

INDIA-CHINA BILATERAL RELATIONS

➤ Political Relations

The People's Republic of China (PRC) was established on October 1, 1949, and India was the first non-communist country to establish an Embassy in PRC. On April 1, 1950, India and China established diplomatic relations. The two countries also jointly expounded the Panchsheel (Five Principles of Peaceful Co-existence) in 1954. Chinese Premier Zhou Enlai visited India in June 1954 and Prime Minister Nehru visited China in October 1954. Premier Zhou Enlai again visited India in January 1957 and in April 1960.

The India-China conflict in 1962 led to a serious setback in bilateral relations. India and China restored ambassadorial relations in August 1976. Higher political level contacts were revived by the visit of the then External Affairs Minister, A.B. Vajpayee in February 1979. The Chinese Foreign Minister Huang Hua paid a return visit to India in June, 1981.

Prime Minister Rajiv Gandhi visited China in December 1988. During this visit, both sides agreed to develop and expand bilateral relations in all fields. It was also agreed to establish a Joint Working Group (JWG) - to seek fair, reasonable and mutually acceptable solution on the boundary question - and a Joint Economic Group (JEG).

From the Chinese side, Premier Li Peng visited India in December 1991. Prime Minister Narasimha Rao visited China in September 1993. The Agreement on the Maintenance of Peace and Tranquility along the Line of Actual Control (LAC) in the India - China Border Area was signed during this visit, providing for both sides to respect the status quo on the border, clarify the LAC where there are doubts and undertake CBMs.

President R. Venkataraman paid a state visit to China in May 1992. This was the first Head of State-level visit from India to China. President Jiang Zemin's state visit to India in November 1996 was similarly the first by a PRC Head of State to India. The four agreements signed during his visit included the one on CBMs in the Military Field along the LAC covering adoption of concrete measures between the two militaries to enhance exchanges and to promote cooperation and trust.

After the nuclear tests in May 1998, the relations faced a minor setback. External Affairs Minister Jaswant Singh visited China in June 1999 and both sides reiterated that neither country is a threat to the other. President K.R. Narayanan's visit to China in May - June 2000 marked a return to high level exchanges. Premier Zhu Rongji visited India in January 2002.

Prime Minister A.B. Vajpayee visited China in June 2003 during which a Declaration on Principles for Relations and Comprehensive Cooperation was signed. This was the first comprehensive document on development of bilateral relations signed at the highest level between India and China. India and China concluded a border trade protocol to add a border crossing between Sikkim and Tibet Autonomous Region. The two Prime Ministers appointed

Special Representatives to explore from the political perspective of the overall bilateral relationship the framework of a boundary settlement.

Premier Wen Jiabao visited India in April 2005. A Joint Statement was signed by Premier Wen and Prime Minister Dr. Manmohan Singh. During the visit, the two sides issued a Joint Statement establishing a Strategic and Cooperative Partnership for Peace and Prosperity. It reflects the consensus that bilateral relations transcend bilateral issues and have acquired a global and strategic perspective. The agreement on Political Parameters and Guiding Principles signed during the visit represents successful conclusion of the first phase of the work of the Special Representatives on the boundary question.

Chinese President Hu Jintao visited India in November 2006. During the visit, the two sides issued a Joint Declaration containing a ten-pronged strategy to intensify cooperation in all areas and to give greater content to India-China Strategic and Cooperative Partnership. President of the Indian National Congress and Chairperson of the United Progressive Alliance Smt. Sonia Gandhi visited China at the invitation of the General Secretary of the Communist Party of China (CPC) President Hu Jintao on 25-29 October 2007. She met with President Hu Jintao and Premier Wen Jiabao besides other leaders of the CPC. She paid another visit to China in August 2008 at the invitation of the Communist Party of China to witness the opening ceremony of the Beijing Olympic Games and met, among others, PRC Vice President Xi Jinping.

Prime Minister Dr. Manmohan Singh visited China on 13-15 January 2008. During the visit, he had extensive discussions with Premier Wen Jiabao and met with President Hu Jintao and NPC Chairman Wu Bangguo. A joint document entitled "A Shared Vision for the 21st Century of the Republic of India and the People's Republic of China" was issued during the visit, outlining common positions on a number of international and some bilateral issues. Prime Minister also addressed a high-level business event and delivered a speech at the Chinese Academy of Social Sciences. Prime Minister visited China again in October 2008 to participate in the 7th Asia-Europe Summit held in Beijing on 24-25 October.

The President of India paid a state-visit to China from 26-31 May, 2010. In Beijing, she held talks with Chinese President Hu Jintao and met with NPC Chairman Wu Bangguo, Premier Wen Jiabao and CPPCC Chairman Jia Qinglin. The Indian President, along with Chinese Vice President Xi Jinping, attended the reception to mark the 60th anniversary of diplomatic relations jointly organized by CPAFFC and the Embassy of India. She visited Luoyang to inaugurate the Indian-style Buddhist Temple which was dedicated as a gift from India to the people of China. In Shanghai, she visited the Indian pavilion and the Chinese pavilion at the Shanghai EXPO and also had a meeting with Shanghai Party Secretary, Yu Zhengsheng. A Tagore bust was also inaugurated by the Indian President.

Chinese Premier Wen Jiabao paid a three day official visit to India from 15-17 December 2010. During his visit, Premier Wen met with President Smt. Pratibha Patil, PM Shri Manmohan Singh, Vice President Shri Hamid Ansari, UPA Chairperson Smt. Sonia Gandhi and the Leader of Opposition Smt. Sushma Swaraj. Premier Wen also interacted with children in the Tagore

International School; addressed India-China business cooperation summit; delivered a lecture at the Indian Council of World Affairs; and attended the closing ceremony of the Festival of China in India along with PM. Six agreements on cultural exchange, green technologies, media exchanges, hydrological data, and banking were signed and a Joint Communiqué was released. During the visit, a bilateral trade target of 100 billion USD was set to be reached by 2015. A Strategic Economic Dialogue and a CEO Forum were established; and 2011 was declared as 'Year of India-China exchange'. The establishment of hotline between the Indian PM and the Chinese Premier, a mechanism of annual Foreign Ministers Meeting and a regular high level exchange mechanism were also announced.

The year 2011 saw a series of exchanges in diverse fields. PM Shri Manmohan Singh visited Sanya from April 12-15 to participate in the BRICS Summit. On the sidelines, PM also had a bilateral meeting with Chinese President Hu Jintao. Chief Ministers of Bihar, Madhya Pradesh and Gujarat visited China in June, September and November respectively. Similarly Chairman of Xinjiang Autonomous Region and Party Secretary of Gansu also visited India as part of the MEA-ILD exchange and Distinguished Visitors Programme of MEA. One of the highlight of the "Year of Exchanges" was the visit of a youth delegation to China, which was increased from 100 to 500. Premier Wen Jiabao met and addressed the Indian youth. Several Ministerial/Official visits to China were made to participate in BRICS activities. For the first time, India-China Consultations on UNSC issues was held in March.

Leaders of the two countries have maintained regular contacts and have met frequently during international gatherings. In 2008, Prime Minister met President Hu Jintao at the G-8 Summit in Hokkaido, Japan in July, on the sidelines of the ASEM Summit in Beijing in October. Both leaders met again on the sidelines of the SCO Summit in Yekaterinburg in June 2009. Indian PM also met Premier Wen Jiabao on the sidelines of the UNGA in New York in September 2008 and on the sidelines of the EAS in Hua Hin, Thailand in October 2009. They also met on the sidelines of the Copenhagen Summit in December 2009. In 2010, Prime Minister met with Chinese President Hu Jintao on the sidelines of the BRIC summit in Brasilia in April. Again Prime Minister met with Premier Wen Jiabao on the sidelines of the EAS in Hanoi in October 2010. PM had a bilateral meeting with Premier Wen Jiabao on the sidelines of the EAS in Bali in November 2011. EAM Shri Pranab Mukherjee visited China to attend the India-Russia-China trilateral meeting in Oct 2007. In 2008, foreign ministers of the three countries met in Yekaterinburg in Russia in May. Following this, EAM Shri Pranab Mukherjee paid a successful visit to China on 4-7 June 2008. The Chinese Foreign Minister Yang Jiechi paid a return visit --- his first as Foreign Minister --- to India on 7-9 September. The foreign ministers of the two countries met in Phuket in July 2009 at the sidelines of the ASEAN Regional forum meeting. It was EAM Shri S.M. Krishna's first meeting with the Chinese FM. The Trilateral Foreign Ministers' Meeting was held in Bangalore on 27th October 2009. The Chinese FM also had a separate bilateral meeting with EAM. EAM Shri S.M. Krishna again visited China from 5-8 April 2010. He held talks with the Chinese FM and met with Premier Wen Jiabao. During the visit, EAM launched the Festival of India in China and also attended a reception to mark the 60th anniversary of establishment of diplomatic relations. Later EAM visited Wuhan on 14-15 November to take part in the IRC trilateral foreign ministers meeting. During his visit, EAM also held bilateral meeting with the Chinese FM Yang Jiechi. NSA

Shri Shiv Shankar Menon visited Beijing as Special Envoy of PM in July 2010 and later visited in November to hold the 14th round of SR talks on India-China boundary question on 29-30 November, 2010. He also called on Vice President Xi Jinping. In September 2011, EAM met with Chinese FM as part of BRICS meeting on the sidelines of UNGA. In addition, the two foreign ministers have had telephonic conversations on major issues of interest.

India and China have stepped up functional cooperation in all areas. The two foreign ministries have instituted dialogue mechanisms on issues relating to counter-terrorism, policy planning and security, besides strategic dialogue and regular consultations. There are also close cooperation in areas as diverse as water resources, judiciary, science & technology, audit, personnel, finance, labour etc.

Exchanges at the government levels, Parliamentary and Party exchanges have also expanded. Speaker of the Lok Sabha Shivraj Patil visited China in 1993, following which NPC Chairman Qiao Shi visited India in 1995. NPC Chairman Li Peng and Speaker of the Lok Sabha Manohar Joshi paid visits to each other in 2001 and 2003 respectively. Hon'ble Speaker of the Lok Sabha Somnath Chatterjee led an Indian Parliamentary Delegation to China in July 2006 during which both sides signed an MOU to further strengthen the friendly relations and cooperation between the parliaments. To facilitate high level exchanges of Party leaders from China and State Chief Ministers from India, a special arrangement has been entered into by the International Department of the Central Committee of the Communist Party of China and the Ministry of External Affairs (MEA-ILD) since 2004. There are regular Party-to-Party exchanges between the CPC and political parties in India.

India-China political relations are enhanced and strengthened by various mechanisms. There is a close and regular interaction between strategic and foreign policy think-tanks. These exchanges continued to be strengthened during 2011. CICIR has regular interactions with IDSA and ICS. The third Track-II dialogue between China Reform Forum and Aspen India was held in March 2011. USI has exchanges with China Institute for International Strategic Studies and ICWA has interactions with CPIFA. Dialogues are now being initiated between pairs of India-China academic organizations.

➤ Trade & Commercial Relations

India and China officially resumed trade in 1978. In 1984, the two sides signed the Most Favoured Nation Agreement. India-China bilateral trade which was as low as US\$ 2.92 billion in 2000 reached US\$ 61.7 billion in 2010, making China India's largest goods trading partner. In 2008, bilateral trade stood at US\$ 51.8 billion and China became India's largest goods trading partner, replacing the United States of America. By the end of 2009, as a result of the world economic downturn, bilateral trade dropped to US\$ 43.27 billion (a decline of 16.54%). However, in 2010 bilateral trade reached US\$ 61.74 billion, a growth of 43% compared to the same period last year. India exported goods worth US\$ 20.86 billion (+52%) to China and imported goods worth US\$ 40.88 billion (+38%) from China, resulting in an adverse balance of trade of US\$ 20 billion. In the first 8 months of 2011, India-China bilateral trade reached

US\$ 48.17 billion (+19.47% over the same period last year). India's total exports to China for this period were US\$ 15.68 billion (+7.37%) and China's exports to India reached US\$ 32.49 billion (+26.33%). The trade deficit for the first 8 months has already reached US\$ 16.8 billion.

Institutional Framework of Bilateral Cooperation

There are several institutional mechanisms for India's economic and commercial engagement with China. India-China Joint Economic Group on Economic Relations and Trade, Science and Technology (JEG) is a ministerial-level dialogue mechanism established in 1988 during the visit of former Prime Minister Rajiv Gandhi to China. A Joint Study Group (JSG) was set up after former Prime Minister Vajpayee's visit to China in June 2003 to examine the potential complementarities between the two countries in expanded trade and economic cooperation. As per its recommendation, a Joint Task Force (JTF) was set up to study the feasibility of an India-China Regional Trading Arrangement. JTF Report was completed in October 2007. There are also Joint Working Groups on Trade, Agriculture and Energy. In Dec 2010, both countries agreed to set up the India-China Strategic and Economic Dialogue (SED). The first SED took place in Beijing on September 26, 2011.

India-China Strategic Economic Dialogue: During Chinese Prime Minister Wen Jiabao's visit to India in December 2010, India and China agreed to set up the Strategic Economic Dialogue mechanism. The SED is a forum for both sides to discuss strategic macro-economic issues impacting both nations as a result of the changing international economic and financial landscape, to share their individual best practices and in handling challenging domestic economic issues and to identify specific fields for enhancing cooperation, learning and experience sharing. The first India-China SED took place in Beijing from September 26-27, 2011. The Indian side was led by Mr. Montek Singh Ahluwalia, Deputy Chairman, Planning Commission, while the Chinese side was led by Mr. Zhang Ping, Chairman, National Development and Reforms Commission. Some of the issues that was discussed during the SED included introduction to the 12th plan priorities of the two countries, a discussion on each country's monetary and fiscal policies, investment policies of the two countries, policies on energy conservation and environment protection etc. Apart from the official meetings [which included detailed deliberations in three working groups on Investment and Infrastructure led by Chairman Railway Board Mr. Vinay Mittal, Water Management (led by Shri Dhruv Vijay Singh, Secretary (Water Resources)) and Energy Efficiency (led by Dr. Ajay Mathur, Director General, Bureau of Energy Efficiency)], the SED also included to a site visit to Tianjin, where the Indian delegation was introduced to water desalination facility. At the end of the official meetings both sides signed the Agreed Minutes of the 1st SED. The Indian delegation also called on the Chinese Premier Wen Jiabao.

Joint Economic Group: India-China Joint Economic Group on Economic Relations and Trade, Science and Technology (JEG) is a ministerial-level dialogue mechanism established in 1988 during the visit of former Prime Minister Rajiv Gandhi to China. JEG has so far met eight times. The scheduling of the previous seven JEG's is placed below:

First Session	New Delhi	Sep 18-20, 1989
Second Session	Beijing	Feb 06, 1991
Third Session	New Delhi	Dec 09, 1991
Fourth Session	Beijing	Jan 04, 1993
Fifth Session	New Delhi	Jun 13, 1994
Sixth Session	Beijing	Feb 19-20, 2000
Seventh Session	New Delhi	Mar 16, 2006

The 8th JEG Meeting was held in Beijing on January 19, 2010. The meeting was jointly chaired by Indian Commerce & Industry Minister Mr. Anand Sharma and Chinese Commerce Minister Mr. Chen Deming. During the 8th meeting, the Commerce Ministers of the two countries agreed to work towards a more balanced trade. Mr. Chen Deming assured that China would import more from India. The 9th JEG is to take place in India.

Civil Aviation: The MOU signed during Premier Wen Jiabao's visit to India on 9-12th April 2005 provides for major liberalization of air links between India and China with multiple designation of carriers and an open skies policy for cargo, an increase in capacity entitlements, more points of call and an increase in the number of intermediary and beyond points. According to the Memorandum, the designated airlines of both parties are entitled to have unlimited third, fourth and fifth freedom traffic rights with unlimited capacity entitlement for dedicated cargo services. In terms of frequency, the liberalized civil aviation agreement allows for 42 flights a week. It is now up to the airlines to utilize this capacity. Enhanced number of flights would be a function of commercial viability and availability of aircrafts. At present, five air service operators - Air China (5 per week), China Eastern (8 per week), China Southern (3 per week), Air India (4 per week), and Ethiopian Airways (4 per week) are currently operating a total of 24 flights between China and India every week. The cities linked are Beijing-New Delhi; Guangzhou-New Delhi, Shanghai-New Delhi, Mumbai-Shanghai, Kunming-Kolkata and Chengdu-Bengaluru. Shanghai Airlines has also expressed keen interest in operating flights to India. In September 2010, the Ministry of Foreign Affairs, People's Republic of China authorized Hainan Airways to operate direct flights between India and China as per the 1988 ASA concluded between the two countries in Beijing.

Bilateral trade figures for the period Jan-Oct, 2011

The overall bilateral trade figures for Jan-Oct, 2011 released by the China Customs are as follows:

(All figures in US\$ billions)

	2009 (Jan-Oct)	2010 (Jan-Oct)	2011 (Jan-Oct)
India Exports to China	10.73	16.97	18.89
<i>Growth %</i>	-42.38	58.12	11.34
China Exports to India	23.57	32.87	41.68
<i>Growth %</i>	-12.51	39.45	26.82
Total India-China Trade	34.30	49.84	60.58
<i>Growth %</i>	-24.72	45.29	21.56
Trade Balance for India	-12.84	-15.90	-22.79

Highlights:

- India-China trade for Jan-Oct, 2011 stood at US\$ 60.58 billion, recording an increase of almost 22%.
- India's exports to China for Jan-Oct, 2011 reached US\$ 18.89 billion, a growth of more than 11% when compared to the same period in 2010.
- China's exports to India for Jan-Oct, 2011 reached US\$ 41.68 billion, recording an increase of almost 27% compared to Jan-Oct, 2010.
- The trade deficit for India for Jan-Oct, 2011 stood at US\$ 22.79 billion.

India's total trade with China for the period Jan-Oct, 2011

INDIA'S TOTAL TRADE WITH CHINA- COMMODITY WISE							
SN	HS	Description	Value in USD Millions		% Share		% Change 11/10
			Oct 2010	Oct 2011	Oct 2010	Oct 2011	
		Total	49838	60577	100	100	22
1	84	Nuclear Reactors, Boilers, Machinery Etc.; Parts	8106	10637	16	18	31
2	26	Ores, Slag And Ash	10248	9223	21	15	-10
3	85	Electric Machinery Etc; Sound Equip; TV Equip;	7994	9174	16	15	15

		Pts					
4	29	Organic Chemicals	3893	4685	8	8	20
5	31	Fertilizers	1413	2620	3	4	85
6	52	Cotton, Including Yarn And Woven Fabric Thereof	1521	2004	3	3	32
7	72	Iron And Steel	2144	1841	4	3	-14
8	74	Copper And Articles Thereof	771	1840	2	3	138
9	73	Articles Of Iron Or Steel	1155	1790	2	3	55
10	39	Plastics And Articles Thereof	997	1514	2	3	52
11	71	Nat Etc Pearls, Prec Etc Stones, Pr Met Etc; Coin	744	1004	1	2	35
12	90	Optic, Photo Etc, Medic Or Surgical Instrments Etc	738	952	1	2	29
13	87	Vehicles, Except Railway Or Tramway, And Parts Etc	644	859	1	1	33
14	59	Impregnated Etc Text Fabrics; Tex Art For Industry	603	726	1	1	20
15	27	Mineral Fuel, Oil Etc.; Bitumin Subst; Mineral Wax	546	690	1	1	26

India's Exports to China for the period Jan-Oct, 2011

SN	HS	Description	Value in USD Millions		% Share		% Change 11/10
			Oct 2010	Oct 2011	Oct 2010	Oct 2011	
		India	16969	18893	100	100	11
1	26	Ores, Slag And Ash	10220	9184	60	49	-10
2	52	Cotton, Including Yarn And Woven Fabric Thereof	1354	1856	8	10	37
3	74	Copper And Articles Thereof	630	1664	4	9	164
4	71	Nat Etc Pearls, Prec Etc Stones, Pr Met Etc; Coin	680	929	4	5	37
5	29	Organic Chemicals	557	801	3	4	44

6	39	Plastics And Articles Thereof	319	547	2	3	71
7	25	Salt; Sulfur; Earth & Stone; Lime & Cement Plaster	346	439	2	2	27
8	84	Nuclear Reactors, Boilers, Machinery Etc.; Parts	267	395	2	2	48
9	85	Electric Machinery Etc; Sound Equip; Tv Equip; Pts	363	356	2	2	-2
10	15	Animal Or Vegetable Fats, Oils Etc. & Waxes	235	299	1	2	27
11	72	Iron And Steel	317	283	2	2	-11
12	41	Raw Hides And Skins (No Furskins) And Leather	214	242	1	1	14
13	23	Food Industry Residues & Waste; Prep Animal Feed	138	225	1	1	64
14	67	Prep Feathers, Down Etc; Artif Flowers; H Hair Art	110	173	1	1	58
15	38	Miscellaneous Chemical Products	71	115	0	1	63

Highlights

- Iron Ores, cotton & yarn, fabric, copper, precious stones, organic chemicals, plastic, salt, sulfur, earth & stone, machinery, reactors, boilers continued to dominate the Indian export basket.
- Among the products exported from India to China, iron ores, slag and ash (HS 26) constituted a dominant share of 49% though the export declined by 10% y-o-y. The share of cotton, yarn and fabrics in the total exports from India to China stood at 10% for the period Jan-Oct, 2011.
- Spectacular rise was seen in the exports of copper and articles thereof (HS 74), plastic (HS 39), food waste (HS 23) and miscellaneous chemical products (HS 38) recording increases of 164%, 71%, 64% and 63% y-o-y respectively.

India's Imports from China

SN	HS	Description	Value in USD Millions		% Share		% Change 11/10
			Oct 2010	Oct 2011	Oct 2010	Oct 2011	
		India	32868	41684	100	100	27
1	84	Nuclear Reactors, Boilers,	7839	10242	24	25	31

		Machinery Etc.; Parts					
2	85	Electric Machinery Etc; Sound Equip; Tv Equip; Pts	7631	8817	23	21	16
3	29	Organic Chemicals	3336	3884	10	9	16
4	31	Fertilizers	1411	2620	4	6	86
5	73	Articles Of Iron Or Steel	1138	1738	3	4	53
6	72	Iron And Steel	1827	1559	6	4	-15
7	39	Plastics And Articles Thereof	678	968	2	2	43
8	90	Optic, Photo Etc, Medic Or Surgical Instrments Etc	647	841	2	2	30
9	87	Vehicles, Except Railway Or Tramway, And Parts Etc	627	812	2	2	29
10	59	Impregnated Etc Text Fabrics; Tex Art For Industry	599	721	2	2	20
11	27	Mineral Fuel, Oil Etc.; Bitumin Subst; Mineral Wax	396	605	1	1	53
12	28	Inorg Chem; Prec & Rare- Earth Met & Radioact Compd	375	507	1	1	35
13	94	Furniture; Bedding Etc; Lamps Nesoi Etc; Prefab Bd	475	490	1	1	3
14	54	Manmade Filaments, Including Yarns & Woven Fabrics	328	440	1	1	34
15	69	Ceramic Products	278	410	1	1	47

Highlights:

- In Jan-Oct, 2011, imports from China touched a total of USD 41.68 billion, increasing by more than 27% over the figure for Jan-Oct, 2010.
- **In Jan-Oct, 2011, India was the 7th largest export destination for China.**

Investments

Chinese Investment in India

- **2007-** USD 16 million

- **2008-** USD 49.1 million (Cumulative investment till Dec 2008 was at USD 91.1 million)
- **2010-** USD 33 million (China's non-financial investment in India)
- **Jan-Oct, 2011-** USD 50.77 million (China's non-financial investment in India)
- **Till Oct, 2011-** USD 298.75 million

Indian Investment in China

- **2006** – USD 52 million
- **2007-** USD 34 million in 78 Projects
- **2008-** USD 257 million in 92 projects (turnover realized was USD 88.1 million and the cumulative committed FDI from India into China in the projects till 2008 was USD 898 million in 426 projects)
- **2010-** India's FDI in China- 77 Projects; investment of USD 55 million.
- **Jan-Oct, 2011-** India's FDI in China- 83 Projects; investment of USD 33.45 million
- **Till Oct, 2011-** India's FDI in China- 676 Projects; investment of USD 432.98 million

Chinese Project Contracts in India

- **2007-** Contract signed - USD 4.56 billion, turnover realized - USD 1.99
- **2008-** Contract signed - USD12.9 billion, turnover realized - USD 4.3 billion
- **2010-** Contract signed - USD 6.9 billion, turnover realized - USD 5.8 billion.
- **Jan-Feb, 2011-** Contract signed - USD 13.6 billion, turnover realized - USD 4.5 billion.
- Cumulative value of Contractual Chinese investment (Projects) till Oct, 2011 was USD 53.46 Billion. The overall turnover realized from these projects till Oct, 2011 was about USD 24.57 billion.

Indian Companies in China

With the growth in bilateral trade between India and China in the last few years, many Indian companies have started setting up Chinese operations to service both their Indian and MNC clientele in China. Indian enterprises operating in China either as representative offices, Wholly Owned Foreign Enterprises or Joint Ventures with Chinese companies are into manufacturing (*pharmaceuticals, refractories, laminated tubes, auto-components, wind energy etc.*), IT and IT-enabled services (*including IT education, software solutions, and specific software products*), trading, banking and allied activities. While the Indian trading community is primarily confined to major port cities such as Guangzhou and Shenzhen, they are also present in large numbers in places where the Chinese have set up warehouses and wholesale markets such as Yiwu. Most of the Indian companies have a presence in Shanghai, which is China's financial center; while a few Indian companies have set up offices in the capital city of Beijing. Some of the prominent Indian companies in China include Dr. Reddy's Laboratories, Aurobindo Pharma, Matrix Pharma, NIIT, Bharat Forge, Infosys, TCS, APTECH, Wipro, Mahindra Satyam, Dr. Reddy's, Essel Packaging, Suzlon Energy, Reliance Industries, SUNDARAM Fasteners, Mahindra & Mahindra, TATA Sons, Binani Cements, etc. In the field of banking, ten Indian banks have set up operations in China.

State Bank of India (Shanghai), Bank of India (Shenzhen), Canara Bank (Shanghai) and Bank of Baroda (Guangzhou), have branch offices, while others (Punjab National Banks, UCO Bank, Allahabad Bank, Indian Overseas Bank, Union Bank of India etc.) have representative offices. Apart from PSU banks, private banks such as Axis, ICICI also have representative offices in China.

Chinese Companies in India

According to information available with the Embassy of India, close to 100 Chinese companies have established offices/operations in India. Many large Chinese state-owned companies in the field of machinery and infrastructure construction have won projects in India and have opened project offices in India. These include Sinosteel, Shougang International, Baoshan Iron & Steel Ltd, Sany Heavy Industry Ltd, Chongqing Lifan Industry Ltd, China Dongfang International, Sino Hydro Corporation etc. Many Chinese electronic, IT and hardware manufacturing companies also have operations in India. These include Huawei Technologies, ZTE, TCL, Haier etc. A large number of Chinese companies are involved in EPC projects in the Power Sector. These include Shanghai Electric, Harbin Electric, Dongfang Electric, Shenyang Electric etc. Chinese automobile major Beijing Automotive Industry Corporation (BAIC) has recently announced plans to invest US\$ 250 million in an auto plant in Pune. **TBEA a Xinjiang-based transformer manufacturer has firmed up plans to invest in a manufacturing facility in Gujarat.** During the visit of Premier Wen to India, Huawei announced plans to invest in a telecom equipment manufacturing facility in Chennai.

INDIA-CHINA BILATERAL AGREEMENTS

No.	Name of the Agreement/MOU/Protocol	Place/Date
1	Agreement between the Republic of India and the People's Republic of China on Trade and Intercourse between the Tibet region of China and India	29-4-1954
2	Trade Agreement between the Republic of India and the People's Republic of China	14-10-1954
3	Notes Exchanged between China and India on the Question of Transit of Chinese Commodities to the Tibet Region of China via India	14-10-1954
4	Protocol between the Government of India and China regarding the handing over of Postal, telegraph and public telephone services in the Tibet region of China	01-04-1955
5	Trade Agreement between the GOI and the Govt. of PRC	15-8-1984
6	Agreement between the Government of the PRC and the Government of the Republic of India relating to Civil Air Transport	22-12-1988
7	Protocol between the Republic of India and the People's Republic of China on Resumption of Border Trade between the Tibet region of China and India	1988
8	Trade protocol between the GOI and the Govt. of PRC for the period 20 th Sept, 1989 to 19 th Sept, 1990	20-9-1989
9	Trade protocol between the GOI and the Govt. of PRC for the Calendar year 1992	13-12-1991
10	MOU between the Govt. of the Republic of India and the Govt. of PRC on Resumption of Border Trade	13-12-1991
11	Protocol between the Govt. of the Republic of India and the Govt. of PRC on Entry and Exit procedures for Border Trade	1992
12	Work plan for 1992-93 under the MOU on Cooperation in Agriculture between the	1992

	Ministry of Agriculture of the Republic of India and the Ministry of Agriculture of the PRC	
13	MOU between the Office of the Comptroller and Auditor General, Republic of India and the Audit Administration, PRC	15-1-1992
14	Protocol between GOI and PRC on custom regulation, Banking arrangements and related matters for border trade	1992
15	MOU on Cooperation in Agriculture between the Ministry of Agriculture of the Republic of India and the Ministry of Agriculture of PRC	11-4-1992
16	Protocol between the Govt. of the Republic of India and the PRC for Extension of Border Trade across Shipki La Pass	7-9-1993
17	Agreement between the Ministry of Information and Broadcasting of the Republic of India and the Ministry of Radio, Film, Television of the PRC on Radio and Television Cooperation	7-9-1993
18	MoU between GOI and PRC on Cooperation in the field of Geology and Mineral resources	1993
19	Trade Protocol between the Government of the PRC and Govt. of Rep. Of India for 1994-95	15-6-1994
20	Agreement between the Government of the PRC and Government of Republic of India for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income	18-07-1994
21	MOU between Reserve Bank of India and the People's Bank of China on Banking Cooperation.	22-10-1994
22	Agreement between India and China on Maritime Transport	29-11-1996
23	Agreement of Cooperation between Doordarshan of India and China Central Television	2-6-1997
24	Memorandum of Understanding on Cooperation in the field of Steel between GOI and PRC	22-02-2000
25	Memorandum of Understanding on co-operation in the field of Information Technology	2000
26	Memorandum of Understanding on co-operation in the field of Labor (Employment services, vocational training and social security)	2000
27	MOU on the application of Phytosanitary Measures between M/o Agriculture, Rep. Of India and State General Administration of the PRC for Quality Supervision and Inspection and Quarantine	14-1-2002
28	Agreement of the Rep. Of India and the Govt. of PRC on cooperation. in the field of Tourism	14-1-2002
29	(MOU) on the "Implementation Plan for Organized Group Travel by Chinese Citizens to India" on December 8, 2002	8-12-2002
30	MOU between the government of the Republic of India and the Government of the PRC on Expanding Border Trade	23-06-2003
31	Protocol of Phytosanitary Requirements for Exporting Mangoes from India to China between the Ministry of Agriculture of the Republic of India and the General Administration of Quality Supervision Inspection & Quarantine of the PRC	23-06-2003
32	MOU between Ministry of Information and Broadcasting of the Republic of India and the State Administration of Radio, Film & Television of the PRC	21-07-2004
33	Report of India-China Joint Study Group on Comprehensive Trade and Economic	11-04-2005

Cooperation		
34	MOU on the launch of the India-China Financial Dialogue	11-04-2005
35	Protocol of phytosanitary requirements for the export of Grape from India to China	11-04-2005
36	Protocol of phytosanitary requirements for export of bitter gourds from India to China	11-04-2005
37	Agreement on Mutual Administrative Assistance and cooperation in customs matters	11-04-2005
38	MOU on Civil Aviation	11-04-2005
39	Protocol on India-China Film Cooperation Commission	11-04-2005
40	MOU between The Ministry of Land and Resources of the PRC and The Ministry of Mines of the Rep. of India on Cooperation in Mining Sector	15-09-2005
41	MOU for Enhancing cooperation in the field of oil and natural gas	12-01-2006
42	MOU on Cooperation between the Ministry of Agriculture of the PRC and The Ministry of Agriculture of the Republic of India in the Field of Agriculture	28-03-2006
43	Protocol on Phytosanitary Requirements for Exporting Rice from India to China	21-11-2006
44	MOU on Inspection of Export Cargo (Iron Ore)	21-11-2006
45	MOU between the Indian Council of Agricultural Research and the Chinese Academy of Agricultural Sciences	21-11-2006
46	MOU between Forward Markets Commission of India and China Securities Regulatory Commission regarding Commodity Futures Regulatory Cooperation	21-11-2006
47	Agreement on Bilateral Investment Protection and Promotion	21-11-2006
48	MOU on undertaking Joint exploration and Production and acquisition of Oil and Natural Gas Resources in Third Countries	17-12-2006
49	MOU for Cooperation between the Planning Commission of India and National Development and Reform Commission of the PRC	14-01-2008
50	MOU on Cooperation between Ministry of Railways, India and Ministry of Railways, PRC	14-01-2008
51	MOU between Ministry of Housing and Urban Poverty Alleviation of India and Ministry of Construction, PRC	14-01-2008
52	MOU on Scientific Cooperation between Geological Survey of India and China Geological Survey in Geosciences	14-01-2008
53	MOU between NABARD and Agricultural Development Bank of China on Mutual Cooperation	14-01-2008
54	Protocol of Phytosanitary Requirements for the Export of Tobacco leaves from India to China between the General Administration of Quality Supervision, Inspection and Quarantine of the PRC and the Ministry of Agriculture of the Republic of India	14-01-2008
55	MOU of the Joint Economic Group between the Ministry of Commerce and Industry, Govt. of Rep. of India and the Ministry of Commerce, Govt. of the PRC on Expansion of Trade and Economic Cooperation	19-01-2010
56	MOU between Reserve Bank of India and China Banking Regulatory Commission	16-12-2010
57	MOU between Export Import Bank of India and China Development Bank Corporation	16-12-2010
58	Agreed Minutes of the 1 st India-China Strategic and Economic Dialogue	26-09-2011

India-China economic relations constitute an important element of the strategic and cooperative partnership between the two countries. Several institutional mechanisms have been established for enhancing and strengthening economic cooperation between the two countries. Besides the India-China Joint Economic Group on Economic Relations and Trade, Science and Technology (JEG) and the India-China Strategic and Economic Dialogue (SED), a Financial Dialogue has also been taking place between the two countries since 2006.

India-China Financial Dialogue: In accordance with the MoU on the Launch of the Financial Dialogue between India and China, signed during Chinese Prime Minister Wen Jiabao's visit to India in April 2005, the two sides have since successfully held five Financial Dialogues in April 2006, December 2007, January 2009, September 2010, and November 2011 respectively. The Fifth India-China Financial Dialogue was held on November 8, 2011 in New Delhi. A Joint Statement was signed and released at the end of the Dialogue. During the Dialogue, both sides exchanged views on the global macro economic situation and policy responses, with specific reference to current risks to the global economy and the role of India and China in the post crisis recovery phase. Discussions also took place on G20 issues including reforms in the International Monetary System and the Framework for Strong, Sustainable and Balanced Growth. The Sixth India-China Financial Dialogue is scheduled to be held in China in the last quarter of 2012.

Banking Links: Many Indian banks have established their presence in mainland China in the last few years. Four Indian banks, namely, State Bank of India (Shanghai), Canara Bank (Shanghai), Bank of Baroda (Guangzhou) and Bank of India (Shenzhen) have **branch offices** in China. At present, State Bank of India is the only Indian bank to have authorization to conduct local currency (RMB) business at its branch in Shanghai. Besides, the following **representative offices** of Indian banks are also operating in mainland China:

- (i) Axis Bank, Shanghai
- (ii) Punjab National Bank, Shanghai
- (iii) Union Bank of India, Shanghai
- (iv) ICICI Bank, Shanghai
- (v) Bank of India, Beijing
- (vi) Union Bank of India, Beijing
- (vii) Allahabad Bank, Shenzhen
- (viii) UCO Bank, Guangzhou
- (ix) Indian Overseas Bank, Guangzhou

(x) State Bank of India, Tianjin

More Indian banks are planning to upgrade their Representative Offices in China to branch offices and existing branch offices are applying for RMB license. In early 2011, Industrial and Commercial Bank of China (ICBC) secured a license to start banking operations in India. ICBC inaugurated their Mumbai branch on September 15, 2011. This marked the opening of the first branch of a mainland Chinese bank in India.

Various Government institutions and agencies from the two countries have also been interacting with each other for furthering cooperation in the areas such as taxation, human resource development and employment, health, urban development and tourism. There is a close exchange and interaction between the economic think tanks and scholars as well.

Following important visits took place from India to China in 2011:

- 1) Ms L.M. Vas, Special Secretary, Ministry of Finance visited Nanjing to take part in the G20 High Level Seminar on International Monetary System on March 31, 2011.
- 2) A delegation from Rajasthan, headed by Shri Shanti Dhariwal, Hon'ble Minister for Housing, Urban Development and Local Self Government, Government of Rajasthan visited Beijing, Shanghai, Shenzhen, Hong Kong and Macao from May 23-June 1, 2011 to study the development of urban infrastructure, particularly in the fields of housing, construction and transport.
- 3) Hon'ble Chief Minister of Bihar Shri Nitish Kumar visited China from June 12-18, 2011 under the Ministry of External Affairs – International Department, Communist Party of China (MEA-IDCPC) exchange programme.
- 4) Hon'ble Union Minister for Health and Family Welfare Shri Ghulam Nabi Azad visited China from 22-25 June 2011 to participate in the 18th Executive Committee Meeting of the Partners in Population and development (PPD) held in Dalian (June 23-24, 2011).
- 5) Hon'ble Union Minister for Health and Family Welfare Shri Ghulam Nabi Azad paid another visit to China from July 10-13, 2011 to attend the World Population Day event in Tianjin and the first BRICS Health Ministers Meeting in Beijing.
- 6) A delegation from the Government of Madhya Pradesh led by Hon'ble Chief Minister of Madhya Pradesh Shri Shivraj Singh Chouhan visited China from Sept 12 to 20, 2011 to attend the World Economic Forum Annual Meeting of the New Champions 2011 in Dalian and hold Investments Forums at Beijing and Shanghai.
- 7) A four member delegation headed by Shri Harish Chandra Gupta, Chairperson, Competition Commission of India (CCI) visited Beijing from Sept 19 to 23, 2011 to participate in the 2nd BRICS International Competition Conference held in Beijing on Sept 20-22, 2011.
- 8) A 500 member Indian youth delegation, led by Hon'ble Minister of State (IC) for Youth Affairs and Sports Shri Ajay Maken, visited China from Sept 20 to 29, 2011.
- 9) Dr. T.C.A. Anant, Chief Statistician of India and Secretary visited Beijing to attend the 3rd meeting of the National Statistics Institutions of BRICS from Sept 25 to 26, 2011.
- 10) A delegation led by Shri J.M. Garg, Vigilance Commissioner, Central Vigilance Commission visited Beijing and Shanghai from Oct 8 to 13, 2011.

- 11) Shri Sanjay Kumar Mishra, Joint Secretary, FT&TR I, Department of Revenue, Ministry of Finance visited Beijing from October 13 to 14, 2011 to attend the High Level Event hosted by the State Administration Taxation (SAT) of PR China.
- 12) A two member delegation from India Post comprising of Shri Shekhar Sinha, CGM (PLI) and Shri Anurag Priydarshi, Director (Rural Business) visited Beijing, China from Oct 19 to 21, 2011.
- 13) A 4-member delegation from the Ministry of Finance headed by Shri Thomas Mathew, Joint Secretary (CM), Department of Economic Affairs visited Xiamen from Nov 22 to 26, 2011 to attend the 15th EAG (Eurasia Group on Money Laundering and Terrorist Financing) Plenary and the Working Group Meetings.

➡ Cultural Relations

History of Cultural Exchanges

Both India and China are not mere societies; they are civilizations. We do not know exactly when and how they started exchanging their cultural elements, but what we do know is that they grew in parallel and shared their cultural traits since the beginning of human history and this tradition of sharing has been continuing ever since.

Even before the transmission of Buddhism, the Shang-Zhou civilization and the ancient Vedic civilization in 1500-1000 B.C. showed some evidence of conceptual and linguistic exchanges. For instance, "wumingzhi" (nameless finger) in Chinese is called "anamika" (nameless) in Sanskrit and in Pali. Similarly, some ancient Indian literatures mention "chinas" referring to the Chinese people. The Mahabharata of the fifth century B.C. contains reference to China. Chanakya of the Maurya dynasty (350-283 B.C.) refers to Chinese silk as "chinamsuka" (Chinese silk dress) and "chinapatta" (Chinese silk bundle) in his Arthashastra. Likewise, the Record of the Grand Historian of Zhang Qian and Sima Qian has references to "Shendu", may be referring to "Sindhu" in Sanskrit.

In sixth century B.C., the birth of Confucius and Sakyamuni opened a new period of exchanges between the two civilizations. Emperor Ashoka's propagation of Buddhism after his conversion in 256 B.C. brought both civilizations even closer. Ashoka's bilingual (Kharoshti and Greek) edict points at extension of Buddhism in the direction of China and Central Asia. The trend continued in first century A.D. during emperor Kanishka's period. His empire, with its capital at Purushpura (now Peshawar in Pakistan), enabled Buddhist pilgrims and scholars to travel on the historic "silk route". Kashyapa Matanga and Dharmaratna made the White Horse monastery at Loyang their abode. Along the silk route, Khotan Turpan and Kucha became prominent centers of Buddhism and India-China exchanges. The great scholar Kumarajiva initiated efforts to collect and translate important Buddhist texts at a great Buddhist conclave in Chang'an (present Xi'an) where he stayed until his death in 413 A.D. and managed to have 98 major Buddhist canonical works translated into Chinese. He is widely believed to be responsible for bringing in Mahayana Buddhism and Madhyamika doctrine into Chinese philosophy. In the beginning of the fifth century A.D., Dharmakshema, an Indian Buddhist scholar came to China bringing with him the

“Mahaparinirvana Sutra” which was translated into Chinese about the year 415 A.D. Meanwhile, the Chinese Pilgrim Fa Hein had left for India along the Silk Route and arrived there in 405 A.D. Batuo (464-495 A.D.) and Bodhidharma visited China; XuanZhang (604 A.D.) and I Ching were students at the prestigious Nalanda University. All along, the Silk Road played a significant role in facilitating India-China cultural, commercial and technological exchanges. It also connected both of us with the people of ancient Persia and the Mediterranean.

Both civilizations also shared scientific knowledge. In eighth century, Indian astronomer Aryabhata's astronomical signs were translated into Chinese in the book "Kaiyuan Zhanjing" compiled by Gautama Siddha, an astronomer in Chang'an of Indian descent. It is also believed that he translated the Nabagraha calendar into Chinese. During the Ming Dynasty, navigator General Zheng His arrival at Calicut in early 15th century is also a testimony of China's ancient maritime linkage with India.

Modern Phase of Cultural Exchanges

Our exchanges continued during the days of our struggle for self governance. In early 20th century, Nobel laureate Rabindranath Tagore visited China twice, in 1924 and in 1929. Since 1911, Chinese scholars and intellectuals have been visiting and revisiting Tagore's life, works and philosophy. During this year, which marks his 150th birth anniversary, there are efforts by Chinese publishing houses to bring out collected volumes of these writings on Tagore in the last one hundred years. Institutions are preparing to stage Tagore's plays in Chinese language for easy comprehension of Chinese audience. As part of Gurudev's 150th Birth Anniversary celebrations, Mission collaborated with Chinese institutions like Peking University, Chinese Association for Friendship with Foreign Countries (CPAFFC), Yunnan University and many others to hold seminars, exhibitions and movie screenings in his honour. A fully Chinese production of Gurudev's famous play- Chitrangna, is slated to be opened in Lanzhou University in March 2012.

Dr. Dwarkanath Kotnis, whose mortal remains rest in the North China Martyrs' Memorial Cemetery in Hebei Province, sacrificed his life in the service of the Chinese people during the Sino-Japanese war. A part of the 1938 medical team of five Indian doctors, he stayed on in China working in mobile clinics to treat wounded soldiers. He was eventually appointed as Director of the Dr. Bethune International Peace Hospital built by the Eighth Route Army.

Both India and China began their journey of independent governance almost at the same time, India in 1947 and the People's Republic of China in 1949. In 1955, the first Indian cultural delegation headed by then Deputy Minister of External Affairs Mr. A. K. Chanda visited China which was warmly received by the Chinese leaders and people during their tour. In the 1960s and 1970s Bollywood movies such as Do Bigha Zameen, Awara and Sree 420 of Raj Kapoor and Noorie struck an emotional chord in the hearts and minds of the Chinese people. Even today, people on the street hum the tunes of the songs of these films. In 1986, a film delegation from India visited China and since 1988 both countries are bringing their people together through structured Cultural Exchange Programme.

In the last 30 years or so, both of us have made remarkable progress. We also face similar challenges. We are nations of youths, with hope, with dreams and with aspirations. Our leaders, realizing this, have carried forward the task of promoting people-to-people contacts sincerely, vigorously and diligently in the new millennium. Important projects have been completed. In 2003, Prime Minister Vajpayee had committed to build an Indian style Buddhist temple in Luoyang, Henan province and President Pratibha Devisingh Patil inaugurated the temple during her visit to China in May 2010. In February 2007, the Xuanzhang memorial hall has been inaugurated at Nalanda. In June 2008, joint stamps have been released, one stamp depicting the Mahabodhi temple at Bodhgaya and the other depicting the White Horse temple at Luoyang. A centre for Indian studies has been set up in Peking University in 2003. Chairs of Indian studies have also been established in Shenzhen University, Jinan University and Fudan University. The 60th anniversary of the establishment of India-China diplomatic relations was celebrated with much fan fare in both countries in 2010.

The broad contours of the India-China cultural cooperation was laid down in the Agreement on Cultural Cooperation signed in May 1988, which provides for an executive Cultural Exchange Programme (CEP) for implementation. The latest CEP signed in Dec 2010 during the visit of Chinese Premier Wen Jiabao to India provides for cooperation in a gamut of cultural fields including exchanges of visits of performing artists, officials, writers, archivists and archaeologists, organizing cultural festivals, film festivals and exchanges in the field of mass media, youth affairs and sports.

Leaders of both sides have announced 2011 as the "Year of Exchanges" and both countries have resolved to further strengthen cultural exchanges between our peoples. Youth exchanges have been encouraged. While young China expresses great desire to know Buddhism, Bollywood and Yoga, young India admires the Chinese economic miracle. A 500 member Indian youth delegation, led by the Hon'ble Minister of State for Sports and Youth Affairs, Sh. Ajay Maken, visited China in September 2011. A 20 member ICCR Bollywood Troupe toured China in September 2011. The Mission collaborated with the Beijing Film Academy to put up an alternative Film Festival titled "You Don't Belong" across several Chinese cities like Beijing, Shanghai, Guangzhou and Kunming in November-December 2011. In order to connect better with the Chinese youth, the Mission has also opened an account at the popular micro blogging site, Sina Weibo, which has over 5000 followers. The Mission's Flagship Chinese language publication- Jinri Yindu has a readership base of over 20,000 and is still going strong. Government of India is making efforts to popularize Chinese language at school level and is committed to build a modern international Nalanda University at Rajgir in Bihar with the help of partners and friends, for which Government of China has expressed desire to contribute. The Nalanda University Governing Board held their annual meeting in Beijing in October 2011.

The new Culture and Information Wing of the Mission began functioning from January 2011 from the New Chancery Premises. A Kathak dance teacher and a Hindustani classical music teacher joined the Mission on ICCR deputation in 2010, in order to expose the Chinese people to various facets of India's rich cultural tradition. This Wing conducts several events every month, including lectures, film/documentary shows, performances, book talks, etc dealing with Indian

culture and heritage. Increasingly, a number of Indian artists have been performing on private visits or participating directly on invitations of esteemed institutions like the Central Conservatory of Music, NCPA and Beijing Dance Academy. The Wing also has an open library with around 3000 reference books on India.

Both India and China have vibrant cultures and vibrant people. Buddhism, Xuan Zhang, Tagore, Dr, Kotnis, Nalanda, Yoga and Cinema are only symbols of our long tradition of exchanges. They are testimonies of our shared heritage. The momentum has been set and the pace can only increase in the 21st century.

List of Cultural Events- Jan-Dec 2011

1. Celebration of Vishwa Hindi Diwas, January 10, 2011

Embassy of India organized a function to celebrate Vishwa Hindi Diwas on January 10. Ambassador while addressing the gathering emphasized the importance of Hindi as a bridge between India and the world. On this occasion, Prof. Devendra Shukla, Visiting Professor, Hindi Department, Peking University and Prof. Jiang Jinkui, Deputy-Director, Center of India Studies also shared their thoughts. Students from the Culture Wing gave a short cultural performance.

2. 62nd Republic Day Celebration, January 26, 2011

Embassy of India organized a function to celebrate 62nd Republic Day Celebration on 26th January, 2011. The function started with the lighting of the ceremonial lamp Ambassador Dr. S. Jaishankar and H.E. Mr. Hu Zhenyue. A 10 member cultural troupe led by noted Kathak dancer, Namrata Pamnani gave a scintillating performance on the occasion.

3. Book release ceremony at Culture Wing, Embassy of India- 'Rising Elephant' by Professor Ma Jiali- March 10, 2011

A ceremony was held to release the book 'Rising Elephant' written by noted Indologist, Prof. Ma Jiali on March 10, 2011 at the Culture Wing, Embassy of India. Ambassador Dr. S. Jaishankar released the book and addressed the audience.

4. Book release ceremony of 'India That You May Not Know' by Prof. Wang Shuying- Culture Wing- April 27, 2011

Culture Center, Embassy of India organized a book release ceremony to launch Prof. Wang Shuying's book 'India That You May Not Know' on 27th April, 2011. DCM Mr. Rahul Chhabra released the book and addressed the gathering.

5. 150th Anniversary of Rabindranath Tagore- 7th May, 2011

Chinese People's Association for Friendship with Foreign Countries (CPAFFC) in collaboration with Embassy of India in Beijing organized a conference to commemorate the 150th Birth anniversary of Rabindranath Tagore on Saturday, 7 May 2011 in Beijing. The conference was held at the prestigious Peace Palace of the Chinese People's Association for Friendship with Foreign Countries and included a short cultural performance by the students of the Indian Embassy Culture Centre.

6. Tagore Evening at Culture Wing, Embassy of India, Beijing, 08 May, 2011

Culture Wing of Embassy of India, Beijing organized a "Tagore evening" in Beijing on 8 May 2011. Ambassador of India to China, HE Dr. S. Jaishankar graced the occasion. He spoke a few words on the "Life and Works of Gurudev". Ambassador of Bangladesh to China, HE Munshi Nazim Ahmed, senior World Bank official, Sh. Syed Ahmed, and renowned Chinese scholars of Bangla literature, Prof. Dong Youyou and Prof. Shi Jingwu, were amongst the prominent invitees.

7. India Day at Peking University, 22nd May, 2011

On 22 May 2011, Embassy of India, Beijing, in collaboration with the Centre of India Studies and Department of South Asian Studies, Peking University, for the very first time, organized at Peking University- "India Day 2011". The theme for this year's event was "Development of India-Opportunities for Chinese Youth". The event included a presentation on business opportunities in India and a short Indian song and dance recital.

8. Buddhism: Mapping Asia's History and Culture, 18-20 June, 2011

Embassy of organized an International Conference on the theme 'Buddhism: Mapping Asia's History and Culture' on 18-20 June in Beijing. Hon'ble Chief Minister of Bihar Mr. Nitish Kumar delivered a keynote speech. Scholars and academics from eight nations participated in the Conference.

9. 'Evening Prayers at the bank of Ganges'- a Cultural program organized at the National Center for Performing Arts (NCPA) - July 3, 2011

Culture Wing of Embassy of India organized 'Evening Prayers at the bank of Ganges'- a Cultural program at the National Center for Performing Arts (NCPA) on July 3, 2011. Chinese audience enjoyed the cultural performance presented by the Chinese students of Cultural Wing.

10. Odissi Performance by Padma Shree Ms. Ranjana Gauhar at National Centre for Performing Arts (NCPA), Beijing on 10 July 2011

Ms. Ranjana Gauhar, a leading exponent of the classical Indian dance form of Odissi, performed in Beijing, at the beautiful Blossom Hall in the prestigious National Centre for Performing Arts

(NCPA) of China, counted amongst the top world class art institutions and opera theatres in the world, on 10 July 2011.

11. Odissi Recital by ICCR Troupe led by Padma Shree Ms. Ranjana Gauhar at the Beijing Music Conservatory on 11 July 2011

Embassy of India organised an Odissi recital by Padma Shree Ms. Ranjana Gauhar and her group at the prestigious Beijing Music Conservatory on 11 July 2011.

12. Felicitation ceremony for students of Tagore International School, New Delhi, at Culture Wing, Embassy of India, 5 August 2011

Culture Wing, Embassy of India held a formal felicitation ceremony for an 18 member delegation consisting of 16 students and two teachers from Tagore International School, East of Kaliash, and New Delhi on 5 August 2011.

13. Independence Day Celebrations at Indian Embassy, August 15, 2011

Embassy of India celebrated Independence Day on 15th August. Ambassador hoisted the national flag at the Chancery premises. He also read out the President of India's message to the nation. Embassy staff and members of the Indian community in Beijing participated.

14. International Yoga Conference, 26th August 2011

The Culture Center, Embassy of India with the collaboration of India-China Friendship Association organized International Yoga Conference in Beijing.

15. HINDI DIWAS CELEBRATION at Culture Center, Embassy of India

On Wednesday, 14 September 2011, Embassy of India in Beijing celebrated Hindi Diwas at its Culture Centre. Along with Embassy officials, Hindi students, speakers, scholars and representatives of Indian community in Beijing, Peking University, Renmin University, China Communication University, Beijing Foreign Studies University, China Radio International, local media, etc. participated in the event.

16. Indian Youth Delegation's visit to China (21 Sep- 29 Sep2011)

A 500 member Indian youth delegation, on the invitation of the All China Youth Federation, is currently visited China. The Indian delegation participated in a cultural performance "Ancient Civilizations, Glorious Youth" at the Great Hall of the People in Beijing on 22nd September. Chinese Premier Wen Jiabao, on this occasion, delivered a speech on the important role that the youth of the two nations have to play to drive our bilateral relations forward.

17. 'Bollywood Love Story', a musical program held at Central Conservatory of Music, Beijing, 22 September, 2011

Embassy of India in collaboration with the Central Conservatory of Music in Beijing hosted Bollywood musical "Love Story- A Bollywood Musical" on 22nd September 2011 at the historic and grand auditorium of Central Conservatory of Music. Produced by Sharupa Dutta, directed by Sanjoy Roy and Choreographed by Gilles Chuyen, the musical was a huge success. The troupe was sponsored by ICCR. About 1,500 people enjoyed the show in a packed auditorium.

18. 142nd Gandhi Jayanti Celebrations on 2nd October 2011, Embassy of India, Beijing

On 2 October 2011, Embassy of India, Beijing celebrated the 142nd Birth Anniversary of Father of the Nation, Mahatma Gandhi, at Chaoyang Park, in the premises of the renowned Jintai Museum, Beijing. The function was well attended by members of the India Diaspora in Beijing, media persons, Chinese students, Embassy officials as well as people from a cross section of different professions and fields

19. Lecture by Prof Tansen Sen 'India, China and the West: Thoughts on Colonial Period', 10th October, 2011

Embassy of India organized a lecture by Pro. Tansen Sen who teaches at Srivijaya Center at Singapore. The theme of the lecture was 'India, China and the West; Thoughts on Colonial Period'.

20. Lecture by Nobel Laureate Prof. Amartya Sen 'Higher Education in History- Asia and Europe', 15 October 2011, held at 100 Years Auditorium, Peking University, Beijing

Prof. Amartya Sen, Nobel Prize Winner for Economics in 1998, was recently in Beijing in connection with the meeting of the Nalanda University Governing Board of which he is the Chairperson. During his stay, he also inaugurated the Workshop on the Historical and Cultural Interactions between India and China at the prestigious 100 Years Auditorium in the premises of Peking University.

21. Diwali Celebrations for young Indian and Chinese school children 'Diwali Milan Ceremony', held at Culture Wing, Embassy of India on 23 October 2011

Embassy of India hosted a pre-Diwali get together for young school going children at Culture Wing, Embassy of India, and Beijing on 23 October 2011. A large number of school children from various Chinese and Indian primary schools and kindergartens, like Bali Zhuang Primary School, Yiswind Kindergarten, Gurukul Academy for teaching Hindi, Beijing International School and Western Academy of Beijing International School participated in the celebrations

22. Embassy of India hosts Indian Tea Tasting Ceremony at Culture Wing on 28 October 2011

Embassy of India hosted an Indian Tea Tasting Ceremony at the Culture Centre on 28 October. The function was very well received by the large numbers of Chinese connoisseurs of Indian tea, Chinese businessmen and members of the Chinese and Indian press fraternity who turned out in large numbers

23. 2011 Beijing Foreign Language Festival and Chaoyang Foreign Language Carnival, October 2011

Culture Wing, Indian Embassy participated for the first time and staged classical performances at these prestigious youth exchange festivals. Chaoyang District Foreign Affairs Office presented a merit certificate to the Indian contingent.

24. Deepawali Celebrations held at Embassy of India Lawns, Beijing, on 29th October 2011

Embassy of India hosted a grand Deepawali function at the sprawling Embassy lawns on Saturday, 29 October 2011. This event witnessed an impressive turnout from the diplomatic corps based in Beijing, various ministries of the Government of China, academia, students, members of the press, besides a large presence of the Indian community. The Hon'ble Ambassador of Pakistan to China, HE Mr. Masood Khan and the Hon'ble Ambassador of Afghanistan to China, H. E. Mr. Sultan Ahmad Baheen, were amongst the prominent invitees who participated in the celebrations.

25. "The future of India-China Cultural exchanges", an Interactive Session with a prestigious panel of Indian artists and literary personalities held at Indian Cultural Center on November 9, 2011

Indian Culture Center organized "The Future of India-China Cultural Exchanges", an Interactive Session with the prestigious panel of Indian artists and literary personalities led by Sh. Ashok Vajpayi, Chairman, Lalit Kala Akademi.

26. Indian Movie Festival- from 29th November to 4th December, 2011

Embassy of India, Beijing with the collaboration of Magic Lantern Foundation organized Indian Movie Festival in 798 Arts district in Beijing. The movie festival held from 29th November to 4th December, 2011. The movie festival attracted hundreds of people.

27. "Folklore in Kalahandi" Talk by Dr. Mahendra Kumar Mishra, held at Indian Culture Center on 15th December, 2011

Dr. Mahendra Kumar Mishra gave a talk on 'Folklore in Kalahandi' at the Indian Culture Center on 15th December, 2011. Counsellor (Political & Culture) Arun Kumar Sahu and Prof Jiang Jingkui of Peking University participated in the program.

28. Inauguration of painting exhibition of Mrs. Anjula Sharma, held in Beijing-18 December 2011

Charge d'Affairs Mr. Rahul Chhabra inaugurated painting exhibition by Mrs. Anjula Sharma, held in Beijing-18 December 2011

29. Buddhist Photography Exhibition held at Sanya, 19-20 December, 2011

Embassy of India organized a Buddhist Photography Exhibition of the famous artist Mr. Binoy Behl on 19-20 December, 2011 at Nanshan Buddha Temple, Sanya

➤ Defence Relations

Background

A warming trend in relations between India and China was facilitated after Prime Minister Rajiv Gandhi visit China in Dec 1988, wherein it was decided to set up a Joint Working Group (JWG) on the boundary issue. Between Dec 1988 and Jun 1993, progress was made in reducing tensions on the border via Confidential Building Measures (CBMs), including mutual troop reductions, regular meetings of local military commanders and advance notifications of military exercises. Seven rounds of JWG talks were held during this period. During Shri Sharad Pawar's visit to Beijing in July 1992, the first ever by an Indian Defence Minister, it was agreed to develop academic, military, scientific and technological exchanges. A senior level Chinese military delegation aimed at fostering CBMs between the defence forces of the two countries made a six day goodwill visit to India in Dec 1993. The visit was reciprocated by Indian Army Chief Gen BC Joshi's visit to China in July 1994. Since then regular exchanges have been taking place at various levels.

Bilateral defence interaction has been growing. Peace and tranquility along the Line of Actual Control (LAC) in the border areas is being largely maintained by both sides in accordance with the agreements of 1993 and 1996. Recent highlights in defence relations are the visit by the then Defence Minister, Mr George Fernandes, to China in Apr 2003. The visit came after a gap of more than one decade and also helped ease the post Pokhran tensions. This was followed by a return visit by Chinese Defence Minister Gen Cao Gangchuan in Mar 2004. In Dec 2004, Gen NC Vij, the then COAS visited China, the first by an Indian COAS in a decade, and both the countries agreed to deepen defence cooperation. In May 2005, the Chinese CGS visited India, a further sign of warming relations between the two countries. The Indian Defence Minister visited India in May 2006 and signed the first ever MoU on Defence Exchanges between the Armed Forces of India and China. In May 2007 Gen JJ Singh, Chairman COSC and COAS visited China. This was the first time that Chairman COSC visited China and was hosted by the CGS of the PLA. In Nov 2008, the Chief of Air Staff of the IAF paid an official visit to China from 02 - 06 Nov 2008. Simultaneously, the Commander PLA Navy paid a visit to India from 02 to 05 Nov 2008. Chairman COSC and CNS, Admiral Sureesh Mehta, PVSM, AVSM, ADC visited China and

participated in the International Fleet Review to mark the 60th Anniversary Celebrations of PLA Navy from 19 - 25 Apr 2009.

Review of Defence Exchanges

General: Bilateral defence interaction has been growing. Peace and tranquility along the Line of Actual Control (LAC) in the border areas is being largely maintained by both sides. Presently our approach has been based on interaction at a higher level with the heads of departments/institution making visits to PLA Institutions. Lower level interaction is carried out through training institutions like NDC and Army War College (AWC). With the formalisation of MoU on Exchanges in the Field of Defence Cooperation between India and China, the effort to deepen and institutionalise defence cooperation between the armed forces of India and China is being reinforced.

Bilateral Exchanges: Details of bilateral exchanges (Service Chiefs & Ministerial) conducted between the two countries from 2000 to 2011 is attached as **at Annexure**. The bilateral exchanges between India and China have been steadily increasing with greater exchanges of defence delegations.

Ministerial Level Delegations: From India, the Indian Defence Ministers have visited China thrice in Jul 1992, Apr 2003 and May 2006. The Chinese Defence Ministers have visited India twice in Sep 1994 and Mar 2004.

Service Chiefs Level Delegations

Army: The Chief's of Army Staff (COAS), of the Indian Army have visited China on three occasions in July 1994, December 2004 and May 2007. The last visit to China was by Gen JJ Singh, COAS and Chairman Chiefs of Staff Committee (COSC) in May 2007. This was the first time that a service Chief visited China in the capacity of Chairman COSC and was hosted by the CGS of the PLA. Commander Ground Forces of the Chinese PLA i.e. the Chief of General Staff (CGS) has visited India twice in May 1998 and May 2005.

Air Force: The Chief of Air Staff (CAS) Indian Air Force (IAF) has visited China in May 2001 and Commander PLA Air Force has visited India in October 2006. Air Chief Marshal FH Major, PVSM, AVSM, SC, VM, ADC, Chief of Air Staff visited China from 04-07 Nov 08.

Navy: The Chief of Naval Staff (CNS), Indian Navy visited China in March 1996. Commander, PLA Navy visited India in Nov 2008. The Chairman Chiefs of Staff Committee and Chief of Naval Staff, Admiral Sureesh Mehta visited China from 18 - 25 Apr 2009 (participated in IFR from 20 - 23 Apr 09).

Annual Defence Dialogue: The first Annual Defence Dialogue between India and China was held in Beijing in Nov 2007. Indian side was led by Shri Bimal Julka, JS (G/Air), MoD while the Chinese side was led by Maj Gen Qian Li Hua, Chief of FAO, and MND. The second round of the

Annual Defence Dialogue was held in India on 15 Dec 08. The Chinese side was led by Lt Gen Ma Xiaotian, Dy CGS, PLA & the Indian side was led by Mr Vijay Singh, Defence Secretary. The third round of Annual Defence Dialogue was held in Beijing (China) on 06 January 2010. The Indian side was led by Shri Pradeep Kumar, Defence Secretary and Chinese side was led by General Ma Xiaotian, Deputy Chief of General Staff. The fourth Annual Defence dialogue was held in New Delhi on 09 December 2011. Shri Shashikant Sharma, Defence Secretary and Gen Ma Xiaotian, Dy CGS co chaired the talks.

Joint Training Exercise: The First Joint Training Exercise between the Indian Army and the PLA, 'HAND IN HAND 2007' was conducted at Kunming, China. One Company each from the Indian Army & PLA participated in the exercise which was based on the theme of Counter Terrorism. Lt Gen Susheel Gupta, DCOAS was the senior most Indian observer and Lt Gen Ma Xiaotian, Dy CGS PLA was the senior most observer from the Chinese side. The Second India China Joint Training Exercise was held in India (Belgaum) in Dec 08 based on the same theme and participation level. Lt Gen Ma Xiaotian Dy CGS PLA and Lt Gen N Thamburaj, GOC-in-C Southern Command (now VCOAS) observed the closing ceremony.

IAF Suryakiran Aerobatic Team (SKAT) at the Zhuhai Airshow: The Indian Air Force nine aircraft aerobatics display team, the SKAT participated in the 7th International Aviation & Aerospace Exhibition (Zhuhai Air Show). The performance of the SKAT was widely applauded and extensively covered in Chinese media and marked a new beginning for cooperation between the air forces.

Visits by Service Chiefs of Armed Forces - 2000 -2011

S N	Date of Visit	Name / Designation
1	20-26 May 2001	Air Chief Marshal AY Tipnis and 04 officers
2	20-26 May 2007	General J. J. Singh Chairman COSC & COAS
3	02 to 07 Nov 2008	ACM FH Major, PVSM, AVSM, SC, VM, ADC, Chief Air Staff
4	18 - 25 Apr 2009	Admiral Sureesh Mehta, PVSM, AVSM, ADC, CNS & COSC

China to India: 2000-11

S N	Date of Visit	Name / Designation
1	10-16 Dec 2003	Gen Wu Quanxu, Dy CGS

2	23 - 28 May 05	Gen Liang Guanglie, CGS, PLA paid a return visit.
3	25 Oct-28 Oct 2006	Gen Qiao Qingchen, Commander PLA Air Force
4	02 to 05 Nov 2008	Admiral Wu Shengli, Chief of Naval Staff, PLA

Ministerial Visits from India to China: Jan 2000 onwards

S N	Date of Visit	Name / Designation	Remarks
1	20 - 27 Apr 2003	Sh George Fernandes, Defence Minister	11 Member delegation
2	28 May - 01 Jun 2006	H.E. Shri Pranab Mukherjee, Defence Minister	12 Member delegation; Signed MoU on Defence.

Ministerial Visits from China to India:

S N	Date of Visit	Name / Designation
1	27-31 Mar 2004	Gen Cao Gangchuan, Defence Minister and Vice Chairman CMC
2	23 - 28 May 2005	Gen Liang Guanglie, CGS and member of CMC

The year 2011 was an eventful year for India - China bilateral defence cooperation. The Fourth Annual Defence Dialogue (ADD) was held in New Delhi on 09 Dec 2011. Prior to the dialogue in Jun 2011, a delegation from various Indian Army Commands led by Maj Gen Gurmit Singh, VSM visited Beijing, Urumqi and Shanghai. A reciprocal PLA delegation visited India in Nov 2011, led by the Political Commissar of the Tibet Provincial Military Command.

Defence Exchanges in year 2011

Bilateral Exchanges: Important high level visits that took place from India to China in the year 2011 were by an Indian Multi Command delegation led by Maj Gen Gurmit Singh, VSM from 19-23 Jun and a 15 member Staff Officers Delegation led by Air Vice Marshal PS Mann from 09 – 14 Jan 2012. An eight member PLA delegation led by Lt Gen Lang Youliang, Political Commissar of Tibet Provincial Military Command visited India from 04 -09 Nov 2011. Another 26 member PLA Staff Officers Delegation visited Delhi, Agra and Mumbai from 25-30 Dec 2011. It was headed by Maj Gen Jin Lecheng, Deputy Commander, Shanxi Provincial Military Command.

4th Annual Defence Dialogue: The 4th Annual Defence Dialogue between India and China was held in New Delhi on 09 Dec 2011. The seven member Chinese delegation was led by Gen Ma Xiaotian, Deputy Chief of General Staff of the PLA while the Indian side was led by Shri Shashikant Sharma, Defence Secretary. Both sides agreed to increase the defense exchanges between the two countries and enrich the content of the exchanges.

Seminars/Conference: A three member MoD delegation participated in the ADMM plus Experts Group Meeting on Humanitarian Assistance and Disaster Relief in Beijing from 2-5 Nov 2011.

➤ Indian Community in China

The Indian community in China is an increasing one. Present estimates put the community's strength in Mainland China at around 48000, with 7700 in and around Shanghai and 25000 in Southern China (Guangzhou, Shenzhen and surrounding areas), and the remaining in Beijing and other areas.

A major component of the community in Main land China are students. About 8,000 Indian students are enrolled in various Chinese Universities, particularly in Chinese medical universities where they are pursuing MBBS studies. Easy admission system affordable fees and good standard of facilities are the main attraction for the Indian students.

Apart from students, a significant number of the community in Mainland China is traders working for Indian owned and locally registered trading companies. Many of them are based in Guangzhou, Shenzhen (both in Guangdong province in southern China), Yiwu (a small city in Zhejiang province well known for its small commodities markets) and Shaoxing County (also in Zhejiang province, and home of Asia's largest textile trading center)

In Mainland China, the Indian communities in Beijing, Shanghai and Shaoxing have set up community associations, known respectively as the Indian Community of Beijing (ICB), Shanghai-Indian Association and the Shaoxing Indian Business Association (SIBA).

January, 2012