

Institute of Chinese Studies

# WEDNESDAY SEMINAR

*Money circulations and  
textile exports from  
China through Indian  
diasporic connections*

## REPORT

Speaker:  
**Ka-Kin Cheuk**

08 April 2026

## EXECUTIVE SUMMARY

**Speaker: Dr. Ka-Kin Cheuk**, Assistant Professor of Anthropology, Department of Archaeology, University of Southampton, England.

**Chair: Prof. Madhavi Thampi**, Honorary Fellow, Institute of Chinese Studies, New Delhi, and former faculty, Department of East Asian Studies, University of Delhi.

**Venue:** Zoom Webinar

- The seminar drew on Dr. Cheuk's intensive ethnographic fieldwork conducted since 2009 in the district of Keqiao, Zhejiang Province, one of the world's largest textile distribution centres, through which over one-third of all 'Made in China' textiles pass. Dr. Cheuk examined the intersection of transnational trade, finance, and Indian diasporic networks in China's textile export economy.
- Dr. Cheuk noted that the Indian trading community in Keqiao is predominantly Sindhi in ethnic and religious composition, a diaspora with origins in pre-Partition Sindh, whose members relocated to India following the 1947 Partition, and subsequently migrated to Dubai during its commercial expansion in the 1970s.
- He noted that the Sindhi community in Keqiao actively maintains its religious and cultural identity, organising celebrations of Hindu festivals such as Ganesh Jayanti and the Sindhi festival of Cheti Chand, and conducting Sikh religious gatherings at a local gurdwara. Their trading networks extend well beyond the India–China bilateral relationship, encompassing the Middle East, Southeast Asia, Africa, and Latin America, with Dubai serving as a critical transregional hub.
- The first of the three financial mechanisms Dr. Cheuk identified was 'credit kiting', a practice analogous to using one credit card to pay off another, whereby traders with established credit histories leverage large outstanding orders as collateral to borrow short-term capital from international banks, particularly in Dubai. He emphasised that access to this mechanism is restricted to more established traders with strong credit records and long-standing relationships with financial institutions, making it largely inaccessible to newer entrants to the trade.

- The second mechanism is the *hawala* or the *hundi* system, a trust-based, decentralised shadow banking practice rooted in Indian commercial history, which enables rapid cross-border money transfers through a network of agents without any physical movement of funds or formal banking oversight. While the system offers speed and cost savings, particularly for non-elite traders seeking to avoid formal banking fees and delays, its use has become increasingly difficult and costly since the mid-2010s.
- The third mechanism is specific to China's export-oriented economy, that is, the government's export tax rebate policy, which distributes financial incentives to exporters in proportion to their export volumes. Dr. Cheuk explained that Indian traders, once familiar with this system, use it as leverage in negotiations with Chinese suppliers, who often sell textiles below production cost and recover their margins through rebates, and can access a share of these additional earnings.
- Unlike the first two mechanisms, the rebate economy is broadly accessible, regardless of seniority or wealth, and has served as a relative leveller within the trading community, enabling younger and less capitalised traders to participate meaningfully in Keqiao's textile economy.
- In his post-pandemic update, Dr. Cheuk noted that India–China human mobility has increased markedly since the end of pandemic-era travel restrictions, with the Chinese Consulate General in Mumbai reporting sharp rises in visa approvals for Indian nationals in 2024, and the resumption of direct Delhi–Shanghai flights facilitating access to Keqiao and other trading centres in Zhejiang Province such as Yiwu and Zhuji.
- The speaker also noted recent diplomatic meetings between Keqiao's local government officials and the Indian Consulate General in Shanghai, reflecting growing official engagement with the Indian trading community. At the broader policy level, he observed that China's immigration authorities have begun to articulate immigration in terms of social and economic development rather than national security alone, suggesting a potentially more enabling environment for Indian traders in Keqiao in the years ahead.
- The Chair, Prof. Thampi, in her remarks, observed that Dr. Cheuk's research addresses a dimension of India–China economic relations that receives far too little scholarly attention in India, and that his ethnographic approach yields insights into the

motivations, difficulties, and contributions of Indian traders that are invisible to formal economic analyses.

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