

Govt to discuss strategy to boost exports to China

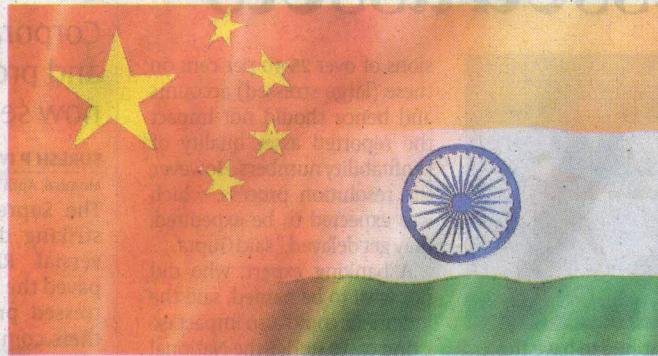
Commerce Ministry not satisfied with pace of export growth

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To increase exports to China in order to make a substantial dent in the trade imbalance, the Commerce Ministry has scheduled a brainstorming meeting this week with other line ministries and export promotion organisations to identify sectors and strategies to step up performance.

“Exports to China have increased but not to the extent India was hoping for. Commodities such as sugar and soyabean, which hold a lot of promise, haven't delivered yet. However, there are farm items such as grapes and pomegranate where there is a big scope to increase exports. The meeting will focus on bringing together stakeholders so that the right strategy can be adopted,” a government official told *BusinessLine*.



Export growth to China plummeted 28.6 per cent to \$15 billion in the April-February period GETTY IMAGES/JISTOCKPHOTO

Commerce & Industry Minister Suresh Prabhu is expected to chair the meeting scheduled on April 4. While India's exports to China increased 36.87 per cent to \$11.10 billion in the April-November 2018-19 period, performance decelerated in the next three months and export growth in April-February 2018-19 slowed 28.6 per cent to \$15 billion.

India's trade-deficit with China in 2017-18 was a whopping \$63 billion, which prompted

Chinese President Xi Jinping to promise to his Indian counterpart Narendra Modi at the Wuhan Summit last April, that his country would take steps to increase Indian imports of items such as rice, sugar, fruits, soyabean and pharmaceuticals.

Disappointment for India

What has come as a big disappointment for India is the fact that it has not been able to export commodities where it

thought it had a clear advantage. For instance, although there was substantial scope for India to export soyabean due to China's stand-off with the US, a primary supplier of soyabean, it did not materialise into business for Indians as imports were made from other countries such as Argentina.

Similarly, while China had promised to buy sugar from India, it instead decided to release quota for Pakistan in March.

“In the meeting, participants will analyse what more can be done from the Indian side to increase exports to China. Inputs will also be sought from the Indian Embassy in China on how to deal with Chinese officials on the matter,” the official said.

On the positive side, export shipments of grapes from India has already been sent to China and exports of pomegranates, too, is expected to begin soon. Commerce Ministry is also positive that with a little diplomatic effort, India can resume selling tobacco to Beijing.