

**GOVERNMENT OF INDIA**  
**MINISTRY OF COMMERCE AND INDUSTRY**  
**RAJYA SABHA**  
**UNSTARRED QUESTION NO-162**  
**ANSWERED ON-25.02.2015**

Widening trade deficit with China

162 . Smt. Ambika Soni

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- a) whether Government is aware of country's fast widening trade deficit with different countries particularly with China;
- b) if so, whether India's exports to China do not match with Chinese exports to India;
- c) the factors responsible for fall in exports to China;
- d) whether Government proposes to bridge the widening trade gap with many countries particularly with China by adopting new strategies; and
- e) if so, the details thereof?

**ANSWER**

(a): Yes, Sir.

(b): Details of exports-imports and trade deficit with China during the last three years are given below:-  
Bilateral Trade between India and China during 2011-12 to 2013-14

Value in USD Million

Year	Export	Import	Total	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

(Source; DGCI&S)

(c): As shown in the table in reply to (b) above, though exports to China decreased in 2012-13 compared to 2011-12, the exports increased by 9.5% in 2013-14 relative to the previous year. 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 agricultural products, and limited market access in other products.

(d) & (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.

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