



Navigating the India-China Tightrope

This editorial is based on “[India-China relations at 75: An uncertain thaw](#)” which was published in Hindustan Times on 21/04/2025. The article brings into picture the persistent structural challenges in India-China ties, including the unresolved LAC dispute and strategic distrust. Despite 75 years of diplomatic relations, tensions remain amid evolving global dynamics.

For Prelims: [India-China relations](#), [EU Carbon Border Tax](#), Locations Related to India-China Border Standoff, [EU Carbon Border Tax](#), [China Pakistan Economic Corridor](#), [New Development Bank](#), [Asian Infrastructure Investment Bank](#)

For Mains: Key Areas of Positive Developments Between India and China, Key Areas of Contention Between India and China.

Despite recent diplomatic warming, [India-China relations](#) remain fundamentally challenged by **structural problems**. The unresolved boundary dispute along the LAC, with incomplete **de-escalation following 2020 transgressions**, continues to be a flashpoint. China's concerns about India's growing partnership with the US, viewing it as abandoning “**strategic autonomy**,” further complicates bilateral ties. Even as both countries marked **75 years of diplomatic relations** in April 2025, these persistent issues ensure that **tensions will continue to define their relationship amid global uncertainties**.

What are the Key Areas of Positive Developments Between India and China?

- **Resumption of Diplomatic Dialogue:** Despite strained ties post-2020, both nations have revitalised dialogue mechanisms to manage tensions and prevent escalation.
 - The revival of structured talks like the **Special Representatives (SRs) mechanism** reflects mutual interest in restoring diplomatic normalcy.
 - **The 23rd SRs meeting (Dec 2024) resumed after a 5-year gap.**
 - Constructive engagement now focuses on political perspectives rather than only military posturing.
- **Patrolling Agreement at LAC:** India and China reached a limited but crucial agreement on **regulated patrolling** at friction points along the LAC.
 - Though **full de-escalation is pending**, it marks a shift from confrontation to management. This step reflects a tactical thaw aiming at reducing risks of accidental conflict.
 - In **October 2024**, both sides agreed on patrolling protocols at multiple flashpoints, breaking a **four-year standoff since Galwan (2020)**.
 - **Indian External Affairs Minister** reiterated recently that “**peace and tranquillity at the border is non-negotiable**” and that rebuilding ties post-2020 is in “mutual interest”.

- **People-to-People Exchanges:** After years of disruption, both nations have worked to revive **cultural and interpersonal engagement** as a soft reset to strained relations.
 - **Visas, pilgrimage talks, and academic links** are being restored to rebuild societal-level trust.
 - For instance, **China issued over 85,000 visas to Indian citizens between Jan-April 2025**. Also, modalities for Kailash Mansarovar Yatra 2025 are being finalised.
- **Trade Continuity Despite Tensions:** While geopolitical friction persists, **bilateral trade remains resilient**, showing strong economic interdependence.
 - India has calibrated economic responses **post-Galwan without fully decoupling from China, indicating pragmatism**. Economic ties serve as a buffer to contain strategic competition.
 - For instance, In the **fiscal year 2024**, [bilateral trade between India and China reached US\\$118.4 billion](#). China remains India's second-largest trading partner despite curbs on tech imports.
- **Climate and Global Development Issues:** Both nations align on the need for **climate justice, green financing, and South-South cooperation**.
 - Shared concerns about **Western carbon tariffs** and inequities in global climate governance create a zone of policy convergence. This **enhances India's leadership with China in multilateral climate platforms**.
 - For instance, India and China united against [EU Carbon Border Tax](#) at COP29, citing unfair competition and economic impact concerns.

What are the Key Areas of Contention Between India and China?

- **China's 'ICAD' Strategy (Illegal, Coercive, Aggressive, Deceptive):** Beijing's hybrid tactics—**cartographic aggression, hydro-politics, and infrastructure build-up**—reflect an **assertive ICAD doctrine** to alter facts on the ground. India perceives this as a deliberate challenge to territorial sovereignty.
 - For instance, China has **rechristened 30 locations in Arunachal Pradesh with Chinese and Tibetan names** as part of its continuing efforts to assert claims over the north-eastern Indian state.
 - Also, China plans a mega dam on **Yarlung-Tsangpo near Arunachal border**.
- **China-Pakistan Nexus and CPEC:** China's deepening strategic partnership with Pakistan, especially through [China Pakistan Economic Corridor \(CPEC\)](#), directly violates India's **sovereignty claims in PoK** and enhances two-front security concerns.
 - The **CPEC passes through Gilgit-Baltistan**. Also, **China's presence in Gwadar port and weapon transfers to Pakistan** continue to alarm Indian security circles.
- **Trade Imbalance and Economic Dependence:** India faces a massive and widening **trade deficit** with China, creating economic vulnerability. Dependence on Chinese tech and hardware persists despite geopolitical risks.
 - For instance, India posted a trade deficit of **\$99.2 billion with China** in the **2024-25 fiscal year**.
- **Border Dispute and LAC Militarisation:** The unresolved boundary dispute remains the **central fault line**, with repeated violations of protocols along the LAC undermining trust.
 - Despite disengagement in parts, full **de-escalation and de-induction** have not occurred. China's **grey-zone tactics have expanded the zone of friction**.
- **South Asia and Maritime Competition:** China's growing presence in **India's neighbourhood** through BRI projects and port infrastructure challenges India's regional primacy. This fuels direct competition in **South Asia and the IOR**.
 - China has invested in ports across **Sri Lanka, Pakistan, Maldives**. For instance, **Beijing's lease of Hambantota port** and **Maldives' military deal** signal growing proximity.
- **Perception of Strategic Alignments:** China views India's deepening ties with the **US and QUAD** as a shift away from '**strategic autonomy**'. It perceives **India's Indo-Pacific alignment as containment**.
 - Also, **India's signing of a labour mobility agreement with Taiwan in February 2024** drew attention from China, which views such engagements with sensitivity.



How does China Continue to Play a Significant Role in India's Supply Chains?

- **High-Tech Hardware and Electronics:** India remains heavily reliant on China for critical hardware inputs, especially in the **electronics and IT sectors**, undermining supply chain sovereignty. This **dependence constrains India's ability to decouple strategically from Beijing**.
 - For instance, **imports from China into India rose nearly 11% to \$46.6 billion between April and August 2024**, driven primarily by **computers, telecom equipment, and components**.
- **Active Pharmaceutical Ingredients (APIs):** Despite being a pharma hub, India imports a majority of its **bulk drugs and intermediates** from China, making its health sector vulnerable to geopolitical disruption.
 - For instance, India, over years has been importing on an average, **68% of its entire supply of bulk drugs and drug intermediates annually from China**.
- **Renewable Energy Supply Chains:** India's green transition depends on **Chinese dominance in solar and battery manufacturing**, limiting its clean energy autonomy. This also impacts national climate targets.
 - For instance, **in 2023-24, India imported USD 7 billion worth of solar equipment**, with China supplying **62.6% of it**.
- **Heavy Machinery and Capital Goods:** India's infrastructure and manufacturing sectors still source key **capital goods and machinery** from China, slowing efforts under **'Make in India'**.
 - For instance, in the machinery sector, China accounts for \$19 billion, which is **39.6% of India's imports in the sector**.

What Measures can India Adopt to Deepen the Strategic Engagement with China?

- **Establish a Permanent Border Stability and Confidence-Building Mechanism:** India should propose a **dedicated institutional mechanism** focused solely on managing border stability and fostering **military-to-military predictability**.

- This can function parallel to the WMCC but with a permanent secretariat and expert working groups on **seasonal deconfliction, logistics coordination, and early warning systems**.
- Such a proactive mechanism would ensure **predictable engagement during flashpoints**, reducing the risk of accidental escalations and strengthening crisis diplomacy.
- **Co-develop Supply Chain Infrastructure in Neutral Regions:** Rather than decoupling completely, India can engage China in **third-country economic zones**, particularly in **Africa or Southeast Asia**, to jointly develop logistics hubs, agri-processing units, or digital infrastructure.
 - This neutral zone of cooperation will allow both powers to build **mutual stakes in non-contentious geographies**, reducing binary competition.
 - It also contributes to a **rules-based development model** that can be multilateralised through **BRICS or G77**.
- **Institutionalise a Strategic Autonomy Dialogue Track:** India should initiate a **Track 1.5 Strategic Autonomy Dialogue** with China, focused on aligning visions for **a multipolar world and multipolar Asia**, away from bloc-centric politics.
 - This dialogue can explore long-term perceptions, regional order frameworks, and **strategic hedging models** that ensure peaceful coexistence.
 - By bringing academia, retired diplomats, and policy advisors into the fold, it fosters **pre-emptive understanding of intentions**, especially in the Indo-Pacific.
- **Launch a Bilateral Green Transition and Energy Security Pact:** India can propose a **joint Green Transition Framework** to align on clean energy investments, battery storage cooperation, and climate-resilient infrastructure, particularly for the Global South.
 - This would anchor strategic engagement in a **non-zero-sum framework**, where both countries co-create global solutions while advancing their respective transitions.
 - The pact should also include **a dispute-free technology-sharing mechanism** and encourage **public-private collaboration** on sustainability.
- **Propose a Coordinated Indo-Pacific Maritime Dialogue:** To reduce maritime insecurity, India can initiate a **bilateral Indo-Pacific Maritime Confidence-Building Dialogue** that focuses on issues like freedom of navigation, transnational crime, disaster management, and marine ecology.
 - This would move beyond the military lens and help set **functional norms for coexistence in shared waters**.
 - It also signals India's leadership in promoting **inclusive maritime governance**, rather than confrontation.
- **Establish an India-China Council for Emerging Technologies and AI Ethics:** As AI, biotech, and quantum computing evolve, India can take the lead in forming a **bilateral council for responsible technology governance**.
 - This council can facilitate **policy harmonisation, ethical frameworks, and cybersecurity norms** in dual-use technologies.
 - Building tech-related guardrails would help avoid misperceptions and encourage **shared leadership in shaping digital norms** for the Global South.
- **Co-invest in Blue Economy and Coastal Resilience Projects:** India and China can identify specific **coastal regions in the Indian Ocean Rim** to launch joint projects in fisheries, marine conservation, coastal resilience, and port safety.
 - This would build **functional cooperation** in the blue economy domain without impinging on sovereignty.
 - The focus on **shared vulnerabilities (e.g., climate, overfishing)** helps reframe the ocean from a theatre of conflict to one of **cooperative stewardship**.
- **Expand Multilateral Coordination in Financial and Development Institutions:** India should engage China in **co-financing South-South development initiatives** via platforms like the **New Development Bank (NDB)** or the **Asian Infrastructure Investment Bank (AIIB)**.
 - This allows the creation of **"joint global goods"**, such as **clean water, health systems, and digital infrastructure** in fragile regions.
 - Shared leadership in such spaces will **depersonalise bilateral conflict** and shift focus to common responsibilities.

Conclusion:

While foundational challenges persist, **India-China relations are gradually transitioning from confrontation to cautious engagement.** By leveraging areas of convergence—such as **climate action, trade pragmatism, and regional stability**—both nations can build incremental trust. **Diplomatic patience, strategic autonomy, and cooperative multilateralism** remain key. A **calibrated, interest-based approach** can ensure a sustainable and rules-based equilibrium in Asia.

Drishti Mains Question:

Despite recent diplomatic engagements, structural issues continue to impede the normalization of India-China relations. Critically examine the major areas of contention and suggest a strategic roadmap for stable bilateral ties

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)