

INDIA-CHINA TRADE RELATIONS: POLICY IMPACTS AND PATHWAYS TO ECONOMIC RESILIENCE

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Abstract

India-China trade relations are defined by deep economic interdependence and persistent asymmetries that pose both opportunities and challenges for policymakers. China remains one of India's largest trading partners, supplying critical goods such as electronics, pharmaceuticals, and renewable energy components, while India exports raw materials and limited manufactured products. This imbalance has contributed to a widening trade deficit, reaching a record USD 99.2 billion in FY 2024-25, underscoring structural vulnerabilities in India's external sector. Heavy reliance on Chinese imports for active pharmaceutical ingredients, technology inputs, and energy equipment exposes India to risks arising from geopolitical tensions and supply-chain disruptions. At the same time, opportunities are emerging through global supply-chain diversification. Notably, multinational firms such as Apple have expanded production in India, illustrating the potential of the "China+1" strategy. India has also introduced policy measures including Production-Linked Incentive schemes and the Semiconductor Mission to strengthen domestic manufacturing and reduce import dependence. Foreign direct investment remains tightly regulated, especially from Chinese sources, yet selective approvals reflect a pragmatic balance between economic security and market needs. Recent diplomatic engagements in 2025 further suggest cautious cooperation within multilateral forums despite ongoing rivalry. This paper argues that India's policy responses must focus on fostering industrial self-reliance, diversifying trade partners, and strategically engaging with global supply chains while managing the competitive dynamics with China. By combining resilience-building with pragmatic engagement, India can transform vulnerabilities into opportunities and position itself as a stronger player in the evolving global trade order.

Key Words: India, China, Trade Relations, Economic Interdependence

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INTRODUCTION

India and China, the world's two most populous nations and ancient civilizations, have a complex history of diplomatic, cultural, and economic interactions. These nations, often described as Asian giants, hold significant sway in shaping global economic and geopolitical landscapes. Since establishing formal diplomatic relations in 1950, India and China have navigated an intricate relationship oscillating between cooperation and competition. The evolution of this relationship is influenced by deep-rooted historical connections, trade dependencies, and recurring geopolitical tensions (Ebrahimi, 2024; Embassy of India, Beijing). Economically, India-China trade relations have become a cornerstone of their bilateral engagement, reflecting their interdependence and competitive dynamics. In 2023, bilateral trade surpassed USD 118 billion, with China maintaining its position as India's largest trading partner. However, this trade relationship is heavily imbalanced, with India's imports from China vastly outpacing its exports, leading to a significant trade deficit of over USD 83 billion (Upadhyay, 2024). China dominates India's import landscape, supplying essential goods such as electronics, pharmaceuticals, and machinery critical for India's industrial growth. Simultaneously, Indian exporters face challenges penetrating the Chinese market, often encountering non-tariff barriers (Pisani, 2024). This economic interplay is further complicated by geopolitical tensions, including border disputes and China's increasing influence in South Asia through initiatives like the Belt and Road Initiative (BRI). India, in turn, has adopted measures to reduce its dependency on Chinese imports through policies like Atmanirbhar Bharat (Self-Reliant India) and the "Make in India" initiative. These strategies aim to boost domestic production, attract global investments, and position India as a viable alternative in global supply chains, particularly amidst the growing trend of diversification from China, known as the "China Plus One" strategy (Mashayekh, 2024). The interdependence between India and China positions their trade relations as pivotal to regional and global stability. While China plays a crucial role in India's supply chains, India's burgeoning market offers immense opportunities for Chinese exporters. This relationship, however, remains fragile, influenced by fluctuating geopolitical tensions and shifting global trade dynamics. The ongoing decoupling trend from China presents challenges and opportunities for India to diversify its trade dependencies and strengthen its manufacturing capabilities (Tufan, 2023). This article delves into the complexities of India-China trade relations by examining historical ties, current trade dynamics, and policy impacts. It evaluates the vulnerabilities arising from economic dependencies while proposing strategies for financial resilience. Through a detailed analysis of trade patterns, policy measures, and global trends, this study aims to provide actionable insights for policymakers, emphasizing the need for balanced and sustainable economic engagement. This article employs a qualitative and data-driven approach to analyze India-China trade relations. Drawing on primary data from government reports, trade statistics, and investment trends, as well as secondary sources such as academic journals and policy briefs, it comprehensively evaluates this relationship's historical, economic, and geopolitical dimensions. Key sources include reports from the Global Trade Research Initiative, scholarly insights, and articles from reputable publications like *The Diplomat* and *China Briefing*. The study offers actionable recommendations for policymakers by combining historical analysis with current trends.

HISTORICAL TRADE RELATIONS BETWEEN INDIA AND CHINA

The historical ties between India and China, two of the world's oldest civilizations, date back to at least the 2nd century BCE. These ties were not limited to trade but extended

deeply into cultural and intellectual exchanges. The Silk Road, a pivotal trade network, served as a conduit for goods, ideas, and beliefs between the two regions. India's spices, textiles, and precious stones exports complemented China's renowned silk, ceramics, and paper. These exchanges underscored the economic interdependence of these ancient economies (Ebrahimi, 2024). Buddhism played a central role in solidifying India-China relations during the early centuries CE. Indian monks such as Kumarajiva and Bodhidharma traveled to China, translating sacred texts and influencing Chinese spiritual traditions. Bodhidharma, for instance, is credited with introducing elements of meditation and martial arts that later formed the foundation of Shaolin traditions (Embassy of India, Beijing). Chinese monks like Fa Xian and Xuan Zang journeyed to India for Buddhist scriptures, documenting their travels and contributing to a rich body of cross-cultural scholarship (Ebrahimi, 2024). These narratives provided valuable historical records that underscore the intellectual symbiosis between the two nations. The decline of Buddhism in India and the advent of colonial powers in Asia led to a hiatus in India-China exchanges. However, the early 20th century witnessed a revival of mutual interests spurred by anti-colonial solidarity and cultural diplomacy. Figures like Rabindranath Tagore fostered intellectual bridges between the nations, while political alliances during China's Republican era symbolized a rekindling of collaboration (Lomova, 2024). Tagore's establishment of Cheena Bhawan at Visva-Bharati University remains a testament to this period of renewed engagement. These historical exchanges established a foundation of mutual respect and shared learning that extends into the modern era. Even as geopolitical and economic rivalries now dominate the India-China narrative, their historical ties highlight a potential framework for cultural and financial synergy. The shared heritage of intellectual exchange and economic cooperation serves as a reminder of the potential for mutual growth despite contemporary challenges (Ebrahimi, 2024; Lomova, 2024).

CURRENT TRADE LANDSCAPE

India and China's trade relationship has reached unprecedented levels, underlining the economic interdependence between the two nations despite ongoing geopolitical tensions. According to recent data from the Global Trade Research Initiative, bilateral trade between the countries totaled \$118.4 billion in the fiscal year 2024, with Chinese imports to India alone exceeding \$100 billion, reinforcing China's position as India's largest trading partner (Upadhyay, 2024). This relationship, however, remains imbalanced. India's imports from China are dominated by high-demand items such as telecom and smartphone components, pharmaceuticals, and advanced technology parts. In contrast, India's exports to China amounted to only \$17 billion during the same period, resulting in a significant trade deficit for India. By FY 2024-25, this deficit had widened further to a record USD 99.2 billion, driven largely by surging imports of electronics, solar cells, and electric batteries, underscoring India's continuing structural dependence on Chinese inputs (Reuters, 2025). This disparity highlights the reliance of Indian industries on Chinese goods and the competitive advantage China holds in the manufacturing and technological sectors (Pisani, 2024). The electronics sector is a cornerstone of bilateral trade, with India importing many smartphones, telecom equipment, and semiconductors from China. This dependency underscores China's dominance in global electronics manufacturing and India's heavy reliance on these imports for its booming telecom market. India, the "pharmacy of the world," relies on China for active pharmaceutical ingredients (APIs) crucial for drug manufacturing. This dependency poses risks, especially during periods of strained relations or disruptions in supply chains. Machinery and industrial components constitute a

significant portion of Chinese exports to India, supporting India's infrastructure development and manufacturing sectors. Over 100 Chinese companies operate in India, focusing on electronics, automotive, and infrastructure industries. Similarly, Indian firms have expanded their presence in China, particularly in pharmaceuticals and software.

INVESTMENT TRENDS AND CHALLENGES

Foreign direct investment (FDI) trends further illustrate the complexities of this relationship. Chinese FDI to India peaked at \$705.25 million in 2015 but has declined, mainly due to geopolitical tensions and India's revised FDI policy targeting border-sharing countries (Zhou & Interesse, 2024). Indian investments in China have also decreased, with cumulative Indian FDI in China totaling \$943.96 million by the end of 2021. India's 2020 policy, introduced in response to border tensions, mandates governmental approval for investments from neighboring countries. By mid-2022, this policy had been selectively relaxed, with 80 out of 382 Chinese investment proposals receiving authorization. These evolving regulations reflect a cautious approach by both nations, balancing economic collaboration with national security concerns (Zhou & Interesse, 2024). Although Chinese FDI constitutes only a small percentage of India's total inflows, selective fast-tracking of projects since 2023 illustrates New Delhi's pragmatic effort to balance security sensitivities with economic imperatives (China Briefing, 2024). Despite these challenges, the economic interdependence between India and China remains strong. Mutual investment initiatives and trade flows underline their significance as significant trading partners. However, the skewed trade balance and fluctuating FDI levels emphasize the need for recalibrating trade strategies to enhance equity and resilience in their economic ties.

POLICY IMPACTS ON INDIA-CHINA TRADE

India has taken a multifaceted approach to managing its trade relationship with China, employing tariffs, trade barriers, and revised investment policies to balance economic dependency and strategic interests. India has imposed higher tariffs on select Chinese goods to protect domestic industries and reduce its trade deficit. Non-tariff barriers, such as stricter quality controls and regulatory requirements, have been introduced for imports, particularly in sensitive sectors like telecom and electronics. Anti-dumping measures targeting Chinese goods have been enforced to prevent undercutting by low-cost imports. Following the Sino-Indian border tensions in 2020, India implemented a policy mandating government approval for foreign direct investments from neighboring countries. By mid-2022, India began selectively approving Chinese investment proposals, reflecting a cautious yet pragmatic approach to fostering economic collaboration while safeguarding national security. India's participation in regional trade agreements, such as the South Asian Free Trade Area (SAFTA), excludes direct trade facilitation with China, indicating India's reluctance to engage with China in multilateral trade settings. India has also emphasized "self-reliance" (Aatmanirbhar Bharat) policies to reduce reliance on Chinese imports, particularly in critical sectors like electronics and pharmaceuticals. China has reciprocated India's cautious stance with policies that balance economic engagement and strategic considerations. The 2006 China-India Bilateral Investment Agreement forms the cornerstone of their financial ties. Both nations pledge to ensure equitable treatment of each other's investments, fostering a stable environment for trade and investment. Investments are safeguarded against arbitrary nationalization or expropriation without adequate compensation. Investors enjoy the right to repatriate their capital and return freely. Disputes are resolved amicably or through arbitration, emphasizing transparency and investor confidence (Zhou & Interesse, 2024). Despite geopolitical challenges, China

has consistently supported India's leadership roles in global forums like the G20 and the Shanghai Cooperation Organization (SCO), signaling a willingness to stabilize ties. China's policy focuses on maintaining India as a key export market while minimizing disruptions in bilateral trade. Although China allows Indian companies to operate in select industries, Indian exporters often face non-tariff barriers, such as stringent certification processes, limiting their access to Chinese markets.

IMPLICATIONS OF POLITICS

Both nations' policies reflect a recognition of their economic interdependence, with India heavily reliant on Chinese imports and China benefiting from access to India's vast market. Yet, strategic caution underpins their trade regulations, influenced by geopolitical considerations. Provisions within the BIT, such as repatriation rights and fair treatment, create a conducive environment for mutual investments. However, fluctuating FDI flows underscore the impact of geopolitical tensions on economic collaboration. Persistent trade deficits, regulatory hurdles, and evolving policies highlight the challenges of balancing economic engagement with national interests, requiring careful navigation by both nations. By implementing policies that address trade deficits and promote domestic industries, India aims to reduce its economic vulnerability to China. Conversely, China's policies demonstrate its intent to preserve economic ties while managing competition. Both nations' efforts to stabilize relations underscore the importance of economic cooperation in mitigating strategic rivalries.

ECONOMIC RESILIENCE AND CHALLENGES

The India-China economic relationship reflects deep interdependence but also exposes significant vulnerabilities for India due to its heavy reliance on Chinese imports. In fiscal year 2024, India's trade deficit with China reached over \$83 billion, reflecting the asymmetry in their trade relationship. India imports essential goods like electronics, pharmaceuticals, and advanced technology components while struggling to expand exports to China. Dependence on Chinese goods in critical sectors exposes India to supply chain disruptions in the event of heightened geopolitical tensions. For instance, China's control over key components in India's manufacturing and technology sectors creates economic vulnerabilities. At the same time, multinational firms have begun shifting parts of their global supply chains to India, with Apple significantly scaling up iPhone assembly & exports from its Indian facilities, offering evidence of real momentum in the 'China+1' diversification strategy (Reuters, 2024). Telecom, consumer durables, and pharmaceuticals mainly depend on Chinese imports. Any restriction on these goods can significantly impact India's domestic production capabilities. Fluctuations in foreign direct investment (FDI) flows between the two nations further emphasize their unstable economic ties. Post-2020 policy shifts have deterred Chinese investments, potentially affecting infrastructure and technology development. The interplay between India-China economic ties and security concerns illustrates a complex dichotomy. From the 1990s to 2013, India and China prioritized economic cooperation despite unresolved border disputes. However, rising nationalistic policies and the 2020 Galwan Valley clash disrupted this fragile balance, fostering mistrust. China's assertive Belt and Road Initiative (BRI) and focus on dual-use technologies have fueled India's insecurities. Concurrently, India's alignment with the US in the Indo-Pacific strategy, including collaboration in emerging technologies, has heightened China's suspicions. India's "Make in India" campaign and its ambition to position itself as a global supply chain alternative underscore its efforts to reduce dependency on Chinese imports. Simultaneously, anti-China sentiments among Indian

traders and government actions like app bans signify a push for economic decoupling. China's perception of India as a secondary player in global geopolitics and India's concerns over China's ties with Pakistan and influence in South Asia exacerbate the divide. India and China face the challenge of navigating economic interdependence while addressing strategic concerns. India seeks to boost self-reliance through policies like "Aatmanirbhar Bharat," fostering domestic manufacturing and reducing reliance on Chinese imports. Strengthening ties with alternative trading partners and leveraging its demographic dividend to attract global investment further bolsters its strategy. Viewing India as a market and competitor, China focuses on maintaining export dominance while carefully navigating geopolitical tensions. Its strategies hinge on balancing economic opportunities with its broader rivalry with the US and India. India must continue diversifying its supply chains, investing in domestic capacity-building, and enhancing strategic partnerships to foster economic resilience. Meanwhile, China's focus on financial stability and export markets might necessitate cooperative overtures toward India. For both nations, managing this mutually exclusive dynamic of prosperity and security is key to ensuring sustained economic engagement amidst broader geopolitical tensions.

STRATEGIES FOR ECONOMIC RESILIENCE

Strengthen initiatives like "Make in India" to develop domestic supply chains in electronics, pharmaceuticals, and other critical sectors. Offer fiscal incentives such as tax rebates and subsidies to encourage the manufacturing of goods currently imported from China. Equip Micro, Small, and Medium Enterprises (MSMEs) with advanced, energy-efficient machinery to enhance productivity and competitiveness. Facilitate access to affordable credit and technology partnerships for MSMEs to expand their role in the global export market. Explore bilateral trade agreements with countries such as Japan, South Korea, and ASEAN nations offering complementary strengths. Actively engage in regional trade agreements like the Comprehensive Economic Partnership Agreement (CEPA) to diversify export destinations. Invest in technology and innovation through public-private partnerships to develop indigenous alternatives for Chinese imports. Support startups in emerging sectors like AI, renewable energy, and advanced manufacturing through incubation programs and seed funding. Implement safeguards to mitigate over-dependence risks, including import restrictions on non-essential goods from China. Strengthen infrastructure for trade logistics to reduce reliance on Chinese intermediaries in global supply chains. Enable digital platforms for export promotion, supply chain management, and global market intelligence. Facilitate technology transfers through strategic partnerships with innovation hubs like the US and the EU. Develop domestic solar panel and battery production capacity, reducing reliance on Chinese imports. Despite India's withdrawal, revisiting the Regional Comprehensive Economic Partnership (RCEP) could provide opportunities for market access, particularly for Indian exports like textiles, pharmaceuticals, and IT services. Strengthen bilateral agreements with nations like Australia and the UAE to enhance export diversity while reducing dependency on China—position India as a "China Plus One" destination by attracting investments in high-tech industries and logistics. Encourage foreign direct investment (FDI) in critical sectors such as semiconductors and electronics. Given the importance of strategic communication in preventing economic and political flare-ups. Establish bilateral mechanisms to manage trade disputes and ensure uninterrupted supply chains for critical goods. Enhance mutual understanding through regular dialogues addressing concerns about shared economic and supply chain stability. India must adopt a multifaceted approach that balances self-reliance

with global collaboration. By diversifying its trade relationships, fostering innovation, and empowering domestic industries, India can reduce its dependency on China and strengthen its global economic position. Confidence-building measures with China may act as a stabilizer, ensuring that political tensions do not derail economic ties.

DEVELOPMENTAL OUTCOMES AND GOVERNANCE

India's trade strategies are not just instruments of economic growth but integral components of its broader vision for national development and governance. These strategies aim to bolster industrial growth, create employment opportunities, and align the country's trade dynamics with the global commitment to Sustainable Development Goals (SDGs). India's industrial policies, such as Make in India and Atmanirbhar Bharat (Self-Reliant India), emphasize reducing dependence on imports by strengthening domestic production capacities. A significant focus has been on the Micro, Small, and Medium Enterprises (MSME) sector, which contributes approximately 34% of national exports and employs over 110 million workers. The government addresses the dual objectives of increasing exports and ensuring sustainable employment by fostering an environment for MSMEs to adopt energy-efficient, cost-effective, and high-output technologies. For example, investments in MSMEs and large-scale industries aim to balance labor market flexibility with productivity improvements. This approach enables India to attract foreign investment and become a trusted global supplier, particularly in pharmaceuticals, textiles, and electronics. Such policies drive industrial growth and reflect good governance practices by addressing unemployment and economic inequality. Infrastructure development is vital for India's integration into Global Value Chains (GVCs). Strategic investments in transportation networks, logistics hubs, and digital infrastructure strengthen India's ability to connect with regional and global markets. For instance, trade agreements and partnerships like the Regional Comprehensive Economic Partnership (RCEP) and bilateral pacts with key economies promote infrastructure upgrades to handle increased trade flows. By reducing bottlenecks in supply chains and creating modern facilities, India aligns its trade strategy with its long-term governance goal of inclusive economic growth. Better infrastructure supports exports and enhances domestic market efficiencies, reducing costs for businesses and consumers. India's trade diversification efforts are crucial to mitigating risks associated with overdependence on China, which has historically been a significant trade partner. This strategic shift aims to shield India from external shocks such as supply chain disruptions, geopolitical tensions, or economic downturns in partner economies. By exploring alternative markets and fostering regional trade partnerships, India strengthens its fiscal stability and reduces vulnerabilities. India's trade and development strategies align with several SDGs, ensuring economic growth contributes to sustainable and inclusive development. The MSME sector is pivotal in achieving SDG 8 by promoting sustainable and inclusive economic growth. Encouraging the adoption of high-output technologies within MSMEs and large industries enhances productivity, enabling them to compete globally. Simultaneously, these initiatives create employment opportunities across various sectors, particularly in underdeveloped regions of India. India's investments in industrial innovation and advanced technologies directly address SDG 9. By reducing reliance on Chinese imports of electronics and semiconductors, India seeks to build its domestic manufacturing capabilities through its Production-Linked Incentive (PLI) schemes. Furthermore, improved infrastructure connects rural and urban markets, fostering balanced regional development. Promoting local manufacturing and reducing import dependency has significant environmental benefits. India aims to

minimize the carbon footprint associated with imports by boosting domestic production in environmentally sustainable ways. For instance, renewable energy technologies are increasingly integrated into manufacturing processes, supporting SDG 12. India's focus on regional trade agreements like RCEP and Comprehensive Economic Partnership Agreements (CEPAs) reflects its commitment to global partnerships. These collaborations ensure knowledge-sharing, resource optimization, and stronger economic integration, fostering collective progress toward the SDGs.

STRATEGIC ALIGNMENT FOR GOVERNANCE

India's trade strategies also contribute significantly to governance objectives by fostering transparency, inclusivity, and long-term economic stability. Trade policies focusing on diversifying export markets and reducing trade deficits reflect sound governance practices. For instance, India's efforts to engage with global trade forums and negotiate favorable terms in trade agreements demonstrate a commitment to transparency and rule-based international trade. The push for confidence-building measures with China underscores India's strategic intent to avoid conflict and prioritize economic cooperation. India's aspiration to be a regional and global leader is evident in its trade strategies. By positioning itself as a trusted alternative to China in global supply chains, India leverages its growing economy and youthful workforce to strengthen its geopolitical influence. Initiatives like the Make in India program and the country's increasing role in multilateral forums such as G20 and SCO highlight its leadership ambitions. Trade decisions that empower small businesses and rural industries demonstrate India's focus on equitable development. By fostering economic inclusion, the government addresses regional disparities, ensuring that economic growth benefits all sections of society. This aligns with sound governance principles of fairness and accountability. India's trade strategies are deeply interconnected with its economic development and governance goals. India ensures sustainable, inclusive, and resilient economic growth by aligning trade policies with SDGs. Initiatives to diversify trade, reduce dependency on China, and foster regional partnerships bolster India's financial standing and reflect its commitment to effective governance. As India continues to leverage its strengths and address challenges, its trade strategies will play a pivotal role in driving the nation toward its vision of becoming a global economic powerhouse while ensuring balanced and sustainable development.

CONCLUSION

India-China trade relations, though fraught with complexities, have proven pivotal to the economic trajectories of both nations. This relationship is characterized by interdependence, strategic competition, and evolving dynamics shaped by global and regional developments. A detailed analysis of these relations reveals key findings that underscore the importance of implementing strategic policy measures for India's economic resilience and growth while fostering a stable and cooperative framework for bilateral engagement. India's substantial trade deficit with China highlights an overreliance on Chinese imports, especially in the electronics, machinery, and chemicals sectors. This dependence exposes India to risks, including supply chain disruptions and strategic vulnerabilities during geopolitical tensions. The ongoing global decoupling trend from China presents challenges and opportunities for India. On one hand, India must navigate the risks of reducing trade ties with its largest trading partner. On the other, it can position itself as a trusted alternative in global supply chains, particularly for multinational corporations seeking diversification. India's focus on technology-driven industrial growth, supported by policies like the Production-Linked Incentive (PLI) schemes and Make in

India, reflects its commitment to reducing dependency and enhancing export competitiveness. Strengthening domestic manufacturing capabilities and investing in advanced technologies remain critical for sustainable economic growth. The broader geopolitical factors deeply influence India-China trade relations, including border disputes, strategic alliances, and competition for regional dominance. These factors underline the necessity of balancing economic engagement with national security considerations. India's trade strategies align with SDGs, addressing goals such as decent work, infrastructure development, sustainable consumption, and global partnerships. These strategies integrate economic growth with environmental sustainability and social inclusivity, ensuring a balanced developmental approach. India must adopt strategic policy measures emphasizing resilience, diversification, and sustainability to address these findings. Reducing reliance on China by exploring alternative markets in Southeast Asia, Africa, and Europe. Enhancing the productivity of the MSME sector and promoting high-tech manufacturing to boost exports. Actively participating in regional trade agreements such as the RCEP and developing bilateral pacts with key economies to expand market access. Engaging with China through confidence-building measures to avoid inadvertent conflicts while maintaining a competitive edge. The future of India-China trade relations hinges on strategic communication and mutual recognition of each other's economic and security concerns. While geopolitical tensions may persist, pragmatic engagement focused on economic cooperation can prevent the escalation of conflicts. Efforts to develop new confidence-building mechanisms will be crucial in maintaining stability. India's ambitious economic vision, supported by initiatives like Atmanirbhar Bharat, positions it as a key player in global markets. As the world's fastest-growing major economy, India has the potential to attract significant foreign investment, particularly in sectors like renewable energy, pharmaceuticals, and digital technology. With the global decoupling trend offering India a strategic advantage, the country can emerge as a trusted partner in diversified supply chains. India can reduce its trade deficit by focusing on high-quality, competitive manufacturing and exports and creating a balanced trade relationship with China. India's commitment to sustainability and innovation will be pivotal in shaping its future trade and economic strategies. India can ensure long-term economic resilience by leveraging green technologies and aligning policies with global environmental goals. India-China trade relations present both challenges and opportunities. Navigating this complex dynamic requires India to strike a delicate balance between competition and cooperation, leveraging its strengths to secure economic stability while addressing strategic vulnerabilities. By implementing forward-thinking policies and fostering mutual understanding, India can enhance its bilateral trade dynamics with China and position itself as a leading global economic power. The path forward lies in resilience, innovation, and strategic engagement—principles that will shape the next chapter of India's economic growth and its role on the world stage.

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