

It is realistic for India to boycott Chinese products, Investments?

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There's been a clamour for boycotting Chinese products amid a border stand-off with People's Liberation Army at the LAC and criticism over Beijing's handling of the Covid-19 pandemic. A call to boycott Chinese goods has started after the clash at Ladakh's Galwan Valley between Indian and Chinese troops, in which 20 Indian soldiers were killed on Monday evening.

The government, too, is seen as driving the sentiment against Chinese products. Government sources said the Department of Telecom is set to "firmly tell" the state-owned Bharat Sanchar Nigam Ltd not to use Chinese equipment in its 4G upgradation in view of security issues. Telecom department has also decided to rework the tender in this regard. The government is also considering asking private operators to reduce their dependence on equipment made by Chinese firms. Indian Railways also terminates project contracts with Chinese company. As per Times Social media team, there had been approximately 47,000 mentions on the hashtag #BoycottChina and 2,31,000 mentions on the hashtag #BoycottChineseProducts on the microblogging platform --Twitter-- between May 28 and June 1, 2020. However, amidst this clarion call across the country, how realistic is it for India on the economic front and would it be so easy to do away with China completely?

Private Indian companies with major Chinese Investments - as per a March 2020 report published by Gateway House, 'Indian Council on Global Relations', lists major Indian companies with substantial holdings from Chinese investors. China's tech company and VC (Venture Capitalist) investments in India account for more than \$ 3,600 million or \$3.6 billion on one hand, while on the other hand, the report also states that most "Indian VC financiers are wealthy individuals or family offices – and cannot make the \$100-million commitments needed to finance start-ups through their early losses," the report says. Most Indian companies with Chinese investments are E-commerce retail service providers offering doorstep delivery for customers. With the world grappled with COVID-19 pandemic and Indian government's push towards online deliveries, this number is expected to be much higher. Also, the amount of job and financial losses in case Chinese investors pull out of Indian companies is sizeable and cannot be ignored.

China in India's' digital sector – Apps with Chinese investments constituted a substantial 50% of top app downloads (both iOS and G Play combined) which includes web browsers, data sharing and social media apps as per the Gateway house report. Also, as of October 2019, a browser with Chinese investment was said to have a "sizeable market share of 17.09% in the mobile browser market space and it also led the mobile phone segment in India with 21.38% market share". Not only this, but

Chinese companies have also made sizeable investments in streaming services used in India such as apps for songs and OTT platforms. This certainly states that China already has deep roots in tech India which is growing substantially day by day.

Chinese FDI into India - As per the Indian governments' department for promotion of Industry and International Trade, China's FDI equity inflows in India was a meagre 0.01% at US\$ 2.91 million of the total FDI into India for the period between August 1991 to December 2005. The present FDI inflows from China to India stand at 0.51% at US \$ 2,378.71 million of total FDI into India for the period April 2000 to March 2020. India has seen some of the highest FDI inflows from China from 2014 to 2019 as per the FDI statistics. These data show it is not easy for India to Boycott Chinese Investment in a day but it will possible for government do that, these whole processes take time, we have to switch from Chinese company to another one to teach china a lesson. India is not in a position to let go of the FDI inflows from China in case the Boycott China movement becomes a success especially at a time when the entire world is grappled with an economic crisis brought down by COVID 19 pandemic and prospects for new FDI inflows are difficult in the near future.

Import-Export scenario with China and the trade deficit – As per the Trade statistics published in the Indian government's Ministry of Commerce and Trade website, China had a 5.08% share in India's exports for the year 2018-19 and a 13.8% share in India's imports for the year 2018-19. India's trade balance with China stood at the negative \$184,000.33 million for the year 2018-19. India's trade deficit with China stood at USD 53.56 billion in 2018-19.

However, with the humongous Boycott China call and the building border tensions at the LAC, would the Indian government be willing to let go of this opportunity. Also, is the Indian economy well prepared to account for the huge trade deficit with China and does India have an alternative market for a surplus of products/services which India exports to China as of now? While the Indian sentiment would always be in support of the Indian army and as Defence Minister Rajnath Singh has very rightfully iterated that the government will not allow India's pride to be hurt under any circumstances, Indians and the Indian government have a lot to think about before they take any stringent action towards boycotting Chinese made products as there is a lot at stake for India as well.

The call for to boycott the Chinese goods and investments is good but, in Many ways, we directly connect with China in terms of essential goods and ingredient used for production. Before Boycotting Chinese products, we have to make our India self-reliant in all term's economically. Atmanirbhar Bharat Campaign led by Modi government boost Indian economy but for boycotting china we have to find out some alternatives of Chinese products and need to increase manufacture units. There will be need of economic war with china, every Indian should take a pledge not to buy Chinese product, mindset of Indian people have to divert towards Made in India products. This changing mindset of our peoples make realistic for India to boycott Chinese products and Investments.

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