



View Point

India-China Relations in 2010: Back on Track?

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The year 2010 is the 60th anniversary of establishment of diplomatic relations between India and China. Both countries are celebrating the anniversary in a befitting manner by organizing a number of cultural activities jointly and separately. The year 2010 has also been marked by high level political visits leading to intensification of political, economic and cultural dialogue on bilateral, regional and global issues of mutual interest and concern. This is remarkable in the backdrop of deteriorating bilateral relations in 2009 over issues like H.H. Dalai Lama's visit to Arunachal Pradesh, stapled Chinese visa for residents of Jammu and Kashmir, Chinese construction projects in Pakistan occupied Kashmir and bilateral trade disputes. While the above issues are still to be resolved, leadership of both countries has shown political will to continue to engage in dialogue and understand each other's interests and concerns.

The recently concluded visit of National Security Advisor of India, Shiv Shankar Menon to China (3-6 July 2010) as a Special Envoy of Prime Minister Manmohan Singh preceded that of Pakistan's Prime Minister Asif Ali Zardari (6-11 July 2010) visit to China. Menon met China's Prime Minister Wen Jiabao, Foreign Minister Yang Jiechi and State Councilor Dai Bingguo. The highlight of Menon's visit was his meeting with Prime Minister Wen Jiabao who said "we will work with India to maintain high level visits and take care of each other's core interests and major concerns". This is an extremely significant statement showing sensitivity to the fundamental interest of

India. A dialogue between India and China over defining their core interests and finding ways to address each other's security concerns is the need of the hour. An Indian commentator has rightly termed this dialogue as "critical for launching a pragmatic and realistic engagement between the two nations". Further the Chinese Prime Minister remarked "a healthy, stable and dynamic China-India relationship is of far reaching significance to the two nations, Asia, and the whole world at large". Needless to say the bilateral, regional and global significance of India-China relations is enormous.

Economic cooperation and expanding trade received particular attention during NSA Menon's talk with Chinese Foreign Minister Yang Jiechi and the two discussed "how to further boost our trade volume and to create even better conditions for mutual investment". India and China have set a target of US \$ 60 billion bilateral trade for 2010. In 2008, the bilateral trade touched US \$ 52 billion, and China became India's largest bilateral trade partner. However, this figure fell to US \$ 43 billion in 2009, and India's trade deficit with China rose to US \$ 16 billion. It is hoped that the trade deficit between India and China in favour of the latter will be addressed seriously.

NSA Menon and Chinese Foreign Minister Yang Jiechi also discussed the issues of common concern especially about joint efforts in Afghanistan on infrastructure projects and in developing mineral resources. Perhaps what is significant is that the Indian position on Afghanistan is quite similar to that of China, and both are not keen on deploying troops in Afghanistan. It has been argued "the challenge facing Indian diplomacy will be to figure out how economic expansion can be the key element of India's security strategy in Afghanistan". Arguably, collaboration or joint efforts by India and China in Afghanistan on investments in mineral resources or resource-based projects will be a big step forward in their endeavour to address the Afghan development.

However, the main issue debated in the Indian media during NSA Menon's visit is Sino-Pak nuclear cooperation. Some reports claimed that this was the main purpose of Menon's visit to China. NSA Menon has been quoted saying that "our relationship with China is not dependent on the state of our relations with Pakistan or vice versa". However, an article published in China Daily said "Beijing has been busy these days balancing relations with its two giant South Asian neighbours [India and Pakistan]".

China's relations with Pakistan is an important issue of concern for India due to Beijing's recent decision to construct two more Chinese aided nuclear power reactors at Chashma in Pakistan. The issue of Sino-Pak civil nuclear cooperation has also been the focus of a regular press conference by China's Foreign Ministry. While the Foreign Ministry spokesperson has reiterated China's position that the civil nuclear energy cooperation is in line with their respective obligations to NPT and IAEA, the spokesperson noted that "I am not able to tell you what specific issues will be discussed and what agreement will be signed during President Zardari's visit". It is evident that transparency is lacking on such an important issue. During recently concluded NSG meeting in New Zealand some members of the Nuclear Suppliers Group (NSG) had expressed concerns and asked China to provide details of nuclear cooperation project with Pakistan and obtain NSG waiver before going ahead with the plan.

Since the Copenhagen climate summit during which India and China interacted closely with each other, it is noteworthy to see India and China engage on broader set of issues of global relevance. Increasing convergence of interests on issues like 'climate change energy security and trade' is bringing the two Asian giants closer.

The earlier visit by the Commerce Minister, Foreign Minister and especially the President of India to China in 2010 has assisted in generating greater understanding of each other's interests and concerns, and provided a useful opportunity for a debate on significant issues. NSA Menon's visit is certainly a step further in this direction. It seems the relationship is back on track – at least compared to 2009 -- a reason for optimism. However, their ability to resolve the boundary issue and maximizing bilateral, regional and global cooperation will be the final test of the political leadership of both countries.

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