

India and China in Global Manufacturing Trade: A Comparative Policy Perspective

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Abstract: This study examines the trade and industrial trends of China and India between 1991 and 2024, which are divided into seven sub-periods. Using Secondary trade data from UN COMTRADE and the World Bank, the study examines trade performance, GDP growth, and policy analysis, including special economic zones, FDI inflows, and export-import dynamics. The study also examines why China has emerged as the world's factory. Further to assess bilateral trade integration, the study employs the Trade Intensity Index (TII). Results reveal that TII values between India and China have consistently remained below unity. Findings suggest that policy consistency, infrastructure and industrial strategies, such as the PLI and Make in India Schemes, continue to face structural constraints that limit their manufacturing potential. The study concludes that India's manufacturing will follow a distinct path from China's, but could be strengthened with sustained policy reforms and global supply chain integration.

Keywords: Import- Export, Comparative Economic Analysis, Foreign Direct Investment, Special Economic Zones

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