

Impact of COVID-19 on exports

714. SHRI PRABHAKAR REDDY VEMIREDDY: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) the impact of COVID-19 on exports of the country;
- (b) the extent to which reduction in imports is helping the country in maintaining trade balance between various countries, particularly China;
- (c) whether the Ministry has got any help under Atmanirbhar Bharat Mission to help various exporting sectors and industries;
- (d) if so, the details thereof; and
- (e) in view of RBI announcing that there would be another financial package, the hopes that the Ministry will have on the second package?

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI PIYUSH GOYAL):
(a) to (e) The value of India's merchandise exports, imports and trade deficit and percentage change in them during the period April-August, 2020-21 over the period April-August, 2019-20 are given below:

(Value in US\$ Billion)			
Period	Export	Import	Trade Deficit
April-August, 2019-20	133.4	206.7	-73.3
April-August, 2020-21	97.7	118.4	-20.7
% Change	-26.79	-42.72	-71.72

Source: DGCI&S, Kolkata (Figures for the year 2020 are provisional).

The above table reveals that the India's trade deficit has declined from US\$ 73.3 billion in 2019-20 (April- August) to US\$ 20.7 billion in 2020-21 (April- August). India's trade deficit with China has declined from US\$ 22.8 billion in 2019-20 (April- August) to US\$ 12.6 billion in 2020-21 (April- August). Trade deficit depends on fluctuations in imports and exports of different commodities relative to each other, due to global and domestic factors such as demand and supply in domestic and international markets, currency fluctuations, international prices, etc. The details of major country-wise trade deficit for the current year is given in the Statement (*See* below).

Policy making is an ongoing exercise and steps are taken based on the prevailing economic scenario. The Government has taken the following key steps to reduce the trade deficit and boost exports and promote domestic production:—

- (i) The validity of Foreign Trade Policy (2015-20) extended by one year *i.e.* upto 31-3-2021 and relaxations granted and time lines extended due to COVID-19.
- (ii) Interest Equalization Scheme on pre and post shipment rupee export credit has been extended by one year *i.e.* upto 31-3-2021.
- (iii) Line Ministries have notified various sectoral incentive packages, such as Production Linked Incentive Scheme (PLI) by Ministry of Electronics and Information Technology (MeitY) and PLI Scheme by Department of Pharma for Key Starting Materials (KSMs)/ Drug Intermediates and Active Pharmaceutical Ingredients (APIs).
- (iv) Common Digital Platform for Certificate of Origin has been launched to facilitate trade and increase FTA utilization by exporters.
- (v) A comprehensive "Agriculture Export Policy" is under implementation to provide an impetus to agricultural exports related to agriculture, horticulture, animal husbandry, fisheries and food processing sectors.
- (vi) Promoting and diversifying services exports by pursuing specific action plans for the 12 Champion Services Sectors.
- (vii) Promoting districts as export hubs by identifying products with export potential in the District, addressing bottlenecks for exporting these products, supporting local exporters/manufacturers to generate employment in the District.
- (viii) Strengthening eco-system for adoption / implementation of mandatory technical standards for goods, services and skilling.
- (ix) Energizing Indian missions abroad towards promoting our Trade, Tourism, Technology and Investment goals.
- (x) Package announced to support domestic industry, including through various banking and financial sector relief measures, especially for MSMEs, which constitute a major share in exports.

- (xi) The Government has initiated several steps which, *inter alia*, include strengthening Make in India and Startup India initiatives and Ease of Doing Business.
- (xii) Setting up of Empowered Group of Secretaries and Project Development Cells for investment promotion.
- (xiii) Creating industrial infrastructure in Industrial Corridors.
- (xiv) Liberalization of FDI policy in order to make India an investor friendly destination.
- (xv) Notifying Quality Control Orders.
- (xvi) Identification of 24 sub-sectors (Agro-food processing of Oranges Mangoes, Potato, Indian ready-to-eats segment, Steel, Agro Chemicals, Electronics products, Furniture, Leather and Footwear, Auto Part, Textiles, etc.) in manufacturing, based on export potential, import substitution and employment generation potential, for their promotion to make India more self-reliant and a global supplier.
- (xvii) The Reserve Bank of India has extended a line of credit of ₹ 15,000 crore to the EXIM Bank for a period of 90 days from the date of availment, with rollover up to a maximum period of one year so as to enable it to avail a US dollar swap facility to meet its foreign exchange requirements.

Statement

*Merchandise trade deficit for major countries during Apr-July, 2020**

(Value in US\$ Million)

Sl. No.	Country	Export	Import	Trade Deficit
1.	China PRP	7,285.29	16605.51	-9,320.22
2.	Iraq	421.13	3359.52	-2,938.39
3.	Saudi Arab	1,543.01	3912.58	-2,369.57
4.	Indonesia	1,467.79	3360.92	-1,893.13
5.	Korea RP	1,361.45	3137.16	-1,775.71
6.	Qatar	309.61	2052.27	-1,742.66

Sl. No.	Country	Export	Import	Trade Deficit
7.	Japan	1,193.15	2766.33	-1,573.18
8.	Russia	676.69	1682.84	-1,006.15
9.	Hong Kong	2,623.09	3542.77	-919.68
10.	Australia	1,071.77	1931.78	-860.01
11.	Switzerland	332.03	1117.66	-785.63
12.	Nigeria	642.82	1415.79	-772.97
13.	Germany	2,051.80	2741.58	-689.78
14.	Kuwait	258.4	933.94	-675.54
15.	Ukraine	118.8	649.86	-531.06
16.	Argentina	175.7	706.14	-530.44
17.	U Arab Emts	3,981.83	4407.73	-425.90
18.	Thailand	915.92	1313.74	-397.82
19.	Morocco	116.98	494.14	-377.16
20.	Taiwan	510.51	885.79	-375.28
21.	Colombia	162.26	432.51	-270.25
22.	Canada	768.13	926.84	-158.71
23.	Ghana	204.07	353.13	-149.06
24.	Belgium	1,172.60	1300.01	-127.41
25.	Sweden	173.97	292.16	-118.19
26.	Jordan	189.91	290.66	-100.75
27.	Mexico	731.53	824.23	-92.70
28.	Benin	111.01	203.16	-92.15
29.	South Africa	837.03	924.76	-87.73
30.	Peru	144.37	189.21	-44.84
Total of above countries		31,552.65	62,754.72	-31,202.07
INDIA'S TOTAL		75,006.10	88,903.54	-13,897.44

*Data are provisional and subject to change.

Source: DGCI&S.