

India's exports to China set to hit record high as market access widens

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India's export to China is expected to reach an all-time high this fiscal with the US-China trade spat creating new opportunities for exporters and Beijing removing some trade barriers in its effort to check the growing bilateral trade imbalance.

The growth is driven by marine products, organic chemicals, plastics, petroleum products, grapes and rice, according to an official release of the Commerce Ministry.

"India's exports to China have grown after several years. India is poised to achieve its highest ever exports to the country this fiscal. Between April and December 2018, exports were \$12.7 billion which is closer to last year's exports of \$13.33 billion," the release said.

New Delhi, however, believes that more efforts are required for greater market penetration in China. "India is hopeful of soon signing protocols for export of Indian soya-bean meals, cakes and pomegranates to China in the near future, as these are in advanced stages of discussion," the release added.

Discussions are on with the Chinese for early announcement of import quotas for sugar and rice for 2019 so that Indian exporters are able to plan their exports well in time, it said.

India's trade deficit with

China was a huge \$63 billion in 2017-18, which was more than a third of the country's total trade deficit, with exports to China at \$13.3 billion and imports from the country at \$76.38 billion.

Acknowledging the need to take steps to check the deficit, China signed three export protocols — on rice, fishmeal and tobacco — to allow imports of the three items.

New Delhi is hopeful that the new protocols being discussed would boost India's exports further and rein in the deficit.

Discussions are also on for early announcement of Chinese import quotas for sugar and rice for 2019 so that Indian exporters are able to plan their exports well in time.

Making the most of the US-China trade dispute, the Department of Commerce took the initiative to identify and share with Indian exporters and other stakeholders, specific lines where the US will lose competitiveness in China and where India had an export potential, according to the release.