

MINISTRY OF COMMERCE & INDUSTRY

(DEPARTMENT OF COMMERCE)

RAJYA SABHA

UNSTARRED QUESTION NO. 1605

TO BE ANSWERED ON 30TH NOVEMBER, 2016

IMPACT OF DECREASING EXPORTS ON JOBS

1605. SHRI RAJKUMAR DHOOT:

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

- (a) Whether it is a fact that the trade body ASSOCHAM has estimated that decreasing exports have cost seventy thousand jobs in the country;
- (b) If so, the details thereof; and
- (c) What remedial measures Government proposes to take to reverse the trend?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY

(INDEPENDENT CHARGE)

(SMT. NIRMALA SITHARAMAN)

(a) & (b) A joint study undertaken by 'The Associated Chambers of Commerce and Industry of India' (ASSOCHAM) and Thought Arbitrage on 'Employment Generation and Rebooting India'

have reported inter-alia sharp drop in merchandise exports in eight sectors (textile, leather, metals, automobiles, gems and jewellery, transport, IT/BPO, and handloom/power loom) leading to a loss of 70,000 jobs of contractual workers during the second quarter of 2015-16 due to slowdown in global demand. However, the said report further states that there was increased employment in direct category workers (regular workers) in these eight sectors during the second and third quarter of 2015-16, which is a positive development and compensated that loss. Textile sector is reported to be most affected.

(c) The Government has taken various measures to boost exports from India including Textile sector, which includes;

(i) Implementing the Merchandise Exports from India Scheme (MEIS) under Foreign Trade Policy (FTP) 2015-20 w.e.f. April 1, 2015. MEIS is a major export promotion scheme being implemented by Ministry of Commerce and Industry with an objective to incentivize export of merchandise which are produced/manufactured in India. Rewards 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. Presently, 7914 tariff lines at 8 digit ITC (HS) Codes are covered under MEIS scheme. For the fiscal year 2016-17, Rs. 23,000 Crore have been allocated for MEIS incentives.

(ii) Launching of Services Exports from India Scheme (SEIS) in the [FTP 2015-20](#), which provided rewards to service providers of notified services from India. The rate of reward under the scheme are based on net foreign exchange earned and varies from 3% and 5%.

(iii) Implementation of the Niryat Bandhu Scheme with an objective to reach out to the new and potential exporters and mentor them through orientation programmes, counselling sessions, individual facilitation, etc., on various aspects of foreign trade for being able to get into international trade and boost exports from India.

(iv) Bringing out a special package called Special Advance Authorisation Scheme w.e.f. 01.09.2016 for Textiles sector which has three main components namely;

(a) Refund of state levies,

(b) Duty free import of fabrics and

(c) All-Industry rate of drawback for other inputs sourced indigenously under Advance Authorisation.

The following action have already been taken by the Government to operationalize the special package:

a) The CBEC Circular No.43/2016-Cus 20th September 2016 has operationalized Rebate of State Levies (RoSL Scheme).

b) Duty free import of fabrics under Advance Authorisation was implemented by the DGFT, Department of Commerce vide Notification No. 21/ dated 11th August, 2016 read with CBEC Notification No.45/ dated 13th Augst2016.

c) The All Industry duty drawback for indigenously sourced inputs under Advance Authorisation was notified by CBEC vide Notification No.131/ dated 31 October, 2016.

(v) The special package announced by the Government for Textile and Apparel sector provides the sector more flexible labour laws and financial incentives.
