

NO LOCAL CURRENCY TRADE WITH INDIA: CHINA

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China has not accepted India's proposal to carry out bilateral trade in local currencies, which was aimed at bridging the ballooning trade deficit with the neighbour, an official said.

India's exports to China stood at only \$13.4 billion and imports aggregated to \$76.4 billion in 2017-18, leaving a trade deficit of \$63 billion. It was \$51.11 billion in 2016-17.

India had mooted renminbi-rupee trade with China to boost exports and tackle the widening trade deficit concern. "They have not accepted the proposal," the official said.

The issue was discussed in an inter-Ministerial meeting in October. In the meeting, it was suggested the Reserve Bank of India and the Department of Economic Affairs should look at the possibility of exploring renminbi-rupee trade with China.

India has also proposed trade in national currencies with other countries, including Russia, Iran and Venezuela with which New Delhi has a trade deficit.

"Trade imbalance should not be there with the country with which we want to do trade in rupee. It will not help bridge the deficit. The partner country should have an opportunity to invest in India to use the rupee," said Biswajit Dhar, professor at Jawaharlal Nehru University.

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