindi.

elasticity, import intensity of exports, demand and supply conditions etc. Similarly, the import growth is determined by a number of factors *viz.* domestic demand and supply, domestic prices, domestic inflation, import duties, exchange rate pass-through to import prices etc.

In Indian context, the rupee has exhibited a two way movement in the last few years. Notwithstanding the movement in rupee value *vis-a-vis* the major currencies, India's exports as well as imports have exhibited a strong growth during the period 2004-05 to 2008-09, as indicated in the Table below, although there are signs of a slowdown in recent months.

Years	Exports		Imports	
	Amount (US \$ Million)	Growth (%)	Amount (US \$ Million)	Growth (%)
2004-05	83,536	30.8	111,517	42.7
2005-06	103,091	23.4	149,166	33.8
2006-07	126,361	22.6	185,749	24.5
2007-08	162,904	28.9	251,439	35.4
2007-08 (April-Oct)	87,027	22.7	132,700	27.4
2008-09 (April-Oct)	107,310	23.3	108,429	36.0

#### **Threat posed by illegal Bangladeshi Immigrants**

\*125. SHRI V. HANUMANTHA RAO:

DR. T. SUBBARAMI REDDY:

Will the Minister of HOME AFFAIRS be pleased to state:

(a) whether with a Parliamentary Panel expressing concern over the threat posed by illegal Bangladeshi immigrants to nation's internal security, Government is going to be under pressure for identifying and deporting them;

(b) whether the large presence of illegal Bangladeshi immigrants poses a grave threat to the internal security;

(c) whether recently the Rajasthan Government has also conveyed to the Union Government its concern over the illegal Bangladeshi immigrants; and

(d) if so, the steps Government proposes to take to see that all illegal Bangladeshis are deported back to their country

THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI SHRIPRAKASH JAISWAL): (a) and (b) The Department-related Parliamentary Standing Committee on Home Affairs in their 132nd Report on the Demands for Grants (2008-2009) of Ministry of Home Affairs