

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

STARRED QUESTION NO:445

ANSWERED ON:08.08.2014

IMPORT FROM CHINA

Antony Shri Anto ;Patel Smt. Anupriya Singh

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

- (a) whether there is a huge influx of counterfeit and other Chinese products including bicycle in the country;
- (b) if so, the details of imports of such products during each of the last three years and the current year, product-wise;
- (c) whether the huge influx of such products in the Indian market has affected the domestic manufacturers, particularly bicycle manufacturers and if so, the details thereof indicating the sectors thereof;
- (d) whether the Government has taken action to prohibit the import and/or imposed quantitative restrictions and also levied anti-dumping duties to restrict the import of such goods and products and if so, the details thereof during the above period; and
- (e) the mechanism in place to ensure import of goods and products conforming to the Indian Standards and Safety norms laid down for the purpose?

Answer

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

a) to e): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 445 FOR ANSWER ON 08TH AUGUST, 2014 REGARDING "IMPORT FROM CHINA "

(a) to (c): A counterfeit good is an unauthorized imitation of a branded good. All goods being imported into India are subject to domestic laws, rules, orders, regulations, technical specifications, environmental and safety norms. In specific cases where Customs detect import of substandard and hazardous goods, they are empowered to seize the goods and initiate penal action under the provisions of Customs Act, 1962 read with other allied Acts. Primary responsibility for investigating the complaints of manufacturing and trading of counterfeit products rests with the concerned state police. Information about influx of counterfeit goods is not available with the Ministry.

Import of any goods pre-supposes that its domestic price is higher than being offered by the seller in the foreign country. Thus imports take place either because of shortage/ non-availability of items or because of the cost- advantage and price competitiveness of foreign manufacturers. The figures for import of goods from China vi-a-vis India's total imports are at Annex-I. The import figures of bicycles are at Annex-II. Import of bicycles from China is showing a downward trend. The import of bicycles has gone down from Rs 265 crores in 2011-12 to Rs 68 crores in 2013-14, thereby registering a decline of 74% in the last three years.

(d): India removed all Quantitative Restrictions on imports, except those necessitated mainly on grounds of health, security, public morale and environment in the year 2001. However, adequate provisions exist to protect the Indian consumers and producers. The Government of India has taken various measures for checking cheap imports/ dumping, which inter-alia include the following:

I. Directorate General of Anti-Dumping and Allied-Duties (DGAD) has initiated anti-dumping investigations into 690 cases (as on 6.8. 2014) involving 302 products from various countries since 1992. Out of these, 166 products involve imports from China. The Chinese products in respect of which anti-dumping duty has been imposed, fall in the product groups of Chemicals & Petro chemicals, Pharmaceuticals, products of Steel and other metals, Fibres and Yarns and Consumer Goods.

II. The Directorate General (Safeguards) can temporarily restrict import of products by imposition of additional duty if Indian industry is 'seriously injured or threatened with injury' caused by 'surge' in imports. This is an action in accordance with the WTO Agreement on Safeguards. This is also applicable for imports from China. India has imposed Safeguard duty on Sodium Nitrate in February, 2014 for one year and three months, i.e @ 30% advalorem for the first year and @28% advalorem for the three months of the next year. This duty will lapse on 25.5.2015.

III. Government has imposed prohibition on import of milk and milk products (including chocolate and chocolate products and candies/confectionary/ food preparations with milk or milk solids as an ingredient) from China since 01/12/2008, which has been extended from time to time and these products are currently prohibited till 23.6.2015.

IV. Import of toys is subject to certain quality standards prescribed in the Foreign Trade Policy.

V. Government has imposed prohibition on the import of mobile handsets (mobile phone) without International Mobile Equipment Identity (IMEI) No. or with all zeroes IMEI and import of CDMA mobile phones without Electronic Serial Numbers (ESN), Mobile Equipment Identifier (MEID) or all zeroes ESN/MEID.

VI. The basic customs duty has been raised from 10% in 2011-12 to 30% in 2012-13 in case of bicycles (HS code 87120010).

(e) In public interest, Government of India can bring products under compulsory Bureau of Indian Standards (BIS) certification by issuing an order in the official Gazette, as per provisions under Section 14 of BIS Act, 1986. In such cases, the use of BIS standard mark shall be mandatory on the products which are manufactured either in the country or imported from abroad. This standard mark can only be applied on those products which are found conforming to the relevant Indian standard. Presently, there are 107 products covered under compulsory BIS products certification and compulsory registration scheme.