India - China Relations

1) Introduction
   - China and India are both ancient civilisations and major developing countries.
   - As the only two major developing countries and important representatives of emerging economies, China-India relations assume global and strategic significance.

2) Bilateral Relations
   - The development of China and India is an important opportunity for each other.
   - Both countries are members of China-Russia-India Trilateral, BRICS, SCO and G20, and share common interests in promoting globalization and opposing trade protectionism.
   - On major international issues, China and India have shared interests and similar positions.
   - Government departments, political parties, legislatures and military of the two countries have actively engaged in high-level exchanges and shared governance experience.
   - Recently the two sides held the 6th Strategic Economic Dialogue and the 9th Financial Dialogue, and reached new consensus on development strategies.

3) Positive Developments
   - Since the beginning of the 21st century, trade between China and India has grown from less than $3 billion to nearly $100 billion, an increase of about 32 times.
   - More than 1,000 Chinese companies have increased their investment in industrial parks, e-commerce and other areas in India, with a total investment of $8 billion and 2,00,000 local jobs created.
   - Chinese mobile phone brands have been well-established in the Indian market.
   - Indian companies are also actively expanding the Chinese market, with a cumulative investment of nearly $1 billion in China.
   - The two countries have established 14 pairs of sister cities and provinces, with two-way personnel exchanges exceeding one million.

4) Informal Summits
   - Informal summits have their use as trust-building exercises.
   - The two countries convened their first Informal Summit in central China’s Wuhan in April 2018.
   - The Wuhan Informal Summit pointed out the direction for the development of bilateral relations.
   - Recently both leaders met in the ancient coastal town of Mamallapuram for a second Informal Summit.

5) Boundary Dispute
   - The China-India boundary question is a complex and sensitive issue left over from history.
   - Special Representatives' meeting was established on the boundary question in 2003 and the two sides have held 21 rounds of meetings.
   - This has played an important role in maintaining peace and tranquility in the border areas.
   - Over the past decades, no single bullet has been fired at the China-India border area, and peace and tranquility has been maintained.
6) **Concerns / Challenges**

- Doklam and the disputed border between the two countries remains an issue of concern.
- Even as the political situation in Afghanistan deteriorates, China and Pakistan, remains more intent that India has no role to play there.
- India has protested comments by Chinese officials on the government’s move to amend Article 370.
- China reportedly conveyed its displeasure over India's military exercises in Arunachal Pradesh.

7) **Why should India and China repair their ties?**

- **Strategic**
  a. Better relationship between two countries will bring peace in the region and they can fight against terrorism and underdevelopment in the region.
  b. China too faces the tune of infiltration and drug trafficking. So indulging in mutual intelligence sharing and cooperation is required for a more secured border
  c. Keeping Pakistan under check and getting support for UNSC membership could happen if we have a more sustained and defined relationship with China.

- **Economy**
  a. With Global uncertainty, growing Protectionism and anti Globalization trend, India and China, both beneficiary of liberal international order must work closely to sustain the same.
  b. China has huge forex reserve and India needs foreign investment for projects like Make in India.
  c. Both nation’s are members in NDB, AIIB, BRICS, BCIM etc and hence good relations among them can bring economic prosperity

- **Asian Emergence**
  a. With Russian economy crumbling, India and China are two of the great powers who would have a greater to play.
  b. Thus a cordial relationship is vital for holistic development of the region

- **Terrorism**
  a. The two countries have a common interest in curbing religious radicalism and terrorism.
  b. Kashmir and Xinjiang, both contiguous neighbours, have similar challenges posed by terrorism and separatist movements.

8) **Way Forward**

- Regional disputes should be resolved through dialogue and consultation.
- Maintaining close high-level exchanges.
- The two sides can strengthen cooperation under the WTO framework, jointly safeguard the legitimate rights and interests of developing countries.
- The two sides should speed up negotiations on the Regional Comprehensive Economic Partnership Agreement (RCEP).
- Increasing mutual investments and encouraging Indian companies to participate in China International Import Expo
- Upgrading Nathula border trade port to make the pie of cooperation even bigger
- India needs to suggest ways and means to prevent Pakistan from intruding in its relationship with China.
- Both need to identify roadmaps to address the burgeoning trade deficit favouring China.
- People to people contact, tracing the work of Chinese traveller Huen zang and Indian counterpart Kashyap Matenga in relation with Buddhism.
- A strong India-China relationship is important not only for the mutual benefit of the people of India and China, but also for the region and the world.