

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

LOK SABHA
UNSTARRED QUESTION NO. 4948
ANSWERED ON 01/04/2025

TRADE DEFICIT WITH USA AND CHINA

4948. THIRU D M KATHIR ANAND:

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

- (a) whether it is a fact that India's trade deficit with USA and China has widened as exports fell and imports rose during the last five years, if so, the details thereof;
- (b) whether the Government has taken appropriate measures to balance India's trade deficit with China and USA;
- (c) whether the Government has plans to sign Free Trade Agreement (FTA) with other countries like USA, UK, Israel and Germany to reduce the over dependence on China for our country's imports and if so, the details thereof; and
- (d) the proactive steps taken by the Government to reduce the trade deficit with China and other countries?

ANSWER

वाणिज्य और उद्योग मंत्रालय में राज्य मंत्री (श्री जितिन प्रसाद)

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SHRI JITIN PRASADA)

- (a) India's Goods Trade Balance with USA and China (Values in USD Million) during the last five years is as under :-

INDIA's TRADE BALANCE	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
With USA (Surplus)	17,268.90	22,735.05	32,852.94	27,678.73	35,319.54
With China (Deficit)	-48,647.99	-44,025.10	-73,310.78	-83,199.66	-85,076.85

Source: DGCIS

(b) & (d) So far as USA is concerned, India has maintained surplus in the merchandise trade. However, to address the overall trade deficit particularly with China, to enhance domestic supply, reduce dependency on imports and promote self-reliance, Government of India has taken several initiatives. Under 'Make in India' initiative, the Government has launched Production Linked Incentives (PLI) Schemes in 14 critical sectors like electronics, pharmaceuticals, white goods, telecom and Networking products, High efficiency Solar PV modules, etc., where there is substantial dependency on imports, to boost domestic manufacturing. The Government has introduced stricter quality standards and measures for quality controls, testing protocols, and mandatory certification to check substandard & poor-quality products including imported products in the market and protect consumers' interest. The Government also encourages Indian business establishments to explore alternative suppliers and to diversify their supply chains to reduce dependency on single sources of supply. The Government monitors the surge in imports on a regular basis and takes appropriate action. Further, the Directorate General of Trade Remedies (DGTR) is empowered to recommend trade remedial actions against unfair trade practices. DGTR has initiated 129 trade remedy cases against China from April 2021 to December 2024.

(c) At present, India is engaged in negotiations with both the European Union (EU) and the United Kingdom (UK) to conclude India-EU and India- UK FTAs, respectively. These negotiations aim to achieve fair, equitable, mutually beneficial, and commercially meaningful agreements. With regard to the European Union, of which Germany is a member, ten rounds of negotiations have been held as of March 2025 since the talks resumed in June 2022. Negotiations for the India-UK FTA, which were initially launched on 13 January 2022, were paused in May 2022 during the 14th round due to elections in both India and the UK. Subsequently, the two Prime Ministers met on the sidelines of the G-20 Summit in Rio de Janeiro in November 2024 and agreed to resume the talks. The Secretary of State for the Department for Business and Trade of the United Kingdom, the Rt Hon Jonathan Reynolds, visited New Delhi during 24–25 February 2025, and jointly with the Minister for Commerce and Industry, Shri Piyush Goyal, announced the formal resumption of the negotiations on 24 February 2025. As of now, Free Trade Agreement (FTA) with Israel is not under consideration. Further, with regards to USA, it has been recently agreed to by both sides to enter into negotiations for finalising a multi-sector mutually beneficially Bilateral Trade Agreement (BTA). The discussions on the same has been initiated between India and the USA.
