

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:2802

ANSWERED ON:12.12.2006

NATHULA TRADE

Mahtab Shri Bhartruhari;Singh Kunwar Rewati Raman

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether Indo-China Trade at Nathula has been suffering for want of suitable infrastructure and non-issue of IEC by Income Tax Department;
- (b) the amount of trade that has taken place so far;
- (c) the areas in which Indo-China trade has been established during the last three years;
- (d) whether the Government have a proposal to expand Indo-China trade during coming years;
- (e) if so, the new areas identified to increase bilateral trade between both the countries; and
- (f) the security precautions Government have taken to promote the trade?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY(SHRI JAIRAM RAMESH)

(a)Yes, Sir. There were some difficulties in export and import through Nathula Pass during the period from 6.7.2006 to 27.7.2006. Export and import was not allowed without valid Import- Export Code in Terms of Para 2.2 of Foreign Trade Policy read with Para 2.8 of Handbook of Procedures. Vide Public Notice No. 36(RE-2006)/2004-2009 dated 27.7.2006, issued by DGFT, it has been notified that Import-Export Code shall not be required for import and export upto CIF value of RS.25,000.

(b)Since opening of the Nathula Route, goods worth Rs.8.86 lakhs have been exported and goods worth Rs.10.61 lakhs have been imported through this route from July to September 2006.

(c)The main Indian exports to China include Iron Ore, raw cotton, organic chemicals, diamonds, heavy machinery, plastic copper and animal feed. Major product categories of Chinese exports to India including electrical machinery organic chemicals, Iron and Steel products and silk.

(d)to(f)Yes, Sir. With a view to examine the potential complementarities between the two countries in expanded trade and economic cooperation and draw up a programme for the development of India-China trade and economic cooperation a Joint Study Group was set up after the visit of the Prime Minister to China in June 2003. In pursuance to the recommendations of the JSG a Joint Task Force has been set up to examine the feasibility of and the benefits that may derive from the possible China-India Regional Trading Arrangement (RTA) and also give recommendations regarding its content.Two meetings of the Joint Task Force have already taken place. The representatives of industry have been included in the Joint Task Force to ensure the interest of the business community.