

PERSPECTIVE

Build company to company

India and Mainland China: in difficult times, double down on trust, where it counts

India imports more than USD 113 billion a year from Mainland China, and its trade deficit with China is USD 99.2 billion. Governments will have good seasons and bad. Companies cannot wait for the weather. Our view is that in these tough geopolitical times the need is to double down on trust and build at company-to-company level. Despite the challenges, this is the time to build. Not working together is not a real option: too much of what India builds and buys runs through Chinese supply chains.

USD 127.7Bn

India–China trade, FY2024–25

USD 99.2Bn

India's trade deficit with China

USD 113Bn+

imports from China a year

Why company to company

Relationships between governments move with politics. Relationships between companies move with results: a supplier who delivers, a partner who keeps terms, a technology that works. Trust built this way survives bad headlines, and it is the only kind that can carry technology partnerships, joint ventures and manufacturing in India. Interest is real on both sides. A delegation of 25 chief executives of India's auto component companies, organised with ACMA and The Guild Co., found China keen to engage India.

On India's terms

Deepening means structured, compliant and India-majority: technology partnerships, licensing, joint ventures and manufacturing in India, where complementarity is real, such as electric-vehicle and battery technology, factory automation, power electronics and components. Safeguards come first: IP protection, data sovereignty, India-majority control and exit mechanisms from day one. We call this Pragmatic China Engagement.

In some segments India has deliberately closed the door, such as drones, CCTV and defence components. Those rules should stand. India's External Affairs Minister S. Jaishankar put the principle plainly in 2024: "We are not closed to business from China... I think the issue is which sectors do you do business in and on what terms you do business."

A portfolio, not a substitute

Japan and Taiwan remain India's trusted sources, and no partner's interests are served by dependence on any single one. Building with Mainland China complements those ties. It does not replace them.

OUR ROLE

In October 2026 we announced a strategic partnership with Gao Feng Advisory to build the India–Mainland China corridor for intelligent systems and devices, structuring every engagement with rigour and within the regulatory frameworks of both countries.

Governments set the weather. Companies build the house.

Sources: India–China trade and deficit, FY2024–25, as used across The Guild Co. materials; S. Jaishankar, Annual Ambassadors' Conference, Berlin, 10 September 2024 (ThePrint).