

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

UNSTARRED QUESTION NO:1932
ANSWERED ON:22.11.2010
TRADE WITH CHINA
Botcha Lakshmi Smt. Jhansi;M.Thambidurai Dr.

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

- (a) whether trade between India and China has decreased over the last few years;
- (b) if so, the details regarding import export between India and China during the last three years;
- (c) whether the export to China is coming under various restrictions from that country causing trade imbalance between the two countries; and
- (d) if so, the details thereof alongwith the measures taken to protect the interests of the Indian industry and correct trade imbalance between the two countries?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA M. SCINDIA)

(a)&(b) India's export to China declined during the year 2008-09 and China's exports to India declined during the year 2009-10. However total trade between India and China during the last three years has been increasing gradually. The details of the bilateral trade between India and China during the last three years is given below:-

Value in USD million

Year	Exports to China	Imports from China	Total Trade
------	------------------	--------------------	-------------

2007-08	10871.34	27146.41	38017.75
---------	----------	----------	----------

2008-09	9353.5	32497.02	41850.52
---------	--------	----------	----------

2009-10	11617.88	30824.02	42441.90
---------	----------	----------	----------

(Source: DGCI&S)

(c)&(d) There are various factors which restrict exports from India to China. China's macro economic policies, exchange rate policy and other specific non-tariff measures make exports to China uneconomic and cumbersome. During the eighth session of India-China Joint Group on Economic Relations, Trade, Science and Technology

(JEG) held on 19th January,2010, the Commerce & Industry Minister raised the issue of growing trade deficit with his Chinese counterpart. As an outcome of 8th JEG, an MoU on Expansion of trade and Economic Cooperation was signed between India and China. The MoU recognizes that a balanced trade is conducive to long term, sustainable and harmonious development of economic cooperation between India and China. As per the MoU, the Chinese side shall strive to import as much of its requirement of value added goods from India as possible.