

## **Abstract**

India not only have complementary trade relationship with China but it also faces competition from China in the world export market. In this study we have examined both these aspects of India China trade relations for the post liberalization period between 1992-2018. Here we have examined both complementary and competitive aspects of bilateral relations, but our focus was more on complementary aspects than on competitive one. Our study is based on secondary data on international trade of India and China. For the purpose of analysis, we have used various trade related indices as well as econometric models. There are seven chapters in this work. Of the seven five chapters are analytical in nature. In first chapter we have introduction and in last chapter we have summary, recommendations, and conclusion. In second chapter we discussed the performance of India's trade during the post liberalization period between 1992-2018. For this purpose, we used various trade related indices. We found a significant improvement in the performances of both exports and imports of India during the study period. But the share of India's trade in the world market during the period remained stagnant. In third chapter we discussed the bilateral relationship between India and China. Here also we used various trade related indices to analyse the relationship between the two. Our study revealed that as a partner China was relatively more important for India as compared to India for China. We Also found that the actual trade between the two countries were below their potential. In chapter four we analysed the extent of intra- industry trade between India and China. For this purpose, we used Grubel- Lloyd index to measure the extent of aggregated intra-industry trade and disentanglement method to find out which type of IIT was dominant between India and China. Our study revealed that the intraindustry trade between the two had increased during the study period and the dominant type of intra-industry trade was found to be VIIT (Vertical Intra-industry trade) rather than HIIT (

Horizontal Intra-industry trade). In chapter five we analysed the long- run relationship between India's exports and imports with China. For this purpose, we had used the Engel- Granger two step Cointegration test. We used quarterly data from 1996 to 2018 for this analysis. Our study found that there exists a stable long run relationship between India's exports and imports with China during the study period, but the relationship was found to be weak in nature. Finally, in chapter six, we discussed the competition between India and China in exports to the world. In this study also we had used appropriate trade related indices and made a comparison of various aspects of export performances of the two nations between 1992-2018. The comparison revealed that China's share was much higher than that of India in the world export market and China was found to have outperformed India in export performance during the study period. So, China in terms of trade performance, both as a partner or as a competitor of India was found to have played a strong dominant role during the study period.

Keywords: post- reform, trade, India, China, exports, imports, complement, competition, intra-industry trade, HIIT, VIIT, long-run, equilibrium, trade-indices,