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## KEY INDICATORS OF ECONOMIC DEVELOPMENT IN CHINA AND INDIA: A COMPARATIVE STUDY

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### ABSTRACT

*China and India are two neighbouring countries in Asia. India is geographically, the largest country in South Asia and seventh largest in the world. It has world's second largest population over one billion. Its total area is 32.9 lakh kms and present growth rate in GDP is 7.2% per annum. On the other hand, the People's Republic of China is located in Eastern Asia and is the third largest country in the world in terms of total area (96 lakh km). Both the economies have some similar characteristics. Their population size and its growth rate, GDP growth rate, place in global economy etc. stand almost on equal footing. Although the two countries went to war in 1962 due to some border dispute, they have since tried to normalise relations and in 1995 for the first time trade had exceeded US\$1 billion between them. They have lately received a lot of international attention being viewed as emerging giant economies as they both play key roles at the international level. For example China has been a permanent member of the Security Council at the UN, while India who has leads the Non-Aligned Movement for years and is still vying for a similar position. Furthermore, India has been one of the founding members of the WTO and has played a prominent role as one of the developing nations whereas China has had to fight for decades to obtain its admission into this international organisation. While both China and India have an extended history of international trade going back centuries ago, both their economies were until recently highly protected and controlled to a large extent albeit that their political systems are very different. China is still a very unique case in the sense that while it has allowed its economy to be opened to Capitalists MNCs, it is still governed by the Communist Party with a strong leadership not giving away state power. Therefore, it is better to know about main features of both the economies. The aim of this paper is, to study two developing countries India and China w.r.t developments and regulations in economy in last two decades. Moreover this paper will cover the external sector prospects including FDI in two countries.*

**KEYWORDS:** *GDP, structural changes, Social indicator, Poverty eradication, Forest and land area, foreign direct investment.*