

**Review of operation of Price Stabilisation Fund**

1402. SHRI TARUN VIJAY : Will the Minister of COMMERCE AND INDUSTRY be pleased to state :

- (a) whether Government has reviewed the operation of the Price Stabilisation Fund and if so, the outcome thereof;
- (b) whether the modalities of Modified Price Stabilisation Fund (MPSF) Scheme have been finalised; and
- (c) if so, the details thereof and the modifications proposed in the MPSF from the earlier Price Stabilisation Fund Scheme?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. E.M. SUDARSANA NATCHIAPPAN) : (a) Yes, Sir. The Price Stabilisation Fund (PSF) Scheme has been reviewed by various Committee set up by the Government from time to time, namely, Dr. Pranab Sen Committee, Rangachary Task Force and High Powered Sub-Committee. On the recommendation of these Committee, particularly High Powered Sub-Committee, a Modified Price Stabilisation Fund (MPSF) Scheme is being formulated.

(b) and (c) The restructured and Modified Price Stabilisation Fund Scheme, addressing the identified bottlenecks of the ongoing Scheme and making it more beneficiary friendly, is under consideration of the Government.

**Sectors adversely affected by trade deficit**

1403. DR K.V.P. RAMACHANDRA RAO : Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether the gap between the import and export has caused a negative impact on the economic condition of the country during the last three years, if so, the details thereof;
- (b) the sectors which are adversely affected;
- (c) and the action taken to help such sectors?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. E.M. SUDARSANA NATCHIAPPAN) (a) and (b) During the last

three years, *i.e.* from 2010-11 to 2012-13 exports as percentage of GDP has increased by 1.6% whereas Imports has increased by around 5%. The corresponding increase of trade deficit as percentage of GDP is around 3.5 %.

(Value in US\$ Billion)					Percent share		
Year	Exports	Imports	Trade Deficit	GDP	Export as % of GDP	Import as % of GDP	Trade Deficit as % of GDP
2010-2011	251.1	369.8	118.6	1594.9	15.7	23.2	7.4
2011-2012	306.0	489.3	183.4	1743.1	17.6	28.1	10.5
2012-2013	300.4	490.7	190.3	1738.8	17.3	28.2	10.9

Source: DGCI & S

Exports of Engineering Goods, Gems and Jewellery, Textiles, Electronics Goods, Ores and Minerals, have come down in 2012-13 as compared to 2011-12. At the same time import of Petroleum (crude and products), Gold and Silver, Electronic Goods, Coal, Coke and Briquettes, Edible Oil and Fertilizers have increased in 2012-13 as compared to 2010-11.

(c) Government has announced certain export promotion measures as part of Annual Supplement to the Foreign Trade Policy (2009-14) on 18.04.2013. Government has also enhanced the rate of interest subvention from 2% to 3% *w.e.f.* 01.08.2013.

#### **Export promotion measures**

1404. DR. K. V. P. RAMACHANDRA RAO : Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that Government has announced certain export promotion measures as part of Annual Supplement to the Foreign Trade Policy (2009-14) on 18 April, 2013;

(b) if so, the details thereof; and

(c) the impact of the announcement?