Chapter IV

India-China Foreign trade Policy and Its Trade Relations
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Chapter IV

India-China Foreign trade Policy and Its Trade Relations

The present chapter analyses India’s trade policy and China’s trade policy as well as India-China trade agreements.

4.1 Pre-performance Trade Policy:

Prior to mid-1991, foreign trade of India suffered from strict bureaucratic and discretionary controls. Similarly, foreign exchange transactions were tightly controlled by the Government of India and the Reserve bank of India. Since the beginning of mid-1991, the Government of India introduced a series of reforms for the sake of the liberalization and globalization of the Indian economy. Reforms in the external sectors of India are intended to integrate the Indian economy with the world economy. In this context, the Ninth Five Year plan (1997-2002) observed, “the process of globalization is a reality which cannot be denied and also should not be avoided. However, it needs to be managed so that we can derive the maximum advantage from world market.”

4.2 Post-performance Trade Policy:

India embarked on the path of globalization in the 1990s with the objective of improving overall productivity, competitiveness and efficiency of the economy in order to attain a higher growth profile. Consequently, industrial, financial and external sector reforms were initiated with a view to create an environment conducive for the expansion
of trade. As a result of it, the growth in trade accelerated in the early part of the 1990s. This momentum, however, could not be sustained in the face of various domestic bottlenecks and exogenous constraints like East Asia crisis and slowdown in the US economy. These external factors along with stagnation in investment rate, sluggish industrial growth and slowdown in manufacturing productivity, predicted India’s trade during the closing year of the 1990s. ² Thus, while the opening up of the economy presented a range of opportunities and advantage to the trade sector in India, the greater integration with the global economy has posed several challenges as well.

4.3 India’s foreign Trade policies:-

The Ministry of Commerce introduced the first Export Import (EXIM) policy for the period of 1992-97 in terms of section 3 of import and Export Control Act of 1947, which was later on replaced by the foreign Trade Development and regulation Act 1992, then in the next Five year, EXIM policy of 1997-2002. Then again a third five year EXIM policy was announced for the period 2002-1997, effective from 1st April, 2002. However, annual revisions were made as required. Thus five year EXIM policy was formulated with objective of achieving at least one percent share of world exports by 2006-07 from then prevailing level of 0.67%. The Central Government notified the Foreign Trade Policy for the period 2004-2009 incorporating the Export Import Policy for the period 2002-2007 as modified. New foreign trade policy 2009-2014 is for the period of five years i.e. 2009 to 2014.

Thus, in the beginning of 1991, the government of India introduced a series of reforms for the liberalization and globalization of the Indian economy. For that, the major trade policy was changed in the post-1991. These are as following:
4.4 India’s foreign Trade policy 1991:

After independence, the government thought that the developmental and maintenance exports were both essential for a growing economy and therefore, urged upon the government to provide facilities and announced India’s trade policy for first stage from 1947-48 to 1951-52. The then, Commerce Minister, Mr. P. Chidambaram, announced major overhaul of trade policy on July 4, 1991. The Government, therefore, decided that while all essential imports like POL, fertilizer and edible oil should be protected, all other imports should be lined to exports by enlarging and
liberalizing the replenishment licence system. The following major reforms were announced:

**Major Trade Reforms:-**

1. Rep will become the principal instrument for export-related imports.
2. All exports will now have a uniform rep rate of 30 percent of the F.O.B. value. This was a substantial increase from the present Rep rates which vary between five percent and 20 percent of F.O.B value.
3. The new Rep scheme gave maximum incentive to exporters whose import intensity was low.
4. All supplementary licences shall stand abolished except in the case of the small scale sector and for producers of life-saving drugs/equipment.
5. All additional licences granted to export houses shall stand abolished.
6. All item now listed in the Limited permissible List OGL items would hereafter be imported through the Rep routs.
7. The Exim policy contained a category known as Unlisted OGL. This category stand abolished and all items falling under this category may be imported only through the Rep scheme.
8. Advance licensing had been an alternative to the Rep route for obtaining imports for exports. It was expected that many exporters would find the Rep route more attractive now. However, for exporters who wish to go through advance licensing, this route would remain open.
9. The goal of the government was to decanalise all items except those that are essential.
10. In the light of the substantial liberalisation of the trade regime, and also recent changes in exchange rates (after devaluation), cash Compensatory scheme (CCS) was abolished from July 3, 1991.
From the above, we know that trade policy (1991) aimed to cut down administrative controls and barriers which acted as obstacles to the free flow of exports and imports. The basic instrument developed by the trade policy was the EXIM Scrip in place of Rep licenses. The purpose of this instrument was to permit imports to the extent of 30% on 100 percent realization of export proceeds. Obviously, the purpose was to bridge the BOP gap. Trade policy was streamline various procedures for the grant of advance licenses as also permit imports through EXIM scrip’s routes.

4.5 EXIM Policy, 1992-97:-

The Government announced the Export and import policy On March 31, 1992 for a period of five years (April 1, 1992 to March 31, 1997), coinciding with the period of Eighth five year plan. The chief controller of imports and exports was redesignated as Director General of foreign trade. EXIM policy, 1992-97 made a conscious effort to dismantle various protectionist and regulatory policies and accelerate India’s transaction towards a globally oriented economy. The export-import policy was further liberalised by the government on March 31, 1993. Substantial concessions were announced to boost agricultural exports. The government also announced a centrally sponsored scheme to set up industrial parks in different states.

4.6 EXPORT-IMPORT POLICY, 1997-2002:-

The export and import policy, 1997-2002 seeks to consolidate the benefits of the previous policy and further on carry forward the process of liberalisation by deregulating and simplifying procedures and removing quantitative restrictions in a phased manner. It sets an ambitious target of
attaining an export level of US $90-100 billion by the year 2002 and achieving 1 percent share in world trade.

The salient features of the policy:

1. Exports and imports should be free, except to the extent they are regulated by the provisions of this Policy.
2. The central government may, in the public interest, regulate the import or export of goods by means of a negative list of imports of a negative list of exports, as the case may be.
3. The negative list may consist of goods, the import or export of which is prohibited, restricted through licensing, or canalised.
4. Prohibited items in the negative list of imports should not be excluded and prohibited items in the negative list of exports should not be excluded.
5. Any goods, the export or import of which is restricted through licensing, may be exported or imported only in accordance with a licence issued in this behalf.
6. Any goods, the import or export of which is canalised, may be imported or exported by the canalising agency specifically exempted in the Negative list.
7. No export or import shall be made by any person without an Importer-Exporter Code (IEC) number unless specifically exempted.

4.7 Modified EXIM Policy, April 1998:—

The new Central government of India which assumed office in March, 1998, announced its export and import policy for the year 1998-99 on April 13, 1998. As part of the annual export-import policy modification, the government freed from import restrictions, large number of consumer goods and liberalised all major export
promotion schemes. This new dose of liberalisation of the trade regime by the new government was necessitated due to the commitments made by India at the world trade organisation (WTO). The timing of the import policy liberalisation coincided with the scheduled review of India’s trade policy by WTO announced on April 16 and 17, 1998. Apart from the general global pressure, on India to remove restrictions on imports, the US had filed a complaint with the WTO against India’s import regime. The following were the main provisions of the modified export-import policy unveiled by the commerce minister on April 13, 1998.6

1. 340 more items were shifted from the restricted list to Open General Licence (OGL). Thus, out of the total number of 10,202 items covered under the export-import policy, only 2,202 remained on the restricted list.

2. The revised policy set an export growth target of 20 per cent for the year 1998-99.

3. Zero-duty export promotion capital goods (EPCG) scheme was extended to all software exporters by lowering the threshold limit of importable capital goods from Rs. 20 crore to Rs. 10 lakh.

4. In a bid to prevent cheap imports being dumped at unreasonable prices, the government set up an anti-dumping cell called Directorate General (DG) of Anti-Dumping and allied duties. The DG would be responsible for investigation into alleged cases of dumping as well as subsidised cases. The DG would also recommend anti-dumping duties where it is found that dumped imports are causing harms to the domestic industry. Other provisions included:

   - Delegation of powers to regional licensing offices.
• Doing away with the minimum value addition of 33 per cent under advance licensing scheme.
• Simplified procedures for clubbing of advance licence schemes.
• Private bonded warehouses to be set up to import, stock and sell even negative list items.

4.8 EXIM Policy, 1999-2000:-

In its effort to further dismantle the import control regime and to hasten the integration of the Indian economy with the world economy, the government announced a revised export-import policy on March 31, 1999 which came into force on April 1, 1999.

The new export-import policy freed import of 894 items of consumer goods, agricultural products and textiles from licensing requirements. Physical controls on imports were removed and the only control over imports was fiscal in nature, i.e. adjusting import duty to regulate imports. These adjustments were to be made within the upper limits prescribed by WTO. Moreover, another 414 items were removed from the restricted list, allowing these to be imported against special import licenses. India’s international commitments require it to remove licensing curbs on imports by the year 2003.7

4.9 EXIM Policy 2000-2001:-

This was the new policy which was announced for help in annual boost of exports of India by the government. The Union Commerce and Industry Minister announced the new export-import policy of the government of India for the year 2000-2001 on March 31st, 2000. The new
export import policy envisaged a 20 percent export growth in solar terms in 2000-2001 bringing about a major rationalisation in export promotion schemes and launched a series of sector- specific initiatives.

**EXPORT Promotion:-**

In a major initiative to boost exports the government announced the following measures:-

**A: Special Economic Zones (SEZs):-**

Based on the pattern of the Chinese model, the government announced the setting up of two SEZs at positrA in Gujarat and Nangunery in Tamil Nadu. Industrial units located in SEZs will be exempted from a plethora of rules and regulation governing exports and imports. The entire production will have to be exported from these zones. Sales from domestic tariff area (DTA) can be done only on full payment of customs duty. Several export processing zones (EPZs) will shortly be converted into SEZs immediately. It was further announced that 100% foreign direct investment (FDI) would be allowed in all products in SEZs. SEZs would be treated as if they are outside the customs territory of the country. The units will be able to import capital goods and raw materials duty free. The movement of goods to and from SEZs would be unrestricted.

**Sector-specific packages:-**

This policy also announced sector- specific packages for seven core areas to exports, viz, gems and jewellery, pharmaceuticals, agrochemicals, biotechnology, silk leather and garments. For the gems and jewellery exporters, the government announced diamond –dollar account (DDA) scheme. Under the scheme, exports proceed can be retained in a dollar account and the exporters can use funds in this account for import of
rough diamonds. For agro-chemicals, biotechnology and pharma units (considered as knowledge intensive), the government has allowed duty free import of laboratory equipment, chemicals and reagents up to 1 percent of the FOB value of exports. Similarly, the government increased duty free import of trimmings, embellishments and other items from 2 to 3 percent of total export values.

**Involvement of State government in Export promotion:-**

Since the State foregoes taxes (mainly sales tax) on exports, they have little incentive to promote exports. The 2000-2001 export-Import policy announced financial incentives to states based on their export performance. An incentive scheme with an initial outlay of 250 crore to secure states involvement in the national export drive was unveiled. The states can use the funds for export promotion activities such as infrastructure development. The Commerce and Industry Minister said that he would request the states to treat all units exporting more than 50 percent of their turnover as public utility services. This would enable them to keep their international commitment on delivery scheme.

Further both the minister observed that the recent spectacular growth of software exports was a part from India’s knowledge in high-tech, due to hands off policy of the government towards this sector. A similar approach to hardware electronics is called for.

**Import Liberalization:-**

The Export-Import policy 2000-2001 lifted quantitative restrictions on 714 commonly used items (agricultural products and consumer durables) which can now be freely imported. Thus, commodities like meat, milk powder, coffee, tea, fish, pickles, cigars and cigarettes,
television, radios, taps recorders, footwear and umbrellas can be imported freely from April 1\textsuperscript{st}, 2000. However, most of these items will attract peak rate of basic import duty. The lifting of licensing and quota restriction on 714 import item was in line with India’s WTO obligations. The government promised to abolish licensing and quota curbs on the remaining 715 items (such a liquor, cars etc.) in April, 2001.

It is concluded that many critics of the new policy fear that removal of licensing and quota restrictions would lead to surge in import of these item, hurting the domestic industry. However, it is noteworthy that import restrictions are being phased out since 1996 but no extraordinary growth has occurred in the import of freed items. The Commerce Minister maintained that anti-dumping and anti-subsidy tariffs and other safeguards would be used if there is a sudden surge in imports causing serious injury to the domestic industry.\textsuperscript{8} This policy was helped to reverse the persistent trade deficit of India.

\textbf{4.10 EXIM Policy 2001-2002:-}

This is also an annual policy which was characterized as export oriented import policy. The Union Commerce and Industry Minister unveiled on March 31, 2001, the Export-Import policy for the year 2001-2002 with following specific initiatives.

\textbf{Removal of Quantitative Restrictions:}

The process of removal of import restrictions, which began in 1991, was completed in a phased manner by the Export-Import policy2001-2002 with the removal of restrictions on the remaining 715 items. This was in tune with the commitments made to the WTO. Out of those 715 item, 342 were textile products, 147 were agricultural products and 226 were
other manufactured products. However, import of agricultural products like wheat, rice, maize, copra and coconut oil was placed in the category of state trading. In all 27 out of 715 items taken off the quantitative restrictions and list were put under the State Trading category.

The Government was confident that the Indian market will not be swamped by imported brands of commonly used articles. To prevent dumping, Government will take recourse to anti-dumping duties and other non-tariff barriers. Arrangements have been made to track, collate and analyses data on 300 sensitive items which mainly comprise fame goods and items produced by small scale sector.

Agriculture Export Zones:

The Export-Import policy proposed the setting up of agricultural export zones. Three such zones are proposed to be in Himachal Pradesh, Jammu and Kashmir (to promote export of apples) and Maharashtra. Government will make efforts to improved access to the produce/products of the agriculture and allied sectors in the international market. State Government have been asked to identity products specific agricultural export zones for development for export of specific products from a geographically contiguous area.  

This EXIM policy was concluded that this policy was emphasized on liberalization policy so the Government removed some quantitative restriction on major imports and exports commodities as well as other rules and regulations of foreign trade. Under this policy, Government also expanded the list of item imported, to facilitate easy access to import of items that are not available within the country before. The Government was also permitted to import canalized item in order to promote exports.
4.11 EXIM POLICY 2002-2007:-

The Exim policy announced on March 31, 2002, effective from April 1, 2002, contains a bouquet of concessions for exports, focusing sharply on special economic zones (SEZs), industrial boosters, agri-exports, infrastructural developments and reduction in transaction costs. There are specific measures for encouraging exports of gems and jewellery, leather goods, textiles, chemicals and petrochemicals and electronics hardware. Emphasis has also been placed on diversification of markets, while popular export-promotion tools like the Duty Entitlement pass Book (DEPB) scheme and Export Promotion Capital Goods (EPCG) scheme have been retained and made more flexible. New incentive has been granted to the cottage sector, handicrafts, chemicals and pharmaceuticals, textile and leather industries. The time granted for fulfilment of export obligation has been increased to 12 years in the case of EPCG imports worth more than Rs. 100 crores.  

Thus it is very clear that while the FIP 2002-2007 is designed to tap India’s export potential; a lot depends on how FTP is going to be implemented. Therefore, these are needed to concentrate on implementation. In addition, the 2002 survey by the CII has painted a grim picture of exports. Only 5 of the 48 export industries had ‘excellent’ growth as compared to 9 in the previous year. High growth was achieved by 9 industries compared to 11 in the previous year while 34 industries registered moderate growth or a decline. There is no doubt that Foreign Trade holds the key to India’s long term growth.
4.12 EXIM Policy, 2003-04:-

It had the following provisions.

1. The policy provided a massive thrust to export of services by introducing duty free import facility for the service sector units having a minimum foreign exchange earning of Rs. 10 lakh.
2. Encouragement of corporate sector with proven credential to sponsor Agri-export Zones for boosting farm exports.
3. EPCG scheme was made more flexible and attractive so that even the small scale sector could set up and expand its manufacturing base for exports.
4. Fixing of input-output norms for status holders on priority basis within a period of 60 days and permission to status holders in Software technology parks India (STPI) for free movement of professional equipments.
5. Simplification and codification of rules, regulations and procedures applicable to SEZ and EOU units by putting all these rules and regulations in one place, thus greatly facilitating both potential investors and existing units.
6. To increase the overall competitiveness of export clusters, a scheme for up gradation of infrastructure in existing clusters /industrial locations would be implemented.
7. Extension of Duty Free Replenishment Certificate (DFRC) scheme to deemed exports and reduction in its value addition norms from 33 percent to 25 percent.
4.13 MINI EXIM Policy, 2004:-

Preceding the dissolution of the 13th Lok Sabha on February 6, 2004, it included facilitation and simplification measures to sustain the momentum of export growth. Specifically, it was aimed at providing boost to exports of gems and jewellery, encouraging tourism (domestic and foreign) and making energy generation cheaper. 11 Highlights of the new policy were:

1. Free import of gold and silver for export purposes permitted. In other words, gold and silver can now be imported without paying any commission to channelling agents. (In 1997, the Government authorized three canalizing agencies, viz. MMTC, STC and HHEC, and eight banks to import gold and silver for sale in the domestic market). Likewise, import of rough, uncut and semi-polished diamonds will not be valued for export obligations. Quantitative restrictions on gold and silver imports have also been lifted. Government also announced the introduction of a gold card for creditworthy exporters to make available cheaper foreign currency debt on easier terms.

2. Duty-free import facility available to star hotels extended heritage, one and two-star hotels and stand-alone restaurants. All these hotels have been allowed duty-free import equivalent to 5 percent of their export earnings in three preceding year.

3. Restrictions on import of electrical energy lifted.

4. Online licenses and electronic fund transfer facility for exporters. These measures are expected to reduce transaction cost for exporters, and make export administration transparent.
4.14 FOREIGN TRADE POLICY (2004-09):-

Union commerce and industry minister Mr. Kamal Nath announced the foreign trade policy for the 5-year doubling India’s percentage share in global merchandise trade from 0.7 per cent in 2003 to 1.5 per cent 2009. During 2003-04, India’s merchandise exports were valued at $195 billion by 2009, assuming a 10 per cent compound annual growth rate in world trade. For this purpose, India’s exports should grow at the annual average growth rate of 26 per cent. Besides this, the service sector is also expected to increase its share in exports of invisibles to over $100 billion. Together, the two sectors are expected to reach the target of $300 billion by 2009.

The objective of the foreign trade policy is two-fold:

1. To double India’s percentage share of global merchandise trade from 0.7 per cent in 2003 to 1.5 percent in 2009; and
2. To act as an effective instrument of economic growth by giving a thrust to employment generation, especially in semi-urban and rural areas.

Key strategies to achieve these objectives are:

1. Unshackling of controls.
2. Creating an atmosphere of trust and transparency.
3. Simplifying procedures and bringing down transaction costs.
4. Adopting fundamental principle that duties and levies should not be exported.
5. Identifying and nurturing special focus area to facilitate development of India as a global hub for manufacturing, trading and services.
Special focus Initiatives-

The FTP 2004-2009, has identified certain thrust sectors having prospects for export expansion and potential for employment generation. These thrust sectors include agriculture, handlooms and handicrafts, marine sector, gems and jewellery and leather and footwear sector, which are explain in brief as under:

Package for Agriculture:

For agriculture sector, introduction of new scheme called “vishesh krishi upaj yojana” (Special Agricultural Produce scheme) to boost exports of fruits and their value added products. Under the scheme, exports of these products quality for duty free credit entitlement (5 percent of F.O.B value of exports) for importing inputs and other goods.

Handlooms and Handicrafts-

Duty free import of handlooms and handicrafts sector was increased to 5 % of FOB value of exports.

Gems and Jewellery-

Imports of gold of 18 carat and above shall be allowed under the replenishment scheme.

Export Promotion Scheme-

A new scheme to accelerate growth of exports called “Target Plus” has been introduced. Exporters would be entitled to duty free credit based on incremental exports substantially higher than the general export target. For incremental growths of over 20 per cent, 25 per cent and 100 per cent, the duty free credit would be 5 percent, 10 per cent and 15 per cent respectively, of FOB value of incremental exports.
Service Exports

For services exports, a “served from India” scheme as a brand instantly recognized abroad, under which individual service providers earning foreign exchange of Rs 10 lakh would be eligible for duty free credit entitlement of 10 per cent of total foreign exchange earned by them.

**Duty free import under EPCG**-

Duty free import of capital goods under EPCG (export promotion capita goods) scheme. Capital goods imported under EPCG for agriculture would be permitted to be installed any where in agri export zone.

**EOUs**-

Export Oriented Units (EOUs) shall be exempted from service tax in proportion to their exported goods and services.

The new foreign trade policy (2004-09) intended to achieve two objectives simultaneously, that is, double India’s share in world exports from 0.7 percent in 2003-04 to 1.5 percent in 2008-09 as also to give a big thrust to employment generation, especially in semi-urban and rural areas. In that sense, the Foreign Trade Policy is in tune with the objectives laid down in the Common Minimum Programme. 12

During 2007-08, out exports reached a level of US $ 155 billion which is a creditable achievement. However, correspondingly our imports reached a level of US $ 236 billion, widening the trade deficit to an unprecedented high level of US $ 81 billion which cannot be wiped out by surplus on the invisibles. Consequently, current account balance will become negative with a larger magnitude. Obviously, our foreign trade policy is one-lagged since it emphasizes expansion of exports only, but
remains oblivious of the trend of imports. Ultimately, India must, reach the stage of positive trade balance, rather than development an economy with burgeoning trade deficit.

4.15 Foreign Trade Policy 2009-14:-

The Hon’ble Union Commerce & Industry Minister, Mr. Anand Sharma, announced the new foreign trade policy 2009-2014 in New Delhi on 27th August 2009. Various Suggestions of the Federation have been considered in the New Foreign Trade Policy like. Continuation of DEPB scheme; Enhancement of incentives under promotional schemes; Benefits to Status Holders; Zero duty EPCG Scheme; Rationalization of additional export obligation under EPCG; Additional markets under focus market scheme; Additional products under Focus Product Scheme; Transferability of Duty Scrip under Para 3.8.6 of FTP; Flexibility in import of items against Duty Credit Scrips issued under erstwhile in Target Plus/DFCE Schemes; Removal of Handloom Mark under Focus Product Scheme; Issues relating to transaction costs; Tangible benefits to town of export excellence; MDA Scheme; Technology Fund, etc. 13

Objective of the Policy:

- To achieve an annual growth of 15% for the first 2 year till March 2011 with an annual export target of US $ 200 billion.
- To achieve an annual growth of 25% during the remaining period of the policy 3 year.
- To double India’s export of goods and services from the present level of 1.64% by 2014
HIGHLIGHTS OF THE NEW FOREIGN TRADE POLICY ARE AS UNDER:

Higher Support for Market and Product Diversification

- Incentive schemes under Chapter 3 have been expanded by way of addition of new products and markets.
- 26 new markets have been added under Focus Market Scheme. These include 16 new markets in Latin America and 10 in Asia-Oceania.
- The incentive available under Focus Market Scheme (FMS) has been raised from 2.5% to 3%.
- The incentive available under Focus Product Scheme (FPS) has been raised from 1.25% to 2%.
- A large number of products from various sectors have been included for benefits under FPS. These include, Engineering products (agricultural machinery, parts of trailers, sewing machines, hand tools, garden tools, musical instruments, clocks and watches, railway locomotives etc.), Plastic (value added products), Jute and Sisal products, Technical Textiles, Green Technology products (wind mills, wind turbines, electric operated vehicles etc.), Project goods, vegetable textiles and certain Electronic items.
- Market Linked Focus Product Scheme (MLFPS) has been greatly expanded by inclusion of products classified under as many as 153 ITC(HS) Codes at 4 digit level. Some major products include; Pharmaceuticals, Synthetic textile fabrics, value added rubber products, value added plastic goods, textile madeups, knitted and crocheted fabrics, glass products, certain iron and steel products and certain articles of aluminium among others. Benefits to these products will be provided, if exports are made to 13 identified markets (Algeria, Egypt, Kenya, Nigeria, South Africa, Tanzania, ...
Brazil, Mexico, Ukraine, Vietnam, Cambodia, Australia and New Zealand).

- MLFPS benefits also extended for export to additional new markets for certain products. These products include auto components, motor cars, bicycle and its parts, and apparels among others.
- A common simplified application form has been introduced for taking benefits under FPS, FMS, MLFPS and VKGUY.
- Higher allocation for Market Development Assistance (MDA) and Market Access Initiative (MAI) schemes is being provided.

**Technological Upgradation:**

- To aid technological upgradation of our export sector, EPCG Scheme at Zero Duty has been introduced. This Scheme will be available for engineering & electronic products, basic chemicals & pharmaceuticals, apparels & textiles, plastics, handicrafts, chemicals & allied products and leather & leather products (subject to exclusions of current beneficiaries under Technological Upgradation Fund Schemes (TUFS), administered by Ministry of Textiles and beneficiaries of Status Holder Incentive Scheme in that particular year). The scheme shall be in operation till 31.3.2011.
- Jaipur, Srinagar and Anantnag have been recognised as ‘Towns of Export Excellence’ for handicrafts; Kanpur, Dewas and Ambur have been recognised as ‘Towns of Export Excellence’ for leather products; and Malihabad for horticultural products.

**EPCG Scheme Relaxations:**

- To increase the life of existing plant and machinery, export obligation on import of spares, moulds etc. under EPCG Scheme has been reduced to 50% of the normal specific export obligation.
Taking into account the decline in exports, the facility of Re-fixation of Annual Average Export Obligation for a particular financial year in which there is decline in exports from the country, has been extended for the 5 year Policy period 2009-14.

Support for Green products and products from North East:

- Focus Product Scheme benefit extended for export of ‘green products’; and for exports of some products originating from the North East.

Status Holders:

- To accelerate exports and encourage technological upgradation, additional Duty Credit Scrips shall be given to Status Holders @ 1% of the FOB value of past exports. The duty credit scrips can be used for procurement of capital goods with Actual User condition. This facility shall be available for sectors of leather (excluding finished leather), textiles and jute, handicrafts, engineering (excluding Iron & steel & non-ferrous metals in primary and intermediate form, automobiles & two wheelers, nuclear reactors & parts, and ships, boats and floating structures), plastics and basic chemicals (excluding pharma products) [subject to exclusions of current beneficiaries under Technological Upgradation Fund Schemes (TUFS)]. This facility shall be available upto 31.3.2011.

- Transferability for the Duty Credit scrips being issued to Status Holders under paragraph 3.8.6 of FTP under VKGUY Scheme has been permitted. This is subject to the condition that transfer would be only to Status Holders and Scrips would be utilized for the procurement of Cold Chain equipment(s) only.
**Stability/continuity of the Foreign Trade Policy:**

- To impart stability to the Policy regime, Duty Entitlement Passbook (DEPB) Scheme is extended beyond 31-12-2009 till 31.12.2010.

- Interest subvention of 2% for pre-shipment credit for 7 specified sectors has been extended till 31.3.2010 in the Budget 2009-10.

- Income Tax exemption to 100% EOUs and to STPI units under Section 10B and 10A of Income Tax Act, has been extended for the financial year 2010-11 in the Budget 2009-10.

- The adjustment assistance scheme initiated in December, 2008 to provide enhanced ECGC cover at 95%, to the adversely affected sectors, is continued till March, 2010.

**Marine sector:**

- Fisheries have been included in the sectors which are exempted from maintenance of average EO under EPCG Scheme, subject to the condition that Fishing Trawlers, boats, ships and other similar items shall not be allowed to be imported under this provision. This would provide a fillip to the marine sector which has been affected by the present downturn in exports.

- Additional flexibility under Target Plus Scheme (TPS)/Duty Free Certificate of Entitlement (DFCE) Scheme for Status Holders has been given to Marine sector.

**Gems & Jewellery Sector**

- To neutralize duty incidence on gold Jewellery exports, it has now been decided to allow Duty Drawback on such exports.

- In an endeavour to make India a diamond international trading hub, it is planned to establish “Diamond Bourse (s)”. 
- A new facility to allow import on consignment basis of cut & polished diamonds for the purpose of grading/certification purposes has been introduced.

- To promote export of Gems & Jewellery products, the value limits of personal carriage have been increased from US$ 2 million to US$ 5 million in case of participation in overseas exhibitions. The limit in case of personal carriage, as samples, for export promotion tours, has also been increased from US$ 0.1 million to US$ 1 million.

**Agriculture Sector:**

- To reduce transaction and handling costs, a single window system to facilitate export of perishable agricultural produce has been introduced. The system will involve creation of multi-functional nodal agencies to be accredited by APEDA.

**Leather Sector**

- Leather sector shall be allowed re-export of unsold imported raw hides and skins and semi finished leather from public bonded ware houses, subject to payment of 50% of the applicable export duty.

- Enhancement of FPS rate to 2%, would also significantly benefit the leather sector.

**Tea:**

- Minimum value addition under advance authorisation scheme for export of tea has been reduced from the existing 100% to 50%.

- DTA sale limit of instant tea by EOU units has been increased from the existing 30% to 50%.
• Export of tea has been covered under VKGUY Scheme benefits.

**Pharmaceutical Sector**

• Export Obligation Period for advance authorizations issued with 6-APA as input has been increased from the existing 6 months to 36 months, as is available for other products.

• Pharma sector extensively covered under MLFPS for countries in Africa and Latin America; some countries in Oceania and Far East.

**Handloom Sector:**

• To simplify claims under FPS, requirement of ‘HandloomMark’ for availing benefits under FPS has been removed.

**EOUs:**

• EOUs have been allowed to sell products manufactured by them in DTA upto a limit of 90% instead of existing 75%, without changing the criteria of ‘similar goods’, within the overall entitlement of 50% for DTA sale.

• To provide clarity to the customs field formations, DOR shall issue a clarification to enable procurement of spares beyond 5% by granite sector EOUs.

• EOUs will now be allowed to procure finished goods for consolidation along with their manufactured goods, subject to certain safeguards.

• During this period of downturn, Board of Approvals (BOA) to consider, extension of block period by one year for calculation of Net Foreign Exchange earning of EOUs.

• EOUs will now be allowed CENVAT Credit facility for the component of SAD and Education Cess on DTA sale.
Thrust to Value Added Manufacturing:
- To encourage Value Added Manufactured export, a minimum 15% value addition on imported inputs under Advance Authorization Scheme has now been prescribed.
- Coverage of Project Exports and a large number of manufactured goods under FPS and MLFPS.

DEPB:
- DEPB rate shall also include factoring of custom duty component on fuel where fuel is allowed as a consumable in Standard Input-Output Norms.

Flexibility provided to exporters:
- Payment of customs duty for Export Obligation (EO) shortfall under Advance Authorisation / DFIA / EPCG Authorisation has been allowed by way of debit of Duty Credit scrips. Earlier the payment was allowed in cash only.
- Import of restricted items, as replenishment, shall now be allowed against transferred DFIAs, in line with the erstwhile DFRC scheme.
- Time limit of 60 days for re-import of exported gems and jewellery items, for participation in exhibitions has been extended to 90 days in case of USA.
- Transit loss claims received from private approved insurance companies in India will now be allowed for the purpose of EO fulfillment under Export Promotion schemes. At present, the facility has been limited to public sector general insurance companies only.
Waiver of Incentives Recovery, On RBI Specific Write off:

- In cases, where RBI specifically writes off the export proceeds realization, the incentives under the FTP shall now not be recovered from the exporters subject to certain conditions.

Simplification of Procedures:

- To facilitate duty free import of samples by exporters, number of samples/pieces has been increased from the existing 15 to 50. Customs clearance of such samples shall be based on declarations given by the importers with regard to the limit of value and quantity of samples.

- To allow exemption for up to two stages from payment of excise duty in lieu of refund, in case of supply to an advance authorisation holder (against invalidation letter) by the domestic intermediate manufacturer. It would allow exemption for supplies made to a manufacturer, if such manufacturer in turn supplies the products to an ultimate exporter. At present, exemption is allowed upto one stage only.

- Greater flexibility has been permitted to allow conversion of Shipping Bills from one Export Promotion scheme to other scheme. Customs shall now permit this conversion within three months, instead of the present limited period of only one month.

- To reduce transaction costs, dispatch of imported goods directly from the Port to the site has been allowed under Advance Authorisation scheme for deemed supplies. At present, the duty free imported goods could be taken only to the manufacturing unit of the authorisation holder or its supporting manufacturer.

- Disposal of manufacturing wastes / scrap will now be allowed after payment of applicable excise duty, even before fulfillment of
export obligation under Advance Authorisation and EPCG Scheme.

- Regional Authorities have now been authorized to issue licences for import of sports weapons by ‘renowned shooters’, on the basis of NOC from the Ministry of Sports & Youth Affairs. Now there will be no need to approach DGFT (Hqrs.) in such cases.

- The procedure for issue of Free Sale Certificate has been simplified and the validity of the Certificate has been increased from 1 year to 2 years. This will solve the problems faced by the medical devices industry.

- Automobile industry, having their own R&D establishment, would be allowed free import of reference fuels (petrol and diesel), up to a maximum of 5 KL per annum, which are not manufactured in India.

- Acceding to the demand of trade & industry, the application and redemption forms under EPCG scheme have been simplified.

**Reduction of Transaction Costs**

- No fee shall now be charged for grant of incentives under the Schemes in Chapter 3 of FTP. Further, for all other Authorizations/ licence applications, maximum applicable fee is being reduced to Rs. 100,000 from the existing Rs 1,50,000 (for manual applications) and Rs. 50,000 from the existing Rs.75,000 (for EDI applications).

- To further EDI initiatives, Export Promotion Councils/Commodity Boards have been advised to issue RCMC through a web based online system. It is expected that issuance of RCMC would become EDI enabled before the end of 2009.
Electronic Message Exchange between Customs and DGFT in respect of incentive schemes under Chapter 3 will become operational by 31.12.2009. This will obviate the need for verification of scrips by Customs facilitating faster clearances.

For EDI ports, with effect from December '09, double verification of shipping bills by customs for any of the DGFT schemes shall be dispensed with.

In cases, where the earlier authorization has been cancelled and a new authorization has been issued in lieu of the earlier authorization, application fee paid already for the cancelled authorisation will now be adjusted against the application fee for the new authorisation subject to payment of minimum fee of Rs. 200.

An Inter Ministerial Committee will be formed to redress/resolve problems/issues of exporters.

An updated compilation of Standard Input Output Norms (SION) and ITC (HS) Classification of Export and Import Items has been published.

Directorate of Trade Remedy Measures:

To enable support to Indian industry and exporters, especially the MSMEs, in availing their rights through trade remedy instruments, a Directorate of Trade Remedy Measures shall be set up.16
1.16 China’s trade Policy:-

In 1979, China began its “Open-door” policy, which is essentially an export-led development strategy. Given that China is a labour-abundant country, China’s government adopted a variety of policy to faster exports in the last three decades. These policies are summarized as follows:

- Setting up of SEZs and export processing zones (EPZs)
- Joining the WTO
- Aggressively liberalizing trade.

1. Establishment of Special Economic Zones (SEZs) and Export processing Zones (EPZs):

The setting up of SEZs and EPZs in China occurred in three waves in 1980, the four coastal cities in Guang-dong and Fujian provinces were chosen as the so-called SEZ. These four cities were selected because they are close to Hong Kong and Macao and have strong social bonds with Eastern South Asia. In the SEZs, imports are completely duty free. Moreover, foreign investment within the zones can enjoy additional advantages such as lower income taxes. In addition, firms located in the SEZs enjoy greater administrative flexibility and easier access to the foreign market. Such policy turned out to be very successful: currently, Shenzhen has development from a small and poor village in to one of the two regional financial centers in china.

In 1984, in the second wave, China permitted 14 coastal cities to become “open-cities” enjoying similar privileges as those of the four SEZs. Shortly thereafter, China established two more SEZs, namely, Pudong SEZ and Hainan Island SEZ. Furthermore, China set the Pearl River Delta and the Yanzi River Delta as economic
development areas and opened four northern ports to trade with Mongolia, Russia, and North Korea in 1991.

The third wave of trade liberalization occurred in 1991-1992 as China expanded its open-door policy to central and western China through the forming economic development zones and high-tech development zones. Finally, China began to set up EPZs in the eastern coastal cities to promote exports in 2000. Currently, China has 39 EPZs. As mentioned by Naughton (2006), there were around 160 economic development zones by end of 2003.

2. **Accession to the WTO:**

   Membership in the WTO also plays an important role in China’s trade growth. China was a founding member of GATT, the predecessor to the WTO, when it was formed in 1948. However, China lost its membership after gaining its political independence in 1949. After 1986, China applied to join the GATT again. However, accession to the WTO was a difficult journey. After many rounds of negotiation, China eventually gained it a membership to the WTO as the 143rd member.

   After China accession to the WTO, China’s trade, including both processing and ordinary trade, increased very fast. As a result of WTO accession, China will move strongly towards a trade regime based on tariffs. Quotas, licenses and designated trading are all to be phased out.

3. **Tariff reductions:**

   As an important means of trade liberalization, tariff reduction are economically significant for both China and India, although to different degrees.
When China claimed to established the “market economy” in 1992, its un-weighted simple tariff was a high as 42 %. However, from 1997, China reduced its import tariffs aggressively. The simple average tariffs in China fell from 35% in 1994 to around 17% in 1997, in part to facilitate its entry into WTO. In 1994, the eighth Uruguay round of the GATT negotiation successfully agreed to cut the tariffs by 40% for its member countries. Although China was not yet a formal member of the GATT at that time, China’s government decided to adopt a more liberalized policy by cutting its tariffs following the criteria set for the GATT members.

After china’s entry to the WTO in 201, it immediately cut its import tariffs from 16.3% to 14.6%. In 2008, in accordance with its commitment to the WTO, China cut its tariffs to around 9.15% which remained at a similar level to the developing countries set by the WTO.

4.17 Trade Policy Reforms in China:

Reform of China’s trade regime had three main dimensions: (a) increasing the number and type of enterprises eligible to trade in particular commodities; (b) developing the indirect trade policy instruments that were absent under the planning system; and (c) reducing and ultimately removing the exchange rate distortions. These reforms were closely linked to price and enterprise reform within the economy that allowed prices to play a role in guiding resource allocation, and enterprises to respond to those price signals. These reforms of the trading system were inextricably linked with reforms of the enterprise sector to replace central planning. These reforms were undertaken incrementally, with feedback from each reform taken into account in designing the next stage of the reform. This was described as ‘crossing the river by feeling the stones’. One of the main features of the reform was the decentralisation of foreign trade rights
beyond centrally controlled foreign trade corporations\textsuperscript{17}. The reform process gradually increased both the number of firms allowed to trade, and the number of different types of firms eligible for trading rights.

1. The number of Foreign Trade Corporations (FTCs) with trading rights were progressively expanded. Since 1984, these trading enterprises have been legally independent economic entities and state-owned trading enterprises of this type now appear to operate strongly along commercial lines (Rozelle, Park, Jikum Huang and Jin Hehui 1996). Joint ventures between domestic and foreign firms, and firms located in the special economic zones were also allowed the right to trade their own products. The process of decentralising trade was gradual but the trend was consistent, with commodities progressively removed from export and import planning controls. By 1992, these plans covered only a small share of products and they have since been abolished.

2. Another main feature of the reform was the introduction of special arrangements for processing trade. The distortions created by tariff and non-tariff barriers in the early phase of reform would have precluded large-scale production of manufactures for export. In response to this problem, imports of intermediate inputs for use in the production of exports were almost completely liberalised, as were capital goods inputs for use in joint ventures with foreign enterprises. Initially, the favourable treatment was extended only to enterprises operating in free trade zones, but the coverage of these arrangements was rapidly expanded.

3. Import and export licensing measures were introduced in 1980 to replace the controls imposed under the previous trade monopoly. The coverage of licensing was initially small, but increased quickly as more trade was removed from the planning process.
(Lardy 1991). The licensing covered two-thirds of China’s imports in 1988; thereafter, the coverage of licensing fell drastically.

4. A two-tier system for foreign exchange involved an overvalued official exchange rate and a higher secondary market rate. This distorted trade by discouraging both exports and imports (Martin 1993). Over time, the share of foreign exchange receipts that exporters could retain for sale on secondary market was raised, lowering the gap between the rates received by the exporters and paid by the importers, and reducing the extent of the distortion.

4.18 Joint Economic Group:--

India-China Joint Economic Group on Economic Relations and Trade, Science and Technology (JEG) is a ministerial-level dialogue mechanism established in 1988 during the visit of former Prime Minister Rajiv Gandhi to China. JEG has so far met nine times. The scheduling of the previous seven JEG’s is given below:

<table>
<thead>
<tr>
<th>Session</th>
<th>Location</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Session</td>
<td>New Delhi</td>
<td>Sep 18-20, 1989</td>
</tr>
<tr>
<td>Second Session</td>
<td>Beijing</td>
<td>Feb 06, 1991</td>
</tr>
<tr>
<td>Third Session</td>
<td>New Delhi</td>
<td>Dec 09, 1991</td>
</tr>
<tr>
<td>Fourth Session</td>
<td>Beijing</td>
<td>Jan 04, 1993</td>
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<tr>
<td>Fifth Session</td>
<td>New Delhi</td>
<td>Jun 13, 1994</td>
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<tr>
<td>Sixth Session</td>
<td>Beijing</td>
<td>Feb 19-20, 2000</td>
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<tr>
<td>Seventh Session</td>
<td>New Delhi</td>
<td>Mar 16, 2006</td>
</tr>
<tr>
<td>Eighth Session</td>
<td>Beijing</td>
<td>Jan 29, 2010</td>
</tr>
</tbody>
</table>
The 9th JEG was jointly chaired by Indian Commerce & Industry Minister Shri Anand Sharma and Commerce Minister, P.R.C Mr. Chen Deming.

The 10th JEG is scheduled to take place in Beijing in second half of year 2013

4.19 **India-China Bilateral Agreements:**

<table>
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<tr>
<th>No.</th>
<th>Name of the Agreement/MOU/Protocol</th>
<th>Place/Date</th>
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<tbody>
<tr>
<td>1</td>
<td>Agreement between the Republic of India and the People’s Republic of China on Trade and Intercourse between the Tibet region of China and India</td>
<td>29-4-1954</td>
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<tr>
<td>2</td>
<td>Trade Agreement between the Republic of India and the People’s Republic of China</td>
<td>14-10-1954</td>
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<tr>
<td>3</td>
<td>Notes Exchanged between China and India on the Question of Transit of Chinese Commodities to the Tibet Region of China via India</td>
<td>14-10-1954</td>
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<tr>
<td>4</td>
<td>Protocol between the Government of India and China regarding the handing over of Postal, telegraph and public telephone services in the Tibet region of China</td>
<td>01-04-1955</td>
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<tr>
<td>5</td>
<td>Trade Agreement between the GOI and the Govt. of PRC</td>
<td>15-8-1984</td>
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<td>6</td>
<td>Agreement between the Government of the PRC and the Government</td>
<td>22-12-1988</td>
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<tr>
<td></td>
<td>of the Republic of India relating to Civil Air Transport</td>
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<tr>
<td>7</td>
<td>Protocol between the Republic of India and the People’s Republic of</td>
<td>1988</td>
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<td></td>
<td>China on Resumption of Border Trade between the Tibet region of</td>
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<td>China and India</td>
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<td>8</td>
<td>Trade protocol between the GOI and the Govt. of PRC for the period</td>
<td>20-9-1989</td>
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<td></td>
<td>20th Sept, 1989 to 19th Sept, 1990</td>
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<td>9</td>
<td>Trade protocol between the GOI and the Govt. of PRC for the</td>
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<td>MOU between the Govt. of the Republic of India and the Govt. of</td>
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<td></td>
<td>PRC on Resumption of Border Trade</td>
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<td>Protocol between the Govt. of the Republic of India and the Govt. of</td>
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<td></td>
<td>PRC on Entry and Exit procedures for Border Trade</td>
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<tr>
<td>12</td>
<td>Work plan for 1992-93 under the MOU on Cooperation in Agriculture</td>
<td>1992</td>
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<td>between the Ministry of Agriculture of the Republic of India and the</td>
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<td>13</td>
<td>MOU between the Office of the Comptroller and Auditor General,</td>
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<td></td>
<td>Republic of India and the Audit Administration, PRC</td>
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<td>Protocol between GOI and PRC on custom regulation, Banking</td>
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<td></td>
<td>arrangements and related matters for border trade</td>
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<td>Agreement/Protocol Title</td>
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<td>15</td>
<td>MOU on Cooperation in Agriculture between the Ministry of Agriculture of PRC</td>
<td>11-4-1992</td>
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<td>16</td>
<td>Protocol between the Govt. of the Republic of India and the PRC for Extension of Border Trade across Shipki La Pass</td>
<td>7-9-1993</td>
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<td>17</td>
<td>Agreement between the Ministry of Information and Broadcasting of the Republic of India and the Ministry of Radio, Film, Television of the PRC on Radio and Television Cooperation</td>
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<td>18</td>
<td>MoU between GOI and PRC on Cooperation in the field of Geology and Mineral resources</td>
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<td>21</td>
<td>MOU between Reserve Bank of India and the People’s Bank of China on Banking Cooperation.</td>
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<td>22</td>
<td>Agreement between India and China on Maritime Transport</td>
<td>29-11-1996</td>
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<td>23</td>
<td>Agreement of Cooperation between Doordarshan of India and China Central Television</td>
<td>2-6-1997</td>
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<td>24</td>
<td>Memorandum of Understanding on Cooperation in the field of Steel</td>
<td>22-02-2000</td>
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<td>No.</td>
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<td>25</td>
<td>Memorandum of Understanding</td>
<td>Memorandum of Understanding on co-operation in the field of Information Technology</td>
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<td>26</td>
<td></td>
<td>Memorandum of Understanding on co-operation in the field of Labor (Employment services, vocational training and social security)</td>
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<td>27</td>
<td>MOU on the application of Phytosanitary Measures</td>
<td>MOU on the application of Phytosanitary Measures between M/o Agriculture, Rep. Of India and State General Administration of the PRC for Quality Supervision and Inspection and Quarantine</td>
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<td>29</td>
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<td>(MOU) on the “Implementation Plan for Organized Group Travel by Chinese Citizens to India” on December 8, 2002</td>
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<td>32</td>
<td>MOU between Ministry of Information and Broadcasting of the Republic of India and the State Administration of Radio, Film &amp; Television of the PRC</td>
<td>MOU between Ministry of Information and Broadcasting of the Republic of India and the State Administration of Radio, Film &amp; Television of the PRC</td>
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<td>33</td>
<td>Report of India-China Joint Study Group on Comprehensive Trade and Economic Cooperation</td>
<td>11-04-2005</td>
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<td>MOU on the launch of the India-China Financial Dialogue</td>
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<td>Protocol of phytosanitary requirements for the export of Grape from India to China</td>
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<td>36</td>
<td>Protocol of phytosanitary requirements for export of bitter gourds from India to China</td>
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<td>MOU on Civil Aviation</td>
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<td>39</td>
<td>Protocol on India-China Film Cooperation Commission</td>
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<td>40</td>
<td>MOU between The Ministry of Land and Resources of the PRC and The Ministry of Mines of the Rep. of India on Cooperation in Mining Sector</td>
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<td>41</td>
<td>MOU for Enhancing cooperation in the field of oil and natural gas</td>
<td>12-01-2006</td>
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<td>42</td>
<td>MOU on Cooperation between the Ministry of Agriculture of the PRC and The Ministry of Agriculture of the Republic of India in the Field of Agriculture</td>
<td>28-03-2006</td>
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<td>43</td>
<td>Protocol on Phytosanitary Requirements for Exporting Rice from India to China</td>
<td>21-11-2006</td>
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<td>44</td>
<td>MOU on Inspection of Export Cargo (Iron Ore)</td>
<td>21-11-2006</td>
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<tr>
<td>No.</td>
<td>Title</td>
<td>Date</td>
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<tr>
<td>45</td>
<td>MOU between the Indian Council of Agricultural Research and the Chinese Academy of Agricultural Sciences</td>
<td>21-11-2006</td>
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<td>46</td>
<td>MOU between Forward Markets Commission of India and China Securities Regulatory Commission regarding Commodity Futures Regulatory Cooperation</td>
<td>21-11-2006</td>
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<td>47</td>
<td>Agreement on Bilateral Investment Protection and Promotion</td>
<td>21-11-2006</td>
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<td>48</td>
<td>MOU on undertaking Joint exploration and Production and acquisition of Oil and Natural Gas Resources in Third Countries</td>
<td>17-12-2006</td>
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<td>49</td>
<td>MOU for Cooperation between the Planning Commission of India and National Development and Reform Commission of the PRC</td>
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<td>50</td>
<td>MOU on Cooperation between Ministry of Railways, India and Ministry of Railways, PRC</td>
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<td>MOU between Ministry of Housing and Urban Poverty Alleviation of India and Ministry of Construction, PRC</td>
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<td>MOU between NABARD and Agricultural Development Bank of China on Mutual Cooperation</td>
<td>14-01-2008</td>
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<tr>
<td>54</td>
<td>Protocol of Phytosanitary Requirements for the Export of Tobacco leaves from India to China between the General Administration of Quality Supervision, Inspection and Quarantine of the PRC and the</td>
<td>14-01-2008</td>
</tr>
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</table>
Ministry of Agriculture of the Republic of India

55 MOU of the Joint Economic Group between the Ministry of Commerce and Industry, Govt. of Rep. of India and the Ministry of Commerce, Govt. of the PRC on Expansion of Trade and Economic Cooperation 19-01-2010

56 MOU between Reserve Bank of India and China Banking Regulatory Commission 16-12-2010

57 MOU between Export Import Bank of India and China Development Bank Corporation 16-12-2010

58 Agreed Minutes of the 1st India-China Strategic and Economic Dialogue 26-09-2011

4.20 Important Bilateral Visits in recent years:-

From Indian side:

- Visit of Minister of S&T Mr. Vayalar Ravi to participate in TWAS Conference held in Tianjin from 18-20 September, 2012
- Visit of Minister of State Mr. Ashwani Kumar for S&T to Dalian from 14-16 September, 2011 to attend the BRICS Senior Officials’ Meeting
- Visit of Minister of State (Independent charge) for Environment & Forests Ms. Jayanthi Natarajan for attending IX BASIC Ministerial Coordination Meeting held in Beijing on 1 November, 2011
· Visit of Minister of State (Independent charge) for Environment & Forests Mr. Jairam Ramesh for attending V BASIC Ministerial Coordination Meeting held in Beijing on 10-11 October, 2010

· Visit of Minister of State (Independent charge) for Environment & Forests Mr. Jairam Ramesh to attend the International Cooperative Conference on Green Economy and Climate Change held in Beijing from 7-9 May, 2010

From Chinese side:

· Visit of State Forestry Administrator Mr. Jia Zhibang for 3rd Joint Forestry Working Group Meeting held in New Delhi from 19-22 February, 2012

· Visit of Vice-Chairman of NDRC Mr. Xie Zhenua to attend the XBASIC Ministerial Coordination Meeting held in New Delhi in 13-14 February, 2012

· Visit of Vice-Chairman of NDRC Mr. Xie Zhenua to attend Technology Summit held in New Delhi from 8-11 November, 2010

· Visit of Deputy Minister of National Energy Administration Mr. Liu Qi to participate in DIREC, 2010 held in New Delhi on 27 October, 2010
### 4.21 List of Agreements/MoU’s/ Protocols signed between India and China in the field of Science and Technology

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<th>Sr.no</th>
<th>Name of Agreement/MoU/Protocol</th>
<th>Place of signing/ Date of signing</th>
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</thead>
<tbody>
<tr>
<td>3</td>
<td>Protocol for Scientific and Technical Cooperation between the Council of Scientific and Industrial Research (CSIR) of the Republic of India and the National Natural Science Foundation (NSFC) of China</td>
<td>New Delhi/ March 12, 1992</td>
</tr>
<tr>
<td>4</td>
<td>Agreement on Scientific and Technical Cooperation between the Indian National Science Academy (INSA) and the Chinese Academy of Sciences (CAS)</td>
<td>New Delhi/ September 24, 1992</td>
</tr>
<tr>
<td>5</td>
<td>Memorandum of Understanding between the National Council of Science Museums, India and China Science and Technology Museum, China for Bilateral Science Museum Programmes</td>
<td>May 29, 1993</td>
</tr>
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<td>6</td>
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