

economical relation with China as India has emerged number one trading partner replacing Japan in the North-Eastern Region;

(b) if so, whether China's decision to give India approved destination status for tourism purpose would help in availing information gap existing between the two countries;

(c) if so, to what extent both India and China have agreed to improve their trade relations; and

(d) the agreements reached between the two countries?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGO VAN): (a) It is the constant endeavour of the Government to build a long term and sustainable economic relation with China.

(b) Yes, Sir.

(c) and (d) In pursuance of the 'Declaration of Principles for Relations and Comprehensive Cooperation between the Republic of India and the People's Republic of China', signed during the visit of Prime Minister to Beijing in June, 2003, a Joint Study Group comprising officials and economists has been set up to examine the potential complementarities between the two countries in expanding trade and economic cooperation. The Terms of Reference of the Joint Study Group, *inter alia* include examining the feasibility of moving towards a Comprehensive Economic Cooperation Agreement and, if such an arrangement is found feasible to make recommendations regarding its scope, structure and implementation. The Joint Study Group is led by Dr. Rakesh Mohan from the Indian side. The Joint Study Group has had three meetings to work out the final report. During the visit of PM to Beijing in June, 2003, an MoU was also signed between the two Governments on expanding border trade. Bilateral agreements were signed between the two countries to provide the structural and institutional framework for expanding and diversifying the bilateral trade.

Raw material exports

1018. SHRI GIREESH KUMAR SANGHI: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) the details of the exports of raw materials like iron-ore, cotton, tobacco and minerals like bauxite during the three years;
- (b) whether there is any proposal to scale down exports of raw materials and in their place export more finished or processed products;
- (c) if so, the details thereof; and
- (d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGO VAN): (a) As per the Directorate General of Commercial Intelligence and Statistics (DGCI&S), Kolkata, the exports of iron-ore, cotton, tobacco and bauxite during the last three years are as under:

(Values in US \$ Million)

Commodities	2001-02	2002-03	2003-04
Iron-ore	426.39	867.94	1117.19
Cotton raw including waste	8.95	10.39	176.59
Tobacco unmanufactured	122.04	151.57	174.42
Bauxite (natural) not calcined	13.68	31.04	35.86

(b) to (d) While facilitating development of India as a global hub for manufacturing activities there is no proposal to restrict raw material exports while promoting export of finished and processed products.

Subsidy based export policy

1019. SHRI RAMAMUNI REDDY SIRIGIREDDY: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether it is a fact that Government have formulated a new private sector subsidy based export policy to ensure that India does not suffer from excessive outflow of wheat and rice;
- (b) if so, the salient features thereof; and
- (c) what is the difference between the open door export policy and subsidy-based export policy?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGO VAN): (a) to (c) A new foodgrain export