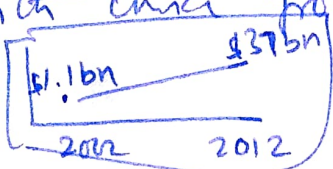
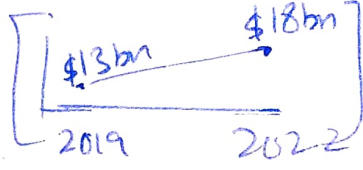
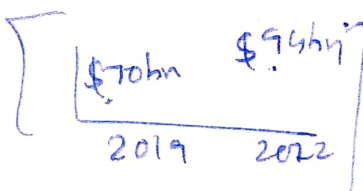


## Q3-3 - Economy

3. Despite production linked Incentive Scheme, India's import dependency from china remains alarming. DO you agree with this view? Comment

Trade deficit with china from 2002 to 2012 increased from  and in 2022 it reached new high of \$73bn. To counter this ~~can~~ government brought Atmanirbhar Bharat to reduce reliance on imports.

### Current situation of trade deficit

- Quarterly data - Trade deficit with china 
- Top 5 import products from china 

### India's reaction

India ~~to~~ launched production linked Incentive scheme to give boost to manufacturing sector and increase domestic manufacturing to cut reliance on imports.

But Analysis of harmonised code on 10 out of 14 industries under the scheme showed high dependence of imports from world, esp. from china.

import reached new high of \$47bn (highest in last 4 years)

## Effect of production linked Incentive Scheme

It is too early to conclude the impact of the scheme to reduce reliance on china's import.

But, one thing is clear - it is near impossible at this time to eliminate china's imports & become self-sufficient.

## Way forward

India must focus on stray economic ties - like chile for lithium and south Korea for solar. Foreign direct investment, technologies etc, <sup>key to</sup> reduce import dependency. Avoiding incidents like chemical leak in H.P in 2020 before building upon china+1 strategy. Budget for 2023-2024 must address these issues, & bring certain reform in scheme to reduce growing reliance on china's import