

# **PREFACE**

In the era of WTO international trade has emerged as a major area of attraction for the social scientists throughout the world. The new international order has posed both threats as well as opportunities before the planners. During the first decade of 21<sup>st</sup> century, India and China have attracted the attention of the world because these two economies have emerged as the fastest growing economies of the world. These two economies have successfully overcome the global meltdown of 2008 and presently acting as the engine of growth of the world economy. The study of India China trade has emerged as the pioneer area of research amongst research scholars. China and India frequently exchanged visits between their leaders, enhanced mutual understanding and trust and developed cooperation in economy and other fields. Their bilateral trade grew very fast. The two countries entered a period of comprehensive development of Sino-Indian good-neighbour relations. Particularly in 2005, China and India set up strategic partnership facing peace and prosperity, which upgraded their relations: the two countries cooperate not only in bilateral problems but also in international and regional problems. President Hu Jingtao's visit to India in 2006 enriched the two countries' strategic partnership. The Sino-Indian Joint Statement provided a blue-print of sustainable development of their relations. The "ten strategies" of the statement were concrete and operational. Now, Asian countries including China and India have realized that they should not only politically safeguard national sovereignty and independence, but also economically get rid of poverty and keep pace with developed countries. People always talk about the coming of the "Asian-Pacific century, "or "Asian century". The population of China and India is more than two billions, so Deng Xiaoping said to Indian Prime Minister Rajiv Gandhi in 1988: "Without the development of

China and India there will not be a real Asian century. Only with the development of China and India can there be a real Asian-Pacific or Asian century.” Since China executed the policy of reform and opening up in 1978, China’s economic growth has risen by above 9% every year. Since India carried out economic reform in 1991, India has also got conspicuous progress in economy though the statistics are too optimistic, but the trend of economic development of China and India present an encouraging future.. In 2003, Goldman Sachs Group Inc, the biggest investment bank of the USA, predicted in a report that India would surpass Japan in total value of domestic production before 2032 and become the third economic body next to the US and China. Furthermore, in another research report issued on January 22, 2007, the Goldman Sachs Group Inc said: “The growth of Indian economy would continue to rise for several years after 2003 and India would replace the US in 2050 to be the biggest economic body in the world. The two reports predicted the realization of economic modernization of China and India in 2050.

In talking about the future of Sino-Indian trade relations, western scholars always take much delight in foretelling the competition and confrontation between the two countries. They think that China and India cannot escape the fate of contending with and opposing to each other, because they think that China and India as countries each with a large population and vast territory would be naturally proud of their brilliant history and each try to be the leader of the third world Without the invasion there would not have been the border dispute The development of a country, like the growth of a man, is a process of progressive development. Having summed up positive and negative historical experiences, China and India have come to realize that there is no conflict of fundamental interests between themselves and, instead, they share common interests in many international events. They need to cooperate with each other because the epoch demands them to cooperate instead of contending.

If there is any competition between the two countries, it will be the competition each country has to face in the market economy of the world. However, the competition is not the main stream of the two countries. The competition in business is positive for it will improve the quality of goods and the level of business management. Eminent Indian economist and Nobel Prize winner Amartya Sen said, people should ask what India and China can learn from each other, but not who can get ahead of the other. His words are very good indeed. In the present study an attempt has been made to investigate the various aspects of Sino-Indian Trade Relations.

Chapter I deal with the concept of international trade, theories of International Trade, present state of Indian and Chinese economy and their changing structure. Chapter II formulates the detailed research plan including Review of Literature, Need of the study, Scope, Objectives, Methodology and Limitations of the study.

Chapter III describes the trade policies of India and China with various reforms took in both the economies.

Volume of Sino – Indian Trade has been discussed in the fourth chapter. Efforts have been made to study the trends of trade between India and China in the future.

Chapter V deals with the commodity composition of trade between India and China. An effort has been done to analyse the composition of exports from India to China and Imports from China to India.

The ancient land trade routes between India and China and the current trade routes have been studied in the VIth Chapter. Various hurdles in these trade routes have also been analysed.

Chapter VII deals with various material areas of collaborations between two countries in addition of economic factors which are effecting trade directly or indirectly. Moreover an attempt has been

made to analyse those areas where the two countries are in conflicts. The potential challenges in front of both the countries have also been discussed which can pose threat to these two giants.

Finally Chapter VIII epitomizes the main findings of the study. On the basis of these findings, some suggestions to strengthen the Sino- Indian trade relations have also been spelt out.

As a matter of internal compliance, I would like to thank soulfully, the almighty God who bestowed me with his blessings to accomplish this investigation.

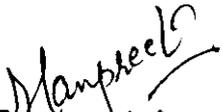
I welcome this opportunity to record my heartfelt gratitude and sincere thanks to Prof. Kulwant Rana ICDEOL, Himachal Pradesh University, under whose expert guidance this work has been designed and conducted. I am highly grateful to him for his sustained encouragement, kind co-operation, and keen interest and valuable suggestions during the course of the study. I would take this opportunity to thank deeply Mrs. Rana for her help and care.

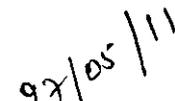
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**Dated.....**

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