

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

UNSTARRED QUESTION NO:3190

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Influx of Chinese Products in Indian Markets

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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 during each of the last three years and the current year, product/item-wise;
- b) whether trade deficit with China is increasing continuously in recent years, if so, the details thereof and the reasons therefor;
- c) the name of products for which there is ban on both export and import between the two countries and the reaction of the Government to reconsider it;
- d) whether influx of Chinese products in the Indian market has adversely affected the indigenous industries/manufacturers and whether quality norms are being followed before their entry in Indian markets;
- e) if so, the details thereof indicating the prohibitions/restrictions imposed on import of Chinese products in this regard; and
- f) the further measures taken by the Government to reduce trade deficit, ensure quality and standard of their products, protection to indigenous industries/manufacturers and to boost exports to China?

Answer

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

(a):The details of commodities of export and import with China for the last three years and the current year (April-May 2015) 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:-

TRADE STATISTICS BETWEEN INDIA AND CHINA

Values in USD Million

Year Export Import Total Trade Trade Deficit

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 11,935.54 60,409.76 72,345.30 48,474.22

2015-16

(April-May)*1,643.89 9,685.93 11,329.82 8,042.04

*Figures are provisional Source: DGCI&S

Increasing trade deficit with China can primarily be attributed to the fact that Chinese exports to India rely strongly on manufactured items meeting the demand of fast expanding sectors like telecom and power while India's exports to China are characterized by primary products, raw material and intermediate products. 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.

(c) to (f) : As regards restriction/banning of imports from China is concerned, India and China are members of the WTO and therefore restrictions placed on imports are subject to the WTO framework. Moreover, all imported goods in India are subject to domestic laws, rules, orders, regulations, technical specifications, environment and safety norms. These regulations are notified from time to time. The Government takes appropriate action in case goods imported from any source are found to violate these regulations. 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. The trade protection measures taken by Government of India in the recent times are as below:

i. Only the toys which conform to the international standard and are accompanied by certificate of conformity are allowed for import into India. This is applicable to imports from China also.

ii. Import of 'Mobile Handsets' without International Mobile Equipment Identity (IMEI) No. or with all Zeroes IMEI and 'CDMA mobile phones' without Electronic Serial Number (ESN)/Mobile Equipment Identifier (MEID) or with all Zeroes as ESN/MEID has been prohibited. This is applicable to imports from China also.

iii. The Central Government has also prohibited imports from China of all dairy products including chocolates and candies/confectionary/food preparations with milk or milk solids as an ingredient up to 23rd June 2016.

iv. DGAD initiated 171 investigations on import from China and anti-dumping measures are in force on 75 products, as on 16th April,

2015.

Such reviews are consistent under the WTO framework.

Government has also brought 92 products under compulsory Bureau of Indian Standards (BIS) certification, by issuing quality control orders under Section 14 of the BIS Act, 1986. The use of BIS Standard Mark has been made mandatory on such products, whether manufactured in the country or imported. Further, 30 electronic and IT products are covered under Compulsory Registration Scheme of BIS, where the use of Self Declaration of Conformity statement on these products is mandatory.

In order to boost exports and to maintain balance of trade with India's trade partners including China, 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 schemes. 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, both countries have reaffirmed their determination to expand and diversify bilateral trade and economic cooperation. The two sides agreed to take positive steps towards balancing 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.
