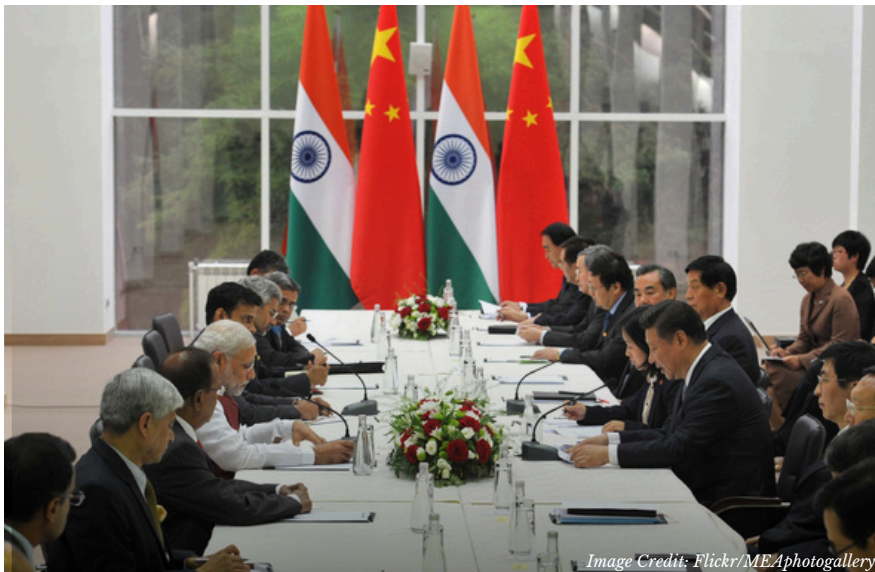


China-India Brief

A publication of the Centre on Asia and Globalisation



 Lee Kuan Yew
School of Public Policy

 CENTRE ON ASIA
AND GLOBALISATION

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.

Guest Column

Sino-Indian Double Rivalry in the Shadow of Trump's Return

By Feng Zhang

Donald Trump's return to the American presidency marks a new and potentially highly unsettling chapter in global politics. How might it affect the increasingly complex relationship between India and China?

The past decade has witnessed a steady deterioration in India-China relations, characterised by deepening **mistrust and misperception**. Two conflicts along the disputed border—the 2017 Doklam standoff and the 2020 Galwan Valley clash—have severely destabilised the relationship. The Galwan incident, which claimed

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the first combat fatalities between Indian and Chinese troops in forty-five years, has pushed bilateral relations to their lowest point since the 1962 border war.

A breakthrough emerged in October 2024, when, after four years of negotiations, the two countries reached an **agreement** on patrolling rights in the Depsang and Demchok regions of eastern Ladakh, paving the way for mutual troop withdrawal. Yet, this achievement represents more of a tactical adjustment than a strategic shift.

As Kanti Bajpai **points out**, several factors converged to facilitate this disengagement: the military stalemate in eastern Ladakh, India's renewed economic interest in Chinese trade and investment, and China's desire to stabilise relations while managing tensions in East Asia. Beijing may have also used this disengagement to signal to Washington that its anti-China **"lattice-work"** alliance strategy was faltering. Another key factor was the BRICS summit in October. The summit provided a diplomatic opening, with the prospect of a bilateral meeting between Indian Prime Minister Narendra Modi and Chinese President Xi Jinping, which helped catalyse the push for an agreement.

Nevertheless, the deal's tactical nature becomes evident in the unchanged positions from both sides on border disputes. China has shown no signs of softening its territorial stance, while India **maintains** that border tranquillity is a prerequisite for broader bilateral improvement. Both sides have continued to

construct strategic border settlements —“guardian villages”—to reinforce their territorial claims. The success of the agreement in restoring the *status quo ante* will hinge on the careful implementation of patrolling and monitoring protocols.

The United States has also played a crucial role in encouraging India and China to reach a deal. Growing friction between New Delhi and Washington over India's domestic policies had created fissures in their relationship, while Beijing saw this as an opportunity to distance India from American-led security arrangements in Asia, particularly the Quad grouping. However, to understand how Trump's second presidency will reshape these dynamics requires examining the deeper foundations of Sino-Indian relations.

China's view of India has evolved through four distinct **phases**. Under Mao Zedong, India transitioned from being seen as a “friend” to a “rival.” Deng Xiao Ping later sought to rekindle ties with a renewed emphasis on friendship. This was followed by the “partnership” vision of Jiang Zemin and Hu Jintao. Finally, under the current leadership of Xi Jinping, current ambivalent stance of balancing between partnership and rivalry. In his most recent meeting with Modi on October 23, Xi **remarked** that China and India “should become cooperative partners rather than competitive rivals.”

India's perception of the rivalrous nature of the Sino-Indian relationship is much stronger than China's. Modi has adopted an

assertive approach to China by bolstering India's economic and military capabilities. However, this assertiveness does not signify a wholesale shift toward confrontation. India's diplomatic heritage of nonalignment—now redefined as “multi-alignment” or “strategic autonomy”—demands constructive engagement with China alongside other major powers. Nevertheless, Modi's twin ambitions of preserving India's pre-eminence in South Asia and securing great power status in the Indo-Pacific will likely **clash** with Beijing's perceived quest for regional dominance.

This clash of interests reveals a deeper and potentially more destabilising dimension of India-China rivalry. Some scholars call it a “**positional rivalry**” for leadership in Asia—one that extends beyond India's traditional sphere of influence in South Asia to encompass Southeast Asia and the Indian Ocean region. This is essentially a contest over status. It is distinct from “spatial rivalry” over territorial disputes, but potentially just as intractable. Status competition is a **perennial** feature of **world politics**. It is hard to resolve due to its **relative** and frequently zero-sum nature.

This positional rivalry carries the risk of escalation should it become entangled with two other critical tensions: the enduring India-Pakistan conflict and the intensifying US-China competition. The fusion with the US-China rivalry will become more likely if New Delhi forges a closer alignment with Washington. This has already become entangled with the India-Pakistan rivalry and may further intensify if Beijing

increases its support for Islamabad in its conflict with New Delhi.

The perception of status competition as a manifestation of positional rivalry is much more acute in India than in China. India has long given China its due as a major power. China, on the other hand, often dismisses the notion of India as a peer, and may not even perceive itself to be in a status competition with India. This **perceptual mismatch** does not make it easier to manage the relationship. Beijing's relative indifference, rather than calming tensions, often registers in New Delhi as a calculated slight to India's standing, while Indian assertions of parity are frequently interpreted in Beijing as unwarranted hostility.

The India-China relationship thus stands at a crossroads between rivalry and partnership. Rivalry, like friendship, exists on a spectrum. Reducing rivalry, building trust, and transforming the relationship into one of friendship remains possible, but will require extraordinary political will and diplomatic finesse from both sides. Economic interdependence may help this shift, but only within **limits**.

The balance between rivalry and friendship in the India-China relationship provides a useful lens to assess the impact of the second Trump administration. In what ways and to what degree might Trump's foreign policy affect this balance?

Three scenarios are possible. If Trump further intertwines the US-China rivalry with the India-China rivalry, tensions between New Delhi and Beijing will likely escalate. This could occur if India assumes a more prominent role in a US-led anti-China coalition, whether driven by American pressure or its own calculation that a closer alignment with Washington advances its territorial and status interests.

Conversely, if Trump disentangles the US-China rivalry from the India-China rivalry, and if India and China make progress in addressing their territorial disputes and status concerns, their relationship may improve in meaningful ways. Such a scenario might unfold if Washington's aggressive posture prompts New Delhi to assert greater strategic independence, while simultaneously compelling Beijing to seek accommodation with India.

A third scenario may yet emerge: Trump's presidency could prove peripheral to the fundamental dynamics of Sino-Indian relations. This outcome becomes more likely if New Delhi and Beijing choose to navigate their relationship based on bilateral imperatives rather than external pressures. Indeed, across all potential scenarios, the decisive agency in charting the relationship's course ultimately resides with New Delhi and Beijing, not Washington.

Feng Zhang is a Visiting Scholar at Yale Law School's Paul Tsai China Center. He has previously taught at Tsinghua University, Murdoch University, and the Australian National University.

The Trump Factor in Sino-Indian Relations

By Pradeep Taneja

Even as the outcome of the US Presidential election hung in the balance, India and China announced on October 21 that they had reached an agreement to disengage along their disputed border in Eastern Ladakh. Until then, multiple rounds of negotiations between their military and diplomatic envoys had failed to reach an agreement on pulling back the large numbers of soldiers—more than 50,000 on each side—who had been locked in a tense standoff at several points along the border since April 2020.

In a **statement** to India's parliament, Minister of External Affairs, Dr S. Jaishankar, on November 23, said that the disengagement of troops along the two remaining friction points—Depsang and Demchok—had been “achieved in full” and that normal patrolling by both sides had resumed. The agreement on disengagement may have been possibly precipitated by the BRICS leaders' meeting in Kazan, Russia, which both Indian Prime Minister Narendra Modi and Chinese President Xi Jinping were expected to attend. It would have been awkward for the host, Russian President Vladimir Putin, if these two leaders did not meet despite being physically present at the same venue.



Image Credit: Flickr/Trump White House Archived

In the years leading up to the June 2020 clash in the Galwan Valley, Modi and Xi had both invested considerable time and energy into improving bilateral relations despite periodic setbacks and border clashes. But the deadly clash, which resulted in the deaths of twenty Indian soldiers and at least four Chinese defence personnel, destroyed whatever little trust that had existed between the two governments. It was the first time in forty-five years that there had been fatalities along the India-China border.

As a result of China's aggressive actions along the Line of Actual Control, which led to the high-altitude troop face-off in the first place, the Indian government took strong action against Chinese companies, including banning hundreds of Chinese smart phone apps. Chinese technicians and businessmen faced difficulties obtaining Indian visas, and Chinese companies were

barred from bidding on certain infrastructure projects in India. This move has been described by at least one **scholar** as the ‘securitisation’ of bilateral economic relations.

While Chinese investment in India came to a halt, India-China merchandise trade continued to grow and India’s trade deficit with China continued to widen. Due largely to China’s strong position in global supply chains, Indian manufacturers struggled to reduce their reliance on Chinese imports. The total value of two-way trade reached USD 115.82 billion in 2023, with India facing a trade deficit of nearly USD 100 billion, according to the **Indian embassy** in Beijing.

India has since taken steps to reduce its dependence on China in some critical sectors, notably strengthening partnerships with the Quadrilateral Security Dialogue (Quad) members. The Quad has become an important pillar of the US-India relationship, as well as a significant catalyst for bilateral relations between India and the two other Quad members—Australia and Japan. The Quad members have continued to widen the scope of cooperation across various domains. Describing the group as a “global force for good,” the **Wilmington Declaration**, which was issued after the last meeting of the Quad leaders in September 2024, lists numerous areas for collaboration among the four countries. In addition to humanitarian assistance and disaster relief (HADR)—the original focus of collaboration among the four countries following the 2004 Indian Ocean tsunami—the Declaration commits the members to step

up collaboration on health security, infrastructure, critical and emerging technologies, and climate and clean energy, among others.

Enter Donald Trump!

It is still unclear how Trump’s return to the White House will affect the already competitive and shaky US-China relationship, and consequently, its impact on China-India relations. Before we discuss the latter, let us first consider the former. One can think of two alternative and contrasting scenarios for the US-China relationship once Trump assumes office on January 20, 2025:

A. Trump has already vowed to take an aggressive approach towards China, which would likely involve imposing hefty unilateral tariffs on Chinese products and making it more difficult for Chinese companies to do business in the United States. This could also be accompanied by increasing support for Taiwan, including the sale of more weapons, as well as heightened criticism of China.

B. After threatening to impose punitive tariffs on Chinese goods, Trump might also use economic negotiations to strike a deal with Xi. In this scenario, China may be required to invest tens of billions of dollars into the US economy, potentially creating significant job opportunities in manufacturing. In return, Trump would soften his stance on Taiwan, and soften US criticism of China—such as, on China’s human rights record and its treatment of minorities.

If the latter scenario unfolds, Trump may turn America's back on the painstaking diplomatic efforts by the Quad to build the wide range of collaborative mechanisms across a host of policy areas as mentioned above. Furthermore, he would be particularly hostile toward Quad collaboration in areas like climate change and renewable energy.

However, this is unlikely given the past statements on China from figures like Marco Rubio and Mike Waltz, Trump's nominees for the Secretary of State and National Security Advisor, respectively. It is more likely that we will see another trade war with China, which will worsen US-China relations on multiple fronts.

If Trump is unable to establish a deal with Xi, and the US-China relationship spirals into a freefall, Trump may inject new energy into the Quad. After all, it was under Trump that the Quad was revived in 2017, and the US Pacific Command was renamed the Indo-Pacific Command. Nevertheless, he would likely want the Quad to focus on more traditional security concerns, especially maritime security. Trump could then push the Quad partners, including India, into adopting more overtly anti-China rhetoric and policies. This is unlikely to sit well with India, which has always been hesitant for the Quad to be projected as an anti-China platform.

Also, India's strategic autonomy and its policy of multi-alignment are based on

nuanced diplomacy that requires balancing multiple interests and holding conflicting opinions at the same time. India generally avoids commenting publicly on Sino-US competition and prefers not to take sides. However, India's foreign minister, Dr Jaishankar, has **said** that the world is "looking at a more sharpened contestation between the US and China across a range of areas."

Given Donald Trump's penchant for making bold statements and his Manichean, black-and-white approach to complex issues, India's nuanced diplomacy may not always be able to respond to demands from the Trump administration in a way that pleases the US. However, India will continue to work with like-minded countries, including the US, on issues as they arise in response to China's growing power and influence. Regarding bilateral relations with China, India will follow its own interests and deal with it on its own terms, as Trump is too unpredictable for any nation to tie its foreign policy to his whims.

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News Reports

Bilateral relations

China, India reach six-point consensus on boundary question

CGTN, December 19

China and India have reached a six-point consensus to peacefully resolve their boundary dispute.

Slow and steady on China front

Hindustan Times, December 8

While there has been disengagement of troops at "friction points" along the LAC border, achieving de-escalation, restoring the status quo, and normalising relations between India and China will require greater political will and prolonged negotiations.

China, India vow to learn lessons of deadly 2020 border clash, keep talking to avert rerun

South China Morning Post, December 6

Indian External Affairs Minister

Subrahmanyam Jaishankar said that "[t]he conclusion of the disengagement phase now allows us to consider other aspects of our bilateral engagement in a calibrated manner, keeping our national security interests first and foremost."

China, India hold 32nd meeting of working mechanism on border affairs, agree to safeguard peace and stability

Global Times, December 5

"Both India and China have "positively assessed" solutions and have agreed to continue their implementation, while maintaining communication and taking further steps to ease the border situation.

China and India in the Region

New Delhi lays out the red carpet for Sri Lankan President Dissanayake

StratNewsGlobal, December 16

Sri Lankan President Anura Kumara

Dissanayake's official trip to India, his first overseas trip since assuming office in September, is expected to bolster ties between the two nations amid concerns in New Delhi about China's increased presence in the Indian Ocean region.

Modi's BJP says US State Department targeting India

Reuters, December 7

India's ruling party, the Bharatiya Janata Party (BJP), has accused the US State Department of attempting to destabilise India by targeting Prime Minister Modi.

Nepal, China sign deal on Belt and Road plan, paving way for progress on projects

Reuters, December 4

Nepal has signed a framework agreement with China on the Belt and Road initiative, paving the way for more detailed discussions on specific projects and how they will be financed.

Trump's BRICs tariff threat raises stakes for Southeast Asian nations, analysts warn

South China Morning Post, December 4

Experts warned Southeast Asian leaders of the increasing geopolitical and economic risks of aligning with BRICS nations, particularly after US President-elect Donald Trump has threatened to impose heavy tariffs.

Trade and Economy

China's November retail sales miss expectations as real estate slump deepens

CNBC, December 15

China's retail sales underperformed in November, reflecting further deterioration in the real estate market and signaling that Beijing's measures to stimulate the economy have struggled to rejuvenate weak consumer demand.

India: Is the fastest-growing big economy losing steam?

BBC, December 11

India's GDP grew by 5.4 percent in the third quarter of this year, falling short of the central bank's 7 percent forecast. Economists attributed the slowdown to weak consumer demand, sluggish private investment, and reduced government spending.

China+1 plan: India's limited gain

The New Indian Express, December 5

While the China+1 strategy has led to the diversification of global supply chains and created opportunities for countries to grow their exports, India has not capitalised on these opportunities as effectively as some developing nations in Southeast Asia.

Energy and Environment

China's emissions are peaking. Bringing them down will be the hard part.

The Washington Post, December 18

"It's now clear [that] the peak [in China's carbon dioxide output] will come before 2030, but when exactly China peaks is not that important," said Hu Min, director of the Institute for Global Decarbonization Progress, a Chinese think tank. "The question is whether China will plateau or decline sharply."

China and India could lead Asia's geothermal market, IEA says

Nikkei Asia, December 13

The International Energy Agency has highlighted that both India and China have the potential to become market leaders in geothermal energy driven by emerging technologies, an alternative to their dependence on coal power.

India outpaces China in Green Investments as Renewables Surge

Bloomberg, December 6

Prime Minister Narendra Modi's government's focus on boosting India's domestic clean energy capacity, to limit reliance on China, has resulted in the sector attracting huge investments, even as industry players say that more money is needed.

Analyses

India Will Carve Its Own Path

Foreign Affairs, December 11

By Manjari Chatterjee Miller, a Professor of International Relations and the inaugural Munk Chair in Global Affairs at the Munk School of Global Affairs and Public Policy, University of Toronto. She is a Senior Fellow at the Council of Foreign Affairs and the author of Why Nations Rise: Narratives and the Path to Great Power.

India, driven by its unique geopolitical, economic, and cultural realities, will chart its own independent course in global affairs, balancing its relations with major powers while prioritising national interests.

What lies ahead for India-China relations?

The Diplomat, December 9

By Elizabeth Roche, an Associate Professor at the Jindal School of International Affairs.

With the disengagement agreement in place, the two countries must now focus on de-escalation and troop withdrawal before progressing to engagement on confidence-building measures.

The Importance of Being Earnest. Strengthening ASEAN-India Relations in an Evolving World

Fulcrum, December 6

By Yanitha Meena Louis, an Analyst at the Institute of Strategic and International Studies (ISIS) Malaysia.

ASEAN and India must move beyond surface-level engagement by strengthening strategic alignment and fostering meaningful cooperation on key strategic issues.

European Business Confronts China Head On

The Diplomat, December 3

By Bonnie Girard, President of China Channel Ltd.

The European Union Chamber of Commerce in China has highlighted that “after over a decade of limited action to implement promised reforms by the Chinese government, European business confidence has reached an all-time low on many measures, and expectations of meaningful change have been significantly reduced.”

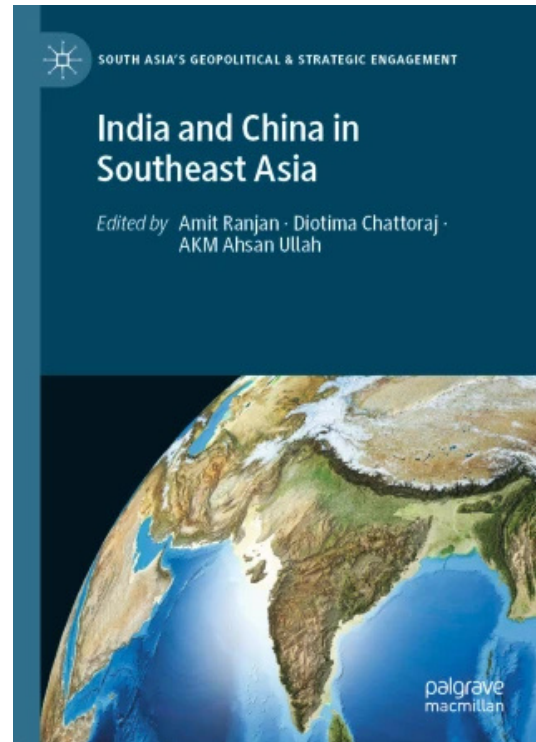
Books and Journals

India and China in Southeast Asia

Palgrave Macmillan, November 2024

Edited by Amit Ranjan, Research Fellow at the Institute of South Asian Studies at the National University of Singapore; Diotima Chatteraj, Research Fellow at the Wee Kim Wee School of Communication and Information, Nanyang Technological University; and AKM Ahsan Ullah, Associate Professor of Geography, Environment and Development at the University of Brunei Darussalam (UBD).

This book focuses on the increasing contest and limited cooperation between India and China in Southeast Asia, which is beyond their shared border. This sort of engagement shows how their bilateral tensions are also playing out in the extraterritorial region where the two countries are involved because of history, economics, and security reasons. Chapters in this book look at the various facets of their engagements in Southeast Asia. It contains both thematic and bilateral issues. Some of the chapters such as on infrastructure, defence etc take stock of India-China engagements in Southeast Asia, while others mainly deal with how the two Asian powers interact with the individual countries of the region.



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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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