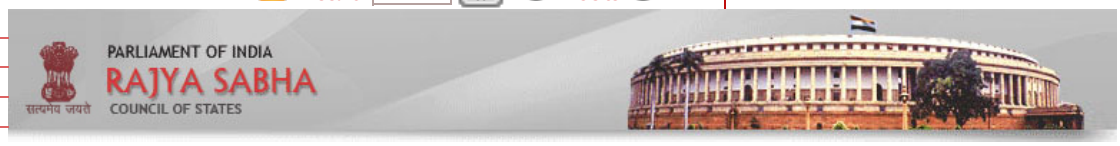

GOVERNMENT OF INDIA

MINISTRY OF COMMERCE AND INDUSTRY

RAJYA SABHA

UNSTARRED QUESTION NO-6

ANSWERED ON-16.11.2016

Steps to reduce trade deficit with China

6 . Shri Sanjay Raut

(a) whether Government''s attention has been drawn towards media reports stating that ''India can do nothing about the growing trade deficit between two countries i.e. India-China'';
(b) if so, Government''s reaction thereto;
(c) the details of steps taken or proposed to be taken by Government to reduce trade deficit with China;
(d) whether it is a fact that there is growing demand in various forums including social media to boycott all kind of Chinese products; and
(e) if so, Government''s response thereon?

ANSWER

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

(a), (b), (d) & (e): Some Press reports have attributed such comments in the Chinese media in response to the Indian social media campaign, exhorting the public to shun the use of Chinese goods. The efficacy of the social media campaign to voluntarily shun the use of Chinese products appears to have evoked such a response in the Chinese media.
Such campaigns by the public to voluntarily spurn the use of Chinese products do not violate the provisions of the WTO to which both India and China are signatories.
(c): Ministry of Commerce of the People''s Republic of China and Ministry of Commerce & Industry of the Republic of India jointly developed and signed in September 2014 the Five-Year Development Program for Economic and Trade Cooperation in order to lay down a medium term roadmap for promoting balanced and sustainable development of economic and trade relations between China and India, on the principle of equality and mutual benefit.
The Five Year Program recognizes and states "that trade deficit with China is a matter of high concern for India. Against this background and in the spirit of mutual benefit, India and China shall endeavour to strengthen cooperation and gradually achieve bilateral trade balance over the next 5 years. India and China shall further endeavour to increase bilateral trade in services particularly Information Technology (IT) & Information Technology Enabled Services (ITES) in the next 5 years."
Efforts are being made to increase overall exports by diversifying the trade basket with emphasis on manufactured goods, services, resolution of market access issues and other non-tariff barriers. This is done through bilateral meetings and institutional dialogues. Indian exporters are encouraged to participate in major trade fairs in China and other countries to show-case Indian products.

To protect the interest of the Indian industry 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 24.6.2017 or until further orders, whichever is earlier. Minimum Import Price (MIP) had been imposed on 173 Exim Codes of Chapter 72 on imports of Iron and Steel since 5th February, 2016. This has now been extended till 04th December 2016 on 66 Exim Codes of Chapter 72. Also, measures like anti-dumping duty and countervailing duty are being availed by Indian industries to seek remedies under the prescribed provisions.

*****

HINDI_VERSION