GOVERNMENT OF INDIA

MINISTRY OF COMMERCE AND INDUSTRY

RAJYA SABHA

STARRED QUESTION NO-190

ANSWERED ON-11.05.2016

Increase in imports from China

190 . Shri Motilal Vora

(a) whether it is a fact that imports from China have gone up from 10.9 billion US $ to 56.9 billion US $ in the financial year 2015-16;

(b) if so, the reasons therefor;

(c) whether it is also a fact that Indian companies have not been able to make inroads into the Chinese medicine market and some other markets due to Chinese Government"s control over them;

(d) whether steps are being taken to check import of unnecessary items from China and control import from there; and

(e) if so, the details thereof and if not, the reasons therefor?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY(INDEPENDENT CHARGE)
(SMT. NIRMALA SITHARAMAN)
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a) to e): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF RAJYA SABHA STARRED QUESTION NO. 190 FOR ANSWER ON 11th MAY, 2016 REGARDING “INCREASE IN IMPORTS FROM CHINA”

(a): India’s imports from China increased from US$ 10.87 billion in 2005-06 to US$ 61.71 billion in 2015-16. Merchandise imports from China for the last three years and 2005-06 are as under:-

Import from China for the last three years and 2005-06

Value in US$ Billion

Year	Import
2005-06	10.87
2013-14	51.04
2014-15	60.41
2015-16 (P)	61.71

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

(b): Increasing imports from China can be attributed to the fact that these are mostly manufactured items required to meet India’s demand of fast expanding sectors like telecom and power, which China, due to variety of reasons, is able to export to India at competitive prices. The major imports from China include items such as telecom instruments, computer hardware and peripherals, fertilizers, electronic components/instruments, project goods, organic chemicals and drug intermediates, consumer electronics, electrical machinery and equipments, iron and steel etc. These imports feed the growing demand in India for such goods including components and pharmaceutical ingredients needed for India’s manufacturing sector.

(c): India's Pharmaceutical exports to China have grown by 17.36 % in the year 2014-15 over 2013-14. However Indian companies do face certain impediments in accessing the Chinese pharmaceutical market as regulatory processes for drug registration, submission of detailed clinical trial data, registration and testing of samples are cumbersome and can prolong the ongoing process for drug registration.

Following are the broad categories of India's exports of pharmaceutical products to China from 2013-14 to 2015-16:

(Value in US$ million)

Commodity	2013-14 Value	2014-15 Value	2015-16 (P) Value
AYUSH AND HERBAL PRODUCTS	5.17	6.49	6.95
BULK DRUGS, DRUG INTERMEDIATES	98.77	111.37	110.67
DRUG FORMULATIONS, BIOLOGICALS	11.99	19.06	15.83
SURGICALS	2.61	2.19	6.82
Grand Total	118.54	139.12	140.26

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

India has been raising issues relating to impediments to pharmaceutical exports, from time to time, with China at various forums including at India-China Joint Group on Economic Relations (JEG). During the 10th JEG meeting held on 2nd September 2014 in Beijing, the Indian side requested China to expedite the approval procedure for Indian pharmaceutical product registration, which is taking a very long time presently. The Chinese side expressed "its willingness to enhance mutual cooperation on pharmaceutical administration".

(d) & (e): India and China are both members of the WTO and therefore any restrictions imposed on trade need to be WTO compliant.

Trade measures like anti– dumping duty and countervailing duty are used by industries to seek remedies under the prescribed provisions. India has an elaborate and robust legal framework and institutional set up to protect its environment, life and health of its people, plants and animals. The Bureau of Indian Standards (BIS) standards applicable to domestic goods are also applicable to imported goods. For imported food and edible items, Food Safety and Standards Act (FSSA), 2006 and Rules there under are also applicable. Trade remedy measures imposed on China include prohibition of import of milk and milk products (including chocolates and chocolate products and candies/ confectionary/ food preparations with milk or milk solids as an ingredient) till 23.6.2016 or until further orders, whichever is earlier. Also Minimum Import Price (MIP) has been imposed on 173 Exim Codes of Iron and Steel (Chapter 72) since 5th February, 2016, including imports from China.

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