

**Embassy of India**

**Beijing**

**Trade and Commerce Wing**

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**Commercial Report**

**March 2017**

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## 1. Trends in India-China trade in January to March 2017

## (i) A. India-China Bilateral Trade

*(In US\$ Billion)*

India's Trade with China	India's Exports to China	India's Imports from China	Total Bilateral trade	Growth % of India's Exports to China	Growth % of India's Imports from China
	4.19	14.92	19.11	48.96	11.02

*Source: China Customs*

## (i) B. China's Total Trade

*(In US\$ Billion)*

China's Total Global Trade	China's Total Exports	China's Total Imports	China's Total Trade	Growth % of China's Exports	Growth % of China's Imports
	483.21	404.73	887.94	4.16	24.05

*Source: China Customs*

## (ii) Top 15 items of India's exports to China

*(In US\$ Million)*

SN	HS Code	Category	Value	% Share in total Import	Percentage (%) growth
		Total	4,194	100	48.96
1.	26	Ores, Slag And Ash	748	17.82	196.88
2.	52	Cotton, Including Yarn And Woven Fabric Thereof	568	13.54	63.81
3.	71	Nat Etc Pearls, Prec Etc Stones, Pr Met Etc; Coin	560	13.36	20.59
4.	74	Copper And Articles Thereof	465	11.08	41.23
5.	29	Organic Chemicals	286	6.83	35.33

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6.	25	Salt; Sulfur; Earth & Stone; Lime & Cement Plaster	266	6.35	39.97
7.	72	Iron And Steel	157	3.75	288.76
8.	84	Nuclear Reactors, Boilers, Machinery Etc.; Parts	149	3.54	21.73
9.	39	Plastics And Articles Thereof	114	2.72	67.55
10.	85	Electric Machinery Etc; Sound Equip; Tv Equip; Pts	111	2.66	11.56
11.	15	Animal Or Vegetable Fats, Oils Etc. & Waxes	67	1.61	5.52
12.	41	Raw Hides And Skins (No Furskins) And Leather	61	1.45	8.63
13.	28	Inorg Chem; Prec & Rare-Earth Met & Radioact Compounds	58	1.37	63.52
14.	27	Mineral Fuel, Oil Etc.; Bitumin Subst; Mineral Wax	56	1.33	-40.49
15.	38	Miscellaneous Chemical Products	43	1.01	46.59

Source: China Customs

## (iii) Top 15 items of global exports to China

(In US\$ Billion)

SN	HS Code	Category	Value	% Share in total Import	Percentage (%) growth
		<b>Total</b>	<b>404.73</b>	<b>100</b>	<b>24.05</b>
1.	85	Electric Machinery Etc; Sound Equip; Tv Equip; Pts	93.06	22.99	7.68
2.	27	Mineral Fuel, Oil Etc.; Bitumin Subst; Mineral Wax	60.85	15.04	68.39
3.	84	Nuclear Reactors, Boilers, Machinery Etc.; Parts	37.80	9.34	11.14
4.	26	Ores, Slag And Ash	33.26	8.22	78.96
5.	90	Optic, Photo Etc, Medic Or Surgical Instrments Etc	21.86	5.4	8.78
6.	87	Vehicles, Except Railway Or Tramway, And Parts Etc	17.67	4.37	22.33
7.	39	Plastics And Articles Thereof	17.06	4.22	26.02
8.	29	Organic Chemicals	14.51	3.59	53.66

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9.	12	Oil Seeds Etc.; Misc Grain, Seed, Fruit, Plant Etc	9.75	2.41	35.5
10.	74	Copper And Articles Thereof	9.46	2.34	7.45
11.	30	Pharmaceutical Products	5.57	1.38	30.88
12.	72	Iron And Steel	5.28	1.3	42.83
13.	47	Wood Pulp Etc; Recovd (Waste & Scrap) Ppr & Pprbd	5.20	1.28	26.88
14.	44	Wood And Articles Of Wood; Wood Charcoal	5.14	1.27	20.43
15.	40	Rubber And Articles Thereof	4.86	1.2	64.54

Source: China Customs

## (iv) Top 15 items of India's imports from China

(In US\$ Million)

SN	HS Code	Category	Value	% Share in total Export	Percentage (%) growth
		<b>Total</b>	<b>14,919</b>	<b>100</b>	<b>11.02</b>
1.	85	Electric Machinery Etc; Sound Equip; Tv Equip; Pts	5,185	34.75	33.3
2.	84	Nuclear Reactors, Boilers, Machinery Etc.; Parts	2,755	18.46	11.5
3.	29	Organic Chemicals	1,455	9.75	6.98
4.	39	Plastics And Articles Thereof	646	4.33	20.07
5.	90	Optic, Photo Etc, Medic Or Surgical Instrmnts Etc	399	2.67	-2.51
6.	94	Furniture; Bedding Etc; Lamps Nesoi Etc; Prefab Bd	374	2.51	-1.28
7.	73	Articles Of Iron Or Steel	298	2	-5.42
8.	87	Vehicles, Except Railway Or Tramway, And Parts Etc	241	1.62	-10.29
9.	72	Iron And Steel	196	1.31	-56.99
10.	76	Aluminum And Articles Thereof	164	1.1	12.64
11.	83	Miscellaneous Articles Of Base Metal	157	1.05	50.06
12.	59	Impregnated Etc Text Fabrics; Tex Art For Industry	149	1	1.23

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13.	70	Glass And Glassware	146	0.98	-5.74
14.	62	Apparel Articles And Accessories, Not Knit Etc.	134	0.9	160.41
15.	64	Footwear, Gaiters Etc. And Parts Thereof	131	0.88	0.29

Source: China Customs

## (v) Top 15 items of global imports from China

(In US\$ Billion)

SN	HS Code	Category	Value	% Share in total Export	Percentage (%) growth
		<b>Total</b>	<b>483.21</b>	<b>100</b>	<b>4.16</b>
1.	85	Electric Machinery Etc; Sound Equip; Tv Equip; Pts	124.06	25.67	4.2
2.	84	Nuclear Reactors, Boilers, Machinery Etc.; Parts	82.40	17.05	5.71
3.	94	Furniture; Bedding Etc; Lamps Nesoi Etc; Prefab Bd	19.68	4.07	-3.33
4.	62	Apparel Articles And Accessories, Not Knit Etc.	15.85	3.28	2.03
5.	90	Optic, Photo Etc, Medic Or Surgical Instruments Etc	15.62	3.23	5.8
6.	39	Plastics And Articles Thereof	15.09	3.12	4.67
7.	87	Vehicles, Except Railway Or Tramway, And Parts Etc	14.20	2.94	5.09
8.	61	Apparel Articles And Accessories, Knit Or Crochet	13.58	2.81	-12.54
9.	73	Articles Of Iron Or Steel	12.26	2.54	-2.82
10.	29	Organic Chemicals	11.26	2.33	9.76
11.	64	Footwear, Gaiters Etc. And Parts Thereof	10.99	2.27	-0.02
12.	72	Iron And Steel	10.84	2.24	14.49
13.	95	Toys, Games & Sport Equipment; Parts & Accessories	8.71	1.8	15.84
14.	27	Mineral Fuel, Oil Etc.; Bitumin Subst; Mineral	8.16	1.69	48.78

		Wax			
15.	89	<b>Ships, Boats And Floating Structures</b>	7.68	1.59	30.57

Source: China Customs

(vi) Top 5 competitors of top 15 exports from India to China in Jan to Mar 2017

(In US\$ Billion)

HS Code	Category	Competitors	Value	% Share in total Import
	<b>Total</b>	<b>World</b>	<b>33.26</b>	<b>100.00</b>
26	<b>Ores, Slag And Ash</b>	Australia	14.18	42.63
		Brazil	5.01	15.07
		Peru	2.50	7.51
		South Africa	2.43	7.30
		Chile	1.86	5.59
	<b>Total</b>	<b>World</b>	<b>2.33</b>	<b>100.00</b>
52	<b>Cotton, Including Yarn And Woven Fabric Thereof</b>	Vietnam	0.45	19.39
		United States	0.41	17.70
		Pakistan	0.22	9.46
		Uzbekistan	0.16	6.99
		Indonesia	0.07	3.00
	<b>Total</b>	<b>World</b>	<b>3.03</b>	<b>100.00</b>
71	<b>Nat Etc Pearls, Prec Etc Stones, Pr Met Etc; Coin</b>	South Africa	1.27	41.96
		Japan	0.21	6.94
		Belgium	0.18	6.06
		United States	0.10	3.42
		Russia	0.10	3.25
	<b>Total</b>	<b>World</b>	<b>9.46</b>	<b>100.00</b>
74	<b>Copper And Articles Thereof</b>	Chile	2.34	24.74
		Japan	0.69	7.26
		Taiwan	0.57	6.01
		Zambia	0.52	5.54
		Australia	0.48	5.08
	<b>Total</b>	<b>World</b>	<b>14.51</b>	<b>100.00</b>
29	<b>Organic Chemicals</b>	Korea South	3.46	23.87
		Japan	1.77	12.23
		Taiwan	1.53	10.57
		Saudi Arabia	1.28	8.83
		United States	1.00	6.86
	<b>Total</b>	<b>World</b>	<b>1.31</b>	<b>100.00</b>

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25	<b>Salt; Sulfur; Earths And Stone; Lime And Cement Plaster</b>	Turkey	0.22	16.42
		Australia	0.10	7.72
		Saudi Arabia	0.08	5.98
		Iran	0.07	5.46
		United States	0.07	5.40
	<b>Total</b>	<b>World</b>	<b>5.28</b>	<b>100.00</b>
72	<b>Iron And Steel</b>	Japan	1.43	27.13
		Korea South	1.00	19.01
		South Africa	0.39	7.42
		Indonesia	0.37	6.91
		Taiwan	0.36	6.73
	<b>Total</b>	<b>World</b>	<b>37.80</b>	<b>100.00</b>
84	<b>Nuclear Reactors, Boilers, Machinery Etc; Parts Thereof</b>	Japan	7.47	19.76
		Germany	4.49	11.89
		Korea South	4.25	11.24
		United States	3.73	9.86
		Taiwan	2.60	6.87
	<b>Total</b>	<b>World</b>	<b>17.06</b>	<b>100.00</b>
39	<b>Plastics And Articles Thereof</b>	Korea South	2.74	16.07
		Japan	2.20	12.88
		Taiwan	2.01	11.79
		United States	1.84	10.75
		Saudi Arabia	1.01	5.93
	<b>Total</b>	<b>World</b>	<b>93.06</b>	<b>100.00</b>
85	<b>Electrical Machinery etc, Sound Equip; Tv Equip; Pts</b>	Taiwan	19.25	20.69
		Korea South	17.51	18.82
		Japan	9.09	9.77
		Malaysia	6.66	7.16
		United States	4.19	4.50
	<b>Total</b>	<b>World</b>	<b>2.02</b>	<b>100.00</b>
15	<b>Animal Or Vegetable Fats, Oils Etc. &amp; Waxes</b>	Indonesia	1.00	49.24
		Malaysia	0.39	19.37
		Canada	0.19	9.51
		Ukraine	0.07	3.34
		United States	0.06	2.89
	<b>Total</b>	<b>World</b>	<b>1.42</b>	<b>100.00</b>
41	<b>Raw Hides And Skins (No Furskins) And Leather</b>	United States	0.33	22.95
		Brazil	0.15	10.80
		Australia	0.13	8.87
		Italy	0.12	8.35
		Korea South	0.07	5.16
	<b>Total</b>	<b>World</b>	<b>2.28</b>	<b>100.00</b>
	<b>Inorg Chem;</b>	Korea South	0.39	17.00



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28	<b>Prec &amp; Rare-Earth Met &amp; Radioact Compd</b>	United States	0.35	15.52
		Germany	0.24	10.60
		Japan	0.17	7.47
		Kazakhstan	0.17	7.29
	<b>Total</b>	<b>World</b>	<b>60.85</b>	<b>100.00</b>
27	<b>Mineral Fuel, Oil Etc.; Bitumin Subst; Mineral Wax</b>	Russia	6.34	10.41
		Saudi Arabia	5.97	9.81
		Angola	5.13	8.43
		Australia	4.09	6.72
		Iraq	3.73	6.12
	<b>Total</b>	<b>World</b>	<b>3.69</b>	<b>100.00</b>
38	<b>Miscellaneous Chemical Products</b>	Japan	0.70	19.00
		United States	0.69	18.69
		Korea South	0.35	9.33
		Germany	0.30	8.19
		Taiwan	0.28	7.66

Source: China Customs

## (vii) India-China Mutual Investments\*

<b>Chinese Investment in India till March 2017 (cumulative)</b>	US\$ 4.91 billion
<b>Chinese Investment in India (Jan-Mar 2017) provisional (NON-FINANCIAL)</b>	US\$ 73 million
<b>Indian Investment in China till March 2017 (cumulative)</b>	US\$ 705 million
<b>Indian Investment in China (Jan-Mar 2017) provisional (NON-FINANCIAL)</b>	US\$ 8.65 million

(\*Provisional data by Chinese MOFCOM)

## (viii) China's Global Investment

<b>China's Outward FDI Flows (non-financial) January to March 2017</b>	US\$ 20.54 billion (-48.8% y-o-y)
<b>Foreign Direct Investment in China January to March 2017</b>	US\$ 33.07 billion (1% y-o-y)

Source: Chinese MOFCOM

**(ix) Significant trends in trade and investment**

S.N.	Details of Significant Trends & Analysis
1.	<p><b><u>China's Economy - January to March 2017:</u></b></p> <p>According to official data released by the National Bureau of Statistics (NBS), China's manufacturing purchasing managers' index (PMI) came in at 51.8% in March 2017, 0.2% points higher than that recorded in February 2017. This indicates an expansion of manufacturing activity in the country. China's Consumer Price Index (CPI) rose 0.9% year on year in March 2017. The pace, almost on par with market expectations, quickened from a growth of 0.8% in February. On a monthly basis, the CPI declined 0.3%, according to the NBS. China's Producer Price Index (PPI) - which measures costs of goods at the factory gate, rose 7.6% year on year in March 2017, showing a slightly decreasing trend from the 7.8% rise recorded in February 2017.</p> <p>In the period from January to March 2017, Chinese investors made a direct non-financial investment of US\$20.54 billion in over 129 countries/regions across the world. This figure represents a decrease of 48.8% year on year. The revenue of China's contracted projects overseas totaled US\$29.26 billion and the contract value for new projects reached US\$42.96 billion.</p> <p>In the period from January to March 2017, China's actual use of Foreign Direct Investment (FDI) amounted to RMB 226.51 billion (US\$ 33.07 billion) showing a slight increase of 1% year on year.</p> <p>China's GDP expanded 6.9% year on year in the first quarter of 2017.</p>
2.	<p><b><u>Bilateral Trade - January to March 2017 :</u></b></p> <p>In the period from January to March 2017, India-China bilateral trade increased 17.6% year-on-year to reach US\$ 19.11 billion. India's exports to China increased by 48.96% year-on-year to reach US\$ 4.19 billion. India's imports from China saw a year-on-year growth of 11.02% to reach US\$ 14.92 billion. The trade deficit for March 2017 stood at US\$ 10.73 billion.</p> <p><b><u>India's exports to China:</u></b></p> <p>The export of Ores and Slag to China showed an increase of 196.88%. Exports of iron and steel to China also showed a sharp increase of 288.76%. India's cotton (including yarn and woven fabric) exports to China showed a growth of 63.81% to reach US\$ 568 million-India was the largest exporter of cotton to China with 24.41% market share. India was the second largest exporter of diamonds (worked/not worked) to China (US\$ 558 million with a share of 33.81%) after South Africa. India was the largest exporter of Salt; Sulfur; Earths And Stone; Plastering Materials, Lime And Cement to China (US\$ 266 million with 20.33% market share).</p>

**India's imports from China:**

China exported electrical machinery and equipment (HS Code: 85) worth US\$ 5.19 billion showing year-on-year increase of 33.3%. Out of this, Electrical apparatus for line telephony (HS Code: 8517) constituted 38.25% of exports with a value of US\$ 1.98 billion. India was the second largest export destination for Chinese organic chemicals, with exports worth US\$ 1.46 billion and a market share 12.92%. India was the second largest export destination for Chinese Miscellaneous Articles Of Base Metal, with imports amounting to US\$ 157 million and a year on year increase of 50.06%. India became the largest export destination for Impregnated, Coated, Covered Or Laminated Textile Fabrics, and Textile Articles Suitable For Industrial Use with imports amounting to US\$ 149 million and a market share of 9.26%.

**2. Important India related statements of commercial significance by political leaders, think tanks, chambers, associations etc.:**

**Speech by H.E. Liu Zhenmin, Vice Foreign Minister of China at the “Roundtable on Asian Regional Cooperation Organizations” at the Boao Forum for Asia Annual Conference 2017 on 26 March 2017**

[http://www.fmprc.gov.cn/mfa\\_eng/wjdt\\_665385/zyjh\\_665391/t1448887.shtml](http://www.fmprc.gov.cn/mfa_eng/wjdt_665385/zyjh_665391/t1448887.shtml)

China will continue to work with other regional countries to take regional cooperation to a higher level, and open greater prospects for Asia’s development.

In this context, I’d like to share the following thoughts with you:

First, we need to be guided by the vision of an Asian community of shared future. This vision builds on our past experience of regional cooperation. As the ultimate goal of regional integration in Asia, it promises vast space for regional cooperation. To translate this vision into reality, all Asian countries need to work together for an Asian community of shared interests and shared responsibility by planning, building and benefiting together.

Second, we need to maintain the Asian features of our cooperation in improving the cooperation model. We should maintain our Asian-style cooperation model, featuring respect for ASEAN’s centrality in East Asia cooperation, emphasis on coordination of various regional mechanisms, focus on development cooperation, and commitment to open regionalism. At the same time, we should improve our cooperation model by drawing lessons from other regions. We must ensure that all sub-regional mechanisms run in harmony to set an example of regional cooperation.

Third, we need to advance both development and security cooperation. We should make development a priority and enhance cooperation in such key areas as trade and finance, infrastructure, energy and environmental protection, etc. This is important for greater economic integration and the building of an economic community for common and sustainable development. At the same time, we should confront challenges head-on, and enhance dialogue, exchanges and cooperation on security. This is a necessary step as we seek to progressively build a regional security architecture that suits regional reality and meets the needs of all parties.

Fourth, we need to expand the reach of benefits from regional cooperation. Regional integration in Asia should not benefit only a few, just as globalization should not be a game of the elite. We should put people first, and make the cooperation programs more inclusive, results-oriented, and beneficial to more countries and more peoples. This way, our people will see real benefits of regional cooperation, and give their wholehearted support. It will also help us avert the negative experience of other regions.

**REPORT ON THE WORK OF THE GOVERNMENT delivered at the Fifth Session of the 12th National People's Congress of the People's Republic of China on March 5, 2017 by Li Keqiang, Premier of the State Council**

[http://news.xinhuanet.com/english/china/2017-03/16/c\\_136134017.htm](http://news.xinhuanet.com/english/china/2017-03/16/c_136134017.htm)

The economy has registered a slower but stable performance with good momentum for growth. GDP reached 74.4 trillion yuan, representing 6.7% growth, and seeing China outpace most other economies. China contributed more than 30% of global growth. The CPI rose by 2%. With an 8.5% increase in profits, industrial enterprises reversed the previous year's negative growth of 2.3%. Energy consumption per unit of GDP fell by 5%. Economic performance improved markedly in quality and returns.

**REPORT ON THE IMPLEMENTATION OF THE 2016 PLAN FOR NATIONAL ECONOMIC AND SOCIAL DEVELOPMENT AND ON THE 2017 DRAFT PLAN FOR NATIONAL ECONOMIC AND SOCIAL DEVELOPMENT delivered at the Fifth Session of the Twelfth National People's Congress on March 5, 2017 by National Development and Reform Commission**

[http://news.xinhuanet.com/english/china/2017-03/17/c\\_136137416.htm](http://news.xinhuanet.com/english/china/2017-03/17/c_136137416.htm)

2017 is an important year in implementing the 13th Five-Year Plan (2016-2020) and in carrying out further supply-side structural reform. 2017 will also witness the convocation of the 19th National Congress of the CPC, an event of far-reaching significance. So it is of paramount importance for us to effectively carry out our economic work over the coming year.

### 3. Market access

- a. Alerts on tariff changes, non-tariff barriers (SPS/TBT measures, import and export procedures/restrictions/prohibitions/licensing etc.); trade policy developments.

S. N.	Notification no. and date or other reference	Details of products, sectors affected (including HS codes)	Effective from
1	The General Administration of Customs (GAC) issued the Measures of Customs of the People's Republic of China for the Place of Origin of Imported Goods Entitled to Special Preferential Tariff Treatment for Least Developed	The Measures are applicable to the administration of place of origin of goods imported from the least developed countries that have established diplomatic relations with China, which are entitled to special preferential tariff treatment. The special preferential tariff treatment applies to countries of origin of imported goods, which: (1) are completed obtained or produced in the country of origin; (2) are produced with the country of origin using exclusively raw materials in	1.4.2017

	Countries via Decree No. 231 on Mar 1, 2017	conformity with relevant provisions of the Measures; (3) are not completely obtained or produced within the country of origin, but are materially changed within the country of origin.	
2	The General Administration of Customs (GAC) released a list of regional groups covered by the Administrative Measures of Customs of the People's Republic of China for the Place of Origin of Imported Goods Entitled to Special Preferential Tariff Treatment for Least Developed Countries via Announcement [2017] No. 11. on Mar 6, 2017	According to the Announcement, regional groups to which the Administrative Measures of Customs of the People's Republic of China for the Place of Origin of Imported Goods Entitled to Special Preferential Tariff Treatment for Least Developed Countries (GAC Decree No. 231) are applicable include: (1) two members of the Association of Southeast Asian Nations (ASEAN) – Kingdom of Cambodia and the Republic of the Union of Myanmar; (2) and seven members of the Economic Community of West African States (ECWAS) – the Republic of Benin, the Republic of Guinea-Bissau, the Republic of Togo, the Republic of Liberia, the Republic of Sierra Leone, the Republic of Senegal and the Republic of Mali.	1.4.2017
3	The Ministry of Commerce (MOFCOM) and the General Administration of Customs released the directory of goods subject to automatic import licensing administration in	MOFCOM and the GAC of Customs released the directory of goods subject to automatic import licensing administration in 2017 via Joint Announcement [2016] No. 84), with effect on Jan 1, 2017. The Directory of Goods Subject to Automatic Import Licensing Administration in 2016 was simultaneously repealed.	1.1.2017

	2017 via Joint Announcement [2016] No. 84) on Dec 10, 2016		
4	The Ministry of Commerce (MOFCOM), the General Administration of Customs (GAC) and the General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) announced the directory of products subject to import certificate-based administration in 2017 via Joint Announcement [2017] No. 85 on Dec 30, 2016	MOFCOM, GAC and AQSIQ announced the directory of products subject to import certificate-based administration in 2017 via Joint Announcement [2017] No. 85, with effect on Jan 1, 2017. The Directory of Products Subject to Import Certificate-Based Administration 2016 issued by MOFCOM, GAC and AQSIQ on Dec 30, 2015 was simultaneously repealed.	1.1.2017

**4. Trade Queries received and replied during the period regarding Imports/Exports between India and China:**

25 Trade Queries were received and responded to during the period of reporting.

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