Twitter Thread by Nisheeth Sharan



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Let me tell you 2 anecdotes about China. While Indians might have harboured confusion about their relationship with China, China has been clear about their POV.
They consider India an adversary to be weakened, broken and subjugated in every way.
And they have been at it 1/n

for years now. Let military men talk about military things. As a businessman, let me talk about business.
Back in 2008/09, I had to procure a particularly large quantity of flooring from China for a hotel project.
Indian manufacturers had scant range, Europeans was far too
2/n

expensive. It made sense to explore China. So I spent a considerable time exploring the best that China had to offer.
The best of what I liked fell in the vitrified range, which had very attractive pricing but attracted an Anti Dumping Duty in India. Option was to settle for
3/n

Ceramic, which was at best a compromise. Since the order was pretty large and I seemed keen on the vitrified, the vendor's Sales Head, one of the largest manufacturers in China, invited me over for dinner. Over the course of the evening, he delicately broached the topic.
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Why dont you buy the vitrified tiles, since they serve your purpose? he asked. Anti Dumping Duty makes it unviable to import, I replied.
Let me propose a solution, he said. You import the vitrified tiles and we will pay the ADDuty.
Why would you do that? I asked.
5/n

Theres a catch. We'll pay the Anti Dumping Duty on the condition that you go back and file a case in your courts to remove Anti Dumping Duty from Chinese vitrified tiles. Hire the best lawyers, pursue the case.
We will pay all your legal charges too. I began getting the drift
6/n

of the conversation. Let me think about it, I said and backed out. We didnt buy, but I was interested enough to research that company. Turned out, it was registered in British Virgin Islands, behind a web of screens, probably owned by senior Communist Party officials.
7/n

Case 2
A very large opthalmic lense company wanted me to help them procure lenses from China. Again, around 2006-07.
So we explored and narrowed down to a mom-pop Chinese manufacturers in the suburbs of Shanghai, with a capacity to manufacture almost 60% of India's demand.
8/n

The importer's Manager, a particularly hardnosed Sindhi gentleman was obscenely negotiative. The mom-pop factory had their daughter study international business to be able to deal in english with foreign buyers. She led the negotiations. The haggling came to the point that..
9/n

... the daughter called the cost ledger to show us that our expected price was just about covering their manufacturing cost.
Our Sindhi friend wasnt taking no for an answer, Why the hell are we in China, if not to buy cheap? He argued.
To cut a long story short...
10/n

after 3 hrs, we had a deal.
At 1% above cost. To celebrate they took us out for dinner. There, I asked the daughter, how can you manage to deliver at 1% over cost?
She gave all sorts of candy floss answers till I broke her defense.
You see, we will get 10% export subsidy.
11/n

We will get it by the end of the year but that will take care of the profits. Till then, the cost+1% will bring in the cash flows.

Thats how China has structured their game. Make the world dependent on China. Offer deals that a buyer just cant refuse.
12/n

When we flood the SM with Boycott Chinese Products, it hits them where it hurts.
Decades of planning comes tumbling down.
Know your adversaries. Make up your mind on Chiese products.
They are making you pay for your own surrender.
n/n

Boycotting products hurts them personally. Most businesses are owned by CP officials. Boycotting causes personal losses to them.
India China stand off may have military overtones. What hurts is the boycott of Chinese products & weaning of International manufacturers from China.