GOVERNMENT OF INDIA
MINISTRY OF EXTERNAL AFFAIRS
RAJYA SABHA
UNSTARRED QUESTION NO-2738
ANSWERED ON-10.08.2017

Increase in business with China

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Will the Minister of EXTERNAL AFFAIRS be pleased to state:

(a) whether despite growing tensions between India and China, there is an increase in doing business with China in as much as several Memorandum of Understanding (MoUs) worth over 10,000 crore have been signed/executed by Public Sector Units (PSUs) in various States, if so, the details thereof; and

(b) whether Chinese vendors have captured 49 percent of the Indian mobile handset market and Chinese smartphone maker Xiaomi, despite reports of data security breaches by IAF, alone would generate $2 billion revenue from its operations in India this year, if so, the details thereof?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS
(SHRI M. J. AKBAR)

(a) & (b) India and China have built up a substantial economic relationship in recent years that includes trade, project exports and investments. Bilateral trade was US$ 71.48 billion in 2016-17. Due to market access challenges in China, India, however, ran a deficit of US$ 51 billion. This is a matter of serious concern and has been taken up with the Chinese Government at high levels. Insofar as investment is concerned, China ranks 17th in terms of FDI equity inflows and the cumulative FDI stock from April 2000 to March 2017 is US$ 1.64 billion.

Memorandums of Understanding, agreements and contracts have been signed by public sector undertakings as well as private business with Chinese companies in various sectors, based on extant policies governing such transactions.

According to Government statistics, India imported goods under HS Code 8517 (dealing with telephone sets cellular and wireless network) worth US$ 3.67 billion from China in the last year. Individual revenue statistics are obtainable from companies concerned.

Government maintains a close and continuous watch on all developments that have security implications and takes appropriate measures from time to time.