

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

UNSTARRED QUESTION NO:665

ANSWERED ON:23.11.2009

TRADE WITH CHINA

Chauhan Shri Sanjay Singh;Choudhry Smt. Shruti;Gandhi Smt. Maneka Sanjay;Satpathy Shri Tathagata

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

- (a) whether trade deficit between India and China has increased during 2008-09;
- (b) if so, the details thereof and the reasons therefor;
- (c) the steps being taken to increase exports to China and bridge the trade deficit;
- (d) whether the Government proposes to sign Free Trade Agreement with China; and
- (e) if so, the discussions held with the corporate sector in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA M. SCINDIA)

(a)&(b) Yes, Madam. The trade deficit between India and China has increased from US\$ 16.28 billion in 2007-08 to US\$ 22.06 billion in 2008-09. The trade deficit has increased on account of fall in exports due to economic recession.

(c) The government is pursuing with the Chinese side greater market access as also undertaking trade promotion activities for our products such as agricultural products, basmati rice, pharmaceuticals etc. Indian companies have participated in trade fairs in China to enhance awareness about Indian products.

(d)&(e) In pursuance to the recommendations of Joint Study Group a Joint Task Force (JTF) was constituted to study in detail the feasibility of India-China Regional Trading Arrangement (RTA). The representatives of FICCI & CII were associated with the RTA feasibility study.