GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF COMMERCE)

RAJYA SABHA

UNSTARRED QUESTION NO. 842 (H)
TO BE ANSWERED ON 28th JUNE, 2019

US-CHINA TRADE ISSUES

842(H). SHRI P.L. PUNIA:

Will the Minister of **COMMERCE & INDUSTRY** be pleased to state:

(a) the details of export of Indian products likely to get promoted as a result of ongoing trade war between US and China;
(b) the extent to which the trade deficit of India with China could be reduced on account of said trade war, year-wise details of the estimates including export made to China; and
(c) the sectors in India witnessing increase in quantum of investment by US and China due to Trade war, the details thereof?

ANWSER

THE MINISTER OF COMMERCE AND INDUSTRY
(SHRI PIYUSH GOYAL)

(a) The imposition of tariffs between the US and China provide a window of opportunity for enhancing India's exports to China and the US, on products in which India is relatively competitive, particularly in sectors such as mineral products, machinery and mechanical appliances and their parts, electrical machinery and equipment, chemicals, synthetic fibres and textiles, and a few agricultural products such as honey, seafood, etc. Government has sensitised all the trade promotion bodies to work towards enhancing exports by capitalizing on this opportunity arising from the ongoing tariff standoff between the US and China.

(b)The extent of increase in export of Indian products towards reducing the trade imbalance would depend upon a number of factors including, the cost competitiveness of the product as compared to the similar product of other competing countries in the Chinese market and other factors like generation of adequate exportable surpluses, market access, etc. The Year wise details of exports made to China and the trade deficit with China is given below:

(Values in US $ Millions)

India-China Trade	2014-2015	2015-2016	2016-2017	2017-2018	2018-19
Export	**11,934.25**	**9,011.36**	**10,171.89**	**13,333.53**	**16,749.59**
Import	**60,413.17**	**61,707.95**	**61,283.03**	**76,380.70**	**70,319.55**
Total Trade	**72,347.42**	**70,719.31**	**86,552.59**	**89,714.23**	**87,069.14**
Trade Deficit	***-48,478.92***	***-52,696.59***	***-66,208.81***	***-63,047.17***	***-53,569.96***

(Source; DGCI&S)

(c) The sector-wise Foreign Direct Investment(FDI) Equity Inflow reported from theUS and China during last five financial years is attached at Annexure-I. The escalation in trade tensions between the US and China is a recent factor. India's attractiveness as a destination for manufacturing has been steadily improving over the past four years with ease of doing business, Make in India initiative, and other policy initiatives such as Phased manufacturing Programme (PMP) for electronics, etc. While the trade standoff may affect the investment decisions of the investing companies, the exact quantum of investment attributable to it may not be discernible at this point of time.

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ANNEXURE-I

STATEMENT ON FINANCIAL YEAR WISE FDI EQUITY INFLOWS FROM APRIL 2014 TO MARCH 2019
Country China

Sl No	Sector	2014-15 Apr-Mar	2015-16 Apr-Mar	2016-17 Apr-Mar	2017-18 Apr-Mar	2018-19 Apr-Mar	Total
		FDI in US$ million	FDI in US$ million	FDI in US$ million	FDI in US$ million	FDI in US$ million	FDI in US$ million
1	METALLURGICAL INDUSTRIES	44.08	1.20	0.65	3.09	16.75	65.78
2	MINING	0.00	0.00	0.00	0.27	0.08	0.35
3	POWER	20.06	0.00	0.00	0.00	0.00	20.06
4	NON-CONVENTIONAL ENERGY	0.00	12.68	0.00	9.34	24.44	46.45
5	PRIME MOVER (OTHER THAN ELECTRICAL GENERATORS)	4.04	5.49	0.00	0.00	0.00	9.53
6	ELECTRICAL EQUIPMENTS	5.74	56.94	19.74	51.90	18.18	152.49
7	COMPUTER SOFTWARE & HARDWARE	5.05	3.38	8.38	2.02	5.10	23.94
8	ELECTRONICS	1.42	2.26	4.76	31.34	54.13	93.92
9	TELECOMMUNICATIONS	0.00	0.91	0.74	0.00	0.10	1.74
10	INFORMATION & BROADCASTING (INCLUDING PRINT MEDIA)	0.00	0.00	0.00	6.81	0.03	6.84
11	AUTOMOBILE INDUSTRY	387.12	327.69	116.18	20.45	25.29	876.73
12	AIR TRANSPORT (INCLUDING AIR FREIGHT)	0.00	0.00	0.00	0.00	1.36	1.36
13	SEA TRANSPORT	0.00	0.05	0.00	0.00	1.11	1.16
14	RAILWAY RELATED COMPONENTS	0.00	0.00	0.00	0.00	0.44	0.44
15	INDUSTRIAL MACHINERY	8.06	26.02	0.12	10.55	9.22	53.97
16	MACHINE TOOLS	0.00	0.00	0.27	2.85	5.26	8.39
17	AGRICULTURAL MACHINERY	0.00	0.01	0.00	0.00	0.00	0.01
18	EARTH-MOVING MACHINERY	0.00	0.00	0.00	0.61	0.51	1.12
19	MISCELLANEOUS MECHANICAL & ENGINEERING INDUSTRIES	0.00	0.34	0.90	0.18	0.00	1.42
20	COMMERCIAL, OFFICE & HOUSEHOLD EQUIPMENTS	0.01	0.04	0.43	0.14	0.00	0.62
21	MEDICAL AND SURGICAL APPLIANCES	0.00	0.05	0.00	0.00	0.67	0.72
22	FERTILIZERS	0.12	0.00	0.00	0.00	0.00	0.12
23	CHEMICALS (OTHER THAN FERTILIZERS)	0.00	4.16	2.63	22.40	1.16	30.36
24	DRUGS & PHARMACEUTICALS	0.00	0.00	0.00	0.00	1.31	1.31
							Source: DPIIT
25	TEXTILES (INCLUDING	0.00	2.09	0.39	0.00	0.69	3.17

Sl No	Sector	2014-15 Apr-Mar	2015-16 Apr-Mar	2016-17 Apr-Mar	2017-18 Apr-Mar	2018-19 Apr-Mar	Total
		FDI in US$ million	FDI in US$ million	FDI in US$ million	FDI in US$ million	FDI in US$ million	FDI in US$ million
	DYED,PRINTED)						
26	PAPER AND PULP (INCLUDING PAPER PRODUCTS)	0.00	0.00	0.00	1.07	0.00	1.07
27	FOOD PROCESSING INDUSTRIES	0.00	1.49	2.68	0.50	1.30	5.97
28	SOAPS, COSMETICS & TOILET PREPARATIONS	0.00	0.00	0.00	0.00	0.15	0.15
29	RUBBER GOODS	0.00	0.44	0.00	0.00	0.05	0.50
30	LEATHER,LEATHER GOODS AND PICKERS	0.00	0.00	1.05	0.00	0.02	1.07
31	GLUE AND GELATIN	0.00	0.00	0.00	0.00	0.07	0.07
32	CERAMICS	0.31	0.00	0.00	0.24	0.00	0.56
33	CEMENT AND GYPSUM PRODUCTS	0.00	0.00	0.19	0.00	0.00	0.19
34	TIMBER PRODUCTS	0.00	0.13	0.14	0.31	0.00	0.59
35	CONSULTANCY SERVICES	0.00	0.18	0.34	0.11	0.88	1.51
36	SERVICES SECTOR (Fin.,Banking,Insurance,Non Fin/Business,Outsourcing,R&D, Courier,Tech. Testing and Analysis, Other)	1.39	0.50	92.20	8.58	24.65	127.33
37	HOSPITAL & DIAGNOSTIC CENTRES	0.00	0.32	0.30	0.07	0.14	0.84
38	EDUCATION	0.00	0.09	0.01	0.00	0.21	0.30
39	HOTEL & TOURISM	0.02	0.04	0.91	10.17	0.08	11.21
40	TRADING	16.17	9.67	15.26	12.88	24.66	78.65
41	RETAIL TRADING	0.00	0.00	0.00	0.08	2.47	2.55
42	AGRICULTURE SERVICES	0.34	0.00	1.41	0.00	0.97	2.73
43	DIAMOND,GOLD ORNAMENTS	0.00	0.00	0.99	0.51	0.00	1.50
44	PRINTING OF BOOKS (INCLUDING LITHO PRINTING INDUSTRY)	0.00	0.57	0.00	149.24	0.46	150.26
45	CONSTRUCTION (INFRASTRUCTURE) ACTIVITIES	0.32	3.34	4.19	1.07	0.70	9.62
46	CONSTRUCTION DEVELOPMENT: Townships, housing, built-up infrastructure and construction-development projects	0.14	0.00	0.01	0.20	0.00	0.35
47	MISCELLANEOUS INDUSTRIES	0.35	1.33	2.38	3.21	6.38	13.64
	Grand Total	**494.75**	**461.40**	**277.25**	**350.22**	**229.01**	**1,812.63**
							Source: DPIIT

STATEMENT ON FINANCIAL YEAR WISE FDI EQUITY INFLOWS FROM APRIL 2014 TO MARCH 2019
Country U.S.A

Sl No	Sector	2014-15 Apr-Mar	2015-16 Apr-Mar	2016-17 Apr-Mar	2017-18 Apr-Mar	2018-19 Apr-Mar	Total
		FDI in US$ million	FDI in US$ million	FDI in US$ million	FDI in US$ million	FDI in US$ million	FDI in US$ million
1	METALLURGICAL INDUSTRIES	4.97	4.93	17.71	1.27	7.63	36.51
2	MINING	4.39	1.65	30.84	0.76	0.00	37.64
3	POWER	13.93	118.18	11.10	0.93	29.37	173.51
4	NON-CONVENTIONAL ENERGY	22.61	61.63	3.51	36.55	29.00	153.31
5	PETROLEUM & NATURAL GAS	1.29	18.70	0.22	1.65	0.25	22.11
6	BOILERS AND STEAM GENERATING PLANTS	0.00	0.45	39.58	0.00	0.00	40.03
7	PRIME MOVER (OTHER THAN ELECTRICAL GENERATORS)	14.89	1.58	0.24	1.49	0.38	18.57
8	ELECTRICAL EQUIPMENTS	9.00	5.94	7.32	13.98	8.48	44.72
9	COMPUTER SOFTWARE & HARDWARE	169.31	371.92	466.20	468.07	1,514.49	2,989.99
10	ELECTRONICS	2.60	1.41	4.04	5.56	5.25	18.86
11	TELECOMMUNICATIONS	27.00	35.95	3.24	12.40	15.20	93.79
12	INFORMATION & BROADCASTING (INCLUDING PRINT MEDIA)	21.00	4.72	2.66	266.23	4.04	298.65
13	AUTOMOBILE INDUSTRY	782.85	313.05	52.76	201.53	56.04	1,406.24
14	AIR TRANSPORT (INCLUDING AIR FREIGHT)	8.80	2.30	1.26	7.21	0.82	20.40
15	SEA TRANSPORT	0.35	4.99	34.83	0.10	0.75	41.01
16	RAILWAY RELATED COMPONENTS	0.10	0.01	0.00	0.00	0.20	0.31
17	INDUSTRIAL MACHINERY	19.44	23.53	1.98	79.81	14.02	138.78
18	MACHINE TOOLS	0.29	0.38	2.00	8.22	1.98	12.86
19	AGRICULTURAL MACHINERY	0.00	0.01	0.01	0.06	0.00	0.08
20	EARTH-MOVING MACHINERY	0.00	0.67	0.56	0.08	0.00	1.31
21	MISCELLANEOUS MECHANICAL & ENGINEERING INDUSTRIES	1.59	10.92	10.02	4.13	3.18	29.84
							Source: DPIIT
22	COMMERCIAL, OFFICE & HOUSEHOLD EQUIPMENTS	0.00	0.07	1.31	0.00	0.02	1.40

Sl No	Sector	2014-15 Apr-Mar	2015-16 Apr-Mar	2016-17 Apr-Mar	2017-18 Apr-Mar	2018-19 Apr-Mar	Total
		FDI in US$ million	FDI in US$ million	FDI in US$ million	FDI in US$ million	FDI in US$ million	FDI in US$ million
23	MEDICAL AND SURGICAL APPLIANCES	1.91	3.57	17.33	1.12	0.46	24.40
24	INDUSTRIAL INSTRUMENTS	0.00	0.00	0.16	0.67	0.35	1.18
25	SCIENTIFIC INSTRUMENTS	0.16	2.38	3.06	0.38	0.01	5.99
26	FERTILIZERS	0.21	0.00	0.00	0.00	0.45	0.67
27	CHEMICALS (OTHER THAN FERTILIZERS)	29.26	28.63	35.68	69.43	25.19	188.19
28	DYE-STUFFS	0.00	0.00	0.00	0.00	0.17	0.17
29	DRUGS & PHARMACEUTICALS	2.90	36.77	5.41	14.20	19.67	78.95
30	TEXTILES (INCLUDING DYED,PRINTED)	7.55	14.52	64.94	43.28	14.22	144.51
31	PAPER AND PULP (INCLUDING PAPER PRODUCTS)	0.50	0.20	0.75	0.23	0.90	2.58
32	SUGAR	6.62	7.49	0.00	0.52	0.00	14.63
33	FERMENTATION INDUSTRIES	6.25	2.41	1.40	10.46	22.52	43.04
34	FOOD PROCESSING INDUSTRIES	116.11	76.03	189.83	46.14	72.68	500.77
35	VEGETABLE OILS AND VANASPATI	0.00	0.00	12.81	1.07	0.04	13.92
36	SOAPS, COSMETICS & TOILET PREPARATIONS	0.00	0.07	25.18	13.66	6.14	45.04
37	RUBBER GOODS	17.16	1.83	2.21	7.64	0.30	29.14
38	LEATHER,LEATHER GOODS AND PICKERS	0.16	0.17	0.19	0.00	0.04	0.55
39	GLUE AND GELATIN	0.01	0.74	0.06	0.03	4.90	5.73
40	GLASS	1.02	9.05	2.06	2.19	0.04	14.36
41	CERAMICS	2.09	0.19	1.01	4.68	0.00	7.96
42	CEMENT AND GYPSUM PRODUCTS	0.10	0.00	1.38	0.00	0.00	1.48
43	TIMBER PRODUCTS	2.91	8.25	8.84	1.41	1.51	22.91
44	CONSULTANCY SERVICES	25.90	48.28	18.97	26.46	46.14	165.75
45	SERVICES SECTOR (Fin.,Banking,Insurance,Non Fin/Business,Outsourcing, R&D,Courier,Tech. Testing and Analysis, Other)	309.74	347.31	895.55	382.36	748.51	2,683.46
							Source: DPIIT
46	HOSPITAL & DIAGNOSTIC CENTRES	62.27	61.60	25.28	78.62	38.83	266.60
47	EDUCATION	3.00	13.98	14.72	35.94	100.35	168.00

Sl No	Sector	2014-15 Apr-Mar	2015-16 Apr-Mar	2016-17 Apr-Mar	2017-18 Apr-Mar	2018-19 Apr-Mar	Total
		FDI in US$ million	FDI in US$ million	FDI in US$ million	FDI in US$ million	FDI in US$ million	FDI in US$ million
48	HOTEL & TOURISM	4.29	28.92	6.65	22.67	16.29	78.82
49	TRADING	59.64	160.73	89.52	101.32	132.90	544.11
50	RETAIL TRADING	2.72	0.98	0.67	1.22	8.92	14.50
51	AGRICULTURE SERVICES	1.28	3.60	3.72	2.57	1.36	12.53
52	DIAMOND,GOLD ORNAMENTS	0.38	1.07	34.08	0.00	0.24	35.77
53	TEA AND COFFEE (PROCESSING & WAREHOUSING COFFEE & RUBBER)	0.00	0.00	0.04	0.03	1.09	1.16
54	PRINTING OF BOOKS (INCLUDING LITHO PRINTING INDUSTRY)	6.16	20.00	6.03	8.76	49.50	90.44
55	CONSTRUCTION (INFRASTRUCTURE) ACTIVITIES	20.89	2,275.03	203.95	63.43	55.19	2,618.50
56	CONSTRUCTION DEVELOPMENT: Townships, housing, built-up infrastructure and construction-development projects	5.46	2.00	1.78	1.25	1.33	11.82
57	MISCELLANEOUS INDUSTRIES	22.55	53.47	14.70	43.03	77.22	210.97
	Grand Total	**1,823.60**	**4,192.29**	**2,379.31**	**2,094.79**	**3,138.54**	**13,628.53**
							Source: DPIIT

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