

India-China trade deficit crosses \$100 bn for 1st time

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The trade between India and China touched an all-time high of \$135.98 billion in 2022, while New Delhi's trade deficit with Beijing crossed the \$100 billion mark for the first time despite frosty bilateral relations, according to data released by the Chinese customs on Friday.

The total India-China trade for 2022 has climbed to \$135.98 billion, overtaking the \$125 billion mark a year earlier by registering a rise of 8.4 per, the annual Chinese customs data said.

China's exports to India climbed to \$118.5 billion, a year-on-year increase of 21.7 per cent.

During 2022, China's imports from India dwindled to \$17.48 billion, a year-on-year decline of 37.9 per cent.

The trade deficit for India stood at \$101.02 billion, crossing the 2021 figure of \$69.38 billion.

This is the first time the trade deficit, a serious concern constantly

NUMBER CRUNCHING

\$135.98bn: Trade between India and China at an all-time high in 2022

\$118.5bn: China's exports to India, an 21.7% YoY increase

\$17.48bn: China's imports from India, a 37.9% YoY decline

\$101.02bn: Trade deficit for India; 2021 figure was \$69.38 bn

Source: Annual Chinese customs data



expressed by India, has crossed the \$100 billion mark. In 2021, the overall trade with China totalled \$125.62 billion, an increase of 43.32 per cent year on year crossing the \$100 billion mark for the first time.

The trade deficit in 2021 stood at \$69.56 billion as India's imports from China witnessed an increase of 46.14

per cent to reach \$97.59 billion.

India's exports to China increased by 34.28 per cent YoY to reach \$28.03 billion in 2021. The trade between two countries continued to boom despite border tensions following the military standoff in eastern Ladakh in May 2020.

According to an official brief on

trade posted on the Indian Embassy website in Beijing, the rapid expansion of India-China bilateral trade since the beginning of this century has propelled China to emerge as India's largest goods trading partner by 2008. Since the beginning of the last decade, bilateral trade between the two countries has recorded exponential growth.

From 2015 to 2021, India-China bilateral trade grew by 75.30 per cent, an average yearly growth of 12.55 per cent, it said.

Officials say, while trade with China thrived on the availability of cheap Chinese goods to India, it has continuously resulted in the spiralling trade deficit India had with any other country. "Our trade deficit concerns are two-pronged. One is the actual size of the deficit. Two is the fact that the imbalance has continuously been widening year after year," the Embassy brief said.

"The growth of trade deficit with China could be attributed to two fac-

tors: narrow basket of commodities, mostly primary, that we export to China and second, market access impediments for most of our agricultural products and the sectors where we are competitive in, such as pharmaceuticals, IT/ITES," it said.

Despite placating statements to address India's concerns, China has not taken any major steps to open up pharma and IT sectors to Indian exports despite widespread demand.

Demand for Indian cancer drugs was so predominant in China that a film highlighting the plight of cancer patients and their attempts to get the drugs from India struck a chord with the Chinese public.

In recent years, reports said China has officially cleared some Indian drugs but not much is heard of the market access to them. On the decline of Indian exports to China, the Indian Embassy brief said "our predominant exports have consisted of iron ore, cotton, copper, aluminium and diamonds/ natural gems".