



Trades and Investments Aspirations: China's Eleventh visits to India

India, with its 1.2 billion population surpassed only by China's 1.4 billion, has also long aimed at becoming the next massive cheap labor economy. "India and China today constitute almost 35 percent of the world's population. From a purely arithmetic point of view ... that they decide to work together will open big gates for progress and development in the world," Modi said. China signed a landmark agreement with the government of Gujarat, which is expected to facilitate investments worth thousands of crores in the form of industrial parks, as Chinese President Xi Jinping kicked off his three-day state visit to India.

Xi, the first Chinese leader to visit Gujarat, was given a warm welcome after the Air China special aircraft carrying him and his wife Peng Liyuan landed at the airport. Giant billboards in Mandarin, Gujarati and English had been put up at several places to welcome the Chinese leader. The visit of Xi, who is accompanied by a delegation of senior officials, is aimed at ramping up trade and investments.

According to the MoU, which has a validity of three years, the CDB will guide and introduce Chinese enterpris-

es to set up industrial parks in Gujarat. This role will be similar to that of JETRO, which has

electrical, electronics, plastic processing and other sectors. "The Chinese are just start-

ing. They cannot be compared with the Japanese. So far they have invested about Rs 700 crore in Gujarat," Pandian told reporters after the MoU signing ceremony, where two



been facilitating Japanese investments in Gujarat. CDB will also provide financial support for the industrial parks, the first of which will come up in Vadodara. However, the state gov-

ing. They cannot be compared with the Japanese. So far they have invested about Rs 700 crore in Gujarat," Pandian told reporters after the MoU signing ceremony, where two

presence of Chinese with close to Rs 9,000 crore of promised investments, most of which came when Modi was the chief minister, sources in the state government

said. Among the biggest Chinese investments promised is that of Chinese firm TBEA Energy (India) Pvt Ltd, which is developing a Green Energy Park at Karjan near Vadodara with an investment of about Rs 2,500 crore. Also, China Steel Corporation is setting up an Electrical Steel Plant at Dahej GIDC Estate at a cost of Rs 6,000 crore. Figures from the Reserve Bank of India show that between April 2000 and February 2014, China Steel Corporation India Pvt Ltd parked Rs 441 crore for manufacturing iron and steel in the state.



Mr. Shubham Gaur

FYBBA, B.P. College of Business Administration
Kadi Sarva Vishwavidyalaya,
Gandhinagar

ernment officials were silent on the amount of investments the MoU will bring to Gujarat. "The agreement is a new beginning as far as relations between China and India and that of between China and Gujarat is concerned," said D J Pandian, Additional Chief Secretary, Industries and Mines.

The industries in the industrial parks will be in

province-state relations between Guangdong and Gujarat and between Guangzhou City (capital of Guangdong) and Ahmedabad. Gujarat currently has more than 50 Japanese companies who have either invested or pledged investments in the state. This includes four mid-scale Japanese firms, which have parked about Rs 500 crore in Gujarat's

"facilitation agreements" were also signed. The agreements were for establishing sister