



RCAS Commentary

BRICS Paves Way for China, India Reengagement

Ghulam Ali

Deputy Director, The Hong Kong Research Center for Asian Studies (RCAS)

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About RCAS

香港亞洲研究中心| The Hong Kong Research Center for Asian Studies (RCAS) is a nonprofit research organization focusing on Asian affairs. It is a newly established institution founded in February 2022 by Dr. Nian Peng in Haikou and subsequently moved to Hong Kong in September 2023. We currently have an international research team with nearly 100 resident/nonresident researchers from China and other countries.

RCAS aims to become a leading research institute and think tank on Asian affairs in the Indo-Pacific region. To date, RCAS has conducted research programs on maritime disputes in the South China Sea (SCS), China's relations with the Indo-Pacific states, the Belt and Road Initiative (BRI), terrorism/counterterrorism in the Afg-Pak region, and so on. It is committed to promoting maritime cooperation, regional integration, and regional peace in the Indo-Pacific region at large.

RCAS has published nearly ten books in Chinese and English and more than 20 papers in SSCI/SCOPUS/CSSCI-indexed journals. Recent English publications include *Populism, Nationalism and South China Sea Dispute: Chinese and Southeast Asian Perspectives* (Singapore: Springer Nature, 2022); *Pakistan's Foreign Policy: Contemporary Developments and Dynamics* (London: Routledge, 2022); *Crossing the Himalayas: Buddhist Ties, Regional Integration and Great-Power Rivalry* (Singapore: Springer Nature, 2021); *The Reshaping of China-Southeast Asia Relations in Light of the COVID-19 Pandemic* (Singapore: Springer Nature, 2021); *Territorial Disputes, The Role of Leaders and The Impact of Quad: A Triangular Explanation of China-India Border Escalations* (2023); *Managing the South China Sea Dispute: Multilateral and Bilateral Approaches* (2022); *China-Pakistan Cooperation on Afghanistan: Assessing Key Interests and Implementing Strategies* (2022); *Hedging Against the Dragon: Myanmar's Tangled Relations with China since 1988* (2021); and *China-Pakistan Conventional Arms Trade: An Appraisal of Supplier's and Recipient's Motives* (2020).

RCAS has also published hundreds of articles, and its researchers have been interviewed in various local and international media outlets, such as *The Diplomat* in the United States, *East Asian Forum (EAF)* in Australia, *Bangkok Post* in Thailand, *Jakarta Post* in Indonesia, *Lian He Zao Bao*, *Think China* in Singapore, *South China Morning Post (SCMP)*, *China-US Focus* in Hong Kong, *CGTN*, *Global Times*, *World Affairs* in China. RCAS researchers have actively participated in international conferences or study visits in the United States, India, Pakistan, Sri Lanka, Nepal, Myanmar, Cambodia, and other places.

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Address: 1507B, EASTCORE1, No.398, Kwun Tong, Kooloon, Hong Kong
Ph: 00852 2397 7886|Email: hkrcas@163.com|Web: www.rcas.top

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The 16th BRICS summit, held in the Russian city of Kazan from October 22 to 24, had many takeaways. Delegates gathered from 36 countries, joining the UN secretary-general. The final joint communique proposed fair trade in local currencies. It also renounced the practice of unilateral sanctions.



▲ Attending the meeting on the Russian side were Foreign Minister Sergei Lavrov, Deputy Prime Minister Alexei Overchuk, Deputy Chief of Staff of the Presidential Executive Office, Special Presidential Representative for Financial and Economic Cooperation with BRICS States and Interaction with the New Development Bank Maxim Oreshkin, Deputy Chief of Staff of the Presidential Executive Office – Presidential Press Secretary Dmitry Peskov, Presidential Aide Yury Ushakov, Head of the Republic of Tatarstan Rustam Minnikhanov, Deputy Foreign Minister, Russia's BRICS Sherpa Sergei Ryabkov, and Ambassador at Large of Russia's Foreign Ministry, Russia's BRICS Sous-Sherpa Pavel Knyazev.

Russia pushed for the creation of a new payment system that would offer an alternative to the U.S. dollar while enhancing financial cooperation among BRICS member countries. The statement raised concerns over the disruptive effects of unlawful unilateral coercive measures, including illegal sanctions. The organization made its largest expansion by admitting four new permanent members — Egypt, Ethiopia, Iran and the United Arab Emirates.

In another significant outcome, BRICS provided a platform for China and India to reconcile their relations, which have been strained since 2020. On Oct 21, Indian Foreign Secretary Vikram Misri briefed the media on a deal between India and China to end their military standoff and start joint patrols of their disputed border. The next day, Lin Jian, the spokesperson for China's Ministry of Foreign Affairs, confirmed this.

The deal paved the way for a meeting between India's Prime Minister Narendra Modi and China's President Xi Jinping on the sidelines of the summit. Although the two leaders had exchanged pleasantries during the G20 summit in Bali in November 2022 and at the BRICS summit in Johannesburg in August last year, their last summit-level talk was in October 2019 in the southern Indian town of Mamallapuram. The Kazan meeting marked their first delegate-level talk in the past five years.

During the meeting, Xi remarked that China and India were at a crucial stage of development and "should carefully handle differences and disagreements and facilitate each other's pursuit of development aspirations." He added that, being the most populous developing countries, they had a responsibility to promote multipolarity in international relations.

Modi said that "mutual trust, mutual respect and mutual sensitivity will guide bilateral relations." In a post on his X account, Modi said that India-China relations were "important for the people of our countries and for regional and global peace and stability."

Both leaders underlined the need for enhanced strategic commitment and predictable and amicable bilateral relations. They endorsed the cooperation deal and said their special representatives and relevant bodies would meet soon. The language used by the leaders and officials on both sides reflected maturity and avoided jingoism and point-scoring.

Chinese Foreign Minister Wang Yi and Indian National Security Adviser Ajit Doval serve as special representatives for China and India, respectively. They have met at various international gatherings in recent years but have not held a meeting in their capacity as SRs since 2019. They will meet soon to push negotiations forward. The Xi-Modi meeting in Kazan has put China-India relations back on track.

From the 1980s until the mid-2010s, the China-India relationship has seen significant improvement. The two sides demilitarized the world's longest border and developed a unique mechanism for unarmed patrolling to avoid escalation. As a result, for more than four decades, no casualties have been incurred on the disputed boundary. This tranquility began to change in the mid-2010s. In 2017, the Doklam region (under China's control but contested by Bhutan) became a hot spot. The Indian military

crossed the China-Bhutan border to prevent the Chinese military from building a road. This infuriated China and led to a 70-day standoff as China said India had violated its territory. Following that, the China-India relationship entered a hostile spiral of escalation, culminating in the Galwan showdown in June 2020, where 20 Indian soldiers and four Chinese soldiers reportedly lost their lives. These were the first casualties since 1975.

In reaction to the Galwan Valley clashes, India implemented several measures against China, including banning hundreds of Chinese mobile applications, suspending direct flights between the two countries, delaying visa issuance for Chinese nationals and restricting Chinese investments in strategic sectors. At a strategic level, India expanded its ties with China's rivals, including the United States, Japan and Australia. New Delhi revived the Quad — a grouping of India, the U.S., Japan and Australia — and strengthened its military relations with America. While these measures were welcomed by hawks, they raised concerns in India's business community.

Fast forward. Several factors contributed to the shift from hostile relations to the Xi-Modi meeting. To begin with, BRICS provided India with a platform to engage with China diplomatically without appearing overly eager to restore pre-2020 conditions, since it was primarily India that hastily severed many communication channels. India's business community played a crucial role in encouraging the government to move back toward engagement.

China's importance to India is evident in the fact that two-way trade expanded despite tense relations. For example, bilateral trade rose from \$71.66 billion in 2015 to \$118.4 billion in the 2023-24 period, making China India's largest trading partner — surpassing even the United States.

India's Economic Survey in 2024 pointedly sought integration into Chinese supply chains and FDI to boost exports to the U.S. and other countries, similar to what other East Asian economies had done in the past. The survey added: "It is more effective to have Chinese companies invest in India and then export the products to these markets rather than importing from China, adding minimal value."

Some Chinese commentaries, both before and after the Xi-Modi meeting, called India's post-2020 measures a "mistake." They saw India's policy to decouple from China in order to attract significant U.S. assistance as unsuccessful. In their view, the U.S.-led West did little to support the "Made in India" initiative and the country's modernization and industrialization. The upcoming U.S. elections have added to the uncertainties about future U.S. policies.

Another immediate reason for India's conciliatory tone is the growing diplomatic tension with Canada, with which New Delhi had significant trade. Following

Ottawa's charges that Indian diplomats had been involved in the assassination of Sikh activist Hardeep Singh Nijjar, there was a tit-for-tat expulsion of diplomats. Against this backdrop, a deal with China would relieve pressure along India's longest border.

From a long-term perspective, normalization with China would support India's aspiration for a permanent seat whenever the UNSC is reformed. India has the backing of other Western powers for its bid. As the issue of UN reforms gains traction, New Delhi needs to cultivate amicable relations with China.

From the Chinese side, economic and strategic considerations drove it toward reconciliation with India. China's economy has faced serious challenges in recent years, particularly in the real estate sector. Additionally, China is contending with U.S. and Western sanctions and tariffs in various areas. From a strategic perspective, restoring relations with India to their pre-2020 status would prevent New Delhi from drifting closer to the U.S. The China-India deal endorsed by Xi and Modi has put the bilateral relationship back on track. This comes as a relief for both countries, which face trouble on multiple fronts.

China and India are the founding and largest members of BRICS. An improvement in bilateral relations will empower the organization, strengthen South-South cooperation and promote multipolarity. It will also enhance the status of BRICS as a platform to address sensitive issues through diplomacy, with Russia playing the role of facilitator as the summit host.

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About Author



Dr. Ghulam Ali is currently Deputy Director of the Hong Kong Research Center for Asian Studies (RCAS), Hong Kong. Before joining RCAS, he was Associate Professor at the Department of Political Science, Sichuan University of Science and Engineering, Zigong, PR China. He obtained his PhD from Monash University in Australia in 2013 and his Postdoc from Peking University, China. He is the author, editor or co-editor of four books: *Pakistan's Foreign Policy: Contemporary Developments and Dynamics*(London: Routledge, 2022); *Perspectives on Contemporary Pakistan: Governance, Development and Environment*(London: Routledge, 2020); *Crossing the Himalayas: Buddhist Ties, Regional Integration and Great-Power Rivalry*(Singapore: Springer, 2022); *China-Pakistan Relations: A Historical Analysis*(Karachi: Oxford University Press, 2017). His articles have been published in SSCI-and Scopus-indexed journals such as *Issues&Studies*, *The Pacific Review*, and *Pacific Focus*. Email: ghulamali74@yahoo.com.