



भारत सरकार

GOVERNMENT OF INDIA



A REPORT ON INDIA-CHINA TRADE DATA DISCREPANCY

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India-China Trade Data Discrepancy (Preliminary Findings)

A recent newspaper article published in late November-2023 has reported about the observable mismatch between India and China's trade statistics (wherein trade specifically connotes to China's exports to India and/or India's imports from China) during the last ten-months period i.e., January to October, 2023.

2. Taking cue from the said report, a preliminary review analysis has been attempted whereby, China's exports to India data have been sourced from General Administration of Customs of the People's Republic of China's Website and India's imports from China data has been sourced from Import Division Database of DGCI&S, Kolkata. Further it needs to be mentioned herein that, w.r.t. India's import data two sets of data have been used for the purpose of comparison and subsequent analysis vis-à-vis China's dataset i.e. India's import data valuation in terms of Country of Consignment (COC) {the official method adopted and disseminated on public domain by India} and India's import data valuation in terms of Country of Origin (COO).

3. As part of this ensuing analysis, data/statistics denominated in USD corresponding to ITC-HS 2-digit commodity classification comprising 99 commodity/commodity groups has been taken into consideration. The said classification system is prevalent in both the nations.

4. Amongst the 99 commodity groups, commodity groups bearing nos. **02** (Meat and Edible Meat Offal) and **77** (No classified Commodity Group-Reserved for possible future use) are reportedly not traded between the two nations. However, for commodity group no. **04** (Dairy produce; birds' eggs; natural honey; edible products of animal origin, not elsewhere specified or included) **China has reported an export figure of USD 8974** whereas **India's corresponding import figure stands Nil**. Additionally, commodity group 98 is classified by China as *Commodities not classified according to kind* whereas India classifies it as *Project Goods; some special uses*; commodity group 99 is classified by China as *Articles of B2B cross-border e-commerce in simplified customs procedures* whereas India classifies it as *Commodities not elsewhere specified*.

5. For the remaining 96 commodity groups (**excluding 02, 04 and 77**) both export figures of China and corresponding import figures of India are reportedly available and by way of applying basic calculation tools in MS-Excel, the figures have been compiled and then compared both in terms of COC and COO leading to a first-hand overview that there is data variation (even if of very minor magnitude/scale) in case of all the 96 commodity groups.

6. Findings (China's Export Figures and India's Import Figures in COC terms)

- China's reported export figures (for a total of 97 commodity groups) to India from Jan-Oct, 2023 stands at USD 97,343,599,656 which is equivalent to USD 97.34 Billion;
- India's reported import figures (for a total of 96 commodity groups) from China during Jan-Oct, 2023 stands at USD 82654018832.98 which is equivalent to USD 82.65 Billion;

- The resultant difference stands as USD 14.68 Billion (China-India) which is a little less than the newspaper report figures of USD 15.47 Billion.

7. **Findings (China’s Export Figures and India’s Import Figures in COO terms)**

- China’s reported export figures (for a total of 97 commodity groups) to India from Jan-Oct, 2023 stands at USD 97,343,599,656 which is equivalent to USD 97.34 Billion;
- India’s reported import figures (for a total of 96 commodity groups) from China during Jan-Oct, 2023 stands at USD 1,01,514,835,954.02 which is equivalent to USD 101.51 Billion;
- The resultant difference stands as USD -4.17 (China less India) Billion which portrays a completely different scenario wherein India’s import figures way exceeds China’s export figures;
- India’s import value figures are higher in COO terms vis-a-vis COC terms and the difference is significantly high of the order of approximately USD 18.86 billion and a monthly reading has enabled in identifying that data variation between these two valuation methods exist every month with average monthly difference being USD 1.89 billion (very close to USD 2 billion per month).
- A further commodity group wise comparison reveals that there exists no data variation between the two methodologies in case of Live Animals, Cereals, Meat, fish and seafood preparations, Cocoa and Cocoa preparations and then there are commodity groups with very minimal variation to variation as high as USD 12.44 Bln in case of **Commodity Group 85** (Electrical, electronic equipment) followed by USD 2.4 Bln in case of **Commodity Group 84** (Nuclear reactors, boilers, machinery, etc.) and USD 1.38 Bln in case of **Commodity Group 29** (Organic Chemicals).

8. **Table 1 [Commodity Group Wise Findings]**

Sl. No.	In COC Terms	In COO Terms
1.	Of the total set of commodities, 27 commodity groups have been identified where India’s reported import figures are more than corresponding reported export figures of China resulting in a total difference of USD 2.12 Billion.	Of the total set of commodities, 29 commodity groups have been identified where India’s reported import figures are more than corresponding reported export figures of China resulting in a total difference of USD 12.73 Billion.

Sl. No.	In COC Terms	In COO Terms
2.	For remaining 70 items (including commodity group no. 04), China's reported export figures exceed corresponding import figures reported by India resulting in a total difference of USD 16.81 Billion. The net difference in reported figures thus stands at our earlier identified difference figure of USD 14.68 Billion.	For remaining 68 items (including commodity group no. 04), China's reported export figures exceed corresponding import figures reported by India resulting in a total difference of USD 8.56 Billion. The net difference in reported figures thus stands at our earlier identified difference figure of USD -4.17 Billion (with India's import figures exceeding China's export figures).
3.	Commodity code 29 (Organic Chemicals) is where India's import figure exceeds China's export figure by over USD 1 billion . But worth mentioning are Commodity codes 70, 72, 73, 85 and 94 wherein China's export figures exceed the corresponding import figures reported by India by more than 0.5 billion accounting for the bulk data variation of approximately USD 10 Billion (USD 9.891 Bln) [refer Table 2 below]	Commodity codes 29, 71, 84 and 85 are areas where India's import figure exceeds China's export figure by over USD 0.5 billion accounting for the bulk data variation of USD 11.06 Billion [refer Table 3 below] and quite coherently 29, 84 and 85 are the three groups where India's import values in COO terms way exceeds corresponding values in COC terms detailed earlier in the note. Further Commodity codes 70 (Glass and glassware) and 94 (Furniture, lighting, signs, prefabricated buildings) are where China's export figures exceed the corresponding import figures reported by India by more than 0.5 billion accounting for difference of USD 2 Billion .
4.	Additionally, commodity groups with following codes 39 (Plastics and articles thereof; Rubber and articles thereof), 61 (Articles of apparel and clothing accessories, knitted or crocheted), 83	Additionally, commodity groups with following codes 61 (Articles of apparel and clothing accessories, knitted or crocheted), 73 (Articles of iron or steel), 83 (Miscellaneous articles of base

Sl. No.	In COC Terms	In COO Terms
	(Miscellaneous articles of base metal), 95 (Toys, games and sports requisites; parts and accessories thereof) have differences falling in the range of 0.4 and 0.5 billion and totaling to another USD 1.85 billion variation.	metal), have differences falling in the range of 0.4 and 0.5 billion and totaling to another USD 1.3 billion variation.

Table 2 [China's Export Figures exceeding India's Import COC Figures]

Commodity Code	Commodity Name	Difference between China and India figures in USD Bln
70	glass and glassware	0.5476566
72	base metals and articles of base metal	0.5462951
73	articles of iron or steel	0.5378871
85	electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles	6.7503068
94	furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishing; luminaires and lighting fittings, not elsewhere specified or included; illuminated signs, illuminated name- plates and the like; prefabricated building	1.5092595
Total		9.891405
<p>Remarks: The bulk data variation of approximately USD 10 Billion remains confined to these 5 commodity groups with the most significant being Commodity Code no. 85 comprising electrical machinery and equipment, etc. and India has consistently been a</p>		

Commodity Code	Commodity Name	Difference between China and India figures in USD Bln
major importer of goods in this segment from China and Hong-Kong. Moreover, commodity code no. 85 is a consistent dominant group in India's import basket.		

Table 3 [China's Export Figures falling short of India's Import COO Figures]

Commodity Code	Commodity Name	Difference between China and India figures in USD Bln
29	Organic Chemicals	-2.43317
71	Pearls, precious stones, metals, coins, etc.	-0.66425
84	Nuclear reactors, boilers, machinery, etc.	-2.27815
85	Electrical, electronic equipment	-5.69019
Total		-11.06577

Table 4 [Differences and Commonalities]

Sl. No.	In COC Terms	In COO Terms
1.	Commodity codes 3, 9 and 74 appear in the list of 27 items wherein India's import figures exceed China's export figures; but these items donot figure in the list of 29 items when similar exercise is done in COO terms.	Commodity codes 32, 84,85,91 and 93 appear in the list of 29 items wherein India's import figures exceed China's export figures; but these items donot figure in the list of 27 items when similar exercise is done in COC terms.
2.	Commodity codes 32, 84, 85, 91 and 93 appear in the list of 70 items wherein China's reported export figures exceed corresponding import figures reported by India; but these items donot figure in the list of 68 items	Commodity codes 3, 9 and 74 appear in the list of 68 items wherein China's reported export figures exceed corresponding import figures reported by India; but these items donot figure in the list of 70 items when similar

Sl. No.	In COC Terms	In COO Terms
	when similar exercise is done in COO terms.	exercise is done in COC terms.
3.	Commodity code 29 (Organic Chemicals) is where in both terms India's import figures exceed exceeds China's export figure by over USD 1 billion although exact values are different [1.05 Bln in COC terms/2.43 Bln in COO terms].	
4.	Commodity codes 70 (Glass and glassware) and 94 (Furniture, lighting, signs, prefabricated buildings) are where in both terms China's export figures exceed India's import figures by over USD 0.5 Bln with negligible differences in exact values.	
5.	Complete and starkly reverse pictures are observed in case of Commodity Codes 84 (Nuclear reactors, boilers, machinery, etc.) and 85 (Electrical, electronic equipment). In case of both these groups China's reported values exceeded our values (in COC terms). And in COO terms China's reported values fell short of our values and Commodity Code 85 indeed has a critical role in explaining bulk of the differences that exist in trade data between both these nations whether in terms of COC or in terms of COO especially because divergent statistics are discerned.	

9. Commodity Codes 84 and 85 may be taken up for detailed introspection for such stark variations in data between the two forms of valuation. Over invoicing wherein higher import figures has been reported by India vis-a vis China's export figures may need to be examined so as to ensure and put in effect the practice of trading of goods at recorded fair market price and subsequently reduce all unfair trade practices, arbitrage opportunities and any form of data discrepancy.

10. Additionally, while underreporting may be cited as one of the plausible reasons coupled with unfair cross-border trade practices; a more granular examination may prove to be fruitful in plugging some of the loopholes and in turn reduce loss to revenue exchequer by way of enhanced documented trade and payment of requisite duties.
