

WRITTEN ANSWERS TO UNSTARRED QUESTIONS**Trade deficit with China**

311. SHRI BAISHNAB PARIDA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether it is a fact that India's trade with China has fallen by around 12 per cent while exports of China have gone up;
- (b) if so, the details thereof and the reasons therefor;
- (c) which are the other countries of the world that are similarly placed where India has been losing in trade and commerce;
- (d) what is the action plan to bridge this gap;
- (e) whether it is proposed to grant certain incentives to Indian traders to help boost their trade with other countries; and
- (f) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRIMATI D. PURANDESWARI): (a) and (b) Yes, Sir. After witnessing positive growth of 38.93% in 2010-11 and 28.21% in 2011-12, India's bilateral trade with China in first nine months of 2012-13 (April-December) have seen a decline of 11.60% when compared to the same period in 2011-12. India's exports to China, during this period, declined by 25.10% while imports from China recorded a decline of 7.7% when compared to April-December, 2011-12. Since our imports have been more than the exports to China, it has adversely impacted the trade deficit with China. Details of bilateral trade in goods and trade deficit with China during last three years is detailed below:

Table-1: Trade Deficit Statistics between India and China

(Value in USD Million)				
Year	Import	Export	Total Trade	Trade Deficit
2009-10	30,824.02	11,617.88	42,441.90	19,206.14
2010-11	43,479.76	15,482.70	' 58,962.46	27,997.06
2011-12	57,517.88	18,076.55	75,594.44	39,441.33
2012-13 (April-Dec) (P)*	41,381.07	9,721.54	51,102.61	31,659.53

(P) *Provisional (Source: DGCI&S).

The decline in exports can be attributed to decrease in the exports of iron ores, cotton raw including waste, plastics and linoleum products, petroleum (crude and products), electronic goods, drugs and pharmaceutical products, transport equipments, gems and jewellery, chemicals and allied products etc. The decline in imports from China can be attributed to decrease in the imports of machinery except electrical and electronics, project goods, iron and steel, transport equipment, gold, petroleum, crude and products, non-ferrous metals, inorganic chemicals, chemical material and products, machine tools etc. The decline in bilateral trade can be attributed to overall negative global sentiment because of economic recession and low demand all over the world. Ban of exports of iron-ore from Karnataka and Goa has also contributed to decline in India's exports to China.

(c) The list of total 110 countries is given in the Statement (*See below*) which are similarly placed where India has been losing in trade and commerce in respect of total trade data in April-December, 2012-13 when compared to the same period in 2011-12.

(d) The Government of India has formulated a strategy paper for diversifying the product basket as well as the traditional markets for exports from India. The strategy focuses on moving up the value chain in respect of traditional Indian exports of Engineering, Textiles, Gems and Jewellery with special focus on non-traditional sectors like leather, electronics and chemicals where there is a lot of potential for export from India. Focus Market Scheme is designed for diversifying India's exports to different markets. A variant of this is the Market Linked Focus Product Scheme. Export to such markets is given benefit in the form of Duty Credit Scrip.

(e) and (f) The Government reviews performance of export sectors at regular intervals and takes remedial measures for providing incentives whenever needed to boost export. Incentives are provided in the form of duty credit scrip under the Foreign Trade Policy schemes such as Focus Product Scheme, Focus Market Scheme and Vishesh Krishi and Gram Udyog Yojana. The measures announced in the annual supplement to Foreign Trade Policy in 5th June, 2012.

- (i) 7 new markets have been added to focus Market Scheme (FMS). These countries are Algeria, Aruba, Austria, Cambodia, Myanmar, Netherland Antilles, and Ukraine.
- (ii) 7 new markets have been added to the Special Focus Market Scheme (Special FMS). These countries are Belize, Chile, El Salvador, Guatemala, Honduras, Morocco, and Uruguay.

- (iii) 46 new items have been added to Market Linked Focus Product Scheme (MLFPS). This has the effect of including 12 new markets for the first time.
- (iv) MLFPS has been extended till 31st March, 2013 for export to USA and EU in respect of items falling in Chapter 61 and Chapter 62.
- (v) 100 new items have been added to the Focus Product Scheme (FPS) list.
- (vi) 3 new towns have been declared as Towns of Export Excellence (TEE). These are Ahmedabad (Textiles), Kolhapur (Textiles), and Saharanpur (Handicrafts).
- (vii) Export of specified products through notified Land customs Stations of North Eastern Region has been provided additional incentive to the extent of 1% of FOB value of exports. This benefit is in addition to any other benefit that may be available under Foreign Trade policy in respect of these exports.

Incentives under chapter 3 of FTP in Dec, 2012 to be made effective from 1.1.2013.

- (i) 5 new markets have been added to Focus Market Scheme (FMS). These countries are Cayman Islands New Zealand, Latvia, Lithuania and Bulgaria.
- (ii) One new market *i.e.* Eritrea have been added to the Special Focus Scheme (Special FMS)
- (iii) 62 new items have been added to Market Linked Focus Product Scheme (MLFPS)
- (iv) 102 new items have been added to the Focus Product Scheme (FPS) list.
- (v) Simplification of Procedures: Telegraphic Release Advice (TRA).
- (vi) 2% Interest Subvention Scheme was earlier available only to Handloom, Handicrafts, SMEs and Carpets. In June, 2012, it had been extended to labour intensive sectors, namely, toys, sports goods, process agricultural products and readymade garments, in addition to the four sectors benefiting from the scheme earlier.
- (vii) Further, the scheme has been widened to include 134 sub-sectors of Engineering Sector *w.e.f.* 1st January, 2013. The validity of the scheme has been extended till March 31, 2014.

*Statement**India trade with Countries having negative growth in respect of total trade (Value in Million USD)*

Country	2011-12 (Apr.-Dec)			2012-13 (Apr.-Dec)			Growth %
	Export	Import	Total Trade	Export	Import	Total Trade	
1	2	3	4	5	6	7	8
China P RP	12979.39	44812.20	57791.59	9716.95	41203.04	50919.99	-11.89
Switzerland	783.61	23667.87	24451.48	862.11	20064.28	20926.39	-14.42
Singapore	12700.59	6564.39	19264.97	10530.78	5732.11	16262.89	-15.58
Germany	5976.25	12217.04	18193.29	5189.76	10881.35	16071.11	-11.66
Indonesia	4441.26	11325.52	15766.78	3830.53	10645.85	14476.38	-8.18
Hong Kong	9350.85	8701.40	18052.25	8563.61	5680.89	14244.49	-21.09
Nigeria	1967.83	10842.65	12810.49	2082.22	10141.82	12224.04	-4.58
Belgium	5334.07	7736.39	13070.46	3761.69	7539.04	11300.74	-13.54
U K	6530.25	6010.66	12540.90	6192.80	5036.58	11229.38	-10.46
Australia	1647.13	11094.09	12741.21	1857.88	8971.67	10829.55	-15.00
South Africa	3479.46	7640.14	11119.59	3710.78	5707.60	9418.38	-15.30
Italy	3706.24	4172.48	7878.73	3129.95	3909.64	7039.60	-10.65

1	2	3	4	5	6	7	8	74
Taiwan	2596.54	4128.87	6725.41	2188.10	3292.14	5480.23	-18.51	Written Answers to [RAJYA SABHA]
Israel	2906.59	1893.09	4799.68	2676.40	1718.66	4395.06	-8.43	
Spain	2170.87	1398.03	3568.90	2076.35	1361.71	3438.05	-3.67	
Canada	1474.30	2262.84	3737.13	1462.61	1930.64	3393.25	-9.20	
Sri Lanka DSR	3244.24	587.14	3831.38	2737.07	528.53	3265.61	-14.77	
Oman	798.26	2939.49	3737.75	1897.61	1356.19	3253.80	-12.95	
Sweden	609.96	1530.92	2140.88	487.48	1355.97	1843.46	-13.89	
Jordan	562.59	1091.31	1653.91	755.23	710.76	1465.99	-11.36	
Morocco	270.89	1319.18	1590.07	310.79	1108.39	1419.17	-10.75	
Algeria	625.01	1616.00	2241.01	803.22	490.72	1293.94	-42.26	
Finland	225.26	1494.79	1720.06	224.16	816.84	1041.00	-39.48	Unstarred Questions
Mauritius	1020.56	30.87	1051.42	983.78	23.44	1007.22	-4.20	
Austria	255.44	820.86	1076.29	232.11	753.45	985.56	-8.43	
Norway	267.69	709.19	976.88	173.93	780.69	954.62	-2.28	
Denmark	559.91	478.09	1038.00	512.13	394.61	906.74	-12.65	
New Zealand	189.26	612.39	801.65	241.48	547.47	788.95	-1.58	

Ghana	594.30	358.12	952.43	545.00	233.31	778.32	-18.28
Brunei	889.42	615.14	1504.56	27.10	749.12	776.21	-48.41
Czech Republic	201.25	528.73	729.98	187.61	515.93	703.54	-3.62
Sudan	572.15	364.32	936.47	590.25	106.33	696.58	-25.62
Portugal	398.63	243.77	642.40	363.18	276.93	640.12	-0.36
Benin	530.36	265.41	795.77	308.84	234.81	543.65	-31.68
Afghanistan TIS	381.07	82.14	463.21	345.65	99.59	445.24	-3.88
Romania	207.74	310.23	517.97	203.23	238.53	441.77	-14.71
Hungary	231.21	327.61	558.83	242.31	196.92	439.23	-21.40
Togo	254.10	95.30	349.41	190.29	148.03	338.32	-3.17
Malta	823.06	31.88	854.93	271.85	29.23	301.08	-64.78
Syria	404.64	91.09	495.73	218.78	79.03	297.81	-39.92
Greece	639.46	94.97	734.43	207.49	85.50	292.99	-60.11
Panama Republic	165.10	158.04	323.14	184.56	107.04	291.60	-9.76
Bhutan	165.30	146.93	312.23	162.37	126.70	289.07	-7.42
Djibouti	347.13	1.36	348.48	265.11	3.05	268.16	-23.05
Latvia	71.59	127.37	198.96	75.61	59.09	134.70	-32.30

Written Answers to

[27 February, 2013]

Unstarred Questions

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1	2	3	4	5	6	7	8	76
Georgia	93.82	52.03	145.85	88.80	45.72	134.52	-7.77	Written Answers to [RAJYA SABHA]
Uruguay	111.86	25.15	137.01	109.13	22.93	132.06	-3.61	
Lithuania	72.99	197.15	270.14	91.25	40.72	131.97	-51.15	
Guinea Bissau	5.94	289.54	295.48	4.99	113.52	118.51	-59.89	
Uzbekistan	68.85	48.94	117.79	88.93	21.27	110.21	-6.44	
Croatia	88.80	25.10	113.90	87.83	15.73	103.56	-9.07	
Maldives	93.70	17.44	111.14	92.56	5.12	97.68	-12.11	
Puerto Rico	75.39	23.58	98.97	78.53	17.65	96.18	-2.82	
Burkina Faso	62.77	18.15	80.92	57.30	12.95	70.25	-13.19	
Mali	65.06	4.29	69.35	46.05	23.23	69.28	0.10	
Gambia	47.28	39.10	86.38	40.16	25.77	65.93	23.67	Unstarred Questions
Trinidad	58.45	203.68	262.13	58.66	3.53	62.19	-76.28	
Netherland Antil	31.60	49.97	81.57	47.32	11.46	58.78	-27.94	
Reunion	36.30	22.42	58.72	36.34	20.29	56.64	-3.55	
Cyprus	38.90	22.69	61.60	40.49	15.45	55.94	-9.18	
Papua N Gna	27.66	118.48	146.14	22.48	30.82	53.30	-63.53	

Luxembourg	6.83	48.41	55.24	6.19	44.07	50.26	-9.01
Namibia	48.83	8.57	57.40	41.33	6.57	47.91	-16.54
Albania	9.16	92.54	101.70	13.31	30.01	43.32	-57.40
Mauritania	35.15	2.05	37.20	29.10	5.51	34.61	-6.95
Mongolia	14.77	21.52	36.29	21.97	12.15	34.13	-5.96
Armenia	25.99	5.45	31.44	29.96	1.16	31.12	-1.01
Cuba	28.39	3.21	31.60	26.76	2.95	29.71	-5.97
New Caledonia	37.33	7.17	44.50	10.18	18.35	28.53	-35.88
Seychelles	25.78	1.73	27.51	22.07	1.67	23.74	-13.70
Iceland	27.23	4.07	31.30	19.45	1.74	21.19	-32.29
Chad	30.66	0.15	30.81	15.63	5.47	21.10	-31.51
Guyana	17.39	7.65	25.04	16.94	4.03	20.97	-16.26
Belize	19.46	0.09	19.55	17.85	0.17	18.02	-7.82
Lesotho	16.15	2.18	18.34	12.96	2.84	15.80	-13.81
Solomon Is	0.75	14.70	15.45	0.83	12.57	13.40	-13.29
Guadeloupe	5.40	1.21	6.61	5.19	0.32	5.51	-16.68
Barbados	5.64	0.77	6.41	5.40	0.08	5.48	-14.48

Written Answers to

[27 February, 2013]

Unstarred Questions

1	2	3	4	5	6	7	8	78
Martinique	4.70	0.00	4.70	4.25	0.04	4.29	-8.76	Written Answers to [RAJYA SABHA]
Monaco	0.28	2.45	2.73	0.68	1.68	2.35	-13.90	
Aruba	2.27	0.03	2.31	2.13	0.12	2.25	-2.36	
Dominica	2.00	0.22	2.21	1.52	0.39	1.91	-13.97	
East Timor	4.22	22.08	26.30	1.55	0.10	1.65	-93.74	
Macao	1.26	0.42	1.68	0.84	0.63	1.46	-12.76	
Fr Guiana	1.45	106.46	107.90	0.83	0.53	1.37	-98.73	
Fr Polynesia	11.49	0.02	11.51	1.35	0.01	1.36	-88.21	
Samoa	1.70	0.06	1.76	0.91	0.31	1.22	-30.24	
Falkland Is	0.58	2.35	2.93	0.00	1.10	1.10	-62.34	
St Lucia	0.86	0.26	1.13	0.77	0.31	1.08	-4.74	Unstarred Questions
Br Virgn Is	0.91	0.33	1.24	0.40	0.53	0.93	-25.17	
Guam	1.27	0.01	1.28	0.70	0.00	0.70	-45.57	
Grenada	0.75	0.00	0.75	0.66	0.00	0.66	-12.19	
Ameri Samoa	2.03	1.25	3.28	0.14	0.46	0.60	-81.55	
St Kitt N A	0.57	0.09	0.67	0.54	0.00	0.54	-19.65	

Panama C Z	0.29	58.60	58.89	0.38	0.00	0.38	-99.36
Cayman Is	0.92	0.00	0.92	0.27	0.00	0.27	-70.23
St Vincent	0.24	0.00	0.24	0.23	0.00	0.23	-4.83
Gibraltar	221.64	0.06	221.70	0.22	0.00	0.22	-99.90
Antartica	0.06	0.85	0.91	0.17	0.00	0.17	-81.33
Micronesia	0.20		0.20	0.17	0.00	0.17	-14.58
Andorra	0.24	0.03	0.27	0.09	0.02	0.11	-59.44
Cocos Is	0.74	0.03	0.77	0.05	0.00	0.05	-93.55
Montserrat	0.28	0.00	0.28	0.04	0.00	0.04	-86.33
Cook Is	0.06	0.03	0.10	0.03	0.00	0.03	-67.41
Anguilla	0.12	0.14	0.26	0.03	0.00	0.03	-88.03
Pitcairn Is.	0.06		0.06	0.01	0.00	0.01	-86.92
Pacific Is	35.02	0.01	35.03	0.01	0.00	0.01	-99.98
Saharwi A. DM RP	0.16		0.16	0.00	0.00	0.00	-97.60
Neutral Zone		0.16	0.16	0.00	0.00	0.00	-100.00
Wallis F Is	0.10	0.00	0.10	0.00	0.00	0.00	-100.00

Source : DGCI & S.

Written Answers to

[27 February, 2013]

Unstarred Questions