

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

RAJYA SABHA
UNSTARRED QUESTION NO. 2307
TO BE ANSWERED ON 5TH AUGUST, 2022

BALANCE OF TRADE WITH CHINA

2307. SHRI JAWHAR SIRCAR:

Will the Minister of **COMMERCE & INDUSTRY** be pleased to state:

- (a) India's imports from China and exports thereof as well as the trade balance for the last five years;
- (b) the reasons for being dependent on China; and
- (c) whether the entry of USA as a major trading partner would improve matters?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SMT. ANUPRIYA PATEL)

(a): The value of India's exports to and imports from China from 2017-18 to 2021-22 of merchandise goods, is as below:

(In USD billion)

YEAR	2017-18	2018-19	2019-20	2020-21	2021-22
Imports	76.38	70.32	65.26	65.21	94.57
Exports	13.33	16.75	16.61	21.19	21.26
Total trade	89.71	87.07	81.87	86.4	115.83

(Source: DGCIS)

(b): India's dependence on Chinese goods can be attributed largely to the gap between domestic production and demand. China being a manufacturing hub has price competitiveness due to economy of scale and subsidies provided by its Government to the Chinese industry. The major items of import from China are electronic components, computer hardware and peripherals, telecom instruments, organic chemicals, industrial machinery for dairy, residual chemicals and allied products, electronic instruments, bulk drugs and intermediates etc. Many of these imported items are used for meeting the demand of fast expanding sectors like telecom and power in India. Some of our imports from China like the Active Pharmaceutical Ingredients (APIs) and drug

formulations provide the Indian pharma industry raw material for producing finished goods which are also exported out of India.

(c) : The United States is amongst the top trading partners of India and during the year 2021-22, the total trade of India with the US touched 119.48 billion which was more than the total trade of USD 115.83 billion with China in 2021-22.

The disruptions in supply chains during the pandemic period showed vulnerability of economies on overdependence on any single source of supply. The Government is making efforts to build more resilient supply chains. India and the US are cooperating closely to enhance bilateral economic partnership so that both countries can benefit from the inherent complementarities between the two economies.

The Government has also launched Production Linked Incentive Schemes (PLIs) in 14 sectors to promote domestic manufacturing capacities in critical sectors such as Key Starting Materials/Drug Intermediates and Active Pharmaceutical Ingredients, Large Scale Electronics Manufacturing, Medical Devices, Electronic/Technology Products, Pharmaceutical Drugs, Telecom & Networking Products, Food Products, White Goods (ACs and LEDs), High Efficiency Solar PV Modules, Automobiles and Auto Components, Advance Chemistry Cell Battery, Textile Products, Speciality Steel and Drone & Drone Components. These schemes intend to promote domestic manufacturing capacities and attract investment and reduce dependency on imports.
