

Chapter-14

IMPACT OF CHINESE GOODS ON THE INDIAN ECONOMY

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ABSTRACT

As we proceed through the 20th century, one feature of globalization is trade from one country to another. Same trade implantation compiles between India and China. However this trade is affecting the economy of India different sectors. In India Chinese products have a good leap and has affected the economy. Most of Indian companies are facing backdrop because of these products. . As a result of the influx of cheap Chinese goods, most Indian cottage industries have gone out of business, and the outlook for those that remain is bleak.4

Before market-oriented economic reforms and liberalisation were introduced, both China and India had comparable development plans. China began opening its economy to the rest of the world in 1978, and it has continued to do so since then. For most of its history, India had a thriving private sector and well-functioning marketplaces.

INTRODUCTION

In today's global economy, countries such as China are becoming increasingly dominant in a wide range of industries. China's products, such as electronics, crackers, idols, apparel, etc., are gradually but steadily taking over Indian products like these.

The holiday season is a time when businesses do brisk business, especially small local businesses. Chinese manufacturers, meanwhile, are taking advantage of the market's growing demand for high-quality goods by snatching up the opportunities. Even if it's a small business or a cottage industry, they can't compete with the low cost options offered by Chinese manufacturers. As a result of the influx of cheap Chinese goods, most Indian cottage industries have gone out of business, and the outlook for those that remain is bleak.4

This problem can be alleviated to some extent by SME-friendly policies. The Indian economy relies heavily on small and medium-sized businesses (SMEs), and their growth will help propel

the country forward. Small and medium-sized businesses (SMEs) in India must also maintain a close watch on the market and come up with creative solutions to the problem that are also cost-effective.

RESEARCH OBJECTIVE

1. Concentrate on the impact of the economic system and market concentration of India due to Chinese products in the market.
2. Distinguish between the quality of product and customer service of both side of the market.
3. Financial issue India is facing due to the selling of Chinese products.

RESEARCH METHODOLOGY

Data Used

The liberal and free-market principles that India adopted in 1991 were the License Raj, a pre- and post-British era mechanism of tight government regulations on the formation of new industries, was abolished under Manmohan Singh's leadership as finance minister from 30 November 2009 to 24 January 2010. As a result of these significant monetary reforms and a focus on national infrastructural development, such as the construction of a national highway system.

Sampling Method and Sample Size

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Data Analysis

In terms of nominal GDP, India's economy ranks tenth, and in terms of purchasing power parity, it ranks third (PPP). The country is a member of the G-20 and the BRICS, two of the world's most powerful economies. Indian GDP (nominal GDP) and GDP (PPP) per capita were both ranked 141 and 130, respectively, by the International Monetary Fund (IMF) in 2012. Exports to India are valued at \$19 billion; imports are valued at \$11 billion. The previous fiscal year's growth rate was 6.2 percent; in 2012-13, It was somewhere about 5%. India's GDP rose by an astonishing 9.3 percent in the year from 2010 to 2011. The growth rate slowed dramatically during the course of three years . During the second quarter of FY11, India's current account deficit increased from 3.2 percent of GDP to 4.1 percent. Labor statistics show a 9.8% unemployment rate for the years 2010-2011. In 2011, India had the highest public debt-to-GDP ratio of any country, at 68.05 percent.

Developing technology in new markets China's amotrade (the sum of exports and imported goods) was \$606.7 billion in August 2012, making it the world's ninth-largest economy. There was a 30.6 percent increase in global trade with India between 2011 and 2012. (38% of all exports and 61.67% of total imports)

As my research paper is based on secondary data so most the data has been collected from economy magazine or from the earlier records.

Some of data has been collected from the finance news and earlier research papers. The major reason for the problems in the economy of India.

LITERATURE REVIEW

Making an in-depth comparison of the economies of China and India appears to be an arduous task. China and India are two of

the world's most populous and economically powerful countries. A vast range of social, political, economic, and other variables have shaped the economy of both countries for millennia. Comparing the economies of China and India can help us better understand the various economic trends and features in each country..

By the numbers, China's economy is more advanced than India's. However, when measured in terms of relative value, India's economy ranks as the 11th largest. China has surpassed Japan to take up the number two spot. As compared to India's estimated GDP of \$1.3123 trillion. In terms of per capita GDP, China's GDP is approximately \$4909.28 billion. With only \$1124 compared to China's \$7.518, India is far behind the latter. In order to draw some broad comparisons between the economies of India and China. We need to be aware of the country's economic situation. Companies in India have ceased producing their own goods in favour of purchasing them from Chinese suppliers. As a result, a large number of Indian workers have seen their employment opportunities disappear. This demonstrates that SSIs have failed miserably in their goal of providing work opportunities for rural youth in India.

A decade ago, Chinese labour developed the ability to manufacture electronic goods such as semiconductors, telecommunications and power systems. This allowed them to take advantage of large markets in the United States and Europe. It's not a surprise that they've made a name for themselves in India as well. Despite the fact that Indian workers The country's industrial industry is hindered by restrictive and poor labour rules, which limit the ability of workers to handle these issues.

CONCLUSION

Indian goods have a wide range of international markets. On the external sector, China's impressive worldwide market performance is highlighted and India's growing awareness of the

global market potential is discussed. Fast-expanding markets in China There has been a backlash in the United States and Europe to China's expanding global economic supremacy and India's success in information technology. Many of these issues stemmed from India's 1991 macroeconomic crisis. As an example, the political climates and outcomes in the two countries were dramatically different when it came to reforming the economy. Before market-oriented economic reforms and liberalisation were introduced, both China and India had comparable development plans. China began opening its economy to the rest of the world in 1978, and it has continued to do so since then. For most of its history, India had a thriving private sector and well-functioning marketplaces.

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