



Charting a New Course in India China Relations

For Prelims: [China+1 strategy](#), [2023-24 Economic Survey](#), [PM-DevINE](#), [BIMSTEC](#), [IN-SPACE](#), [India Semiconductor Mission](#)

For Mains: India-China Bilateral Relations, Cooperation and Disputes.

[Source: IE](#)

Why in News?

The **External Affairs Minister of India** held a ministerial-level meeting with the Chinese Foreign Minister in Delhi, the first since the **LAC disengagement in November 2024**. The discussion focused on **consolidating peace, advancing economic cooperation, and addressing strategic challenges**.

What are the Major takeaways From India-China Foreign Ministers Meeting?


- **Advancing De-escalation & Stability:** Both sides stressed that peace along the LAC is vital for stable ties. India reiterated its **3 Ds approach—disengagement, de-escalation, and de-induction** alongside the **3 mutuals of respect, sensitivity, and interest**.
- **Strengthening Economic & Trade Links:** Talks focused on **boosting trade facilitation, connectivity, river data sharing and technology transfer** while China agreed to supply fertilisers, rare earths, and tunnel-boring machines, easing past restrictions.
 - Key steps included **resumption of border trade via Lipulekh, Shipki La, and Nathu La**, and **visa facilitation** for tourists, businesses, and media.
- **Facilitating Cultural & People to People Ties:** The meeting reiterated the resumption of the Kailash Mansarovar Yatra and restoration of tourist visas.
 - Both sides also agreed on holding the **High-Level Mechanism on People-to-People Exchanges in 2026** and jointly commemorating 75 years of diplomatic relations.
- **Regional Security and Global Engagement:** India raised concerns over Pakistan-backed terrorism in J&K.
 - Both countries emphasized working towards a multipolar world, ensuring regional stability, and strengthening cooperation through platforms like SCO, BRICS, and bilateral mechanisms.

What are the Key Areas of Cooperation between India and China?

- **Cultural, Educational & People-to-People Ties:** India shares civilisational links with China exemplified by **Xuanzang and Bodhidharma** and it is reinforced through **academic collaborations and language programs**.
 - China's growing interest in **Ayurveda, Yoga, and Indian classical arts**, along with **tourism, pilgrimages, and direct flights**, strengthens **people-to-people engagement**.

- **Capital Flows and Technology Sharing:** Indian startups, especially unicorns, have attracted major Chinese funding, aiding their expansion.
 - By 2020, **18 unicorns had received investments worth over USD 3.5 billion from China.**
 - China's advanced know-how in infrastructure and high-speed rail offers value for India's industrial growth.
 - Such capital inflows and expertise highlight the complex interdependence despite strategic rivalry.
- **Multilateral Cooperation:** India and China collaborate in [BRICS](#), [SCO](#), [G-20](#), [Asian Infrastructure Investment Bank \(AIIB\)](#) & [New Development Bank \(NDB\)](#) promoting **Global South solidarity, multipolarity, and climate diplomacy.**
 - China supports India's [ISA \(International Solar Alliance\)](#), and both countries have **shared stakes in energy transition.**
 - **Leadership meetings** and summits, including the **2024 BRICS Kazan summit**, provide strategic direction to bilateral ties.
- **Climate Justice and South-South Cooperation:** India and China find common ground in advancing **climate justice, green financing, and South-South cooperation.**
 - Both countries share **deep concerns about Western-imposed carbon tariffs** and the inequities embedded in global climate governance.
 - This convergence allows for policy alignment and coordination in international platforms.
 - At **COP29**, they **jointly opposed the EU's Carbon Border Tax**, flagging its risks of unfair competition and negative economic impacts.
 - Such collaboration reinforces their united stance in multilateral climate negotiations.

What are the Key Challenges in India-China Relations?

- **Persistent Border Disputes:** The **3,488-km-long LAC** remains **undefined**, with frequent **incursions and infrastructure buildup** on both sides.
 

The map illustrates the border region between India, China, and Pakistan. It shows the Line of Control (LOC) and the Line of Actual Control (LAC). Key areas include the Wakhan Corridor, Gilgit, Pakistan Occupied Kashmir, Baltistan, Sikkim, Zoji La, Kargil, Nubra Valley, Leh, Ladakh, Jammu & Kashmir, Aksai Chin, and Arunachal Pradesh. It also marks the Siachen Glacier, Karakoram Pass, and various patrol points like Point 14, Pangong-TSO, and Shyok. The map highlights the disputed territory of Aksai Chin and the LAC line of actual control.

 - China occupies **38,000 sq km of Aksai Chin** and claims **90,000 sq km of Arunachal Pradesh** as South Tibet.
 - Lack of **mutually agreed maps** complicates **verification and patrol coordination**, and friction points like **Depsang** and **Charding-Ninglung Nala** remain unresolved.
 - The recent **Doklam standoff (2017)** and the **Galwan Valley clash (2020)** highlight the **persistent volatility along the India-China border.**
- **Economic Asymmetry and Trade Dependence:** China is **India's second largest trading partner (after the US)** in 2024-25, with bilateral trade amounting to **USD 127.7 billion** & India's **trade deficit with China** increased to **USD 85 billion in 2023-24** from **USD 83.2 billion** in 2022-23.
 - India imports Chinese **APIs, electronics, and solar panels** & exports are mostly **low-value** while Chinese imports are **high-value.**
- **Strategic & Security Challenges:** China's **China Pakistan Economic Corridor (CPEC)** through **PoK** and its **military/nuclear cooperation with Pakistan** increase India's **strategic insecurity.**
 - China hinders India's **NSG membership** and **UNSC permanent seat aspirations** at global forums, while protecting **Pakistan-based terrorists**, **thereby constraining India's**

strategic ambitions.

- Also, India is heavily **dependent on Chinese technology**, with Chinese firms holding approx **75% of the smartphone market** and critical sectors like **EVs, telecom, and semiconductors** reliant on China.
 - **Cyber threats** from China-linked actors have targeted **healthcare and power networks**, leading India to **ban over 300 Chinese apps** and exclude firms like **Huawei from 5G trials**.
- **Hydrological and Environmental Concerns:** China has **upstream control of rivers** like the **Brahmaputra and Sutlej** and projects like **Medog and Zangmu dams** which are a **threat to India's water security** as well as raising **significant environmental concerns**.
 - **Hydrological data sharing on the Brahmaputra expired in 2023**, while recent discussions **offer hope for renewal**, the situation remains sensitive and requires careful management.
- **Competition for Regional Leadership:** India and China **compete for dominance** in **South Asia** and the **Indian Ocean**, with China expanding its **maritime footprint** through the **Maritime Silk Road/String of Pearls**.
 - Its presence in key ports like **Sri Lanka (Hambantota)** and **Myanmar (Kyaukpyu)** challenges India's **regional influence**.

What Measures Should be Taken to Strengthen India-China Bilateral Engagement?

- **Deepening Strategic Dialogue:** Continue **Special Representatives (SR)-level and Working Mechanism for Consultation and Coordination (WMCC) on Border Affairs** talks to resolve **LAC friction points**, focusing on **full disengagement, de-escalation, and restoring peace**.
 - Regular engagement through **SCO and BRICS** can build **trust** and help prevent conflicts.
 - Extend **Confidence-Building Measures (CBMs)** beyond military talks to include **economic and cultural exchanges** in border areas to **foster trust**.
 - Establishing **demilitarized buffer zones in sensitive areas** and agreeing to **clear protocols for disengagement** would build trust and prevent accidental flare-ups.
 - Simultaneously, **India should invest in smart border infrastructure, ISR (intelligence, surveillance, reconnaissance) technologies, and mountain warfare readiness** to ensure credible deterrence.
- **Economic & Trade Rebalancing:** While trade with China remains critical, India should **pursue selective economic engagement, expanding imports of capital goods and technology**, while **reducing over-dependence on strategic sectors** like telecom and pharmaceuticals.
 - **Structured dialogues on market access, investment screening, and supply-chain diversification** will allow cooperation without compromising security.
- **Managing Water & Environmental Concerns:** Enhance **trans-boundary river governance** by resuming **hydrological data sharing** on the **Brahmaputra** and establishing a **long-term, institutionalized water-sharing framework**.
 - Promote **joint mechanisms** for **sustainable dam management, flood forecasting, and climate-resilient practices**, integrating **environmental safeguards** and **ecological sustainability** to protect **downstream communities**.
- **Leveraging Multilateral Cooperation Platforms:** India and China share space in **BRICS, SCO, G20, and climate negotiations**. Building **issue-based coalitions**, like on **reform of global financial institutions, South-South cooperation, and sustainable development financing** can **foster collaboration beyond bilateral irritants**.
 - This helps India **leverage China's influence** while also **projecting its own leadership**.
- **Long-Term Trust Building through Incrementalism:** Rather than aiming for a "grand reset," India should adopt **incremental confidence-building**, taking **small, verifiable steps** to gradually expand **trust**.
 - Initiatives in **pandemic preparedness, disaster relief cooperation, and student exchanges** can act as **low-cost, high-impact trust multipliers** before addressing **core disputes**.

Conclusion

India-China relations are gradually **moving toward constructive engagement** through **border stability, trade, and strategic dialogue**. While challenges remain in **territorial disputes, economic imbalances, and technological dependence**, a combination of **confidence-building measures, strategic autonomy, regional cooperation, and global multipolar engagement** can pave the way for a **stable, cooperative, and forward-looking bilateral relationship**.

Drishti Mains Question:

What are the key challenges in India-China relations? Also suggest measures for enhancing bilateral stability and cooperation between the two.

UPSC Civil Services Examination Previous Year Question (PYQ)

Prelims

Q. “Belt and Road Initiative” is sometimes mentioned in the news in the context of the affairs of : (2016)

- (a) African Union
- (b) Brazil
- (c) European Union
- (d) China

Ans: D

Mains

Q. The China-Pakistan Economic Corridor (CPEC) is viewed as a cardinal subset of China’s larger ‘One Belt One Road’ initiative. Give a brief description of CPEC and enumerate the reasons why India has distanced itself from the same. (2018)