

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

RAJYA SABHA
UNSTARRED QUESTION NO. 364 (H)
TO BE ANSWERED ON 04th FEBRUARY, 2022

TRADE DEFICIT WITH CHINA

364(H).SMT. JHARNA DAS BAIDYA:

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

- (a) the details of the difference in trade deficit between India and China;
- (b) if this deficit is averse to India, then the steps being taken by Government to reduce the dependency of Indian industries on Chinese imports; and
- (c) the details of the policies being drafted in order to protect and promote the Indian industries under the Atma Nirbhar Bharat campaign?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SMT. ANUPRIYA PATEL)

(a): India's trade deficit with China has declined from USD 63.05 billion in 2017-18 to USD 44.02 billion in FY 2020-21. The details are as below:-

(Values in USD billion)

YEAR	2017-18	2018-19	2019-20	2020-21
Import	76.38	70.32	65.26	65.21
Export	13.33	16.75	16.61	21.19
Trade deficit	63.05	53.57	48.65	44.02

(Source: DGCIS)

(b)& (c): The major items of import from China are products such as telecom instruments, computer hardware and peripherals, fertilizers, electronic components/ instruments, project goods,

organic chemicals, drug intermediates, consumer electronics, electrical machinery etc. Some of our imports from China like the Active Pharmaceutical Ingredients (APIs) and drug formulations provide the Indian pharma industry with raw material for producing finished goods which are also exported out of India. The major items of exports to China are Engineering goods, electronic goods, marine products, spices, organic and inorganic chemicals, petroleum products, etc.

The Government of India has made sustained efforts to achieve a more balanced trade with China, including bilateral engagements to address the non-tariff barriers on Indian exports to China. The Government has also taken measures in form of trade remedies (Anti-dumping, countervailing duty etc.) against unfair trade practices and formulated technical regulations and issued quality control orders to check substandard imports. Efforts have also been made to source critical supplies from alternate sources and sensitize the concerned ministries/departments to ramp up domestic capacities.

The Government has also launched schemes such as Production Linked Incentive Schemes (PLIs) to promote domestic manufacturing capacities in critical sectors such as Key Starting Materials(KSMs)/Drug Intermediates(DIs), Active Pharmaceutical Ingredients(APIs), domestic manufacturing of Medical devices, and for Pharmaceuticals apart from electronic components & mobiles, white goods (ACs and LEDs), Specialty Steel, Food Processing industry, High efficiency Solar PV modules, Drones and Drone Components etc. These schemes will promote domestic manufacturing capacities and attract investment and reduce dependency on imports from China.
