

# Business Standard

## India, China sign protocol for export of Indian tobacco to Chinese market

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India and China on Monday signed a protocol to export Indian tobacco leaves to China, which is the largest consumer and producer of the tobacco with over 350 million smokers - the world's highest.

The protocol was signed by India's Commerce Secretary Anup Wadhawan and Zhang Jiwen, Vice Minister of General Administration of China Customs (GACC) which is responsible for examining market access and quarantine issues for India's agriculture and allied products, the Indian Embassy here said in a statement.

Quality tobacco on par with international standards is available in India at competitive prices and there is good potential for export of Indian tobacco to China. The revival of the phytosanitary protocol with China will pave the way for revival of Indian tobacco exports to China and prove economically beneficial to Indian farmers, the statement said.

During his talks with Zhang, Wadhawan, who is on a two-day official visit to China, complimented GACC for expeditiously addressing some long pending agricultural market access issues for Indian products, following the understandings reached on these matters at the first informal summit between President Xi Jinping and Prime Minister Narendra Modi in Wuhan last year, it said.

Since that summit, the protocol on exports of non-basmati rice was signed in June 2018. GACC has also approved six Indian mills for export of rapeseed meal to China. The protocol on exports of fish meal and fish oil was signed during the visit of Vice Minister of GACC to New Delhi in November 2018, it said.

The GACC has also deputed experts to inspect Indian soybean meal establishments and pomegranate orchards and pack houses in December 2018. The SPS Protocols for these products are at an advanced stage of negotiation, the statement said.

"The recent period has thus seen significant progress in market access for a number of agricultural and allied products from India. The Commerce Secretary requested the GACC to expedite market access for other products like okra, soybean, bovine meat and dairy products," it said.

On Tuesday, Wadhawan will meet Chinese Vice Commerce Minister Wang Shouwen to discuss the progress made under RCEP negotiations and efforts to strengthen bilateral trade, it said.

The much talked about access to India's pharmaceutical products and IT for which India is pushing China for a long time to reduce the ballooning trade deficit was expected to figure in Tuesday talks.

The trade deficit in 2018, according to Chinese official data, climbed to USD 57.86 billion from USD 51.72 billion in 2017 in about USD 95.54 total bilateral trade.

India's exports to China went up to USD 18.84 billion, an increase of 15.2 per cent compared to 2017.

A series of recent announcements by China spoke of liberalisation of sale of foreign drugs, specially the cancer curing medicines. The talks were expected to focus on China implementing its promise to open up its markets for Indian drugs.

The RCEP is a free trade area (FTA) made up of 10 ASEAN members (Brunei, Cambodia, Indonesia, Malaysia, Myanmar, Singapore, Thailand, the Philippines, Laos and Vietnam) and their six FTA partners, India, China, Japan, South Korea, Australia and New Zealand.

RCEP aims at liberalising norms for trade in goods and services and boost investment among 16-member countries.

The last round of talks were held in in Hyderabad last year.

China is pushing for the RECP after US President Donald Trump pulled Washington out of the Trans-Pacific Partnership (TPP).

Facing threat of cheap imports from China, officials say India is specially seeking to protect its advantages in services and stagger the phase-out of tariffs over a longer period in the case of China, to allow Indian industry more time to adjust.

**Source:** [https://www.business-standard.com/article/pti-stories/india-china-sign-protocol-for-export-of-indian-tobacco-to-chinese-market-119012101077\\_1.html](https://www.business-standard.com/article/pti-stories/india-china-sign-protocol-for-export-of-indian-tobacco-to-chinese-market-119012101077_1.html)