Prime Minister Dr. Manmohan Singh visited China on 22–23 October 2013. This was his fourth visit to China as the prime minister of India. During his first visit in January 2008, the two countries had signed a document titled, “Shared Vision for the 21st Century of the People’s Republic of China and the Republic of India”\(^1\). Among various issues that the Vision document mentioned, cooperation on the climate change issue and the international energy order was conspicuous. The two sides reiterated their readiness to join the international community in the efforts to address climate change. As regards the energy challenge, the document stated, “…the two sides pledge to promote bilateral cooperation in civil nuclear energy, consistent with their respective international commitments, which will contribute to energy security, and to dealing with risks associated with climate change”. Yet another highlight of his visit was that he was extended the honour to address the scholars at the prestigious Chinese Academy of Social Sciences, where he broached “the idea for an open inclusive economic architecture from the Indian Ocean to the Pacific”.

The same year in October, Prime minister Dr. Manmohan Singh had again gone to China to participate in the seventh summit of the Asia-Europe Meeting and held discussions with Chinese leaders as well as other participating world leaders, and shared his thoughts and ideas with regard to the world financial crises.

He visited China for the third time in April 2011 to participate in the BRICS summit held in Sanya, where South Africa was admitted as the fifth member of the multilateral grouping. It may be recalled that while earlier the issuance of the stapled visa to a senior Indian army officer from Jammu and Kashmir had cast a shadow on the bilateral relations, during his visit to Sanya, Beijing issued normal visas to the Indian journalists accompanying him. During

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the visit, the Indian Prime Minister and the Chinese President Hu Jintao agreed to set up a joint mechanism on coordination and consultation on border affairs, to resume senior level defence exchanges and to initiate a high-level economic dialogue mechanism to address investment and market accesses’ grievances by Indian companies particularly in IT and pharmaceutical sectors.

Thereafter, he also met (former) President Hu Jintao and Premier Wen Jiabao on the sidelines of multilateral meetings, such as the BRICS Summits and East Asia and ASEAN Summits.

He also played host to the Chinese President Hu Jintao in 2006 and Premier Wen Jiabao in 2005 and 2010. The visit of the Chinese Premier Wen Jiabao in 2005 was indeed a milestone in the relationship between the two countries. During that visit, the joint statement signed between the two leaders explicitly referred to “Sikkim of the Republic of India”. The two sides had also signed the historic “Political Parameters and Guiding Principles for the Settlement of the India-China Boundary Question,” which inter alia stated, “In reaching a boundary settlement, the two sides shall safeguard due interests of their settled populations in the border areas”.

After the leadership transition in China, Prime Minister Dr. Manmohan Singh met the Chinese President Xi Jinping at the BRICS summit in Durban in March 2013 and held wide ranging discussions. The Chinese president also elucidated his “five point” policy for strengthening bilateral relations. In an interview with an Indian news agency in Beijing, President Xi said that Sino-Indian ties are “one of the most important bilateral relationships”. Articulating his five proposals, Xi said that first China and India should maintain strategic communication and keep the bilateral relations on the “right track”. “Second, we should harness each other’s comparative strengths and expand win-win cooperation in infrastructure, mutual investment and other areas”, he added. The third point he mentioned was that India and China should strength cultural ties and constantly increase the mutually expanding friendship between the two countries. Fourth, the two countries should expand coordination and collaboration in multi-lateral fora to jointly safeguard the legitimate rights and interests of developing countries and tackle global challenges. Fifth, President Xi said, “…we should accommodate each other’s core concerns and properly handle problems and differences existing between the two countries”.

The momentum of friendship and ties, however, suffered a major jolt when the PLA troops “intruded” into the Indian side of the Line of Actual Control (LAC) in mid-April 2013 and the border standoff continued for about three weeks, straining the relationship between the two countries. The subsequent developments (including the visit of the External Affairs Minister
Salman Khurshid to China) led to the resolution of the impasse, which paved the way for the visit of Chinese Premier Li to New Delhi in May. This was also regarded a major event in the bilateral relationship between the two countries. As it was Li’s first visit abroad after his election, it was, in some sense, a reflection of the importance that the Chinese leaders attach to the relationship with India. In fact, after the visit of former Premier Wen Jiabao to India in December 2010, it was the turn of Prime Minister Dr. Manmohan Singh to visit China. Thus the year 2013 witnessed the back-to-back visits of the two prime ministers to each other’s country, replicating a similar back-to-back visit in 1954, when both Prime Minister Jawaharlal Nehru and Premier Zhou Enlai had visited each other in the same year.

During the October 2013 visit of Indian Prime Minister, as many as nine agreements/MoUs were signed between the two countries. The most significant outcome of Prime Minister Dr. Manmohan Singh’s visit to China was, however, the signing of the much touted Border Defence Cooperation Agreement (BDCA), the initiative for which was taken by the Chinese side as early as during the Defence Dialogue in Beijing, where the idea was broached. The Chinese side later drafted a proposal to India, which moved a number of times back and forth and finally, it was agreed to by India during the meeting of the Joint Working Group on Border Affairs, which met in Beijing just a few weeks before Prime Minister Dr. Singh’s visit to China. Media in India had reported that Beijing wanted India to stop its infrastructural development on the Indian side of the Line of Actual Control (LAC).

The preamble to the agreement while alluding to earlier CBMs signed between the two countries in 1993, 1996 and 2005 said, “...the India-China Strategic and Cooperative Partnership for Peace and Prosperity serves the fundamental interests of the people of the two countries”. Reference to Strategic and Cooperative Partnership seems to be a new addition to the nomenclature of the existing CBMs, because the relationship between the two countries was elevated to the strategic level only in 2005. However, references to fundamental interests of the people of the two countries were also there in the Preamble to the 1996 agreement.

The third line in the Preamble to the BDCA said, “...neither side shall use its military capability against the other side and that their respective military strengths shall not be used to attack the other side”. Although it reads like a no-war pact, the problem in the India-China LAC is not about war or attack; it is more about border intrusion or border transgression. A close analysis of the ten clauses of the agreement suggests that most of the clauses in the BDCA were already there in the provisions of earlier CBMS, while words
might have changed here and there except in clause VI.

The Preamble to the agreement further said that neither side shall use or threaten to use force against the other side by any means, nor shall it seek unilateral superiority. The Clause 1 of the Agreement on the Maintenance of Peace and Tranquility along the Line of Actual Control in the India-China Border Areas signed in 1993 during the visit of Prime Minister P.V. Narasimha Rao said, “The two sides are of the view that the India-China boundary question shall be resolved through peaceful and friendly consultations. Neither side shall use or threaten to use force against the other by any means. Pending an ultimate solution to the boundary question between the two countries, the two sides shall strictly respect and observe the line of actual control between the two sides.” In the entire text of the Border Defence Cooperation Agreement, not a single word was mentioned about contentious issues like the boundary question or alignment of the border at the Line of Actual Control.

The fourth sentence in the Preamble says, “Reaffirming that neither side shall use or threaten to use force against the other side by any means or seek unilateral superiority”. Preamble to the 1996 Agreement had a similar sentence with the additional word “military” – “to seek unilateral military superiority.” The fifth sentence in the BDCA speaks of the acceptance of “the principle of mutual and equal security”. It may be mentioned that Clause 2 of the 1993 agreement stipulated, “…the two sides agree to reduce their military forces along the line of actual control in conformity with the requirements of the principle of mutual and equal security to ceilings to be mutually agreed….” Elaborating the implications of the wordings, “the principle of mutual and equal security”, and responding to a specific question as to whether the border agreement in any way affected India’s right to build any kind of border infrastructure along the LAC, the Indian Ambassador in China S. Jaishankar said, “…the principle of mutual and equal security is there in all our previous agreements with the Chinese going back to 1993, 1996 and 2005. Essentially what that means is that there is recognition that the situation on the border is asymmetrical, that what is there in their side is different from what is there in our side. So each side in a sense will approach its security in its own way….?” Thus, there seems to be no restriction on India not to develop infrastructure on the Indian side of the LAC.

Article 1 of the agreement says that the two sides shall carry out border defence cooperation on the basis of their respective laws. Although this seems to be innocuous, it is worthwhile to remember that in the case of the South China Sea, the Hainan state, which has the jurisdiction over the South China Sea, recently passed a law to take action against any ship entering South
China Sea without authorisation by authority concerned. The question is should TAR pass similar laws, it may become an issue between the two countries. This question is, however, purely speculative in nature.

Article 2 of the agreement deals with incidents, which may happen on the border, and the ways and means to tackle them. Such incidents include military exercises, crossing over of the aircrafts, demolition operation, and also natural disasters and outbreak of infectious diseases. It also provides for cooperation and information sharing in the event of border crossing by human beings, livestock and aerial vehicles. Again, the 1996 agreement contained such provisions. An addition to such eventualities and possibilities is the Clause 2 of Article 2, which provides for jointly combating smuggling of arms, wildlife, wildlife articles, and other contraband. Smuggling of arms seems to have been included presumably, in the context of allegations of clandestine procurement of arms by some secessionist groups operating in the Northeast. Similarly, the mentioning of wildlife and wildlife articles suggests taking note of the poaching of tigers and illegal smuggling of its skin to China, and from China to outside. It may be mentioned that India and China have agreed to share intelligence on illegal trade in tiger parts between the countries, which is seriously endangering India’s tiger population.

Implementing Mechanism

Article 3 of the Agreement provides for implementing the mechanism to deal with all such situations and eventualities. Here also the Article reiterates existing institutional mechanisms both at the micro level and at the macro level. At the micro level, it is through Flag Meetings or meetings of border personnel at designated places along the Line of Actual Control at the India-China border. It may be mentioned in this connection that Article 5 of the 2005 Protocol signed between the two countries already provides, “…both sides shall hold two additional border meetings each year at Spanggur Gap in the Western Sector, Nathula Pass in Sikkim Sector and Bum La in Eastern Sector respectively in celebration of the National Day or Army Day of either side”. It further envisaged, “…both sides agree in principle to expand the mechanism of border meeting points to include Kibithu-Damai in the Eastern Sector and Lipulekh Pass/ Qiang La in the Middle Sector. The precise locations of these border meeting points will be decided through mutual consultations”. Incidentally it may be mentioned that after the Depsang incident, a Flag Meeting took place at Spanggur in Chushul, which helped in diffusing the standoff between the armies. It also proposes for periodic meetings between

Article 4 of the Agreement reiterates these provisions already spelt out in the 2005 Protocol. Additionally, however, it proposes the establishment of telephone and telecommunication links at mutually agreed locations along the LAC. It also envisages “establishing a Hotline between the military headquarters of the two countries”.

The most significant Article in the agreement is the Article 6, which says, “…the two sides agree that they shall not follow or tail patrols of the other side in areas where there is no common understanding of the line of actual control”. This, in fact, is the substance of the BDCA, which formalised the understanding. Like the taste of the pudding lies in eating, its efficacy will only be known in real time situation because the crux of the problem lies in the lack of clarity of the LAC.

Article 7 of the Agreement, therefore, reiterates the provisions of the earlier CBMs that state, “…in case a doubtful situation arises with reference to any activity by either side in border areas where there is no common understanding of the Line of Actual Control, either side has the right to seek a clarification from the other side. In such cases, the clarification shall be sought and replies to them shall be conveyed through any of the mechanisms”.

Article 8, which provides for the resolution of face off situations, seems to be problematic. The text of the Article says, “…the two sides agree that if border defence forces of the two sides shall exercise maximum self-restraint, refrain from any provocative action, not to use force against the other side, treat each other with courtesy and prevent exchange of fire or armed conflict”. It would be worthwhile to recall that Clause 2 of the Article of the 2005 Protocol on the contrary, clearly mentioned, “…the personnel crossing over to the other side should, in the light of the prevailing circumstances, take measures to return to their own side or proceed to places designated by other side en route to return to their own side”. Article 8 of the BDCA is silent on this count.

Finally, Article 9 says, “…the two sides shall implement this Agreement without prejudice to their respective positions on the alignment of the line of
actual control as well as the boundary question”. This means that various provisions of the BDCA will not override the provisions of earlier CBMS. To put it otherwise, it can be interpreted that the settlement of territorial dispute and alignment of the LAC will have precedence over the BDCA and the former will prevail over the latter.

**MoU on Strengthening Cooperation on Trans-border Rivers**

Another important Memorandum of Understanding signed between the two countries was on strengthening cooperation on trans-border rivers.\(^8\) India being a lower riparian country, there has always been anxiety with regard to hydrological projects being undertaken by China in the upper stream on the Tibetan plateau. Although agreements are in place between the two countries under which China is obliged to share hydrological data with India during the flood session, there has been a persistent demand from India for reassurance that the construction of mega hydrological projects by China won’t affect the lower riparian states in India, particularly in the North-East. This issue has been taken up by India with China from time to time even at the highest level. There is also an Expert Level Mechanism on trans-border rivers between the two countries. It was against this backdrop that an MoU was signed between the Ministries of Water Resources of the two countries. The MoU envisaged, “…the two sides recognized that trans-border rivers and related natural resources are assets of immense value to the socio-economic development of all riparian countries”. It further recognised, “…cooperation on trans-border rivers will further enhance mutual strategic trust and communication as well as strengthen the strategic and cooperative partnership”. According to the MoU, the Chinese side agreed to extend the data provision period of the Yaluzangbu/Brahmaputra River to India from 2014 that is to start from 15 May instead of 01 June to 15 October of the relevant year.

**Economic Engagement**

Although the media paid a greater deal of attention to the Border Defence Cooperation Agreement signed between India and China during the visit of Prime Minister Dr. Manmohan Singh, the economic aspects of it also occupied considerable space in the report on the outcome of the visit. The prime minister, in his speech at the Central Party School on 24 October said: “…Indeed the most dynamic area of our relationship has been economic, and China has emerged as one of India’s largest economic partners”.\(^9\) Having said this, he
however, hastened to add that, “… Naturally, there are concerns on both sides—whether it is incidents in the border region, trans-border rivers or trade imbalance”. Bilateral trade between the two countries reached $73 billion in 2011. It however, declined to $66 billion last year giving rise to a trade deficit of $28 billion. The major import of China from India has been iron ore. The slump in India’s export of iron ore has been triggered primarily by mining bans in Karnataka. Indian imports of Chinese power equipment and telecom equipment have been affected because of the imposition of higher tariffs and security concerns. India has also been complaining of difficulties in the access to Chinese markets for its IT and pharmaceutical products. The issue has been taken up by India from time to time at various levels including the Economic and Strategic Dialogue.

It is against this context that the two countries have been mulling over ways and means to diversify the trade basket. The prime minister, in his address at the Party School, while emphasising opportunities for cooperation between India and China, alluded to expansion and modernisation of India’s infrastructure and said that India plans to invest one trillion US dollar in infrastructure in the next five years. He welcomed China’s expertise and investment in this sector. The MoU on Cooperation in Road Transport and Highways signed between the two countries will certainly supplement and compliment the Chinese investment in the infrastructural sector. As far as infrastructure is concerned, another area where there is scope for Chinese engagement is the Indian Railways, including the High Speed Railways in which the Chinese have expertise. India is currently undertaking techno-economic studies on High Speed Railways. Prime Minister Dr. Manmohan Singh in his interaction with the media prior to his departure to China said that New Delhi has not taken a decision yet on whether to go forward with the construction of High Speed Railways in their current stage of development. Meanwhile, the Railway authorities of India and China have been in touch with each other and are considering cooperation in station development, heavy haul freight traffic and raising the speed of passenger trains on existing tracks.

MoU on Power Equipment

The MoU on Power Equipment¹⁰ is expected to address the complaints and grievances of the Indian power sector companies that have imported and installed power equipment from China. India has been a strategic market for Chinese power equipment manufacturers. Under the 11th Five Year Plan
a total of 18 GW of thermal power projects were commissioned in India and about 40 GW of power projects are currently under construction using Chinese-made equipment. It is hoped that the Power Equipment Service Centers (PESCs) will be in a position to provide timely and unhindered availability of spare parts and services, which in turn would help in the optimal utilisation of the capacity of power plants. As per the MoU, the National Energy Administration of the People’s Republic of China would actively encourage Chinese equipment manufacturers who have supplied power equipment, including power-generating equipment to India to set up the PESCs. The MoU further envisaged that the form and scope of service would be decided by the equipment supplier and power owner on market principles. Although in principle this is a positive development, unless they are implemented and operationalised, the actual costs of maintenance and repair won’t be known.

**Cooperation in Roads and Road Transportation**

Since China has considerable expertise in the efficient management of highways and roads, an MoU on cooperation in roads and road transportation was also signed between the two countries during the visit of the prime minister. The objective of the MoU was to develop and promote safe, efficient, cost effective and sustainable road transportation systems. The MoU is however, restricted only to National Highways, excluding urban transport. The MoU provides for exchange and sharing of knowledge in Intelligent Transport System, and sharing of information and best practices on increasing vehicle safety oversight, and a safety fitness framework for vehicle testing and certification system. As regards implementation of the MoU, it said that the International Cooperation Wing of the Ministry of Road Transport and Highways of India and its Chinese counterpart will carry out the coordination of activities.

**Setting up of Industrial Parks in India**

As the current state of bilateral trade between the countries seems to be unsustainable, the two countries are trying to find new areas for bilateral economic engagement. In fact, Prime Minister Dr. Manmohan Singh ahead of his official visit to China, while responding to the media, had said that one of the ways of overcoming the trade deficit for India is to attract large flows of Foreign Direct Investment from China. He further said that during the visit
of Chinese Premier Li Keqiang to India in May 2013, the Chinese Premier had proposed establishing Chinese Industrial Parks in India where companies and firms from China could cluster together. Prime Minister Dr. Singh, in his statement to the media after the delegation level talks with the Chinese Premier, reiterated that Premier Li was receptive to his concerns about the unsustainable trade imbalance between the two countries and that the two countries are taking forward the suggestion for a Chinese industrial park to act as a magnet for Chinese investment in India. Earlier, the issue was discussed between India’s Foreign Secretary Ms. Sujatha Singh and Chinese Vice-foreign Minister Liu Zhenmin at the India-China Strategic Dialogue in August 2013. Recently, a Chinese delegation visited India and had positive discussions with Indian officials. It is reported that China is looking at Andhra Pradesh, Gujarat, Maharashtra, Karnataka and Uttar Pradesh as possible locations for industrial parks.

As far as a macro-economic strategy between the two countries is concerned the Joint Statement issued by the two countries said: “The two sides agreed to look into the prospect of a bilateral Regional Trade Agreement (RTA)”. It further said that the two sides will also review the state of the negotiation on Regional Comprehensive Economic Partnership (RECP). As regards Bangladesh, China, India, Myanmar (BCIM) Economic Corridor, the Joint Statement said both India and China would continue to discuss with other parties towards this initiative and hold the first BCIM Joint Study Group Meeting in December 2013 to study a specific programme on building the BCIM Economic Corridor.

Establishing Sister City Relations with Delhi, Kolkata and Bengaluru

During the visit of Prime Minister Dr. Manmohan Singh to China, agreements were also signed to establish sister city relationships between Delhi and Beijing,12 Bengaluru and Chengdu13 and between Kolkata and Kunming14. These agreements are basically aimed at carrying out cooperation in the fields of education, culture, sports, youth affairs, urban planning, waste water management, infrastructure, environment, public health, and exchange of trade and commercial delegations. Although the central governments of the respective countries will patronise sister city relations, the scheme aims at fostering the state-to-state relationship between the two countries at the provincial level, and to promote people-to-people contact. In fact, in recent years a number of delegations from various provinces of China have been visiting India, and similarly, chief ministers from various states such as Gujarat,
Bihar, Karnataka and Madhya Pradesh have visited China and have shown interest in the economic development taking place in China. In the scheme of sister city relations, Mumbai is missing from the Indian side.

**Stapled Visa for Indian Citizens from Arunachal Pradesh**

The practice of the Chinese embassy in New Delhi to issue stapled visa and not the regular visa to Indian citizens from Arunachal Pradesh has been an irritant in the relations between the two countries. As some archers from Arunachal were denied regular Chinese visa to participate in an international event taking place in China prior to Prime Minister Dr. Manmohan Singh’s visit, the issue of stapled visa also figured in the discussion between the sides. Replying to a question, Foreign Secretary Ms. Sujatha Singh said that the issue was taken up for discussion and that it would be taken up further.

**Conclusion**

China is India’s largest as well as strongest neighbour with which India has an unsettled border. It is also the world’s second largest economy. It is only prudent and wise to manage our relations with China thoughtfully and imaginatively, which India has been doing with some degree of success. India is one of the few major countries in the world that have been following a consistent policy of engagement with China even prior to its independence. As such, India from the beginning has taken a long term view of its engagement with China. It is not surprising that there exists a broad consensus of views among all major political parties with regard to India’s policy of engagement with China. All prime ministers of the country, irrespective of their political persuasion, have sought to engage China. It may be recalled that Mr Atal Bihari Vajpayee, who later became prime minister of the country, visited China in 1979 as the foreign minister of the country of the erstwhile Janata government. The initiative was followed up by Prime Minister Rajiv Gandhi of the Congress Party in 1988, and later by Prime Minister Narasimha Rao in 1996 of the same party. Mr Vajpayee, as prime minister of the country, visited China in 2003. Prime Minister Dr. Manmohan Singh continued the tradition in his own inimitable style sprinkled with sobriety, wisdom and persuasion. He has been resolute none the less. This is evident from his deft handling of India’s oil exploration in the South China Sea and his firm stance on the issue.
In spite of India’s engagement with China, there should not be any complacency or flippancy with regard to military preparedness in dealing with China. India, not withstanding its consistent policy of engagement with China, can deal with the mighty northern neighbour only from a position of strength, not from position of weakness or vulnerability. China can behave in an unpredictable manner depending on the domestic economic and political situations. In any situation of threat to the hegemony of the Communist Party of China, the ruling regime can resort to fomenting trouble for its neighbour or any other foreign power to distract the people’s attention from domestic trouble and to keep a grip over the party. At the same time, the momentum of dialogue at various levels should be maintained.

Notes


3 “China Unveils 5-point Formula to Improve Ties with India”, available at http://articles.timesofindia.indiatimes.com/2013-03-19/china/37842902_1_border-issue-border-question-xi

4 “China Unveils 5-point Formula to Improve Ties with India”, Business Line, 20 October 2013.


7 Media Briefing by Foreign Secretary and India’s Ambassador to China, available at http://www.mea.gov.in/outging-visit-detail.htm?22380/Transcript+of+media+briefing+by+Foreign+Secretary+and+Indias+Ambassador+to+China+on+Prime+Ministers+ongoing+visit+October+23+2013


12 “Agreement on the Establishment of Sister City Relations between Delhi, Republic of India and Beijing, People’s Republic of China”, available at http://mea.gov.in/bilateral-documents.htm?dtl/22376/Agreement+on+the+establishment+of+Sister+City+Relations+between+Delhi+Republic+of+India+and+Beijing+Peoples+Republic+of+China


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