

year 2004-05. As per the data available for the year 2005-06 (April—December) the total bilateral trade has been recorded at US\$ 1205 million corresponding to bilateral trade of US\$ 1146 million during the period 2004-05 (April—December) which shows a growth of 12%. Both the countries have signed a revised Trade Agreement during the visit Bangladesh Prime Minister in March, 2006. A meeting of Joint Working Group on Trade was held on 1st-2nd August, 2005 and both the countries also had a meeting of the Joint Working Group on Customs on 3rd-4th May, 2006 to enhance the trade between the two countries. Both Countries are also signatories to the South Asia Free Trade Agreement (SAFTA) and it is expected that with the coming into force of SAFTA with effect from 1.7.2006, trade between the two countries would further improve.

Export Targets

3355. SHRIMATI SHOBHANA BHARTIA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether India's export target of \$ 92 billion set for the year 2005-06 will be achieved and is expected to rise further;

(b) if so, whether India merchandise exports continued to record double-digit growth during the current financial year touching 20 per cent;

(c) whether, during the year 2004-05, India's merchandise exports at US\$ 80 billion far exceeded the export target; and

(d) whether number of measures have been taken the export promotion capital goods scheme to provide thrust on SSI sector and the retail sector to promote exports through modernization of machinery to facilitate further growth in overall exports?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) and (b) Yes, Sir. Total exports of about US\$ 101 billion was achieved against the target of US\$ 92 billion fixed for 2005-06 achieving a growth rate of about 25 percent. During 2006-07, exports are expected to reach US\$ 120 billion.

(c) The total exports were US\$ 81 billion, exceeding the target fixed at US \$75 billion with a growth rate of almost 27 per cent during 2004-05.

(d) Under the Export Promotion Capital Goods (EPCG) Scheme, import of capital goods at 5% Custom duty is allowed subject to an export obligation equivalent to eight times of duty saved on capital goods imported. However, so far as SSI Units are concerned, import of capital goods at 5% Customs duty under EPCG Scheme are allowed subject to a fulfillment of an export obligation equivalent to six times duty saved over a period of 8 years subject to the condition that landed CIF value of such imported capital goods under the Scheme does not exceed Rs. Twenty Five Lakhs and the total investment in plant and machinery of such imports does not exceed the SSI limit. Similarly, to create modern infrastructure in the Retail Sector, concessional 5% duty benefits under this Scheme have been extended to import of capital goods required by retailers having minimum area of 1000 sq. meters and such retailer is under obligation to fulfill Export Obligation equivalent to eight times duty saved over a period of eight years.

GoM on FDI

3356. SHRI C. RAMACHANDRAIAH: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that Government have constituted a high level Group of Ministers to examine Foreign Direct Investment (FDI) in various sectors including telecommunications and aviation;

(b) if so, the details thereof with the composition of common FDI;

(c) what are the proposals in telecommunications and aviation sector (including domestic airlines) which have yet to be finalised by the GoM on FDI;

(d) the reasons for delay in taking a decision on these sectors; and

(e) by when Government propose to take a final view on investment in above sector?

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI KAMAL NATH): (a) to (e) A Group of Ministers (GoM) was constituted to consider specific proposals related to review of the Foreign Direct Investment (FDI) policy. Based on the recommendations of the GoM, decisions have since been taken by the Government which have been notified on 10.2.2006.