
Chinese President Xi Jinping's Visit to India: An Assessment

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President of the People's Republic of China (PRC), Xi Jinping, visited India during September 17-19, 2014. This was his first visit to India as the President of the PRC and first bilateral visit by a Chinese President after a gap of eight years. India-China relations have been through a lot of ups and downs since then President Hu Jintao's bilateral visit in November 2006. The biggest change in the intervening period perhaps has been that India-China relations have been elevated from bilateral relations to become an important part of global power relations. Therefore, this relationship has become not only multi-pronged but also extremely complicated. On the other hand, shared concerns like the future of Afghanistan have given India and China more platforms to discuss and understand mutual perspectives and concerns.

Now in 2014, India has a new government led by Prime Minister Narendra Modi and India-China relations are expected to be recast based on the positive momentum gained in the previous few years and the priority of the development agenda of the two leaders. Therefore, this visit was expected to give a "directional change" as far as the bilateral relations were concerned. There was a political momentum in the bilateral relations as both India and China quickly reached out to one another after

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the new governments came to power in the respective capitals.¹ India and China, along with Myanmar, also celebrated the sixtieth anniversary of the signing of *Panchsheel* earlier in the summer of 2014. Therefore, it will be appropriate to call this a highly anticipated visit. In the following sections, an analysis of this visit is undertaken to see what the expectations were, what happened, whether the expectations were met and how this visit impacts the course of India-China relations.

Expectations from the Visit

President Xi Jinping's itinerary indicates his priorities for this leg of his foreign visits. This was one of the recent firsts in that a Chinese dignitary did not visit Islamabad after his visit to Delhi. However, President Xi Jinping came to India after visiting Sri Lanka and Maldives, which was a first for a Chinese head of state. This shows the growing importance that China attaches to these small island states in the Indian Ocean and how they form part of a larger Chinese geo-political and economic strategy in the region.

Xi Jinping has followed a discernible foreign policy in China's neighbourhood in particular and in larger Asia in general. Their prioritisation of regional policy can be attested from the fact that of the 22 foreign capitals visited by President Xi and Premier Li during the first year of their leadership, 12 were China's neighbours. China, under President Xi, has broadly advocated an Asia for Asians strategy. At his keynote speech in the fourth summit of the Conference on Interaction and Confidence Building Measures in Asia (CICA), Xi had called upon the Asian states to abandon the old security concepts and said that the Asian states were capable of ensuring security by cooperating among themselves.² Considering that unlike other regional organisations in Asia, CICA excludes Europe and the United States, this speech can be seen as a significant indicator of the Chinese wish list for an Asian security architecture. Earlier, during his first state visit to Southeast Asia—to Indonesia—President Xi had proposed a Maritime Silk Road (MSR) towards deepening cooperation between China

and Southeast Asia, and the Asian Infrastructure Investment Bank (AIIB) for development needs in Asia.³ China also sees its regional diplomacy as an extension of its domestic economic strategy of controlling and managing regional inequalities within China. Therefore, it has promoted the idea of one belt one road for increasing regional and sub-regional cooperation mechanisms.⁴ China is looking to revitalise stalled sub-regional initiatives like the Bangladesh-China-India-Myanmar (BCIM) initiative to help boost economic growth in bordering provinces, like Yunnan in this case. While the MSR has to some extent gone onto the backburner due to increased tensions in the South China Sea, China is vigorously promoting it even in South Asia and has invited India, Sri Lanka and Maldives to join the initiative. Sri Lanka and Maldives have entered the discussions towards joining the MSR.⁵

AIIB, on the other hand, will focus exclusively on infrastructure creation. AIIB seems to be progressing rapidly and is likely to become functional in the first half of 2015. MSR and AIIB are cornerstones of President Xi's Asia strategy and also avenues for China's outward investment plans of \$500 billion out of its \$3 trillion reserves. China would also perhaps look to tap newer markets to compensate for the induced economic slowdown at home and given its size, India is an attractive investment destination. Seen in this context, it looks like President Xi came to India with an economic agenda. This was also evident in the large business delegation of nearly 150 people including more than 50 Chief Executive Officers (CEOs) who accompanied the Chinese President.⁶ Expectations also peaked when China's Consul-General in Mumbai, Liu Youfa, announced a few days before President Xi's arrival that China was going to make investments in India worth \$100 billion over a five-year period and also boasted that it was nearly triple the Japanese commitment during Prime Minister Modi's visit.⁷ The Indian Prime Minister himself raised the optimistic note by coining a new term "Inch (India and China) towards Miles (Millennium of Exceptional Energy)" to describe the potential of India-China relations and added that the relationship

goes beyond “plain arithmetic”.⁸ This was evidently more positive than his swipe at the Chinese geo-strategic position in Asia when in a speech in Japan he had mentioned *Vistaarvad* or expansionism as a policy of the 18th century. In addition, President Xi’s article in *The Hindu* also focussed on the positives and listed out his priorities for the visit.⁹

For its part, India put the traditions and protocols aside and welcomed President Xi in Ahmedabad where he visited the Sabarmati Ashram and had dinner with Prime Minister Modi at the riverfront park on the banks of the river Sabarmati. In all, three agreements were signed in Ahmedabad. These included agreements declaring the status of sister province and city respectively between Gujarat and Guangdong, and between Ahmedabad and Guangzhou, with the third being a Memorandum of Understanding (MoU) on cooperation between the China Development Bank Corporation and Gujarat Industrial Development Corporation on supporting the setting up of industrial parks in Gujarat.¹⁰

However, the border stand-off between soldiers from the Indian Army and China’s People’s Liberation Army (PLA) cast its shadow on the visit. Prime Minister Modi raised this issue with President Xi in Ahmedabad itself before the more substantive talks in Delhi.¹¹ The lavishness of the welcome dinner notwithstanding, the timing of the incursions significantly reduced the initial warmth and set the tone for a tough dialogue in Delhi.¹² While the two leaders held a comprehensive dialogue and signed a total of 16 agreements in New Delhi, the border stand-off played a dominating role as far as the press statement by the Indian Prime Minister was concerned.¹³ Difficulty in reaching common language on global and regional issues can also be attested from the fact that the joint statement between India and China was issued only on September 18, nearly 24 hours after the bilateral political dialogue had ended.

Major Agreements Signed Between India and China

However, several significant as well as path-breaking agreements were

signed between India and China during this visit. China will set up two industrial parks in India, one in Gujarat, focussing on the power sector, and the second in Maharashtra, specialising on the automobile sector. China would also invest \$20 billion in India over the course of the next five years in industrial and infrastructural development projects.¹⁴ Perhaps the figure of \$100 billion was not reached since India did not explicitly agree to join the MSR or the AIIB initiatives during this visit. Perhaps, India would want to wait for greater clarity on the economic as well as geo-strategic implications of the two initiatives before deciding to join them.

Both sides agreed to diversify bilateral trade and economic cooperation and take “positive steps towards rebalancing the bilateral trade and address the structural imbalances”.¹⁵ The agreement also mentions Indian concerns of market access for areas such as Information Technology (IT). They also agreed to expand the scope of the Strategic Economic Dialogue (SED) to include issues like clean energy, energy conservation and environmental protection, high-tech industry and sustainable urbanisation. Both sides also agreed to cooperate on upgradation of the Indian railways infrastructure in speed increase, heavy haul training and establishment of a railway university in India.¹⁶

One of the most significant outcomes of the visit has been the agreement on initiation of a civil nuclear energy dialogue between India and China. As large developing countries under pressure on the issue of climate change, India and China want to diversify their energy baskets to reduce dependence on coal. India would perhaps look to learn from China’s adaptation and indigenisation of technologies as well as development of large capacity reactors. Equally noteworthy is the initiation of cooperation on the peaceful use of space.

Also Mumbai and Shanghai entered into a sister city relationship during this visit. China also agreed to open a new route through Nathu La Pass for the Kailash Mansarovar Yatra. In addition, both sides agreed to expand cooperation on trans-border rivers.

Besides, reiterations on the significance of special representatives level talks and the need to maintain peace and tranquillity on the border, India and China also agreed to conduct the fourth round of joint Army exercises and discuss the prospect of joint naval/Air Force training in due time and expand cooperation in areas falling under peace-time military operations. Significantly, the two leaders also agreed to hold the first round of the maritime cooperation dialogue within one year to discuss views on maritime affairs and security.

Conclusion

The contemporary phase of India-China bilateral relations has been about management of contradictions. This visit by President Xi Jinping and the concurrent stand-off at Chumar also showcase that there is little change from this. Therefore, it is neither easy nor practical to judge whether President Xi's visit to India was successful. Certainly, the "orbital jump" that the National Security Advisor Ajit Doval expected, did not materialise because clearly the border incident dampened the positive spirits expressed by the leadership before the visit.¹⁷ Was there a deliberate attempt on the part of vested interests to derail the Modi-Xi bonhomie? What these elements are is really a matter of speculation at this point in time. Despite the stand-off, there are various positives from this visit that cannot be ignored. The desire to correct the trade imbalance, creation of industrial parks and cooperation in improving the railway infrastructure should work towards deepening economic cooperation. In addition, initiation of cooperation on nuclear energy, dialogue, peaceful use of space and maritime cooperation should help in strategic trust building to a large extent. Deepening and diversification of cooperation should help India-China relations in the long term. In that sense, the long run assessment of this visit will be highly positive.

Notes

1. Then National Security Advisor (NSA) Shivshankar Menon spent three days in Beijing, getting to know the new leadership after the 18th Congress of the Chinese Communist

- Party. On the other hand, Chinese Foreign Minister Wang Yi, visited New Delhi soon after the Modi government assumed power.
2. Xinhua News Report, “Xi: Asian Nations Voice Capacity of Taking Lead in Solving Asian Affairs”, Xi Jinping, Keynote Speech at the CICA Forum, May 22, 2014, available at <http://english.peopledaily.com.cn/n/2014/0522/c90883-8730697.html>
 3. Wu Jiao, “President Xi Gives Speech at Indonesia’s Parliament”, *China Daily*, October 2, 2013, available at http://www.chinadaily.com.cn/china/2013xiapec/2013-10/02/content_17007915_2.htm
 4. Ministry of Foreign Affairs, PRC, “Wang Yi: President Xi Jinping’s Proposal to Jointly Build the ‘One Belt One Road’ Is a Historic Opportunity Leading the Development of the China-Arab Relations”, June 05, 2014, available at http://www.fmprc.gov.cn/mfa_eng/wjb_663304/wjbz_663308/activities_663312/t1163558.shtml
 5. Shannon Tiezzi, “China Pushes ‘Maritime Silk Road’ in South, Southeast Asia”, *The Diplomat*, September 17, 2014.
 6. Suhasini Haider, “Modi Sets Own Protocol, to Receive Xi in Ahmedabad”, *The Hindu*, September 12, 2014, available at <http://www.thehindu.com/news/national/china-president-xi-jinping-visit-to-india-xi-to-do-a-modi-visit-ahmedabad-ahead-of-new-delhi/article6405692.ece>
 7. Piyush Pandey, “China to Invest \$100 Billion in India Over 5 Years” *The Times of India*, September 13, 2014.
 8. NDTV report, “Inch Towards Miles’: PM Modi’s Take on Ties with China before Xi Visit”, September 16, 2014, available at <http://www.ndtv.com/article/india/inch-towards-miles-pm-modi-s-take-on-ties-with-china-before-xi-visit-592756>
 9. Xi Jinping, “Towards an Asian Century of Prosperity”, *The Hindu*, September 16, 2014.
 10. PTI report, “PM Modi Welcomes Xi Jinping in Ahmedabad; India, China Sign 3 Pacts”, September 17, 2014.
 11. PTI report, “Chinese President Hopes to Take Ties with India to a Higher Plane”, September 18, 2014.
 12. Indrani Bagchi, “Heat on Border Takes Away from Modi-Xi Warmth”, *The Times of India*, September 20, 2014.
 13. Indian Ministry of External Affairs, Press Statement by the Prime Minister during the visit of President Xi Jinping of China to India, September 18, 2014, available at <http://mea.gov.in/Speeches-Statements.htm?dtl/24014/Press+Statement+by+Prime+Minister+during+the+visit+of+President+Xi+Jinping+of+China+in+New+Delhi++September+18+2014>
 14. Ibid. “Joint Statement Between the Republic of India and the People’s Republic of China on Building a Closer Developmental Partnership”, September 19, 2014.
 15. Ibid.
 16. Ibid.
 17. Atul Aneja, “China-India Ties Poised for an ‘Orbital Jump,’ says Doval”, *The Hindu*, September 18, 2014.