



India-China Economic Cooperation

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Key Dimension

- Trade is the major dimension of India-China relations
- Increasing at fast pace – total trade in 2009-10 – US\$ 46.7 billion
- China is fastest growing market for India – ahead of Japan and the US

But,

- India has a trade deficit of US\$ 19.2 billion

Trade Trends

Year	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
EXPORT	6,759.10	8,321.86	10,871.34	9,353.50	11,617.88
% Growth		23.12	30.64	-13.96	24.21
IMPORT	10,868.05	17,475.03	27,146.41	32,497.02	30,824.02
% Growth		60.79	55.34	19.71	-5.15
TOTAL TRADE	17,627.15	25,796.89	38,017.74	41,850.52	42,441.90
% Growth		46.35	47.37	10.08	1.41
TRADE BALANCE					
India's Trade Balance	-46,075.20	-59,321.19	-88,521.83	-118,400.95	-109,621.45

Source : Department of Commerce, GOI
All figures are in US\$ million

Some Concerns for India

- Effect on domestic industry
- China has opaque cost of production, hidden subsidies and undervalued currency
- India's export basket dominated by iron-ore, primary and semi-finished iron and steel products
 - Chinese infrastructure may get saturated
 - Competing demand from own infrastructure sector

Role for businesses in both countries to take lead

Future Potential

- In terms of trade – pharmaceuticals, IT and financial services
 - Chinese government can help by streamlining registration process for pharma companies and easier access to service exports
- India provides safe legal and financial investment avenue with high returns – China should explore
- Long term potential in energy sector
 - Exploiting hydropower and water management in Yarlong Zangbo-Brahmaputra

Before this, complex territorial, technical and strategic issues that need to be addressed



THANK YOU