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. 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.

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 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 Han-Ban for teaching of Chinese in Indian schools. To popularize the teaching of Hindi in China, two 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 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.

Community

At present Indian community in mainland China is estimated to be around 16,000. A major section of the community 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.

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