

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

UNSTARRED QUESTION NO:1334
ANSWERED ON:02.03.2001
INVESTMENT BY CHINA
Y.S. VIVEKANANDA REDDY

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

- (a) whether Chinese are eyeing several key sectors in the Indian industry for investment opportunities and joint ventures and have sought a more positive Indian business outlook to enhance the existing volume of trade between the two countries;
- (b) if so, the extent to which the trade between the two countries have improved during the current financial year;
- (c) the steps being taken further to improve the trade between the two countries;
- (d) whether China has made it clear to the Indian industries that there is no threat to the Indian market from Chinese goods which account for 2.4 percent of India's total imports;
- (e) if so, whether China has also suggested that Indian companies must expedite the vast potential for investment in the Chinese market; and
- (f) if so, the extent to which India has been able to enter into the Chinese market?

Answer

MINISTER OF COMMERCE AND INDUSTRY(SHRI MURASOLI MARAN)

- (a) With the steady liberalization of Indian FDI regime, many countries including China have evinced interest in key sectors for investment in India. In the post-liberalisation period, more than 90% of the approved Chinese investment has been in telecommunications and metallurgical industries.
- (b) The Indo-China trade during April-October 2000-01, as compared to the April-October 1999-2000, has registered a growth of 36.90% in Rupee terms.
- (c) Government of India works towards the improvement and expansion of trade with China. The various steps taken include exchange of delegations, holding of JBC meetings, exchange of commercial information, participation in fairs and exhibitions, etc.
- (d) Chinese Authorities have stated that they are ready to cooperate with India in stopping illegal imports from China which harms the interests of legitimate Chinese exports to India.
- (e) It was agreed at the Government level and the JBC level between the two countries to facilitate and enhance bilateral investment between the two countries
- (f) A number of proposals of Indian businessmen have been approved for wholly-owned subsidiaries and joint ventures in China including that of M/s. Wockhardt Ltd., Cipla Ltd., Ranbaxy Laboratories Ltd., Mekaster International Pvt. Ltd., Orine Exports Ltd., etc.