

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

UNSTARRED QUESTION NO:193

ANSWERED ON:25.07.2006

TRADE BETWEEN INDIA AND CHINA .

Badiga Shri Ramakrishna;Owaisi Shri Asaduddin;Patel Shri Kishanbhai Vestabhai;Rawale Shri Mohan;Reddy Shri Mekapati Rajamohan;Scindia Shri Jyotiraditya Madhavrao;Singh Kunwar Rewati Raman;Singh Shri Dushyant;Singh Shri Sugrib

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

- (a) Whether the trade between India and China through Nathula Pass has started;
- (b) If so, the details thereof alongwith the terms of the trade agreement;
- (c) The other efforts made by the Government to expand trade with China; and
- (d) The steps taken by the Government to protect the Indian products likely to be affected by this trade?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY(SHRI JAIRAM RAMESH)

(a) Yes, Sir.

(b) India and China has signed a Memorandum on Expanding Border Trade on June 23, 2003. The said Memorandum provided the use of Nathula for the purpose of border trade between India and China. The modalities for conducting border trade between India and China are laid out in the Memorandum on the Resumption of Border Trade signed between India and China on 13.12.91.

(c) A Joint Study Group composed of officials and economists to examine the potential of complementarities between the two counties in expanding trade and economic cooperation was set up.

The JSG in its Report has recommended that the two governments appoint a Joint Task Force to study in detail the feasibility of, and the benefits that may derive from the possible China-India Regional Trading Arrangement and also give its recommendations regarding its content. A Joint Task Force has already been set up. The First meeting of India-China Joint Task Force held on 13th March, 2006 in New Delhi.

(d) Border trade is overland trade and exchange of commodities by the residents along the border for their personal use. India will be able to export the agreed list of 29 commodities to China and would be importing only the agreed list of 15 commodities from China. Such a limited trade is unlikely to affect Indian products in any major way.