

Agreed Minutes of the 4th India-China Strategic Economic Dialogue

The 4th India-China Strategic Economic Dialogue was held in Delhi, India on October 7th, 2016 under the theme "Development, Innovation and Cooperation for Mutual Benefit". The Indian side was led by Arvind Panagariya, Vice-Chairman of National Institution for Transforming India, Republic of India and the Chinese side was led by Xu Shaoshi, Chairman of National Development and Reform Commission, People's Republic of China (Hereinafter referred to as the "two Sides").

The Mechanism of India- China Strategic Economic Dialogue (Hereinafter referred to as the "SED") was established in December 2010. The previous three meetings of the SED were successfully held in September 2011, November 2012, and March 2014. During the 4th SED, the two sides exchanged views on global economic trends and the macro-economic situation of both countries and held in-depth discussions on enhancing bilateral cooperation. In view of the uncertainties characterizing global economic recovery, the two sides concluded that dialogue and communication can serve as powerful instruments of development and prosperity in India and China. Moreover, cooperation between the two countries would help promote regional and global growth. The two sides thus agreed on the following:

I. Contribution to Global Recovery and Growth

India and China are two of the biggest developing countries in the world. Cooperation between them will result in a win-win with significant positive externalities for regional and global economies.

II. Developments in the Indian and Chinese Economies

Indian government is deepening reforms to build a fair and healthy environment for business and manufacturing. It assigns high priority to improving business environment so as to attract foreign capital and turn India

into the fastest growing economy in the world for multiple decades. The country has already emerged as a bright spot in the otherwise gloomy global economy. Indian government is committed to maintaining this momentum.

Chinese government is committed to implementing new development concepts and maintaining stability to achieve progress. It appropriately works to enlarge the general needs and to promote supply-side structural reforms aimed at actively guiding the market and effectively dealing with risks and challenges. Chinese economy is operating within a healthy range with the deepening of structural adjustment and strengthening of reform and opening-up, which brings about continuous improvement of people's livelihood and social stability.

III. Bilateral Cooperation

The dialogue was carried out around five working groups and produced the followings concrete outcomes:

I.) Working Group on Policy Coordination

It was noticed that on the energy theme, both India and China face the same challenges, viz., of high fossil fuel share in the primary energy, high import dependence and a drive to enhance the share of cleaner energy sources, such as natural gas and renewable energy. China and India are still to achieve satisfactory levels of energy consumption and are reporting growth in energy demand whereas the developed world has now reached near saturation. This calls for a joint strategy to meet the rising energy demand through appropriate policy measures and efforts in the international energy markets. On the urbanization side, it was noticed that China has already achieved high levels of urbanization in a short time, and has been able to manage provision of civic amenities and infrastructure quite efficiently. On the other hand, India's drive towards rapid urbanization has begun and is likely to grow at an exponential rate in the coming years. The above corresponding situations call for closer cooperation in understanding the strategy adopted by China in

providing urban infrastructure which may have lessons for India. On the other hand, it also throws up opportunities for Chinese investors to consider appropriate entry strategies in the Indian urban space.

The Working Group on Policy Coordination for the first time saw active participation of Indian States. Consistent with NITI Aayog's charter to actively mainstream the States of India, representatives of different States, viz., Gujarat, Telangana, Karnataka, Andhra Pradesh and CEO, Delhi Mumbai Industrial Corridor Development Corporation Ltd. made presentations in the Working Group. NITI Aayog has proposed closer interaction between NITI Aayog and NDRC on understanding China's huge success in development of coastal manufacturing zones, and learn from the above success. The State Government representatives gave presentations on the opportunities in the above sector in the coastal regions of India. The above Indian presentations were followed by a presentation by Mr. Li Xuedong, Deputy Director General, NDRC on the production capacity enhancement measures and possible cooperation between India and China. Mr Li Xuedong stressed that the Statement of principles on Manufacturing and Industrial Capacity between NDRC, China and NITI Aayog, India to be signed on October 7 by two Chairmen of the 4th India China SED, would mark the good beginning of manufacturing and industrial capacity cooperation between the two sides. With active participation of Chinese local governments and Indian states. Guiyang Municipal government of China expressed willingness of and enthusiasm for cooperation with Indian States.

It was proposed that during the course of the next one year, NITI Aayog will lead the initiative to bring the States of India closer to their counterparts in the developed coastal regions of China. NDRC would support this initiative.

Both sides agreed to adopt new theme of closer cooperation on coastal manufacturing zone development between the two sides during the next one year and encouraged enterprises of the two sides to grasp opportunities and seek early harvest projects in manufacturing and industrial

areas like infrastructure, automobile, energy, electronics, etc. Mr YS Malik, Special Secretary, NITI Aayog encouraged the two sides to work closely on this theme of strategic importance to India in raising the share of manufacturing in India's GDP. He called upon the representatives of the Indian States to develop suitable mechanisms for interaction with the counterpart provisional governments in China, through the NDRC.

2.) Working Group on Infrastructure

The two sides reviewed achievements in areas such as feasibility study of raising speed of existing railways, feasibility study of high-speed railway, personnel training, and study on railway station redevelopment which have been under discussion since the 3rd SED. The two sides also reached consensus on the next steps.

China Railway Eryuan Engineering Group CO. LTD has officially delivered the Interim final feasibility study report on Chennai-Bangalore-Mysore railway upgradation project to India High-speed Railway Company. After further modification and improvement of the report (if any), the two sides will discuss further on cooperation and research on project implementation, including design consulting, building construction and project financing so as to promote cooperation and achieve concrete results.

On the basis of whole section planning, China Railway Siyuan Survey and design Group Company (CRSSDGC) submitted *inception report of Feasibility in Delhi-Nagpur High-Speed Railways*. The two sides agreed to have further discussion on providing of data needed for the Study & the ToR and two sides will try to reach consensus in short time. The two sides agreed to push forward the feasibility study on Delhi-Nagpur high-speed railway and construction of Delhi-Chennai high-speed railway. China Southwest Jiaotong University and Training Department of the Ministry of Railways of India agreed to hold 8 training courses (320 participants in total) in the field of high-speed railway.

Under the topic of cooperation in station redevelopment, China Railway Group together with India Railway Station Development Company will conduct research on law, economy and technology and will identify Stations for Study for redevelopment.

3.) Working Group on High-tech

Both sides focused on the development of information technology service industry and the current situation of software industry policies of the two countries, discussed the cooperation on tablet display, Solid state-light, rare earth industry technology and the necessity to meet the market demand. In addition, ICT areas including high performance computing, information infrastructure technologies, R&D and automation scenario, technology for next generation digital TV broadcast (DTMB), 4th generation/5th generation mobile telecommunication and the market access policies on information technology and enabled services and software were also discussed.

In addition, an Action Plan on “Digital India” and “Internet Plus” between the Ministry of Electronics and Information Technology of India and National Development and Reform Commission of China was agreed, so as to foster cooperation between two sides was agreed upon. It was also noted that under the existing NASSCOM and Hainan MoU, a China-India Technology Park in Hainan Province is being established thereby creating potential opportunities for about 2000 highly skilled Indian IT professionals.

Based upon discussion, both sides agreed to cooperate on strengthening the strategic cooperation between “Digital India” and “Internet Plus” programme to take advantage of digitisation in all areas of economy; expanding the interchange on the electronic manufacturing to jointly promote manufacturing technology, promoting cooperation through the partnership of enterprises between the two countries in the area of high performance computing, smart

cities, mobile telecommunication, DTV, tablet display, lighting display and other emerging areas, strengthening the regional cooperation by supporting the partnership between Chinese regions including Shenzhen, Hainan, Guizhou and similar institutions and places in India so as to strengthen the cooperation between Indian and Chinese industry. It was also agreed to deepen the interchange and cooperation on "innovation and entrepreneurship and Cooperate in areas of IoT by jointly establishing a Centre for Excellence with equal partnership from both sides.

It was emphasised that the complementary strengths of India and China in ICT sector specially computer hardware of China and Computer software of India should be leveraged for competitive and economic advantage.

Both the sides acknowledged the importance of digital technologies in the era of digital economy and also stressed the need for development and deployment of these technologies for improving the quality of life of their citizens. Both sides noted that there exist opportunities and complementary strength to deepen economic and technological cooperation.

4.) Working Group on Resource Conservation and Environmental Protection.

Both sides agreed to welcome collaboration of State Governments and City Governments with the Chinese companies by way of MoU. It was recognized that the disposal of municipal solid waste leads to valuable loss of urban land. Both side agreed that the waste to energy plants present a possible solution to this problem. It was informed that Republic of India has taken significant measure for utilization of tertiary treated wastewater from sewage treatment plant to the thermal power station situated within distance of 50 km..

Both side recognized that states and cities may be encouraged to get direct agreement with Chinese companies on the desalination technology by

adopting transparent procedures.

It was also recognized that Low cost construction material technology are an important area where technology transfer could be pursued. It was informed by the Chinese side that China has more than 300 waste to energy plants and by virtue of this, they have a lot of experience in this sector. The two sides agreed to explore cooperation in the above sectors.

5.) Working Group on Energy

The two sides agreed for cooperation in renewable energy promotion, both in manufacturing and generation of wind and solar energy. Both sides also agreed for speeding up of cooperation in solar cell / module manufacturing in India, expanding cooperation in promoting solar rooftop initiatives in India by providing quality solar cells / modules, providing operations and maintenance services. India offered huge investment opportunities in the renewable energy sector by way of participating through equity support, offsetting hedging cost, taking up of masala bonds, partnering in the solar projects, etc. Chinese investors showed keen interest in financial investment and participation in large solar park projects in cooperation with Solar Energy Corporation of India (SECI).

Both sides exchanged the status of coal development in India and China. Indian side proposed the scope for technical cooperation in promoting underground coal mining technologies and coal gasification, Chinese side also proposed for cooperation in promoting clean coal technologies including environment friendly mining, coal processing, unconventional gas (CBM) and efficient use of coal. Both sides decided to work on specific areas for deliverables.

The two sides also expressed their willingness to jointly take up establishment of Power Plant O&M Service Center. Chinese side has

presented a detailed plan of action for establishing the same. The two sides will encourage discussions and communication between government officials, experts and technicians, improve understanding of each other's policies, laws and energy systems, strengthen technology exchanges and encouraged. Both sides to carry out activities such as meetings and seminars so as to promote cooperation in energy.

Both sides also agreed to strengthen communication and cooperation between energy consultation institutes from both sides and jointly conduct research in areas of mutual interest.

IV. Agreed Documents.

In the presence of the meeting representatives, the two sides signed two intergovernmental documents for cooperation, one minutes of the SED and 18 documents for cooperation between enterprises.

To promote cooperation in the above areas, the two sides agreed to enhance interaction and communication. Representatives from the government, enterprises and research institutions will conduct field investigations and related meetings to promote the implementation of the achievements of this SED.

The two sides agreed that the 5th SED will be held on mutually convenient dates in 2017 in Beijing.

(Two copies signed in original in English, Chinese and Hindi)



Chairman
National Development and
Reform Commission
People's Republic of China



Vice Chairman
National Institution for
Transforming India
Republic of India

Attachment

S. No.	Name of Project	Chinese Company	Indian Company
1	Minutes of the 4th China-India Strategic Economic Dialogue	Mr. Xu Shaoshi, NDRC	NITI Aayog
2	Statement of Principle between NITI and NDRC for Developing Cooperation on Manufacturing and Industrial Capacity	Mr. Xu Shaoshi, NDRC	NITI Aayog
3	"Internet Plus" Action Plan	Mr. Xu Shaoshi, NDRC	MeitY
4	Training Agreement	Southwest Jiaotong University	Indian Railway Commission
5	Memorandum of Understanding on Strengthening Economic and Technological Cooperation in Green Development	International Economic Cooperation Office, NDRC	The Confederation of Indian Industry
6	II Salaya EPC Project of Essar Corporation	China Datang Technologies & Engineering Co., Ltd.	Essar
7	Chennai-Bangalore-Mysore Railway	China Railway Eryuan Survey and Design Group Co., Ltd.	Indian Railway Commission
8	Memorandum of Understanding on Delhi - Chennai Railway Feasibility Study	China Railway Eryuan Survey and Design Group Co., Ltd.	Indian Railway Commission
9	Andhra Energy - Non-Ferrous Metal Processing Base	GIIC; China Aluminum International Engineering Corporation Limited; Power Construction Corporation of China	Andhra Pradesh
10	Gujarat Smart City Cooperation	Zhongxing Telecommunication Equipment Corporation	Gujarat
11	Andhra Pradesh Smart City Cooperation	Zhongxing Telecommunication Equipment Corporation	Andhra Pradesh
12	Smart Industrial Park cooperation	Zhongxing Telecommunication	SREI Infrastructure

		Equipment Corporation	Finance Limited
13	TELANGANA Optical Network	Zhongxing Telecommunication Equipment Corporation	Telangana
14	Agriculture & Animal Husbandry Cooperation	Wellhope Agri-Tech Joint Stock Co., Ltd.	Nexus
15	Electronic Product Agreement Cooperation	BOE Technology Group Co., Ltd.	Videocon
16	Andhra Pradesh International Industrial Park	China Communications Construction Company Limited China Small & Medium Enterprises (Chengdu) Investment Ltd.	Andhra Pradesh
17	Information Industrial Park cooperation	China Electronics Corporation	India Department of Housing and Urban Development
18	Entrepreneurship Service Cooperation	Hainan Resort Software Community Investment & Development Co., Ltd.	T-Hub
19	Telangana Ecological Smart Industrial Park cooperation	Hainan Resort Software Community Investment & Development Co., Ltd.	Telangana
20	High-tech knowledge Product Service Guarantee	Maitrox Smart Supply Chain Inc	TCL
21	TEBA Contact Agreement	TEBA	Sterlite Power Grid Ventures Ltd