

China and India – Future Leaders of the World Economy

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In May 2010 economic outlook, the Organization of Economic Cooperation and Development (OECD) projected upward growth outlooks for the world's four largest emerging economies, which include China and India. OECD projected China's growth will exceed 11% for 2010, and anticipates that India's real GDP growth will be 8.3%. By comparison, real GDP growth rates of Euro and UK have been projected at 1.5% and 2.2% respectively. According to a survey conducted by UNCTAD, India has replaced the US to emerge as the most important FDI destination after China. China has also become the fifth largest global investor in outbound direct investment compared to its ranking of 12th in 2008. Various measures taken by the governments of both the countries over the years have made them more foreign investor friendly. Government of India has embarked on sweeping tax reforms of both direct and indirect tax to reduce burden of taxes and to make the tax regime more user friendly. This session will deal with the economic environment in the two countries and will go into details of the investment climate in India. India's legal and administrative systems for business will be dealt with in detail, especially laws relating to foreign investment, investment protection, and statutory supervision over capital markets and banking. An overview will also be given of the sectors that provide attractive investment opportunity such as logistics, infrastructure, healthcare and agro processing.