

# **Global Trade and Economic Strategies: Consequences for India within the Framework of US-China Trade Relations**

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**Abstract:** *World trade and economic policy occurred during an era of major transformation. This is marked by an increase in protectionism, supply chain reorganization, and large-scale economies, particularly the heightened tensions between the US and China. These developments have created both risks and opportunities in emerging markets such as India. This paper examines how the change in the impact of global trade on India's economic strategy will change and focuses on reforms in trade policies, export trends and investment instruments in the postal age. This study analyses India's efforts to relocate themselves through initiatives such as the Atmanirbhar Bharat and Production Incentive (PLI) programme. It also examines challenges such as regulatory hurdles and infrastructure restrictions that could limit India's ability to use global change. The results show that India has made significant progress and that sustainable reform and positive commitment to international markets is extremely important. The purpose of the study is to better understand how India can control a more fragmented and competitive global trading system.*

**Keywords:** Atmanirbhar Bharat, USA, China, India, Trade, Global Trade

## **I. INTRODUCTION**

The global trading system historically served as a catalyst for economic development, encouraging states to be professional, innovative and collaborative. However, in recent years, multilateral cooperation has been rejected by more guardians and bilateral approaches, particularly in the US-China's continued trade voltage. The two biggest economies have strategic decoupling, so countries like India are both challenges and opportunities. Deeply integrated into the global supply chain, the Indian economy is at a critical time when new calibrations of commercial and economic policies can accelerate growth and deepen weaknesses.

### **Objectives:**

1. Examining the development of world trade dynamics after the US-China trade war.
2. Analysis of the impact of global economic policies on India's trade environment.
3. India's potential role in the middle of a changing global supply chain structure.
4. A study of India's challenges compared to increased protectionism in global markets.
5. Examining India's current economic and trade policy in response to global changes.
6. India's strategy to encourage global trade reform.
7. Comparing India's position with other emerging economies since 2020.

## **II. REVIEW OF LITERATURE**

Bown, C. P. (2020) highlights how the US-China Trade War has launched a major shift in global trade in ripple effects around the world.

Krugman, P. (2018) Protectionist guidelines explain that even if they aim to keep their jobs, they often backfire and have a negative impact on the global supply chain.



World Bank Report (2022) Emerging economies such as India have identified the ability to use shifts in China's supply chains by increasing domestic capacity.

Chadha, R. (2020) discuss political initiatives in India, such as the "Atmanirbhar Bharat" and the PLI (Production Connection Incentive) programme in the context of an independent economics.

Goldstein, J. (2019) warns about the Fragmentation of the global trading system and the need for the economy to diversify its trading partners.

Reserve Bank of India (2023) It is clear that India's exports rose annually at 13.84% between 2020 and 2023 despite global obstacles.

### III. RESEARCH METHODOLOGY

The study is based on secondary data collected from reliable sources such as World Bank Reports, WTO Publications, Reserve Bank of India documents, scientific journals, state policy fields, and well-known financial newspapers such as the economic era and Hindu business lines.

Scope of the Study

1. Focuses on the commercial and economic policy environment of India.
2. We analyze the impact of the global trade obstacles, particularly the US-China trade conflict.
3. Consider global events between 2018 and 2025.

Limitations of the Study

1. Anything related to secondary data can exclude real-time floor reality.
2. Changes to instructions are dynamic. Some discoveries can become obsolete over time.
3. The impact of regional free trade agreements (such as RCEP) has been asked to minimally.

### Data Analysis

Table 1: India's Export Growth (2018-2024)

| Year                                 | Export Value (USD Billion) | Annual Growth Rate (%) |
|--------------------------------------|----------------------------|------------------------|
| 2018                                 | 323                        | 9.8                    |
| 2019                                 | 330                        | 2.2                    |
| 2020                                 | 276                        | -16.4 (COVID Impact)   |
| 2021                                 | 291                        | 5.4                    |
| 2022                                 | 417                        | 43.2                   |
| 2023                                 | 431                        | 3.4                    |
| 2024 (projected based on Q1-Q3 data) | 450                        | 4.4                    |

Source: Ministry of Commerce & Industry (2024)

Global Trade Shifts Post-USA-China Trade War:

USA tariffs on US\$370 billion Chinese products have prompted businesses to search for supply chains to Vietnam, India and Mexico (Bown, 2020).

India's electronic exports rose 30% in 2022. This encouraged the expansion of Apple and Samsung manufacturing bases (Business Standard, 2023).

Services exports (IT, advice) from India increased by 9% in 2023 despite global slowdown (Nasscom Report, 2023).

India's Trade Policies Responding to Global Trends:

ATMANIRBHARBHARAT ABHIYAN (2020): Focus on confidence by increasing domestic industry.

pli-schemata: Incentives for sectors such as electronics, automobiles, and textiles.

India-uae Cepa (2022): The first broad free trade agreement by Covid.

Fourth Retreat from RCEP (2020): India reflected careful liberalization, fearing China's rule in the regional bloc.



Table 2: Major FDI Inflows into India Post-Trade War (2018-2024)

| Country     | Sector                       | Investment Value (USD Billion) |
|-------------|------------------------------|--------------------------------|
| USA         | Technology, Renewable Energy | 18.2                           |
| Japan       | Infrastructure, Electronics  | 14.5                           |
| South Korea | Automobiles                  | 6.7                            |
| UK          | Financial Services           | 7.9                            |
| Singapore   | Real Estate, Logistics       | 11.3                           |

Source: DPIIT Reports (2024)

Comparative Note: India vs. Vietnam

| Indicator                   | India        | Vietnam       |
|-----------------------------|--------------|---------------|
| GDP Growth (2023)           | 6.7%         | 5.5%          |
| Electronics Exports (2023)  | \$23 Billion | \$114 Billion |
| Ease of Doing Business Rank | 63           | 70            |

Despite Vietnam's electronics export dominance, large domestic markets and demographic dividends offer long-term benefits.

#### IV. FINDINGS

- The export of Indian goods and services was resilient.
- The US-China trade war indirectly pretended to divert foreign direct investment.
- Sectors such as electronics, textiles and pharmaceuticals recorded significant export growth.
- The ATMANIRBHARAT and PLI programs have created a political framework for export growth.
- India's withdrawal from RCEP was strategic to protect domestic industries.
- The challenge remains business, especially in logistics and accomplices.
- Trade with the US with India has been strengthened since 2020, making US India their first trading partner.
- China remains India's largest import source, pointing to dependency issues.
- India's bilateral agreements (such as India and the UAE CEPA) demonstrate a new professional trade orientation.
- Regional instability (Ukraine war, Taiwan tension) could further affect global trade.

#### V. DISCUSSION

India's aggressive political adjustments have enabled him to navigate in a turbulent global trade environment. The government's focus is on promoting production through incentives, and withdrawal from unfavorable agreements shows a delicate trade strategy. The rivalry between the USA and China has hampered global supply chains, provided a unique window into investing in India and expanding exports. However, persistent challenges such as inadequate infrastructure, complex regulatory frameworks, and slow judicial processes that hinder the full implementation of this possibility. As world trade is increasingly fragmented, India must prioritize bilateral agreements, invest in human capital, and improve its logistics ecosystem to remain competitive at the global stage.

#### VI. CONCLUSION

The global commercial and economic landscape lies in transformations characterized by protectionism, technological decoupling and regionalism. India stands at the intersection where his political decisions determine his role in the new order. India may look stronger by rethinking its commercial and economic strategies, using the shifts arising from US China integration. However, by achieving sustainable growth, coordinated efforts, simplification and global diplomacy must be required to develop infrastructure.



### **VII. RECOMMENDATIONS**

- Strengthen logistics and port infrastructure to reduce the time to implement exports.
- Negotiate more bilateral and multilateral trade agreements.
- Exporter strict GST and compliance standards.
- Improve your skills and investment in vocational training programs.
- Provides MSMES incentives for integration into the global supply chain.
- Green promotion and sustainable production for global competitiveness.
- Improvement of the dispute resolution system for foreign investors.
- Promotion of technology transfer agreements with US and EU companies.
- We will continue to diversify imports, especially in electronic devices.
- The foundations of the economic belt focused on the high-tech industry.
- Funding of F&E through public-private partnerships in the strategic sector.

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