



Steps to Improve Trade Deficit

Posted On: 22 MAR 2017 3:39PM by PIB Delhi

The value of India's overall trade deficit for the last three years and the current year is as follows:

(in US\$ Billions)

Years	Exports	Imports	Trade Balance	% growth
2013-14	466.22	528.97	-62.74	--
2014-15	468.45	529.61	-61.17	-2.52
2015-16	416.60	465.64	-49.04	-19.82
2015-16 (Apr-Jan)	348.44	396.90	-48.46	--
2016-17 (Apr-Jan)*	355.22	389.29	-34.07	-29.68

Source: DGCI&S, (* Provisional)

The above data reveals that the overall trade deficit of the country has improved over the years.

India's overall balance of payment for the period 2013-14 was valued at US\$ 15508 million which increased to US\$ 61406 million during the period 2014-15 and for the period 2015-16 the overall balance of payment was valued at US\$ 17905 million.

The Government has taken following steps to increase country's exports:

- The New **Foreign Trade Policy (2015-20)** was announced on 1st April, 2015 with a focus on supporting both manufacturing and services exports.
- 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 export of merchandise which is 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.
- 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%.
- 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 & 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.
- 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.
- Interest Equalization Scheme on pre & post shipment credit launched to provide cheaper credit to exporters.
- Further, the Government continues to provide the facility of access to duty free raw materials and capital goods for exports through schemes like Advance Authorization, Duty Free Import Authorization (DFIA), Export Promotion Capital Goods (EPCG) and drawback / refund of duties.

This information was given by the Commerce and Industry Minister Smt. Nirmala Sitharaman in a written reply in Rajya Sabha today.

MJPS

(Release ID: 1485159) Visitor Counter : 118



