

Policies for export and import of agricultural and horticultural commodities

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Received : 17.02.2012; Accepted : 17.07.2012

ABSTRACT

The global slowdown had its impact on the economy of almost all the countries, including India. The trade deficit in 2008-09 was much more (49.72 %) compared to the previous two years. As such, India's trade deficit stood at Rs. 533680 crores during 2008-09 with values of exports and imports at Rs. 840755 crores and Rs. 1374436 crores, respectively. The year 2009 has witnessed one of the most severe global recessions in the post-war period. Countries across the world have been affected in varying degrees and all major economic indicators have taken a hit. Global trade is likely to decline by 9 per cent in volume terms and the IMF estimates project a decline of over 11 per cent. 53 million more people would fall into the poverty net this year and over a billion people would go chronically hungry. Though India has not been affected to the same extent as other economies of the world, yet it may affect some extent in the coming future. New FTP is an Export Import policy published by Director General of Foreign Trade (DGFT) under Ministry of Commerce under the powers of Foreign Trade (Development and Regulation) Act, 1992. Exports witnessed robust growth to reach a level of US\$ 168 billion in 2008-09 (US\$ 63 bill. in 2003-04). The share of global merchandise trade was 0.83 per cent in 2003; it rose to 1.45 per cent in 2008-09 as per WTO estimates. Export Promotion Capital Goods (EPCG) scheme enables exporters to import machinery and other capital goods for export production at concessional or no customs duties at all. This facility is subject to export obligation, *i.e.*, the exporter is required to guarantee exports of certain minimum value, which is in multiple of total value of capital goods imported.

KEY WORDS : Export promotion, Capital goods, Agriculture, Trade policies

How to cite this paper : Shwetha, M.K., Shreedevi, B.C., Naik, Balachandra K. and Kulkarni, Vilas (2012). Policies for export and import of agricultural and horticultural commodities. *Internat. J. Com. & Bus. Manage*, 5(2): 287-291.

It is a set of guidelines and instructions established by the DGFT in matters related to the import and export of goods in India. It is regulated by Foreign Trade Development and Regulation Act, 1992. Trade policy is prepared and announced by the Central government (Ministry of Commerce). It aimed at developing export potential and improving export performance.

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New foreign trade policy 2009-14:

New FTP is an export import policy published by Director General of Foreign Trade (DGFT) under Ministry of Commerce under the powers of Foreign Trade (Development and Regulation) Act, 1992. FTP is published for every 5 years. This policy is updated every year with some modifications and new schemes. New schemes come into effect on the first day of financial year *i.e.* April 1, every year. The foreign trade policy which was announced on August 28, 2009 is an integrated policy for the period 2009-14.

Foreign trade policy 2004-09: at a glance:

Special focus was given on five traditional exports-agriculture, handicrafts, handlooms, leather and footwear and germs and jewellery so as to make exports as employment oriented. Three new export promotion schemes have been