

**WRITTEN ANSWERS TO UNSTARRED QUESTIONS****Withdrawal of MFN status given to Pakistan**

801. SHRI ANIL DESAI: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether India has reviewed/will review Most Favoured Nation (MFN) status it extended unilaterally to Pakistan two decades ago in response to the recent attacks on the Uri military camp;

(b) whether New Delhi will be flouting WTO norms if it withdraws MFN status from Pakistan;

(c) whether trade ban could hit Indian interests more than Pakistan;

(d) whether a ban on LoC trade could create a lot of unemployment across both sides of the border which could add to the unrest; and

(e) if so, what pragmatic steps India is taking in the matter?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE AND INDUSTRY (SHRIMATI NIRMALA SITHARAMAN): (a), (b) and (e) Article 1 of General Agreement on Tariffs and Trade (GATT), 1994 requires every WTO member country to accord MFN status to all other member countries.

No decision has been taken to review the Most Favoured Nation (MFN) status provided to Pakistan.

(c) and (d) No such ban is under consideration, at present.

**Impact of FTA on valuation of rupee**

802. SHRI DEREK O'BRIEN: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether there has been any impact on India's existing Free Trade Agreements on employment generation and domestic economy;

(b) if so, the data regarding employment being generated per sector per annum; and

(c) the data regarding balance of trade and its impact on the valuation of the rupee?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE AND INDUSTRY (SHRIMATI NIRMALA SITHARAMAN): (a) Our internal analysis of trade with India's free trade agreement (FTA) partners prior to and after the signing of the FTA indicates an increase in share of India's imports of raw materials, intermediate goods and capital goods. There has also been a corresponding increase in India's exports of intermediate and capital goods after implementation of FTAs. This could be attributed to value added domestic production which presumably had a positive effect on employment generation.

(b) and (c) The employment generation in the country can be attributable to many other factors and external trade is one of them. Similarly, the valuation of the rupee is contingent on many factors including balance of trade.

#### **Slowdown in exports**

803. SHRI D. KUPENDRA REDDY: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that there is a continuous slowdown in exports of the country;

(b) if so, the details thereof and the reasons therefor;

(c) whether Government is planning for a better exchange rate policy to ensure the rupee-dollar exchange rate reflects the realistic value of the rupee; and

(d) if so, the details thereof and what are the other steps taken/being taken to boost exports as well as for increasing competitiveness of our products?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE AND INDUSTRY (SHRIMATI NIRMALA SITHARAMAN): (a) and (b) There is an increase in India's exports in the year 2014-15 as compared to the year 2013-14. However, there is slowdown in India's exports in the year 2015-16 as compared to the previous year as per the details given below:

(in US\$ Billions)		
Years	Exports	% Growth
2013-14	466.22	-
2014-15	468.46	0.48
2015-16	416.60	-11.07