

Measures to boost export performance

*431. SHRI RAM KUMAR KASHYAP: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether the trade deficit has become a structural feature;
- (b) whether any out of the box solution to bridge the gap between the exports and imports has been made;
- (c) if not so, the measures Government proposes to take to boost export performance and to narrow down imports; and
- (d) whether there is any proposal to revisit export promotion schemes to give more space to the MSME sector?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE AND INDUSTRY (SHRIMATI NIRMALA SITHARAMAN): (a) The value of India's overall (merchandise and services) trade deficit for the last three years and the current year are as follows:

(Figures in US\$ Billions)

Years	Exports	Import	Trade Deficit
2013-14	466.22	528.97	-62.74
2014-15	468.45	529.61	-61.17
2015-16	416.60	465.64	-49.04
2015-16 (Apr-Jan)	348.44	396.90	-48.46
2016-17 (Apr-Jan)*	355.11	390.38	-35.26

Source: DGCI&S (* Provisional)

The data in above table depicts that the gap between the exports and imports has been continuously declining over the years.

(b) and (c) The Government has taken following steps to boost India's export performance so as to bridge the gap between the exports and imports:

- (i) The New Foreign Trade Policy (2015-20) was announced on 1st April, 2015 with a focus on supporting both manufacturing and services exports.
- (ii) The Merchandise Exports from India Scheme (MEIS) was introduced in the

Foreign Trade Policy (FTP) 2015-20 on April 1, 2015 and is a major export promotion scheme implemented by the Ministry of Commerce and Industry. MEIS aims to incentivize merchandise exports, including exports from Micro, Small and Medium Enterprises (MSME) Sector, which are produced/ manufactured in India. Rewards @ 2-5% under MEIS are payable as a percentage of realized FOB value of covered exports, by way of the MEIS duty credit scrip, which are transferable and can also be used for payment of a number of duties including the basic customs duty. At present, 7914 tariff lines at 8 digit HS Codes are covered under MEIS scheme.

- (iii) The Government has also launched Services Exports from India Scheme (SEIS) in the FTP 2015-2020. The Scheme provided rewards to service providers of notified services who are providing service from India. The rate of reward under the scheme would be based on net foreign exchange earned. The present rates of reward are 3% and 5%.
- (iv) The Government is implementing the Niryat Bandhu Scheme with an objective to reach out to the new and potential exporters including exporters from Micro, Small and Medium Enterprises (MSMEs) and mentor them through orientation programmes, counseling sessions, individual facilitation, etc., on various aspects of foreign trade for being able to get into international trade and boost exports from India.
- (v) Interest Equalization Scheme on pre and post shipment credit launched to provide cheaper credit to exporters. 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.
- (vi) Further, the Government continues to provide the facility of access to duty free raw materials and capital goods for exports of goods including those manufactured by the MSME Sector through schemes like Advance Authorization, Duty Free Import Authorization (DFIA), Export Promotion Capital Goods (EPCG) and drawback/refund of duties.
- (vii) As part of the "Ease of Doing Business" initiatives, the Government has launched Single Window Interface for Facilitating Trade (SWIFT) clearances project w.e.f 1st April, 2016. The scheme enables the importers/exporters to file a common electronic 'Integrated Declaration' on the Indian Customs

Electronic Commerce/Electronic Data Interchange (EC/EDI) Gateway *i.e.* ICEGATE portal. The Integrated Declaration compiles the information requirements of Customs, FSSAI, Plant Quarantine, Animal Quarantine, Drug Controller, Wild Life Control Bureau and Textile Committee. It replaces nine separate forms required by these 6 different agencies and Customs.

- (viii) A new scheme called Trade Infrastructure for Export Scheme (TIES) has been announced by the Government with the objective to enhance export competitiveness by bridging gaps in export infrastructure, creating focused export infrastructure, first mile and last mile connectivity for export oriented projects and addressing quality and certification measures. The Central and State Agencies, including Export Promotion Councils, Commodities Boards, SEZ Authorities and Apex Trade Bodies recognised under the EXIM policy of Government of India are eligible for financial support under this scheme.
- (ix) The Government has approved the proposal for notification of commitments under the Trade Facilitation Agreement (TFA) of World Trade Organization (WTO), ratification and acceptance of the Instrument of Acceptance of Protocol of TFA to the WTO Secretariat and constitution of the National Committee on Trade Facilitation (NCTF). The Trade Facilitation Agreement (TFA) contains provisions for expediting the movement, release and clearance of goods, including goods in transit. It also sets out measures for effective cooperation between customs and other appropriate authorities on trade facilitation and customs compliance issues. These objectives are in consonance with India's "Ease of Doing Business" initiative. The Trade Facilitation Agreement shall enter into force for the notified members upon acceptance by two-third WTO Members.
- (d) The export promoting schemes are re-visited from time to time to give more space to MSME Sector. The Merchandise Export from India Scheme, Niryat Bandhu Scheme, Advance Authorization, Duty Free Import Authorization (DFIA) and Export Promotion Capital Goods (EPCG) Scheme are already available for MSME products. The Interest Equalization Scheme is available to all exports made by MSMEs across all ITC (HS) codes. Further MSME Units in Micro, Small and Medium Enterprises Development (MSMED) Act -2006 are entitled for double weightage for calculating exports performance for grant of Status Recognition. The Status Recognition allows the exporters for certain privileges like exemption from furnishing Bank Guarantee while availing duty exemption under the schemes of Foreign Trade Policy clearance of consignments, etc.