

# Indo-China relationship gets back on track

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**NEW DELHI:** India's relations with China returned to the "normal track" during 2018 though New Delhi continues to harbour concerns about greater access to the Chinese market, and the Belt and Road Initiative (BRI), people familiar with developments said on Thursday.

The two Asian giants have worked assiduously to restore their relationship to an even keel following last year's military standoff in Doklam, and the informal summit between Prime Minister Narendra Modi and President Xi Jinping at Wuhan in April served as a catalyst for these efforts.

The return of the India-China relationship to the "normal track" was one of the key achievements of India's foreign policy, the people cited above said. They noted that the political relationship with China was "restored and heightened". In this regard, they pointed to the "unprecedented" four meetings between Modi and Xi within a year as well as visits by three Chinese state

councillors, including foreign minister Wang Yi.

They also pointed out that defence cooperation and contacts, including the Hand in Hand joint exercise and the annual defence dialogue, have been resumed after being suspended last year, and the border areas were "much more peaceful" and mechanisms such as flag meetings to maintain peace were "working well".

Though there had been some forward movement in market access for Indian goods such as agricultural products and pharmaceuticals and an "unblocking of applications" for basmati and other types of rice and sugar, the "real proof of the pudding will come in the allocation of quotas" for imports by Chinese authorities, the people said.

China, they said, will have to "walk the talk" by removing regulatory hurdles to the import of agricultural products, pharmaceuticals and information technology (IT) services in order to address the growing trade deficit.

India has taken up the issue of greater market access, especially for agricultural products, phar-

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maceuticals and IT services, with China several times in the recent past, including during commerce secretary Anup Wadhawan's visit to the neighbouring country in November.

Bilateral trade rose by 18.63% year-on-year in 2017 and touched a historic high of \$89.71 billion in 2017-18. However, India's trade deficit increased to \$63.12 billion in 2017-18 from \$51.11 billion in the previous fiscal.

India is hopeful China will facilitate greater market access for its goods and services to tackle the swelling trade deficit, external affairs minister Sushma Swaraj said last week as she and her Chinese counterpart Wang Yi

launched a new mechanism to boost cultural exchanges.

Referring to the BRI, the people said the China-Pakistan Economic Corridor (CPEC) was a "direct challenge" to India's sovereignty and territorial integrity. They pointed out that several aspects of CPEC -- Gwadar port, roads and a fibre-optic network being created in Pakistan -- were of "dual use" and could be utilised by the Pakistani military.

Connectivity projects such as BRI should be sustainable, environment-friendly, follow global norms and respect the sovereignty of other nations, the people said. Moreover, BRI is an attempt to create a new set of rules, technical specifications and customs requirements in nations with weak administrations that doesn't provide a level playing field for Indian firms that are aligned with international rules and regulations for tendering processes, they added.

India has conveyed its concerns on BRI to China and also made it clear a true regional connectivity project should be based on consultations with all countries in a region, the people said.

Referring to the positive aspects of the bilateral relationship, the people said Chinese authorities provided real time information about a landslide in Tibet that allowed India to evacuate people at Tooting in Arunachal Pradesh before the water level in a local river reached the danger mark.

Though there will be a draw-down in political involvement in foreign policy ahead of India's general election next year, steps will be taken for the second informal summit in the second half of 2019, the people said. During his meeting with Modi on the margins of the G20 Summit, Xi had said he was looking forward to the second summit in India, they added.

India has also engaged China on the Indo-Pacific concept, about which Beijing has expressed doubts, the people said. China appreciated Modi's remarks at the Shangri-la Dialogue about the Indo-Pacific being about inclusiveness and connectivity and India remains ready to talk to all countries, including China, about this issue, they added.