



# India steps up agro-diplomacy with China

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## **India steps up agro-diplomacy with China-New Delhi feels that Beijing will focus on food security by diversifying imports in view of trade war**

- As the trade war with the United States continues to bite — with only a slim chance that the world's two biggest economies can go past a possible truce — China appears to be opening up to non-U.S. imports.
- Smelling an unexpected opportunity to export more to the Middle Kingdom, India is quietly squeezing in the door.
- The focus so far has been on pushing agri-products into the Chinese market.
- Sensing that China would look first at its food security by diversifying imports in view of the trade war, New Delhi has stepped up its agro-diplomacy with Beijing.

### **Soya source**

- Though Indian soya bean exports are apparently a priority, especially after the China imposed a 25% levy on U.S. imports, success in the huge Chinese soya bean market is yet to materialise, though some progress may have registered during talks.
- India's efforts to export sugar to China, which began in earnest in June, also appear to have paid dividends.
- China has also opened up imports of non-Basmati rice from India in June on the sidelines of the Qingdao summit of the Shanghai Cooperation Organisation (SCO).
- Efforts to tap the Chinese agri-market, in view of the China-U.S. trade war, was flagged in April.

### **Trade imbalance**

- Despite signs of incremental progress, India's \$63-billion trade imbalance with China is alarming.
- Earlier this year, India had raised the red flag about its adverse trade balance during China's trade policy review at the WTO, specifically

citing hindrances that Indian exporters of rice, meat, pharmaceuticals and IT products were encountering to access the Chinese market.

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