

## **CHAPTER - II**

### **FINANCIAL OUTLAYS AND QUANTIFIABLE DELIVERABLES- PHYSICAL OUTPUTS & FINAL OUTCOMES**

The basic thrust of the various programmes/schemes being implemented by the Department of Commerce is to promote India's exports and trade by creating favourable environment and infrastructure for this purpose. The activities / measures undertaken through the various programmes/schemes/and other initiatives, except in the plantation sector, only indirectly result in increased production and trade by facilitating and providing the right type of environment for carrying out activities/transactions leading to increased production, income generation and trade.

The objectives and nature of activities undertaken under the most important scheme of the Department (going by the financial allocation in a year) i.e. "Assistance to States for Development of Export Infrastructure and Allied Activities" (ASIDE) would illustrate the case in clear terms. The major objective of the scheme is to ensure participation of the states in a major way in the export effort by providing assistance to the states/UTs for creating appropriate infrastructure for development and growth of exports. The major activities to be financed under the scheme include creation of new Export Promotion Industrial Parks/Zones including Special Economic Zones (SEZs) etc.; equity participation in infrastructure projects; development of complimentary infrastructure such as roads connecting the production centers with ports, setting up of inland container depots and container freights stations; stabilizing power supply through additional transformers and islanding of export production centers; assistance for setting up common affluent plants; assistance for projects of national and regional importance etc. All these activities are expected to remove constraints, if any, and help in providing the required infrastructure and support services needed for increased production and other trade related activities. Similarly, the basic objectives of the other major schemes like Market Development Assistance (MDA) and Market Access Initiative (MAI), as the names suggest, are intended to provide financial assistance for activities pertaining to development of marketing infrastructure and access in various markets. The quantifiable deliverables of the activities under such schemes can be quantified and measured only in indirect way in terms of final outcomes. And the final outcome in this case is the increased volume in the country's export and trade. Hence, the final quantifiable deliverables are the exports and imports carried out during a particular year. The performance of the programmes/ schemes can be evaluated in terms of the actual achievement viz-a-viz the targets fixed for exports.

The Foreign Trade Policy (2004-09), announced by the Government in August 2004, had spelt out a bold vision of doubling India's percentage share of global merchandise trade within the next five years and making exports growth an engine for generating additional economic activity and employment generation with special focus on rural and semi-urban areas thus making economic growth process an inclusive one. The growth of exports so far has been in line with the targets set out in the Trade Policy. India's merchandise exports increased from US \$ 63.8 billion in 2003-04 to US \$ 126.3 billion in 2006-07. A target of exports of US \$ 160 billion was fixed for the year 2007-08. Against this, exports during April-December 2007 have reached a level of US \$ 111 billion.

For the year 2007-08, an outlay of Rs. 2543 crore has been approved for the various Plan and Non-Plan schemes of the Department. Out of this, Plan outlay is Rs.1477 crore. As against this, an outlay of Rs. 3520 crore has been approved for the year 2008-09; consisting of Plan outlay of Rs.1560 crore and Non-Plan outlay of Rs.1960 crore. As export promotion is the core of the activities of the Department, export subsidy at Rs. 1294 crore constitutes bulk of the Non-Plan expenditure. On the Plan side, the Centrally-sponsored scheme of Assistance to States for the Development of Export Related Infrastructure and Allied Activities (ASIDE) constitutes the single most important activity accounting for an outlay of Rs. 570 crore. The scheme-wise details of the financial allocations and the quantifiable deliverables/ outputs, wherever possible, are given below in the tabular form.