

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2487
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EXPORT BASIS FOR ECONOMIC DEVELOPMENT
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Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has decided to make export as a basis of the economic development of the country;
- (b) if so, the facts in this regard;
- (c) the reasons for making export a basis of economic development of the country; and
- (d) the present percentage of the Indian export in the international trade market?

Answer

Minister of State in the Ministry of Finance (SHRI S.S. PALANIMANICKAM)

(a) & (b) The new foreign trade policy 2004-09, announced by the Government on August 31, 2004, aims at doubling India's share in global merchandise trade in a five year time frame by using trade policy as an effective instrument for economic growth and employment generation. The policy measures include several new initiatives, significant changes in existing schemes, measures to simplify administrative procedures and institutional arrangements to foster the expansion of trade.

(c) The degree of integration of the Indian economy with the rest of the world in terms of trade openness has improved over time. The rising contribution of exports to GDP and the robust growth of exports in the recent years reinforces the optimism that export sector can be reckoned as a definite source of economic growth. The comfortable level of foreign exchange reserves also provides the elbowroom for pursuing the growth objective rather than focusing on net foreign exchange earnings from exports. Hence, to maximize the contribution of such a policy to development, the new foreign trade policy emphasizes coherence and consistency among trade and other economic policies.

(d) India's share in world exports presently stands at 0.8 per cent.