



# INCHINCLOSER

Bringing India and China closer.

[Home](#) [About Us](#) [Contact Us](#) [Services](#) [Mail to friend](#) [Mandarin](#)

Welcome to Inchin Closer's July Newsletter,

Cooling economies, consolidation and cooperation marked the beginning of the second half of 2010 for China and India. Having prevented the prophesized economic bubble from bursting or the property market from overheating resulting in catastrophic heat waves worldwide, China successfully launched the [world's largest IPO](#), succeeded Japan to become the 2<sup>nd</sup> largest economy and was crowned the [world's largest consumer of energy](#). Meanwhile, India diplomatically, rejuvenated power and telecom equipment trade ties with China, post foreign secretary and former Ambassador to Beijing – Shiv Shankar Menon's strategic visit. Curious about resolving the hot and cold ties that often blow between India and China, Inchin Closer requested subscribers to send in their suggestions Seeking solutions for a more sustainable India-China trade. While we have already received some innovative solutions from subscribers in India and China, we request you to suggest reasonable resolutions.

Taking bilateral ties a step further this month, both [China and India agreed to collaborate on international projects](#) in third countries. On a softer note, realizing the talented human capital and their future capabilities within the region, reputed Chinese and Indian universities decided to join hands to form [Asia's very own Ivy League](#). Looking ahead, our sense is that both the Chinese and Indian economies will continue to grow, although at a steady pace during the next six months. However, as hedge fund analysts have rightly predicted, this is the time to invest back in the Chinese mainland markets. Valuations are yet low, the economy is consolidating and Beijing has put the right policies into practice. Inchin Closer takes a look at where you should put your money - [As investments shift to China – Where should you invest?](#) Meanwhile India will continue to see fluctuations in valuations as new policies are announced and New Delhi battles inflation, it will be a while before its prudent to invest in India again.



**India, China to shift  
from oil to LNG in  
quest for clean energy**



**Seeking solutions for a  
more sustainable  
India-China trade  
send in your suggestions**



**China is slowing.  
That's good news**



**Indian, Chinese  
economies stabilize  
growth**

### [India China call connected; Huawei to market phones under its own brand in India](#)

Having come to a common consensus after six months of lobbying with the Indian Department of Telecom, Chinese telecom equipment firms have been [re-allowed to export to Indian firms](#). The decision follows New Delhi [re-allowing Chinese power equipment manufacturers](#) to supply to Indian power companies after a similar trade embargo.

### [Having prevented the bubble from bursting – Its now opportune to invest in China](#)

As an aftermath of large stimulus spending to revive the domestic economy and keep it

afloat during the financial crisis, it is now feared that Chinese banks, the [world's most profitable in 2009](#), might drown in debt. According to a knowledgeable source interviewed by [Bloomberg](#), Chinese banks may struggle to recoup about 23 percent of the 7.7 trillion yuan (US\$1.1 trillion) they've lent to finance local government infrastructure projects. The money is expected to be written off, as non-performing project loans by the end of this year as the ventures are unable to generate sufficient revenues.

### [Seeking solutions for a more sustainable India-China trade – send in your suggestions](#)

The problem is rhetoric and exists in every sector, - India continues to import cheap Chinese equipment until it suits the market. Traders and manufacturers enjoy the huge margins and bask in profits, however once Chinese imports hit public, domestic manufacturers the industry sits up in arms. Chinese equipment is criticized for being of poor quality, and Beijing subsidized equipment is touted as being cheap. China isn't given a proper explanation for why the goods were served an anti-dumping duty and after expiration of the trade tariff term, Chinese imports resume. The industry in both countries, suffers a slight set back during the standoff and as has now become the norm, rides the tide until trade doors are open again.

### [Myanmar's strategic location between China and India](#)

Rich in oil and gas, strategically located between China and India, Myanmar is both ground for competition and cooperation between the nations. Although official information is hard to come by, it is estimated that China, South Korea, Singapore and Thailand are Myanmar's largest contributors of FDI. However as of the last fiscal year 2009-10, FDI into Myanmar fell almost 70 percent due to the economic crisis and the strengthening of sanctions against the Burmese military regime by the US and EU.

## [China, India's voracious coal appetite raise global prices and fears of carbon emissions](#)

As energy needs in Asia rise, demand for coal and as a consequence prices of the black fuel are expected to sky-rocket over the next few months. As soon as this year, China is set to overtake Japan as the world's largest importer of thermal coal. Traders and policymakers, who didn't expect this change until 2015, now say they expect China's thermal coal net imports to hit 105m-115m tonnes this year, level with or above Japan, which is expected to buy about 110m tonnes. China was a net exporter of coal until 2007.

## [New Delhi permits import of Chinese power equipment](#)

In a major reprieve to Chinese power equipment manufacturers, India on Monday decided not to impose security restrictions on Chinese power equipment imported into the country. Following security concerns on imported Chinese telecom equipment; New Delhi had imposed similar restrictions on power equipment imported from China in April this year. New Delhi had also made it difficult for Chinese engineers to get business visa's to work their equipment at power plants in India.

## [Trying to cure China's healthcare system](#)

China was fourth from the bottom on the 2006 list of World Health Organization member countries in terms of granting its citizens equal access to and financing healthcare. This is said to change as the country plots its way to becoming the world's second largest economy.

About Inchin Closer:

INCHIN CLOSER is a comprehensive professional services consultancy that offers multinational clients support prior to and post incorporation in both India and China. Created to improve the understanding, of and between the two most dynamic countries of our generation, Inchin Closer works across sectors with companies, trade bodies, educational

institutions and organizations to Bring India and China closer.

INCHIN CLOSER offers international companies the following services in India and China – business advisory , foreign office incorporation in **India** and **China**, **post incorporation support, tax filing, annual auditing, registration of trademarks and IPR's, digital marketing and advertising , sourcing reputed trading agents, student/executive business exchange programmes, translation and interpretation services**. In order to know more about each service, please do visit the relevant page on our website or write to us directly at [contact@inchincloser.com](mailto:contact@inchincloser.com).