



Steps to overcome trade deficit

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India's merchandise export registered a positive growth of 11.27% during the last six months in 2017-18 (June-Nov) as compared to the corresponding period of the previous year. The trade deficit has increased from 57.18 US\$ billions in 2016-17 (June-Nov) to 74.27 US\$ billions in 2017-18 (June-Nov). Trade deficit depends upon relative fluctuations in the import and export of different commodities due to the global and domestic factors such as demand and supply in domestic and international markets, currency fluctuations, cost of credit, logistics costs, etc.

The names of the top 25 countries/SAR with which India has registered favourable merchandise trade balance during the last three years and the current year are as follows:

S. No.	2014-15	2015-16	2016-17	2017-18 (Apr-Oct)*
1	U S A	U S A	U S A	U S A
2	Hong Kong	U Arab Emts	U Arab Emts	U Arab Emts
3	U Arab Emts	Hong Kong	Bangladesh PR	Bangladesh PR
4	Sri Lanka DSR	Bangladesh PR	Hong Kong	Nepal
5	Bangladesh PR	Sri Lanka DSR	Nepal	U K
6	U K	U K	U K	Hong Kong
7	Kenya	Nepal	Vietnam Soc Rep	Turkey
8	Nepal	Turkey	Turkey	Singapore
9	Turkey	Kenya	Sri Lanka DSR	Sri Lanka DSR
10	Netherland	Netherland	Netherland	Netherland
11	Vietnam Soc Rep	Vietnam Soc Rep	Singapore	Vietnam Soc Rep
12	Singapore	Pakistan IR	Kenya	Spain
13	Mauritius	Spain	Spain	Kenya
14	Mozambique	Gibraltar	Oman	Egypt A RP
15	Tanzania Rep	Egypt A RP	Pakistan IR	Mexico
16	Pakistan IR	France	Gibraltar	Italy
17	Egypt A RP	Mozambique	Israel	Pakistan IR
18	Spain	Mauritius	Italy	Israel
19	Philippines	Philippines	Philippines	Mauritius

20	Israel	Ethiopia	Egypt A RP	Poland
21	Italy	Tanzania Rep	Mauritius	Ethiopia
22	Ethiopia	Israel	Tanzania Rep	Philippines
23	Gibraltar	Sudan	Ethiopia	Tanzania Rep
24	Oman	Mexico	Portugal	Somalia
25	Jordan	Uganda	Mexico	Portugal

Source: DGCI&S, Kolkata (*Provisional)

The names of the sectors in which India has favourable merchandise trade balance during the last three years and the current year are as follows:

S. No.	2014-15	2015-16	2016-17	2017-18 (Apr-Oct)*
1.	Textile & Allied Products	Textile & Allied Products	Textile & Allied Products	Textile & Allied Products
2.	Transport Equipments	Transport Equipments	Marine Products	Transport Equipments
3.	Agricultural & Allied Products	Marine Products	Leather & Leather Manufactures	Marine Products
4.	Marine Products	Leather & Leather Manufactures	Transport Equipments	Leather & Leather Manufactures
5.	Leather & Leather Manufactures	Agricultural & Allied Products	Articles of stone, plaster, cement, asbestos, mica or similar materials; ceramic products; glass and glassware	Agricultural & Allied Products
6.	Articles of stone, plaster, cement, asbestos, mica or similar materials; ceramic products; glass and glassware	Articles of stone, plaster, cement, asbestos, mica or similar materials; ceramic products; glass and glassware	Agricultural & Allied Products	Articles of stone, plaster, cement, asbestos, mica or similar materials; ceramic products; glass and glassware
7.	Plantation	Plantation	Plantation	Plantation

8.	Sports Goods	Sports Goods	Base Metals	Office Equipments
9.	--	--	Office Equipments	--
10.	--	--	Sports Goods	--

Source: DGCI&S, Kolkata (*Provisional)

The names of the top 25 countries/SAR with which India has registered merchandise trade deficit during the last three years and the current year are as follows:

S.No.	2014-15	2015-16	2016-17	2017-18 (Apr-Oct)*
1	China P RP	China P RP	China P RP	China P RP
2	Switzerland	Switzerland	Switzerland	Switzerland
3	Saudi Arab	Saudi Arab	Saudi Arab	Saudi Arab
4	Qatar	Indonesia	Iraq	Korea RP
5	Iraq	Iraq	Indonesia	Iraq
6	Kuwait	Korea RP	Korea RP	Indonesia
7	Venezuela	Qatar	Australia	Australia
8	Nigeria	Nigeria	Iran	Unspecified
9	Indonesia	Unspecified	Qatar	Iran
10	Korea RP	Australia	Japan	Qatar
S.No.	2014-15	2015-16	2016-17	2017-18 (Apr-Oct)*
11	Australia	Venezuela	Nigeria	Russia
12	Malaysia	Malaysia	Venezuela	Nigeria
13	Belgium	Japan	Unspecified	Venezuela
14	Germany	Germany	Germany	Japan
15	Iran	Kuwait	Malaysia	Germany
16	Japan	Iran	Russia	Malaysia
17	Angola	Belgium	Kuwait	Kuwait
18	Unspecified	Russia	Angola	Thailand
19	Chile	Angola	South Africa	Angola
20	Thailand	Thailand	Thailand	Canada
21	Russia	South Africa	Ukraine	South Africa
22	Ukraine	Ghana	Canada	Argentina

23	Taiwan	Canada	Argentina	Brazil
24	Canada	Argentina	Brazil	Taiwan
25	Argentina	Taiwan	Ghana	Ukraine

Source: DGCI&S, Kolkata (*Provisional)

The names of the sectors in which India has merchandise trade deficit during the last three years and the current year are as follows:

S. No.	2014-15	2015-16	2016-17	2017-18 (Apr-Oct)*
1.	Petroleum Crude and Products	Petroleum Crude and Products	Petroleum Crude and Products	Petroleum Crude and Products
2.	Electronics Items	Electronics Items	Electronics Items	Electronics Items
3.	Ores & Minerals	Ores & Minerals	Ores & Minerals	Gems & Jewellery
4.	Gems & Jewellery	Gems & Jewellery	Machinery	Ores & Minerals
5.	Machinery	Machinery	Gems & Jewellery	Machinery
6.	Plastic and Rubber Articles	Plastic and Rubber Articles	Plastic and Rubber Articles	Plastic and Rubber Articles
7.	Chemicals & Related Products	Base Metals	Paper & related Products	Paper & related Products
8.	Paper & related Products	Paper & related Products	Optical, Medical & Surgical instruments	Chemicals & Related Products
9.	Project Goods	Chemicals & Related Products	Project Goods	Optical, Medical & Surgical instruments
10.	Optical, Medical & Surgical instrument	Project Goods	Chemicals & Related Products	Project Goods
11.	Base Metals	Optical, Medical & Surgical instrument	--	Base Metals
12.	Office Equipments	Office Equipments	--	Sports Goods

The Government announced a major relief package for exporters in October 2017 by extending the Advance Authorization (AA) / Export Promotion Capital Goods (EPCG) / 100% EOU schemes to sourcing inputs etc. from abroad as well as domestic suppliers. Holders of AA / EPCG and EOUs would not have to pay Integrated Goods and Services Tax (IGST), Cess etc. on imports. Also, domestic supplies to holders of AA / EPCG and EOUs would be treated as deemed exports. During the mid-term review of Foreign Trade Policy, export incentives under Merchandise Exports from India (MEIS) have been increased by 2% across the board for labour intensive MSME sectors leading to additional annual incentive of Rs 4,567 cr. This was in addition to already announced increase in MEIS incentives from 2% to 4% for Ready-made Garments and Made Ups in the labour intensive Textiles Sector with an additional annual incentive of Rs 2,743 cr. Further, incentives under Services Exports from India Scheme (SEIS) have also been increased by 2% leading to additional annual incentive of Rs 1,140 cr.

The Minister of State for Commerce and Industry Shri C.R.Chaudhary gave this information in a written reply to a question in Rajya Sabha today.

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