

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

RAJYA SABHA
UNSTARRED QUESTION NO. 1983
TO BE ANSWERED ON 17th MARCH, 2023

WIDENING TRADE DEFICIT WITH CHINA

1983 SHRI R. GIRIRAJAN:

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

- (a) whether it is a fact that India's trade deficit widened as exports fell and imports rose during the last five years, if so, the details thereof;
- (b) whether the trade deficit with China is high, that China gets five times higher than what India gets and if so, the current trend;
- (c) whether Government has taken proactive measures to reduce the over dependence on China for the country's imports and if so, the details thereof; and
- (d) India's trade deficit (INR value) with China in the last five years, year-wise?

ANSWER

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

(a): India's exports exhibited an increase from USD 303.52 billion in 2017-18 to USD 422.00 billion in 2021-22. India's imports increased from USD 465.58 billion in 2017-18 to USD 613.05 billion in 2021-22.

(b): The trade deficit with China exhibited a decline from 2017-18 to 2020-21 i.e. from USD 63.05 billion in 2017-18 to USD 44.02 billion in 2020-21. The trade deficit has exhibited an increase in 2021-22. In last 5 years, the exports to China have increased from USD 13.33 billion in 2017-18 to USD 21.26 billion in 2021-22, showing an increase of 59% whereas imports have risen from USD 76.38 billion to USD 94.57 billion over the same period, showing an increase of 24%.

The trade deficit with China in 2004-05 was USD 1.48 billion, which increased to USD 36.21 billion in 2013-14, an increase of 2346%. Against this increase the trade deficit with China has increased by 102% to USD 73.31 billion in 2021-22 from USD 36.21 billion in 2013-14.

(c): The Government in consultations with stakeholders makes sustained efforts to bridge the trade deficit with emphasis on increasing the exports by diversifying the trade basket, resolution of market access issues and non-tariff barriers. Most of the goods imported from China are capital goods, intermediate goods and raw materials which are used for meeting the demand of fast expanding sectors like electronics, telecom and power in India. Some of the raw materials like

Active Pharmaceutical Ingredients, auto components, mobile phone parts, etc, are also used for making finished products which are also exported out of India.

To boost domestic manufacturing and reduce dependency on imports, the Government has launched Production Linked Incentive Schemes in 14 strategic sectors with the aim to make Indian manufacturers globally competitive, attract investment in the areas of core competency/cutting-edge technology, enhance exports and integrate India in the global supply chain. The Government has also taken other steps such as Make in India, Start Up India, Promoting Ease of doing Business, PM Gati Shakti National Master Plan, etc., to support and expand domestic capacities.

To check import of sub-standard products and maintenance of standards/quality, the Government has framed Technical Regulations for several products. Further, the Directorate General of Trade Remedies (DGTR) is empowered to recommend imposition of anti-dumping duty, countervailing duty or quantitative restrictions (QRs) if Indian industry is 'seriously injured' or 'threatened with injury' on account of surge in imports or unfair trade practices. Currently, 54 anti-dumping measures and 4 countervailing duty measures are in force on Chinese products on account of unfair trade practices.

(d): The details on India's trade deficit in INR with China in the last five years, year-wise is tabulated as under: -

Value in Rs in Crore	
YEAR	TRADE DEFICIT
2017-18	4,06,236.17
2018-19	3,74,786.12
2019-20	3,43,840.38
2020-21	3,25,282.57
2021-22	5,46,873.07

Source: DGCIS
