

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

**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 2597**  
**TO BE ANSWERED ON 25<sup>th</sup> MARCH, 2022**

**TRADE DEFICIT OF INDIA**

2597. SHRI VIVEK K. TANKHA:

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

- (a) whether it is a fact that trade deficit of India is constantly growing;
- (b) the percentage of increase of India's trade deficit during the last three years;
- (c) the percentage of trade deficit with China during the last three years; and
- (d) the steps taken to balance the trade deficit in the last three years?

**ANSWER**

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

(a)& (b): India's overall (merchandise plus services) trade deficit alongwith percentage change for last three years are as follows:

| Years   | Trade Deficit (in USD Billion) | % Change |
|---------|--------------------------------|----------|
| 2018-19 | 102.06                         | ----     |
| 2019-20 | 76.43                          | -25.12   |
| 2020-21 | 14.06                          | -81.60   |

Source: RBI and DGCI&S

The data in the above table shows that India's trade deficit decreased by 25.12 percent in 2019-20 over 2018-19 and 81.60 percent in 2020-21 over 2019-20.

(c): India's merchandise trade deficit with China alongwith percentage change for last three years are as follows:

| Years   | India's Trade Deficit with China (in USD Billion) | % Change |
|---------|---------------------------------------------------|----------|
| 2018-19 | 53.57                                             | ---      |
| 2019-20 | 48.65                                             | -9.19    |
| 2020-21 | 44.02                                             | -9.50    |

Source: DGCI&S

The data reflects that India's trade deficit with China has a declining trend.

(d): In order to boost India's exports and bring down trade deficit, Government has taken following steps:

- (i) The mid-term review (2017) of the Foreign Trade Policy (2015-20) was carried out and corrective measures were undertaken.
- (ii) Foreign Trade Policy (2015-20) extended by one year i.e. upto 31-3-2022 due to the COVID-19 pandemic situation.
- (iii) Assistance provided through several schemes to promote exports, namely, Trade Infrastructure for Export Scheme (TIES) and Market Access Initiatives (MAI) Scheme.
- (iv) A Central Sector Scheme, 'Transport and Marketing Assistance for Specified Agriculture Products' was launched for providing assistance for the international component of freight to mitigate the freight disadvantage for the export of agriculture products.
- (v) Remission of Duties and Taxes on Exported Products (RoDTEP) scheme and Rebate of State and Central Levies and Taxes (RoSCTL) Scheme have been implemented with effect from 01.01.2021.
- (vi) Common Digital Platform for Certificate of Origin has been launched to facilitate trade and increase Free Trade Agreement (FTA) utilization by exporters.
- (vii) 12 Champion Services Sectors have been identified for promoting and diversifying services exports by pursuing specific action plans.
- (viii) Districts as Export Hubs has been launched by identifying products with export potential in each district, addressing bottlenecks for exporting these products and supporting local exporters/manufacturers to generate employment in the district.
- (ix) Active role of Indian missions abroad towards promoting India's trade, tourism, technology and investment goals has been enhanced.
- (x) Package announced in light of the COVID pandemic to support domestic industry through various banking and financial sector relief measures, especially for MSMEs, which constitute a major share in exports.

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