

China-India Brief

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Guest Column

How India Managed the 2020 Sino-Indian Crisis

By Manoj Joshi

In April 2020, the Chinese People's Liberation Army (PLA) initiated a series of coercive moves along the Line of Actual Control (LAC) in Ladakh, where there is a contested border between China and India. At several points along the LAC, overlapping claims had led to routine patrols by both sides under prior understandings.

The **PLA then established blockades at six points, preventing Indian patrols.** In addition, approximately 30,000 - 50,000 troops were redeployed from Xinjiang and positioned in western Tibet along the Indian border. No advance notification was provided, as required under a bilateral agreement. This deployment followed two


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The *China-India Brief* is a 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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informal summits between President Xi Jinping and Prime Minister Narendra Modi in 2018 and 2019, making the development unanticipated.

India after Galwan

Despite the surprise, India's response combined firmness and diplomacy. Modi publicly stated **that there had been no ingress** into Indian territory. The Indian Army confronted the PLA forces at the blockades, described as "friction points," while India undertook a military buildup that matched, but did not exceed, China's deployment. These actions **culminated in a deadly but likely inadvertent** clash in the Galwan Valley, in which India lost 20 personnel, including a Colonel, while China reportedly lost four. This was the first fatal incident along the militarised LAC since 1975 and triggered an uproar in India.

The unresolved border disputes and the lack of agreement on the precise alignment of the LAC between both sides **have led to periodic incidents between forces** deployed along the frontier. Over time, however, a slew of agreements beginning in 1993 enabled both sides to manage the border without major escalation. The 2020 Galwan Clash marked a departure from this pattern and prompted a strong Indian response.

New Delhi made it clear that bilateral relations could not return to normal until the border situation reverted to the status quo ante of April 2020. India pursued this objective through sustained diplomatic engagement at the ministerial, military and working levels, while also imposing

economic sanctions and investment restrictions to reinforce its stance.

How India Managed the Crisis

Diplomatic engagement

At the apex level, talks continued between External Affairs Minister S Jaishankar and his counterpart Wang Yi. National Security Adviser Ajit Doval, serving as Special Representative(SR) for border talks, also met with Wang in his corresponding role. The incidents led to the creation of a special platform for military-level discussions between the senior field commanders at Chushul and Moldo near Pangong Tso, near a site of ongoing PLA-Indian Army friction. A continuous diplomatic channel was maintained by Working Mechanism for Consultation and Coordination (WMCC), an official-level talks forum established in 2012.

Economic measures

India **invoked** an investment screening mechanism established, which required government approval for FDI from neighbouring countries, and has significantly slowed Chinese investment. The government launched tax investigations against major Chinese firms like Huawei, ZTE and Xiaomi. It also banned approximately 350 Chinese mobile applications, including TikTok and WeChat, and tightened visa restrictions for Chinese nationals.

New Delhi also capitalised on US pressure on China by introducing the **Production Linked Incentive(PLI) scheme** to attract companies pursuing a China+1 strategy.

These measures reduced Chinese firms' share in India's mobile application market from about 60 percent to almost zero and slowed Chinese FDI inflows from China. Yet bilateral trade reached a record \$125 billion in 2021, highlighting the limits of decoupling.

Quad and the US

Following the Ladakh incidents, India signed a geospatial intelligence cooperation agreement with the US in October 2020 and agreed to enhance maritime information sharing and domain awareness. The period coincided with the shift of the Quadrilateral Dialogue (Quad) from a ministerial to a summit level. Modi's rhetoric also shifted from framing the Indo-Pacific as a geographic concept to presenting it as a strategic region defined by the principle of a "free, open, and inclusive" order. India joined the US-led Indo-Pacific Economic Framework for Prosperity (IPEF) in 2022.

In 2023, India and the US launched an **Initiative for Critical and Emerging Technologies (iCET)**. The initiative is jointly led by the national security departments of both nations, focusing on fostering co-development in AI, semiconductors, quantum computing, and space technology. Later that year, both sides also launched a bilateral Defence Acceleration Ecosystem (INDUS-X) to expand strategic technology.

The Chinese response to the Indian actions was also carefully measured. The Chinese Ministry of Commerce and the Ministry of Foreign Affairs lodged formal objections a

violation of WTO rules as they discriminated against Chinese businesses. But Beijing refrained from imposing formal symmetrical economic counter-measures against Indian goods or businesses operating in China. Indian businesses, though, did find the regulatory and customs environment in China a little more difficult.

Further, **Beijing consistently called for dialogue** and emphasised the need for India to separate the border issue from the overall relations between the two countries. But their officials and ministers regularly interacted with their Indian counterparts bilaterally or in multilateral settings.

Uneasy Steps to Normality

The initial phase of restoring normal relations focused on crisis management, followed by troop disengagement in 2024. The two sides must now undertake a de-escalation phase involving the withdrawal of forward-deployed forces that came in the wake of the crisis.

India also initiated a countermove to reinforce its defences in the strategically important Chushul sector. Indian forces **occupied heights in the Kailash range** overlooking key locations on the banks of the Spanggur Tso and the north bank of Pangong Tso in August 2020. These heights were on the Indian side of the LAC. Although the Chinese responded belatedly, they did not escalate. The move resulted in a visible standoff around the Rechin La and Rezang La passes, with tanks positioned opposite one another. The operation signalled that India would not shy away

away from military confrontation, while remaining within its side of the LAC to avoid crossing any redlines.

In the immediate aftermath of the Galwan incident, the two SRs, Ajit Doval and his counterpart Wang Yi held a telephone conversation and agreed on the disengagement of forces at Galwan, Hot Springs, and Gogra. They decided to create a buffer zone of 2-5 kilometres in which neither side would conduct patrols.

After intense negotiations in 2021 and 2022, the two sides eventually agreed to disengage at four of the six friction points along the LAC, establishing buffer zones to prevent renewed confrontation. But two areas remained unresolved: the blockade in the Depsang Bulge, involving over 900 square kilometres, and a smaller standoff at Charding Nala near Demchok. Throughout 2023, there was little meaningful progress.

Breakthrough

In 2024, a flurry of diplomatic engagement involving ministerial principals and the WMCC **led to an agreement** under which China lifted its blockades in both areas, and the two sides adopted revised patrolling arrangements. This led to **the first formal meeting between Prime Minister Modi and President Xi since 2019**, held on the sidelines of the BRICS summit in Kazan in October 2024.

Just why did the Chinese agree to essentially wind down the crisis? Having agreed to create no-patrol zones in four of the friction points, Beijing realised that there was little to be gained by persisting in their blockade. India's enhancement of security ties with the United States indicated that prolonged tension on the LAC could become counterproductive. Moreover, the denial of India as a market and destination for investment imposes costs on Chinese businesses.

The border breakthrough initiated a structured process of re-engagement, designed to stabilise the relationship while addressing key issues. **Modi made his first visit to China** since 2018 for the SCO summit in Tianjin in August 2025. The SR dialogue on the boundary issue was resumed, and the WMCC meetings were convened more frequently. The two sides also agreed to resume direct flights, expand tourism and pilgrimages, including the Kailash-Mansarovar route, and facilitate trade and investment flows.

India's handling of the 2020 crisis demonstrates its efforts towards a strategy of “managed strategic competition” and “associated guardrails.” New Delhi will likely maintain this delicate balance between deterrence and dialogue in managing its relationship with China.

While recent developments signal a pragmatic intent by India and China to stabilise ties, the longstanding mistrust and strategic competition remain. The relationship will likely be characterised by cautious diplomacy, constrained economic engagement, and persistent strategic rivalry.

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