

COUNTRY PROFILE REPORT OF ITJ DIVISION, DGCi&S

INDIA-CHINA BILATERAL TRADE RELATION

INTRODUCTION & BRIEF ECONOMIC OVERVIEW

1. The People's Republic of China covers a vast area of eastern Asia, with Mongolia and Russia to the north, Tajikistan, Kyrgyzstan and Kazakhstan to the north-west, Afghanistan and Pakistan to the west, and India, Nepal, Bhutan, Myanmar (formerly Burma), Laos and Vietnam to the south. The country borders the Democratic People's Republic of Korea in the northeast, and has a long coastline on the Pacific Ocean. China is a member of the United Nations.

2. China has the world's second-largest economy in terms of nominal GDP and the world's largest in terms of purchasing power parity. As of 2022, China accounts for around 18% of the global economy by nominal GDP. China was one of the world's foremost economic powers throughout the arc of East Asian and global history. As per IMF Executive Board Article IV Consultation with the People's Republic of China August 2, 2024, China's economy remained resilient despite the continued weakness in the property sector, with GDP growing by 5.2 percent in 2023, and 5 percent y/y in the first half of 2024. Growth has been primarily driven by strong public investment and the post-COVID recovery in private consumption, with net exports also providing a boost more recently. However, inflation has been low in recent quarters amid continued economic slack.

A snapshot of China's selected economic indicators is presented at [Table 1](#)

TABLE- 1

China: Selected Economic Indicators 2019–2029											
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
						Est.	Projections				
	(Annual percentage change, unless otherwise indicated)										
NATIONAL ACCOUNTS											
Real GDP (base=2015)	6.0	2.2	8.4	3.0	5.2	5.0	4.5	4.1	3.6	3.4	3.3
Total domestic demand	5.3	1.7	6.8	2.8	6.1	4.8	4.6	4.3	3.7	3.5	3.4
Consumption	6.3	-0.3	9.0	2.3	8.0	5.6	4.7	4.2	3.8	3.7	3.6
Fixed investment	5.3	3.4	3.2	3.2	4.9	5.2	4.3	4.4	3.4	3.1	3.1
Net exports (contribution)	0.7	0.6	1.8	0.3	-0.6	0.4	0.0	0.0	0.0	0.0	0.0
Total capital formation (percent of GDP)	43.1	42.9	43.3	43.2	41.6	41.8	41.7	41.8	41.7	41.7	41.6
Gross national saving (percent of GDP) 1/	43.8	44.5	45.3	45.7	43.0	43.4	43.2	43.2	43.1	42.9	42.7
Output gap estimate	-1.0	-4.0	-1.1	-2.8	-2.0	-1.2	-0.5	0.0	0.0	0.0	0.0
LABOR MARKET											
Unemployment rate (year-end) 2/	5.2	5.2	5.1	5.5	5.1	...	...	...	...	...	...
PRICES											

Consumer prices (average)	2.9	2.5	0.9	2.0	0.2	0.7	1.9	2.0	2.0	2.0	2.0
Consumer prices (end of period)	4.5	0.2	1.5	1.8	-0.3	1.5	2.0	2.0	2.0	2.0	2.0
GDP Deflator	2.1	1.3	3.0	2.0	-0.6	0.1	1.8	2.0	2.0	2.0	2.0
FINANCIAL											
7-day repo rate (percent)	3.0	2.7	2.2	2.3	1.9	...	...	...	...	...	...
10 year government bond rate (percent)	3.7	3.2	3.0	3.1	2.8	...	...	...	...	...	...
MACRO-FINANCIAL											
Total social financing	10.7	13.3	10.3	9.6	9.8	8.6	8.5	7.5	7.5	7.5	7.5
In percent of GDP	254	278	274	286	301	310	317	320	326	333	339
Total nonfinancial sector debt 3/	10.8	13.2	10.4	9.7	10.1	8.6	8.7	7.6	7.6	7.6	7.5
In percent of GDP	254	278	275	287	302	312	319	324	330	337	344
Domestic credit to the private sector	8.7	10.8	8.4	8.3	8.4	6.8	7.5	6.0	6.3	6.5	6.6
In percent of GDP	162	173	168	174	180	183	185	185	186	188	190
Household debt (percent of GDP)	55.8	61.6	62.1	62.3	63.7	64.0	63.0	62.7	62.6	62.5	62.4
Non-financial corporate domestic debt (percent of GDP)	106	112	106	112	116	119	122	122	123	125	127
GENERAL BUDGETARY GOVERNMENT (Percent of GDP)											
Net lending/borrowing 4/	-6.1	-9.7	-6.0	-7.5	-7.0	-7.4	-7.6	-7.8	-7.9	-8.1	-8.2
Revenue	28.1	25.7	26.6	26.0	26.6	26.3	26.4	26.6	26.8	27.0	27.0
Additional financing from land sales	2.9	2.5	2.3	1.1	0.9	0.8	0.8	0.8	0.8	0.8	0.8
Expenditure	34.2	35.4	32.7	33.5	33.7	33.7	34.0	34.4	34.7	35.0	35.3
Debt	38.5	45.4	46.9	50.7	56.3	60.5	63.7	67.1	70.9	74.9	79.1
Structural balance	-5.8	-8.6	-5.7	-6.8	-6.5	-7.1	-7.4	-7.8	-7.9	-8.1	-8.2
BALANCE OF PAYMENTS (Percent of GDP)											
Current account balance	0.7	1.7	2.0	2.5	1.4	1.5	1.5	1.4	1.4	1.3	1.2
Trade balance	2.7	3.4	3.2	3.7	3.3	3.5	3.5	3.5	3.5	3.4	3.4
Services balance	-1.8	-1.0	-0.6	-0.5	-1.2	-1.3	-1.4	-1.5	-1.5	-1.6	-1.7
Net international investment position	16.0	15.4	12.3	13.6	16.4	17.2	17.5	17.8	18.1	18.3	18.5
Gross official reserves (billions of U.S. dollars)	3,223	3,357	3,427	3,307	3,450	3,817	4,151	4,259	4,377	4,497	4,619

MEMORANDUM ITEMS											
Nominal GDP (billions of RMB) 5/	99,071	102,563	114,528	120,247	125,798	132,273	140,670	149,413	157,829	166,426	175,317
Augmented debt (percent of GDP) 6/	86.3	98.8	100.8	107.9	116.9	124.0	128.9	133.7	138.7	143.6	148.2
Augmented net lending/borrowing (percent of GDP) 6/	-12.5	-17.0	-12.1	-13.4	-13.0	-13.2	-13.1	-12.9	-12.7	-12.5	-12.2
Change in Augmented Cyclically-Adjusted Primary Balance 7/	-3.1	-2.4	3.6	-0.6	0.1	-0.2	0.1	0.2	0.5	0.6	0.5
Sources: Bloomberg; CEIC Data Company Limited; IMF International Financial Statistics database; and IMF staff estimates and projections.											
1/ 2023 GDP will be revised to match official revisions, once full official data are released											
2/ Surveyed unemployment rate.											
3/ Includes government funds.											
4/ Adjustments are made to the authorities' fiscal budgetary balances to reflect consolidated general budgetary government balance including government-managed funds, state-administered SOE funds, adjustment to the stabilization fund, and social security fund.											
5/ Expenditure side nominal GDP.											
6/ The augmented balance expands the perimeter of government to include government-guided funds and the activity of local government financing vehicles (LGFVs).											
7/ In percent of potential GDP.											

FOREIGN TRADE

3. As per recent available inputs on WITS, the five major merchandise export partners of China are United States, Hong Kong, Japan, Korea Republic and Vietnam. On the other hand four major import partners of China are Korea Rep, Japan, United States and Australia. Major five exported goods of China are (i) Transmission apparatus, for radioteleph incorpo (ii) Monolithic integrated circuits, digital (iii) Storage units, (iv) Parts and accessories of automatic data process (v) Electric accumulators, nes.. On the other hand major five imported goods (i) Monolithic integrated circuits, digital (ii) Petroleum oils and oils obtained from bituminous (iii) Non-agglomerated iron ores and concentrates (iv) Gold in unwrought forms non-monetary and (v) Soya beans.

4. China's total exports in 2020 were of the order of USD 2,589,098 million and increased (28.08%) to USD 3,316,022 million in 2021 and followed 8.37% increase in 2022. During the period from 2020 to 2024, the annual average compound rate of growth of exports was 8.41%.

5. China's total imports in 2020 were of the order of USD 2,069,567 million and increased by 29.47% in 2021. During the period from 2020 to 2024, the annual average compound rate of growth of Imports was 5.72%.

6. China had an overall Balance of Trade surplus which was USD 991,408 million in 2024.

A snapshot of China's overall Trade Statistics is presented in Table 2 & Figure 1

TABLE – 2

**CHINA'S TOTAL EXPORTS AND IMPORTS, VOLUME OF TRADE AND BALANCE OF TRADE
BETWEEN 2020 TO 2024**

(Figures in USD Million)

Year	Exports	Percentage Growth in Exports	Imports	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2020	2589098		2069567		46,58,665		519531
2021	3316022	28.08	2679412	29.47	59,95,434	28.69	636610
2022	3593601	8.37	2715998	1.37	63,09,599	5.24	877603
2023	3379748	-5.95	2556763	-5.86	59,36,511	-5.91	822985
2024	3576543	5.82	2585135	1.11	61,61,678	3.79	991408

**Annual
Compound
Growth
Rate**

8.41

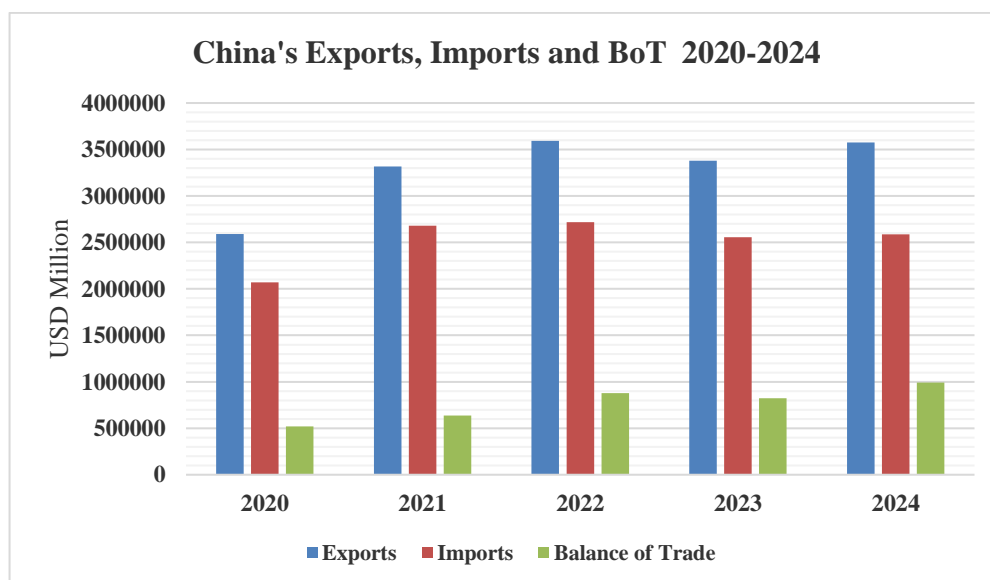
5.72

7.24

NOTE : Figures relate to calendar year (January to December)

SOURCE : UN COMTRADE PUBLICATION

FIGURE-1



BILATERAL TRADE WITH INDIA

Merchandise Trade

7. India and China have a complex economic relationship characterized by significant trade volume, particularly in imports, but also by persistent trade deficits and geopolitical tensions. China was the 2nd highest trading partner of India in FY 2024-25. Almost 9.57% of India's total volume of trade was recorded between India and China in FY 2024-25 in DGCIS data base.

8. Indo-China total volume of bilateral trade in FY 2020-21 was of the order of USD 86,400.32 million. It increased to USD 129,398.35 million in FY 2024-25. The annual compound growth rate of volume of trade during the period from 2020-21 to 2024-25 was 10.63%.

9. It appears from the available figures that between 2020-21 and 2024-25, India had a deficit Balance of Trade with China. Exports from India to China increased by 8.70% in FY 2023-24 over the year 2022-23 and remarkably declined in FY 2022-23 which was -27.90 % compared to FY 2021-22. During the period from 2020-21 to 2024-25, the annual average compound rate of growth of exports was -9.44%. On the other hand, imports from China to India in FY 2021-22 increased by 45.02% over 2020-21 levels. During the period from 2020-21 to 2024-25, the annual average compound rate of growth of Imports was 15.27%.

A snapshot of India's trade statistics w.r.t. China is presented in **Table 3 & Figure 2**

TABLE - 3

INDIA'S MERCHANDISE EXPORTS & IMPORTS w.r.t. CHINA

FY 2020-2021 to 2024-2025

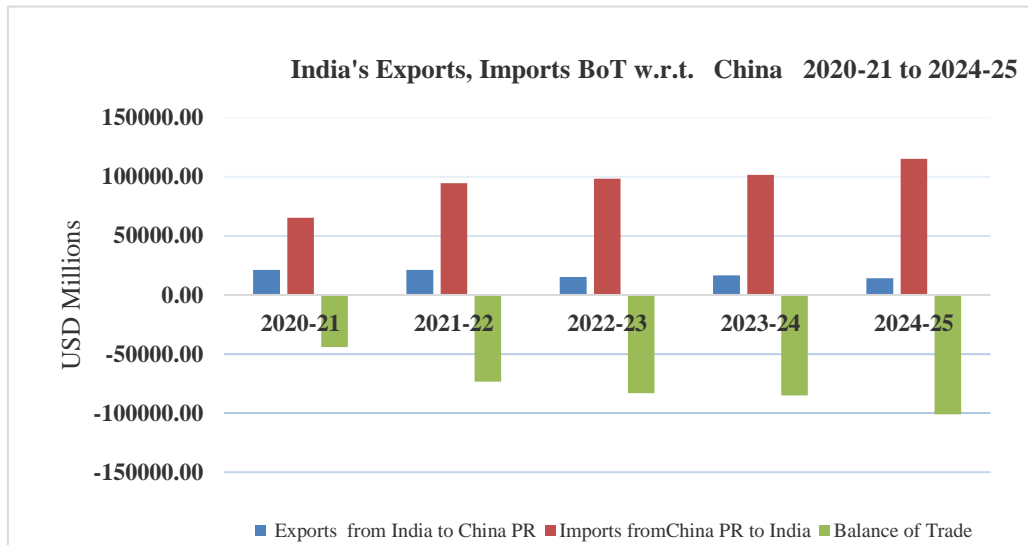
(Value in USD Million)

Year	Exports from India to China PR	Percentage Growth in Exports	Imports from China PR to India	Percentage Growth in Imports	Volume of Trade	Percent age Growth in Vol. of Trade	Balance of Trade
2020-21	21188.07		65212.25		86400.32		-44024.18
2021-22	21264.40	0.36	94570.57	45.02	115834.97	34.07	-73306.17
2022-23	15331.94	-27.90	98505.77	4.16	113837.71	-1.72	-83173.83
2023-24	16666.52	8.70	101745.54	3.29	118412.06	4.02	-85079.02
2024-25	14252.10	-14.49	115146.25	13.17	129398.35	9.28	-100894.15
Annual Compound Growth Rate		-9.44		15.27		10.63	

NOTE : Figures relate to Financial Year (April to March)

SOURCE : DGCIS, M/o C&I

FIGURE-2



10. **Additionally, from Tables 4 & 5 presented below the following are stated:**
- a. (i) Iron Ore (ii) Petroleum Products and (iii) Marine Products occupied the top three slots in India's exports to China in FY 2024-25. Iron Ore occupied 13.23% share of India's total exports to China in FY 2024-25.
 - b. (i) Electronic Components (ii) Telecom Instruments and (iii) Computer Hardware Peripherals were the three major commodities in India's import list from China. In the year 2024-25, India imported a significant amount of Electronic Components from China with a share of 12.13% of total imports from China recorded in FY 2024-25.

TABLE -4

**INDIA'S MAJOR ITEMS OF MERCHANDISE EXPORTS TO CHINA
2020-2021 TO 2024-2025 AND THEIR GROWTH RATES**

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Exports					Annual Growth Rates			
		2020-21	2021-22	2022-23	2023-24	2024-25	21-22 over 2020-21	22-23 over 2021-22	23-24 over 2022-23	24-25 over 2023-24
1	Iron Ore	4245.45	2485.72	1396.83	3635.94	1885.18	-41.45	-43.81	160.30	-
	Share in total export	20.04	11.69	9.11	21.82	13.23				
2	Petroleum Products	1043.39	1873.00	1909.57	1165.65	1266.13	79.51	1.95	-38.96	8.62
	Share in total export	4.92	8.81	12.45	6.99	8.88				
3	Marine Products	869.93	1124.91	1445.56	1377.75	1211.42	29.31	28.50	-4.69	-
	Share in total export	4.11	5.29	9.43	8.27	8.50				
4	Spices	970.44	891.41	793.41	928.16	768.50	-8.14	-10.99	16.98	-
	Share in total export	4.58	4.19	5.17	5.57	5.39				
5	Organic Chemicals	1494.44	1468.79	691.69	484.10	587.95	-1.72	-52.91	-30.01	21.45
	Share in total export	7.05	6.91	4.51	2.90	4.13				
6	Castor Oil	424.04	515.97	527.76	479.28	510.42	21.68	2.29	-9.19	6.50
	Share in total export	2.00	2.43	3.44	2.88	3.58				
7	Human Hair Products There Off	298.12	488.09	403.81	483.60	468.96	63.72	-17.27	19.76	-3.03
	Share in total export	1.41	2.30	2.63	2.90	3.29				
8	Telecom Instruments	304.28	453.80	203.81	259.50	446.20	49.14	-55.09	27.32	71.95
	Share in total export	1.44	2.13	1.33	1.56	3.13				
9	Residual Chemical and Allied Products	354.68	444.07	474.60	408.80	408.55	25.20	6.88	-13.86	-0.06
	Share in total export	1.67	2.09	3.10	2.45	2.87				
10	Copper and Prods. Made of Copper	779.76	1210.71	460.20	338.91	367.82	55.27	-61.99	-26.36	8.53
	Share in total export	3.68	5.69	3.00	2.03	2.58				
	Total exports to CHINA	21188.72	21264.40	15331.94	16666.52	14252.10	0.36	-27.90	8.70	-

NOTE : Figures relate to each Financial Year (April to March)

SOURCE : DGCI&S, M/o C&I

TABLE -5

**INDIA'S MAJOR ITEMS OF MERCHANDISE IMPORTS FROM CHINA
2020-2021 TO 2024-2025 AND THEIR GROWTH RATES**

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Import					Annual Growth Rates			
		2020-21	2021-22	2022-23	2023-24	2024-25	21-22 over 2020-21	22-23 over 2021-22	23-24 over 2022-23	24-25 over 2023-24
1	Electronic Components	6191.32	12929.33	8198.72	12139.87	13964.57	108.83	-	48.07	15.03
	Share in total import	9.49	13.67	8.32	11.93	12.13				
2	Telecom Instruments	6476.10	6909.56	6815.48	6824.57	9695.53	6.69	-1.36	0.13	42.07
	Share in total import	9.93	7.31	6.92	6.71	8.42				
3	Computer Hardware Peripherals	5305.97	8164.45	7254.63	8004.51	9170.88	53.87	-	10.34	14.57
	Share in total import	8.14	8.63	7.36	7.87	7.96				
4	Indl. Machinery For Dairy Etc.	3940.03	5204.14	6278.43	6818.40	8360.05	32.08	20.64	8.60	22.61
	Share in total import	6.04	5.50	6.37	6.70	7.26				
5	Organic Chemicals	3483.37	5891.19	6443.73	4430.06	4827.66	69.12	9.38	-	8.98
	Share in total import	5.34	6.23	6.54	4.35	4.19				
6	Electronic Instruments	2669.91	3337.58	3810.18	3967.29	4632.28	25.01	14.16	4.12	16.76
	Share in total import	4.09	3.53	3.87	3.90	4.02				
7	Electric Machinery and Equipments	2269.80	3052.47	3383.81	3404.16	4007.66	34.48	10.85	0.60	17.73
	Share in total import	3.48	3.23	3.44	3.35	3.48				
8	Plastic Raw Materials	1160.07	2473.50	3538.13	3229.30	3738.89	113.22	43.04	-8.73	15.78
	Share in total import	1.78	2.62	3.59	3.17	3.25				
9	Bulk Drugs Drugs Formulations	2615.71	3125.79	3180.37	3267.84	3436.68	19.50	1.75	2.75	5.17
	Share in total import	4.01	3.31	3.23	3.21	2.98				
10	Residual Chemical and Allied Products	2683.67	3477.59	3765.85	4104.10	3296.93	29.58	8.29	8.98	-19.67
	Share in total import	4.12	3.68	3.82	4.03	2.86				
	Total import from CHINA	65212.25	94570.57	98505.77	101745.54	115146.25	45.02	4.16	3.29	13.17

NOTE : Figures relate to each Financial Year (April to March)

SOURCE : DGCI&S, M/o C&I

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