Import of crude oil and export of petroleum products

1407. SHRI MANI SHANKAR AIYAR : Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the net negative balance annually, since April, 2009 of the import of crude oil and the export of petroleum products;

(b) the annual import since April 2009 of capital goods;

(c) whether imported capital goods are translating into higher growth rates of manufacturing; and

(d) if not, whether there is an apprehension of widespread over-invoicing of imported capital goods?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. E.M. SUDARSANA NATCHIAPPAN) : (a) The difference between import of crude oil and the export of petroleum products for the years 2009-10, 2010-11, 2011-12 and 2012-13 have been US $ 49.3 Billion, US $ 51.2 Billion, US $ 78.1 Billion and US $ 83.7 Billion.

(b) The import of goods under chapter 84 to 90 (which primarily relates to Capital Goods) of the ITC(HS) since April 2009 is given below:-

Value in US $ Billion

2009-10	2010-11	2011-12	2012-13	2012-13 (upto Sep 2012)	2013-14 (upto Sep 2013)
62.2	73.0	91.0	89.1	42.9	39.9

Source : DGCI & S

(c) and (d) Import of a product takes place either because that product is not manufactured in the country or because the domestic price is higher than the import price. Impact of Capital Goods on manufacturing sector comes with a time lag. Import of Capital Goods under EPCG leads to incremental exports and hence spurs domestic manufacturing. Import of Capital Goods if over invoiced would lead to higher duty incidence. Import of Capital Goods under EPCG scheme would lead to fixation of higher export obligation.