

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

UNSTARRED QUESTION NO:2857

ANSWERED ON:13.03.2015

TRADE DEFICIT WITH CHINA

Dubey Shri Nishikant ;Jena Shri Rabindra Kumar;Kamal Nath Shri ;Kambhampati Dr. Hari Babu;Kaswan Shri Rahul;Kumar Shri P.;Rao (Avnithi) Shri Muthamsetti Srinivasa;Scindia Shri Jyotiraditya Madhavrao;Senguttuvan Shri Balasubramaniam;Sonker Smt. Neelam

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

(a) the quantum and value of trade (Exports and Imports) between India and China, particularly in heavy industries segment, electronic components, steel and plastic goods along with the share of India's import bill in such imports during each of the last three years and the current year, product/ item-wise;

(b) whether trade deficit with China is increasing continuously for the last several years and if so, the details thereof alongwith the reasons for widening trade deficit and country's dependence on such huge imports from China;

(c) whether huge influx of Chinese products in the Indian market has adversely affected the domestic manufacturers and if so, the details and the sectors thereof alongwith the assessment, if any, made by the Government on its impact on indigenous industries and the outcome thereof;

(d) whether domestic steel companies and the All India Plastic Manufacturers have requested the Government to impose/enhance import duty on steel and plastic to give a boost to domestic manufacturers in this regard, if so, the details thereof and the reaction of the Government thereto; and

(e) the other measures taken by the Government to reduce trade deficit, imposition of restrictions on import to protect domestic industries/manufacturers and to boost India's export to China?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE) (SMT. NIRMALA SITHARAMAN)

(a): The details of top 50 principal commodities in 2013-14 of export and import with China, including heavy industries items, electronic components, steel and plastic goods for last three years and the current year is attached as Annex-I.

(b): Details of trade and trade deficit with China during the last three years and the current year are given below:-

Bilateral Trade between India and China - 2009-10 to 2013-14  
and the current year

Value in USD Million					
Year	Export	Import	Total Trade	Trade Deficit	
2011-12	18,076.55	55,313.58	73,390.13	37,237.03	
2012-13	13,534.88	52,248.33	65,783.21	38,713.45	
2013-14	14,824.36	51,034.62	65,858.98	36,210.26	
2014-15	9,236.39	46,007.42	55,243.82	36,771.03	

(P) (April-Dec.)

(P) :Provisional (Source; DGCI&S)

As shown in the above table the trade deficit has varied over the period. Chinese exports to India rely strongly on manufactured items meeting the demand of fast expanding sectors like telecom and power. India's exports to China are characterized by primary products, raw material and intermediate products. The exports to China face tariff and non-tariff barriers for agri- cultural products, and limited market access in other products.

(c): Manufactured items catering to India's Power, Telecom, and other fast growth sectors contribute a significant proportion towards China's imports into India. Other major imports are of products such as computer hardware and peripherals, bulk drugs and drug intermediates, project goods, fertilizers and chemicals, consumer electronics, iron and steel and products thereof etc. These imports feed the growing demand in India for such goods which China, due to variety of reasons, is able to export to India at competitive prices. The Government, mindful of the interest of domestic manufacturers has continually taken steps to ensure that all imports into India strictly adhere to the applicable domestic laws and regulations pertaining to technical specifications, environment and safety norms, which are notified from time to time. Appropriate action is initiated in case of violation of these norms. Furthermore whenever Indian industry faces a threat or is seriously injured due to surge in imports of a particular product, appropriate trade remedy measures are immediately initiated. Directorate General of Anti-Dumping and Allied Duties (DGAD) has initiated 171 investigations on imports from China and anti-dumping measures are in force on 75 products, as at end of February 2015.

(d): Yes, Madam. Representations received in this regard were examined and taken into consideration by the Department of Revenue while finalising the proposals for the Union Budget 2015-16.

(e): In order to boost exports and to address the widening trade deficit Government has taken a number of measures which, inter-alia, include market study initiatives to identify specific product lines with export potential, actively taking up issues relating to tariff and non tariff barriers in bilateral meetings and institutional dialogues, measures to support exports through various incentive measures and product and market specific incentive schemes etc. As regards trade with China, India has impressed upon China to recognise the need for reduction in trade imbalance for a long term, sustainable and harmonious development of economic co-operation between two countries. During the 10th meeting of the India-China Joint Economic Group (JEG) at Ministerial level, held in September 2014 in Beijing, both countries reaffirmed their determination to expand and diversify bilateral trade and economic cooperation. The two sides agreed to take positive steps towards rebalancing bilateral trade and addressing the existing structural imbalance in trade that has a bearing on its sustainability. Both countries signed the "Five- Year Development Program for Economic and Trade Cooperation" wherein reduction of trade imbalance over the next 5 years has been identified as one of the principal objectives of trade and economic co-operation between India and China.

All imported goods in India are subject to domestic laws, rules, orders, regulations, technical specifications, environment and safety norms, that are notified from time to time. The Government takes appropriate action in case goods imported from any source are found to violate these regulations and threaten human, animal or plant life or health. Additionally, Directorate General (Safeguards) is empowered to temporarily restrict import of products by imposition of additional duty or quantitative restrictions (QRs) if Indian industry is seriously injured or threatened with injury caused by a surge in imports.