CHINESE COMPETITIVENESS AND ITS EXPORT TO INDIA

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ABSTRACT: In 1991, relationship between India and China was insignificant as the trade was restricted to limited number of products. But, after three decades China emerged as the largest trading partner of India, especially exports from China increased at much faster pace than imports. China's export not only increased in India but the demand of its exports has increased all over the world and after few decades of reforms China is known as export lead economy. There is a shift of Chinese economy from agriculture economy to one which was based first and foremost on rapidly growing domestic consumption and then further shift to economy which is driven by exports and investment and these shift in Chinese economy played a key role in increasing its ranking in global competitiveness index. To analyze the relationship between China's increasing export to India and increasing Chinese global competitiveness, Granger Causality Test has been used which states that Chinese export to India is the result of Chinese competitiveness.

KEY WORDS: Export, Granger Casualty Test, Growth, Competitiveness, Liberalisation.

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