



## China, India and the Promise of the Power

**Prelims:** China, India and the Promise of the Power, SCO, G-20, GDP.

**Mains:** China, India and the Promise of the Power.

### Why in News?

With India's presidency of the [Shanghai Cooperation Organisation \(SCO\)](#) and the [G-20](#), its focus is also on China.

### What are the Focus Areas of China's Development?

- **Steady Growth:**
  - In 2022, China's **economy grew by 3%**.
  - China's [GDP \(Gross Domestic Product\)](#) increased to 121 trillion yuan (approximately USD 18 trillion), registering an **annual growth rate of 5.2% over the past five years**.
- **People's Well-Being:**
  - As a result of continued efforts of the past eight years, China has **historically resolved absolute Poverty**, with the alleviation of close to 100 million rural residents from poverty.
  - Over 70% of the government's expenditure went toward ensuring people's well-being.
- **Win-Win Cooperation:**
  - In the period 2013-2021, China's contribution to global economic growth averaged 38.6%, higher than that of **G7 countries combined (25.7%)**.
  - Ever since the Chinese President proposed the **Global Development Initiative (GDI)** in a speech at the [United Nations General Assembly](#) in 2021, more than 100 countries have **expressed their support and over 60 countries have joined the Group of Friends of the GDI**.

### What is the Scenario of Trade between India and China?

- China is **India's second biggest trading partner** after the US.
- China and India are important trading partners, with bilateral trade volume reaching USD 135.984 billion in 2022.
- Though there is a trade deficit, **India's import of equipment and materials from China does reduce the overall cost of "Made-in-India" products**, benefits Indian downstream industries and consumers, enhances the competitiveness of Indian exports, and in turn facilitates India's integration into global industrial and supply chains.
- The Chinese market is open to India, and the **Chinese side is happy to see more high-quality Indian goods**, cultural and other products entering the Chinese market.
- Investments by Chinese enterprises have **created a large number of jobs for the Indian people and contributed to India's economic development**.

### Way Forward

- The development and revitalisation of China and India embody **a boost to the force of developing countries**; it is one that will change the destiny of a third of the world's population and have bearing on the future of Asia and beyond.
- As two neighboring and ancient civilisations, with a combined population of 2.8 billion, China and India are **representatives of developing countries and emerging economies**.
- India and China are both in the process of national **rejuvenation and a crucial period of modernisation where challenges need to be overcome** and problems need to be solved.
- China and India **have far more common interests** than differences.

### UPSC Civil Services Examination, Previous Year Questions (PYQs)

Q. "China is using its economic relations and positive trade surplus as tools to develop potential military power status in Asia". In the light of this statement, discuss its impact on India as her neighbour. (2017)

[Source: TH](#)

PDF Reference URL: <https://www.drishtiias.com/printpdf/china-india-and-the-promise-of-the-power>

