

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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News Reports

Bilateral Relations

Understand & respect India's UNSC 'membership aspirations': China

The Times of India, February 11

China told India it respects New Delhi's ambitions for UN Security Council membership during talks between Vikram Misri and Ma Zhaoxu, an Indian statement said.

Trade concerns, LAC stability top focus in India-China Strategic Dialogue

The Hindu, February 11

India and China discussed trade "concerns" and stressed the need for peace along the border to improve ties. Talks focused on stabilising relations after the four-year Ladakh military standoff.

China's Participation In India AI Summit Highlights Improved Ties

Forbes, February 10

China will take part in a major AI conference in India, signalling improving ties. An Indian diplomat said the move reflects "positive momentum" after Modi's visit to China last year.

AliPay+ may become a part of India's digital payment ecosystem

The Times of India, February 9

New Delhi is discussing a possible tie-up between its real-time payments network and Ant International's Alipay+ platform, according to government sources. The plan would facilitate cross-border transactions.

China and India in the Region

Modi and Dissanayake use AI Summit sidelines to push ethical tech and deeper India-Sri Lanka ties

The New Indian Express, February 20

Modi held talks with Sri Lanka's Anura Kumara Disanayake during the AI Impact Summit in New Delhi, assessing the state of relations. Both sides highlighted collaboration in emerging technologies, notably AI.

Macron and Modi seek a 'no-boundaries' partnership

Le Monde, February 18

France and India pledged deeper cooperation, especially in defence, citing shifts in the global order and U.S. protectionism. Macron and Modi hailed their "special global strategic partnership."

China set to widen footprint in Bangladesh as India's ties decline

Reuters, February 10

China's influence in Bangladesh has grown since the 2024 ouster of Sheikh Hasina and could deepen after this election. Still, analysts say India remains too significant a neighbour to be sidelined.

India, Malaysia to deepen collaboration on semiconductors

Reuters, February 5

India and Malaysia are working on a multi-layered partnership in the semiconductor sector, India's foreign ministry said.

Trade and Economy

China, India among winners after US court blocked Trump tariffs

Business Times, February 23

Supreme Court ruling invalidates Trump's emergency tariffs, easing US duties for China, India, and Brazil and lowering effective rates to around 12 percent.

India joins US-led 'Pax Silica' tech supply chain bloc at AI Summit

Business Standard, February 20

India signs on to the Pax Silica coalition, aligning with the US to secure resilient supply chains for AI and critical minerals.

U.S.-Bangladesh trade agreement a cause of concern for Indian apparel exporters

The Hindu, February 10

Indian textile exporters worry US-Bangladesh trade deal erodes their edge, as 19 percent tariffs under the interim India-US deal gave them a potential advantage.

Nvidia AI chip sales to China stalled by US security review, FT reports

Reuters, February 4

Nvidia's H200 AI chip sales to China remain on hold despite export approval, as a US national security review drags on. Chinese buyers are delaying orders pending clarity on licensing conditions.

Energy and Environment

WTO sets up panel on China complaint over India's EV and battery incentives

CNBC TV18, February 25

The WTO agreed to establish a dispute panel over China's challenge to Indian subsidy schemes in automotive and green energy industries.

Brazil, India Seal Rare Earth Deal Amid Global Supply Strains

Bloomberg, February 21

Brazil and India ink a deal to expand cooperation on critical minerals and rare earths. New Delhi aims to diversify supply away from China.

Costlier Chinese cells jolt Indian solar supply chains

The Economic Times, February 10

Indian solar makers struggle as Chinese cell prices soar, with firms like RenewSys eyeing costly air freight. Flexible contracts offer a buffer.

Analyses

Bangladesh's election gives India a chance to reset relations

The Interpreter, February 18

By Grace Corcoran, Senior Policy and Projects Manager-Geopolitics and Security at the Australia India Institute

BNP's electoral win offers India a pathway to rebuild trust and cooperation, though China's entrenched investments and influence will limit the scope of India's reset.

Despite reset in India-US relations, New Delhi retains commitment to strategic hedging

Chatham House, February 17

By Chietigj Bajpae, Senior Research Fellow for South Asia in the Asia-Pacific Programme at Chatham House

Washington and New Delhi reached a partial reset, cutting tariffs and linking trade to Indian purchases of US goods and reduced Russian oil imports. While easing trade tensions, the deal underscores lingering ambiguities and New Delhi's strategic hedging.

India and Malaysia show what middle powers can do amid a rupture in world order

Channel News Asia, February 13

By James Chai, Visiting Fellow at ISEAS-Yusof Ishak Institute

Middle powers like India and Malaysia are exploiting openings created by global tensions, using trade and strategic ties to expand autonomy, but true independence from the US and China remains elusive.

Beijing's Growth Model Is Still Broken

Foreign Affairs, February 9

By Dinny McMahon, Head of Markets Research at Trivium China and the author of China's Great Wall of Debt

China's industrial upgrade aims to generate domestic wealth and high-value jobs, but persistent overcapacity and weak social redistribution threaten both local prosperity and global economic stability.

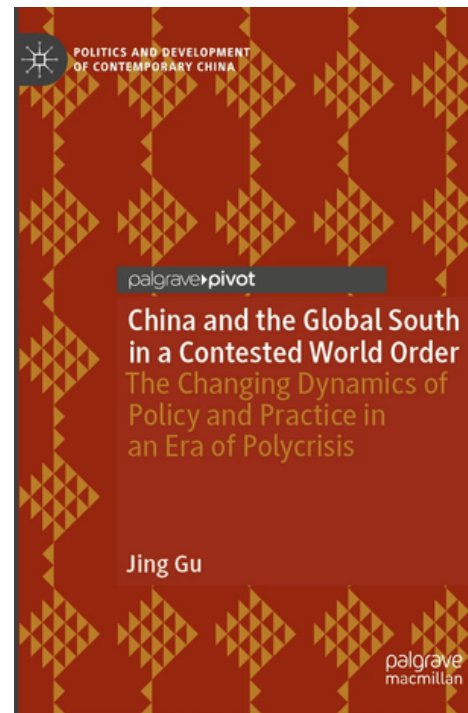
Books and Journals

China and the Global South in a Contested World Order

Palgrave Macmillan, February 2026

By Jing Gu, Senior Research Fellow at IDS and Director of the Centre for Rising Powers and Global Development in the UK

China and the Global South in a Contested World Order is a timely and insightful examination of China's expanding influence across the Global South. Drawing on the Belt and Road Initiative and China's growing engagement in Africa and Southeast Asia, the book analyses Beijing's vision of a new world order and its distinctive approach to multilateralism. Through case studies and fresh insights, including China's underexplored provincial diplomacy, it highlights the interplay of competition, cooperation, and untapped potential between China and the Global South. The author argues for enhanced collaboration to leverage these dynamics amid global crises and shifting power balances. This volume provides an essential lens for understanding how China's engagement with the Global South is shaping contemporary global governance.



Capsule Review

Alexander Korolev, *Comparing China–Russia and US–India Strategic Alignments: The Stadial Model of Alignment Formation (SMAF) Framework*

Journal of Asian Security and International Affairs, October 2025

Reviewed by Liam Livingston Mullett, student at the International Affairs programme at the Lee Kuan Yew School of Public Policy



Korolev's paper offers a coherent framework to comparatively assess US-India and China-Russia geopolitical alignments, measured in tiered levels of military-strategic cooperation and driven by underlying Balance of Power (BOP), Balance of Threat (BOT), and Balance of Interest (BOI) incentives. His analysis is meticulous and revealing within the Stadial Model of Alignment Framework (SMAF) parameters. Unsurprisingly, Korolev finds China-Russia alignment far deeper and more comprehensive than US-India alignment. Beijing and Moscow align across all three BOP, BOT, and BOI axes, whereas US and India only cleanly align along BOP, with BOT partial and BOI misaligned. Korolev's findings clarify frustrations over the US-India partnership's "two steps forward, one step back" nature. If the US and India are to approach the depth of the China-Russia alignment, Washington and New Delhi will need to narrow the gap between BOT and, in particular, BOI incentives. Doing so would require greater support for the other's maritime- or land-based China threat perceptions, as well as greater American receptiveness towards certain Indian global order revisions.

Korolev's SMAF framework has its shortcomings, however. While his conclusion acknowledges overlooked cultural and political factors as a supplement to the framework, it leaves economic cooperation metrics outside the analytical lens. India's massive population and high-growth economy, combined with US efforts to reduce economic dependence on China, suggest that this domain may prove a natural fit - arguably more so than military or security ties. The assessment helps reveal the US-India security cooperation's shortcomings, and better routinisation and institutionalisation would be welcomed. However, the China-Russia comparison is a dubious prism. The US and India should certainly be strategic partners. However, the BOT and BOI gaps, from Russia to global institutions, may be just too wide to sustain an alliance-level security relationship. Nonetheless, the US-India partnership need not mature to the point of China-Russia or US-Japan alignments for both countries to benefit substantially. A partnership grounded in economic, people-to-people ties, and calibrated strategic-security engagement would likely prove more stable, mutually beneficial, and less vulnerable to perceptions of betrayal.

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OTHER CAG PUBLICATIONS

- *Indira Gandhi and the Years that Transformed India* by Srinath Raghavan (Yale University Press, 2025)
- *Partnership or Polarization? Southeast Asian Security between India and China* edited by Evan Laksmana and Byron Chong (Contemporary Southeast Asia, 2023)
- *Asian Conceptions of International Order: What Asia Wants* edited by Kanti Bajpai and Evan Laksmana (International Affairs, 2023)
- *How Realist Is India's National Security Policy?* edited by Kanti Bajpai (Routledge, 2023)
- *Deterring Conflict and Preserving Peace in Asia* edited by Drew Thompson and Byron Chong (Centre on Asia and Globalisation, 2022)
- *What Can the United States Learn from China about Infrastructure?* by Selina Ho in *The China Questions 2* (Harvard University Press, 2022)
- *India Versus China: Why they are Not Friends* by Kanti Bajpai (Juggernaut Books, 2021)
- *Winning the Fight Taiwan Cannot Afford to Lose* by Drew Thompson (Strategic Forum, 2021)



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