

(d) In recent years Indian export has shown an increase of non-traditional items including leather, electronics, chemicals and services.

Decline in merchandise exports

1256. SHRI JESUDASU SEELAM: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government is aware that the merchandise exports have declined when compared to imports during the last few years even though Government facilitated the exporting companies;

(b) what is its impact on the economy;

(c) whether there is any action plan to boost the rate of exports and identify new markets; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRIMATI D. PURANDESWARI): (a) and (b) Exports in value terms have increased every year from 2008-09 onwards except 2009-10 when there was a decline. However, in comparison to exports, imports have increased more during the last few years. This has led to widening of the trade deficit.

(c) and (d) The Government of India has formulated a strategy paper for diversifying the product basket as well as the traditional markets for exports from India. The same focuses on moving up the value chain in respect of traditional Indian exports of Engineering, Textiles, Gems and Jewellery with special focus on non-traditional sectors like leather, electronics and chemicals where there is a lot of potential for export from India. Focus Market Scheme is designed for diversifying India's exports to different markets. 119 markets have been identified under Focus Market Scheme. A variant of this is the Market Linked Focus Product Scheme. Export to such markets is given benefit in the form of Duty Credit Scrip.

FDI in retail trade against Standing Committee recommendations

1257. SHRI SUKHENDU SEKHAR ROY: Will the Minister of COMMERCE AND INDUSTRY be pleased to refer to answer to Starred Question 351 given in the Rajya Sabha on 5 September, 2012 and to state:

(a) whether Standing Committee on Commerce recommended *inter-alia* on 8 June, 2009 for blanket ban on domestic corporate and foreign companies from entering retail trade market in India;

(b) if so, what led Government not to adhere to these recommendations;

(c) whether Parliament was taken into confidence while rejecting recommendations of its Standing Committee; and

(d) if so, what prompted Government to implement the suspended decision within 10 days of such assurances without having any discussion with representatives of retail traders in India not taking Parliament into confidence?

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI ANAND SHARMA): (a) The Hon'ble Department Related Parliamentary Standing Committee on Commerce, in its 90th Report, on 'Foreign and Domestic Investment in Retail Sector', laid in the Lok Sabha and the Rajya Sabha on 8 June, 2009, had *inter-alia* recommended that a blanket ban should be imposed on domestic corporate heavy weights and foreign retailers from entering retail trade in grocery, fruits and vegetables and restrictions should be entered for opening large malls by them for selling other consumer products.

(b) to (d) The views expressed by the Hon'ble Committee were incorporated in the Discussion Paper on FDI in multi-brand retailing, released by Department of Industrial Policy and Promotion on 6th July, 2010, with the aim of generating informed discussion on the subject and obtaining the views and comments of various stakeholders. The comments received thereupon were examined by an Inter-Ministerial Committee in the Department of Consumer Affairs. The matter, including *inter-alia* the report of the Inter-Ministerial Committee and comments/views of Ministries/ Departments concerned, was subsequently considered by a Committee of Secretaries (COS), which made certain recommendations in this regard. Based upon these deliberations, Government, on 24.11.2011, approved a proposal to permit FDI in Multi Brand Retail Trading (MBRT), subject to specified safeguards. Subsequently, the Government decided to suspend the decision, for developing a broader consensus in the matter, through further consultations among stakeholders. Following a series of consultations on the matter, with stakeholders, including traders' associations; consumers' organizations; farmers' representatives and associations; small and medium enterprises' associations and representatives and State Governments, over almost a nine month period, Government permitted FDI,

upto 51%, in MBRT, on 14th September, 2012, subject to specified conditions and safeguards.

It is the Government's assessment that implementation of the policy is likely to facilitate greater FDI inflows into front and back-end infrastructure; technologies and efficiencies to unlock the potential of the agriculture value chain; additional and quality employment; and global best practices. This, in turn, is expected to benefit consumers and farmers in the long run, in terms of quality and price. The 30% mandatory sourcing condition, incorporated under the policy, is expected to encourage local value addition and manufacturing. The increased level of activity, in the front-end, as well as in the back-end, resulting from greater FDI inflows, is expected to create additional employment opportunities for rural and urban youth. It is, further, expected to encourage existing traders and retail outlets to upgrade and become more efficient, thereby providing better services to consumers and better remuneration to the producers from whom they source their products.

Increase in trade deficit

†1258. SHRI RAVI SHANKAR PRASAD: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that the gap between import and export in foreign trade has been on the rise in the by-gone months of the current financial year;

(b) if so, the details of the above gap in January, February, April and October months of the year 2012;

(c) the value of exports made from country during the said months; and

(d) whether due to this rising gap this amount has reached upto approximately 4 per cent of gross domestic product?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRIMATI D. PURANDESWARI): (a) to (d) No Sir, In the by-gone months of the year 2012, there is fall in trade deficit from February, 2012 to April-2012, rise in May 2012, fall in June 2012 and since then it is rising till October, 2012. The month wise value of Exports, Imports and Trade Deficit are as below:

†Original notice of the question was received in Hindi.