

India partially eases Chinese investment curbs

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By Chu Daye

The Indian government's partial relaxation of rules scrutinizing investment from neighboring countries has sent a positive signal to the outside world and is expected to channel more investment into the country, Chinese analysts and industry participants said on Wednesday.

Chinese investment in sectors such as solar energy and electronics could potentially grow, benefiting related sectors in India, experts said. However, they called on the Indian government to further relax investment curbs to cover more sectors. Such moves, they noted,

would inject greater vitality into China-India economic and trade cooperation, which has seen a recovery in growth momentum since 2024.

Indian Prime Minister Narendra Modi's cabinet approved changes to foreign direct investment rules that restricted investments from China and other land-bordering countries, to allow investments in the electronics, capital goods and solar cell sectors, according to a statement posted on the Indian government website pib.gov.in.

Chinese investments in these sectors will be processed within 60 days, provided that the majority shareholding rests with an Indian entity at all

times, the statement said.

India also allowed investors with up to 10 percent Chinese ownership to invest under the automatic route as per the applicable sectoral caps.

The new guidelines will facilitate greater FDI inflows, access to new technologies, and integration with the global supply chain.

Commenting on the new rules, the Chamber of Chinese Enterprises in India said in an exclusive statement sent to the Global Times on Wednesday that the adjustment in India's investment policy toward China is a "partial optimization" rather than a "comprehensive liberalization," noting that

large-scale investments and those involving actual control by Chinese entities remain unchanged and will continue to follow the previous approval process.

India is striving to develop its mobile phone industry and other key sectors including semiconductors, artificial intelligence and new-energy vehicles. All these industries rely heavily on Chinese technical talent. Yet India's opening-up is by no means comprehensive. India only opens areas it urgently needs, while keeping others blocked. The Indian government is taking a pragmatic stance, a representative of a Chinese enterprise operating

in India told the Global Times.

Qian Feng, director of the Research Department at Tsinghua University's National Strategy Institute said that the change in policy is a timely move that will boost the "Make in India" campaign and support the upgrading of India's high-tech industries.

The adjustment is a positive step that will gradually ease Chinese companies' concerns and lead to more bilateral investment cooperation. But this is only the first step, and the Indian government needs to demonstrate greater sincerity and deliver more tangible outcomes to remove the uncertainty, Qian told the Global Times.