



India-China Talks: Inching Towards Military Disengagement?

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Summary

Talks between top Indian and Chinese leaders during the last two months have raised expectations for easing the military stand-off in eastern Ladakh and resuming the bilateral engagement on political and economic issues suspended since the Galwan clashes of June 2020. Yet, there are remaining wrinkles to be sorted out; if they are settled quickly, Indian Prime Minister Narendra Modi and Chinese leader Xi Jinping could unveil a breakthrough when they meet on the margins of several summits in the weeks ahead.

The last few weeks have seen India's External Affairs Minister S Jaishankar and National Security Advisor Ajit Doval hold separate talks with Wang Yi, China's top diplomat and a member of the Chinese Communist Party's Politburo, on the margins of international for a – the Shanghai Cooperation Organisation, the Association of Southeast Asian Nations (ASEAN) and the BRICS. The new rounds of talks are taking place since Narendra Modi was re-elected as prime minister in June 2024 and have raised hopes for the long-awaited resolution of the military crisis that could end the current political stalemate in bilateral relations.

After the second meeting between Jaishankar and Wang within a few weeks on the margins of the ASEAN forum in Laos in July 2024, the Indian Foreign Office [underlined the urgency](#) of completing the military disengagement in eastern Ladakh. [Senior officials](#), meeting soon after in August 2024 to work out the details, described their talks as “frank, constructive and forward looking” and said the two sides are looking to “narrow down differences and find early resolution of the outstanding issues”.

The optimistic tone following the two meetings in July 2024 between Jaishankar and Wang was reinforced by talks between Doval and Wang at the meeting of the BRICS national security advisers in Moscow. New Delhi said the two sides want to “redouble their efforts to realise complete disengagement”. [Doval and Wang also agreed](#) that the India-China bilateral relationship “is significant not just for the two countries but also for the region and the world”, thereby highlighting the larger context that must inform the troubled relationship between Delhi and Beijing.

Military diplomatic talks have been going on since the surprise Chinese aggression across the Line of Actual Control during the spring of 2020. The divergent Indian and Chinese approaches to the border suggest the importance of caution in assessing the immediate prospects for a breakthrough. India, which had cut off all political engagement and severely limited commercial ties with China since 2020, insists that the “state of the border” will reflect the “state of the bilateral relations”. China, in contrast, has argued against India's condition that settling the border standoff must precede the renewal of bilateral relations. China has called

instead to put the border question in its “proper place” and go ahead with the “normalisation” of the relationship.

The latest hints of hope arise from the assessment that Beijing and New Delhi may be inching towards a political finesse that could take them to common ground. Over the last many rounds, the two militaries have ‘disengaged’ from several friction points that emerged from Chinese aggression and Indian riposte in 2020. [According to Jaishankar](#), nearly 75 per cent of the issues relating to military disengagement have been resolved. [China’s Ministry of Foreign Affairs](#) in Beijing confirmed this by saying disengagement has been completed at four friction points. (The question of de-escalation of the intensifying military dynamic on the border is a separate issue and is likely to be taken up later.)

On the political front, Beijing is probably recognising the costs of its military aggression – in the form of deteriorating relations with a major Asian neighbour and lost business opportunities in one of the world’s fast-growing markets. New Delhi too sees that the lack of normal engagement with Beijing, at a time when most major powers, including India’s Quadrilateral Security Dialogue partners, are talking to China, is problematic.

A potential deal involves China agreeing to ease the military standoff in eastern Ladakh and India restoring political dialogue and ending the constraints on commerce with China. Meanwhile, in India, [several industry groups](#) have been pressing the government to take a fresh look at the economic measures imposed against Beijing in the summer of 2020. They would like to access Chinese capital, technology and components to boost India’s manufacturing exports.

The security establishment, however, is unlikely to liberalise the economic measures against China unilaterally. [Jaishankar has frequently pointed](#) to the “unfair and unbalanced” trade relationship marked by a massive trade deficit of US\$100 billion (S\$136 billion). India’s foreign minister also [chided the industry](#) for taking too narrow a perspective on China’s economic ties. In other words, “trade liberalisation for border peace” might be too simplistic a solution for India since it has problems on both fronts with China.

Yet, New Delhi is quite clearly exploring the possibilities for changing the current deadlock with China and Beijing too might be interested in such an outcome. Even if mutually satisfactory first steps to stabilise the bilateral relations are agreed by New Delhi and Beijing, the Modi government will have a challenge in convincing its domestic opposition. The Congress party has been strongly critical of Modi’s handling of the China challenge and its leader [Rahul Gandhi reiterated that argument](#) during his visit to Washington earlier this month. More broadly, India’s talks with China have always been shrouded in mystery that even the informed public finds it hard to decode. The current intense political polarisation within the country and the growing hyper-nationalism could complicate Modi’s attempt at reducing tensions with China.

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