

China-India Brief

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 Lee Kuan Yew
School of Public Policy

 CENTRE ON ASIA
AND GLOBALISATION

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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Guest Column

China and India: A Return to Fundamentals

By Zhiqun Zhu

On January 20, 1946, Jawaharlal Nehru remarked in a meeting with Chinese journalist **Paul Feng** that, “if China and India hold together, the future of Asia is assured.” Nearly eight decades later, these words still ring true, highlighting the enduring significance and far-reaching impact of the India-China relationship.

India-China relations have experienced their share of ups and downs. The 1950s marked a golden era of bilateral ties, epitomised by the slogan ‘Hindi Chini Bhai Bhai’ (Indians and Chinese are brothers). However, the 1962 border war cast a long shadow over the relationship. The Line of Actual

cont'd p2

Control (LAC), which demarcates the Indian- and Chinese-controlled territories in the disputed areas, remains a source of contention, as it has never been fully recognised by either side. The unresolved border, along with unilateral attempts to alter the status quo and frequent intrusions across the LAC, continues to strain relations and fuel tensions along the border.

India-China relations took a sharp downturn following the bloody border clash in the Galwan Valley in 2020, with both sides accusing the other of being the aggressor. Tensions have been further exacerbated by Beijing's unhappiness with India's involvement in the United States (US)-led Quadrilateral Security Dialogue (or Quad)—widely seen as an anti-China coalition—and New Delhi's frustration over China's increasing influence in South Asia, a region India considers its sphere of influence. Contributing to the mistrust has been the absence of regular engagement between Indian Prime Minister Narendra Modi and Chinese President Xi Jinping, whose last meeting was in 2019 during the latter's visit to India.

Despite the decades-old border dispute, it is remarkable that the two countries have managed to exercise restraint and avoided escalating their dispute into outright conflict.

In October 2024, a turning point emerged when both President Xi and Prime Minister Narendra Modi attended the BRICS summit in Russia. Their **first meeting** in over five years was friendly and productive, signaling

a fresh start for bilateral relations and carrying much geopolitical significance.

First, the two countries appear ready to return to the fundamentals of their relationship. As the two largest developing nations, they share many common interests, chief among them is the pursuit of continued growth to achieve developed-nation status by the mid-twenty-first century.

The longstanding border dispute has hampered bilateral cooperation and needs to be carefully managed. Since 2020, the two countries have conducted **numerous rounds of consultations** to stabilise the border, narrowing differences, expanding areas of consensus, and building on the results of negotiations—reflecting their shared commitment to resolving their disputes peacefully.

In the lead-up to the Modi-Xi summit in Russia, the two countries announced a patrolling agreement aimed at reducing tensions along the border. This pragmatic handling of the border issue not only paved the way for the summit but also laid the foundation for a renewed and constructive relationship.

Second, both China and India support a **multipolar system** in which the Global South will have a greater presence and a stronger voice.

As members of BRICS, the Shanghai Cooperation Organisation, and the Asian Infrastructure Investment Bank, both China and India participate in platforms that offer



Image Credit: pmindia.gov.in

alternatives to the West-dominated international system. These initiatives have contributed to a more diverse and inclusive global political economy, with India and China playing constructive leadership roles in this transformation.

Third, the close relationships both Xi and Modi maintain with President Vladimir Putin highlight the challenges West continues to face in its strategy to isolate Russia.

NATO and Russia are trapped in a classic 'security dilemma,' where actions taken to enhance one side's security are perceived as threats by the other. Addressing each other's security concerns is essential for countries to live peacefully. The Western mentality of 'zero-sum' competition does not resonate well with many developing countries, who benefit from, and continue to support 'win-win' cooperation in today's globalised world.

Fourth, as India-China relations show signs of improvement, the US may face challenges in implementing its **Indo-Pacific strategy**.

A cornerstone of the US Indo-Pacific strategy has been to elevate India's role in countering China's growing power. However, India has historically been reluctant to directly confront China, despite its concerns about its neighbour's growing influence and assertiveness.

Unlike Japan and Australia, which are formal US allies and closely aligned with Washington's strategic goals, India is often regarded as the weakest link and least committed member of the Quad. Its long-standing policy of non-alignment makes it cautious about becoming too closely involved with any major power bloc. Hence, while its participation in the Quad has enhanced its global profile, questions persist about India's commitment to the group and

whether closer alignment with the US and its allies to counter China serves its broader strategic interests. Going forward, India is likely to remain a Quad member and a US partner, but will also pursue deeper economic collaboration with China in areas such as trade, investment, manufacturing, green energy, electric vehicles, to maximise economic benefits. Washington needs to be prepared for a less enthusiastic India, which could dilute the Quad's overall effectiveness.

While the recent border agreement and the Modi-Xi summit offer hope for a thaw in bilateral relations, it would be premature, and even naïve, to believe that India-China relations will remain free of problems and stay warm. The relationship remains fragile, requiring sustained nurturing due to a lack of trust and strong nationalist sentiments on both sides.

India and China must remain clear-eyed about their fundamental interests. While they are engaged in economic and strategic competition, healthy competition can drive mutual progress, as 'a rising tide lifts all boats.' Building on the momentum of the recent border patrol agreement, the two countries should focus on advancing their common interests through greater cooperation.

As two major growth engines and manufacturing giants in the global economy, India and China have huge potential to expand collaboration in trade, investment, and research and development. According to the **Indian Embassy in China**,

from 2016 to 2023, bilateral trade grew by 66.38 percent, with an average yearly growth of 9.48 percent. Trade volume rose from USD 69 billion in 2016 to surpass USD 100 billion for the first time in 2021, and remaining above USD 110 billion in both 2022 and 2023. With expanding middle classes in both countries, demand for imports is set to grow, further enhancing opportunities for economic cooperation.

However, India's trade deficit with China has been steadily increasing and must be carefully addressed. The widening trade imbalance can be attributed to **two factors**: the limited range of commodities that India exports to China, and market access barriers faced by Indian products especially in competitive sectors, such as pharmaceuticals and information technology. Viewed optimistically, these challenges could present opportunities. Collaborative efforts to address the trade imbalance could pave the way for more Indian goods and services to enter the Chinese market, increasing the total trade volume while simultaneously reducing India's trade deficit.

People-to-people exchanges between the two neighbors have been significantly disrupted in recent years due to growing tensions and the COVID-19 pandemic. As the two countries work to reset and strengthen their relationship, the time is ripe to resume and promote tourism, as well as cultural and educational exchanges.

In this turbulent world plagued by wars and conflicts, both India and China must recognise that their fundamental interests of continued economic development and national security are best served through friendly cooperation and healthy competition.

Zhiqun Zhu, PhD, is Professor of Political Science and International Relations at Bucknell University, US. He has written extensively on Chinese foreign relations and Asian political economy.

News Reports

Bilateral relations

China, India find common ground for 'strategic recalibration' in post-clash thaw
South China Morning Post, November 29

De-escalation of border tensions has paved the way for engagement on other issues, including pressures from the West, analysts said.

India-China Ties At "New Starting Point": Beijing After Foreign Ministers' Meeting

NDTV, November 19

In a big step forward in India-China ties, the two countries have discussed resuming direct flights between the countries as well restarting the Kailash Mansarovar yatra.

India Upgrading Himalayan Airstrip Near China Border to Fighter AirBase

The Defense Post, November 7

India is upgrading a high-altitude advanced landing ground (ALG) near China into a fighter jet airbase.

India and China made 'some progress' in disengagement, says External Affairs Minister Jaishankar

The Hindu, November 3

His comment comes days after Indian and Chinese troops completed disengagement at two friction points at Demchok and Depsang Plains in eastern Ladakh.

China and India in the Region

China trying to improve ties with India to ease off US pressure from Trump: Business leader

The Economic Times, November 20

India is likely to play an important role in Trump's "America First" policy by offering a place for secure sourcing while the new administration plans to move manufacturing away from China and create jobs in the US.

Russia's Putin plans India trip, defying US-led efforts to isolate him

South China Morning Post, November 20

As he prepares for his first visit to India since the Ukraine invasion, Russia's president signals growing confidence in travelling abroad.

Nepalese PM's 'break from tradition' to first visit China worth reflection from India: expert

Global Times, November 13

The upcoming China visit of Oli will focus on the implementation of past agreements and accords.

Pakistan watches China-India border thaw with mixed feelings over Kashmir

South China Morning Post, November 3

Islamabad is frustrated that New Delhi isn't keen to resume diplomatic talks over their disputed Kashmir border, analysts say.

Trade and Economy

Trump excludes India from initial tariff plans; targets China, Mexico and Canada

The Indian Express, November 26

In a social media post, Trump stated that he would sign an executive order imposing a 25 percent tariff on all goods from Mexico and Canada, and an additional 10 percent tariff on Chinese imports.

India to offer \$4-\$5 bn incentives to boost electronics, cut China reliance

Business Standard, November 22

India's electronic production has more than doubled in the last six years to \$115 billion in 2024.

Prolonged Chinese imports may hit Indian steel industry's investments, Tata Steel CEO says

Channel News Asia, November 7

India's steel imports from China were "unfairly priced" and prolonged shipments could hurt investment plans of the domestic steel industry, the chief executive of Tata Steel.

Energy and Environment

The global climate race is all but over — and China is winning

Politico, November 22

Dominance of clean energy technology has allowed China to cement its influence with developing nations, overwhelming more meager efforts by the US and Europe.

India drops two places but remains among top 10 climate performers: Report

The Hindu, November 21

The Climate Change Performance Index report leaves the first three places empty followed by Denmark and the Netherlands while the largest two emitters, China and the US, remain very low at 55th and 57th place, respectively.

Solar powerhouse: China holds the key to Asia's green energy goals

Nikkei Asia, November 20

With 90% market share of key supply chains, country's dominance is hard to shake.

India's slow non-fossil energy progress puts its climate ambitions at risk

The Straits Times, November 11

India's growing energy needs outstrip growth in renewables.

Analyses

China-India ties to be more resilient in the Trump 2.0 era

The Interpreter, November 25

By Daniel Balazs, Research Fellow of the China Programme at the S. Rajaratnam School of International Studies, Nanyang Technological University

India and China have sought to defuse their military standoff and that will limit the prospect for US interference in their relations.

Improved India-China relations could temper effects of Trump 2.0

South China Morning Post, November 21

By Commodore C. Uday Bhaskar, Director of the Society for Policy Studies

Keeping India-China dialogue open could add a slight but welcome bit of malleability to what could otherwise be a brittle strategic triangle.

Why Have China and India Suddenly Come Together?

Foreign Policy, November 20

By Kanti Bajpai, the Wilmar Professor of Asian Studies and Vice Dean of Research and Development at the Lee Kuan Yew School of Public Policy, National University of Singapore

Detente at the border gives both countries one less thing to worry about.

Why India and China Are Finally Starting to Patch Things Up

Time, November 17

By Michael Kugelman, Director of the South Asia Institute at the Wilson Center

India-China relations are still deeply fraught, and will likely remain so for the foreseeable future.

The Fatal Flaw in India's China Strategy

Foreign Affairs, November 14

By Harsh V. Pant, Vice President for Studies and Foreign Policy at the Observer Research Foundation in New Delhi; and Kalpit A. Mankikar, Fellow for China Studies at the Observer Research Foundation in New Delhi

Economic dependence will make New Delhi forever vulnerable to Beijing.

Books and Journals

China-India border disputes: an analytical analysis of Doklam standoff to Tawang clash

Asian Journal of Political Science, November 19, 2024

By Mukesh Shankar Bharti, Assistant Professor at the Department of Political Science, Dyal Singh College (Morning), University of Delhi, New Delhi, India

This study aims to explore the border disputes between China and India, focusing on the period following the 2017 Doklam standoff up to the 2020 Galwan Valley clash. The objective is to understand the nature of these disputes, the causes of escalating tensions, and the broader implications for regional stability and bilateral relations. This article broadly highlights the Doklam standoff with that of the Tawang clashes between the Indian and Chinese armed forces. Further, this research empirically examines the Line of Actual Control (LAC) is a demarcation line that separates both the countries which control territory in the China–India border dispute. As a result, before the start of the Doklam standoff in 2017, China and India had been involved in cementing a bilateral partnership through trade and economy. Since PM Modi came into power in 2014 made a state visit to China and Chinese President Xi Jinping also made a state visit to India. Meanwhile, China and India had started construction in front of the LAC and even China had established a small range of several colonies around border. This has provoked and



plunged India into deeper anxiety, on the other hand, New Delhi launched several border management programs..

Our team



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THE CENTRE ON ASIA AND GLOBALISATION

The Centre on Asia and Globalisation is a research centre at the Lee Kuan Yew School of Public Policy, National University of Singapore. It conducts in-depth research on developments in the Asia-Pacific and beyond, and aims to provide academics, decision-makers, and the general public with objective analysis on issues of regional and global significance. The Centre's motto "Objective Research with Impact" reflects its commitment towards ensuring that its analysis informs policy and decision makers in and about Asia.

OTHER CAG PUBLICATIONS

- *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)
- *Routledge Handbook of China-India Relations* edited by Kanti Bajpai, Selina Ho and Manjari Chatterjee Miller (Routledge, 2020)



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