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

RAJYA SABHA
UNSTARRED QUESTION NO. 1985
TO BE ANSWERED ON 17th MARCH, 2023

INDIA'S TRADE DEFICIT WITH CHINA

1985 SHRI PARIMAL NATHWANI:

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

(a) whether India's trade deficit with China has shot up to a huge US$ 100 billion in 2022 –while China's imports into India have risen further and India's exports to China have dropped considerably;

(b) whether Government has any plan to cut down imports from China and increase India's exports to China; and

(c) if so, the details thereof, if not, the reasons therefor, whether Government is not wanting to reduce the huge trade balance with China?

ANSWER

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

(a): India's trade deficit with China during 2021-22 was USD 73.31 billion. 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.

(b) & (c): The Government makes sustained efforts to reduce the trade deficit by diversifying the trade basket, resolution of market access issues and non-tariff barriers. Indian exporters are encouraged to participate in major trade fairs and buyer seller meets to showcase and market their products.

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. The surge in imports are monitored on a regular basis and brought to notice of concerned Ministries/Departments for corrective actions and enhancing domestic capacities.

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 (TRs) 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.

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