

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

UNSTARRED QUESTION NO:926
ANSWERED ON:28.11.2006
TRADE DEFICIT
Kalmadi Shri Suresh

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

- (a) whether India recorded a monthly trade deficit of 5.33 billion dollars in September, 2006;
- (b) if so, whether the trade deficit resulted due to higher import bill to feed strong consumer demands; and
- (c) if so, steps taken/proposed to be taken by the Government to rectify the position?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY(SHRI JAIRAM RAMESH)

(a) : Yes Sir.

(b& c) : The increase in trade deficit during the month of September,2006 was mainly on account of rising imports of capital goods, intermediate products, raw-materials required by the booming manufacturing sector and also spurt in import of gold and silver.The trade deficit situation of the country is being watched. However, as of now no measures have been taken by the Government to artificially restrict imports as this may lead to dampening of the growth impetus of the economy and resurgence of inflationary pressures.