

**GOVERNMENT OF INDIA  
MINISTRY OF COMMERCE & INDUSTRY  
DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE  
RAJYA SABHA**

**UNSTARRED QUESTION NO. 543.  
TO BE ANSWERED ON FRIDAY, THE 23<sup>RD</sup> JULY, 2021.**

**EXPORT OF FINISHED AND INTERMEDIATE GOODS**

**543. SHRI PRABHAKAR REDDY VEMIREDDY:**

Will the Minister of **Commerce and Industry** be pleased to state:

- (a) the details of 24 sectors identified to make India self-reliant;
- (b) the reasons for most of country's exports, particularly to China, being in the form of raw material while imports are in the form of finished and intermediate goods;
- (c) the reasons the country cannot itself export finished and intermediate goods to strengthen its exports and reduce imports to maintain trade balance with China;
- (d) how Ministry looks at huge imports from Hong Kong in 2020 which drastically improved its position from 19th position (in 2018) to 6th; and
- (e) whether it means that China is exporting its products through Hong Kong?

**ANSWER**

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY  
(SHRI SOM PARKASH)**

- (a) : 24 Sub-sectors identified are - Air Conditioners, Electronics, Textiles, Furniture, Leather and Footwear, Fisheries, Agri-Produce (Potato & Mango), Ready-to-eat, Agro-Chemicals, Auto Components, Aluminium, Steel, Set-top Boxes, EV Components and Integrated Circuits, Ethanol, Ceramics & Glass, Robotics, Drones, Televisions, Closed Circuit Cameras, Toys, Medical Devices, Sporting Goods & Gym Equipment and Bi cycles & E cycles on the basis of their possible potential to act as lead exporters in the global supply chain, for enhancing domestic manufacturing and high employability.
- (b) & (c) : China's export to India relies mainly on items required to meet the demand of fast expanding sectors like telecom and power in India. Some imports like Active Pharmaceutical Ingredients (APIs) and drug formulations, sold at very competitive rates, provide the Indian Pharma industry cheaper raw materials for their drug formulations which are then exported in large quantities as well. On the other hand, India's exports to China are characterized by primary products, raw material and intermediate products mainly iron ore, copper, minerals, cotton, fisheries, spices etc.

In order to strengthen India's exports and to reduce its dependence on imports, the Government has implemented many policies to promote domestic manufacturing with emphasis on ease of doing business and creating an enabling physical environment for manufacturing, emphasis of the Make in India-Public Procurement Policy in government projects and by intensive development of land banks and infrastructure.

The Production-Linked Incentive (PLI) Scheme in the 13 key sectors has been approved for enhancing India's manufacturing capabilities and export potential, with the target to make Indian manufacturers globally competitive, attract investment in the areas of core competency and cutting-edge technology, ensure efficiencies, create economies of scale, and make India an integral part of the global supply chain. Electronics, Pharmaceutical, and auto components sectors, which form the major import sectors from China, will benefit from the scheme and help in attracting big investments into the country.

(d) & (e) : The details of trade with Hong Kong and China during the last five years are given as under : -

(In USD Million)

Country	Trade	2016-17	2017-18	2018-19	2019-20	2020-21
Hong Kong	Exports	14,047.24	14,690.27	13,001.99	10,967.12	10,162.39
	Imports	8,204.18	10,675.98	17,987.01	16,935.32	15,172.82
	<b>Total Trade</b>	<b>22,251.42</b>	<b>25,366.25</b>	<b>30,988.99</b>	<b>27,902.43</b>	<b>25,335.21</b>
China	Exports	10,171.89	13,333.53	16,752.20	16,612.75	21,187.15
	Imports	61,283.03	76380.7	70319.64	65260.75	65212.25
	<b>Total Trade</b>	<b>71,454.92</b>	<b>89714.23</b>	<b>87071.84</b>	<b>81873.50</b>	<b>86399.40</b>

Source: DGCIS

As seen from the table, imports from Hong Kong have been on a declining trend in the last two years, and our imports from China have also been declining for the last four years. There is, thus, a combined drop in our imports from China and Hong Kong in 2019-20, and 2020-21, when compared with 2018-19.

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