

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

LOK SABHA
UNSTARRED QUESTION NO. 1085
TO BE ANSWERED ON 08th FEBRUARY, 2023

TRADE DEFICIT WITH NEIGHBOURING COUNTRIES

1085. SHRI SUSHIL KUMAR SINGH:

Will the Minister of **COMMERCE & INDUSTRY** (वाणिज्य एवं उद्योग मंत्री) be pleased to state:

- (a) the steps being taken by the Government to discourage unnecessary imports from some of the countries with which India shares its borders;
- (b) the steps being taken to reduce the trade deficit with India's neighbouring countries;
- (c) the reasons for the rising trade deficit with neighbouring countries, including the details (HS code-wise) of goods which have seen a significant rise in imports from countries like China; and
- (d) the steps being taken by the Government to encourage firms to procure raw materials from diversified sources?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्रीमती अनुप्रिया पटेल)

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

(a) and (b): The Government has been constantly monitoring imports and the Department of Commerce has been sending out import data to all concerned line Ministries, stakeholders and Export Promotion Councils and hosted review meetings of imports with stakeholders at various levels. Accordingly, Government has taken several steps including creating/enhancing of domestic capacity, incentivizing domestic manufacturing through Production Linked Incentive (PLI) schemes, phased manufacturing plans, timely use of trade remedy options, adoption of mandatory technical standards, enforcement of FTA Rules of Origin (RoO) and development of import monitoring system. For a number of products compliances to Indian Standards is made compulsory by the Central Government under various considerations. For such products, the Central Government directs mandatory use of Standard Mark under a License or Certificate of Conformity (CoC) from BIS through issuance of QCOs. At the same time, several schemes and policies have also been taken to boost exports so as to narrow down the trade deficit.

(c): As a natural consequence of a high growth economy, high domestic demand has been a major spur for imports in India. International community sees India as a "bright spot" for international trade in the global economy. As per IMF's World Economic Outlook estimates, India's continue to be the highest growing major economies and India's GDP growth is estimated to be 6.8% in 2022 and is projected to grow at 6.1% in 2023. Details of top 10 commodities at HS 2 level imported from China and Myanmar during April-November 2022 is as below:

Top 10 Commodities (HS 2) imported from China with positive growth during April-November 2022

S.No .	HS Code	Commodity	Values in USD Million
			Apr- Nov 2022 (P)
1	85	ELECTRICAL MACHINERY AND EQUIPMENT AND PARTS THEREOF; SOUND RECORDERS AND REPRODUCERS, TELEVISION IMAGE AND SOUND RECORDERS AND REPRODUCERS, AND PARTS.	18888.2
2	84	NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS THEREOF.	14411.59
3	29	ORGANIC CHEMICALS	9380.79
4	39	PLASTIC AND ARTICLES THEREOF.	3891
5	72	IRON AND STEEL	1347.54
6	73	ARTICLES OF IRON OR STEEL	1287.25
7	38	MISCELLANEOUS CHEMICAL PRODUCTS.	1272.8
8	87	VEHICLES OTHER THAN RAILWAY OR TRAMWAY ROLLING STOCK, AND PARTS AND ACCESSORIES THEREOF.	1184.54
9	76	ALUMINIUM AND ARTICLES THEREOF.	939.99
10	28	INORGANIC CHEMICALS; ORGANIC OR INORGANIC COMPOUNDS OF PRECIOUS METALS, OF RARE-EARTH METALS, OR RAD. ELEM. OR OF ISOTOPES.	862.65

Source: DGCI&S, p stands for provisional

Top 10 Commodities (HS 2) imported from Myanmar with positive growth during April-November 2022

Values in USD Million

S.N o.	HS Code	Commodity	Apr-Nov 2022 (P)
1	8	EDIBLE FRUIT AND NUTS; PEEL OR CITRUS FRUIT OR MELONS.	99.58
2	44	WOOD AND ARTICLES OF WOOD; WOOD CHARCOAL.	36.14
3	40	RUBBER AND ARTICLES THEREOF.	15.42
4	3	FISH AND CRUSTACEANS, MOLLUSCS AND OTHER AQUATIC INVERTEBRATES.	12.88
5	79	ZINC AND ARTICLES THEREOF.	12.69
6	78	LEAD AND ARTICLES THEREOF.	10.11
7	61	ARTICLES OF APPAREL AND CLOTHING ACCESSORIES, KNITTED OR CROCHETED.	6.01
8	9	COFFEE, TEA, MATE AND SPICES.	4.96
9	62	ARTICLES OF APPAREL AND CLOTHING ACCESSORIES, NOT KNITTED OR CROCHETED.	4.36
10	72	IRON AND STEEL	2.88

Source: DGCIS, p stands for provisional

(d): The Government has been closely monitoring international trade basket including raw materials import and efforts have also been made for flagging the imports of raw material to Export Promotion Councils, Industry Associations and line Ministries including suggestions for diversification to alternative sources of imports and sourcing domestically for items based on existing domestic production capacity.
