

**Trade potential between India and Pakistan**

312. SHRI PARIMAL NATHWANI: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether according to a recent study carried out by the Indian Council for Research on International Economic Relations (ICRIER), the trade potential between India and Pakistan is not fully utilised;

(b) if so, the details in this regard;

(c) whether a substantial proportion of India's export potential is in products that are on Pakistan's negative list for India;

(d) if so, the details thereof; and

(e) how the opportunities in the service sectors are proposed to be exploited?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRIMATI D. PURANDESWARI): (a) and (b) A study titled "Enhancing India-Pakistan Trade" has recently been undertaken by ICRIER which assesses trade possibilities between the two countries. The study examines the physical and regulatory impediments to realizing the trade potential between the two countries and suggests ways for achieving it.

(c) and (d) It has been pointed out in the study that a substantial proportion of India's export potential *i.e.* 58% is in products that are on Pakistan's Negative List of 1209 tariff lines or on Pakistan's Sensitive List of 936 tariff lines applicable to India under SAFTA Agreement.

(e) The study suggests that there are trade opportunities in the service sectors also such as information technology and Business Process Outsourcing (BPO), health-care, entertainment which both countries can tap through trade liberalization process, by setting up of joint ventures/production units.

**Decline in exports**

313. DR. JANARDHAN WAGHMARE:

SHRI N. K. SINGH:

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

- (a) whether it is a fact that India's exports have consistently declined;
- (b) if so, the reasons therefor;
- (c) whether the continuous decline of exports coupled with an increase in imports has resulted in an increasingly widening and unsustainable trade deficit; and
- (d) if so, what measures are being proposed by Government to contain the trade deficit?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRIMATI D. PURANDESWARI): (a) to (d) India's Exports grew by 4.2% during April, 2012 and again grew by 0.8% during January, 2013 over the corresponding period of last year. The global economic crisis, the sovereign debt crisis in Europe and the economic slowdown in developed economies has adversely impacted demand for our exports. The imports have also been growing both because of higher prices of importable and increased demand. The international prices of petroleum, fertilizers, gold, edible oil etc. have increased. Their demand also has increased. These lead to a higher value of imports. As a result the trade deficit has increased. To increase our exports and reduce trade deficit a strategy paper to double our exports by 2013-14 was released in May, 2011 as part of plan of action. In the wake of continuous economic slowdown which has impacted the trade, a number of measures/incentives as part of the Annual Supplement to Foreign Trade Policy were announced on 5th June, 2012. DGFT has also undertaken a midterm review with detailed discussions with all the Export Promotion Councils and other stake holders. To give further boost to Export, new measures were announced on 26th December, 2012 which includes widening of Focus Product Scheme and Focus Market Scheme. And similarly some additions have been made to MLFPS/VKGUY. Incremental Export Incentivisation Scheme has been introduced w.e.f 1.1.2013 whereby incremental exports made during the period January-March, 2013 over the period January-March, 2012 to specified countries would be eligible for the benefits. Two percent Interest Subvention Scheme has been widened to include 134 sub-sectors of Engineering Sector w.e.f 1st January, 2013. The validity of the scheme has been extended till March 31, 2014.

#### **Tea production**

314. SHRIMATI NAZNIN FARUQUE: Will the Minister of COMMERCE AND INDUSTRY be pleased to state: