

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

UNSTARRED QUESTION NO:1591

ANSWERED ON:03.12.2012

TRADE RELATIONS WITH CHINA

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

- (a) whether India and China have recently evolved any mechanism to solve the issues related to the bilateral trade between both the countries;
- (b) if so, the details thereof;
- (c) the measures being taken by the Government to make normal trade relations between both the countries and the outcome thereof;
- (d) whether India provides various concessions to goods being imported from China and if so, the details thereof and the reasons therefor;
- (e) whether China also provides same concessions to products exported to it from India; and
- (f) if so, the details thereof and if not, the reasons for India providing concession to goods being imported from China?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY(DR. D. PURANDESWARI)

(a) & (b): India-China Joint Economic Group on Economic Relations and Trade, Science and Technology (JEG) is the highest institutional dialogue mechanism established in 1988 during visit of the then Indian Prime Minister to China to strengthen bilateral trade and economic relations. The 9th Meeting of the JEG was held in New Delhi at Ministerial level on 27th August, 2012. As per the decisions in the meeting, three Joint Working Groups (JWGs) on 'Trade and Investment including trade data reconciliation', 'Five Year Development Plan for China-India Trade and Economic Co-operation' and 'Co-operation in Trade in Services' have been constituted.

(c) With a view to reducing trade deficit, efforts are being made to diversify the trade basket with emphasis on manufactured goods. We are also pursuing market access issues to tackle non-tariff barriers in the Chinese market at different fora. At the Ministerial level, we have India-China Joint Group on Economic Relations, Trade Science and Technology (JEG) where trade related issues are taken regularly. Indian exporters are encouraged to participate in major trade fairs in China to show-case Indian products in the Chinese market and increase engagement with Chinese companies. Participation of Indian exporters in trade fairs educates the Chinese importers about niche Indian products. Business to Business relations are encouraged through schemes such as Market Access Initiative (MAI)/Market Development Assistance (MDA).

(d) to (f): India has not provided any special concessions for promoting trade of Chinese products except those that India generally makes available to all WTO member countries and those that are available to China as a signatory to the Bangkok Agreement now called the Asia Pacific Trade Agreement (APTA). India and China both are participating States of APTA. India has offered tariff concession on 570 tariff lines to non-Least Developed Countries (LDC) members of the APTA. In turn, China has also offered tariff concession on 1,697 tariff lines to non-LDC members of APTA.