**GOVERNMENT OF INDIA**
**MINISTRY OF COMMERCE AND INDUSTRY**
**RAJYA SABHA**
**UNSTARRED QUESTION NO-3698**
**ANSWERED ON-05.04.2017**

Plan to improve exports to China

3698. Shri Kiranmay Nanda

(a) whether Government is aware about export-import trade imbalance with China;
(b) if so, whether Government has any plan to improve Indian exports to China;
(c) if so, the sectors identified for which Indian industry has scope in Chinese market;
(d) the details of Government support to improve exports to China; and
(e) whether Government has any plan to discourage Chinese imports?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE)
(SMT. NIRMALA SITHARAMAN)
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(a): Yes Sir. Details of trade and trade deficit with China for the last three years and the current year are given below:-

Bilateral Trade between India and China during 2013-14 to 2015-16 and the current year

Value in USD Billion

| Year | Import | Export | Total Trade | Trade Deficit |
|---|---|---|---|---|
| 2013-14 | 51.03 | 14.86 | 65.89 | 36.17 |
| 2014-15 | 60.41 | 11.95 | 72.36 | 48.46 |
| 2015-16 | 61.70 | 9.01 | 70.71 | 52.69 |
| 2016-2017(April to Feb)* | 55.63 | 8.94 | 64.57 | 46.69 |

*Provisional (Source; DGCI&S)

(b) to (d): 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.”
A Joint Working Group (JWG) on Information Technology (IT) has been constituted under the MoU between the Ministry of Communications and Information Technology of the Republic of India and Ministry of Industry & Information Technology of the People"s Republic of China on co-operation in the field of Information and Communication Technology. The first meeting of this JWG was held on 15th -16th December, 2014 where two countries deliberated to further promote Indian IT and ITES exports to China.
Pharmaceuticals, IT & ITeS, gems & jewellery, cotton yarn & fabrics, home textiles, handmade carpets, agri products including selected fruits & vegetables, tobacco, oilseeds, buffalo meat, marine products, auto spares, ores & metals are some sectors where India has a potential to increase exports to China.

The Government has also taken various measures to extend support to exporters to increase exports to all countries including China, which are indicated below:

i. The New Foreign Trade Policy (2015-20) was announced on 1st April, 2015 with a focus on supporting both manufacturing and services exports and improving the 'Ease of Doing Business'. The FTP introduced two new schemes, namely, 'Merchandise Exports from India Scheme' (MEIS) for incentivising export of specified goods to specified markets and 'Service Exports from India Scheme' (SEIS) for promoting export of notified services from India, by consolidating earlier schemes.

ii. In the light of the major challenges being faced by Indian exporters in the backdrop of the global economic slowdown, the envisaged revenue outgo under MEIS was increased from Rs. 18,000 Crore to Rs. 21,000 Crore in October 2015 with accompanying enhancement in benefits on certain products and inclusion of certain additional items.

iii. A new scheme called Special Advance Authorisation Scheme for export of Articles of Apparel and Clothing Accessories of chapter 61 & 62 of ITC(HS) Classification of Export and Import has been introduced with effect from 1st September 2016 wherein exporters are entitled to authorisation for duty free import of fabrics, including inter lining on pre-import basis and All Industry Rate of Duty Drawback for import of non-fabric inputs on the exports

iv. By way of trade facilitation and enhancing the ease of doing business Government has reduced the number of mandatory documents required for exports and imports. The trade community can file applications online for various trade related schemes.

(e): India and China are members of the World Trade Organisation (WTO) and therefore any restriction imposed on trade needs to be WTO compliant. However, Trade defence measures like anti-dumping duty and countervailing duty are available to industries to seek remedies under the prescribed WTO provisions. All goods imported into India are subject to domestic laws, rules, orders, regulations, technical specifications, environment and safety norms that are notified from time to time. The Government takes appropriate action in case goods imported from any source are found to violate these regulations and threaten human, animal or plant life or health. Additionally, Directorate General (Safeguards) can 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 'surge' in imports. Some of the recent cases in which action was taken on Chinese imports are as follows:

(i) 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 by DGFT
(ii) DGAD has imposed countervailing Duty on Castings for Wind Operated Electricity Generators originating in or exported from China on 19.1.2016 for a period of five years.
(iii) DG (Safeguards) has imposed Safeguard Duty on import of Hot-rolled flat products of non-alloy & other alloy sheet (in coils of a width of 600 mm or more)for the period from 14.09.2015 to 13.03.2018.

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