**China**

### Key Facts and Economic Indicators

- **Currency:** Renminbi Yuan (RMB)
- **Population:** 1,355,692,576 (July 2014 est.)
- **GDP:** $9.33 trillion
  2nd largest economy
- **Budget:** revenues: $2.118 trillion
  Expenditures: $2.292 trillion (2013 est.)
- **Inflation Rate** (Consumer Price): 2.6% (2013 est.)
- **GDP (Real Growth rate):** 7.7% (2013 est.)
- **Investment (Gross fixed):** 46% of GDP (2013 est.)
- **Tax and other revenues:** 19.4% of GDP (2013 est.)
- **Industrial Production Growth Rate:** 7.6% (2013 est.)

**Total Exports:** $2.21 trillion (2013 est.)
- **Export Commodities** - electrical and other machinery, including data processing equipment, apparel, radio telephone handsets, textiles, integrated circuits
- **Export partners** - Hong Kong 17.4%, US 16.7%, Japan 6.8%, South Korea 4.1% (2013 est.)

**Total Imports:** $1.95 trillion (2013 est.)
- **Import Commodities:** electrical and other machinery, oil and mineral fuels; nuclear reactor, boiler, and machinery components; optical and medical equipment, metal ores, motor vehicles; soybeans;
- **Import Partners:** South Korea 9.4%, Japan 8.3%, Taiwan 8%, United States 7.8%, Australia 5%, Germany 4.8% (2013 est.)

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**Chinese Initiatives to Foster Trade and Investment**

<table>
<thead>
<tr>
<th>Incentive Type</th>
<th>Provisions</th>
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<tbody>
<tr>
<td><strong>Tax Incentives</strong></td>
<td>A five-year tax holiday (exemption for the first two years and 50% reduction for the next three years) is granted to newly established and qualified High and New Technology Enterprises that are incorporated after 1 January 2008 and that are located in the Shanghai Pudong New Area or one of the five Special Economic Zones (SEZs).</td>
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<tr>
<td><strong>Tax Exemptions</strong></td>
<td>Income from agriculture, forestry, animal husbandry and fishery projects is eligible for a full tax exemption or 50% reduction of tax depending on the type of projects.</td>
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<tr>
<td><strong>Research and Development</strong></td>
<td>150% of qualified costs incurred for the research and development of new technologies and products can be tax deductible.</td>
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**Bilateral Trade between India and China**

- **India’s Exports to China (2013):** US$ 14.824 billion
- **India’s Imports from China (2013):** US$ 51.034 billion
- **Total Trade between India and China (2013):** US$ 65.85 billion

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*Source: Central Intelligence Agency (CIA) World Fact Book*

*Source: The 2013 Worldwide Corporate Tax Guide*

*Source: Department of Commerce, Ministry of Commerce & Industry, GoI*
Potential Sectors for Investments between India and China

- Infrastructure
- Energy
- Electronics and Power Equipment
- Manufacturing

Major Indian Companies in China
- Adani Global
- Air India
- Apollo Tyres
- Aptechno Worldwide Inc.
- Aurobindo (Datong) Bio-Pharma Co. Ltd.
- Bank of Baroda
- Bank of India
- Bharat Forge (Changchun) Co. Ltd.
- Canara Bank
- Dr. Reddy's Laboratories
- Essar
- ICICI Bank
- iGate Global Solutions Limited
- India Grasim Industries Ltd
- Infosys Technologies Ltd
- Jindal Steel and Power Limited
- JSW Steel Limited
- Jubilant Organosis Ltd
- Larsen & Toubro Limited
- Mahindra (China) Tractor Co. Ltd
- Punjab National Bank
- Reliance Industries Limited
- Shipping Corporation of India
- State Bank of India
- Steel Authority of India Limited
- Suzlon Energy (Tianjin) Limited
- TATA Autocomp Systems Limited (TACO)
- TATA Sons Limited
- TVS Motors Co. Ltd
- Wipro (Shanghai) Limited

Major Chinese Companies in India
- Sinosteel
- Shougang International
- Baoshan Iron & Steel Ltd
- Sany Heavy Industry Ltd
- Chongqing Lifan Industry Ltd
- China Dongfang International
- Sino Hydro Corporation
- Huawei Technologies
- ZTE
- TCL
- Haier
- Shanghai Electric
- Harbin Electric
- Dongfang Electric
- Shenyang Electric
- Beijing Automotive Industry Corporation (BAIC)
- ZTE Kangun Telecom Company (I) P. Ltd
- ESSEL Ahmedabad Godhra Toll Roads Ltd
- Shanghai Electric India Pvt Ltd
- TBEA Energy (India) Ltd
- TBEA Energy (India) Ltd
- CHENGUANG Bio-Tech(India) Pvt Ltd
- Ecolutions Green Energy (India) Pvt Ltd
- YAPP India Automotive Systems Pvt Ltd
- XINDIA Steels Ltd.
- Nippon Paint (India) Pvt Ltd
- XINDIA STEELS LTD.
- Cheetah Multitrade P. Ltd.
- Jushi India FRP Accessories Pvt Ltd
- WISCO (I) P. Ltd

Chinese FDI in India

- Total FDI equity inflows from China: $410.14 million
- China ranks 28th
- Percentage share of China in total FDI inflows: 0.18%

Top sectors that attracted Chinese FDI equity inflows

- Automobile Industry (40%)
- Metallurgical Industries (17%)
- Power (7%)
  - Construction Activities (5%)
  - Services Sector (4%)

Source: DIPP, Ministry of Commerce & Industry, GOI
**Political Scenario of China**

- **Political Parties & Leaders** - Chinese Communist Party or CCP and eight nominally independent small parties ultimately controlled by the CCP
- Mr. Li Keqiang is the seventh and current Premier of the State Council of the People's Republic of China
- Mr. Xi Jinping is the General Secretary of the Communist Party of China, the President of the People's Republic of China, and the Chairman of the Central Military Commission

- **Government type**: Communist state
- **Legal System**: Civil law influenced by Soviet and continental European civil law systems; legislature retains power to interpret statutes; note - criminal procedure law revised in early 2012

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**Current Updates**

Current updates between India and China

- **Visit of Chinese President Xi Jinping to India, September 2014**: The following were the outcomes of the three-day visit.
  - **Chinese Industrial Parks in India (September 2014)**: During Chinese President Xi Jinping’s visit to India in September 2014, both the countries decided to enhance their cooperation and take the India-China diplomatic relations to the next level. One big potential area is development of Chinese industrial parks in India. Four such parks are being considered under an agreement signed with China in June this year which is expected to facilitate investment from Chinese companies into India, facilitate an orderly flow of production factors from China into India and accelerate development of competitive manufacturing sector in India. Chinese investment of US$ 7 billion was announced during President Xi Jinping’s visit to India for building two industrial parks in Gujarat and Maharashtra.
  - **Purchase agreements / MoUs via Buying Missions from China (September 2014)**: FICCI hosted a group of Chinese companies who signed buying orders with Indian firms for about US$ 740 million in products such as copper cathodes, marine products, polypropylene, industrial salt, cotton yarn & fabric.
  - **India China Trade in Services (September 2014)**: India and China have also set up a Service Trade Promotion Working Group to efficiently promote the development of India-China trade in services. There is scope to extend the domain and scope of exchanges and cooperation in services trade between the two countries in potential areas identified by the Group as tourism, entertainment and media services.
  - **10th Session of India China Joint Group on Economic Relations, Trade, Science and Technology (JEG), September 2014**: The 10th session of India China JEG was held on 2nd September 2014 in Beijing at the Ministerial level. The meeting indicated action points concerning different ministries/departments for information/necessary action. The Indian delegation was led by H.E. Ms. Nirmala Sitharaman, Minister for Commerce & Industry India and the Chinese delegation was led by H.E. Mr. Gao Hucheng, Minister of Commerce, China.

*Source: Embassy of India, Beijing*