Impact of India Undertaking China's Industry Relocation on China

Topic:
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Under the influence of various factors such as politics, economics, and technology, global value chains are undergoing profound adjustments. Western countries and India itself are actively enacting a series of industrial policies aimed at positioning India as a focal point for the new phase of international industry relocation. has triggered profound changes in industrial layout, ultimately impacting the Chinese economy and employment. This paper begins by employing a national input-output model, utilizing a quantitative assessment framework for the recipient of industrial transfer, and identifying the advantageous industries that India may undertake based on industry gradient coefficients. Subsequently, the paper employs a trade gravity model to characterize the extent to which India is undertaking China's outward transfer. Finally, by distinguishing between intermediate and final goods and employing scenario analysis and counterfactual analysis, the paper measures the potential impact of India undertaking China's outward industrial transfer on the Chinese economy and employment.