

China sets conditions to boost trade

By Saibal Dasgupta/TNN

Beijing: India and China can achieve a massive increase in bilateral trade and investment, if New Delhi was prepared to concede to certain requests from Beijing, a Chinese official on Monday told a visiting group of Indian CEOs.

China wants India to recognise it as a free market economy and stop issuing anti-dumping measures to stem the flow of certain Chinese goods, Wang Jinzhen, assistant chairman of the China Council for the Promotion of International Trade, a government trade and investment facilitator, said.

China has been struggling to gain acceptance as a free market economy in order to avoid anti-dumping measures imposed on Chinese goods by different countries. Such a recognition from India would not only help it expand exports to India, but also strengthen Beijing's ability to persuade others to do so. Most developed economies including countries in western Europe and the US have not heeded to this request.

TWO WAY STREET

- India should recognise China as a free market economy and stop issuing anti-dumping measures to stem flow of goods
- China promises large-scale imports from India, if India heeds to the anti-dumping request
- China opposed moves to impose restrictions on Huawei Technologies, accused of dealing with the Chinese military

Talking to a delegation of the Federation of Indian Chambers of Commerce and Industry, Wang dangled the promise of large-scale imports from India in support of his plea for the recognition. He said China would purchase goods worth \$5 trillion over the next five years, and half of it will be from Asian countries.

This is more than double the \$2.2 trillion worth of imports in the past five years, he added.

Wang said that 95% of the pricing of

goods manufactured in China is driven by free market forces. Chinese companies would not survive if they sold at below costs, he said. He also opposed moves in India to impose restrictions on the Chinese telecommunication company, Huawei Technologies, which has been accused of dealing with the Chinese military.

"India should solve this problem. Otherwise it will hurt business environment. We have raised this issue earlier and we will do it again. Huawei is a fully private sector company. It is not owned by any state agency. It does business in 150 different countries," Wang said on sidelines of the meeting.

Speaking on the occasion, Ficci president Saroj Poddar said that bilateral trade was poised for a quantum leap. It could be increased to \$50 billion in the next three years and to \$100 billion in six years. He said the volume of investment flows could also be increased to \$1 billion a year. The two-way trade between India and China during January-December last year was \$18.7 billion, an increase of 38% over 2004 figures.