

Chandrawat  
& Partners



BILATERAL RELATIONS

INDIA - TAIWAN

# INTRODUCTION

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The bilateral relations between India and Taiwan have improved since the 1990s, despite both nations not maintaining official diplomatic relations. India recognizes only the People's Republic of China (in mainland China) and not the Republic of China's claims of being the legitimate government of Mainland China, Hong Kong, and Macau a conflict that emerged after the Chinese Civil War (1945–49). However, India's economic and commercial links as well as people-to-people contacts with Taiwan have expanded in recent years.

According to a 2010 Gallup poll, 21% of Taiwanese people approve of Indian leadership, with 19% disapproving and 60% uncertain. According to a December 2019 survey conducted via National Chengchi University's Election Study Center, 53.8% of Taiwanese people polled overall supported "increasing ties with India", with 73.1% of DPP voters supporting increasing ties with India and 44.6% of KMT voters supporting increasing ties.

In May 2020, two members of the Indian Parliament virtually attended the newly elected President Tsai's swearing in ceremony and praised Taiwanese democracy, thereby sending what some have termed a warning message to China and signaling a strengthening of relations between the Tsai and Modi administrations. In July 2020, the Indian government appointed a top career diplomat, Joint Secretary Gourangalal Das, the former head of the U.S. division in India's Ministry of External Affairs, as its new envoy to Taiwan.



# BACKGROUND

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Despite China proper and the Indian subcontinent, where two of the four ancient civilizations of the world emerged, having shared thousands of years of extensive trade and cultural exchanges, primarily through Buddhism, direct contact between Formosa and South Asia has historically been considerably more limited due to geographic constraints and distances. Tianzhu, situated in Buddhist cosmology at the "Western Heaven", has traditionally been regarded by Buddhists as an idealized holy land where their faith originated from, and subsequently served as a pilgrimage site for many who sought to receive Buddhist scriptures, as romanticized in the classical Chinese tale of Journey to the West. Hu Shih, the ROC Ambassador to the United States from 1938 to 1942, commented, albeit critically, on India's Buddhism almost completely subsuming Chinese society upon its introduction.

While never having actually visited India in his lifetime, Sun Yat-sen, founder of the Republic of China, occasionally spoke and wrote of India as a fellow Asian nation that was likewise subject to harsh Western exploitation, and frequently called for a Pan-Asian united front against all unjust imperialism; in a 1921 speech, Sun stated: "The Indians have long been oppressed by the British. They have now reacted with a change in their revolutionary thinking. There is progress in their revolutionary spirit, they will not be cowed down by Britain." To this day, there is a prominent street named Sun Yat-sen Street in an old Chinatown in Calcutta, now known as Kolkata.

India officially recognised the PRC on 1 April 1950, and was supportive of its stand that it was the only state that could be recognised as "China" and that the island of Taiwan was a part of Chinese territory, thus voting in favour of the PRC's bid to join the United Nations and replacing the ROC as the sole legitimate government of China in the UN Security Council; the Republic of India recognized the ROC from 1947 to 1950, while Pakistan recognized the ROC until 1951. Despite its somewhat strained relations with the PRC after the border war of 1962, India has continued to recognise the PRC's "One China" policy.

# BORDER DISPUTE

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Like the People's Republic of China, the Republic of China claims Aksai Chin and Arunachal Pradesh, which is the fully fledged state of the Republic of India, as part of its sovereign territory? While the PRC and Pakistan managed to largely resolve their former territorial dispute in 1963 through the Sino-Pakistan Agreement, neither India nor the ROC officially recognizes this treaty, and as such, India claims PRC-occupied parts of Kashmir and the ROC claims parts of Pakistan-administered Kashmir in addition to the disputed territories with India.

## Cold War

Throughout the Cold War, the government of Taiwan generally had the same basic understanding on the China-India border dispute as the People's Republic of China (PRC), and in 1962, around the time of the Sino-Indian War, Taiwan's Ministry of Foreign Affairs stated that they did not recognise the legality of McMahon Line. The same year Western countries increased pressure on the then Taiwan leader, Chiang Kai-shek, to recognize the legality of McMahon Line in order to isolate Beijing. However, Chiang dismissed McMahon Line as 'imperialist imposition on China'.

At the same time, as India began to gradually lose ground against the PRC during the course of the border conflict, Nehru began reaching out to various other anti-Communist powers, including the Taiwan-based ROC government led by Chiang, with whom he had maintained close contacts with since their initial meeting during the Second World War, seeking aid and assistance. Some U.S. officials, such as Navy Admiral Harry D. Felt, the Commander-in-Chief of the U.S. Pacific Fleet from 1958 to 1964, also encouraged Chiang to use the opportunity to strike mainland China from the east while part of its military was occupied by the border war.

The ROC Ministry of Foreign Affairs's reaction was somewhat mixed, and based upon pragmatism and its fundamental priority of containing Communism at the same time, with the PLA deemed a constant existential threat to its government in the 1960s. It declared that the war was a conflict between "Indian nationalism and international communism, not a war between the Indian people and the Chinese people", and though it clearly repeated its refusal to recognize the McMahon Line, it also claimed that the PRC's war was not necessarily about territory alone, but rather used within the broader context of an alleged Communist agenda to expand its ideology throughout most of Asia, implying that even if there were no dispute over land, conflict would still have occurred eventually.

# BORDER DISPUTE

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The statement also noted that the ROC believed "a fair and reasonable solution" should be found were the mainland to be reclaimed, and insisted that the attack against India allegedly "violated the traditional peace-loving spirit of the Chinese people".

As for the so-called McMahon Line that the United Kingdom has unilaterally advocated for the border between China and India when it ruled India, our government has never accepted it and is firmly opposed to it." The Ministry also sent a telegram overseas to all its overseas embassies, instructing them to avoid criticizing Nehru while remaining resolute in its stance regarding the disputed territories, and remaining open to the hopes of re-establishing relations between the two governments given the collapse of PRC-India relations following the war.

In addition, covert Indian, American and Taiwanese support for the Tibetan rebels intensified in the aftermath, with the former two governments establishing the Joint Mission Center to counter the PRC in Tibet, and helping to train thousands of Tibetan rebels to prepare for the event of a second conflict. Furthermore, via the Tibetan exiles, specifically the Dalai Lama's second-eldest brother Gyalo Thondup, who shared close personal ties with Chiang Kai-shek after having grown up under his tutelage when the ROC still ruled Nanjing, a close relationship between the Indian and Taiwanese intelligence agencies was then established, one which apparently endures to the modern day.

In February 1987, India's move to elevate the status of 'Arunachal centrally administered region' to the state of Arunachal Pradesh was declared null and void by Taiwan's Ministry of Foreign Affairs. The Ministry, in a formal statement, stated that it did not recognize 'illegal occupation' of ROC territory south of McMahon Line and the establishment of 'Arunachal Pradesh state' was an illegal act. In 1995, Ambassador Pei-yin Teng (Taiwan's first representative to India) in response to Indian member of the parliament stated that Taiwan did not recognize McMahon Line. However, Pei-yin Teng was the last Taiwanese official who made a statement against the McMahon Line. Since, then Taiwan has not made any statement on China-India dispute and has adopted a neutral stance on the dispute.

# VIEWS ON TIBET AND THE DALAI LAMA

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At the 1947 Asian Relations Conference hosted in New Delhi, representatives of the Indian independence movement invited Tibetan delegates, and the Tibetans were allowed to display their flag at the conference. According to Tibetologist A. Tom Grunfeld, the conference was not government-sponsored, and so Tibet's and the Tibetan flag's presence had "no diplomatic significance". Nonetheless, the ROC, also present at the conference, protested Tibet's showing, and in response, the Tibetan flag was removed and conference organizers issued a statement that Nehru invited the Tibetan delegates "in a personal capacity".

Although his government also officially viewed Tibet as part of China, after the 1959 Tibetan Rebellion, Chiang Kai-shek announced in his Letter to Tibetan Friends that the ROC's policy would be to help the Tibetan diaspora overthrow the People's Republic of China's rule in Tibet. The ROC's Mongolian and Tibetan Affairs Commission sent secret agents to India to disseminate pro-Kuomintang (KMT) and anti-Communist propaganda among Tibetan exiles.

From 1971 to 1978, the MTAC also recruited ethnic Tibetan children from India and Nepal to study in Taiwan, with the expectation that they would work for a ROC government that returned to the mainland. In 1994, the veterans' association for the Tibetan guerrilla group Chushi Gangdruk met with the MTAC and agreed to the KMT's One China Principle. In response, the Dalai Lama's Central Tibetan Administration forbade all exiled Tibetans from contact with the MTAC. However, tensions between the two communities were eased considerably after the Dalai Lama's first official visit to Taiwan in 1997, under KMT President Lee Teng-hui.

Towards the end of the Second World War, Chiang had offered military supplies for the Tibetans, in his statement pledging that "if the Tibetans should at this time express the wish for self-government. China would, in conformity with our sincere traditions, accord it a very high degree of autonomy", and even stipulating that if the Tibetans eventually fulfilled the economic requirements for independence, China would "help them attain that status". Chiang also later told Gyalo Thondup that with if he later completed his education in America, and returned as an advisor to his brother the Dalai Lama, with the British's foreign influence removed from Tibet, he would feel China's "back door" would be secure enough for him to consider the Tibetan people's sovereign wishes, although such a promise was "easier for Chiang to make than to deliver".

# VIEWS ON TIBET AND THE DALAI LAMA

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However, his later statements and viewpoints after the Chinese Civil War and during the Cold War seem to be somewhat conflicting. After the Dalai Lama fled to India in 1959 amidst violence in Tibet, Chiang vowed to "assist the Tibetan people to realize their own aspirations with the principle of self-determination as soon as the puppet Communist regime on the mainland is overthrown and the people of Tibet are once again free to express their will." However, he and other Taiwanese officials at times also expressed opposition to the concept of Tibetan independence being discussed by American officials.

ROC Foreign Minister Huang Shao-ku told Everett F. Drumright, the U.S. Ambassador in Taiwan, that the ROC would support an autonomous government by the Dalai Lama (as then proposed by Nehru), but if he were to proclaim a separate independent government, then Taiwan could only offer him covert moral support. In essence, the ROC after the 1959 uprising opposed both the PRC's repression in Tibet and an immediate declaration of Tibetan independence; however, they would not necessarily be averse to discussing the possibility of eventual "self-determination" for Tibet, under the right circumstances, were the ROC to successfully reclaim the mainland.

Although the PRC rejects all official contact with the Central Tibetan Administration, the Dalai Lama, along with representatives from his government who are still based in India to this day, has since visited Taiwan several times, under both KMT and DPP administrations, first in 1997, then in 2001, and the last time in 2009 under KMT President Ma Ying-Jeou. According to Taiwan Foreign Ministry spokeswoman Joanne Ou under Tsai's administration, "We will, in accordance with the principle of mutual respect and at a time of convenience for both sides, welcome the Dalai Lama to come to Taiwan again to propagate Buddhist teachings." The Dalai Lama, in turn, has allegedly received an invitation to visit, and intends to do so in 2021.

# DEVELOPMENT OF BILATERAL RELATIONS

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Even as India's own relations with the PRC have developed substantially in recent years, India has sought to gradually develop better commercial, cultural and scientific co-operation with Taiwan, albeit whilst ruling out the possibility of establishing formal diplomatic relations Taiwan has also viewed India's rising geopolitical standing as a counterbalance to the PRC's dominance in the region.

As a part of its "Look East" foreign policy, India has sought to cultivate extensive ties with Taiwan in trade and investment as well as developing co-operation in science & technology, environment issues and people-to-people exchanges. Both sides have aimed to develop ties, partly to counteract Chinese rivalry with both nations.

The India-Taipei Association was established in Taipei in 1995 to promote non-governmental interactions between India and Taiwan, and to facilitate business, tourism, scientific, cultural and people-to-people exchanges. The India-Taipei Association has also been authorized to provide all consular and passport services. The Taipei Economic and Cultural Centre in New Delhi is ITA's counterpart organisation in India. A Taipei Economic and Cultural in Chennai was established in 2012. It represents Taiwan government's interests in the southern states of India, as well as Sri Lanka and the Maldives.

In 2002, the two sides began discussing the possibility of entering into agreements related to Double Taxation Avoidance. In 2007, Ma Ying-jeou, the leader of the Kuomintang, Taiwan's largest political party, and a major candidate in the 2008 presidential elections made an unofficial visit to India. Effective 15 August 2015, Republic of China passport holders can avail of India's e-Tourist Visa facility.

India-Taiwan relations have seen growth under the Narendra Modi led government as in April 2021 Taiwan sent 150 oxygen machines to India to help with a shortage during the COVID-19 pandemic. The oxygen machines had been purchased by the Taiwanese government and modified for India's electrical voltage.

India and Taiwan signed a bilateral investment agreement (BIA) in 2002, which came into effect in 2005. An updated BIA was signed by the two sides in December 2018. India and Taiwan also signed an AEO Mutual Recognition Agreement, a customs mutual assistance agreement, and ATA Carnet.



# COMMERCIAL TIES

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Both governments have launched efforts to significantly expand bilateral trade and investment, especially in the fields of information technology (IT), energy, telecommunications and electronics. India's trade with Taiwan in the calendar year 2008 registered a total of US\$5.34 billion, an increase of 9.5% as compared to 2007. In 2007, bilateral trade between the two sides had risen 80% to reach US\$4.8 billion. In 2008, Indian exports to Taiwan declined year-on-year at a rate of -7.8%, to touch US\$2.33 billion as compared to US\$2.53 billion in 2007.

Taiwanese exports to India in 2008 grew at a rate of 28.41% to reach US\$3 billion. In 2008, India recorded a trade deficit of US\$669 million with Taiwan, as against a trade surplus of US\$159 million in year 2007. Major Indian exports to Taiwan include waste oil, naptha, cereals, cotton, organic chemicals, copper, aluminum and food residues.

In 2019, India - Taiwan trade volume was US\$7 billion, growing at a rate of 20% YoY.

Major Taiwanese exports to India include integrated circuits, machinery and other electronic products. India is also keen to attract Taiwanese investment particularly in hi-tech and labour-intensive industries. More than 80 Taiwanese companies and entities currently have a presence in India.

Some of the companies include Hon Hai Precision Industry Co (FoxConn), Sanyang Corporation, Gigabyte Technologies, Continental Engineering, CTCI, Apache and Feng Tay (shoes), Wintek Corporation, Delta Electronics, D-Link, Meita Industrials, Transcend, MediaTek, etc.

Bilateral trade has experienced significant growth in recent years.

# CULTURAL EXCHANGES

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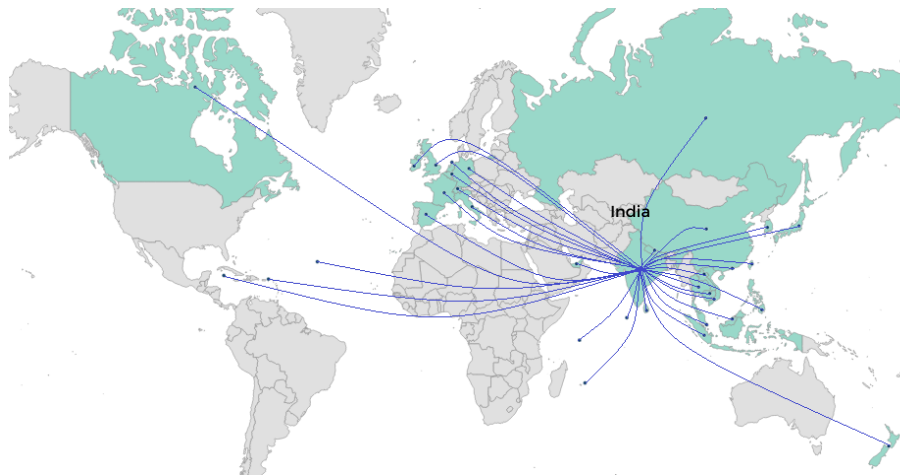
While the ROC and India are two of Asia's leading democracies, both with fairly close ties to the United States and Europe, both sides continue to lack formal diplomatic relations. However, the two governments maintain unofficial ties with each other.

According to some sources, Buddhism is the most widely practiced religion in Taiwan, usually alongside elements of Daoism, and Bollywood films have in recent years gained a reasonably popular following, along with other aspects of Indian culture such as yoga, cuisine and Indian dance.

Cultural exchanges between the two countries have grown significantly.



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