India-China Relations

Political Relations

On 1 April, 1950, India became the first non-socialist bloc country to establish diplomatic relations with the People’s Republic of China. Prime Minister Nehru visited China in October 1954. While, the India-China border conflict in 1962 was a serious setback to ties, Prime Minister Rajiv Gandhi’s landmark visit in 1988 began a phase of improvement in bilateral relations. In 1993, the signing of an Agreement on the Maintenance of Peace and Tranquility along the Line of Actual Control (LAC) on the India-China Border Areas during Prime Minister Narasimha Rao’s visit, reflected the growing stability and substance in bilateral ties.

Cumulative outcomes of five key visits in recent times have been transformational for our ties. These were that of Prime Minister Vajpayee [2003], of Premier Wen Jiabao [2005 & 2010], of President Hu Jintao [2006] and then Prime Minister Manmohan Singh [2008]. During Vajpayee’s visit, the two sides signed a Declaration on Principles for Relations and Comprehensive Cooperation and also mutually decided to appoint Special Representatives (SRs) to explore the framework of a boundary settlement from the political perspective. During the April 2005 visit of Premier Wen Jiabao, the two sides established a Strategic and Cooperative Partnership for Peace and Prosperity, while the signing of an agreement on Political Parameters and Guiding Principles, signaled the successful conclusion of the first phase of SR Talks. During Chinese President Hu Jintao’s visit to India in November 2006, the two sides issued a Joint Declaration containing a ten-pronged strategy to intensify cooperation. Prime Minister Dr. Manmohan Singh visited China in January 2008. A joint document titled "A Shared Vision for the 21st Century" was issued during the visit. When Chinese Premier Wen Jiabao visited India in December 2010, the two sides jointly set a bilateral trade target of US$ 100 billion for 2015. It is noteworthy that more than 60% of the agreements between India and China have been signed during the last decade. As of today, both sides have established 36 dialogue mechanisms covering diverse sectors.

In March 2012, Chinese President Hu Jintao visited India for the BRICS Summit. The leaders of the two countries also met on the sidelines of various multilateral summits. While External Affairs Minister visited China twice during the year. Chinese Foreign Minister Yang Jiechi visited India in February. The Chinese Defence and Commerce Ministers also visited India in the latter half of the year.

In 2012, several important bilateral dialogue mechanisms held their meetings. National Security Advisor met with Chinese State Councillor, Dai Bingguo for the 15th Round of the SR Talks in New Delhi in January. At the conclusion of this round, the two countries reached a consensus to set-up the Working Mechanism for Consultation and Coordination on India-China Border Affairs; which has already met twice. In December, National Security Advisor visited Beijing to hold an informal round of border talks. The Second Round of the Strategic and Economic Dialogue was held in Delhi in November 2012. The Chairman of the National Development and Reform Commission of China, Zhang Ping co-chaired the Dialogue with Deputy
Chairman Planning Commission. The two sides signed a total of 4 Government-to-
Government and 7 business related MoUs worth over US$ 5.2 billion during this
dialogue. In August, the Chinese Commerce Minister Chen Deming travelled to India
for the 9th Meeting of the Joint Economic Group.

The two Foreign Ministries also kept up a high level of engagement. While the
Foreign Office Consultations took place in November, the Policy Planning Dialogue
was held in May and talks related to the pilgrimage to Kailash Mansarovar took
place in December. Bilateral consultations on regional issues pertaining to West Asia
and Africa were also held during the year. Consultations on Afghanistan and the
Sixth Round of the Counter-Terrorism Dialogue were held in China earlier this year.
With respect to defence exchanges, the fifth round of the Annual Defence Dialogue
recently concluded in Beijing on 14 January 2013. Four Indian Navy Ships made a
port call at Shanghai in June and the PLAN Training Ship ‘Zhenghe’ visited Kochi in
May.

On 27 March 2013, during the 5th BRICS Summit in Durban, Prime Minister
met with the new Chinese President Xi Jinping for the first time.

External Affairs Minister, Shri Salman Khurshid, paid an official visit from 9-10
May 2013 and met with Premier Li Keqiang, State Councillor Yang Jiechi and
Foreign Minister Wang Yi. EAM also met with his Chinese counter-part Wang Yi in
Brunei on the sidelines of the ARF Foreign Ministers Meeting on 2 July 2013.

Mr. Li Keqiang, Premier of the State Council of the People’s Republic of China
paid a State visit to India (Delhi-Mumbai) from 19-21 May 2013. During this visit, the
two sides signed eight agreements and released a Joint Statement. The first meeting
of the India-China CEO’s Forum was also held during this visit.

China’s Minister for State Administration for Radio, Film, Television, Press
and Publicity, Mr. Cai Fuchao met with the Honorable Minister of State (IC) for
Information and Broadcasting Mr. Manish Tewari in Delhi on 18 June 2013.

The 16th round of talks between the Special Representatives of India and
China on the Boundary Question, Shri Shivshankar Menon, National Security
Adviser and Mr Yang Jiechi, State Councillor took place in Beijing on June 28-29,
2013. Shri Menon called on Premier Li Keqiang and met with Foreign Minister Wang
Yi on 28 June 2013.

Raksha Mantri Shri A.K. Antony paid a three day official visit to China from 4-7
July 2013. He held delegation level talks with his counterpart Gen. Chang
Wanquan and also called on Premier Li Keqiang. A Joint Statement was also
released during the visit on 6 July.

**Commercial and Economic Relations**

Trade and economic relationship has seen rapid progress in the last few
years. In the year 2000, trade between India and China was less than US$ 3 billion.
By 2012, it was US$ 66 billion, a slight decline over the US$ 74 billion in 2011. The
two countries have set a target of US$ 100 billion by 2015 for bilateral trade. There is
a significant complementarity between the Indian and Chinese economies. In 2011, India was the 11th largest trading partner of China (comprising a share of 2.03% in the overall trade of China), 7th largest export destination for China (comprising a share of 2.66% of total Chinese exports to the world) and 16th largest exporter to China (comprising a share of 1.34% in the total imports by China). However, India still faces a growing trade deficit vis a vis China. By end 2011, India’s trade deficit was US$ 27 billion, a figure that according to Chinese trade figures released in January 2013, expanded to US$ 29 billion by 2012. Apart from trade, India is also the largest market for project exports from China. Currently, projects under execution are estimated at over US$ 55 billion. As per Chinese figures, cumulative Chinese investments into India till December 2011 stood at US$ 575.70 million while Indian investments into China were US$ 441.70 million.

Cultural Relations

In 2010, in order to commemorate the 60th Anniversary of the establishment of formal diplomatic relations between India and China, Festival of India was celebrated across more than 45 cities in China. In December 2010, the two countries signed a Cultural Exchange Programme (CEP) providing for greater people to people cooperation in various fields. During the visit of President Hu Jintao to India in March, it was decided to celebrate 2012 as ‘The Year of Friendship and Co-operation’. In 2012, the Mission facilitated the signing of an agreement between the Central Board of Secondary Education [CBSE] with the Chinese Han-Ban for teaching of Chinese in Indian schools. To popularize the teaching of Hindi in China, two new Hindi chairs were established in renowned universities in Guangzhou and Shanghai. A Chinese translation of noted Sinologist P.C. Bagchi’s ‘India and China-One Thousand Years of Cultural Relations’ was brought out last year. In order to facilitate greater interaction with the Chinese intelligentsia, the Mission organized a ‘Chinese Think Tank Summit’ on ‘India-China Relations’ in October. The Mission’s Flagship Chinese language publication- ‘Jinri Yindu’ (Today’s India), now has a readership base of over 20,000. In China, especially amongst the younger age group, there is a great desire to know more about Buddhism, Bollywood and Yoga. In 2012, while a 100 member Indian youth delegation visited China in June, a 100 member Chinese youth delegation visited India in February and then again in November. In May 2013, a hundred member youth delegation from India visited China as part of the on-going exchanges. In order to connect better with the Chinese youth, the Mission has also opened an account on the popular micro blogging site, Sina Weibo, which has over 15000 followers.

During Premier Li Keqiang’s visit to India, in order to mark the 60th anniversary of the Five Principles of Peaceful Co-existence (Panchsheel), it was decided to designate the Year 2014 as the ‘Year of India-China Friendly Exchanges’.

Indian Community

At present Indian community in mainland China is estimated to be around 16,000. A major section of the community in the Mission’s jurisdiction comprises of students- mostly studying medicine in various Chinese universities. China is also home to a large number of Indians as well as persons of Indian origin, working as professionals with multinational and Indian companies.