

Session on
“India and China--A New Engagement?”
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At present, India and China are more politically and economically engaged than at any time in recent history. However, the road leading to mutually-beneficial bilateral ties between the two Asian giants has not been very smooth. Many strategic issues, including China's role in Pakistan's nuclear capability, border dispute and China's repeated territorial claims still cast a shadow on strong bilateral relations.

In this backdrop, enormous importance is being attached to the upcoming visit of Chinese President Xi Jinping to India in September. This would also be President Jinping's first interaction with the new leadership and the government of India. So far, both New Delhi and Beijing have shown commitment in mitigating the recurring tensions in the relationship. This

visit is an excellent opportunity for leaders of both countries to address issues of bilateral concern and build a solid foundation for new agreements on infrastructure, security, defence and trade.

Raising these issues, Ananta Aspen Centre organized a public discussion on “India and China--A New Engagement?” with a panel of eminent experts to explore how the two nations can usher in a new era of bilateral relationship. The session featured **Mr. Jayadeva Ranade**, *President, Centre for China Analysis and Strategy*, **Dr. Arvind Virmani**, *President, Chintan and Head, ChintanLive.org*; **Mr. Prमित Pal Chaudhari**, *Foreign Editor, The Hindustan Times*; and **Ambassador Shyam Saran**, *Chairman, National Security Advisory Board and Chairman, RIS* exchanging views on strategic and economic issues vis-à-vis India-China ties.

Opening the discussion, **Ambassador Saran opined**, *“It is good that the visit of the Chinese President is taking place soon after Indian Prime Minister’s successful trip to Japan. China is expected to be more amenable and sensitive to Indian interests. I feel stronger India-Japan ties will create a positive setting to raise the level of India-China relations as well.”*

Calling for stronger trade ties with China, Mr. Ranade asserted, “President Xi Jinping’s visit is aimed at striking a personal equation with Prime Minister Modi to prevent India from getting closer to Japan and the U.S. After the Indian PM’s visit to Japan, it is likely that the Chinese will now give concrete figures for investment in India.”

Trade between New Delhi and Beijing has seen rapid progress in the last few years, scaling up from less than \$3 billion in 2000 to \$66 billion in 2012. The two countries have set a target of US \$100 billion for bilateral trade by 2015. Apart from trade, India is also the largest market for project exports from China. Currently, projects under execution are estimated at over US\$ 55 billion.

“China has seen 10% growth in the last three decades, which no other country has been able to achieve. However, China is still looking for markets to expand and sustain its growth, and India is the only big market right now. India and China should jointly collaborate on high-speed railway networks, based on the BOOT model (build, own, operate, transfer). India can also consider setting up a China-centred Export Promotion Zone (EPZ), especially in the areas of manufacturing and construction,” said Dr. Virmani.

Reflecting on the foreign policy stance of the two giants, Mr. Chaudhari stated, “China gets nervous when India gets closer to U.S. There is also an increasing competitiveness we see between China and Japan on bullet trains for the Indian market. Africa as a market is very lucrative, but also equally difficult to operate on. Hence, China is looking at South Asia, and the opening Indian economy, as a market.”

The panelists also underscored the need for policy reforms in India to boost growth manufacturing. This would entail cutting red tape, especially in land and environmental clearances, thereby simplifying the process for entrepreneurs to set up ventures in India.