

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF COMMERCE)

LOK SABHA
UNSTARRED QUESTION NO. 1381
TO BE ANSWERED ON 27th NOVEMBER, 2019

EXPORTS OF ELECTRONICS ITEMS

1381. SHRI MANOJ KOTAK:

Will the Minister of **COMMERCE & INDUSTRY** (वाणिज्य एवं उद्योग मंत्री) be pleased to state:

- (a) whether the manufacturing and exports of electronic items in the country has dropped in the last five years;
- (b) if so, the reasons therefor;
- (c) the details of the manufacturing and exports of electronics in India in the last five years;
- (d) the details of the Government initiatives to boost the manufacturing of electronic items in India; and
- (e) the details of the number of electronic companies started in India under the “Make in India” Project?

ANSWER

वाणिज्य एवं उद्योग मंत्री (श्री पीयूष गोयल)
THE MINISTER OF COMMERCE AND INDUSTRY
(SHRI PIYUSH GOYAL)

(a) to (c) : No Sir. Manufacturing and exports of electronic items in the country has not dropped in the last five years.

The details of manufacturing and exports of electronic items for the last five years are as under :-
(Value in INR crore)

Year	Export [#]	Production*
2014-15	38,263	190,366
2015-16	39,064	243,263
2016-17	39,980	317,331
2017-18	41,220	388,306
2018-19	61,908	458,006

(Source: [#] Export Data taken from DGFT website / * Production data from MeitY Annual Report 2018-19)

(d) : Initiatives taken by the Government of India to boost the manufacturing of electronic items in India are at **Annexure**.

(e) : As per the information provided by India Cellular and Electronics Association (ICEA), about 268 units have come up during last 4-5 years (as against 2 units in 2014), which are manufacturing cellular mobile handsets and their sub-assemblies/ parts/ components in the country.

Under the Modified Special Incentive Package Scheme (M-SIPS), 177 applicants have started incurring investments amounting to Rs.17,144 crore, of which 160 applicants have commenced commercial production with an investment of Rs.14,591 crore.

Steps taken by the Government for promotion of domestic electronics manufacturing

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- (i) Modified Special Incentive Package Scheme (M-SIPS) provides financial incentives to offset disability and attract investments in the electronics manufacturing sector. The scheme was open to receive applications till 31.12.2018 for new projects as well as expansion projects. Under the scheme, 409 investment proposals, involving investment of Rs.1,10,004 crore are under consideration (as on 10.10.2019).
- (ii) The Electronics Manufacturing Clusters (EMC) Scheme was notified to provide financial support for creation of state-of-art infrastructure for electronics manufacturing units. The scheme was open for receipt of application for a period of 5 years, i.e., upto 21.10.2017. Further period of 5 years is available for disbursement of funds for the approved applicants. Under the scheme, approval has been accorded for setting up of 20 Greenfield EMCs and 3 Common Facility Centres (CFCs) in 15 States across the country.
- (iii) Tariff Structure has been rationalized to promote domestic manufacturing of electronic goods, including, *inter-alia*, Cellular mobile handsets, Televisions, Electronic components, Set Top Boxes for TV, LED products and Medical electronics equipment. To promote domestic value addition in mobile handsets and their parts/ components manufacturing, a Phased Manufacturing Programme (PMP) has been notified. As a result, India has rapidly started attracting investments into this sector and significant manufacturing capacities have been set up in the country during the past four years. The manufacturing of mobile handsets and their parts/ components has been steadily moving from Semi Knocked Down (SKD) to Completely Knocked Down (CKD) level, thereby progressively increasing the domestic value addition.
- (iv) As per extant Foreign Direct Investment (FDI) policy, FDI upto 100% under the automatic route is permitted for electronics manufacturing, subject to applicable laws/ regulations; security and other conditionalities.
- (v) The import of used plant and machinery having a residual life of at least 5 years for use by the electronics manufacturing industry has been simplified through the amendment of Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, vide Ministry of Environment, Forest and Climate Change Notification dated 11.06.2018.
- (vi) Notified capital goods for manufacture of specified electronic goods are permitted for import at “Nil” Basic Customs Duty (BCD).
- (vii) The Department of Revenue vide Notification No.60/2018-Customs dated 11.09.2018 has amended the Notification No.158/95-Customs dated 14.11.1995, relaxing the ageing restriction from 3 years to 7 years for specified electronic goods manufactured in India and re-imported into India for repairs or reconditioning.
- (viii) In order to ensure safety of Indian citizens by curbing import of substandard and unsafe electronic goods into India, MeitY has notified “Electronics and Information Technology Goods (Requirement of Compulsory Registration) Order, 2012” for mandatory compliance. As per the provisions of the order, the manufacturer has to get the product tested in laboratories recognized by Bureau of Indian Standards (BIS), take registration from BIS and put the registration mark on the product. 44 product categories have been notified under the order.

- (ix) The National Policy on Electronics 2019 (NPE 2019) has been notified on 25.02.2019. The vision of NPE 2019 is to position India as a global hub for Electronics System Design and Manufacturing (ESDM) by encouraging and driving capabilities in the country for developing core components, including chipsets, and creating an enabling environment for the industry to compete globally.
- (x) A graded Basic Customs Duty (BCD) structure has been provided for certain electronic goods such as mobile phone handsets, lithium ion battery, air-conditioners, LCD TVs etc. Under graded BCD structure, in general, BCD on inputs is prescribed at a lower rate than the finished goods to incentivize domestic value addition.

The BCD levied on open cell (15.6" and above) for use in the manufacture of Liquid Crystal Display (LCD) and Light Emitting Diode (LED) TV Panels has been reduced to Nil from 5% vide Notification No.30/2019 dated 17.09.2019, till September 2020. BCD has also been exempted on following inputs to promote domestic manufacturing of open cells:

- Chip on Film
- Printed Circuit Board Assembly (PCBA)
- Cell (glass board/substrate)

(xi) **Corporate Income Tax Reduction:**

Domestic companies can now opt for concessional tax regime @22% (25.17% inclusive of surcharge and cess) provided that such a company has not claimed any income tax incentive or exemption. Such companies will also not be liable to pay Minimum Alternate Tax (MAT). Further, to attract fresh investments in manufacturing and boost Make in India programme, new provision has been made which allows new domestic companies incorporated on or after October 1, 2019, making fresh investment in manufacturing, and starting operations before March 31, 2023, an option to pay corporate income tax @15% (17.16% inclusive of surcharge and cess). Such company cannot avail any other income tax exemption/ incentive under the Income-Tax Act. Such companies will also not be liable to pay Minimum Alternate Tax (MAT).

MAT rate for companies availing exemptions/ incentives has been reduced from 18.5% to 15%.

Promotion of Innovation and R&D

- (xii) Electronics Development Fund (EDF) has been set up as a "Fund of Funds" to participate in professionally managed "Daughter Funds" which in turn will provide risk capital to companies developing new technologies in the area of electronics, nano-electronics and Information Technology (IT). This fund is expected to foster R&D and innovation in these technology sectors.
- (xiii) Ministry of Electronics and Information Technology (MeitY) provides grant-in-aid support to institutes of higher learning like IITs, IISc, Central Universities and R&D Organizations to conduct research in identified thrust areas. These research programmes are aimed to deliver proof of concept, technology/product development and transfer of technology. During the last few years, several research initiatives have been taken in these areas. These research programmes also result in generation of specialized manpower to support "Make in India".
- (xiv) Indian Conditional Access System (iCAS) has been developed in Public-Private Partnership (PPP) mode to promote indigenous manufacturing of Set Top Boxes (STBs). The implementation of iCAS in the cable networks is underway.
- (xv) An Electropreneur park has been set up in New Delhi for providing incubation for development of ESDM sector which will contribute IP creation and Product Development in the sector.
- (xvi) National Centre of Excellence in Large Area Flexible Electronics (NCFLEX) has been set up in IIT-Kanpur with the objectives to promote R&D; Manufacturing; Ecosystem; Entrepreneurship; International

Partnerships and Human Resources and develop prototypes in collaboration with industry for commercialization.

- (xvii) National Centre of Excellence for Technology on Internal Security (NCETIS) has been set up at IIT - Bombay with the objective to address the internal security needs of the nation on continuous basis by delivering technology prototypes required for internal security and to promote domestic industry in internal security.
- (xviii) Centre for Excellence on Internet of Things (IoT) has been set up in Bengaluru, jointly with NASSCOM.
- (xix) An Incubation centre with focus on medical electronics has been set up at IIT-Patna.
- (xx) A fabless chip design incubation centre has been set up in IIT Hyderabad to incubate start-ups in semiconductor design and to provide one-stop service to start-ups intending to enter this space.
- (xxi) A Centre of Excellence (CoE) on FinTech at STPI Chennai has been set up to provide infrastructure, resources, coaching/ mentorship, technology support and funding to emerging start-ups in the FinTech sector through a collaborative approach including M/s intellect design as industrial partner, NPCI, UIDAI and Partner Banks as Yes Bank, PayPal, HSBC, IIT Chennai as knowledge partner and TiE Chennai to provide industrial connect.
- (xxii) An IoT OpenLab - a Centre of Excellence (CoE) for Internet of Things in partnership with Arrow Electronics at STPI Bangalore has been set up to provide academic and business mentoring of the startups in the IoT emerging technology area for developing products and/ or services around IoT.
- (xxiii) An ESDM Incubation Centre has been set up at Bhubaneswar with the objective of creating a holistic eco-system to promote ESDM innovation, R&D and create Indian intellectual property in the eastern region of the country.

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF COMMERCE)

LOK SABHA
UNSTARRED QUESTION NO. 1390 (H)
TO BE ANSWERED ON 27th NOVEMBER, 2019

EXPORTS FROM INDIA

1390(H). SHRI KAUSHALENDRA KUMAR:
SHRI AJAY NISHAD:

Will the Minister of **COMMERCE & INDUSTRY** (वाणिज्य एवं उद्योग मंत्री) be pleased to state:

- (a) the details in regard to export targets and achievements made during each of the last five years;
- (b) the details of target set for export of different items from the sector/Export Oriented Unit(EOU) and the achievements made therein during each of the last two years and the current year;
- (c) whether any decline in export from India to Europe has been recorded during any of last two years;
- (d) if so, the details of sectors which are responsible for slowdown in global demand;
- (e) whether export capacity of the country is being affected due to this;
- (f) whether the Government is taking effective measures to promote export in the country; and
- (g) if so, the details thereof?

ANSWER

वाणिज्य एवं उद्योग मंत्री (श्री पीयूष गोयल)
THE MINISTER OF COMMERCE AND INDUSTRY
(SHRI PIYUSH GOYAL)

(a): As per Foreign Trade Policy 2015-20, the Government aims to increase India's export of merchandise and services from US\$ 465.9 billion to approximately US\$ 900 billion by 2019-20 and to raise India's share in world exports (Goods and Services) from 2% to 3.5%. India's share in world exports (Goods and Services) was 2.1 % in 2018 as per WTO estimates. The values of India's overall exports (merchandise and services) during each of last five years are as follows:

(Value in US\$ Billion)

Years	Export
2013-14	466.23
2014-15	468.46
2015-16	416.60
2016-17	440.05
2017-18	498.63
2018-19	538.07

Source: DGCI&S RBI

(b): There is no export target set for different items from Special Economic Zones (SEZs) and Export Oriented Units (EOUs). The exports originating from SEZs and EOUs for the last two years and current year (April -September, 2019) are as under:

(Rs in crore)

Year	SEZs Export	EOUs Export
2017-18	581033	86083
2018-19	701179	87372
Apr-Sept, 2019	381912	39879

(c) to (e): No Sir.. The India's merchandise exports to Europe during last two year are as follows:

Year	Value (In US\$ Billion)
2016-17	53.33
2017-18	60.35
2018-19	64.38

Source: DGCI&S.

The above table reflects that India's export to Europe has a positive growth of 13.2% in 2017-18, 6.7% in 2018-19 as compared to the previous years.

(f) and (g): Government has taken the following measures to promote exports:

- i A new Foreign Trade Policy (FTP) 2015-20 was launched on 1st April 2015. The policy, inter alia, rationalised the earlier export promotion schemes and introduced two new schemes, namely Merchandise Exports from India Scheme (MEIS) for improving export of goods and 'Services Exports from India Scheme (SEIS)' for increasing exports of services. Duty credit scrips issued under these schemes were made fully transferable.
- ii The Mid-term Review of the FTP 2015-20 was undertaken on 5th December, 2017. Incentive rates for labour intensive / MSME sectors were increased by 2% with a financial implication of Rs 8,450 cr per year.
- iii A new Logistics Division was created in the Department of Commerce to coordinate integrated development of the logistics sector. India's rank in World Bank's Logistics Performance Index moved up from 54 in 2014 to 44 in 2018.
- iv Interest Equalization Scheme on pre and post shipment rupee export credit was introduced from 1.4.2015 providing interest equalisation at 3% for labour intensive / MSME sectors. The rate was increased to 5% for MSME sectors with effect from 2.11.2018 and merchant exporters were covered under the scheme with effect from 2.1.2019.
- v Various measures for improving ease of doing business were taken. India's rank in World Bank 'Ease of doing business' ranking improved from 142 in 2014 to 63 in 2019 with the rank in 'trading across borders' moving up from 122 to 80.
- vi A new scheme called "Trade Infrastructure for Export Scheme (TIES)" was launched with effect from 1st April 2017 to address the export infrastructure gaps in the country.
- vii A comprehensive "Agriculture Export Policy" was launched on 6th December, 2018 with an aim to double farmers' income by 2022 and provides an impetus to agricultural exports.
- viii 89A new scheme called "Transport and Marketing Assistance" (TMA) has been launched for mitigating disadvantage of higher cost of transportation for export of specified agriculture products.
- ix A new scheme called Scheme for Rebate of State and Central Taxes and Levies (RoSCTL) covering export of garments and made-ups was notified on 7.3.2019 providing refund of duties/taxes at higher rates.

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF COMMERCE)

LOK SABHA
UNSTARRED QUESTION NO. 1400
TO BE ANSWERED ON 27th NOVEMBER, 2019

REVIEWING DECISION ON RCEP

1400. SHRI M. SELVARAJ:
SHRI SUBBARAYAN K.:
DR. PRITAM GOPINATHRAO MUNDE:
SHRI ANTO ANTONY:

Will the Minister of **COMMERCE & INDUSTRY** (वाणिज्य एवं उद्योग मंत्री) be pleased to state:

- (a) whether the Government attended but decided to withdraw from the Regional Comprehensive Economic Partnership (RCEP);
- (b) if so, the reasons for such withdrawal and time taken to get out of the RCEP negotiations;
- (c) whether the Government is likely to review its decision and if so, the details thereof;
- (d) whether the Government has any pressure from any outside country to sign the agreement and if so, the details thereof;
- (e) the details of the issues raised for not signing the RCEP and whether any assurance was given by the member countries to resolve the issues raised by India; and
- (f) if so, the details thereof?

ANSWER

वाणिज्य एवं उद्योग मंत्री (श्री पीयूष गोयल)
THE MINISTER OF COMMERCE AND INDUSTRY
(SHRI PIYUSH GOYAL)

(a) to (f): During the 3rd RCEP Leaders Summit which was held on 4 November, 2019 in Bangkok, India stated that the current structure of RCEP did not reflect the RCEP Guiding Principles or address the outstanding issues and concerns of India, in the light of which India did not join RCEP. While RCEP was intended to provide mutually beneficial outcomes for RCEP countries including India, the current structure did not adequately address ambition and concerns of India's stakeholders.

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF COMMERCE)

LOK SABHA
UNSTARRED QUESTION NO. 1401 (H)
TO BE ANSWERED ON 27th NOVEMBER, 2019

MISUSE OF EXPORT PROMOTION SCHEME

1401(H). SHRIMATI POONAMBEN MAADAM:
SHRI PASHUPATI NATH SINGH:

Will the Minister of **COMMERCE & INDUSTRY** (वाणिज्य एवं उद्योग मंत्री) be pleased to state:

- (a) the details of the number of companies that were identified for misuse of facilities under Export Promotion Scheme against which action has been taken during the last three years;
- (b) the outcome of the action taken thereof;
- (c) the details of the number of companies of which export codes were cancelled on the basis of above results along with their names during the last three years;
- (d) the details of the number of companies enlisted under unapproved units list;
- (e) whether no penal action on such crimes by companies misusing the above mentioned facilities are initiated and if so, the reasons therefor; and
- (f) the reaction of the Government on the above reasons?

ANSWER

वाणिज्य एवं उद्योग मंत्री (श्री पीयूष गोयल)
THE MINISTER OF COMMERCE AND INDUSTRY
(SHRI PIYUSH GOYAL)

(a) to (f): Action for misuse of facilities under Export Promotion Scheme during the last three years has been taken against 1271 companies by Directorate General of Foreign Trade. The details are available in DGFT website at the following link: <http://dgftcom.nic.in/exim/2000/Penalty2019.pdf> . The details includes companies whose Importer Exporter Code has been cancelled or put under Denied Entity List. For misuse of facilities companies have been denied further facilities under the Export Promotion Schemes, their Importer Exporter Code (IEC) has been cancelled/ suspended; financial penalty imposed; and recovery proceedings initiated.

LOK SABHA
UNSTARRED QUESTION NO. 1410
TO BE ANSWERED ON 27th NOVEMBER, 2019

Index of Industrial Production (% change)						
	Base 2011-12					
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Overall growth of IIP	3.3	4.0	3.3	4.6	4.4	3.8
Source: National Statistical Office						

In the financial year 2009-10 merchandise export growth was -3.53% and merchandise import growth was -5.05%. Index of Industrial Production (IIP) in the financial year 2009-10* grew by 5.29%.

In the last three years, merchandise exports have been growing on a secular basis and reached at USD 330.07 billion in 2018-19 despite the slowdown in global trade.

*Figure for the year 2009-10 for the IIP is with the base year 2004-05.

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF COMMERCE)

LOK SABHA
UNSTARRED QUESTION NO. 1441
TO BE ANSWERED ON 27th NOVEMBER, 2019

OPEN CELL TV PANEL

1441. SHRI SELVAM G.:
SHRIMATI SANDHYA RAY:
SHRI DHANUSH M. KUMAR:
SHRI SUBRAT PATHAK:
SHRI VIJAY KUMAR DUBEY:
SHRI REBATI TRIPURA:

Will the Minister of **COMMERCE & INDUSTRY** (वाणिज्य एवं उद्योग मंत्री) be pleased to state:

- (a) whether the Government has removed 5% custom duty on open cell TV panel which is used in manufacturing of television sets such as LED TVs and if so, the details thereof;
- (b) whether this move would help to reduce the prices of TV as it would lower the input costs for TV makers and if so, the details thereof;
- (c) whether many TV manufacturing companies have stopped making televisions in India and are now importing them from other Asian countries, if so, the details thereof and if not, the reasons therefor;
- (d) the steps taken by the Government to encourage companies for manufacturing in India under the Make in India initiative;
- (e) whether, India would soon become the largest country in the world where every household has a television set; and
- (f) if so, the steps taken by the Government to manufacture more TV sets to meet the growing demand?

ANSWER

वाणिज्य एवं उद्योग मंत्री (श्री पीयूष गोयल)
THE MINISTER OF COMMERCE AND INDUSTRY
(SHRI PIYUSH GOYAL)

(a) : Government has removed 5% Basic Custom Duty (BCD) on open cell (15.6" and above) for use in the manufacture of Liquid Crystal Display (LCD) and Light Emitting Diode (LED) TV Panels vide Notification No.30/2019-Customs dated 17.09.2019, till September 2020.

(b) : It is expected that the TV manufacturers may pass on the benefit to consumers leading to reduction of prices of TV.

(c) : As per the information provided by India Cellular and Electronics Association (ICEA), after imposition of BCD on open cells vide Customs Notification No.32/2018 dated 23.03.2018, the largest TV manufacturer in India had stopped its production activity and shifted the operations to Vietnam and started importing finished TVs under the ASEAN-India FTA.

(d) : The steps taken by the Government to encourage companies for manufacturing in India under the Make in India initiative is at **Annexure-I**

(e) and (f) : As per Electronics Industry Associations, there is potential for growth of TV Industry in India especially from the manufacturing point of view, both to cater to the domestic market demand as well as exports. To promote domestic manufacturing of TVs, BCD@20% has been imposed on import of TVs in the country. The BCD levied on open cell (15.6" and above) for use in the manufacture of Liquid Crystal Display (LCD) and Light Emitting Diode (LED) TV Panels has been reduced to Nil from 5% vide Notification No.30/2019 dated 17.09.2019, till September 2020. BCD has also been exempted on following inputs to promote domestic manufacturing of open cells:

- Chip on Film
- Printed Circuit Board Assembly (PCBA)
- Cell (glass board/substrate)

Steps taken by the Government for promotion of domestic electronics manufacturing

- (i) Modified Special Incentive Package Scheme (M-SIPS) provides financial incentives to offset disability and attract investments in the electronics manufacturing sector. The scheme was open to receive applications till 31.12.2018 for new projects as well as expansion projects. Under the scheme, 409 investment proposals, involving investment of Rs.1,10,004 crore were received.
- (ii) The Electronics Manufacturing Clusters (EMC) Scheme was notified to provide financial support for creation of state-of-art infrastructure for electronics manufacturing units. The scheme was open for receipt of application for a period of 5 years, i.e., upto 21.10.2017. Further period of 5 years is available for disbursement of funds for the approved applicants. Under the scheme, approval has been accorded for setting up of 20 Greenfield EMCs and 3 Common Facility Centres (CFCs) in 15 States across the country.
- (iii) As per extant Foreign Direct Investment (FDI) policy, FDI upto 100% under the automatic route is permitted for electronics manufacturing, subject to applicable laws/ regulations; security and other conditionalities.
- (iv) The import of used plant and machinery having a residual life of at least 5 years for use by the electronics manufacturing industry has been simplified through the amendment of Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, vide Ministry of Environment, Forest and Climate Change Notification dated 11.06.2018.
- (v) Notified capital goods for manufacture of specified electronic goods are permitted for import at "Nil" Basic Customs Duty (BCD).
- (vi) The Department of Revenue vide Notification No.60/2018-Customs dated 11.09.2018 has amended the Notification No.158/95-Customs dated 14.11.1995, relaxing the ageing restriction from 3 years to 7 years for specified electronic goods manufactured in India and re-imported into India for repairs or reconditioning.
- (vii) In order to ensure safety of Indian citizens by curbing import of substandard and unsafe electronic goods into India, MeitY has notified "Electronics and Information Technology Goods (Requirement of Compulsory Registration) Order, 2012" for mandatory compliance. As per the provisions of the order, the manufacturer has to get the product tested in laboratories recognized by Bureau of Indian Standards (BIS), take registration from BIS and put the registration mark on the product. 44 product categories have been notified under the order.
- (viii) The National Policy on Electronics 2019 (NPE 2019) has been notified on 25.02.2019. The vision of NPE 2019 is to position India as a global hub for Electronics System Design and Manufacturing (ESDM) by encouraging and driving capabilities in the country for developing core components, including chipsets, and creating an enabling environment for the industry to compete globally.
- (ix) **Corporate Income Tax Reduction:** Domestic companies can now opt for concessional tax regime @22% (25.17% inclusive of surcharge and cess) provided that such a company has not claimed any income tax incentive or exemption. Such companies will also not be liable to pay Minimum Alternate Tax (MAT). Further, to attract fresh investments in manufacturing and boost Make in India programme, new provision has been made which allows new domestic companies incorporated on or after October 1, 2019, making fresh investment in manufacturing, and starting operations before March 31, 2023, an option to pay corporate income tax @15% (17.16% inclusive of surcharge and cess). Such company cannot avail any other income tax exemption/ incentive under the Income-Tax Act. Such companies will also not be liable to pay Minimum Alternate Tax (MAT).

MAT rate for companies availing exemptions/ incentives has been reduced from 18.5% to 15%.

Promotion of Innovation and R&D

- (x) Electronics Development Fund (EDF) has been set up as a “Fund of Funds” to participate in professionally managed “Daughter Funds” which in turn will provide risk capital to companies developing new technologies in the area of electronics, nano-electronics and Information Technology (IT). This fund is expected to foster R&D and innovation in these technology sectors.
- (xi) Ministry of Electronics and Information Technology (MeitY) provides grant-in-aid support to institutes of higher learning like IITs, IISc, Central Universities and R&D Organizations to conduct research in identified thrust areas. These research programmes are aimed to deliver proof of concept, technology/product development and transfer of technology. During the last few years, several research initiatives have been taken in these areas. These research programmes also result in generation of specialized manpower to support “Make in India”.
- (xii) Indian Conditional Access System (iCAS) has been developed in Public-Private Partnership (PPP) mode to promote indigenous manufacturing of Set Top Boxes (STBs). The implementation of iCAS in the cable networks is underway.
- (xiii) An Electropreneur park has been set up in New Delhi for providing incubation for development of ESDM sector which will contribute IP creation and Product Development in the sector.
- (xiv) National Centre of Excellence in Large Area Flexible Electronics (NCFLEX) has been set up in IIT-Kanpur with the objectives to promote R&D; Manufacturing; Ecosystem; Entrepreneurship; International Partnerships and Human Resources and develop prototypes in collaboration with industry for commercialization.
- (xv) National Centre of Excellence for Technology on Internal Security (NCETIS) has been set up at IIT-Bombay with the objective to address the internal security needs of the nation on continuous basis by delivering technology prototypes required for internal security and to promote domestic industry in internal security.
- (xvi) An Incubation centre with focus on medical electronics has been set up at IIT-Patna.
- (xvii) A fabless chip design incubation centre has been set up in IIT Hyderabad to incubate start-ups in semiconductor design and to provide one-stop service to start-ups intending to enter this space.
- (xviii) A Centre of Excellence (CoE) on FinTech at STPI Chennai has been set up to provide infrastructure, resources, coaching/ mentorship, technology support and funding to emerging start-ups in the FinTech sector through a collaborative approach including M/s intellect design as industrial partner, NPCI, UIDAI and Partner Banks as Yes Bank, PayPal, HSBC, IIT Chennai as knowledge partner and TiE Chennai to provide industrial connect.
- (xix) An IoTOpenLab - a Centre of Excellence (CoE) for Internet of Things in partnership with Arrow Electronics at STPI Bangalore has been set up to provide academic and business mentoring of the startups in the IoT emerging technology area for developing products and/ or services around IoT.
- (xx) An ESDM Incubation Centre has been set up at Bhubaneswar with the objective of creating a holistic eco-system to promote ESDM innovation, R&D and create Indian intellectual property in the eastern region of the country.

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF COMMERCE)

LOK SABHA
UNSTARRED QUESTION NO. 1449
TO BE ANSWERED ON 27th NOVEMBER, 2019

MISSING TRADE OPPORTUNITIES BY INDIA

1449. SHRI SHIVAKUMAR C. UDASI:

Will the Minister of **COMMERCE & INDUSTRY** (वाणिज्य एवं उद्योग मंत्री) be pleased to state:

- (a) whether India has finally decided not to be a part of the Regional Comprehensive Economic Partnership (RCEP) and if so, the details thereof; and
- (b) by not signing the deal, whether India has missed the opportunity of being a part of global supply chains, while closing the doors on some trade opportunities in the region and if so, the details thereof and reaction of the Government in this regard?

ANSWER

वाणिज्य एवं उद्योग मंत्री (श्री पीयूष गोयल)
THE MINISTER OF COMMERCE AND INDUSTRY
(SHRI PIYUSH GOYAL)

(a) to (b): During the 3rd RCEP Leaders Summit which was held on 4 November, 2019 in Bangkok, India stated that the current structure of RCEP did not reflect the RCEP Guiding Principles or address the outstanding issues and concerns of India, in the light of which India did not join RCEP. India also stated that the Act East Policy was the bedrock of India's economic policy and India's engagement with the trading partners would continue.

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF COMMERCE)

LOK SABHA
UNSTARRED QUESTION NO. 1467
TO BE ANSWERED ON 27th NOVEMBER, 2019

FTA WITH ASEAN

1467. SHRI GAJANAN KIRTIKAR:
SHRI BIDYUT BARAN MAHATO:
SHRI SANJAY SADASHIV RAO MANDLIK:
SHRI PRATAPRAO JADHAV:
SHRI SUDHEER GUPTA:

Will the Minister of **COMMERCE & INDUSTRY** (वाणिज्य एवं उद्योग मंत्री) be pleased to state:

- (a) whether, considering the India's economic interest and regional priorities, India has opted to stay away from the Regional Comprehensive Economic Partnership (RCEP);
- (b) if so, the details thereof and its likely impact on the Indian domestic market;
- (c) whether the Government proposes to review the Free Trade Agreement (FTA) with Japan, South Korea and ASEAN countries;
- (d) if so, the details thereof and the reasons therefor;
- (e) whether India is exploring the trade agreement possibilities with America and European Union; and
- (f) if so, the details thereof and the steps taken/being taken by the Government in this regard?

ANSWER

वाणिज्य एवं उद्योग मंत्री (श्री पीयूष गोयल)
THE MINISTER OF COMMERCE AND INDUSTRY
(SHRI PIYUSH GOYAL)

(a) to (b): During the 3rd RCEP Leaders Summit which was held on 4 November, 2019 in Bangkok, India stated that the current structure of RCEP did not reflect the RCEP Guiding Principles or address the outstanding issues and concerns of India, in the light of which India did not join RCEP.

(c) to (d): India has sought review of its existing trade agreements with both ASEAN and Japan. However, 8 rounds of negotiations have been held with South Korea for upgrading of the existing Comprehensive Economic Partnership Agreement (CEPA).

(e) to (f): India and the European Union have held 8 stock taking level meetings since the resumption of their negotiations in 2016 on a proposed Bilateral Trade and Investment Agreement (BTIA).

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF COMMERCE)

LOK SABHA
UNSTARRED QUESTION NO. 1510
TO BE ANSWERED ON 27th NOVEMBER, 2019

INDIAN GLOBAL TRADE SHARE

1510. SHRI RAVNEET SINGH BITTU:

Will the Minister of **COMMERCE & INDUSTRY** (वाणिज्य एवं उद्योग मंत्री) be pleased to state:

- (a) whether the Government is on track to raise its share in world trade from 2.52 per cent at present to 3.5 per cent by 2020;
- (b) if so, the details thereof along with the steps taken by the Government in this regard;
- (c) whether Indian goods are less competitive in the world market as logistics cost of exports is very high in the country and if so, the details thereof;
- (d) whether the Government is planning to form a separate logistics department to deal with the issues such as rising cost in the sector which impacts global competitiveness of exporters;
- (e) if so, the details thereof along with the time by which a final decision is likely to be taken in this regard; and
- (f) whether the Government has taken steps to create trade zone in Kartarpur Sahib and if so, the details thereof?

ANSWER

वाणिज्य एवं उद्योग मंत्री (श्री पीयूष गोयल)
THE MINISTER OF COMMERCE AND INDUSTRY
(SHRI PIYUSH GOYAL)

(a) & (b) As per the WTO data released on April 2019, for the year 2018, India's share in global exports for merchandise was 1.7 % and in global imports was 2.6 %. For the year 2018 for service sector, India's share in global exports was 3.5 % and imports was 3.2 %.

Government of India is always proactively taking a number of steps to boost exports, which inter-alia includes the following:

- 1. Merger of Council of Trade and Development and Board of Trade providing a common platform for addressing stakeholder concerns:** This common platform, comprising of representatives from industry, export promotion councils, Government of India and state governments and representatives from banking and

finance Sector is playing a critical role in addressing export related concerns, with a focus on addressing these on a priority basis.

2. **Infusion of funds for Export Support:** A capital of Rs. 389 crore has been infused into Export Credit Guarantee Corporation (ECGC) on 21st June 2019. A Grant-in-aid (corpus) of Rs. 300 crore has been contributed to National Export Insurance Account (NEIA) trust on 21st June 2019, thereby, enhancing its risk taking capacity to support project exports in challenging markets.
3. **Agriculture Export Policy:** A new Agriculture Export Policy (AEP) was approved in December 2018 to increase agriculture exports from present US\$ 30 Billion to US\$ 60+ Billion by 2022. Outlay of Rs. 206 Crores for 2019-20 has been approved for its implementation.
4. **Boost to Gem and Jewellery exporters** - resolution of various issues which inter alia includes removal of the requirement of paying IGST on re-import of goods which were exported earlier for exhibition purpose/consignment basis. Allowing partial discharge of bonds executed by nominated agencies/banks for import of gold to be supplied to jewellery exporters, thereby enabling nominated agencies/banks to release bank guarantee of jewellery exporters who have fulfilled their export obligation.

5. Promoting Ease of Doing Business

- a. Common Digital Platform for Issuance of electronic Certificates of Origin (CoO) for the exporters was launched on 16.09.2019 to improve ease of doing business for exporters.
- b. **The first legislation to be passed by newly formed Government-Special Economic Zone (Amendment) Bill, 2019**
 - i. SEZ (Amendment) Bill 2019 became the first legislation of the newly formed Government to be passed by the Parliament. It will enable any entity to set up a unit in SEZs, including **Trusts**. This would **help boost investments and create new export and job opportunities**.
 - ii. **Better facilities for employees:** SEZ units allowed to create facilities/amenities like crèche, gymnasium, cafeteria etc. for their exclusive use as a measure towards ease of doing business.

(c) There is no official study to estimate the logistics costs in India. Some private agencies have estimated logistics costs in various countries including India.

(d) There is no such proposal at present under consideration of the Government. A separate Division under a Special Secretary has been created in the Department of Commerce to look at integrated development of the logistics sector.

(e) Does not arise.

(f) There is no such proposal at present under consideration of the Government.

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF COMMERCE)

LOK SABHA
UNSTARRED QUESTION NO. 1557 (H)
TO BE ANSWERED ON 27th NOVEMBER, 2019

OPTING OUT OF RCEP

1557(H). SHRI VIJAY KUMAR:

Will the Minister of **COMMERCE & INDUSTRY** (वाणिज्य एवं उद्योग मंत्री) be pleased to state:

- (a) whether the Government has declined to sign the Regional Comprehensive Economic Partnership (RCEP) agreements taking the broader interests of indigenous industries and agriculture into consideration;
- (b) if so, the sections of the RCEP agreement document which could have adversely affected the various constituents of the economy of our country;
- (c) whether the Government has proposed to include the conditions of amendments in it in future so that India is not isolated from this big commercial group;
- (d) if so, the conditions thereof and whether they address our local concerns; and
- (e) if so, the details in this regard?

ANSWER

वाणिज्य एवं उद्योग मंत्री (श्री पीयूष गोयल)
THE MINISTER OF COMMERCE AND INDUSTRY
(SHRI PIYUSH GOYAL)

(a) to (e): During the 3rd RCEP Leaders Summit which was held on 4 November, 2019 in Bangkok, India stated that the current structure of RCEP did not reflect the RCEP Guiding Principles or address the outstanding issues and concerns of India, in the light of which India did not join RCEP. While RCEP was intended to provide mutually beneficial outcomes for RCEP countries including India, the current structure did not adequately address ambition and concerns of India's stakeholders.

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF COMMERCE)

LOK SABHA
UNSTARRED QUESTION NO. 1575
TO BE ANSWERED ON 27th NOVEMBER, 2019

EXPORTS FROM ROHTAK AND JHAJJAR

1575. SHRI ARVIND KUMAR SHARMA:

Will the Minister of **COMMERCE & INDUSTRY** (वाणिज्य एवं उद्योग मंत्री) be pleased to state:

- (a) considering exports of nut-bolts, fasteners, shoes, agro-products and chemicals from districts Rohtak and Jhajjar and their strategic location in Delhi-NCR whether the Government proposes to open an Indian Container Depot (ICD) and some sort of export facilitation centre in districts Rohtak and Jhajjar and if so, the details thereof and if not, the reasons therefor;
- (b) whether there is delay in the implementation and realization of full potential of DMIC (Delhi-Mumbai Industrial Corridor) and whether domestic and foreign investors have not evinced much interest in its investment zones; and
- (c) if so, the details of the steps being taken/to be taken by the Government to resolve these problems and if not, the reasons therefor?

ANSWER

वाणिज्य एवं उद्योग मंत्री (श्री पीयूष गोयल)
THE MINISTER OF COMMERCE AND INDUSTRY
(SHRI PIYUSH GOYAL)

- (a) Proposals for setting up of Inland Container Depot (ICD) are put up by the developers before an Inter-Ministerial Committee (IMC), under the Central Board of Indirect Taxes & Customs (CBIC), Department of Revenue. IMC issues Letters of Intent to the developers in case the proposals are approved by it.
CBIC have informed that as on date, there is no proposal pending before Inter-Ministerial Committee (IMC) for setting up of ICD in Rohtak and Jhajjar.
- (b) & (c) The DMIC (Delhi-Mumbai Industrial Corridor) project is being implemented in a phased manner. The Perspective Plan for the overall DMIC Region has been completed and 24 Investment Regions/Industrial Areas are identified for development.

In Phase-1 of the DMIC Project, following eight (08) Investment Regions have been identified for development, in addition to some stand alone projects demonstrating cutting edge technologies:

1. Dholera Special Investment Region in Gujarat (920 sq kms);
2. Shendra-Bidkin Industrial Area in Maharashtra (84 sq kms);
3. Dighi Port Industrial Area in Maharashtra (253 sq kms);
4. Manesar-Bawal Investment Region in Haryana (402 sq kms);
5. Khushkhera-Bhiwadi-Neemrana Investment Region in Rajasthan (165 sq kms);
6. Jodhpur Pali Marwar Industrial Area in Rajasthan (154 sq kms);
7. Pithampur-Dhar-Mhow Investment Region in Madhya Pradesh (372 sq kms);
8. Dadri-Noida-Ghaziabad Investment Region in Uttar Pradesh (200 sq kms).

In accordance with the approved financial and institutional structure of Industrial Corridor projects, the responsibility of making land available for the project is with the concerned State Government(s). Wherever land has been made available by the concerned State Government, project development activities have been taken forward. Node/City level/project SPVs have been incorporated and implementation of trunk infrastructure works is nearing completion at the following 04 locations under Delhi Mumbai Industrial Corridor Project:-

1. Activation area in Dholera Special Investment Region in Gujarat (22.5 sq kms);
2. Shendra-Bidkin Industrial Area in Maharashtra (18.55 sq kms);
3. Integrated Industrial Township Project at Greater Noida in Uttar Pradesh (747.5 acres);
4. Integrated Industrial Township Project 'Vikram Udyogpuri' near Ujjain in Madhya Pradesh (1100 acres).

The process of allotment of land has already been initiated at the above four locations and a total of 67 plots have been allotted with anchor investors like HYOSUNG (South Korea), TATA Chemicals (India), HAIER (China) etc. with a total investment of Rs. 10,060 crore in a phased manner.

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF COMMERCE)

LOK SABHA
UNSTARRED QUESTION NO. 1576
TO BE ANSWERED ON 27th NOVEMBER, 2019

IMPORT OF RUBBER CUP LUMPS

1576. ADV. DEAN KURIAKOSE:

Will the Minister of **COMMERCE & INDUSTRY** (वाणिज्य एवं उद्योग मंत्री) be pleased to state:

- (a) whether the Government has received any representation from the manufacturing industry seeking permission for the import of rubber cup lumps into the country;
- (b) if so, the details thereof and the response of the Government thereto;
- (c) whether the Government has conducted or plans to conduct a comprehensive study in order to understand the possible impact of import of rubber cup lumps on the domestic rubber plantation industry and the price of natural rubber in the country; and
- (d) if so, the details and the findings thereof?

ANSWER

वाणिज्य एवं उद्योग मंत्री (श्री पीयूष गोयल)
THE MINISTER OF COMMERCE AND INDUSTRY
(SHRI PIYUSH GOYAL)

- (a) & (b): Representations from block rubber processing industry has been received requesting to permit import of rubber cup lumps. Import of rubber cup lump is not permitted as only types and forms of rubber having technical standards by Bureau of Indian Standards (BIS) or any other recognised body can be imported into the country as per Notification No.S.O.1205 (E) dated 12.12.2001. Further, since rubber cup lumps are unprocessed material, there are sanitary and phytosanitary concerns too.
- (c) & (d): There is no proposal under consideration to conduct a study on import of rubber cup lump.

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF COMMERCE)

LOK SABHA
UNSTARRED QUESTION NO. 1583
TO BE ANSWERED ON 27th NOVEMBER, 2019

ALTERNATIVES TO RCEP

1583. SHRI SUBBARAYAN K.:
SHRI RAVIKUMAR D.:
SHRI PINAKI MISRA:

Will the Minister of **COMMERCE & INDUSTRY** (वाणिज्य एवं उद्योग मंत्री) be pleased to state:

- (a) whether the Government has decided to opt-out of the Regional Comprehensive Economic Partnership (RCEP) and if so, the reasons therefor;
- (b) whether there is any gain being forgone by not being a part of this free trade block;
- (c) whether there is any provision for India to join this group at a later stage;
- (d) if so, whether any step is being taken/to be taken to enhance the preparedness of the economy for the same;
- (e) whether there is any plan to initiate any other form of a free trade agreement with any other group of countries or a single country in the future including the United States and the European Union;
- (f) if so, the details thereof; and
- (g) the details of the measures being taken by the Government to reduce trade deficit?

ANSWER

वाणिज्य एवं उद्योग मंत्री (श्री पीयूष गोयल)
THE MINISTER OF COMMERCE AND INDUSTRY
(SHRI PIYUSH GOYAL)

(a) to (d): During the 3rd RCEP Leaders Summit which was held on 4 November, 2019 in Bangkok, India stated that the current structure of RCEP did not fully reflect the RCEP Guiding Principles or address the outstanding issues and concerns of India, in the light of which India did not join RCEP. While RCEP was intended to provide mutually beneficial outcomes for RCEP countries including India, the current structure did not adequately address ambition and concerns of India's stakeholders.

(e) to (f): India is engaging bilaterally, plurilaterally and multilaterally to pursue opportunities for furthering its trade ties, including opportunities for suitable trade agreements, keeping in mind the national interest.

(g): Amongst others, the Government has taken the following key steps to boost India's exports and boost competitiveness for reducing trade deficit:

- i. The new Foreign Trade Policy (FTP) 2015-20 was launched on 1st April 2015. The FTP 2015-20 provides a framework for increasing exports of goods and services as well as generation of employment and increasing value addition in the country, in line with the 'Make in India', 'Digital India', 'Skills India', 'Startup India' and 'Ease of doing business' initiatives. The policy, inter alia, rationalised the earlier export promotion schemes and introduced two new schemes, namely Merchandise Exports from India Scheme (MEIS) for improving export of goods and 'Services Exports from India Scheme (SEIS)' for increasing exports of services. Duty credit scrips issued under these schemes were made fully transferable.
- ii. A new logistics related division was created in the Department of Commerce to coordinate integrated development of the logistics sector. India's rank in World Bank's Logistics Performance Index moved up from 54 in 2014 to 44 in 2018.
- iii. Various measures for improving ease of doing business were taken. India's rank in World Bank 'Ease of doing business' ranking improved from 142 in 2014 to 63 in 2019 with the rank in 'trading across borders' moving up from 122 to 68.
- iv. A comprehensive "Agriculture Export Policy" was launched on 6th December, 2018 with an aim to provide an impetus to agricultural exports.
- v. A new scheme called "Trade Infrastructure for Export Scheme (TIES)" was launched with effect from 1st April 2017 to address the export infrastructure gaps in the country.
- vi. A new scheme called "Transport and Marketing Assistance" (TMA) scheme has been launched for mitigating disadvantage of higher cost of transportation for export of specified agriculture products.
- vii. The prevailing policy includes measures to nudge procurement of capital goods from indigenous manufacturers under the EPCG scheme by reducing specific export obligation from 90 percent to 75 percent of the normal export obligation.
- viii. The policy provides issue of Advance Authorisation to allow duty free import of inputs, which are physically incorporated in export product within a specified timeline.
- ix. During the Mid-term Review of the FTP 2015-20 on 5th December, 2017; Incentive rates for labour intensive / MSME sectors were increased by 2%.
- x. Niryat Bandhu Scheme was launched for outreach/ trade awareness amongst new/potential exporters.
- xi. Interest Equalization Scheme on pre and post shipment rupee export credit was introduced with effect from 1.4.2015 providing interest equalisation at 3% for labour intensive / MSME sectors. The rate was increased to 5% for MSME sectors with effect from 2.11.2018. Merchant exporters were covered under the scheme with effect from 2.1.2019.

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF COMMERCE)

LOK SABHA
UNSTARRED QUESTION NO. 1586
TO BE ANSWERED ON 27th NOVEMBER, 2019

STEPS FOR PROMOTING EXPORTS

1586. SHRI UNMESH BHAIYYASAHEB PATIL:

Will the Minister of **COMMERCE & INDUSTRY** (वाणिज्य एवं उद्योग मंत्री) be pleased to state:

- (a) whether the Government has any scheme to assist the States in promotion of exports, especially agricultural products and if so, the details thereof;
- (b) the details of total funds allocated to various States for export promotion, sector and State-wise during each of the last three years and the current year along with the steps taken by the Government to engage the States in export promotion;
- (c) the measures taken by the Government to improve the agricultural products and logistic constraints to achieve the export target of the country;
- (d) whether the Government has also made provisions for tax rebate for promotion of exports and if so, the details thereof; and
- (e) the value of rebate provided during each of the last three years along with the role of the said rebate in increasing the exports and the monitoring system in place to ensure proper utilization of the said rebate?

ANSWER

वाणिज्य एवं उद्योग मंत्री (श्री पीयूष गोयल)
THE MINISTER OF COMMERCE AND INDUSTRY
(SHRI PIYUSH GOYAL)

(a), (b) and (c) There are several schemes for promoting agricultural exports from the States, which includes assistance provided under the Agriculture and Processed Foods Export Promotion Scheme by the Agricultural & Processed Food Products Export Development Authority (APEDA), for:

- Infrastructure Development
- Quality Development
- Market Promotion
- Development of Organic Products

The Government also has a Transport and Marketing Assistance for Specified Agriculture Products Scheme for providing assistance to mitigate the freight disadvantage for the export of agricultural products.

Department of Commerce also has a scheme titled Trade Infrastructure for Export Scheme (TIES), which is aimed at supplementing the states' efforts at bridging gaps in export infrastructure. It provides assistance for creating export specific infrastructure like quality and certification labs, common user facilities etc.

As regards steps taken to engage the States in export promotion, Government of India ensures a regular dialogue with the State Governments on measures for promoting exports and for creating a conducive environment to boost exports from the states.

The State Governments have been requested to nominate a Senior Officer as the Export Commissioner who can coordinate all export efforts, required from the different agencies of the State Government.

Department of Commerce has also launched an Agriculture Export Policy in 2018, which seeks to harness the export potential of Indian agriculture by addressing various policy, regulatory and infrastructural gaps faced by the sector.

(d) & (e) Exports of goods are zero rated under the GST related provisions. Under the Duty Drawback Scheme, the Government provides for the neutralization of incidence of Customs and Central Excise duties/CGST suffered on inputs used in the manufacture of export goods. The amount of Duty Drawback given in the last three years is as follows:

Financial Year	Amount (in Rs. Crore)
2016-17	30,932.92
2017-18	24,223.83
2018-19	16,905.28
