

**WRITTEN ANSWERS TO STARRED QUESTIONS****Measures to increase export of core industries' products**

\*257. DR. V. MAITREYAN: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether Government has taken measures to increase the export of products from 8 core industries and also the varieties of rice from India;
- (b) if so, the details of the quantity and value of exports for last three years;
- (c) various remedial steps taken by Government to facilitate easy exports;
- (d) the total amount allocated, disbursed and utilized for the same in the last three years for various export promotion councils or boards in the country; and
- (e) the details of the various works done by export promotion councils/boards in the country to facilitate and ease of procedures for exports?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE AND INDUSTRY (SHRIMATI NIRMALA SITHARAMAN): (a) and (b) Coal, Crude Oil, Natural Gas, Refinery Products, Fertilizers, Steel, Cement and Electricity are recognized as the eight Core Industries.

All Industry Rates (AIR) of Duty Drawback to neutralize duties/taxes on inputs used in manufacture of the exported goods are available for specified product lines of Iron and Steel Sector and Cement Sector.

Rice exports are covered for duty drawbacks for any duty suffered on any inputs on brand rate basis.

Under the Foreign Trade Policy 2015-20, *inter-alia*, Advance Authorization/ Duty Free Import Authorization (DFIA) facility is available for import/domestic procurement of duty free inputs for export purposes for Coal, Crude Oil, Natural Gas, Refinery Products, Fertilizers, Steel and Cement sectors. Rice exports are covered under Advance Authorization/DFIA for duty free import of packing materials.

Export Promotion Capital Goods (EPCG) Scheme is available, *inter-alia*, to Coal, Crude Oil, Natural Gas, Refinery Products, Fertilizers, Steel and Cement sectors for duty free import of capital goods for export purposes. Rice exports is also eligible for EPCG benefits.

Incentives under the Merchandise Exports from India Scheme (MEIS) are available to exports under specified product lines related to Iron, Steel and articles of Iron/Steel.

Interest Equalization facility under the 3% Interest Equalization Scheme launched *w.e.f.* 1st April 2015 is available to all exports of MSMEs and selected lines related to articles of Iron or Steel Exports of these core industries and rice for last three years are given in Statement-I (*See* below).

- (c) Other measures taken to promote exports include the following:
- (i) The New Foreign Trade Policy (2015-20) was launched on 1st April, 2015 with a focus on supporting both merchandise and services exports and improving the 'Ease of Doing Business'. The policy has introduced the 'Merchandise Exports from India Scheme' (MEIS) for incentivising export of specified goods to specified markets.
  - (ii) By way of trade facilitation and enhancing the ease of doing business, Government reduced the number of mandatory documents required for exports and imports to three each, which is comparable with international benchmarks. The trade community can file applications online for various trade related schemes. Online payment of application fees through Credit/Debit Cards and electronic funds transfer from 53 Banks has been put in place.
  - (iii) The Government has also expanded the coverage of Merchandise Exports from India scheme on 29th October, 2015 by adding 110 new items under the scheme. The reward rates/country coverage of 2228 items were amended. As on date 5012 tariff lines are eligible for rewards under MEIS. Consequently the envisaged revenue outgo under the scheme has increased from ₹ 18,000 crore earlier to ₹ 21,000 crore per annum.
  - (iv) Government has infused additional Corpus (Capital) to the tune of ₹ 375 crore into the National Export Insurance Account (NEIA), raising the corpus to over ₹ 2,100 crore, and strengthening the capacity to augment Project exports from the country. The equity capital of ECGC Ltd. has also been raised by ₹ 50 crore to ₹ 1,300 crore, enabling higher underwriting capacity to support exporters to expand their business and support banks for adequate lending to exporters.
  - (v) Recently, the Government has approved the proposal for implementing the Interest Equalization Scheme on Pre and Post Shipment Rupee Export Credit *w.e.f.* 1st April, 2015, incorporating an interest equalization element of 3% per annum. This scheme will facilitate access to export credit at competitive rates of interest, given the lower interest rate levels prevailing for exporters in other countries.
  - (vi) The State Governments have been requested to develop their export strategy, appoint export commissioners, address infrastructure constraints restricting

movement of goods, facilitate refund of VAT/Octroi/State level cess, and address other issues relating to various clearances etc. and build capacity of new exporters, in order to promote exports.

(d) Department of Commerce provides support to Export Promotion Councils (EPCs), Trade Bodies etc. in their export promotion activities under the Market Development Assistance (MDA) Scheme and the Market Access Initiative (MAI) Scheme. Export of Rice is promoted by Agricultural and Processed Food Products Export Development Authority (APEDA). Iron and Steel Exports are under the ambit of the Engineering Exports Promotion Council (EEPC India). Cement and Coal Exports are covered by Chemicals and Allied Products Export Promotion Council (CAPEXIL). Petroleum products exports are associated with Basic Chemicals Pharmaceuticals and Cosmetics Export Promotion Council (CHEMEXIL). The details of assistance released and utilized by these EPCs during the last three financial years under the MDA and MAI Schemes for activities like organizing buyer-seller meets, reverse buyer-seller meets, exhibitions, fairs, conferences, seminars etc. are given in Statement-II (See below).

(e) The Export Promotion Councils facilitate their members in awareness creation about aspects like policy/procedures for exports, coordination with financial institutions and trends and opportunities in international markets, and in capacity building/training, branding etc.

#### **Statement-I**

*Export data of 8 Core Industries and Rice for last three years.*

*(Qty. Thousands Tonne) Value (US \$ Million)*

Commodity	2012-13		2013-14		2014-15	
	Qty	Val	Qty	Val	Qty	Val
1	2	3	4	5	6	7
<b>1. Coal</b>						
Coal, Coke and Briquettes etc	3689.48	276	2341.36	208	1343.28	137
<b>2. Crude Oil</b>						
Petroleum Crude	-	-	-	-	-	-
<b>3. Natural Gas</b>						
Natural Gas	27.74	29.65	4.92	4.57	138.17	79
<b>4. Cement</b>						
Cement, Clinker and Asbestos Cement	3072.23	228	5353.16	312	6495.55	378

1	2	3	4	5	6	7
<b>5. Petroleum Refinery Products</b>						
Petroleum Products	65857.39	60865	68735.7	63179	73107.1	56794
<b>6. Fertilizers</b>						
Fertilizers Crude	30.51	4	10.64	6	10.95	8
Fertilizers Manufactured	158.91	84	137.37	75	164.71	83
<b>7. Steel</b>						
Iron and Steel	8679.41	8089	12918.44	9224	10577.42	8684
<i>Qty. Th TKW Value (US \$ Million)</i>						
<b>8. Electricity</b>						
Electricity Energy	0.02	0	0.5	0	45158.7	265.97
<i>Qty. Th Ton Value (US \$ Million)</i>						
<b>Rice</b>						
Rice Basmati	3,460	3,564	3,754	4,865	3,699	4,516
Rice Non-Basmati	6,688	2,652	7,148	2,925	8,278	3,337

**Statement-II**

*Grants released and utilised to the concern export promotion councils during the last three financial years and the current year (as on 18.12.2015)*

*Grant Released (₹ in crores)*

Sl. No.	Name of Organisation/ Council	2012-13		2013-14		2014-15	
		MDA	MAI	MDA	MAI	MDA	MAI
1.	Chemicals and Allied Products Export Promotion Council	1.60	0.90	2.47	1.71	245	0.60
2.	Basic Chemicals, Pharmaceutical and Cosmetics Export Promotion Council	4.70	2.82	5.40	1.06	5.45	4.49
3.	Engineering Export Promotion Council	4.45	1.68	4.20	1.49	5.10	29.67
4.	Agricultural and Processed Food Products Export Development Authority (APEDA)	No Funds are released under MDI and MAI Schemes					