



Chintan  
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ELEVATING IDEAS  
EMPOWERING PEOPLE

# INDIA & CHINA

AT



A Pivotal Juncture:  
Expectations and Reality

17 March 2026

Dr Ambedkar International  
Centre (DAIC), New Delhi

EVENT REPORT



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## ABOUT CRF

Chintan Research Foundation is an independent think tank dedicated to shaping policy through rigorous research and thought leadership. With a strong focus on fostering collaboration between policymakers and industry, CRF integrates practical insights into its research and advocacy efforts. It conducts comprehensive research to support informed decision-making and engages with stakeholders through discussions, events, and publications. CRF's research is focused on three core domains – Climate Change & Energy Transition, Economy & Trade, and Geopolitics & Strategic Studies. For more details, refer to the website: [www.crfindia.org](http://www.crfindia.org)

# INDIA AND CHINA AT 75

## A Pivotal Juncture: Expectations and Reality

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17 March 2026 | Dr. Ambedkar International Centre, New Delhi



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## FOREWORD



The relationship between India and China is among the most consequential bilateral ones of our time. The relationship between India and China is among the most consequential bilateral ones of our time. Representing nearly one-third of humanity and two of the world's oldest civilizations, the trajectory of this relationship carries profound implications not only for Asia, but for the evolving global order. As both nations mark 75 years of diplomatic ties, it is an opportune moment to reflect on the journey thus far—one defined as much by cooperation and shared aspirations as by competition, complexity, and periods of tension.

Over the decades, India-China relations have traversed multiple phases—from early idealism and solidarity to conflict and estrangement, followed by gradual normalization and expanding engagement. More recently, the relationship has witnessed renewed strains alongside pragmatic recalibration. This ebb and flow is not an aberration, but rather a reflection of the structural realities that shape ties between two large, ambitious, and rapidly transforming powers. It is precisely this interplay of convergence and divergence that makes sustained dialogue both necessary and urgent.

It is in this context that the Chintan Research Foundation organised a seminar titled “India and China at 75 – A Pivotal Juncture: Expectations and Reality.” The discussions brought together a diverse set of voices—from academia, strategic affairs, industry, and media—to examine the many dimensions of the bilateral relationship. What emerged was a rich and candid exchange of perspectives, grounded in realism yet attentive to opportunities for constructive engagement.

The deliberations underscored that while areas of friction—particularly along the border, in regional geopolitics, and in economic asymmetries—remain significant, there also exist compelling imperatives for cooperation. From global trade and supply chains to climate change, technology, and multilateral governance, India and China are inevitably intertwined. Managing competition while expanding cooperation is not merely desirable; it is indispensable.

As both countries navigate an increasingly uncertain and multipolar world, forums such as this seminar play a vital role in fostering informed dialogue and generating actionable insights. It is our hope that this report contributes meaningfully to that ongoing conversation and helps shape a more stable, constructive, and forward-looking relationship between India and China.

Warm regards,

**Mr. Shishir Priyadarshi**

President, Chintan Research Foundation



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# INDIA AND CHINA AT 75 - A PIVOTAL JUNCTURE: EXPECTATIONS AND REALITY

In the context of India and China marking 75 years of diplomatic ties, Chintan Research Foundation (CRF) organised a seminar on “India and China at 75 - A Pivotal Juncture: Expectations and Reality”. The seminar brought together experts from academia, strategic community, industry, and media, across the domain to understand the various aspects of the strategic partnership that has sustained and adapted itself in accordance with the changing geopolitical environment. Held at the backdrop of the US tariffs’ levied on developing countries, the seminar sought to provide in-depth insights into the Sino-Indian relationship focusing on the emerging opportunities between the two. It further sought to examine the various aspects of their bilateral relationship from military, economic to socio-political changes over the last decade and finding a way to tango in the future.

## OPENING REMARKS



**DR. BHAVNA SINGH**  
Visiting Fellow,  
Chintan Research Foundation

Dr. Bhavna Singh, Visiting Fellow at CRF set the tone of the seminar stating that the given the uncertainty in the world order it becomes even more pertinent to evaluate the evolving strategic and economic relationship between India and China. Both nations share a complex relationship which is shaped by cooperation, rivalry, conflict and strategic competition at the same time. Since the establishment of diplomatic ties in 1950, the relations have evolved through several different phases. Beginning from 1950 to 1959, where there was early friendship and it was based on idealism to a gradual conflict and breakdown from 1959 to 1976 with specific mention of the India-China war in 1962.

She highlighted that their relations normalised when Rajiv Gandhi visited China followed by several rounds of engagement and confidence building between 1988 to 2013. Although, there has been a consistent strategic competition and incidences of border crisis between 2013 to the present. She underscored that the India-China relationship has meandered through a very complex cascade over the last 75 years. It is through conscious deliberations that both India and China will be able to navigate areas of convergence into cooperation driven by economic realism in the region.

## WELCOME ADDRESS



**MR. M. JAMSHED**  
Distinguished Fellow,  
Chintan Research  
Foundation

In his welcome address, Mr. M. Jamshed, Distinguished Fellow at CRF, stated that India-China diplomatic relationship spans over 75 years of interdependence between the two neighbours, and they remain the two most important economies of the world that will drive the momentum of change in the future. China - India relations have always surged forward despite some obstacles that the two faced being geographical neighbours, the likes of border dispute. He cited the historical relationship shared between the two ancient civilizations and stressed upon how the last 75 years have shaped the current dialogue between the two Asian powers. Although the border conflict of 1962 was a setback to bilateral ties, PM Rajiv Gandhi's visit to China in 1988 marked a new beginning in the improvement of bilateral relations.

He further mentioned that during PM Atal Bihari Vajpai's visit to China in 2003, India and China signed the Declaration on Principles for Relations and Comprehensive Cooperation, and mutually decided on appointing Special Representatives (SRs) to explore the framework of a boundary settlement. Despite the border problem that has been left over from history the diplomatic relations have flourished in more than one way. During President Xi Jinping's visit to India in September 2014, the two sides redefined their bilateral engagement as a 'Closer Developmental Partnership'. In addition, the two leaders also met on the sidelines of various multilateral summits. PM Modi visited China to participate in the G20 Summit in September 2016, the BRICS Summit in Xiamen, and the SCO Summit in Qingdao in 2018. President Xi visited India in October 2016 to participate in the BRICS Summit in Goa.

India and China have had more than thirty dialogue mechanisms in place at various levels, across bilateral political, economic, cultural, people-to-people and consular matters, along with dialogues on regional and global issues. This keeps their relationship strong and open to mutual intervention whenever necessary. He also stated that the two societies have remained connected through trade networks across the Himalayas and the Indian Ocean, as well as through the transmission of Buddhism, scholarship, and cultural exchange. Silk and tea are two cultural elements that can instantly bring fond memories of cultural affinity amongst the people on both sides. A very robust trade relationship is also obvious from the fact that bilateral trade hit a record USD 155.6 billion in 2025.

He concluded his address by highlighting that the periods of stabilisation have repeatedly been interrupted by crisis, revealing a structural fragility of the relationship. As both nations expand their global roles, it is even more pertinent to take note of the pathways that both nations have travelled so far and the way to take this relationship forward. It is even more important to discuss the need for normalisation and resurrecting the inherent spirit of cultural and civilisational ties that have bound the two sides historically. He reiterated PM Modi's emphasis on the need to strengthen ties with China despite past tensions, advocating dialogue over discord and cooperation over conflict.

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## SPECIAL ADDRESS



**MR. AOTIEN ZHENG**  
Chinese Journalist,  
Global People Magazine,  
Beijing

Mr. Aotien Zheng opened his address by emphasizing that international diplomacy is most effective when it transcends state-level interactions to create “micro-level” personal connections. He also shared some anecdotes to adopt the Hindu name Akash, meaning ‘sky’, mirroring his Chinese name Tian. This gesture symbolizes the ease of relationship-building through cultural adaptation.

He provided a sophisticated analysis of how modern internet trends in China are deeply rooted in ancient civilizational history. The core of his address focused on the growing interest of young Chinese internet users in India, particularly on the video platform Bilibili. He highlighted the importance of “internet memes” as a medium that is both shallow and deep; while designed to spread quickly and often carrying stereotypical ideas, memes must echo deep cultural elements and historical memories to be successful. He specifically discussed the long-standing Chinese meme Mòdí Lǎoxiān, translated as “Modi the Old Sage” or “Modi the Ascendant”. The cultural origin of this meme lies in Chinese wuxia (martial arts) culture, which also birthed modern kung fu pop culture. He also explained that classical wuxia settings often feature other civilizations, with Indian civilization having a remarkably strong presence.

Tracing historical cultural roots, Mr. Zheng mentioned the Shaolin Temple and its founding master, Bodhidharma which is known in Chinese as Damo. As a real historical figure and an Indian Buddhist monk who travelled to China in the 5th or 6th century, Damo played a crucial role in the sinicization of Buddhism, which became one of the three pillars of traditional Chinese culture alongside Confucianism and Taoism. Over time, Damo became a semi-legendary figure in folklore—an immortal martial artist. Another reference in wuxia culture is the character Tiānzhú Shèngsēng also known as the Noble Monk from India, a great physician who embodies the spirit of traditional Chinese chivalry. In literature, this character achieves a noble death by testing a poison on himself to find a cure for a friend. Mr. Zheng drew a modern parallel to this spirit through the story of Dr. Dwarkanath Kotnis (Ke Dihua), an Indian physician who provided humanitarian aid in China starting in 1938 and served with the army against Japanese invaders until his death in 1942.

He further noted that 2025 marked the 75th anniversary of diplomatic relations between China and India. In April 2025, President Xi Jinping

and Indian President Droupadi Murmu exchanged congratulatory messages, with President Xi noting that both nations are major developing countries and important members of the Global South at a critical stage of modernization. He described the development of relations as a choice to be partners in “mutual achievement” and to realize the “dragon-elephant tango.” President Murmu reciprocated by stating that a stable and friendly bilateral relationship would benefit both countries, which together represent one-third of the world’s population. Furthermore, in August 2025, PM Modi conducted a historical visit to Tianjin for official talks with President Xi Jinping. Both sides emphasized in their official publications that China and India are partners, not rivals, and reaffirmed their mutual support for strategic autonomy and a multi-polar world.

Mr. Zheng also talked about the 10th anniversary of the New Development Bank (NDB) and the Asian Infrastructure Investment Bank (AIIB). Both institutions were co-founded by China and India to address shortcomings in the existing international financial system, particularly the shortage of long-term environment financing for emerging economies. He contrasted these banks with Western-dominated institutions, noting that the NDB and AIIB value the sovereignty of the developing world and provide loans with lighter conditionality policies. He cited the leadership of Indian economist K. V. Kamath, who served as the NDB’s first president, was a key factor in the bank’s foundational success. He concluded by stating that while this path traversed by the neighbours is not without risk, but holds the possibility of regional and global success.

## PANELISTS : SESSION 1

### MODERATOR



**MAJ. GEN. DEEPAK MEHRA**  
Kirti Chakra, AVSM,  
VSM (Retd.)

### SPEAKERS



**PROF. SRIKANTH KONDAPALLI**  
Centre for East Asian Studies,  
EAS, JNU



**PROF. B. R. DEEPAK**  
Centre for Chinese and Southeast  
Studies, JNU



**DR POOJA BHATT**  
Associate Professor, Centre for Strategic  
Studies, O. P. Jindal University



**MS. NAMRATA HASIJA**  
Research Fellow, CCAS

## SESSION I: DRAGON - ELEPHANT IN SOUTH ASIA: TANGO TO MUSICAL CHAIRS

Moderated by: Maj. Gen. Deepak Mehra, Kirti Chakra, AVSM, VSM (Retd.)

Maj. Gen. Deepak Mehra opened the session by reflecting on the 75-year trajectory of India-China relations. He emphasised that this act was framed not as a historical accident, but as a conviction that two newly decolonized, ancient civilizations could anchor a new post-colonial world order. However, this vision has faced a “long and painful encounter with reality,” oscillating between moments of warmth and strategic ruptures—from “Hindi-Chini Bhai-Bhai” to the conflicts at Galwan and Doklam.

As of March 2026, the relationship stands at a pivotal juncture. Signals for optimism were visible, including the Modi-Xi meeting in Kazan, the Tianjin SCO summit, and the Strategic Dialogue of February 2026, where both nations formally described each other as “cooperative partners” rather than rivals. Despite this, he cautioned that this pivot could easily revert to old patterns if not managed with care.

While identifying structural incentives for cooperation, such as multipolarity, global institutional reform, and response to Trump’s tariffs, he underscored that significant friction points remain. These include unresolved border issues, the Belt and Road Initiative’s (BRI) impact on Indian sovereignty, and the lack of Chinese support for India’s permanent seat on the UN Security Council.

### Prof. Srikanth Kondapalli, Centre for East Asian Studies, EAS, JNU - Changing Chinese Perceptions of India

Prof. Srikanth Kondapalli delivered a comprehensive assessment on how China perceives India, utilizing the framework of Chinese decision-making structures. He commenced by structuring his analysis around the five primary decision-makers and policy-influencers in China: the Communist Party, the Ministry of Foreign Affairs, the People’s Liberation Army (PLA), the commercial lobby, and academic elites.

The first and dominant decision-maker is the Chinese Communist Party (CCP), which remains at the core of all policy formulation. He highlighted two foundational aspects of China’s historical and cultural perspective on India:

- First, the view of India as Tianzhu (Western Heaven), rooted in the fact that 18% of China’s population practices Buddhism; and
- Second, the application of the ancient 36 Stratagems, specifically the tactic of combining with the small to counter the big. In the context of South Asia, China applies this stratagem by aligning with smaller nations to counterbalance India, which holds the largest landmass, highest GDP, and largest population in the region.

Talking about the 19th Party Congress he recounted Xi Jinping’s outline on China’s ambition to move to the ‘center stage’ of global leadership. This aspiration for regional and global hegemony inherently impacts India, as China cannot achieve this without leading the South Asian region.



Additionally, the concept of “China’s Rejuvenation” involves reclaiming ‘lost territories’, which directly drives China’s renaming of Arunachal Pradesh to ‘Southern Tibet’ and its aggressive posture on the border. Furthermore, the CCP advocates for a ‘community of shared destiny’, a political partnership that requires alignment with Chinese programs. Prof. Kondapalli explained that India has declined to join this ‘tango’, citing reservations over the Belt and Road Initiative (BRI), specifically the China-Pakistan Economic Corridor (CPEC) passing through occupied Kashmir, and is further reflected in its refusal to commit to China’s newly proposed Global Development, Security, Civilization, and Governance Initiatives.

The second decision-maker, the Ministry of Foreign Affairs, approaches India through a realist lens of balancing other powers. Prof. Kondapalli noted that while China insists on a “One China” policy, it has not reciprocated with a “One India” policy, an issue raised by former External Affairs Minister Sushma Swaraj in 2014. Additionally, the Ministry actively promotes initiatives like the Himalayan Quad to counterbalance Indian influence.

The third pillar of influence is the People’s Liberation Army (PLA), which is represented at the highest levels of government, including the Central Leading Group for Foreign Affairs. PLA literature perceives India as aspiring to dominate South Asia and the Indian Ocean, as well as seeking a global outreach to the Middle East. Consequently, the PLA advocates for policies that confine India geographically, supporting smaller regional states and securing strategic bases like Hambantota and Djibouti to challenge Indian naval presence.

The fourth influencer is the commercial lobby, represented by organizations like the CCPIT and various Chambers of Commerce. Following regulations established by Jiang Zemin, these organizations maintain CCP cells, ensuring alignment with central directives. From their perspective, India is primarily viewed as a massive market of 400 million consumers for Chinese exports, including automobiles and EVs, despite India’s refusal to join trade agreements like the RCEP.

Concluding his address, he discussed the elite professionals and academics, many of whom are CCP members. While some scholars emphasize civilizational ties through Buddhism or shared colonial history, the dominant academic perspective is realist, advocating for balancing and bandwagoning against India. However, he also noted the existence of “enlightened national interest” perspectives from scholars like Cheng Ruxian and Cheng Ruxiang, who argue that India has legitimate aspirations for economic development, technology, and market access that parallel China’s own demands. He also stated that it is the synthesis of these five distinct but interconnected groups that determines China’s overarching perspective and policy toward India.

#### **Prof. B. R. Deepak, Centre for Chinese and Southeast Studies, JNU - India and China in Strategic Disequilibrium**

Prof. B. R. Deepak delivered an address that provided a nuanced historical analysis of India-China relations, structuring his address around five core assumptions. His first assumption centred on the ancient history of India-China relations, which he described as being defined by a circulatory movement of ideas, people, technologies, and goods spanning two millennia. He highlighted that this historical facet is well understood in China and represents a profound civilizational dialogue primarily driven by the spread of Buddhism. He noted that thousands of scholar-monks travelled between the two nations, laying the foundation for a deep interconnectedness. To illustrate this profound influence, he pointed out that modern Chinese contains approximately 35,000 words of Sanskrit origin and that this era saw the establishment of an unprecedented translation industry in China, creating the repository of East Asian Buddhist literature.

Moving to his second assumption, Prof. Deepak addressed the colonial era, which was marked by both camaraderie and conflict. He cited instances of Indian soldiers stationed by the British in China who switched sides to join Chinese rebels. While figures like Dr. Dwarkanath Kotnis and Rabindranath Tagore built bridges during this time, he stressed that many of the negative perceptions and images currently haunting the bilateral relationship were also forged during the colonial period. This led directly into his third assumption, which examined the post-independence era. He argued that India and China were bound for confrontation due to the inherited colonial borders resulting from the northward expansionism of the British and the southwestward expansionism of Manchu China. This historical legacy directly contributed to the confrontational path that culminated in the 1962 conflict, leading to decades of battling to manage crises and build confidence.

Prof. Deepak’s fourth assumption highlighted a period of ‘strategic equilibrium’ between India and China, precipitated by the disintegration of the USSR and Sino-US rapprochement. He presented compelling data to illustrate the near parity between the two nations during the late 1980s, when Prime Minister Rajiv Gandhi visited China, India’s nominal GDP was USD296.59 billion compared to China’s USD312.35 billion, a marginal gap of just USD16 billion. Notably, India’s per capita income was higher than China at that time. It was this equilibrium that allowed for the establishment of various confidence-building measures between 1993 and 2012.

The final and most critical assumption addressed the current state of relations, defined by a “strategic disequilibrium” resulting from four decades of massive economic growth in China. Today, China’s economy is five times larger than India’s. He further argued that this widening asymmetry is

the root cause of recent border tensions, culminating in the 2020 clashes. He cited China's massive infrastructure investments in Tibet—USD39 billion under the 14th Five-Year Plan ending in 2025—as a major factor. Furthermore, he outlined several reasons cited by contemporary Chinese scholars, such as Yuan Zhirong and Wang Sheta, for the friction, including India's abrogation of Article 370, its participation in the Indo-Pacific strategy, the rise of Hindu nationalism, and India's perceived "great power mentality" in seeking parity with China.

Regarding the current border situation, he stated that while disengagement has occurred, de-escalation has not, and a degree of standoff persists. He mentioned that India has shown strategic patience and noted the allowance of Chinese patrolling rights in Yangtze, though it has not been widely reported. He also highlighted an ongoing debate within China regarding India. Chinese scholars question whether Beijing should prop up India's manufacturing capabilities by treating it as a foreign direct investment (FDI) destination, fearing the creation of a rival similar to what Western investments created in China. Consequently, issues like de-risking, decoupling, and supply chain relocations to Southeast Asia are prominent in Chinese strategic thinking.

Concluding his address, he outlined three possible future scenarios for India-China ties, noting that inherent structural issues—such as the Sino-Pak nexus, the Tibet issue, and China's forays into the Indian Ocean Region—prevent a true "tango." The first highly probable scenario involves managed rivalry to avoid major crises, featuring stabilized border management and partially restored economic ties, evidenced by the Indian government's recent amendments to Press Note 3 of 2020 issued on March 15, 2026. The second highly probable scenario is intensified strategic rivalry, featuring a military infrastructure race across the Himalayas, increasing naval competition in the Indian Ocean, and economic decoupling in strategic sectors. The third scenario, strategic détente, involving a long-term freeze on the border issue or expanded economic integration, is deemed highly unlikely due to China's unwillingness to dilute its alliance with Pakistan. Prof Deepak concluded with a strong recommendation that India must abandon episodic, ad-hoc, and reactive policies in favour of a long-term, well-defined national strategy toward major and middle powers, particularly China.

**Dr Pooja Bhatt, Associate Professor, Centre for Strategic Studies, O. P. Jindal University - 'Competitive Embrace': Can India and China Build a Sustainable Maritime Order?**

Dr Pooja Bhatt commenced her address by responding to two primary questions, whether India and China can cooperate within larger multilateral forums such as the United Nations, and how the two nations can collaboratively accommodate each other's strategic risks and future ambitions, specifically within the maritime domain. She framed her argument with a disclaimer regarding optimism, explicitly stating that the prospect of India and China building a sustainable maritime order begins with a negative assessment on how rising powers are rarely accommodative of each other's rights. She emphasized that while India and China are distinct, their growth trajectories and development timelines, targeting 2047 and 2049 respectively, coincide not only geographically but also within shared maritime and territorial spaces, thereby significantly intensifying regional competition.

She characterized the maritime domain as a zone of 'competitive embrace'. While it will remain an arena for Sino-American competition fuelled by military distrust, it is also a space where India and

China must eventually cooperate due to shared borders, resources, and prevalent norms in the Indo-Pacific and Indian Ocean regions. The bilateral relationship is currently defined by a cycle of hope and distrust, exacerbated by competition over regional influence and access to critical resources, including supply chains and naval assets. She further highlighted that Sea Lines of Communication (SLOCs) and strategic chokepoints are increasingly becoming focal points of competition in the Indo-Pacific. From the Indian perspective, China's 'String of Pearls', a network of dual-use port infrastructure across the Indian Ocean, is viewed as a direct threat to India's strategic autonomy and security, particularly concerning submarine-based defenses and China's alliances with neighbouring countries. China views India's engagements with Southeast Asian nations such as Vietnam and the Philippines, its participation in the Quad, and its vocal opposition to Chinese claims in the South China Sea with significant apprehension. This mutual distrust has manifested in unregulated naval encounters, such as the 2019 incident in the Andaman Sea, highlighting a lack of confidence-building measures despite both nations being signatories to the United Nations Convention on the Law of the Sea (UNCLOS).

Despite these tensions, she argued that strategic cooperation remains a necessity for both countries. Economic collaboration is vital for global trade routes and the mutual economic ascent of both nations. In terms of security, the Indian Ocean is highly vulnerable to transnational threats, including natural disasters, piracy, and maritime crimes, which neither country can manage unilaterally. Additionally, the developing concept of the blue economy presents a critical area for potential collaboration. She noted past attempts at building trust, specifically the India-China annual maritime dialogue initiated in 2016. However, this mechanism yielded only declaratory outcomes without establishing operational trust, resulting in a mere two meetings (in 2016 and 2018) before stalling entirely following the Galwan clash due to severe diplomatic and political friction.

She further stated feasible areas for cooperation, noting that India and China have successfully collaborated in the past. At the UN Security Council (UNSC) level, both nations have demonstrated a commitment to multilateralism and non-interference, evidenced by their mutual abstention during the 2022 UNSC vote on the Ukraine crisis, underscoring a shared prioritization of strategic autonomy. Furthermore, China's increasingly softened diplomatic language regarding India's bid for a non-permanent UNSC seat suggests an acknowledgment of India's broader global aspirations. Bilateral consultations on issues such as the Line of Actual Control (LAC), counter-terrorism, and peacekeeping have occurred, and both nations continue to cooperate within multilateral frameworks like BRICS and the Shanghai Cooperation Organisation (SCO) on issues ranging from climate resilience to trade stabilization.

Focusing specifically on the maritime domain, she suggested that non-traditional security areas represent the most viable starting points for engagement. Joint anti-piracy patrols in the Indian Ocean were proposed, though she added a caveat that such operations require a level of military trust that is currently absent, despite some existing political trust. Other suggested areas included joint search and rescue operations, hydrographic cooperation, marine scientific research, and academic exchanges, all of which face challenges due to inherent military sensitivities. Under the UNCLOS framework, blue economy initiatives, such as sustainable fisheries management and the establishment of marine protected areas, offer further cooperative avenues. She suggested that China should consider India's

Security and Growth for All in the Region (SAGAR) initiative without imposing binding commitments.

She concluded her address by outlining three essential conditions for future cooperation. First, both nations must determine whether their respective civilizational narratives will act as sources of conflict or as building blocks for a shared normative framework. Second, there is a necessity for both nations, particularly China, to be transparent regarding their ambitions in the Indian Ocean Region. She emphasized the requirement for China to abandon its historical approach of negotiating from a position of superiority and instead engage with India as an equal partner. She ended on a note of cautious optimism, suggesting that cooperation in the maritime domain remains possible if both countries can accept the realities of their competitive embrace.

#### Ms. Namrata Hasija, Research Fellow, CCAS - New Narratives, Old Intentions: Peeling Back the Layers of China - India Relations

Ms. Namrata Hasija commenced the address by referencing the 'dragon and elephant tango', a metaphor popularized by Chinese discourse, yet cautioned that India currently finds itself disadvantaged in an arrangement that more closely resembles a game of musical chairs. Challenging the prevailing optimism surrounding bilateral relations, she asserted that the recent India-China diplomatic thaw is inherently unsustainable. This skepticism is grounded in a critical analysis of the recent border agreement, which exclusively addressed disengagement at Depsang and Demchok while pointedly ignoring the numerous other friction points that emerged during the 2020 Galwan Valley clashes.

She argued that Beijing's recent diplomatic outreach to New Delhi does not constitute a genuine pivot toward friendship, rather, it is a pragmatic, tactical maneuver driven by two primary imperatives, the intensifying U.S.-China strategic competition and China's domestic economic downturn. Drawing upon active monitoring of internal Chinese discourse, she characterized this outreach as a conditional rebalancing. Beijing's objective is to prevent India from becoming an irreversible partner of the United States while simultaneously leveraging India's vast consumer market to alleviate its own post-COVID economic slump. Although Beijing seeks economic stabilization through this engagement, she emphasized that China's core military posture and aggressive regional activities, particularly along the Line of Actual Control (LAC) and throughout South Asia, remain fundamentally unchanged.

To substantiate the assertion that bilateral competition has, in fact, intensified over the past year, she provided specific strategic examples. Foremost is the continued Chinese military buildup along the LAC, where an estimated 50,000 to 60,000 troops remain deployed on each side, underscoring a stark absence of genuine de-induction. Furthermore, she highlighted China's material support for Pakistan during the May 2025 conflict, specifically alleging that Beijing provided Islamabad with 129 satellite images of Pahalgam. To illuminate Beijing's strategic calculus, she referenced the writings of prominent Chinese academics. Chang Chiatu of Fudan University explicitly attributed the diplomatic thaw to global systemic shifts, including U.S. tariff wars and rising Indo-Pacific tensions, which temporarily elevated stability with India to a strategic priority. Similarly, Lin Ming-wang, also of Fudan University, observed that China sensed an opportunistic opening to draw India away from Washington's geopolitical orbit.

Her address further emphasized that the dominant narrative within China continues to view India as a power that must be subdued if Beijing is to achieve its well-documented ambition, articulated

by General Secretary Xi Jinping at the 20th Party Congress, of becoming the pre-eminent global and Asian power by 2049. Referencing a candid 2021 assessment by Hu Shisheng of the Ministry of State Security-linked think tank CICIR, she noted the entrenched Chinese belief that a clash between the two newly independent nations was historically inevitable. Reinforcing this posture, a recent article analyzing the October 2024 border patrol agreement explicitly stated that India operates under an illusion if it expects China to ever yield on its territorial claims.

Despite these transparent strategic challenges and the persistent military threat, underscored by the elevation of the Tibet Military District to a deputy theater level under the Western Theater Command, she strongly criticized India's ongoing, deep economic dependence on China. Highlighting stark vulnerabilities, she underscored that India imports 95% of its umbrellas, alongside everyday commodities such as sanitary pads and coffee. In light of this, she lamented the recent, unfortunate revision of Press Note 3, which eased restrictions on Chinese investments. Looking ahead, she predicted that bilateral flashpoints will inevitably erupt, specifically identifying the aging Dalai Lama and the broader Tibetan issue as an imminent trigger. She noted that the Chinese ambassador in India has already issued public warnings for New Delhi to abstain from interfering in what Beijing considers an internal matter.

Her address concluded with a stark warning, referencing a widely circulated Chinese nationalist article from a decade ago detailing 'Six Wars China Must Fight in the Next 50 Years'. Significantly, this framework envisions conflicts over Taiwan, the South China Sea, a war with Russia, and a war to conquer 'Southern Tibet', which is, Arunachal Pradesh from India. Consequently, she urged New Delhi to remain highly vigilant, reiterating the core thesis that the current diplomatic thaw is not a foundation for lasting peace, but rather a temporary, tactical maneuver by Beijing.

## Q&A and Remarks

A critical observation from the floor highlighted an apparent contradiction that despite unanimous skepticism from the panel regarding the sustainability of the diplomatic thaw, recent events suggest rapid rapprochement. While the External Affairs Minister described the relationship as being at its worst in June/July 2024, the subsequent release of the Economic Survey of India, which emphasized the need for Chinese investment, was swiftly followed by high-level bilateral meetings and agreements within months.

Mr. Pankaj Jha raised a central question regarding India's strategic posture, asking whether India can afford to remain 'aloof' from China's economic success story in the contemporary era by severing flight ties, rejecting investments, and restricting visas. Additionally, another participant inquired about strategies for India to maximize gains during this temporary thaw and asked Dr. Bhatt about the potential for Sino-Indian maritime cooperation in West Asia, specifically regarding joint patrols to protect oil tankers.

Prof. Kondapalli clarified the fundamental differences between the two nations' political systems. He explained that unlike India, where varying ministries may project divergent signals, China's messaging is unified and synchronized across the Communist Party, the foreign ministry, and commercial chambers. He further challenged the premise of interdependence, arguing that the current USD155

billion bilateral trade is merely a buyer-seller relationship lacking concrete collaboration, similar to China's asymmetric relationships with Sri Lanka and Pakistan under the Belt and Road Initiative (BRI). He noted that despite the recent relaxation of Foreign Direct Investment (FDI) rules, as noted in Press Note 3, significant Chinese investment is unlikely, as Beijing imposes severe conditionalities that do not foster win-win cooperation. Finally, he forcefully rejected the notion that India is "aloof," pointing to India's extensive network of FTAs with the EU, UAE, Australia, Japan, South Korea, and ASEAN, emphasizing that India chose to abstain from the RCEP to protect domestic industries from dumping.

Prof. Deepak attributed the recent bilateral reset to systemic factors, specifically U.S. tariffs and a perceived deterioration in India-U.S. relations, which catalyzed a tactical realignment with China. He warned of India's deep, unavoidable dependency on China, noting that China currently controls 35% of global manufacturing, a figure projected to rise to 45% by 2030. Consequently, he argued that India must accept a new *modus vivendi* regarding both border management and supply chains.

Addressing the maritime inquiry, Dr. Bhatt suggested that the current crisis in West Asia presents an opportunity for cooperation. She proposed that India and China could collaborate at a military and humanitarian level to protect both their own and other nations' oil supplies, thereby contributing to regional energy security, even if such an initiative displeases the United States.

Ms. Namrata expressed skepticism regarding the benefits of the current engagement, questioning what tangible support or investment India actually receives from China in multilateral forums or energy sectors. She highlighted the stark reality of India's import dependency, noting that everyday items like umbrellas and coffee are imported from China due to cost-efficiency, which undermines domestic manufacturing initiatives like *Atmanirbhar Bharat*.

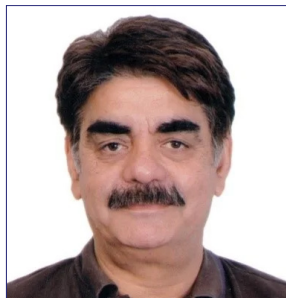
## PANELISTS : SESSION 2

### MODERATOR



**SHRI MANISH CHAND**  
CEO, Centre for Global India  
Insights (CGII)

### SPEAKERS



**MOHAMMED SAQIB**  
Founder & Secretary General, ICEC



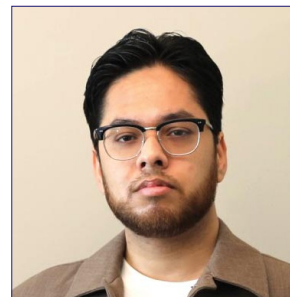
**MR. TAPAN BHARDWAJ**  
Senior Research Fellow, IPCS



**DR SAHELI DAS**  
Independent Analyst



**MS. ANTARA GHOSHAL SINGH**  
Fellow, ORF



**MR. ANUBHAV SHANKAR GOSWAMI**  
Perth University, Australia

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## INDIA - CHINA ECONOMIC RELATIONS: THE RACE FOR CRITICAL RESOURCES AND TECHNOLOGY

Moderated by: Shri Manish Chand, CEO, Centre for Global India Insights (CGII)

Shri Manish Chand opened the session by acknowledging the preceding panel's consensus that the current India-China dynamic is a tactical thaw, emphasizing that this relative stability is a positive development for a partnership poised to become increasingly critical. A pivotal shift in this narrative emerged during the August 2025 meeting between Prime Minister Narendra Modi and President Xi Jinping in Tianjin, where both nations formally framed each other as partners, not rivals. This mutual articulation signals a shared political will to recalibrate the relationship, transitioning from the post-Galwan era of conflict, competition, and chaos toward a new paradigm of positivity, pragmatism, and partnership. Furthermore, he noted that current global turbulence, including the conflict in West Asia and disruptions in the Strait of Hormuz, strictly necessitates a pragmatic re-engagement.

Transitioning to the session's core themes, he asserted that the economic and technological relationship forms the true heart of bilateral engagement. He highlighted recent positive economic indicators, specifically the Indian government's calibrated easing of restrictions on Chinese investments through amendments to Press Note 3. Addressing mineral security in an era where supply chains are increasingly weaponized, he emphasized that India must engage pragmatically with Beijing. Because China heavily dominates critical minerals and the associated mining technology cycle, it remains an unavoidable partner for India's global economic emergence, even as New Delhi actively pursues supply chain diversification with nations like Brazil and the United States.

He also explored the uncharted territory of critical and emerging technologies, particularly Artificial Intelligence. He noted a refreshing diplomatic development in China's high-level participation at the India AI Impact Summit 2026, led by its Vice Minister for Science and Technology, which signalled potential avenues for future collaboration despite inherent security sensitivities. Concluding his remarks, he asked the panel to explore how the two Asian giants can mutually empower one another.

### Mohammed Saqib, Founder & Secretary General, ICEC - In Pursuit of a Level-playing Field Between India and China

Mr. Muhammad Saqib commenced his address by emphasizing that the economic relationship with China remains the most critical aspect of bilateral ties. He asserted that India's current approach to international relations, particularly its strategic alignment with the US, has fostered a sense of delusion regarding its actual global standing. He argued that highlighting free trade agreements with smaller economies, such as Oman or New Zealand, constitutes mere "optics" that obscures the stark reality of the global power imbalance. Correcting a frequent misconception, he emphasized that India is a USD4 trillion economy attempting to compete with China's USD21 trillion economic powerhouse. He stated that China effectively controls global manufacturing, thereby creating a worldwide dependency. He directly countered the prevailing domestic narrative that the two nations are not mutually dependent, asserting that India trades with China not out of compassion or shared values, but out of absolute necessity because its industries cannot survive otherwise.



Addressing the concept of a 'level playing field', he dismissed it as a fundamental illusion, arguing that inherent advantages dictate international commerce and that India must learn to compete fiercely rather than complain about unfairness. He criticized the domestic tendency to rely on perceptions and rhetoric, such as the aspiration to be a Vishwaguru rather than executing pragmatic action. Despite possessing immense talent, resources, and intellectual capital, he argued that India lacks strategic economic thinkers and is overly burdened by domestic politics. Furthermore, he challenged the popular notion of India as a massive, lucrative consumer market. While India boasts a population of 1.4 billion, he estimated that less than 3% of the population possesses significant purchasing power, characterizing the market for high-end luxury goods as relatively small, valued at approximately USD700 billion. Consequently, the idea of India as an economic powerhouse driven primarily by wealthy domestic consumption is, in his view, an illusion.

Turning to the persistent trade deficit with China, he analyzed the root causes, arguing that the imbalance exists primarily because Indian industry is fundamentally dependent on Chinese imports, while India concurrently lacks the capacity to produce goods that the global market reliably demands. He systematically evaluated potential Indian exports to illustrate this point. In the agricultural sector, he noted that China prefers importing products like mangoes from nations such as Thailand due to established bilateral and multilateral agreements, from which India is notably absent. In the pharmaceutical sector, while China boasts a massive USD420 billion market, it manufactures 90% of its allopathic medicines domestically. For the remaining 10%, India faces fierce competition from nations like Switzerland, the United States, Germany, and Belgium, whose products are highly innovative and of superior quality. Furthermore, he highlighted severe international concerns regarding Indian hygiene and quality control, citing specific instances of contaminated food products and lethal cough syrups, which severely damage the reputation and viability of Indian exports. Even in the IT services sector, Indian exports to China remain minimal due to language barriers and systemic operational differences.

Given India's inability to balance the trade deficit through exports, he proposed that the only viable solution is to actively court Chinese foreign direct investment (FDI) and physically integrate with Chinese companies. However, he stressed that this requires completely segregating the ongoing border disputes from economic relations. He criticized India's historically hostile environment for foreign investment, noting that regulatory compliance makes doing business difficult even for domestic entrepreneurs. Specifically, he condemned the severe mistreatment of Chinese companies operating in India over the past six years following the Galwan clashes. He cited relentless investigations by state agencies, including the Income Tax department, the Central Bureau of Investigation (CBI), and the Enforcement Directorate (ED) against reputable Chinese firms. This systematic harassment has severely damaged India's reputation as a reliable investment destination, rendering recent policy relaxations, such as the amendments to Press Note 3, entirely ineffective at attracting meaningful new capital.

To sustainably salvage the economic relationship, he proposed the creation of Special China Economic Zones within India. These zones would allow Chinese companies to operate under regulatory conditions tailored to their unique, highly integrated working procedures, where the Chinese government, banks, and supply chains operate in seamless tandem. He noted that China rarely establishes manufacturing hubs outside its borders precisely because host countries fail to replicate these supportive, streamlined conditions without excessive bureaucratic interference. By creating these specialized zones, India could serve as a manufacturing base for Chinese exports destined for the broader international market, seizing an opportune moment as China vacates low-level, labor-intensive manufacturing sectors. He also asserted that if India is to achieve its ambitious target of its economic growth, it must integrate into the Chinese value chain and collaborate on major infrastructure projects. He argued that India must set aside its political ego and work collaboratively with China for its own economic survival and advancement.

**Mr. Tapan Bhardwaj, Senior Research Fellow, IPCS - Evaluating India-China climate cooperation: Prospects for Reviving Global Climate Leadership**

Mr. Tapan Bhardwaj commenced his initial remarks by addressing the current state of global climate leadership, arguing against harboring any delusions regarding the present situation. He observed a distinct withdrawal and a significant crisis in climate leadership, specifically highlighting that the United States had withdrawn from the process for the second time in the previous year and notably failed to send a formal delegation to the COP 30 conference. Reviewing the evolution of climate governance and negotiations across various Conference of the Parties (COP) meetings, he acknowledged that while India and China have successfully cooperated on multiple platforms in the past, historical precedents do not guarantee future collaboration.

However, he emphasized that the current geopolitical climate presents a unique opportunity for new leadership to emerge. He noted that China appears unwilling to single-handedly shoulder the pressure of global climate leadership. Conversely, India, representing the Global South, faces significant capacity constraints in assuming such a role alone. Both nations are acutely vulnerable to the annual impacts of climate change. Despite China's rapid growth and its status as an economy exceeding USD20 trillion which is more than five times the size of India's, it sustains approximately USD40 billion in annual damages from natural disasters, frequently accompanied by substantial

loss of life. Similarly, India suffers heavily from climate-related disasters, resulting in significant human casualties and infrastructure destruction.

In the context of agenda-setting and leadership at multilateral forums like the COP, he observed a clear withdrawal by the Western world. This vacuum is being addressed through a bottom-up approach driven by party groupings and minilateral coalitions, a strategy that India and China have successfully employed in the past. For instance, during the Copenhagen summit, the two nations collaborated effectively through the BASIC platform. Prior to that, they successfully influenced the normative framework of climate negotiations by ensuring the inclusion of the principle of Common But Differentiated Responsibilities (CBDR).

Concluding his remarks, he highlighted the critical element of a clean and just energy transition. He also noted China's emerging dominance across three key levels, namely, the manufacturing of clean energy technologies, the extraction of critical minerals, and the potential to fundamentally alter the global landscape of energy security. Consequently, he identified a significant potential for collective collaboration between India and China at the multilateral level. Through such cooperation, he envisioned the emergence of robust climate leadership originating from the Global South.

#### **Dr Saheli Das, Independent Analyst - Sino-Indian Trade Ties: Between Reset and Reality**

Dr Saheli Das began by outlining the trajectory of the India-China economic relationship, noting China's ascent from being India's ninth-largest trading partner in the 2000-2001 fiscal year to its second-largest by 2005-2006. Referencing recent remarks made by Chinese Ambassador to India, Xu Feiyong, at a 2026 media reception, she highlighted that bilateral trade has reached a record high of USD155.6 billion, representing a year-on-year growth exceeding 12%. The Ambassador characterized the recent meeting between Prime Minister Modi and President Xi Jinping as a shift from a mere reset to a new level of improved relations. However, she contextualized this optimism by analyzing trade data from the first half of the 2025-2026 financial year. While Indian exports to China increased by 22% to reach USD8.41 billion, up from USD6.90 billion during the same period the previous year, the overall trade balance remains heavily skewed in Beijing's favour, with Chinese exports to India totalling USD70 billion during those same six months.

Analyzing the current government's approach, she identified two distinct shifts in India's China policy over the past five to six years. Following the 2020 Galwan Valley clash, the government adopted a restrictive stance, curbing Chinese investments, banning digital applications, and actively pursuing reduced economic dependence. Conversely, in 2025, there was a discernible, gradual easing of some of these restrictions. She interpreted this policy shift as an exercise in pragmatism, reflecting an acknowledgment that New Delhi cannot entirely de-risk or decouple from China, given its reliance on Chinese intermediate goods essential for Indian exports. Furthermore, as the government pursues its ambitious third-term goals—aiming to make India the world's third-largest economy by 2030, a developed nation by 2047, and the leader of the Global South—New Delhi is likely utilizing this window of "tactical return" to engage constructively with China in pursuit of its own self-interest.

Addressing the trade imbalance, she underscored that India holds its largest single trade deficit with China, a concern that is twofold: the sheer magnitude of the deficit and its continuous expansion,

which reached USD99.21 billion in the 2024-2025 fiscal year. A critical vulnerability lies in China's dominance over several categories within India's import basket, including pharmaceuticals, electronics, construction materials, renewable energy components, and consumer goods. This profound dependence provides Beijing with significant geopolitical leverage, potentially weaponizing supply chains during periods of political tension. She further contextualized this within China's domestic economic outlook. In March 2026, Chinese Premier Li Qiang introduced the 15th Five-Year Plan, projecting a modest GDP growth target of 4.5% to 5%—the lowest projection since 1991. This deceleration, driven by U.S. tariff wars, regional conflicts like the U.S.-Iran war, and internal economic challenges, signals slower domestic consumption in China. Consequently, China is expected to rely more heavily on exports, potentially exacerbating the bilateral trade deficit as Beijing dumps goods at competitive prices, despite India's import monitoring mechanisms. Additionally, sectors such as minerals, pharmaceuticals, chemicals, and agriculture may experience reduced demand from China.

She then laid down the detailed composition of bilateral trade. India's imports from China are dominated by capital goods, intermediate goods, and raw materials, including Active Pharmaceutical Ingredients (APIs), electronic parts, auto components, and mobile phone parts. Crucially, India is highly dependent on China for six critical minerals: lithium, bismuth, silicon, titanium, tellurium, and graphite. Conversely, India's exports to China primarily consist of raw and industrial materials such as ores, mineral fuels, organic chemicals, machinery parts, and agricultural and marine products. Regarding Foreign Direct Investment (FDI), she noted that Chinese investment in India remains minimal. From April 2000 to December 2025, China ranked 21st, contributing only 0.32% (or USD2.5 billion) of total FDI equity inflows. However, on March 10, 2026, the Indian government amended Press Note 3 of 2020, easing FDI regulations for countries sharing a land border with India. This policy revision indicates a calibrated and controlled approach to economic engagement, aimed at boosting domestic manufacturing by leveraging China's dominance in global supply chains for electronics, EV batteries, and solar components. The relaxation is expected to facilitate higher FDI inflows, technology transfers, and supply chain diversification, crucial for the success of the "Make in India" initiative.

The address also evaluated the "China Plus One" strategy, wherein India aims to position itself as an alternative global manufacturing hub. While India offers a large domestic market, abundant labor, and a massive economy, she referenced a March 2020 Parliamentary Committee report indicating that India had failed to create a sufficiently positive impression among investors compared to Southeast Asian nations like Thailand, Vietnam, and Cambodia, which offer competitive corporate taxes, proactive Free Trade Agreements (FTAs), and conducive business environments. A 2024 report similarly noted India's limited success in capitalizing on this strategy. However, she highlighted a recent turning point: a new trade deal with the US that has reduced tariffs imposed by the Trump administration to levels that compare favourably with regional rivals, whose tariffs range between 9% and 20%, compared to China's 37%. Coupled with a recent trade agreement with the European Union, these developments have significantly reduced investor uncertainty, potentially leading to a resurgence in foreign portfolio investments and revitalizing India's position within the China Plus One framework.

Concluding her address, she proposed specific sectors for potential joint ventures between India and China. In the automobile and EV ecosystem, where China possesses advanced battery technology and India a growing market, collaborations on battery plants and smart grid charging infrastructure could establish a robust domestic supply chain. In pharmaceuticals, despite India's status as a major generic drug manufacturer, its reliance on Chinese APIs is a critical vulnerability; joint ventures to establish API manufacturing plants and shared R&D centers in India could mitigate this risk. In the renewable energy sector, she suggested joint production facilities for solar cells and modules, alongside the co-development of battery storage technology. In electronics and semiconductor assembly, joint ventures could be structured with Chinese partners holding minority stakes to facilitate substantial knowledge transfer while reducing India's import dependence. She cited the Dixon-Loxley partnership, where Dixon Technology holds 34% equity and Loxley 26%, as a successful model of such collaboration, emphasizing that establishing these joint ventures require comprehensive board-level cooperation.

**Ms. Antara Ghoshal Singh, Fellow, ORF - Inside China's Economic Discourse: Contextualising India - China Thaw**

Ms. Antara Ghoshal Singh began by stating her objective, i.e., to contextualize the current poor state of India-China economic ties against the backdrop of significant structural churn within China's domestic economy. Her methodology involved a comprehensive review of Chinese-language literature, including academic journals, news reports, opinion pieces, expert commentaries, and social media discourse, to gauge the actual lived experience and public perception of the Chinese economy. Her address provided a detailed background on this economic churn, centering on the recent 2026 Two Sessions, the National People's Congress and the Chinese People's Political Consultative Conference. These sessions coincided with the launch of China's 15th Five-Year Plan (2026-2030).

She noted that official Chinese records for the conclusion of the 14th Five-Year Plan in 2025 painted a picture of steady growth, meeting or exceeding expectations with a real GDP growth rate of 4.5% to 5%, urban employment around 5.5%, and a consumer price index increase of approximately 2%. However, she cautioned that these official statistics likely mask the true economic reality experienced by the Chinese public. A critical discrepancy exists because while the real growth rate sits at 4.5% to 5%, the nominal growth rate is significantly lower, standing at around 3% to 4%. Historically, China's nominal growth rate has exceeded its real growth rate, the recent reversal of this trend indicates near-zero inflation and a lack of rising prices. Consequently, the public perception of economic gain is virtually non-existent, leading to widespread pessimism regarding the economy's future.

She further explained that Chinese economists broadly agree the economy is suffering from triple pressure, namely, shrinking demand, supply shocks, and weakening expectations. This is exacerbated by stark structural contradictions. While emerging, high-tech industries, such as new energy vehicles (NEVs), artificial intelligence, microelectronics, and robotics, are experiencing rapid growth and dominating global competition, traditional sectors like construction are collapsing. The severe downturn in the real estate sector has decimated construction investment and crippled local government finances. Consequently, overall fixed-asset investment in China decreased by 3.8% in 2025, effectively neutralizing its historical role as a primary driver of economic growth and severely depressing domestic consumption. Addressing potential solutions, she noted the intense domestic

debate regarding how to avoid deflation. While increased government spending is necessary, stimulating consumption has proven exceedingly difficult.

Consequently, the government has shifted its focus to investing in people, a prominent theme during the Two Sessions and within the 15th Five-Year Plan. Chinese scholars largely interpret this mandate as an urgent directive to address the nation's declining birth rates. Policymakers hope that increasing annual births from the current 7 million back to 10 million will revitalize the economy, though the efficacy of utilizing economic levers to boost birth rates remains highly questionable. Additionally, there are discussions about government intervention to artificially raise prices and turn the Producer Price Index (PPI) positive, which has remained negative for nearly a decade. However, raising costs in upstream sectors like energy and utilities carries enormous political risk in an environment of stagnant wages. Furthermore, the structural mismatch between supply and demand in the labour market, particularly the displacement of jobs by AI, has made it increasingly difficult for the government to secure high-quality employment for younger graduates. Compounding these domestic crises is an increasingly hostile external environment.

She noted that Beijing perceives the U.S. strategy, as one of aggressive escalation rather than retrenchment, a trend anticipated to worsen under Trump 2.0. She cited numerous international setbacks for Chinese overseas investments, including issues in Venezuela and Mexico, the Nexperia incident in the Netherlands, the British Steel incident, the nationalization of ports in Panama, the loss of equity in the Hamburg Port, setbacks for Tianqi Lithium in Chile, and disputes over the Port of Darwin in Australia. The prevailing inference in Beijing is that Chinese supply chains, trade routes, and resource imports are facing unprecedented global risks.

Concluding her remarks, she argued that India's recent decision to introduce calibrated changes to Press Note 3 must be viewed through the lens of this profound Chinese domestic and international churn. While acknowledging that China actively seeks to prevent India's rise as a competitor by restricting technology transfers, she pointed out that Chinese capital is running out of safe havens. With domestic consumption stagnant as evidenced by flat car sales since 2017 and declining smartphone shipments, and traditional investment destinations like Europe, Japan, ASEAN, and Latin America becoming increasingly fraught with geopolitical and tariff-related risks, Chinese enterprises possess very few viable options for overseas productive investment. Therefore, despite mutual strategic suspicions, the current global and domestic constraints facing Beijing may render India one of the few remaining attractive destinations for Chinese capital.

#### **Mr. Anubhav Shankar Goswami, Perth University, Australia (Online) - China's Evolving No First Use (NFU) and Implications for India's NNFU Doctrine**

Mr. Anubhav Shankar Goswami addressed the central question of whether China's nuclear doctrine is undergoing a substantive change or remaining strictly aligned with its traditional No First Use (NFU) posture. While Chinese policymakers continue to avowedly commit to an NFU policy in all relevant declaratory discussions, a comprehensive examination of their force structure and doctrinal writings over the past two decades presents a more complex reality. He argued that rather than a clean, binary shift from restraint to nuclear brinkmanship, China's nuclear doctrine is evolving along a continuum. The core thesis presented is that China is developing what its military writings

describe as a strategy of 'double deterrence'. This strategy integrates both nuclear and conventional forces to shape adversary behavior during a crisis, with a particular focus on deterring intervention in potential conflicts, such as a crisis over the Taiwan Strait.

To contextualize this doctrinal evolution, he detailed China's current and projected nuclear force structure. China maintains a massive arsenal of land-based intercontinental and intermediate-range ballistic missiles, primarily the DF-series, and is actively fielding advanced systems like the DF-31A. Significant quantum leaps have also been made in its sea-based nuclear deterrence program. Historically reliant on the JL-2 submarine-launched ballistic missile (SLBM), which possessed a range of approximately 8,000 kms and could not reach the US heartland from Chinese coastal waters, the People's Liberation Army Navy (PLAN) has recently commissioned the JL-3 SLBM aboard its current Type 094 nuclear-powered ballistic missile submarines (SSBNs). With an extended range of 9,000 to 12,000 kms, the JL-3 theoretically brings strategic targets on the U.S. East Coast within reach, though operational caveats remain. Furthermore, China is anticipated to commission its next-generation Type 096 SSBNs soon, which are expected to operate with significantly reduced acoustic signatures, mitigating current vulnerabilities. Additionally, China has revitalized the air leg of its nuclear triad. The H-6N bomber fleet has been assigned nuclear missions and equipped with air-launched ballistic missiles, and the forthcoming next-generation H-20 stealth bomber is expected to deploy air-launched cruise missiles.

Beyond delivery systems, China is heavily investing in supporting capabilities that enhance the operation and survivability of its nuclear forces. This includes the development of early warning infrastructure, such as the Songshan, Zhishu, and Xi'an satellite series. Concurrently, the People's Liberation Army Rocket Force (PLARF) is fine-tuning its readiness and command structures. While Chinese nuclear warheads are traditionally believed to be stored separately from their launchers during peacetime, the PLARF regularly conducts high-alert exercises and readiness drills. He highlighted a significant November 2021 survival training exercise, noted in Pentagon assessments, where a launch battalion simulated preparing to launch prior to the impact of an incoming missile strike, rather than evacuating. This exercise indicates preparation for a "launch-on-warning" posture, suggesting China may retaliate upon detecting an incoming missile without waiting to confirm whether the incoming warhead is conventional or nuclear. Furthermore, China is enhancing survivability through hardened underground facilities and missile defense technologies, such as the HQ-19 interceptor, while rapidly expanding its warhead production capacity, which the Pentagon estimates could reach 1,500 warheads by 2035.

A critical indicator of this evolving doctrine is the deployment of the DF-26 missile. The DF-26 is a dual-capable system with a range of 4,000 kilometers, making it highly relevant for regional conflicts by placing strategic bases in Guam and Japan at risk. The dual-capable nature of the DF-26 creates an inherent ambiguity; an adversary cannot determine whether an incoming missile is conventionally or nuclear-tipped. This ambiguity is compounded by the fact that the PLARF commands both conventional and nuclear rocket forces, unlike the segregated command structures in the United States or India. Consequently, a conventional strike against Chinese missile forces could inadvertently degrade its nuclear capabilities. He argued that this co-mingling of forces and the blurring of the boundary between conventional and nuclear options is a deliberate strategy

to offset China's current conventional asymmetry vis-à-vis the United States. By introducing the risk that conventional intervention could spiral uncontrollably into a nuclear exchange—a concept described as a “threat that leaves something to chance”—China aims to deter U.S. intervention in a protracted regional conflict.

He also examined the implications of this evolving doctrine for India. Historically, the India-China nuclear dynamic has been considered stable, as China's nuclear modernization is primarily directed at the US, and there is no massive conventional asymmetry across the Himalayas comparable to the U.S.-China dynamic. However, he also noted potential causes for concern, citing American intelligence revelations suggesting China conducted a low-yield nuclear test at Lop Nur in June 2020, mere days after the Galwan Valley clash. While the intent behind this test remains unverified, the expansion of China's nuclear forces and the potential dilution of its NFU policy could provide Beijing with greater confidence in managing escalation, potentially working against Indian interests in a future conflict scenario. In response, he cautioned against India attempting a quantitative arms race to match Chinese warhead numbers, reiterating that India views nuclear weapons as political tools rather than instruments for warfighting. Instead, he recommended that India focus on ensuring the credibility and survivability of its own nuclear deterrent. Specifically, India should prioritize its SSBN program, advancing from the K-4 missile to the longer-range K-5 and K-6 systems, and deploying next-generation submarines to expand its patrol areas, thereby complicating China's threat assessments and securing India's strategic deterrent.

## Q&A and Remarks

The session concluded with a dynamic question-and-answer segment, primarily addressing the viability of economic cooperation, technology transfer, and strategic military concerns regarding China. Mr. Ambuj Sahu from Indiana University observed that the panel collectively agreed on the necessity of economic cooperation between India and China, driven by mutual compulsions. He inquired about Beijing's willingness to facilitate technology transfer, a core feature of India's Foreign Direct Investment (FDI) policy, particularly in advanced sectors like the solar industry and advanced chemistry.

Addressing this, one of the speakers noted that while China inherently desires to maintain its supply chain dominance, joint ventures remain the most viable pathway for India to secure technology transfers. Another speaker expanded on this, asserting that no nation provides technology for free. However, India can mandate technology sharing as a condition for market access. The participant argued that China's current economic situation, characterized by a saturated domestic market, a lack of investment-driven growth, and an increasingly hostile international environment, makes it desperate for export markets. This necessity provides India with leverage to negotiate favourable terms. When specifically asked which sectors India should target, Mr. Saqib highlighted several critical areas where Chinese technology is highly advanced and necessary for India, including electronics, EV batteries, semiconductors, and specialized machinery for agricultural processing and small to medium enterprises (SMEs).

Another participant asked how India could ensure that such a collaboration with a major power would remain mutually beneficial, or ideally, skewed to benefit India more. Mr. Saqib clarified that

the primary purpose of establishing such a zone must be defined by India's strategic goals, whether that is integrating into global Chinese supply chains, generating domestic employment, or boosting exports. By establishing clear conditionalities based on these goals before inviting Chinese firms, India can safeguard its interests. He further explained that the rationale for a dedicated zone is to alleviate Chinese investors' apprehensions regarding India's complex regulatory environment, harassment by inspectors, and unpredictable taxation, allowing them to operate efficiently under Indian law but within a customized operational environment.

A question was raised on the feasibility of decoupling border relations from economic engagement, noting that historical attempts have frequently been derailed by ripple effects from border crises like Doklam and Galwan. Furthermore, whether the recent amendments to Press Note 3 would genuinely lead to increased Chinese investment, given India's historical apprehension.

Mr. Saqib offered a starkly pessimistic assessment of the recent policy changes. He categorized the easing of FDI rules as 'too little, too late', asserting that it will not attract significant greenfield investment from China. He argued that the policy is largely symbolic and that Chinese firms, having been severely harassed in the past, will likely remain deterred by the prevailing insecurity. Further on deficit should not be viewed as an isolated India-China problem resulting from Indian incompetence. Instead, it is a global phenomenon driven by Chinese state policies that generate over USD1 trillion in surplus by systematically undercutting global industries. The speakers emphasized that China predominantly imports only natural resources or high-technology products, concluding that India must stop reiterating the Chinese narrative that its own population is useless or incapable of production.

Transitioning to strategic concerns, a participant inquired about internal Chinese debates regarding a potential shift away from their No First Use (NFU) nuclear policy, particularly in the context of a Taiwan crisis. The respondent clarified that due to strict censorship and a lack of academic freedom in China, there is practically no open debate on such sensitive nuclear questions.

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## CONCLUDING REMARKS



**DR. BHAVNA SINGH**  
Visiting Fellow,  
Chintan Research  
Foundation

Dr. Bhavna Singh thanked the panellists for their extensive remarks on various issues concerning India - China relations. She revisited the core theme established at the outset, namely, the critical importance of framing the bilateral relationship as one between partners rather than rivals. She emphasized that narratives profoundly shape outcomes; characterizing another nation as adversarial creates a chilling effect on economic sentiments, significantly dampening investment and trade. She reflected on the session's insights, noting a vital shift toward realism regarding the trade deficit. She argued that a trade deficit is not inherently detrimental, particularly when a nation lacks the capacity to produce necessary intermediate goods. She pointed out that importing these goods from China, which produces them at a fraction of the cost, is essential for making

India's domestic manufacturing competitive. The onus remains on India to improve its own production capabilities. She asserted that the two Asian giants have no viable alternative but to coexist peacefully and mutually empower one another, necessitating leadership on both sides to actively support each other's developmental aspirations and rights.

She also noted the significant scope for collaboration in non-traditional security domains and within multilateral organizations to address lingering historical tensions. Emphasizing their shared heritage as two of humanity's oldest civilizations, she observed that the bilateral relationship has always oscillated between cooperation and constraint, right from their existence as ancient riverbank civilisations to contemporary frontiers in Artificial Intelligence, space exploration, and quantum technology, which introduce new paradigms for both collaboration and competition.

She once again thanked all the participants for their candid remarks.

## MEDIA COVERAGE

The screenshot shows the StratNews Global website. The logo is on the left, and navigation links for 'World News', 'Neighbours', 'Videos', and 'Documents' are on the right. The breadcrumb trail reads 'Home > China > Dragon VS Elephant Or Dragon VS Tiger: Which Is Real India?'. The main headline is 'Dragon VS Elephant Or Dragon VS Tiger: Which Is Real India?'. Below it, a sub-headline states: 'As Prof. Srikanth Kondapalli notes, China does not view India as an equal partner, placing it below major powers while remaining wary of its ties with the US.'

The screenshot shows the THE NEWS21 website. The logo is on the left, and a 'Support Journalism' button is on the right. The navigation menu includes 'HOME', 'INVESTIGATION', 'NATION', 'POLITICS', 'WORLD', 'POLICY ANALYSIS', 'THE NEWS21 PULSE', 'KASHMIR', 'राजकरण', and 'KKI'. The breadcrumb trail reads 'Home > World > India-China at 75: Between Strategic Competition and Economic Necessity'. The main headline is 'India-China at 75: Between Strategic Competition and Economic Necessity'. Below it, the byline reads 'By Special Correspondent - March 18, 2026'. At the bottom left, there are social media sharing icons for Facebook, X, Pinterest, and WhatsApp. At the bottom right, there are view and share icons showing 186 views and 12 shares.

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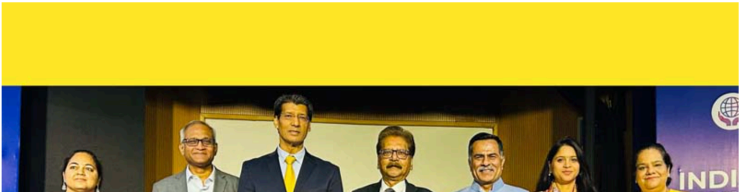
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## CRF Seminar: India and China at 75 – Expectations vs Reality

By Daily Excelsior - March 19, 2026

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 **Dipanjan R Chaudhury**  
@DipanjanET

India and China share one of the most complex relationships. Over last few decades, their relationship continues to be marked by a complex mix of deep economic interdependence and intense strategic, territorial and geopolitical competition — My report



Complex dynamics of India-China ties & its future





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