

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

LOK SABHA  
UNSTARRED QUESTION NO. 2362  
TO BE ANSWERED ON 15<sup>th</sup> MARCH, 2023

IMPORTS FROM CHINA

2362. SHRI K. NAVASKANI:

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

- (a) whether the Government concurs with the view that if India curbs imports from China by increasing the import duty, it will reduce trade deficit and burden on forex;
- (b) if so, the details of the initiatives that are proposed to be taken by the Government in this regard; and
- (c) if not, the reasons therefor?

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):** India and China are both members of World Trade Organisation (WTO) and import from any WTO member can be restricted only if these do not conform to domestic laws, rules, orders, regulations, technical specifications, environment and safety norms or on grounds of general exceptions provided in Article XX of General Agreement on Tariffs and Trade (*GATT*).

**(b)&(c):** Import duties are imposed on the principle of Most Favoured Nation (MFN) status and these can be increased or decreased keeping in view the public interest and the concerns of the domestic industry. The import duty for a particular product cannot be increased for a particular WTO member without increasing it across the board for all WTO members unless there is derogation from MFN principle.

Most of the goods imported from China are capital goods, intermediate goods and raw materials like Active Pharmaceutical Ingredients, auto components, mobile phone parts, etc. which are also used for

making finished products which are also exported out of India. Customs duty rates are calibrated considering various factors such as demand supply gap, to provide level playing field to domestic industry, to encourage domestic manufacturing, availability of raw material/intermediates. An extensive review is carried out before increasing or decreasing the custom duty and the Government takes appropriate action by way of tariff and non-tariff measures to regulate import of goods to protect human, animal and plant health and uphold national interests.

The Government constantly monitors imports and sensitizes the stakeholders to reduce import dependence, including creating/enhancing the domestic capacity, use of trade remedy measures to check sudden surge in imports, adoption of mandatory technical standards to check substandard imports, etc. At the same time, Government on regular basis takes up the issues of pending market access and non-tariff barriers with the concerned authorities in China to boost exports so as to narrow down the trade deficit.

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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