China occupies a prominent place in India's 'Look East Policy'. The two civilisational behemoths' bilateral relations have undergone a slow, but steady consolidation for the better in recent times, notwithstanding a background of mistrust and misunderstanding carried over through decades.

Marred by the memories of 1962 border war and Cold War shenanigans, the qualitative improvement in bilateral relationship saw its beginning in Rajiv Gandhi's visit to China in 1988 which has since then been sustained and consolidated through a series of actions including 1993 agreement between the two countries to maintain peace and tranquillity along the line of actual control. This positive transformation is reflected in the Prime Minister Dr. Manmohan Singh calling China 'The Greatest Neighbour' at Heillegendum Summit of G-8 countries or very recently by the present Prime Minister during her China visit. It is the same China whom the then Indian Defence Minister Mr. George Fernandes had termed India's 'Enemy Number One' in the aftermath of India's nuclear explosions in May 1998.

While Indian markets have seen an influx of Chinese products and manufactures, particularly consumer goods (mainly electronic goods and toys), Indian investors have also made a beeline to China with various investment proposals to harness the economic potential and opportunities beckoning them. The annual bilateral trade between the two Asian giants, today, stand at around 72 billion Dollars. This is quite an impressive figure given the fact the same was a measly one billion Dollars in the year 2000. And according to an estimate, the total value of bilateral trade would almost double over the next five year period to be around 140 billion Dollars. This only shows the immense potential of trading opportunities between the two countries.

In fact, if the two countries can get their acts together, then many more such opportunities beckon them. The relative technological strengths, availability of natural resources, complementarity of interests, availability of technical know-how and expertise in different sectors and above all, availability of huge markets with considerable purchasing power ability are some of the reasons which make them natural partners. The geographical contiguity,

cultural affinity and historical ties should only further facilitate and spur this relationship between the second and third largest global economies in terms of purchasing power parity.

Both the countries nurture some grievances against each other, India's being more pronounced than that of China as it is India whose vast chunks of landmass are still in Chinese possession. Today, China is in illegal possession of 38,000 sq. km of Indian territory in Jammu and Kashmir excluding the 5180 sq. km of Indian territory in Pakistan-occupied-Kashmir illegally ceded to China by Pakistan. Not only this, a revisionist power that China is, she illegally claims yet another 90,000 sq. km of Indian territory in the eastern sector and 2000 sq. km in the middle sector. A *status-quoist* India, in keeping with her pacific postures, has rightly believed in amicable settlement of bilateral disputes through sustained engagement and dialogues, without compromising her core interests.

Despite a hot and cold relationship, the 3,440 km-long Indo-China borders have been relatively peaceful since the bilateral agreement between the two in 1993 to maintain peace and tranquillity along the line of actual control, while simultaneously attempting to hammer out the boundary disputes. India and China have since then engaged at various levels to minimise their differences on issues of disputes including the border issue and have made some smart progress in appreciation of each other's standpoints. There has also been a proposal of trade-off between the eastern and western sectors for resolution of the border dispute, but the same is still to be concretised in the shape of a formal proposal and follow-up negotiations. The regular border talks of Special Representatives of India and China are held where decisions are taken regarding modalities and moves to come to a settlement.

While against a background where China stills illegally claims Indian territory, where she still refuses to recognise Arunachal Pradesh, where she keeps resorting to such pinpricks as denial of visas to officials and politicos from Arunachal Pradesh, where she allegedly continues aiding and abetting Indian insurgents and where she allegedly continues to build a nuclearised Pakistan as a counterweight to India, it would be interesting to see the trajectory of future relationship between the two countries.

While the string of irritants, that still remain between the two countries, does make one suspect of such bizarre suggestion as the development of a security triangle of India, China and Russia to act as a counter to the hegemony of the global super cop, the United States of America, there still remain a lot to explore and harness to take the Sino-Indian bilateral relations to a new height. These opportunities lie mainly in economic cooperation, as delineated above, which can be given new and productive dimensions through better coordination in the various multilateral fora including the ASEAN, the APEC and the Shanghai Economic Grouping, not to speak of positive spin-offs of the dyadic engagements. The confidence building measures and track two diplomacy should also be continued simultaneously.

Whatever be the case, the fact remains that if India needs to secure her national interests from Malakka Strait to Persian Gulf, it definitely needs to have better relationship with her eastern neighbour which requires more engagement than estrangement. India appreciates this fact and accordingly pursues a policy of thicker economic relationship, while simultaneously pursuing a policy of sustained diplomacy to resolve the border imbroglio. But on the other

hand, China also needs to reciprocate Indian overtures with equal enthusiasm, without further ruffling Indian sentiments relating to her core national interests including continuing to prop up Pakistan's military strength and her nuclear muscles.

One just hopes that both countries would show more sagacity and appreciation of each other's standpoints on various issues and continue to build bilateral relationship through sustained engagement and cooperation. The peaceful relationship between these two Asian giants reinforced by strong economic ties shall be a positive sign not only for the world peace and security, but shall also delineate the contours of regional prosperity.

## **Salient Points**

- China occupies a prominent place in India's 'Look East Policy'.
- Marred by the memories of 1962 border war and Cold War shenanigans, the qualitative improvement in bilateral relationship saw its beginning in Rajiy Gandhi's visit to China in 1988.
- There is immense potential of trading opportunities between the two countries. The annual bilateral trade stand at around 72 billion Dollars.
- The geographical contiguity, cultural affinity and historical ties should only further facilitate and spur this relationship.
- Both the countries nurture some grievances against each other.
- Despite a hot and cold relationship, the 3,440 km-long Indo-China borders have been relatively peaceful since the bilateral agreement between the two in 1993.
- Whatever be the case, the fact remains that if India needs to secure her national interests from Malakka Strait to Persian Gulf, it definitely needs to have better relationship with her eastern neighbour.
- On the other hand, China also needs to reciprocate Indian overtures with equal enthusiasm.

## Glossarv

**Behemoth:** any creature or thing of monstrous size or power

**Beeline:** a direct route travelled quickly

**Imbroglio:** a misunderstanding, disagreement, etc., of a complicated or bitter nature, as between persons

or nations

Overtures: music