

● BILATERAL TRADE UP 18.34%

India's exports to China up 40.69% during Jan-July

However, the trade deficit expanded to \$44.51 billion in the first seven months

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INDIA'S EXPORTS TO China, which have been showing signs of revival this year after years of slump, registered a 40.69% rise year-on-year to reach \$10.60 billion in the first seven months of 2017.

Fired by exports of zinc, iron ore and steel, total Indian exports to China registered a 38.6% increase year-on-year in August this year totalling to \$1.26 billion, the sharpest increase this year.

However, the trade deficit expanded to \$44.51 billion in the first seven months despite surge in Indian exports as imports from China continue to increase.

The India-China bilateral



trade increased 18.34% year-on-year to reach \$55.11 billion from January to August this year, according to official data accessed by PTI here.

India's exports to China increased by 40.69% year-on-year to reach \$10.60 billion during the seven months.

India's imports from China saw a year-on-year growth of 14.02% to reach \$44.50 billion.

The cause for surge of Indian exports to China was a result of exponential increase of 353.99% of exports of zinc and related items, 248.19% of iron and steel and 100.7% increase

in ores and slag and 151.17% rise in copper.

India was the second largest exporter of diamonds to China totalling to \$1.63 billion with a market share of 32.97% after South Africa.

India was the second largest exporter of salt, sulphur, earths and stone, plastering materials, lime, and cement to China totalling to \$692 million with 17.39% market share after Turkey.

India's cotton exports, including yarn and woven fabric, to China showed a growth of 6.77% to reach \$844 million.

The country was the third largest exporter of cotton to China after Vietnam and the US accounting for 15.05% share in the Chinese market.

India-China bilateral trade increased by 14.93% year-on-year in August to reach \$7.51 billion.

Despite the increase in Indian exports to China, Indian business and trade circles associated with bilateral trade however advise caution as it is mostly led by iron ore and steel exports which started declining in 2013 due to a domestic crackdown on mines as well as China scaling down its steel production due to the global economic crisis.

The trade deficit began expanding ever since iron ore exports, the mainstay of Indian exports started declining.

Last year, the trade deficit climbed to \$52 billion.

India has been pressing China to open up its pharmaceutical and IT software sectors to expand the base of Indian exports. So far, there has been no major breakthrough in both areas, despite promises by China.