

China-India Brief

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Guest Column

The Re-compartmentalisation of China-India Relations

By Chietigj Bajpae

From 1988, when Indian Prime Minister Rajiv Gandhi visited China, the first Indian leader to do so in over three decades, until 2020, China-India relations followed an unstated formula. The two sides sought to compartmentalise contentious areas of the bilateral relationship—most notably their unresolved border disputes—from other areas of interaction.

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The *China-India Brief* is a bi-monthly digest focusing on the relationship between Asia's two biggest powers. The Brief provides readers with a key summary of current news articles, reports, analyses, commentaries, and journal articles published in English on the China-India relationship. It features a Guest Column weighing in on key current issues in China-India relations.

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This became apparent with a string of confidence-building measures and agreements concluded between both countries (in **1993**, **1996**, **2005** and **2013**, among others).

Interactions flourished on issues of global governance through both countries' participation in forums like the BRICS, the BASIC group of countries on climate change, the Russia-India-China trilateral, and the Shanghai Cooperation Organisation (SCO). This was accompanied by rhetoric of “**Chindia**” and an emerging “**Himalayan Consensus**.” Despite a string of stand-offs, notably in **2013**, **2014** and **2017**, both countries maintained engagement. This continued under the leadership of Chinese President Xi Jinping and Indian Prime Minister Narendra Modi through a series of **informal** summit meetings.

A New Normal

However, this formula of engagement came to a grinding **halt** following border clashes in 2020, which marked the worst flare up of tensions between both countries in over four decades. After this, the border issue came front and centre in the bilateral relationship. Substantive progress in de-escalating border tensions became a prerequisite to engagement in other areas.

With the announcement of a border **agreement** in October 2024, there has been a concerted effort to revive the previous formula of interaction. A nascent rapprochement has emerged: the border agreement was followed by a **meeting** of

both countries' leaders on the sidelines of the BRICS Summit at Kazan and the **resumption** of the Special Representatives (SR) framework last December. Further discussions touched upon “**people-centric**” engagements, such as the **reviving** the Hindu pilgrimage (Kailash Manasarovar Yatra), **expediting** visas and **resuming** direct flights.

This has been accompanied by conciliatory statements on both sides with Prime Minister Modi **talking** about “working to restore conditions to how they were before 2020” while Chinese President Xi Jinping **referred** to bilateral relations as a “Dragon-Elephant Tango.” In June and July 2025, Indian defence and foreign ministers made their first visits to China since the 2020 border clashes, signalling a further re-normalisation of relations.

The visit by Chinese Foreign Minister Wang Yi to India in August for the 24th round of SR talks have made further progress, with the **readout** noting the need for “a fair, reasonable, and mutually acceptable framework for settlement of the boundary question in accordance with the Agreement on Political Parameters and Guiding Principles for Settlement of the China-India Boundary Question signed in 2005.” Reference to the 2005 agreement is notable as it marked the pinnacle of previous efforts to resolve the border issue. Operationalising these efforts, both sides also agreed to establish an “Expert Group under the Working Mechanism for Consultation and Coordination on the India-China Border

Border Affairs framework, to explore early harvest of boundary delimitation.” This means a phased approach towards resolving less contentious areas of the border first. Reference to the term “de-escalation” with respect to “border management” is also significant as it implies momentum beyond initial disengagement towards de-escalation and eventual de-militarisation or de-induction of forces along the border.

In this context, Prime Minister Modi’s participation in the SCO Summit in China on 31 August–1 September 2025 should be seen as the culmination of efforts to reset relations. However, despite the bonhomie in the bilateral relationship, none of the fundamental grievances have yet been resolved. The boundary agreement announced last year has not prompted either country to rescind its territorial claims or reach a mutual agreement on the Line of Actual Control that demarcates the disputed territory. Adding to this are several emerging (or re-emerging) fault-lines in the China-India relationship. These include Beijing’s “all-weather” relationship with Pakistan, ongoing water disputes, the Tibet question, and broader concerns about China’s role in India’s neighbourhood.

(Re)-emerging Fault-lines

Beijing’s **support** for Islamabad during the most recent India-Pakistan **conflict** has revived the question of its “iron-clad” friendship with Pakistan. While Beijing officially claimed neutrality during the conflict—calling on both sides to exercise “**restraint**”—in reality, it leaned in Pakistan’s

favour through its moral and material support. China is Pakistan’s **leading** source of arms imports with over 80 percent coming from China over the last five years. This was vividly illustrated during the most recent period of India-Pakistan hostilities: Pakistan employed Chinese-made military platforms in combat operations against India, including J10 fighter aircraft, PL-15 air-to-air missiles, HQ-9 air defence missiles and YLC-8E radar systems.

Reports that Beijing provided real-time intelligence to Pakistan during the conflict, coupled with concerns that Pakistan is becoming a testing ground for increasingly advanced Chinese weaponry, have renewed the country’s prominence in India-Pakistan tensions. China has always been a party to the Kashmir dispute through its claim in Aksai Chin/ Eastern Ladakh, where both countries clashed in 2020 and a slice of territory (Shaksgam/ Trans-Karakoram Tract) was also handed over to Beijing by Islamabad in 1963. However, Beijing’s recent actions make it less apprehensive about distancing itself from India-Pakistan tensions as had been the case during previous **periods** of hostility. India’s **refusal** to endorse the joint statement of the SCO defence ministers’ meeting—because of the absence of any mention of the terror attack in Kashmir—illustrates how Beijing and New Delhi’s disagreements over Pakistan are increasingly playing out in regional and global forums.

Meanwhile, China’s **construction** of the world’s largest hydroelectric power project

across the Brahmaputra River/ Yarlung Tsangpo that traverses both countries revives water disputes as a source of tension. Four river systems traverse China and India. Beijing's status as an upper riparian country, along with the absence of any formal water sharing arrangement, is a source of latent tension. Adding to this are veiled **threats** issued by Chinese strategic elites following New Delhi's decision to suspend the *Indus Water Treaty* with Pakistan. In reality, the threat posed by Beijing to India's water supply is limited. This is because most of the water that India uses does not originate in the Tibetan Plateau. Rather, it comes through precipitation and tributaries within Indian territory. Nonetheless, such actions add to the bad blood in the bilateral relationship, although the most recent SR meeting has helped to de-escalate some of these tensions with Beijing **agreeing** to "share hydrological information" with India.

With the Dalai Lama becoming more **vocal** on the issue of succession, the Tibet issue also threatens to become a renewed point of contention. Having recently turned ninety, the Dalai Lama has stated that his successor will come from a "free" state (implying not China) with the process overseen by a trust within the Office of the Dalai Lama based in India. Beijing has challenged this by claiming a veto over the succession process. This is likely to fuel further **tensions** between Beijing and New Delhi, particularly if the next Dalai Lama is reincarnated among the Tibetan exile community inside India.

A recent **trilateral** meeting of ministers from Bangladesh, China and Pakistan in June and a **meeting** of the foreign ministers of Afghanistan, China and Pakistan in Kabul in August has also renewed the issue of Beijing's role in India's neighbourhood. Beijing is in an opportune position to leverage New Delhi's sometimes fraught ties with its neighbours and the fact that South Asia is among the least economically integrated regions of the world, with intra-regional trade accounting for merely 5 percent of the region's total trade. This puts China in the advantageous position of setting the terms of regional cooperation and integration leveraging its position as a leading trade partner, source of foreign investment, and increasingly important development partner for several countries in the region.

Unsustainable Peace

Notwithstanding recent progress, there remain several unresolved grievances in the China-India relationship. This raises a fundamental question: is the nascent rapprochement between China and India sustainable? In the short-term, relations are likely to continue to improve as both countries remain focused on meeting their development needs and addressing more pressing geopolitical concerns emanating from the Trump administration's volatile foreign policy. In the case of India, the push to de-escalate tensions with Beijing has been

fuelled in part by recognition that India cannot meet its economic development aspirations without cooperation with China. China is India's leading trade partner, with several sectors heavily dependent on components and raw materials sourced from China. For example, there have been recent reports of a potential **tie-up** between Chinese and Indian companies for battery manufacturing within India. Beijing's reported decision to lift **restrictions** on the export of fertilisers, rare earths and tunnel boring machines to India is further evidence of the normalisation of their economic relationship. Adding to this are recent **tensions** between India and the US amid the Trump administration's reciprocal tariff policies. This offers further justification for New Delhi to reach out to Beijing as it seeks to demonstrate that it is not beholden to Washington's whims given its diversified foreign policy.

As two countries that hold a Westphalian view of the world, China and India are highly sensitive to any threats to their sovereignty and territorial integrity. The bad blood in the bilateral relationship extends beyond their unresolved territorial dispute to how Beijing perceives India's role on Tibet and how New Delhi perceives China's role on Kashmir. More broadly, both countries are concerned about the other's presence in their respective peripheries. While there tends

to be more emphasis on China's role in South Asia (given Beijing's "all-weather" relationship with Pakistan and deepening relations with other countries in India's neighbourhood), New Delhi's engagement with China's periphery is also a source of friction. This has been evidenced by India's first joint naval exercise with the **Philippines** in the South China Sea in August and Beijing's recent concerns about India's position on **Taiwan**.

In the absence of substantive progress in addressing the core grievances undergirding the bilateral relationship, tensions are likely to re-emerge over the longer term. In this context, while large-scale conflict is unlikely, so is a lasting rapprochement.

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