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BILATERAL RELATIONS
INDIA - CHINA

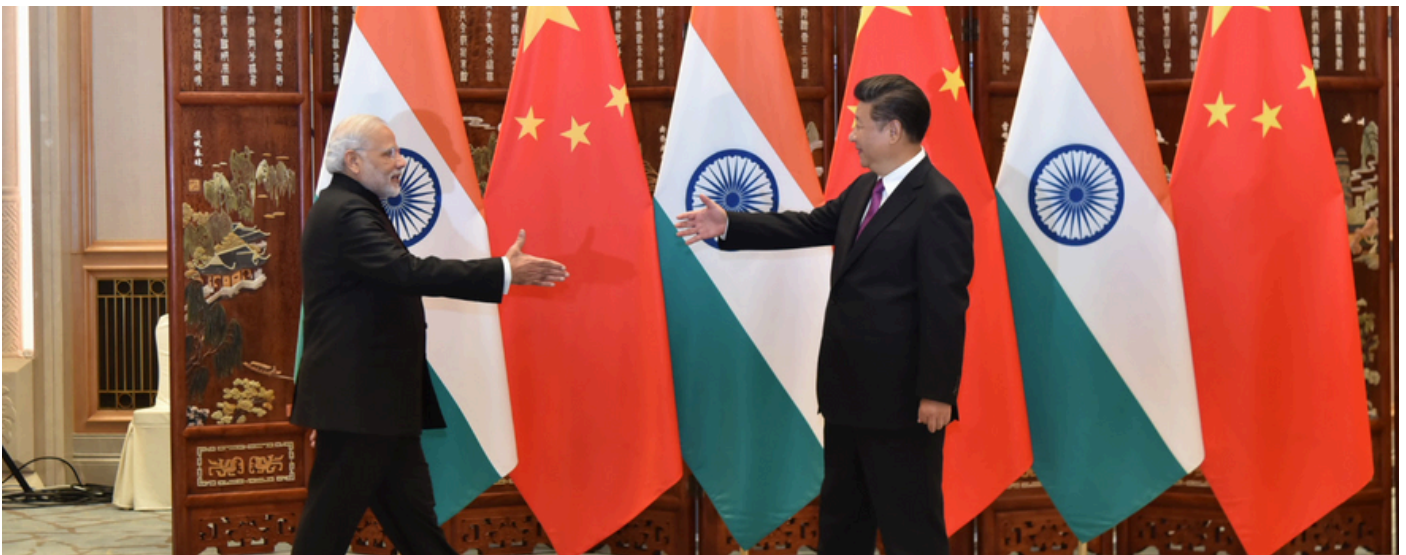
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INTRODUCTION

China-India relations also called Sino-Indian relations or Indo-Chinese relations, refers to the bilateral relationship between China and India. China and India had historically peaceful relations for thousands of years of recorded history. But the tone of the relationship has varied in modern time, especially after the rule of Communist Party in China; the two nations have sought economic cooperation with each other, while frequent border disputes and economic nationalism in both countries are a major point of contention.

The modern relationship began in 1950 when India was among the first countries to end formal ties with the Republic of China (Taiwan) and recognise the People's Republic of China as the legitimate government of Mainland China. China and India are two of the major regional powers in Asia, and are the two most populous countries and among the fastest growing major economies in the world. Growth in diplomatic and economic influence has increased the significance of their bilateral relationship.

Cultural and economic relations between China and India date back to ancient times. The Silk Road not only served as a major trade route between India and China, but is also credited for facilitating the spread of Buddhism from India to East Asia. During the 19th century, China was involved in a growing opium trade with the East India Company, which exported opium grown in India. During World War II, both British India and Republic of China played a crucial role in halting the progress of Imperial Japan.



GEOGRAPHICAL OVERVIEW

China and India are separated by the Himalayas. China and India today share a border with Nepal and Bhutan acting as buffer states. Parts of the disputed Kashmir and Ladakh region claimed by India are claimed and administered by either Pakistan (Azad Kashmir and Gilgit and Baltistan) or by the PRC (Aksai Chin). The Government of Pakistan on its maps shows the Aksai Chin area as mostly within China and labels the boundary "Frontier Undefined" while India holds that Aksai Chin is illegally occupied by the PRC. China and India also dispute most of Arunachal Pradesh.



EARLY HISTORY

Antiquity

Etched carnelian beads of Indus valley origin have been excavated from various archaeological sites in China dating from Western Zhou and Spring and Autumn period (early half of 1st millennium BCE) to Han and Jin dynasties, indicating early cultural exchanges. China and India have also had some contact before the transmission of Buddhism. References to a people called the Chinas, are found in ancient Indian literature.

Middle Ages

From the 1st century onwards, many Indian scholars and monks travelled to China, such as Batuo (fl. 464–495 CE)—first abbot of the Shaolin Monastery—and Bodhidharma—founder of Chan/Zen Buddhism—while many Chinese scholars and monks also travelled to India, such as Xuanzang (b. 604) and I Ching (635–713), both of whom were students at Nalanda University in Bihar. Xuanzang wrote the Great Tang Records on the Western Regions, an account of his journey to India, which later inspired Wu Cheng'en's Ming dynasty novel Journey to the West, one of the Four Great Classical Novels of Chinese literature. According to some, St. Thomas the Apostle travelled from India to China and back (see Perumalil, A.C. The Apostle in India. Patna, 1971: 5–54.)

Tamil dynasties

The Cholas maintained good relationship with the Chinese. Arrays of ancient Chinese coins have been found in the Cholas homeland (i.e. Thanjavur, Tiruvarur and Pudukkottai districts of Tamil Nadu, India). Under Rajaraja Chola and his son Rajendra Chola, the Cholas had strong trading links with Chinese Song dynasty. The Chola navy conquered the Sri Vijaya Empire of Indonesia and Malaysia and secured a sea trading route to China. Many sources describe Bodhidharma, the founder of the Zen school of Buddhism in China, as a prince of the Pallava dynasty.

Yuan dynasty

A rich merchant from the Ma'bar Sultanate, Abu Ali, was associated closely with the Ma'bar royal family. After a fallout with the Ma'bar family, he moved to Yuan dynasty China and received a Korean woman as his wife and a job from the Emperor, the woman was formerly Sangha's wife and her father was Ch'ae In'gyu during the reign of Chungnyeol of Goryeo, recorded in the Dongguk Tonggam, Goryeosa and Liu Mengyan's Zhong'anji. Sangha was a Tibetan.

Sino-Sikh War

In the 18th to 19th centuries, the Sikh Empire expanded into neighbouring lands. It had annexed Ladakh into the state of Jammu in 1834. In 1841, they invaded Tibet and overran parts of western Tibet. Chinese forces defeated the Sikh army in December 1841, forcing the Sikh army to withdraw, and in turn entered Ladakh and besieged Leh, where they were in turn defeated by the Sikh Army. At this point, neither side wished to continue the conflict. The Sikhs claimed victory, as the Sikhs were embroiled in tensions with the British that would lead up to the First Anglo-Sikh War, while the Chinese were in the midst of the First Opium War. The two parties signed a treaty in September 1842, which stipulated no transgressions or interference in the other country's frontiers.

British Raj

Indian soldiers, known as "sepoys" who were in British service participated in the First and Second Opium Wars against Qing China. Indian sepoys were also involved in the suppression of the Boxer Rebellion in 1900, in addition to serving as guards in the British colony of Hong Kong and foreign concessions such as the Shanghai International Settlement. The Chinese slur "Yindu A San" (Indian number three) was used to describe Indian soldiers in British service.

After Independence

On 1 October 1949 the People's Liberation Army defeated the Kuomintang (Nationalist Party). On 15 August 1947, India gained independence from the British, becoming a federal, democratic republic after its constitution came into effect on 26 January 1950.

The relationship between newly independent India and a newly communist China started out on an optimistic note. Jawaharlal Nehru, the first prime-minister of India, and Premier Zhou Enlai, articulated a vision of an internationalist foreign policy governed by the ethics of the Panchsheel (Five Principles of Peaceful Coexistence). India established diplomatic relations with the PRC on 1 April 1950, the first non-communist/socialist nation in Asia to do so. In 1981, the Minister of Foreign Affairs of the People's Republic of China, Huang Hua made a landmark visit to New Delhi.

TRIANGULAR RELATIONS

The United States and Russia (previously Soviet Union) have been a consistent part of developments in Chinese and Indian relations.

As a major power, Japan has also been part of China-India relations with initiatives such as the Quadrilateral Security Dialogue. Pakistan and China share relations in an attempt to contain India, as well as drive Chinese infrastructure projects in the disputed territory of northern Kashmir. The Middle East, Latin America, and Africa are places where both India and China engage and compete. The Middle East is important to both countries in terms of their energy security. In Africa, China and India seem most engaged across a wide variety of issues from development to peacekeeping. In South Asia and South-East Asia, a power balance struggle between China and India is seen in triangular relations.

Nepal

Nepal's geostrategic situation during periods of heightened tensions between China and India, such as during the 1962 war, resulted in varying shades of cautionary neutrality when making statements; Nepal's Permanent Representative stated "we do not want to pass judgement on the merits of Sino-Indian border dispute.

The China-Nepal-India Economic Corridor (CNIEC) was proposed by China in April 2018. It is an extension of the agreed upon China-Nepal Trans-Himalayan Multi-dimensional Connectivity Network into India. While China and Nepal have shown favourable reactions towards CNIEC, India is "indifferent". This indifference is postulated to stem from CNIEC being a part of BRI, China's growing influence over Nepal, and an end to "India's monopoly over Nepal's transit points and Nepal's attempt to end its dependency on India".

United States

"The gesture that can save is to take a firm line with China, denounce openly her nefarious intentions, stand without reservations by the USA Militarily, China is almost ten times as strong as we are, but India as the spearhead of an American defence of democracy can easily halt Mao's mechanized millions."

On 28 March 1963, Sudhir Ghosh recorded the President of the United States John F Kennedy's reaction on reading Sri Aurobindo's words, "One great Indian, Nehru, showed you the path of non-alignment between China and America, and another great Indian Aurobindo, showed you another way of survival. The choice is up to the people of India." Earlier in the meeting Ghosh recorded Kennedy's reaction to a letter from Nehru, "He indignantly said that only a few months earlier when Mr Nehru was overwhelmed by the power of Communist China he made desperate appeal to him for air protection, and non-alignment or no non-alignment, the President had to respond. He added sarcastically that Mr Nehru's conversion lasted only a few days."

Indian Ocean

Pakistan, and more importantly Myanmar, other than India itself, are potential land routes into the Indian Ocean. Pan Qi, Vice Minister for Communications, wrote in 1985 that China would need to find an outlet for its landlocked provinces. At the time he suggested routes to the Indian Ocean through Myanmar.



MILITARY RELATIONS

China and India conduct a joint military exercise called 'Exercise Hand-in-Hand'. The exercise began in 2007 with the second edition taking place in 2008. The third, fifth, and seventh editions of Hand-in-Hand were conducted in China in 2013, 2015 and 2018 respectively while the fourth edition and sixth editions were held in India in 2014 and 2016. The eighth edition was held in India in 2019.



WATER SHARING AND HYDRO-POLITICS

A total of seven rivers that start in Tibet flow through India - Indus, Satlej, Karnali (Ghaghara), Subansiri, Brahmaputra and Lohit.

Brahma Chellaney has written that "India's formal recognition of Chinese sovereignty over Tibet constitutes the single biggest security blunder with lasting consequences for Indian territorial and river-water interests".

India has concern with China's water-diversion, dam-building and inter-river plans. Moreso, in a conflict, India fears that China can use the rivers as leverage. China has already constructed ten dams on the Brahmaputra and its tributaries such as the Zangmu Dam, and there has been talk of China building a mega-dam at the "great bend" called the Motuo Dam. India's concerns also stem from the fact that China does not cooperate with regard to timely sharing of information related to projects which would impact water sharing; nor does China allow Indian experts to visit dam sites. There are a number of MOUs on hydrological data sharing between the two countries with regard to the Brahmaputra including emergency management.



ECONOMIC RELATIONS

India-China economic relations have been institutionalized through the Joint Economic Group and Business Council, as well as more focused efforts such as the "Agreement on the Avoidance of Double Taxation".

China and India have developed their own complementary skills following a period in which they had cut themselves off from each other. By 2007, while China excelled at cost-effective manufacturing, India was skilled in cost effective designing and development. In 2007 Tarun Khanna wrote in Harvard Business Review that "The simplest, and most powerful, way of combining China and India is to focus on hardware in China and on software in India." In the 2009 book "Getting China and India Right", the authors suggest a China plus India strategy so as to strategically benefit from both India's and China's scale, complementary strengths, and reducing the risk of being unilaterally present.

There are cases when Indian companies have gone to China and done well, such as Mahindra and Mahindra, while Chinese companies such as Huawei have done well in India. Huawei set up its Indian unit in 1999 and by 2007 had 1500 engineers. Huawei's Bangalore unit, already one of Huawei's most important research and development centres, was Capability Maturity Model Level 5 certified in 2003.

In the oil sector there is competition and engagement – China's Sinopec and China National Petroleum Corporation and India's Oil and Natural Gas Corporation fight over oil assets in some regions while winning bids as joint ventures in others such as Syria, Colombia, Angola and Venezuela.

India imported \$65.3 billion worth of good from China in the fiscal year ended March 2020, and exported \$16.6 billion, according the commerce ministry.

BILATERAL TRADE

In June 2012, China stated its position that "Sino-Indian ties" could be the most "important bilateral partnership of the century". That month Wen Jiabao, the Premier of China and Manmohan Singh, the Prime Minister of India set a goal to increase bilateral trade between the two countries to US\$100 billion by 2015.

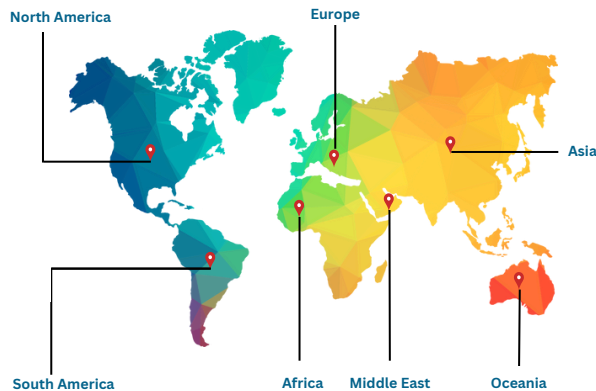
Bilateral trade between China and India touched US\$89.6 billion in 2017-18, with the trade deficit widening to US\$62.9 billion in China's favour. In 2017, the volume of bilateral trade between India & China stands at US\$84.5 billion. This figure excludes bilateral trade between India and Hong Kong which stands at another US\$34 billion.

Chinese imports from India amounted to \$16.4 billion or 0.8% of its overall imports, and 4.2% of India's overall exports in 2014. Major commodities exported from India to China were: cotton; gems, precious metals, coins; copper; ores, slag, ash; organic chemicals; salt, sulphur, stone, cement; machines, engines, pumps.

Chinese exports to India amounted to \$58.4 billion or 2.3% of its overall exports, and 12.6% of India's overall imports in 2014. Major commodities exported from China to India were: electronic equipment; machines, engines, pumps; organic chemicals; fertilizers; iron and steel; pastics; iron or steel products; gems, precious metals, coins; ships, boats; medical, technical equipment.



SERVING CLIENTS WORLDWIDE



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Key Contact



Surendra Singh Chandrawat

Managing Partner

✉ surendra@chandrawatpartners.com

Connect Surendra on

[LinkedIn](#)

[WhatsApp](#)

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