

**Export development fund**

2091. DR. PRADEEP KUMAR BALMUCHU: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that Government is concerned about the falling exports of the country which have shown downward trend during the last one year, if so, the details thereof;

(b) whether taking cognizance of the declining exports trend Government is planning to create an 'Export Development Fund' to propose a financing mechanism; and

(c) the steps being taken by Government to increase the exports and thereby earn foreign revenue for the country?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE AND INDUSTRY (SHRIMATI NIRMALA SITHARAMAN): (a) The decline in exports of the country is consistent with the global economic and trade slowdown. As per quick estimates of the Directorate General of Commercial Intelligence and Statistics (DGCI&S), there is a decline of 17.65% in US\$ terms and 12.10% in Rupee terms in merchandise exports during the period April 2015-January 2016 as compared to the period April 2014-January 2015. The Government has paid serious attention to the situation and has taken steps to address it.

(b) There is already an Export Development Fund, created in Exim Bank under the provisions of the Export-Import Bank of India Act, 1981. Ministry of Finance (Department of Financial Service) is the administrative Ministry in respect of the said fund.

(c) The policy initiatives taken by Government to arrest falling exports and enhance exports include the following:

- (i) The Merchandise Exports from India Scheme (MEIS) was introduced in the Foreign Trade Policy (FTP) 2015-20 on April 1, 2015. At the time of introduction of MEIS on April 1, 2015, the scheme covered 4914 tariff lines at 8 digit level. Countries of the globe were grouped into 3 market categories (Country Group A, Country Group B and Country Group C) for grant of incentives under MEIS. Slight changes in lines covered etc. were made on 14.07.2015 and 15.7.2015, thereafter on 29.10.2015, 110 new Tariff Lines at 8 digit level were added under the scheme. The rates/country coverage for 2228 lines at 8 digit level were enhanced. As on date, 5012 Tariff Lines at 8 digit level are eligible for rewards under MEIS. The annual resource

allocation under MEIS was enhanced from ₹ 18000 crore to ₹ 21000 crore in October 2015.

- (ii) The Government has introduced the Interest Equalisation Scheme on Pre and Post Shipment Rupee Export Credit with effect from 1.4.2015. The Scheme is available to all exports under 416 tariff lines [at ITC (HS) code of 4 digit] and exports made by Micro, Small and Medium Enterprises (MSMEs) across all ITC (HS) codes. The rate of interest equalisation is 3% per annum.
- (iii) In addition the Government continues to provide the facility of access to duty free raw materials and capital goods for exports through schemes like Advance Authorisation, Duty Free Import Authorisation (DFIA), Export Promotion Capital Goods (EPCG) Scheme and drawback/refund of duties.

#### **Bringing exporters of cotton under free list**

2092. SHRI PARIMAL NATHWANI: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether Government proposes to remove the mandatory registration for export of cotton and cotton yarn and bring them under the free list;
- (b) if so, the details thereof;
- (c) the likely impact of such move to reduce transaction cost for the exporters of cotton yarn; and
- (d) by when a final decision in this regard is likely to be taken?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE AND INDUSTRY (SHRIMATI NIRMALA SITHARAMAN): (a) *Vide* Directorate General Foreign Trade (DGFT)'s Notification No. 102(RE-2013)/2009-2014 dated 08.12.2014 and No. 103(RE-2013)/2009-2014 dated 08.12.2014, the registration requirement for export of cotton (Tariff Codes 5201 and 5203) and cotton yarn (Tariff Codes 5205, 5206 and 5207) has been dispensed with.

- (b) to (d) Do not arise in view of reply to (a) above.

#### **Complaint against P3 licence holder in Jharkhand**

2093. SHRIMATI NAZNIN FARUQUE: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether Petroleum Explosive and Safety Organisation (PESO) has received any complaint recently against P3 (for possession and sale of Ammonium Nitrate) License holder from Deoghar District, Jharkhand for illegal sale and blast of explosives in Jharkhand;