

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

STARRED QUESTION NO:228

ANSWERED ON:08.08.2006

TRADE BALANCE

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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) the details of targets fixed for export of various items and services during the last three years and the current year;
- (b) whether the Government has achieved the prescribed targets during the said period;
- (c) if not, the reasons therefor;
- (d) whether the value of imports exceeded exports during the last three years; and
- (e) if so, the steps taken by the Government to balance the situation?

Answer

MINISTER OF COMMERCE AND INDUSTRY (SHRI KAMAL NATH)

(a) to (c): No targets are fixed for export of Services. The export performance of merchandise goods during the last three years has consistently been higher than the targets fixed. Details are given in the statement laid on the Table of the House.

(d) & (e): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PART (a) to (c) OF LOK SABHA STARRED QUESTION NO.228 FOR ANSWER ON 8TH AUGUST, 2006 REGARDING "TRADE BALANCE "

(a) to (c) The target for export growth of merchandise goods and the achievement against these targets during the last three years are given below along with the target for the current year:

Growth Rate (%)
Year Target Achievement

2003-04	12	21
2004-05	16	31
2005-06	16	23
2006-07	21	-

STATEMENT REFERRED TO IN REPLY TO PART (d) & (e) OF LOK SABHA STARRED QUESTION NO.228 FOR ANSWER ON 8TH AUGUST, 2006 REGARDING "TRADE BALANCE "

(d) The value of imports and the value of exports during the last three years are given below:

(US \$ Billion)
Year Exports Oil Imports Other Imports Total Imports

2003-04	63.8	20.6	57.6	78.2
2004-05	83.5	29.8	81.7	111.5
2005-06	102.7	44.0	105.1	149.1

(P)

(P) Provisional

It will be seen from the above that total imports exceeded exports mainly on account of sharp growth in oil imports.

(e) There are no measures to restrict imports or artificially balance trade that may lead to dampening of the growth of the economy or a resurgence of inflationary pressures. Government's major thrust has been on export promotion. A number of measures have been taken to further boost exports which include, inter-alia, bringing into force the SEZ Act, 2005, procedural simplification to reduce transaction cost of exporters and signing regional trade agreements to leverage exports in line with India's comparative advantage. Besides, a number of fresh initiatives have been taken in the Foreign Trade Policy (2006-07) to give an added fillip to exports. These include the Focus Product scheme, Focus Market scheme, Vishesh Krishi and Gram Udyog Yojna, Duty Free Import Authorisation Scheme and a number of measures for the Gems & Jewellery sector.