

# A Comparative Study of India-China Bilateral Trade

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## Abstract

*Bilateral trade between India and china, the world's two most populous countries, have expended substantially in recent years. They are the fastest growing economies in Asia as well as in the world scenario. Both economies are classified by international agencies as emerging markets with potential for rapid economy growth. They play an increasingly dominant role in world economy affair. China has gained a large footprint in international trade and investment flows; today it is world largest exporting nation while India's export has grown in the decay of 2001-10. This paper is an attempt to examine and compare bilateral trade between the two economies and to draw implications for trade and economics cooperation between India and china in future. Especially, this paper investigates the major trends and changes in the India's balance of trade with China; in total import or export to china. The findings are used to draw policy implications for future trade and economic*

**Keywords:** *Bilateral trade, emerging markets, commodity, export and import.*

## India- China Trade Relations: An overview

India and China today represents Asia's two largest and most dynamic economies which are emerging as new trend setters in international relations. The history of bilateral relations between India and china dates back to mid 1980s. The process of dialogue initiated by the governments of the two countries at that point of time was quite helpful in identifying the common trade interests. Efforts were initiated to make the most of their economic strengths so as to further

the economy relations between India and china. In the year 1984, India and china entered into a Trade Agreement, which provided them with the status of **Most Favored Nation (MFN)**. It was in 1992 that the India and china got involved in a full-fledged bilateral trade relation. The year 1994 marked the beginning of a new era in the India- china economic relations. In this year a double Taxation Agreement was signed between India and china. The government of both the countries also took the necessary initiative to turn into dialogue partners in the **Association of Southeast Asian Nations (ASEAN)**. In 2003, Bangkok Agreement was signed the two countries. Under this agreement both India and china offered some trade preferences to each other. India provided preferences on tariff for 217 products export from India. In 2003, India and china entered into an agreement to initiate open border trade via the Silk Route. The two countries have also shown interest to take part in a multilateral trade system as per the **WTO** commitments. China has already been the top trading partners of India in the recent time. The economic relation between the two countries is considered to be one of the most significant bilateral relations in the contemporary global economic scenario and this trend is expected to continue in the years to come. Today, China is India's largest trading partner; whereas India is within the top ten of China's trading partner. Total Bilateral trade between China and India was about Rs.368989cr. at the end of the 2012-13. Both countries have proposed, with confidence, the goal of increasing bilateral trade to \$100 billion by 2015

### ***Indian Export to China under the India China Trade Relations:***

The principal items of **Indian exports to China** are ores, slag and ash, iron and steel, plastics, organic chemicals, and cotton. In order to increase the extent of exporting **Indian goods to China**, however, there should be a special emphasis on investments and trade in services and knowledge-based sectors. The other potential items of trade between India and China are marine products, oil seeds, salt, inorganic chemicals, plastic, rubber, optical and medical equipment, and dairy products. Great potential also exists in areas like biotechnology, IT and ITES, health, education, tourism, and financial sector.

### **Chinese Export to India under the India China Trade Relations:**

The main items that comprise **Chinese exports to India** are electrical machinery and equipment, cement, organic chemicals, nuclear reactors, boilers, machinery, silk, mineral fuels, and oils. Value added items like electrical machinery dominates **Chinese exports to India**. This exhibits that **Chinese exports to India** are fairly diversified and includes resource-based products, manufactured items, and low and medium technology products. It is said that if India is to capture the markets of China and enjoy profits, then it would have to discover new merchandise and branch out its exports to China

### **India -China Trade and Trade Deficit:**

India had unfavorable balance of trade with China. While China continues to enjoy a huge favourable balance of trade vis-à-vis most other smaller states of the South Asian region, it is only the India-china trade that has remained to be China's most balanced trade in

South Asia. However, both these nations are growing very fast and can propel the future world economy with a pool of the world's largest skilled work force. Notwithstanding steps announced by India and China to reduce their trade deficit during premier Li Keqiang's ongoing visit. Chinese analysts believe the imbalance is likely to keep growing in the short term due to structural problems.

India's trade deficit with China is expanding. In the short term, that's hard to resolve. The imbalance is mainly because India has limited exports to China, while Chinese manufactured goods have a competitive advantage in the Indian market. The slower growth pace in China in recent years, together with overcapacity in the steel and iron sectors and the Chinese government's tightening policies in the real estate sector, reduced demand for Indian raw materials — mainly iron ore and iron sand, which account for the bulk of Indian exports to China. That's the reason behind India's increasing trade deficit with China. The trade imbalance is rooted in India's trade structure. India's trade deficit with China will not be reversed in the foreseeable future. Any change depends on whether India can export products that meet the demand of the Chinese market.

While swamping the Indian market with its products, China has made it difficult for Indian exporters to gain much of a foothold in its own market, including in sectors where India is strong, such as pharmaceuticals and information technology. As a result, India's exports to China largely consist of low-margin, unprocessed commodities.

### **Objective of the study:**

- To find out which commodity is dominating in export and import with china.
- To judge India's Balance of trade from china.
- To find out India's share in export or import with china.

### Methodology:

The study is purely based on secondary data. The data is collected from the website of Department of Commerce, Govt. of India and various websites. The analysis was done from 2006-07 to 2012-13. The statistical tools applied were trend analysis (Yc), Annual Growth rate (AGR), Percentage etc. as per requirement of the analysis.

Table 1 explains India's total export & import and balance of trade with China over the study period from 2006-07 to 2012-13 in absolute as well as in relative terms. The total export of India to china was increased by 133% in the study period i.e. Rs 37529cr in 2006-07

to Rs. 87470cr in 2011-12 except 2008-09 & 2012-13, where it was reduced by Rs. 636cr & Rs.14118cr in comparison to previous year. The total import of India from China was increasing continuously over the study period i.e. Rs. 79008cr in 2006-07 & Rs.295637cr in 2012-13 except 2008-09, where it was declined by Rs.1557cr compare to the previous year in absolute terms. The balance of trade was increasing continuously except 2009-10 and was unfavorable to India during all the seven years of study period in absolute terms. The AGR of balance of trade was highlyfluctuating and negative i.e. 60.17% in 2008-09 and -12.97% in 2009-10. The trend value of balance of trade was showed an increasing trend over the study period. Hence, table reveals that balance of trade with China was unfavorable due to more increase in import to export business. So, India should try to increase their export and decrease import with china to obtain a favorable balance of trade in future.

**Table 1: Comparison of Export and Import of India to China from 2006-07 to 2012-13**

(Values in Rs. Crores)

Sr. No.	Years	Export	Import	Balance of trade	AGR	Yc
1.	2006-07	37,529	79,008	-41479		-33347
2.	2007-08	43,597	109,116	-65,519	57.96	-62323
3.	2008-09	42,661	147,605	-104,944	60.17	-91299
4.	2009-10	54,713	146,048	-91334	-12.97	-120275
5.	2010-11	70,242	198,079	-127,836	39.97	-149251
6.	2011-12	87,470	275,998	-188,527	47.47	-178227
7.	2012-13	73,352	295,637	-222,285	17.90	-207203

Source:<http://commerce.nic.in/eidb/iecnttopn.asp> accessed on June 10, 2013

Table 2 indicates India's total export and export to China from 2006-07 to 2012-13 in absolute as well as in relative terms. The total export of India was grown

up continuously over the study period in absolute figures. The trend value was also showed an increasing trend and AGR of total export by India was fluctuating

but positive during the study period. India's export to china was increasing over the study period i.e. Rs37529cr in 2006-07; Rs. 87470cr in 2011-12 except 2008-09 & 2012-13, where It was declined by Rs. 636cr in 2008-09 and by Rs.14118cr in 2012-13 as compared to previous year of the study period in absolute terms. The trend value of India's total export to China showed an increasing trend over the study period. The AGR of total export to china was fluctuating and even negative also in the years 2008-09 & 2012-13. China's contribution in India's total export was in range of 4.49% to 6.65% in the study period.

However it should be noted total export of India to China was increasing during the study period except 2008-09 & 2012-13. The decline was perhaps due to recession & slower growth pace in world economy. The AGR of total export to china was fluctuating & negative. *The total export* of India to all over the world was increasing in absolute figures. Trend value represents an increasing trend but AGR of total export was fluctuating and decreasing over the study period. So, India should try to increase its total export to world as well as China for achieving an increasing annual growth rate in future.

**Table 2: India's Exports to China from 2006-07 to 2012-13** (Values in RsCrore)

Sr. No.	Years	India's total export	Yc	AGR	Export to China	Yc	AGR	% share of India (Export/Total Export)
1.	2006-07	571779	498698		37529	34368		6.56
2.	2007-08	655863	578730	14.70	43597	42595	16.17	6.65
3.	2008-09	840755	658763	28.19	42661	50552	-2.15	5.07
4.	2009-10	845533	738796	0.57	54713	58509	28.25	6.47
5.	2010-11	1142921	818829	35.17	70242	66466	28.38	6.15
6.	2011-12	1465959	898861	28.26	87470	74423	24.53	5.97
7.	2012-13	1633634	978894	11.44	73352	82380	-16.14	4.49

Source: <http://commerce.nic.in/eidb/iecnt.asp> accessed on June 8, 2013

Table 3 represents India's total import and import from china in absolute as well as relative terms from 2006-07 to 2012-13. The total import of India was increasing continuously in absolute terms. The trend value was also showed an upward trend during the study period and the AGR of India's total import was fluctuating even negative i.e. 39.32% in 2011-12 and -0.78% in 2009-10 over the study period. India's import from china was increasing continuously except 2009-10, where it was declined by Rs.1557cr compared to previous year of study period in absolute terms. Trend value was also showed an increasing trend during the

study period. The annual growth rate of India's import from china was fluctuating and negative i.e. 39.34% in 2011-12 and -1.05% in 2009-10. China's contribution in India's total import was in range of 10.71% to 11.77%. Hence, it should be noted that India's total import was increasing continuously in absolute terms. Trend values represent an increasing trend but AGR of total import was fluctuating and negative. India's import from China was increasing during the study period except in the years of 2009-10 their annual growth rate was fluctuating and negative but trend value represents an increasing trend over the study

period. So, India should try to sluggish its import domestic producers.  
in future for expand and give strength to their

**Table 3: India's Import from China from 2006-07 to 2012-13**

(Values in RsCrore)

Sr. No.	Years	India's total import	Yc	AGR	Import from China	AGR	Yc	% share of China (Import/Total Import)
1.	2006-07	840506	705000		79,008		67985	9.40
2.	2007-08	1012311	1007884	20.44	109,116	38.10	104918	10.78
3.	2008-09	1374435	1310768	35.77	147,605	35.27	141851	10.74
4.	2009-10	1363735	1613651	-0.78	146,048	-1.05	178784	10.71
5.	2010-11	1683466	1916535	23.45	198,079	35.63	215717	11.77
6.	2011-12	2345463	2219419	39.32	275,998	39.34	252650	11.77
7.	2012-13	2675643	2522303	14.08	295,637	7.12	289583	11.05

Source: <http://commerce.nic.in/eidb/iecnt.asp> accessed on June 8, 2013

Table 4 indicates the top six commodity that was dominated the India's export to China i.e., ores, slag & ash (HS26), copper & articles (HS74), cotton (HS52), organic chemicals (HS29), iron & steel (HS72) and plastic & articles thereof (HS39) over the study period from 2008-09 to 2012-13 in absolute as well as in relative terms. Ores slag & ash (HS26) was on top position worth Rs. 21904cr; Rs 26150cr; Rs.21653cr and Rs. 22211cr in the years of 2008-09; 2009-10; 2010-11; 2011-12 respectively and on 2nd position worth Rs.10108cr in the last year of study period. The AGR of this commodity was highly fluctuating and negative also i.e., 19.38% in 2000-10 and -54.49% in 2012-13. Contribution of this commodity in India's total export to all over the world was in the range of 80.26% to 90.77%. It should be noted that China is the

highest exporter of this commodity. The total export of this commodity to all over the world was fluctuating & decreasing in absolute terms; their AGR was also highly fluctuating & negative i.e. 26.14% and -54.49% in the years of 2009-10 and 2012-13 respectively. Hence the AGR of this commodity was highly fluctuating and negative and its contribution in export to china as well as all over the world was declined. So, this commodity should try to maintain its prominent position with stability and positive growth rate in the future for this purpose exporter should try to search new avenue of this commodity

Copper & articles (HS74) occupied the 2nd position worth Rs. 12108 cr in 2010-11; on the 3rd position in 2009-10; 2011-12; 2012-13 worth Rs. 2565

cr; Rs.9759 cr; Rs. 10931 cr respectively and on the 6th position in 2008-09 worth Rs. 543 cr over the study period in absolute terms. The AGR of this commodity was highly fluctuating and positive i.e. 371.94% in 2010-11 and -19.4% in 2011-12. Contribution of this article in India's total export to all over the world was in the range of 6.27% to 71.33%. India's total export of this commodity to all over the world was increasing except 2011-12 in absolute figures. The AGR of total export of this article to all over the world was fluctuating i.e. 136.22% in 2010-11 and -31.95% in 2011-12. Hence the export of this commodity to China and all over the world were fluctuating in absolute terms, their AGR were also highly fluctuating and negative. So it can be suggested that exporter of this article should try to perform better in the future to achieve positive growth rate to improve its position.

Position of cotton (HS52) was fluctuating during the study period in absolute terms. The AGR of export of this article to China was highly fluctuating and negative i.e. 238.8% in 2009-10 and -8.12% in 2012-13. Contribution of this commodity in India's total export to all over the world was in the range of 12.22% to 46.10%. The total export of this commodity to all over the world was increasing except 2009-10, where it was reduced by Rs.12337cr in absolute terms. The AGR of total export of this article was decreasing continuously but positive over the study period. Hence, the AGR of export of this article to China was fluctuating & negative and the AGR of total export of this commodity was decreasing continuously. So exporter of this article should try to increase its AGR with stable and positive growth rate in future.

An organic (HS29) chemical was on 2nd position in 2008-09; 4th position in 2009-10; 2011-12 & 2012-13 and 5th position in 2010-11 in absolute terms. The

AGR of export of this commodity to China was positive during the study period except 2012-13 where it was sharply declined by 7.06% compare to the previous year. Contribution of this article in India's total export to all over the world was in the range of 5.35% to 8.12%. The total export of this commodity to all over the world was increasing in absolute terms over the study period and their AGR was positive & increasing except 2011-12 where it was declined rapidly by 14.33%. However, total export and export to china of this article were increasing in absolute figures. Their AGR also increase except last year of study period. So exporter of this article should try to maintain their current position.

Iron & steel (HS72) occupied the 4th position in 2008-09 & 2010-11 and 6th in the remaining years of study period in absolute terms. The AGR of export of this commodity to China was negative in the study period except 2010-11 where it was 134.78%. Contribution of this commodity in India's total export to all over the world was in the range of 5.10% to 10.48%. The total export of this commodity was increased in absolute terms except 2009-10, where it was decreased by Rs.12337 cr and their AGR was fluctuating and negative i.e., 52.69% in 2010-11 & -36.67% in 2009-10. Hence, export of this article to China was decrease but total export increase over the study period. The AGR of export of this article to China as well as all over the world was fluctuating and negative. So it can be suggested that the exporter of this commodity should try to increase their contribution and try to maintain its share for achieving the positive growth rate.

Plastic and articles thereof (HS39) was on 4th position in 2008-09; 2009-10; 2011-12 and 2012-13 and on 6th in 2010-11 in absolute as well as relative terms. The export of this commodity to China was increased and

their AGR was positive but fluctuating i.e. 125.97% in 2009-10 and 15.89% in 2012-13. Contribution of this commodity in India's total export to all over the world was in the range of 5.69% to 11.96. The total export of this commodity was also increased in and their AGR was positive but started reducing after 2010-11.

However, total export of this commodity to china and all over the world was increased; their annual growth rate was positive but fluctuating. So, it can be suggested that the exporter of this commodity should try to improve its share in future for achieving a positive.

**Table 4: Commodity wise table from 2008-09 to 2012-13 (Import from China)**

(Values in Rs. Crore)

Sr. No.	HS No.	Descriptions	Descriptions	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
1	HS 26	Ores, Slag and Ash	Values	21,904	26,150	21,653	22,211	10,108
			AGR		19.38	-17.2	2.58	-54.49
			Rank	1	1	1	1	2
			Total import of commodity	24,814	31,302	23,855	26,213	12,594
			AGR		26.14	-23.79	2.58	-54.49
			% Export to China	88.27	83.54	90.77	84.72	80.26
2	HS 74	copper and articles	Values	543	2,565	12,108	9,759	10,931
			AGR		371.67	371.94	-19.4	12.02
			Rank	6	3	2	3	3
			Total import of commodity	8,093	8,511	20,105	13,681	15,729
			AGR		5.16	136.22	-31.95	14.97
			% Export to China	6.27	30.14	60.22	71.33	69.50
3	HS 52	Cotton	Values	1,737	5,887	8,554	20,098	18,465
			AGR		238.8	45.29	134.94	-8.12
			Rank	3	2	3	2	1
			Total import of commodity	14,224	21,622	31,428	43,601	48,024
			AGR		52.01	45.35	38.73	10.14
			% Export to China	12.22	27.23	27.22	46.10	38.45
4	HS 29	Organic Chemicals	Values	1,822	2,404	3,185	4,304	5,548
			AGR		31.94	32.45	35.13	28.91
			Rank	2	4	5	4	4
			Total import of commodity	34,057	35,241	41,318	56,179	68,335
			AGR		3.47	17.24	35.97	21.64
			% Export to China	5.35	6.82	7.71	7.66	8.12
5	HS 72	Iron and Steel	Value	171,501	145,155	340,799	275,788	164,177
			AGR		-15.36	134.78	-19.08	-40.47
			Rank	4	6	4	6	6
			Total import of commodity	33,643	21,306	32,532	39,759	44,058
			AGR		-36.67	52.69	22.21	10.81
			% Export to China	5.10	6.81	10.48	6.94	3.73
6	HS 39	Plastic and articles Thereof.	Values	654	1,477	1,817	2,958	3,428
			AGR		125.97	22.95	62.79	15.89
			Rank	5	5	6.00	5.00	5.00
			Total import of commodity	11501	13011	18150	25311	28660
			AGR		13.13	39.49	39.46	13.23
			% Export to China	5.69	11.36	10.01	11.69	11.96

Sources: <http://commerce.nic.in/eidb/ecntcom.asp> accessed on June 10, 2013

Table 5 illustrates top six imported commodity which dominated the Indian import basket from China I.e., electrical machinery & equipment & part thereof; sound recorders & reproducers, television image & sound recorders & reproducers & parts (HS85), Nuclear reactors, Boilers, machinery & mechanical appliances; part thereof; (HS84), Organic chemicals (HS29), Project goods; some special uses (HS98), Iron & steel (HS72) and fertilizers (HS31), over the study period from 2008-09 to 2012-13 in absolute as well as relative terms.

HS85 commodity was on prominent position (1<sup>st</sup> Rank) over the study period worth Rs. 45529 cr; Rs 45911 cr; Rs. 53968 cr; Rs.64782 cr and Rs. 72678 cr in the years of 2008-09; 2009-10; 2010-11; 2011-12; and 2013-13 respectively in absolute as well as relative figures. The AGR of import of this commodity from China was grown up and positive i.e. 0.84% in 2009-10 and 20.04% in 2011-12 except 2012-13, where it was slowed down by 7.85% compare to previous year. Contribution of this commodity in India's total import from all over the world was in the range of 39.57% to 44.73%. The total import of this commodity from all over the world was increasing except 2009-10 in absolute figures. Their AGR was fluctuating and negative i.e. -8.95% in 2009-10 and 27.03% in 2011-12. However it should be noted that India's total import and import from China of this article was increased in absolute terms over. Their AGR also increased except 2009-10, where the AGR of total import of this commodity from China was negative. So importer of this commodity should try to reduce the dependency of this article on China in future.

HS84 occupied the 2nd position in all over the study period worth Rs. 25130 cr; Rs 292981 cr; Rs35100 cr; Rs 49595 cr and Rs.55327 cr in the years of 2008-09;

2009-10; 2010-11; 2011-12 and 2013-13 respectively in absolute terms. The AGR of import of this commodity from china was increasing and positive except 2012-13, where it was sharply declined by 72%. Contribution of this commodity in India's total import from all over the world was in the range of 20.74% to 28.08%. The total import of this commodity was increased and positive their AGR also increase except 2009-10, where it was -6.17%. However, India's total import and import from China of this article were increasing. AGR also increase except 2012-13. So, importer of this commodity should try to maintain its current position in future.

Organic chemicals (HS29) occupied the 3rd position over the study period except 2011-12, where it was on fourth position in absolute terms. The AGR of export of this article was increasing continuously and positive except 2011-12, where it was reduced by 8.7%. Contribution of this article in India's total import from all over the world was in the range of 29.04% to 32.78%. The total import of this commodity from all over the world was gone up in absolute terms and their AGR also increased continuously except 2011-12, where it was decreased by 9.16%. Hence, India's total import and import from China of this article were increasing in absolute terms their AGR also increased. So, it can be suggested that the importer of this commodity should try to reduce the import of this article for obtain low growth rate in future.

Position of Project goods ; some special uses (HS98) was on 3rd in the year 2011-12; 4th in the years 2009-10; 2010-11 & 2012-13 and 5th in 2008-09 in absolute terms. The AGR of this commodity was fluctuating, decreasing & even negative i.e. 76.66% in 2009-10 and -15.03 in 2012-13. Contribution of this commodity in India's total import to all over the world was in range of

38.12% to 56.13%. The total import of this commodity was increased gradually in absolute figures and their AGR was fluctuating and positive except 2012-13 where it was -15.03%. Hence, India's total import and import from China of this commodity were increasing in absolute terms, except 2012-13. Their AGR were positive but fell down in the last year of study period. So, importer of this commodity should try to maintain its current position for reducing the overseas dependency.

Iron & steel (HS72) was on 4th position in 2008-09; on the 5th position in the years 2009-10; 2010-11 and on the 6th position in the remaining years of study period in absolute figures. The AGR of import of this article from china was highly fluctuating and negative i.e. 139.31% in 2010-12 and - 52% in 2009-10. Contribution of this article in India's total import from all over the world was in the range of 9.1% to 18.13%. The total import of this article was increasing except 2009-10, where it was decreased by Rs. 5171cr in absolute terms and their AGR was fluctuating & positive except 2009-10 where it was -11.02%. Therefore, it should be noted that India's total import

and import from China of this article were increased in absolute terms; their AGR were fluctuating & negative. So importer of this article should try maintaining its current position in future for improving their domestic business.

Fertilizers (HS31) occupied the 5th position in the years of 2011-12; 2012-13 and on the 6th position in the remaining period of study in absolute terms. The AGR of import of this article from China was highly fluctuating & negative i.e., -53.53% in 2009-10 and 262.92% in 2010-11. Contribution of this article in India's total import from all over the world was in the range of 7.52% to 39.35%. The total import of this article from all over the world was decreasing their AGR was highly fluctuating and negative in whole study period except 2011-12 where it was positive 58.87%. However, India's total import and import from China of this commodity were highly fluctuating in absolute terms. Their AGR were also highly fluctuating and negative. So, it can be suggested that the importer of this commodity should try to reduce its import and maintaining its current position in future.

**Table 5: Commodity wise table from 2008-09 to 2012-13 (Import from china)**

(Values in Rs. Crores)

Sr. No.	HS No.	Description	Description	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
1	HS 85	Electrical machinery & equipment & part	Values	45,529	45,911	53,968	64,782	72,678
			AGR		0.84	17.55	20.04	12.19
			Rank	1	1	1	1	1
			Total import of comm.	115,062	104,765	123,859	157,337	162,489
			AGR		-8.95	18.22	27.03	3.27
			% Import from china	39.57	43.82	43.57	41.17	44.73
2	HS 84	Nuclear Rreactor, Boilers, Machinery and Mechanical Appliances; part Thereof.	Values	25,130	29,298	35,100	49,595	52,327
			AGR		16.58	19.81	41.3	11.56
			Rank	2	2	2	2	2
			Total import of comm.	121154	113682	132161	180001	192104
			AGR		-6.17	16.25	36.2	6.72

			% Import from china	20.74	25.77	26.56	27.55	28.8
3	HS 29	Organic chemicals	Values	12,734	14,260	17,554	20,082	25,969
			AGR		11.98	23.1	14.4	29
			Rank	3	3	3	4	3
			Total import of comm.	38,852	44,505	57,549	69,144	85,470
			AGR		14.55	29.31	20.15	23.61
			% Import from china	32.78	32.04	30.5	29.04	30.38
4	HS 98	Project goods; some special uses	Values	5,634	9,954	14,462	23,729	20,162
			AGR		76.66	45.29	64.07	-15.03
			Rank	5	4	4	3	4
			Total import of comm.	14,780	22,498	28,012	42,276	35,733
			AGR		52.22	24.91	50.44	-15.48
			% Import from china	38.12	44.25	51.46	56.13	56.43
5	HS 72	Iron and steel	Values	7911	3797	9087	9917	8925
			AGR		-52	139.31	9.13	-10.01
			Rank	4	5	5	6	6
			Total import of comm.	46,917	41,746	50,133	65,749	74,176
			AGR		-11.02	20.09	31.15	12.82
			% Import from china	16.86	9.1	18.13	15.08	12.03
6	HS 31	Fertilisers	Values	4,122	1,915	6,952	12,370	15,900
			AGR		-53.53	262.92	77.91	28.54
			Rank	6	6	6	5	5
			Total import of comm.	54,837	28,479	28321	44996	40411
			AGR		-48.07	-0.55	58.87	-10.19
			% Import from china	7.52	6.73	24.55	27.49	39.35

Source: <http://commerce.nic.in/eidb/icomxcnt.asp> accessed on June 9, 2013

### Conclusion:

In net shell, the bilateral trade between these two countries is unfavorable to India. Ores, slag & ash (HS26) dominated the India's export where as electrical machinery & equipment and parts thereof (HS85) dominated the India's import from China. Balance of trade was unfavourable to India. India's share in total import was in the range of 4.49% to 6.65% and in export it was between 10.71% to 11.77 percentages with china.

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