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**COMMITTEE
ON EXTERNAL AFFAIRS
(2017-18)**

SIXTEENTH LOK SABHA

MINISTRY OF EXTERNAL AFFAIRS

**SINO-INDIA RELATIONS INCLUDING DOKLAM, BORDER SITUATION
AND COOPERATION IN INTERNATIONAL ORGANIZATIONS**

SIXTEENTH LOK SABHA



**LOK SABHA SECRETARIAT
NEW DELHI**

SEPTEMBER, 2018 /Bhadrapada, 1940 (Saka)

TWENTY SECOND REPORT

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(2017-18)**

(SIXTEENTH LOK SABHA)

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Presented to Hon'ble Speaker on 4 September, 2018



**LOK SABHA SECRETARIAT
NEW DELHI**

September, 2018/Bhadrapada, 1940 (Saka)

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COMPOSITION OF THE COMMITTEE ON EXTERNAL AFFAIRS (2017-18)

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3. Shri Gurjeet Singh Aujla
4. Prof. (Dr.) Sugata Bose
5. Shri Ranjit Singh Brahmputra
6. Shri Arka Keshari Deo
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19. Shri Sharad Tripathi
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21. Vacant

Rajya Sabha

22. Smt. Jaya Bachchan[^]
23. Shri P. Bhattacharya
24. Shri Sambhaji Chhatrapati
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26. Shri Chunibhai Kanjibhai Gohel
27. Smt. Kanimozhi
28. Shri Kumar Ketkar[^]
29. Shri Kanakamedala Ravindra Kumar[^]
30. Shri V. Muraleedharan[^]
31. Shri D. Kupendra Reddy[^]

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1. Shri P.C Koul - Joint Secretary
2. Dr. Ram Raj Rai - Director
3. Smt. Jyochnamayi Sinha - Additional Director
4. Shri Janmesh Singh - Under Secretary

* Nominated *w.e.f.* 23 March, 2018 *vice* vacancy that arose due to the retirement of Dr. Karan Singh on 27 January, 2018.

[^] Smt. Jaya Bachchan, Shri Kumar Ketkar, Shri V. Muraleedharan and Shri Kanakamedala Ravindra Kumar nominated *w.e.f.* 2.6.2018 *vice* vacancies that arose due to the retirement of Smt. Jaya Bachchan, Shri Satyavrat Chaturvedi, Shri C.R. Ramesh and Shri D.P. Tripathi from Rajya Sabha on 2 April, 2018.

INTRODUCTION

I, the Chairperson of the Committee on External Affairs, having been authorized by the Committee to present the Report on their behalf, present this Twenty Second Report of the Committee on External Affairs (2017-18) on the subject 'Sino-India Relations including Doklam, border situation and cooperation in international organizations'.

2. The Committee selected the subject 'Sino-India Relations including Doklam, border situation and cooperation in international organizations' for detailed examination during the year 2017-18. The Committee were briefed by the representatives of the Ministry of External Affairs, Ministry of Defence and Ministry of Home Affairs on 18 October and 30 October, 2017. Further, the Committee sought views of the experts namely, Gen. Deepak Kapoor (Retired), Shri Vijay Nambiar (former diplomat), Shri Nalin Surie (former diplomat) and Col. Vinayak Bhat (Retired) on the subject in accordance with Rule 331 (L) of the Rules of Procedure and Conduct of Business in Lok Sabha on 22 February, 2018. The Committee also took oral evidence of the representatives of Ministry of External Affairs and Ministry of Defence on this subject on 22 February, 2018.

3. The Committee received substantial inputs for the Report during their Study Visit to Guwahati, Tawang and Gangtok in May, 2018 wherein discussions were held with the representatives of the Ministry of External Affairs and Ministry of Defence.

4. The Report was considered and adopted by the Committee at their Sitting held on 25 August, 2018. The Minutes of the Sittings of the Committee are appended to the Report.

5. The Committee wish to express their gratitude to the Ministry of External Affairs, Ministry of Defence and Ministry of Home Affairs along with the four experts for placing material information as well as tendering evidence and views before the Committee.

6. For facility of reference, the Observations/Recommendations of the Committee have been printed in bold letters in the Report.

NEW DELHI
25 August, 2018
3 Bhadrapada, 1940 (Saka)

DR. SHASHI THAROOR
Chairperson,
Committee on External Affairs

CHAPTER I

OVERVIEW OF INDIA-CHINA RELATIONS

The bilateral relations between the two Asian giants India and China are steeped in history. Apart from the generic relations of trade and commerce an intrinsic element of spiritual and cultural bonding runs back into several millennia.

1.2 The fact of being immediate neighbours having attained their present respective systems of governance almost around the same time, having their own achievements and failures as developing countries and finally now aspiring to be the focal points of global economy, the relations between India and China have remained in the realm of ambivalence.

1.3 The Chairperson, CEA during the first Sitting on this subject on 18 October, 2017 set the scope and context of the Report and stated:

“India’s engagement with China is multifaceted. Sino-India relations have undergone dramatic changes over the past seven decades ranging from benign warmth in the 1950s, hostility in the 1960s and 1970s, a rapprochement in the 1980s and now a readjustment since the 1990s. While oscillating between competition and cooperation, the relationship between the two Asian giants also has global dimensions. Both sides share a view that the Sino-India bilateral relationship is poised to play a defining role in the 21st century in Asia and indeed in the world. In light of these considerations, the Committee decided to examine the present aspects of the relationship between the two neighbouring countries in an analytical way.”

1.4 In pursuing their work, the Committee benefitted from extensive briefings and oral testimonies by a number of official and non-official witnesses, and also from a study tour to selected areas of the India-China border.

1.5 While highlighting the importance of India-China relations, the Foreign Secretary during the oral evidence on 22 February, 2018 informed the Committee:

“India-China relationship has been a subject of great interest in both the Government and the Parliament. In recent years, the relationship has tended to assume salience. That has happened because over the period of the last 30 years, since 1988 when Prime Minister Rajiv Gandhi made a visit to China, there has been a great change in both the countries, economically, politically and even militarily. Therefore, the relationship tends to assume much greater salience in our foreign policy and presumably in the Chinese foreign policy as well.”

1.6 As per the Ministry, India’s relations with China have developed in diverse areas in the recent years. During the visit of President Xi Jinping to India in September 2014, the two sides forged a ‘Closer Developmental Partnership’ that forms the core of our bilateral relationship. This Partnership was further strengthened during the visit of Prime Minister

Shri Narendra Modi to China in May 2015. In areas where the two countries have commonality of views, engagement has expanded and upgraded in recent years. Both sides share a view that India-China bilateral relationship is poised to play a defining role in the twenty first Century in Asia and in the world. They have agreed to work towards strengthening the Closer Developmental Partnership for mutual benefit. In view of the significance of the bilateral relationship, the two sides have agreed to continue their engagement at various levels to enhance mutual understanding and trust and to address outstanding issues in the spirit of showing mutual respect and sensitivity to each other's interests, concerns and aspirations.

1.7 On the guiding principle or philosophy of the relationship, the Foreign Secretary during the course of evidence on 22 February, 2018 while putting the India-China relations in perspective stated :

“....I think it is without doubt a fact that China is our most significant neighbour and, therefore, one of the key accounts in our foreign policy. We are two large developing countries, both of which have successfully undertaken the process of national modernization. There has been significantly enhanced diplomatic, economic and military capacities in both countries in recent years. Therefore, the choices we have tended to make even bilaterally have impacted both multilaterally as well as regionally. This is important for us to understand when we see the relationship in its totality. We cannot see the relationship with China the way we would perhaps see it thirty years ago, or even 15 years ago. I think, both countries share the belief that this relationship is slated to become one of the defining relationships of this century, certainly in our region, but with China aspiring to be a global power, it will have an impact beyond our region, in the rest of the world as well.”

1.8 Elaborating further on 22 February 2018, the Foreign Secretary while defining the complex nature of ties between India and China stated :

“.....I think it goes without saying, and I think the Committee is well aware, that this is a complex relationship. It is a relationship which has been complicated both by historical problems that we have had since our Independence and since the so-called liberation of China and the events that transpired leading to the conflict of 1962 which people are well aware of. It is also complicated by the fact that after China's modernisation its economy today is five times the size of the Indian economy with its consequent capabilities, economic, military and political. It is within this context that India has to find and define for itself a relationship with China which allows us to maintain our foreign policy objectives and at the same time allows us a policy that is prudent enough that does not lead us to conflict on every occasion. It is because I believe it is not in the fundamental interest of the

Government of India and I presume it is not in the fundamental interest of the Government of China to have a conflict of any kind of any sort and on any issue.”

1.9 Describing the engagements and the developments in India-China relations, the Foreign Secretary during the oral evidence before the Committee on 22 February, 2018 submitted :

“Before 1988, India and China had no leadership visits for close to thirty years. From 1988 to 2018 our relations have traversed down a really long road. India’s engagement with China has been multifaceted. Commonalities have emerged and new differences have also emerged, but on issues where the two countries have had differences, both sides have always sought to talk to each other. That is an important new development that has occurred because talking has been done through a number of mechanisms which we have been able to put in place. At least the Government of India’s intention has always been to find a mutually acceptable solution that does not allow the differences to define our relationship. Of course, at the same time, while enhancing mutual understanding and trust, all Governments of India have conveyed very clearly to the Chinese side that while India is willing to show understanding and trust, we must also be sensitive to each other’s concerns, each other’s interest and also each other’s aspirations. In other words, as both countries are emerging as important economies and as important political entities, both the countries are aspirational, not just one. Each country needs to bear that in mind while dealing with the other.”

1.10 He further added :

“India’s Prime Minister and China’s President Xi Jinping had met in Astana in June, 2017 on the margins of the Shanghai Cooperation Organization (SCO) Summit and a broad consensus was reached on two issues. The first was that at a time of global uncertainty, India-China relations should become a factor for stability. It should be an anchor of stability in regional and global situations. The second was that while it was acknowledged that there were differences, the two countries should strive to ensure that these do not become disputes. This remains the guiding approach or the guiding philosophy of India-China relations and this is the spirit around which the Government has tried to engage with China and to deal with issues.”

1.11 On the strengthening of India-China Relations, the Foreign Secretary during the course of oral evidence stated on 22 February 2018:

“I think, recent trends and developments are important, when judged by any yardstick, be it trade – this year we are going to have a record high of \$ 80 billion, although trade deficit remains a major problem – be it in terms of high level visits – there have been 11 meetings between the Prime Minister and President Xi Jinping in the past three and a half years – the number of dialogue mechanisms, the areas of cooperation or the growth in people to people relations. In all of these areas, there is an overall upward trajectory in our relationship. During the visit of President Xi Jinping to India in September 2014, the two sides have forged a Closer Developmental Partnership which has been strengthened further with the visit of Prime Minister to China in May 2015. Subsequently, they met in Hamburg at the G-20 Summit and that was during the Doklam incident. The two leaders were able

to have a brief meeting and at that meeting, it was decided that both sides will try and work out differences on Doklam at the functional level. So, even at the point of a crisis, the leaderships remained in touch with each other and gave very clear directions down the line to the functional level to see that we did not allow this crisis to develop into a major problem, we did not allow the difference to become a dispute. Thereafter, the BRICS Summit was held in Xiamen in September, 2017. During that meeting, there was a very cordial exchange between the two leaders. The two leaders decided that Doklam was behind us and we needed to advance the relationship. Subsequently, we had two major visits in December. The Foreign Minister of China, Wang Yi, came for the RIC, and he, of course, had a bilateral meeting with External Affairs Minister. Within a week, the senior most figure in China dealing with foreign policy, the State Councillor Mr. Yang Jiechi, who is also the counterpart of our National Security Advisor, came for the Special Representatives mechanism. Both discussions were positive and forward-looking. Given the fact that during the course of 2017, a number of Indian Cabinet Ministers have also been to China and a number of Indian State Chief Ministers and provincial leaders from China had exchanged visits, it is fair to say that despite a number of challenges we faced during 2017, contacts did not come down at any level, whether it was the highest level, whether it was the ministerial level, whether it was functional level or between the various wings of the Government. I think, this is important because the impression that prevails is that the Governments just stopped talking to each other and left it to the rest of the world to decide how we would run our relations, but the facts are quite the opposite.”

1.12 While touching upon the issues where differences have emerged between the two countries, the Foreign Secretary made the following submission during the oral evidence on 22 February 2018:

“...Of course, we recognize that there are differences in the relationship to be resolved. Again, I would not go into any great detail. The Committee is well aware that whether it is our membership of the Nuclear Suppliers Group or China’s putting on hold the Indian requests for listings under UN Resolution 1267; most recently, the so-called China-Pakistan Economic Corridor; and the ignoring of India’s sovereignty and territorial integrity, are issues which remain. They are of continuing interest and concern to us, and we will continue to engage with them.”

1.13 Both India and China were able to mutually work out to resolve the Doklam incident peacefully on 28 August, 2017. On the peaceful resolution of the matter, the Foreign Secretary informed the Committee during the oral evidence on 22 February 2018:

“The manner of the resolution demonstrates yet again that whenever we have engaged in concerted diplomatic communications we are able to resolve our difficult issues. It reflects a certain maturity on both sides that even on an issue as difficult as this the leaderships were eventually able to find the space by which both sides could de-escalate the situation and disengage from the face-off site. In subsequent meetings that have taken place, both sides have also agreed that our relations need to look again on a forward-looking path. We need to re-energize our bilateral dialogue

mechanisms, and we need to enhance our communication in order to build trust and understanding.”

1.14 It was further informed by the Foreign Secretary during evidence on 22 February 2018:

“Even as the two countries make joint efforts to take this relationship forward, it had been conveyed to the Chinese side firmly that the maintenance of peace and tranquility in the border areas is a pre-requisite for all this. Without having peace and tranquility in the border areas it would become difficult to convince public opinion in India that the relationship should move ahead in other areas.”

1.15 On a factual analysis of China-India bilateral relations, the Committee note that India’s engagement with China goes back to the hoary past. The deep-rooted multifaceted bilateral relations, with an intrinsic element of culture and spirituality added, have witnessed dramatic changes over the past seven decades, especially the last three when the two countries have started vying for a common global economic space. These ties are also defined by a sense of contrast and competition. Therefore, the Committee are inclined to believe that as such the relationship between India and China cannot be seen through some conventional prism. Simultaneously, the Committee are also aware of the differences in the relationship which at times have tended to move negatively due to China’s attitudes. India has to also factor in that post-modernization, China’s economy today is five times the size of the Indian economy, with the consequent difference in capabilities, economic, military and political. It is within this asymmetry that India has to define for itself a relationship with China by successfully avoiding adversarial posturing. The success of India’s overall foreign policy hinges on how skillfully this element of statecraft is achieved.

Despite some hostile posturing by China, which has been woven into the fabric of otherwise peaceful ties, the Committee have reasons to be enthused by a broad consensus reached by the two countries in Astana in June, 2017. As per this understanding, the two countries have decided that their ties should become a factor for regional and global stability and that the two countries shall ensure that their differences do not become disputes. The Committee strongly believe that if future relations between India and China could be governed by the spirit of this understanding, then nothing can stop the ties from evolving positively to the next stage. In today’s world it has almost become a cliché to say that friendly ties between these two countries are important for a just regional and global order.

In the Committee’s opinion, the time has now arrived for the exposition of this understanding by the two countries by re-energizing our bilateral dialogue mechanisms and enhancing our communication in order to build trust and understanding. At the same time it should also be ensured that India’s national interest is fully safeguarded and our core concerns shown due respect and sensitivity. The Committee observe that even when the two countries have forged a Closer Developmental Partnership since 2014, there is an unmistakable element of hostility which at times find expression in a number of statements and incidents, like the Doklam crisis which occurred last year.

The Committee are of the opinion that an objective and in-depth assessment of the relationship needs to be carried out promptly by the Government so that a broad national consensus is evolved on how to deal effectively with China. Competition and cooperation are two discernible running strands in our relations with China. It is important for India to segregate the collaborative elements and competitive elements from the relationship and then to deal with each one of them on merit.

(Recommendation No. 1)

I. Defence Cooperation

1.16 On the issue of Defence Cooperation, the Foreign Secretary during the evidence before the Committee on 22 February, 2018 informed:

“In recent years defence relationship between India and China has substantially enhanced. At present all three wings of the Indian Armed Forces are being stationed in the Indian Embassy in Beijing in recognition of the fact that the military to military relationship has grown. The two countries have an Annual Defence and Security Dialogue, and have undertaken annual joint army exercises since 2008. Although, last year, due to Doklam incident the exercise could not take place despite India having proposed that it should take place.”

1.17 While further elaborating on the suspension of Defence Cooperation between the two countries in 2017, the Foreign Secretary stated during the oral evidence on February 22, 2018 that while the Indian side made a number of proposals for defence exchanges that year, the Chinese side did not revert on them, possibly due to the difficulties faced in the relationship in 2017, including the Doklam issue. However, Foreign Secretary added that in 2018, the Chinese side has conveyed that they will resume the defence exchanges. Foreign Secretary said that as and when the proposals came up, the Indian side will be happy to resume defence exchanges

1.18 The Committee are pleased to note that in recent years the defence relationship between India and China has been substantially enhanced with the stationing of all three wings of the Indian Armed Forces in Beijing and with institutionalization of the Annual Defence and Security Dialogue. However, the Defence Cooperation remained suspended in 2017, presumably for a variety of reasons including differences on One Belt One Road and the Doklam incident and various proposals made by the Government of India were not responded to by China. As per MEA, in this year *i.e.* 2018, Defence Exchanges are expected to resume. The Committee hope that the restoration of Defence Exchanges between the two countries will lead to further normalization and a better business environment will be created in the bilateral ties. The Committee however, are concerned to note that we are still waiting for a Chinese proposal to come in this regard. The Committee are of the considered opinion that defence cooperation is an effective way of ushering mutual trust and confidence between any two countries. Now that the Chinese side has indicated its willingness to resume these exchanges in 2018, the Committee urge the Government of India to take initiative and send their proposals for resuming Defence Exchanges to China, without waiting for proposals from their side. An early resumption of defence cooperation will be in the long term interest of our bilateral ties with China.

(Recommendation No.2)

II. Taiwan Policy

1.19 India does not accord any diplomatic recognition to Taiwan. India recognizes only the People's Republic of China (*i.e.* mainland China) as the legitimate Government of China. However, India's economic and commercial links as well as people to people contacts with Taiwan have expanded in recent years.

1.20 On being asked to elaborate on India's policy towards Taiwan, the Foreign Secretary during oral evidence before the Committee on 22 February, 2018 submitted:

“This is a policy the Government of India established on the 30th of December, 1949. On the 30th of December, 1949, Government of India declared the Ambassador of the so-called Republic of China resident in New Delhi as *persona non-grata*. That was an irretrievable step the Government took. India derecognized that Government and asked its Envoy to leave the country and the next day, the then Government of the day offered its recognition to People's Republic of China.”

1.21 The Foreign Secretary, during the course of evidence on 22 February 2018 said that all successive Governments have adopted this policy. He further stated that today, whether in terms of trade or in terms of people-to-people exchanges, there has been progress in our contacts with Taiwan within the policy parameters that the Government of India has laid down. He added that nonetheless, we have to also be aware that this is an issue which is highly sensitive for China and for our larger relationship with China, which is our neighbour and a country with which we have to build a long-term relationship.

1.22 The Committee have noted that India does not accord any diplomatic recognition to Taiwan despite the flourishing nature of exchanges between the countries, such as in the fields of people to people contacts, trade and personal exchanges. The Ministry has argued that it does not want to upend this policy of the Government of India in deference to China's sensitivity on the matter. Nonetheless, it treats the relationship with Taiwan as a trade relationship rather than a diplomatic one, and has recently acquiesced in China's demand to refer to Taiwan as "Chinese Taipei". It comes as a matter of concern to the Committee that even when India is overtly cautious about China's sensitivities while dealing with Taiwan and Tibet, China does not exhibit the same deference while dealing with India's sovereignty concerns, be it in the case of Arunachal Pradesh or that of the China-Pakistan Economic Corridor (CPEC) in Pakistan Occupied Kashmir (PoK). Given the fact of China's muscular approach of late while dealing with some of the issues pertaining to India, it is difficult for the Committee to be content with India's continuing with its conventionally deferential foreign policy towards China. Dealing with a country like China essentially requires a flexible approach. The Committee strongly feel that the Government should contemplate using all options including its relations with Taiwan, as part of such an approach.

(Recommendation No. 3)

III. Chinese inroads into India's neighbourhood

1.23 For some years now China has been making strong inroads into India's neighbourhood. This has the portents of affecting India's outreach activities. China has been successful in significantly expanding its foothold in countries like Pakistan, Sri Lanka, Maldives, Nepal etc.

1.24 On being queried about the Government's viewpoint on increasing Chinese activities in our neighbourhood, the Foreign Secretary while briefing the Committee on 18 October, 2017 stated :

“The fact is that the Chinese today have very strong relationships with many of our neighbours, in fact, with virtually all our neighbours and in many cases have relationships that extend to the defence and security domain. So, now whether we treat that as containment or not, I think, depends on our mindset. Certainly, our efforts would be to ensure that with each one of our immediate neighbours to the extent possible our relations are given the salience that is due from geography, history, culture and shared political past.”

1.25 The Committee have noted the significant inroads made by China in India's neighbourhood and their impact on India's outreach activities in these countries. Despite the Ministry's ambivalence on whether this reflects some sort of a deliberate encirclement policy of India by China, the Committee would be inclined to see it as nothing less than a veiled containment policy. Therefore, it is imperative that India should urgently take up the business of re-energizing its ties with our neighbouring countries. It is clear that we now have to contend with the possibility of some of the countries in our neighborhood playing the China card as leverage in their relations with us. In Committee's opinion India vis-à-vis China has the unbeatable advantage of having always being seen as a reliable and trustworthy partner. Therefore, to deal with the emerging situation, India needs to bring into play adroit and pro-active diplomacy on the one hand while significantly augmenting the delivery and efficiency of its development assistance in the Region on the other. The Committee desire to be apprised about the steps taken by the Government towards this end and both the short and long term outcomes of such endeavours.

(Recommendation No. 4)

1.26 It is widely acknowledged that China has adopted a policy of containment towards India in South Asia by leveraging its influence in various countries of the region. However, it has long running territorial disputes with various littoral States in South China Sea. On the other hand India has traditionally been seen as a friendly country in the region and it has got deep running ties with countries such as Thailand, Vietnam and Singapore. In the given situation, India could rapidly multiply ties with China's neighbours in the same way as China is doing with India's neighbours.

1.27 On being asked about building up relations in our neighbourhood and in the South-East Asia, the Foreign Secretary during the oral evidence submitted before the Committee on 18 October 2017:

We have drastically ramped up our commitments to our neighbours. I can just give you one example. In a country like Bangladesh, we had committed to projects of about 800 million dollars till three years ago, which is today around 8 billion dollars. So, it has gone up 10 times.”

1.28 He further added:

“I would honestly say that doing the neighbourhood connectivity is part of my way of dealing with that concern So we are on exactly that line of thinking which is that we need today to find more countries to work with, we need to look after our neighbourhood and we need to look after Indian Ocean. ”

1.29 The Committee have noted that while China is resorting to containment of India in South Asia, its own vulnerabilities in South-East Asia are adequately exposed and could be appropriately taken into account by India. Due to historical and contemporary factors, China’s ties with some of the countries in the region have come under strain and this presents India with the right opportunity to develop counter pressure on China. The Committee are pleased to note that the Government is sensitive about the issue and has already started taking steps in the desired direction by significantly augmenting projects assistance to Bangladesh and by signing a first time LoC of \$ 500 million with Vietnam for defence purchases. India has also taken a firm stand on the Belt and Road Initiative. Further, the Foreign Secretary in his candid submission before the Committee has emphasized the need to look after our neighbourhood and the Indian Ocean. Therefore, the Committee would desire that these isolated measures notwithstanding, the Government should very proactively pitch for an enhanced role in South- East Asia, South Asia and the Indian Ocean region as a foreign policy tool in the medium and long term. India’s model of assistance as has been stated previously is being seen as more favourable to the interests of the recipient countries, but is sometimes short on timely delivery. Wherever India forays, it has the advantage of this positive image of trust and reliability built assiduously and painstakingly over decades.

(Recommendation No. 5)

IV. One Belt One Road/Belt and Road Initiative (OBOR/BRI)

1.30 As per the Ministry, the inclusion of the so-called ‘China-Pakistan Economic Corridor’ (CPEC), which passes through parts of the Indian State of Jammu & Kashmir under illegal occupation of Pakistan, as a flagship project of OBOR reflects lack of understanding and appreciation of India’s concerns on the issue of sovereignty and territorial integrity. India cannot accept a project that ignores its core concerns on sovereignty and territorial integrity. These concerns have been raised with the Chinese side at various levels. Regional connectivity is an integral part of India’s economic and diplomatic initiatives. However, India is of the firm view that connectivity initiatives must be based on universally recognized international norms, good governance, rule of law, openness, transparency and equality. They must follow principles of financial responsibility and must be pursued in a manner that respects sovereignty and territorial integrity.

1.31 The following is the text of the statement issued by the Ministry of External Affairs on 13 May, 2017 regarding India’s participation in One Belt One Road (OBOR)/Belt and Road Initiatives (BRI) Forum :

“We had received formal invitation to participate in the 6 separate forums that China is organizing as part of the Belt and Road Forum being held in Beijing on May 14 – 16, 2017. We are of firm belief that connectivity initiatives must be based on universally recognized international norms, good governance, rule of law, openness, transparency and equality. Connectivity initiatives must follow principles of financial responsibility to avoid projects that would create unsustainable debt burden for communities; balance ecological and environmental protection and preservation standards; transparent assessment of project costs; and skill and technology transfer to help long term running and maintenance of the assets created by local communities. Connectivity projects must be pursued in a manner that respects sovereignty and territorial integrity. India shares international community’s desire for enhancing physical connectivity and believes that it should bring greater economic benefits to all in an equitable and balanced manner. We are working with many countries and international institutions in support of physical and digital connectivity in our own immediate and near neighbourhood. Expansion and strengthening of connectivity is an integral part of India’s economic and diplomatic initiatives. Under the ‘Act East’ policy, we are pursuing the Trilateral Highway project, under our ‘Neighbourhood First’ policy we are developing multimodal linkages with Myanmar and Bangladesh; under our ‘Go West’ strategy, we are engaged with Iran on Chabahar Port and with Iran and other partners in Central Asia on International North South Transport Corridor. BBIN initiative is aimed at enhancing logistics efficiencies in South Asian region. We are also actively considering acceding to TIR Convention. Guided by our principled position in the matter, we have been urging China to engage in a meaningful dialogue on its connectivity initiative, ‘One Belt, One Road’ which was

later renamed as 'Belt and Road Initiative'. We are awaiting a positive response from the Chinese side. Regarding the so-called 'China-Pakistan Economic Corridor', which is being projected as the flagship project of the BRI/OBOR, the international community is well aware of India's position. No country can accept a project that ignores its core concern on sovereignty and territorial integrity."

1.32 Elaborating on India's stand on One Belt One Road Initiative, the Foreign Secretary during the oral evidence submitted before the Committee on 22 February 2018 :

"On China's policy of One Belt One Road or Belt and Road Initiative, India's position has been very clear in the matter... India endured criticism of that position, including in the domestic arena. The Government did not change its position in the matter. Today, there are a number of Governments which are taking that position. Sometimes, the Government's positions are not understood because they are long term positions. But, being alone at times is not a bad thing. There is greater appreciation today that China's projects in our region are not necessarily financially viable, that they are pushing countries into debt. This is causing some kind of concerns internationally. What the impact will be in our region in five years or ten years is difficult to predict. "

1.33 The Foreign Secretary while elaborating further on the issue stated on February 22, 2018:

"...What the Government is doing is that we are going to the South Asian countries and to some beyond and we are saying that we are not asking you to take what we are giving, we are asking you to tell us what you want. It is a demand driven process and then we are offering loans or a mix of grants and loans to execute projects which are subsequently agreeable to that Government politically."

1.34 The China Pakistan Economic Corridor (CPEC) is a collection of infrastructure projects worth around \$46 billion meant to deepen economic ties between China and Pakistan. The CPEC will connect China's largest province Xinjiang with Pakistan's Gwadar port in Balochistan. The CPEC is not acceptable to India because it passes through Pakistan Occupied Kashmir, thereby violating India's territorial integrity.

1.35 On the issue of CPEC, the Foreign Secretary during the briefing informed the Committee on 18 October 2017 :

"On the issue of CPEC that is very clear, all of us agree that PoK is an integral part of India. This is not a new position, which is a position successive governments have taken over a long time. Project there or a set of projects there by a third country is clearly unacceptable to us. As we have pointed out to the Chinese, given their own sensitivities to territorial disputes, for them to be doing something like this is clearly and completely illogical. It really shows very little understanding or sensitivity for our interests on this matter. The fact is this is an area where we have not made much progress for whatever reason. Their relationship with Pakistan apparently is so deep and strong over many years that they have disregarded what they clearly see as Indian objections in this regard. We have maintained a consistent position on this."

1.36 India has firmly rejected the One Belt One Road (OBOR)/Belt and Road Initiative (BRI) Forum being proposed by China. As details are unravelling, it is becoming increasingly apparent that BRI has been rooted in opaqueness and it appears to be a vehicle for Chinese hegemonic geo-political, financial and commercial interests. The Committee are of the firm opinion that India as a responsible member of the comity of nations had earnestly pointed out the fundamental flaws in BRI related to lack of universally recognized international norms, good governance, rule of law, openness, transparency and equality. Although initially India was the lone voice of sanity on this matter and also invited misplaced criticism, the reality of this venture is belatedly dawning on several recipient nations. Unlike Asian Infrastructure Investment Bank (AIIB), the BRICS Development Bank or Shanghai Cooperation Organization (SCO), OBOR is not a multilateral project. It is a series of current or proposed projects that will be undertaken through bilateral agreements between China and partner countries. There is no multinational framework nor institutional arrangements through which participating countries cannot only link themselves with China but with each other as well. To the Committee, BRI seems to be the very antithesis of the developmental philosophy India pursues abroad through its various development assistance programmes. Therefore, the Committee would go on record to appreciate India's principled stand on the matter. The Committee also feel that the matter ought not be deemed as closed with mere rejection of the BRI. In fact the Committee sense a huge opportunity for India in the global arena. It is time that India should accelerate its own connectivity projects under various initiatives such as 'Act East Policy', 'Neighbourhood First policy', 'Go West' Strategy, "Spice Route", etc. as a counter to the narrative of BRI which seems to have gained some currency in our neighbourhood and elsewhere. It is high time to showcase a more just, more equitable and more user friendly developmental assistance model to the countries who have fallen for the lure of BRI without realizing its far reaching deleterious consequences. Further, the Committee are of the opinion that it is still open for China to propose and India to consider, in the light of its own interests, bilateral cooperation to improve connectivity between India and China. India could use the AIIB and BRICS Development Bank to fund domestic and cross-border infrastructure projects which will promote its own economic prospects and improve connectivity with its immediate and extended neighbourhood.

While on this aspect, the Committee are perturbed to note that despite India's strong sovereignty objections to China-Pakistan Economic Corridor (CPEC), it is being

openly trumpeted as a gift to Pakistan by China. India cannot but oppose the CPEC which violates India's territorial integrity. The Committee desire that China's double standards should be exposed. It opposes any project in Arunachal Pradesh for which funding has been sought from international financial institutions on the grounds that this is disputed territory. Of late it has been opposing even Central projects in the State. At the same time it conducts construction activities in Indian territory which China itself acknowledges as "disputed". China's claims, therefore, that its projects in Pakistan-Occupied Kashmir do not affect issues of India's territorial integrity and national sovereignty defy logic. India has been categorical in asserting that PoK is an integral part of India and hence any projects by a third country in that territory without our consent are completely unacceptable to us. The Committee would desire that India should take up the matter of CPEC at various international fora, so as to make our opposition clear and to simultaneously put pressure on China so as to make it realize its double-standards.

(Recommendation No. 6)

CHAPTER II

DOKLAM INCIDENT

The Ministry has informed the Committee that the face-off in Doklam area of Bhutan started when a large construction party of the People's Liberation Army of the People's Republic of China entered the Doklam area of Bhutan on 16 June 2017, and tried to alter the status quo by building a road in the Doklam region in violation of China's existing understandings both with Bhutan and India. In close consultation and coordination with Bhutan, Indian personnel present at general area Doka La sought to dissuade Chinese personnel from this attempted change in the ground situation. Since their urgings did not yield the desired result, a face-off situation emerged with the Chinese and Indian personnel deployed in close proximity. The Ambassador of Royal Government of Bhutan publicly stated that it lodged a protest with the Chinese Government through their Embassy in New Delhi on 20 June, 2017. On 29 June, 2017 the Foreign Ministry of Bhutan issued a statement underlining that the construction of the road inside Bhutanese territory was a direct violation of the 1988 and 1998 agreements between Bhutan and China and affected the process of demarcating the boundary between these two countries, and urged a return to the status quo as before 16 June 2017. The matter was also discussed between India and China at the diplomatic level in the Foreign Ministries, both in New Delhi and Beijing. India conveyed to the Chinese Government that such construction would represent a significant change of status quo with serious security implications for India. In this context, the India side also underlined that the two Governments had in 2012 reached a Common Understanding between their Special Representatives that the tri-junction boundary points between India, China and third countries will be finalized in consultation with the concerned countries. Any attempt, therefore, to unilaterally determine tri-junction points is in violation of this understanding. On the basis of India's diplomatic communication with China, wherein we were able to express our views and convey our concerns and interests, the issue was eventually resolved with the disengagement of border personnel at the face-off site at Doklam on 28 August 2017. This also addressed India's concerns about China's road construction activities in the Southern Doklam region.

2.2 The Foreign Secretary provided the following analysis of the standoff and the way in which it was eventually defused during the evidence before the Committee on 18 October, 2017:

“The face off itself ended on August 28, 2017 and possibly with the benefit of some hindsight we are in position to, perhaps, analyse the incident better now than we could have done when it was on-going. As we had briefed you last time, concerns that led to the face off situation emanated from Chinese actions to change the *status-quo* on the ground by seeking to build a road in southern Doklam in violation of their existing understandings with both India and Bhutan. This had implications for the determination of the tri-junction point between India, China and Bhutan and the alignment of the India-China boundary in the Sikkim sector. Where Bhutan was concerned, it was in violation of agreements in 1988 and 1998 not to change the *status-quo* while boundary negotiations were still in progress. Now, in dealing with the situation we consistently maintained that it was only through diplomatic channels that differences on such matters could be addressed. Following Prime Minister’s conversation with the Chinese President in Hamburg on July 7, 2017 on the sidelines of the G-20 Summit, we initiated diplomatic communications with the Chinese side in Beijing thereafter to seek a resolution of this issue. Thirteen rounds of diplomatic discussions were held. These were led by our Ambassador in Beijing. From time to time, appropriate officials from headquarters joined him to assist in these discussions. During these diplomatic communications our main line of argumentation was as follows. One, we contested the Chinese claim of sovereignty in the Doklam region, as according to our and Bhutanese maps the region is part of Bhutan’s territory. Two, we conveyed to the Chinese side that their action represented a significant change in *status-quo* on the ground with serious security implications for India and amounted to unilateral determination of the tri-junction point between India, China and Bhutan. We also contested the Chinese claim that the India-China boundary in the Sikkim sector had been settled as per the Anglo-Chinese Convention of 1890. Three, we have pointed out that both the aspects of the tri-junction point as well as the India-China boundary alignment in the Sikkim sector were addressed in a written common understanding reached between the special representatives of India and China on the boundary question in December, 2012. This is when Shri Shivshankar Menon was our special representative and Dai Bingguo was the Chinese special representative. Point 13 of the common understanding stated that the tri-junction boundary point between India, China and third countries will be finalised in consultations with the concerned countries. Since 2012 we have not held any discussions on the tri-junction with Bhutan. Four, with regard to the boundary in the Sikkim sector, we maintained that there are still steps to be covered before the boundary is finalised. This understanding had been reflected in the common understanding of December 2012 in point number 12 which states that there is mutual agreement on the basis of the alignment of the India-China boundary in the Sikkim sector as provided by the Convention between China and Great Britain relating to Tibet and Sikkim signed in 1890. So, the word 'basis of' was the critical word. We contended that having a basis of alignment was not the same as having a firm and final settlement of the boundary as claimed by the Chinese side. Chinese side's own proposal during discussions between special representatives to finalise the India-China boundary in the Sikkim sector as an early harvest corroborated our position. Five, we also expressed our concern over Chinese attempts to selectively quote parts of late Prime Minister Nehru's letter of 22nd March 1959 to mis-represent the Indian position regarding the 1890 Convention. We pointed that a full and an accurate account of that letter would have also brought out that Pandit Nehru's assertion was clearly based on boundary alignment as shown in our published maps of 1956 which clearly did not endorse the Chinese claim. Six, in our diplomatic communication with the Chinese side we

stressed that the settlement of the India-China boundary question, including the Sikkim sector, should best be left to be negotiated between the special representatives of the two countries based on agreements and understandings reached between them from time to time including the most recent common understanding in 2012. We stressed that it was important that these understandings should be scrupulously respected by both sides and nothing should be done to undermine the sanctity of the process. Seven, we also reasoned with the Chinese side that continuing the face off was not in the mutual interest of India and China and that the prolongation of the situation would only give an opportunity to others to take advantage of the situation. It could also create mistrust and friction between us. Finally, we repeatedly reminded the Chinese side of the Astana Consensus wherein our leaders had agreed that differences should not become disputes and that Sino-Indian ties must remain a factor of stability in an uncertain world. Now, as a result of persistent communication and constant persuasion over almost six weeks, we could get the Chinese side to reach an agreement to resolve the situation with the disengagement of the border personnel at the face off site at Doklam on August 28, 2017. After the disengagement process, the Chinese troops, equipment and tents were removed from the face-off site, while our troops returned to positions. This effectively addressed a challenge of potential road construction activity by China in Southern Doklam and a concern about China's unilaterally pushing the tri-junction points southwards. At the end of the day we believe that it was triumph of diplomacy and political maturity. Both sides were obviously conscious of the importance of de-escalating the situation and ending the face-off before the BRICS Summit in Xiamen which was scheduled for 4-5 September, 2017. BRICS is a forum where India and China work closely together and obviously, neither side wished to see their leaders meeting at Xiamen under the cloud of Doklam incident.....”

2.3 He further added:

“During the entire period of the face-off situation, we maintained close consultations and coordination with Bhutan at various levels and between various agencies. Our public statements were in step with each other. ”

2.4 On being asked about the likely intentions and motivations of the Chinese troops to enter Doklam, the Foreign Secretary during the course of the briefing on 18 October 2017 stated that Chinese forces intentionally entered into the area because in their view this is a disputed area. He stated that as per records, there are examples of Chinese troops doing this as far back as 1966. Their entering this area poses concerns from the perspective of the trijunction point. The issue which arose in 2017 was because the Chinese troops came with road building equipment with a stated intention of building a road to the Jampheri ridge. This was detrimental to India's security interests. When the Bhutanese patrol confronted them, the Chinese troops turned away the patrol. The Foreign Secretary stated that the Indian forces then acted to prevent the road construction from prejudicing the trijunction point”.

2.5 On being asked about other transgressions by the PLA in the Doklam plateau, the Foreign Secretary during the course of briefing on 18 October 2017 gave further details of past transgressions and activities by Chinese troops in the Doklam plateau. He noted that the patrolling activities were not the same as change in status quo due to road construction, which was of greater concern to us.

2.6 During the course of the briefing on 18 October 2017, the Foreign Secretary further added:

“The issue is more of attempting to alter the status-quo on the ground and unilaterally seek to determine the tri-junction. It is this aspect that transforms a transgression into a larger diplomatic and political issue shifting the matter from the domain of the Armed Forces to that of Foreign Policy”

2.7 Bhutan is India's one of the friendliest neighbours and the two countries have shared enduring ties since decades. In 2007 India re-negotiated the existing treaty with Bhutan and signed a new treaty of friendship. The existing border dispute between Bhutan and China has given the Chinese considerable leeway to enter and claim Bhutanese territory, which at times holds serious ramifications for India's security.

2.8 When asked about India's stand on transgressions by PLA in Bhutanese territory, the Foreign Secretary submitted during the briefing on 18 October 2017:

“India also looks at Bhutanese interest. We have a treaty with Bhutan, and we would obviously take into account anything that the Bhutanese Government would say to us.”

2.9 The Committee understand that the uncalled for Chinese intrusion at Doklam was a blatant but unsuccessful attempt to unilaterally change the *status quo* by shifting the India, Bhutan, China tri-junction from Batang La to Gyomochen, thereby seriously affecting India's security interests by enhancing China's ability to dominate the vulnerable Siliguri corridor. The Chinese actions were in clear violation of the 1988 and 1998 agreements between Bhutan and China which stipulated no change in the *status quo* while boundary negotiations were still in progress. These moves were also in violation of the 2012 Common Understanding reached between the Special Representatives of India and China to determine the tri-junction boundary points only in consultation with the concerned third country. Doklam was not a sovereignty issue for India, as the disputed territory was Bhutanese, but nevertheless it was a major security challenge for us. The Committee would like to put on record their highest

appreciation for the brave and timely action of our security forces which checked the PLA troops from continuing with their road construction activity in South Doklam. The Committee also pay tribute to the skilful diplomatic efforts of the Ministry due to which the stand-off was defused without bloodshed. The Committee are also informed that during the entire period of the face-off situation, India maintained close consultations and coordination with Bhutan at various levels and between various agencies. In the Committee's view it attests to the enduring and time tested relations between India and Bhutan. The Committee would commend the Government's overall handling of the crisis as it managed to send necessary signals to China that India will not acquiesce in its unilateral and forceful attempts to change the *status quo* at any of India's territorial boundaries. However, the Committee remain concerned that Chinese infrastructure built uncomfortably close to the tri-junction has not yet been dismantled.

(Recommendation No. 7)

I. Road building in Doklam area

2.10 There were some media reports regarding presence of Chinese troops near the face-off site at Doklam even when the issue has been amicably settled. In fact, one of the non-official witnesses, Col.(Retd) Vinayak Bhat during the evidence tendered before the Committee drew attention through satellite imagery to Chinese road building activities continuing around Doklam plateau.

2.11 On being asked to react to these developments, the Foreign Secretary during the course of briefing before the Committee on 18th October 2017 submitted:

“There is no road construction activity at or in the vicinity of the face-off site. In fact, there have been no new developments at the face-off site and its vicinity since the 28th August disengagement. The status quo prevails in that area.”

2.12 On being asked about the reaction of the Defence Ministry to reported presence of Chinese troops at the face-off site at Doklam, the Defence Secretary while testifying before the Committee during the oral evidence on 30 October, 2017 categorically denied such a possibility and submitted:

“Mr. Chairman, Sir, Foreign Secretary has already provided the details. We have provided inputs for the Foreign Secretary's statement. Regarding forces on ground, PLA troops are at present well within their own territory. Their deployment is not unusual, given the training and exercise schedules at this point of time in the year.”

2.13 On being asked to react to the reported activities of PLA in the Chumbi Valley, the Foreign Secretary during the briefing before the Committee submitted on 30 October 2017:

“I think, first of all, a large part of the Chumbi Valley is part of Tibet; and Tibet is currently part of China. So, what you are saying could very well be in the territory, which is even in our maps, Chinese.”

2.14 To the query as to whether the Chinese troops are presently situated within the Bhutanese territory or the Chinese territory, the Foreign Secretary stated on 30 October 2017 that this was something that the Military would be able to comment on. He said that the MEA gets involved when the issue assumes a diplomatic dimension, which it does when there is a face-off.

2.15 On being asked whether any clarification on the issue of presence of Chinese troops in the Doklam area has been sought from China, the Foreign Secretary informed the Committee on 30 October 2017 that at the face-off site and in its vicinity, no change was seen after 28 August 2017. Hence, any suggestion that at the face-off site, there had been any change was simply not accurate.

2.16 On being specifically asked to give his reactions to an article written by satellite imagery analyst, Col. (Retd.) Vinayak Bhat on heavy Chinese armoured presence in the vicinity of Doklam, the Foreign Secretary submitted as under on 30 October 2017:

“...Now, Vinayak Bhat is actually saying that there are Chinese tanks. There is some artillery. My understanding is, his article says that they are north of Yadong. Now, Yadong has been a Chinese command outpost for 65 years. We are talking north of Yadong, meaning, deeper into China and Tibet. So what he is saying is, there is a Chinese force 90 kilometres away, and he uses the word ‘north of Yadong’.”

2.17 On the issue of Chinese troops build-up in the vicinity of Doklam area, the Foreign Secretary added during the briefing on 30th October, 2017:

“May I just clarify it. What are we saying? We are saying that face off site is clean. The status quo at the face off site has not been disturbed.”

2.18 During a separate Sitting on 22 February, 2018, clarifying further on India's stand on Chinese troop build up in the vicinity of Doklam, the Foreign Secretary stated that this was part of Bhutan's territory that was disputed by China, and was not a dispute between India and China. The limited objective of the action taken by the Indian side was to stop the road construction in close proximity of India-Bhutan border which would have prejudiced the determination of the trijunction point and which had security implications for India.

2.19 In response to Committee's query, the Foreign Secretary on 30 October 2017 gave a brief account of the deployment of Indian troops near the Doklam area.

2.20 On the attempts being made by China to change the trijunction point between India, Bhutan and China, the Foreign Secretary during the course of briefing on 30 October 2017 stated:

“With regard to the trijunction issue, since 1956 when both India and Bhutan put out their maps and took their positions, the issue of trijunction being Batangla or not being or being Gyemochen, has been there. But the Doklam issue has sort of been relatively on the back burner. So, even for example I did refer to the fact that in 1966 during Mrs. Gandhi's Prime Ministership the Doklam issue came up and at that time we were handling foreign policy for Bhutan. So, the protest note actually went from our side. But we did not directly connect the Doklam issue with the trijunction issue partly because we ourselves were not engaged in boundary negotiations at that time. Over the years what we have seen have been transgressions by Chinese patrols into Doklam sometimes in greater numbers and sometimes in lesser numbers. But I would differentiate this episode and its implications. Again, my recollection is this is the first time, it is because the Chinese came in these numbers with that equipment, with that stated intention and given the history of the fact that they have connected road claims to territorial occupation in Aksai Chin, that is the reason why the trijunction issue acquired the salience that it did on this occasion.”

2.21 On being asked to comment on the Chinese intentions for starting the face-off at Doklam, the Foreign Secretary submitted during the oral evidence on 22 February, 2018:

“Sir, I said that the situation in Doklam from our perspective was a very simple one. The decision to come across the ridge line to build a road in the direction of the Jampheri ridge was clearly an effort to compromise our security at the unilaterally determined tri-junction. Therefore, very briefly and very succinctly they tried to alter the *status quo* in a manner, which would not be conducive for us to determine the tri-junction point, which should have been determined or should be determined by three parties. It is a very limited objective /purpose. ...Once that action was brought to an end, the disengagement took place on the face-off site and there has been no further road construction.....”

2.22 From the specific deliberations held about road construction activities in Doklam area, the Committee conclude that it was not the first time that PLA troops entered the Doklam area. As the Doklam area is a disputed territory between Bhutan and China, PLA has been crossing the Batang La- Meruga La- Sinchela Ridge Line over the years and making ingress into the Bhutanese territory. But this time, the PLA came with the objective of changing the *status quo* because they came in substantial numbers and brought along construction equipment with them. It had also been informed to the Committee that Chinese had built the track across the Batang La- Meruga La- Sinchela

Ridge Line over the last 25 years. It was because of this track that they were able to reach the face-off site. It is clear to the Committee that the PLA took advantage of the absence of the Bhutanese troops at Batangla- Meruga La- Sinchela Ridge Line which is Bhutan's sovereign territory. The Committee would, therefore, recommend that India should constantly engage with Bhutan on the subject of North Doklam so as to dissuade the PLA from making direct ingress into Southern Doklam in future and trying to shift the tri-junction point southwards.

The Committee are concerned about the multiple reports which allude to Chinese presence around Doklam plateau and the statements from Chinese authorities about chances of similar happenings in future also, even after the stand-off ended. Though the Government has categorically denied any Chinese activities near the actual face-off site, an ambivalent view has been expressed while confirming such activities for other areas in the Doklam plateau. Reports suggesting that significant road-building towards the Indian border has already occurred are also of concern to the Committee. The Defence Secretary has argued that the PLA troops were within their own territory and there was nothing unusual about their deployment. The Government has categorically denied that there is any direct threat from Chinese troops presently. The Committee, however are of the opinion that while dealing with China, it is always better to have a sense of 'healthy scepticism'. Even if they have withdrawn their troops from Doklam for the time being, China's strategic intentions should not be taken casually. The Committee would, therefore, urge the Government not to let its vigil down in order to prevent any untoward incident in future.

(Recommendation No. 8)

II. Takeaways from Doklam

2.23 When asked by the Committee during the course of the briefing to point out some takeaways from the Doklam incident, Foreign Secretary stated on 22 February 2018 that this was perhaps the most serious border tension in a long time and by far the longest face-off that we have had with China, with very sharp political rhetoric by the Chinese side. However, both sides were able to resolve matters through dialogue.

2.24 On being asked to provide the views of the Ministry of Defence on Doklam, the Defence Secretary during the course of evidence on 22 February, 2018 submitted before the Committee :

“Sir, I agree with the Foreign Secretary that the Doklam incident was an attempt to change the status quo and we did not allow that change to happen. We made it clear that the road would not be constructed and further progress towards Torsa Nala and Zompelri Ridge was not to be permitted. There was a standoff after 72-day faceoff. The planned road could not be constructed and both forces were disengaged at the faceoff site. This is essentially due to very mature and considered view by the Defence Forces as well as from the diplomatic engagement. Other than that, at this point, the status quo continued, forces were disengaged and we have consolidated our presence on our own side of the border to counter any contingency. We are continuously monitoring the Chinese activities in the area and we are well prepared to respond to any contingency.”

2.25 India and China have a long history of military face-offs along the border but Doklam was the longest one so far as the Sumdorong Chu incident, and arguably the most grave in its implications. In terms of the security implications and number of troops involved it was on a far higher scale than the previous such incidents. At the end of 72 day stand-off it was made clear to China that India will not countenance any change in the *status quo* or unilateral attempts to change the tri-junction point between India, Bhutan and China. Our defence forces and our diplomatic corps have shown firmness in responding to the crisis without actually being drawn into any kind of political rhetoric. The Committee hope that all this must have made it clear to the Chinese not to attempt any such misadventure again. The Committee would strongly desire that India should continue to monitor the Chinese activities along the border in general and the area in particular very intensely, to improve the military infrastructure (particularly roads) and equipment (particularly high-technology gear), and to prepare our security forces to respond befittingly to any contingency.

(Recommendation No. 9)

III. India-Bhutan Relations in the light of Doklam

2.26 The enduring nature of ties between India and Bhutan has once again been conclusively proved during the Doklam crisis when the two countries displayed very high degree of coordination all through this incident. As Bhutan is having a protracted boundary dispute with China possibilities of such conflicts playing out in future as well cannot be ruled out.

2.27 The Foreign Secretary briefed the Committee about relations between India and Bhutan, during the briefing on 18 October, 2017 and said that close and regular

communication was maintained between the two sides on matters pertaining to border security. Both sides also consulted each other before taking any steps.

2.28 Elaborating upon the shared understanding on Doklam between India and Bhutan, one of the non-official witnesses, Shri Nalin Surie, a former senior diplomat while deposing before the Committee, submitted on 22 February 2018:

“Article 2 of the 2007 India-Bhutan Treaty says, “The Government of the Kingdom of Bhutan and the Government of India shall cooperate closely with each other on issues relating to their national interests. Neither Government shall allow the use of its territory for activities harmful to the national security and interest of the other.” I think, the important thing to bear in mind is that on Doklam, Bhutan and India were on the same page. Bhutan will obviously not take a frontal position. It is a small country, it does not want to get buffeted on both sides. But Bhutan has been more than mindful of Indian interests, has gone along with what Indian interests required and, I think, this is a relationship which we should not allow, even by hint, to be affected adversely.”

2.29 On the imperative of safeguarding Indian security interests during future Bhutan China boundary talks, the Foreign Secretary submitted during the briefing on 22 February 2018 that in terms of a boundary solution, that is a decision which the Bhutanese Government would make, as it is their sovereign decision. However, successive Governments in Bhutan and in India have always expressed confidence that when either country makes an important decision that has a bearing on the interest of the other, given again the very close and unique nature of our relationship, such decisions are made after due consideration and consultation.

2.30 On India’s shared stand on Doklam, one of the non-official witnesses, Gen (Retd) Deepak Kapoor, a former Army Chief while deposing before the Committee on 22 February, 2018 stated :

“...So, from that perspective we thought that it was not appropriate, and Bhutan also, in consonance with what we were saying, continued to tell the Chinese that this claim of theirs on Doklam is inappropriate and not right. While we have had a series of 20 meetings between the Indian and Chinese, on the Bhutanese side something like 24 meetings have been held between the Bhutanese and Chinese side and always the Bhutanese have maintained that Doklam is their part. The Chinese have also tried to say that you barter away Doklam to us and take a territory further north from us. Fortunately, Bhutan has stood the ground thanks to the very close relationships we enjoy, and if India has gone in and done what they did at Doklam, then I think that is very appropriate because the kind of relationship and treaty that we have amongst ourselves...”

2.31 Clarifying further he added :

“...Incidentally, Doklam area is one area where the Chinese have also not continued to adhere to the watershed line. It is in this area of Doklam that they want to come across the watershed and come into the plateau and go further down to Gyemochen. So, from that perspective as well it is a claim, which is not justified for them.”

2.32 It is quite heartening for the Committee to note that India and Bhutan maintained a very high degree of coordination and understanding during the Doklam stand-off, thus ensuring a mutually beneficial resolution of the issue. Otherwise also, on matters pertaining to the border security, there is regular communication between the two countries because of the unique nature of the ties between them. The Committee are also aware that boundary talks between China and Bhutan are also continuing and 24 rounds of this discussion have been held so far. While Bhutan has been continuously maintaining that Doklam is their territory, China has been trying to persuade it to barter Doklam for some territory further north. Bhutan requires all support and assurances from its time tested ally India for it to take a firm position on this issue.

(Recommendation No. 10)

CHAPTER III

BOUNDARY DISPUTE BETWEEN INDIA AND CHINA

China disputes the international boundary between India and China. In the eastern Sector, China disputes the legality of the McMahon Line by asserting that it was drawn by imperialist British power and claims approximately 90,000 square kilometres of Indian territory in the State of Arunachal Pradesh as so-called “South Tibet”. This assertion and claim does not have adequate historical basis. China remains in illegal occupation of several thousand square kilometres of Indian territory— 38,000 square kilometres in the State of Jammu & Kashmir and it has further acquired 5,180 square kilometres illegally from Pakistan and further claims about 2,000 square kilometres in the States of Himachal Pradesh and Uttarakhand.

3.1 The Committee were informed that the fact that the State of Arunachal Pradesh is integral and inalienable part of India has been clearly conveyed to the Chinese side on several occasions, including at the highest level. From time to time, we come across instances of foreign maps depicting the State of Arunachal Pradesh as disputed territory or territory that is not part of India. Government of India strongly takes up such inaccurate depictions of India’s boundaries with concerned foreign Governments.

3.2 Rebutting on the Chinese claims over parts of Arunachal Pradesh, the Foreign Secretary during the course of briefing on 18 October 2017 submitted :

“Arunachal is a straight forward matter. Chinese have raised claims to Arunachal. We do not accept the claims. We regard it as illegal. Again it is an issue which is a long standing position of the Government. We continue to have significant difference of opinion on this. Arunachal sector is one of the sectors which is under discussion because the eastern borders obviously derived from that...”

3.3 On the issue of skirmishes in Arunachal Pradesh, the Ministry submitted that no skirmishes have taken place in Arunachal Pradesh for a long time (since 1975). However, as there is no commonly delineated Line of Actual Control (LAC) in the border areas between India and China, from time to time, on account of differences in the perception of the LAC, situations have arisen on the ground that could have been avoided if we had a common perception of the LAC. Government regularly takes up any transgression along the LAC with the Chinese side through established mechanisms including border personnel meetings, flag meetings, meetings of Working Mechanism for Consultation & Coordination on India-China Border Affairs (WMCC) as well as through diplomatic channels. The Government

consistently maintains that peace and tranquility in the India-China border areas is an important pre-requisite for the smooth development of bilateral relations. Government is fully seized of the security needs of the country and remains prepared to counter all kinds of security challenges including at our borders. Government regularly reviews the threat perception to secure our border and protect national interest. Appropriate measures are taken from time to time to maintain/upgrade the country's defence preparedness to safeguard the sovereignty, territorial integrity and security of India.

3.4 On the determination of boundary in the Sikkim sector, the Foreign Secretary during the briefing on 18 October 2017 informed:

“India had an understanding with China, and China recognises Sikkim as part of India. The issue for India has been this. Both of us agree that Sikkim is part of India. China has in the context of Doklam issue claimed that the alignment in the India-China boundary in the Sikkim sector has been decided. The entire record goes against this claim. Going back to Pandit Nehru's letter of 1959, the letter does not substantiate the Chinese stand. The common understanding does not substantiate Chinese stand. The fact is that in 2006 Chinese asked for working out the alignment of the Sikkim boundary as an early harvest on the border segment. . What would be accurate to state is this. India accepts the basis of the alignment is 1890 treaty. This is a very complex subject. The fact was the treaty was only partially implemented on the ground. Certainly the segments India is talking about, the Batang La segment, etc. was not there and there is nothing to show that that was actually delineated or demarcated or agreed upon. ”.

3.5 The Committee was further informed during its Study Visit to areas on the India-China border that, with regard to the India-China boundary in the Sikkim sector, there are still steps to be covered before the boundary is finalized. Further, as per the agreement reached between the Governments of India and China in 2012, the tri-junction boundary points between India, China and third countries is to be finalized in consultation with the concerned countries. Since 2012, no discussion has been held on the tri-junction with Bhutan. Therefore, the Common Understanding of 2012 provided a strong basis for India to object to China's attempts to change the status quo with regard to the tri-junction between India, China and Bhutan.

3.6 Last year in August, 2017 there was a reported scuffle between some Indian and Chinese soldiers at Pongong Tso. On being asked about this incident which directly affects India's border claim, the Foreign Secretary during the course of briefing on 18 October, 2017 clarified:

“Sir, first of all, there is constant activity in many sectors every year. Why I say that is that I do not want you to over read what I am saying in terms of the Ladakh Sector. In the case of Pangong Tso, this is a lake where our respective perceptions of each other’s Lines of Actual Control do not coincide. It is like a long lake. They believe that the line is here; we believe that the line is there. So, there is an overlapping area of dispute in terms of what each party says”.

3.7 He further clarified during the same briefing:

“What happens that we patrol, they patrol, and often when the patrols encounter each other, sometimes you can have a face-off situation. Now, we had a rather unpleasant incident on the 15th of August, which was unusual because we have protocols on what happens when patrols encounter each other. In fact, even at Doklam, I must say through those 72 days, the ground situation was very civil. But there was no body contact. Everything was conducted with a lot of dignity and discipline. Unfortunately, in the case of Pangong Tso, that did not happen. So, there was a contact between patrols. I would frankly say that this is not the norm. This is a very unusual occurrence. It is something which again senior commanders on both sides responded immediately to calm down the situation. There was a meeting, my understanding is, of the senior level commanders at Pangong Tso after that and the feeling was that both of us need to make sure that our troops are disciplined; this should not have occurred, and this should not occur again. So, there was an air of regret in the manner in which this particular incident unfolded”.

3.8 Insofar as bilateral discussions on the boundary dispute are concerned the Ministry of External Affairs through a written reply informed that both sides agree that the border issue is a complex issue which requires patience. Both sides are committed to resolving the issue through peaceful negotiations and in a fair, reasonable and mutually acceptable manner. The two sides have also underscored that this issue should not affect our functional cooperation or disturb the harmony in our relations. Both sides have made the following efforts to make progress towards settling the boundary question:

(i) During the visit of Prime Minister Rajiv Gandhi to China in December 1988, both sides agreed to settle this question through peaceful and friendly consultations and the India-China Joint Working Group (JWG) on the Boundary Question was set up. As a result of the work of the JWG, in September 1993, during the visit of Prime Minister Narasimha Rao to China, the two sides signed the Agreement on the Maintenance of Peace and Tranquility along the Line of Actual Control in the India-China Border Areas.

(ii) Following the 1993 Agreement, the India-China Expert Group of Diplomatic and Military Officials (EG) was set up under the JWG. In November 1996, during the visit of Chinese President Jiang Zemin to India, the two countries signed the Agreement on Confidence Building Measures in the Military Field along the Line of Actual Control (LAC).

(iii) During the visit of Prime Minister Atal Behari Vajpayee to China in June 2003, the two sides agreed to each appoint a Special Representative (SR) to explore from the political perspective of the overall bilateral relationship, the framework for a boundary settlement. 20 rounds of SR talks have been held so far. The latest round was held on 22 December 2017 in New Delhi.

3.9 Further, as per the Ministry the main outcomes of the efforts made by both sides to make progress towards settling the boundary question as follows :

(i) The first five meetings of the SRs resulted in the signing of the “Agreement of the Political Parameters and Guiding Principles for the Settlement of the India-China Boundary Question” on 11 April 2005. This marked the end of the first stage of a three-stage process in seeking a political settlement of the boundary question. In the second stage, the two Special Representatives are exploring the framework for a final package settlement covering all sectors of the boundary. The last stage will involve actual delineation and demarcation of the boundary on map and ground by the civil, military and survey officials from the two sides.

(ii) Under the provisions of the 1993 and 1996 Agreements and the 2005 protocol, India and China have successfully put in place several confidence building measures. These include Border Personnel Meetings (BPMs) at Spangur in the Western Sector, Nathu La in the Sikkim Sector and Bumla in the Eastern Sector. Scheduled meetings are held twice annually at each point apart from flag meetings as and when required. Two more BPM points at Kibithu-Damai in the Eastern Sector and Daulat Beg Oldi in the Western sector have been operationalized in 2014 and 2015, respectively.

(iii) During his visit to India in December 2010, Chinese Premier Wen Jiabao proposed to establish a Working Mechanism for Consultation and Coordination on border affairs (WMCC) which would handle important border affairs relating to maintaining peace and tranquility and handed over a draft agreement to the Indian side. The agreement establishing the Working Mechanism was signed during the 15th round of SR Talks in January 2012. The last round of WMCC was held on 22 March 2018 in New Delhi.

(iv) A “Border Defence Cooperation Agreement” was signed on 23 October 2013 in Beijing during Prime Minister Manmohan Singh’s visit to China. The agreement, building on the earlier understandings, provides additional instruments for confidence building and cooperation.

3.10 The Foreign Secretary during the course of briefing on 30 October, 2017 while providing the inputs on the boundary dispute between India and China stated:

“Insofar as our bilateral discussions on the boundary dispute are concerned, both sides agreed that the border issue is a complex one which requires patience. Both sides are committed to resolving the issue through peaceful negotiations and in a fair reasonable and mutually acceptable manner. The two sides have also underscored that this issue should not affect our functional cooperation or disturb the harmony of our relations. There is no commonly delineated line of actual control in the border areas between India and China. From time to time, on account of differences in the perception of LAC, situations have arisen on the ground that could have been avoided if we had a common perception of the LAC. Government regularly takes up any transgression along the LAC with the Chinese side through established mechanisms including border personnel meetings, flag meetings, meeting of the Working Mechanism for Consultation and Coordination on Border Affairs and through diplomatic channels. The two sides agreed that peace and tranquility on the border is the basis for the continued expansion of India-China relations. Government of India is engaged with the Government of China through diplomatic channels to maintain peace and tranquility in accordance with various agreements, Memoranda of Understanding, protocols and joint statements of 1993, 1996, 2003, 2005, 2012 and 2013 and is committed to seeking a fair, reasonable and mutually acceptable solution to the boundary question through dialogue and peaceful negotiations”.

3.11 India and China have a protracted boundary dispute where China is in illegal occupation of several thousand square kilometers of Indian territory. China disputes the international boundary between India and China. In the eastern sector China disputes the legality of the McMahon Line by asserting that it was drawn by the imperialist British power (though this objection has not prevented it from accepting the same “imperialist” MacMahon Line as its border with Myanmar) and China claims approximately 90,000 sq. km. of Indian territory in the State of Arunachal Pradesh as South Tibet. China remains in illegal occupation of 38,000 sq. km. in the State of Jammu & Kashmir. It has also acquired illegally 5180 square kilometers of territory from Pakistan in Pakistan Occupied Kashmir and further claims about 2,000 square kilometres in the States of Himachal Pradesh and Uttrakhand. China also disputes alignment of its boundary with India in the Sikkim sector. The fact that Arunachal Pradesh is an integral and inalienable part of India has been clearly conveyed to the Chinese side on several occasions including at the highest level. From time to time the issue of the inaccurate depiction of India’s boundaries is being taken up with concerned foreign country. The Committee view this matter very seriously and urge that Indian diplomatic energies be channelled to ensure that instances related to inaccurate

depictions of India's boundaries are taken up forcefully and with urgency with the respective countries. Though negotiations on the boundary dispute are going on simultaneously with China, it must also be ensured that such baseless claims which are devoid of any amount of credibility or justification are fully exposed before the international community.

With regard to the land boundary alignment in Sikkim, the Committee view it to be a clear case of deliberate misrepresentation by China. First, in 2006 they asked for working out the alignment there as an early harvest and later repudiated it by arguing that the alignment in the Sikkim sector has already been decided. The Committee desire that Indian position should remain firm on the ground that the 1890 Anglo-Chinese Convention can at best provide the 'basis of alignment' of the boundary but not dictate the actual demarcation. They also desire that India should make it amply clear to China that India will adhere to the 2012 Understanding reached by the Special Representatives that the tri-junction boundary points between India-China and third countries will be finalized in consultation with the concerned countries only.

(Recommendation No. 11)

3.12 The Committee are informed that both India and China agree that boundary issue is a complex one and requires patience. Both sides are committed to resolve the issue through peaceful negotiations and in a fair, reasonable and mutually acceptable manner. The sides have also underscored that this issue should not affect their functional cooperation. The Committee have noted that there is no commonly delineated Line of Actual Control (LAC) in the border areas between India and China. As a result on account of differences in the perception of LAC, situations of border transgressions have arisen on the ground from time to time. Such situations could have been avoided if we had a common perception of the LAC. The boundary dispute between the two countries is a long running one and it will take considerable time for a solution to emerge. It is difficult for the Committee to escape the perception that China sees it as being in its interests to keep the dispute alive indefinitely for the purpose of throwing India off-balance whenever it so desires. Till such time as a definitive solution can be negotiated, the maintenance of peace and tranquility in the India-China border areas is an important pre-requisite for the smooth progression of bilateral relations. Because of persistent problems on boundary issues, the Government of India regularly

takes up such transgressions along the LAC with the Chinese side through established mechanisms *i.e.* Border-Personnel Meetings, Working Mechanism for Consultation and Coordination(WMCC) and normal diplomatic channels. The Committee are of the strong view that while it must be ensured that Peoples Liberation Army (PLA) is not allowed to establish facts on the ground, the situation must also not be allowed to spiral out of control in case of transgressions. In this regard, the Committee would strongly desire that a comprehensive Border Engagement Agreement is concluded between the Indian Army and the PLA, subsuming all established mechanisms for confidence building including border personnel meetings, flag meetings, meetings of the Working Mechanism for Consultation and Coordination on border affairs (WMCC) and other diplomatic channels. The Committee believe that there is a demonstrated need for a significant increase in the resources being allocated by the Government of India to the armed forces and other civilian and paramilitary agencies operating in the area, including the SSB. The Committee also gained the distinct impression that there is a case for improved co-ordination between the Army and the Air Force, which could provide better airborne early warning and control support to the forces on the ground when difficult situations arise, including through the deployment of unmanned aerial vehicles or drones. Furthermore, the Committee wish to emphasize the fact that our armed forces and security agencies must ensure that our persuasive deterrence continues to be effective and constantly adapted to take into account psychological, cyber and other technological changes that China may and indeed will continue to confront us with. Both sides should also ensure that for normal functioning of ties it is indispensable that our border largely remains peaceful.

(Recommendation No. 12)

I. Special Representative (SR) Mechanism

3.13 Regarding the history of India's border negotiations with China, the Foreign Secretary during the course of briefing on 30 October, 2017 stated :

“During the visit of Prime Minister Shri Rajiv Gandhi to China in December, 1988, both sides agreed to settle this question through peaceful and friendly consultations and the India-China Joint Working Group on the boundary question was set up. As a result of the work of the Joint Working Group, in September, 1993, during the visit of Prime Minister Shri P.V. Narasimha Rao to China, the two sides signed an agreement on maintenance of peace and tranquility along the Line of Actual Control in the India-China border areas. Following the 1993 Agreement, the India-China Expert Group of

Diplomatic and Military Officials was set up under the JWG. In November, 1996 during the visit of Chinese President, Jiang Zemin to India, the two countries signed the agreement on confidence building measures in the military field along the Line of Actual Control”.

3.14 He further informed during the same briefing :

“During the visit of Prime Minister Shri Atal Behari Vajpayee to China in June, 2003, the two sides agreed to each appoint a Special Representative (SR) to explore from the political perspective of the overall bilateral relationship, a framework for the boundary settlement. Nineteen rounds of SR Talks have been held so far. The first five meetings of the SR talks resulted in the signing of an Agreement on the Political Parameters and Guiding Principles on the settlement of the India-China boundary question in April, 2005. This marked the end of the first stage of a three-stage process in seeking a political settlement of the boundary question. In the second stage, the two SRs are exploring the framework for a final package settlement covering all sectors of the boundary. The last stage will involve actual delineation and demarcation of the boundary on map and ground by civil, military and survey officials”

3.15 On the third stage of the Special Representative mechanism, the Foreign Secretary during the course of evidence on 30 October 2017 submitted:

“The third stage of the process is joining the line and marking it on the ground. But that can happen only when in the second stage we reach a framework agreement on where the line is on the map. The issue is still at the stage of where the line will come on the map. The stage has been going on for some years now and still differences remain between the two sides”.

3.16 On being asked about a likely time line for resolution of border issue between India and China, the Foreign Secretary clarified on 30 October 2017:

“I would urge you to recognize that it is a very complex problem”.

3.17 He further added that:

“...This is a problem which we have since Independence and I would say that different Governments of different political parties have tackled it. I would credit each one of them with actually showing utmost seriousness and sincerity on this matter. I do not think that there is a lack of effort; I do not think that there is a lack of sincerity; I think it is part of the complexity of the issue”.

3.18 Elaborating further he stated:

“...We are still in that second phase. We are still discussing. We have agreed on the principles, we have not come to the delineation, demarcation phase. We are at the framework phase. I think, frankly speaking, it will take us some time to close out because framework means you have an agreement on what actually the boundary is going to look like.”.

3.19 On aspects related to border contingencies, the Foreign Secretary during the briefing before the Committee on 30 October 2017 stated:

“There are adequate mechanisms and channels of communication between India and China that enable both sides to react to unforeseen contingencies as well as more planned negotiations for the resolution of the border dispute. The Doklam stand-off was itself resolved through diplomatic communications in Beijing that was suitable to both the sides. Thereafter, we are holding some of these meetings, especially the WMCC and SR talks very shortly. The Chinese side had conveyed that they would be in a position to engage only after the completion of the 19th Party Congress that has since taken place and we may expect some developments in the near future”.

3.20 On being asked whether the Doklam standoff has led to slowing down of Special Representatives process, the Foreign Secretary submitted on 22 February 2018:

“...On whether Doklam has slowed down the Special Representatives process, my answer to this question is, no. Doklam deals with maintenance of peace and tranquility along the Line of Actual Control. The SR mechanism is an attempt to sort the boundary issue. They are two different issues. The boundary issue is much more complex than the Line of Actual Control because much of the territory in the boundary issue is being held by the Chinese side physically in the State of Jammu and Kashmir. Doklam has not had an impact on the SR process. Indeed, the SR process in a sense was also part of the solution because the National Security Adviser and his counterpart met in the side-lines of the BRICS meeting in Beijing and that was also helpful in resolving the process. The process has resumed since then in December ...”.

3.21 As per the Ministry, the two sides agree that peace and tranquility in the border areas is the basis for the continued expansion of India-China relations. The two sides are committed to seeking a fair, reasonable and mutually acceptable solution to the boundary question through dialogue and peaceful negotiations.

3.22 On the issue of border transgressions, the Foreign Secretary during the course of evidence on 22 February, 2018 stated:

“.....Now, both sides are engaged in managing the Line of Actual Control. I am aware that from time to time media reports come about some transgression here or there. The fact of the matter is that there is no commonly delineated Line of Actual Control. The fact of the matter is also that the Government of India has repeatedly proposed – not just this Government, but the previous Governments of India have also repeatedly proposed -- to the Chinese side that we should strive to develop a common understanding of the alignment of the Line of Actual Control. The Chinese side has not responded positively to these requests nor has the Chinese side given any reason for not responding to these requests.....”

3.23 He further added:

“...the practical implication of not having a Line of Actual Control, however, is that occasionally patrols on either side slip across the Line of Actual Control or what they perceive as a Line of Actual Control, although very often it is on other side of the Line of Actual Control. Therefore, situations have arisen on the ground and do arise and will continue to arise if we do not have an agreed Line of Actual Control. It could have been avoided if we had a common perception of the Line of Actual Control. Nonetheless, because we have this persistent situation and may have to deal with it, we regularly take up such transgressions along the LAC with the Chinese side through established mechanisms. We have a number of Border Personnel Meetings. These have been steadily expanded over the years. We now have Daulat Beg Oldi and Spangur in the Western Sector; we have Bum La and Kibithu-Damai in the Eastern sector; we have Nathu La in the Sikkim Sector; and this year we are working to open the first Border Personnel Meeting in the Middle Sector at Lipulekh. Of course, we have other regular mechanisms like the Working Mechanism for Consultation and Coordination and, of course, normal diplomatic channels to handle this. But, it is a matter of satisfaction to the Government that we have been able to resolve most of the border violations through such mechanisms, and the India-China border areas have remained largely peaceful in the past few years.”

3.24 The Special Representative (SR) mechanism between the two countries is a viable way to pursue the resolution of boundary dispute. The Committee are aware that it is a three stage process and the first stage was already over with the signing of an “Agreement on the Political Parameters and Guiding Principles on the settlement of the India-China Boundary Question” in April, 2005. One of the guiding principles clearly established that settled populations will not be disturbed and the Committee are perturbed to note that by constantly claiming parts of Arunachal Pradesh, which are populated by lakhs of Indian citizens, China is not adhering to this guiding principle. Similarly, Point Nos. 12 and 13 of the written Common Understanding reached between the SRs in December, 2012 were clearly violated by China during the recent Doklam stand-off. Though the Committee hold high hopes on the SR process, they are equally wary of the inconsistencies displayed by China from time to time. In so many respects the track record of China does not inspire confidence in the Committee. The Committee would therefore, strongly desire that India should prevail upon China to ensure that application of the principles arrived at are given due respect and adhered to and that sanctity of the process should be scrupulously maintained by China. The Committee desire to be briefed regularly on the progress, if any, being made in pursuing bilateral negotiations to conclusively define the border.

(Recommendation No. 13)

II. Border Infrastructure along India-China Border

3.25 The Committee had been seized of the problem related to inadequate infrastructure including roads along the India-China border. The Defence Secretary, during the course of briefing on 30 October, 2017 provided information regarding the status of connectivity projects in the India-China border areas. He informed the Committee that this work was being expedited, and the objective is to complete the connectivity by 2021.

3.26 Home Secretary during the course of briefing on 30 October, 2017 briefed the Committee regarding the deployment of ITBP on India-China border.

3.27 On the basis of border road infrastructure, one of the non-official witnesses, Gen. (Retd) Deepak Kapoor while testifying before the Committee on 22 February, 2018 stated that in most of these areas we are having good defence, but alternative access to border areas is required for sustaining the troops and for viable defence. He added that environmental clearances needed to be expedited for development of connectivity infrastructure in the border areas.

3.28 On the issue of improvement of border areas, the Foreign Secretary during the briefing on 30 October, 2017 submitted :

“I think one of the big changes which have happened in the last year is that today there is a new way of addressing border roads. We are hopeful that in the next two or three years that would show the results.”

3.29 Delineating a link between the improvement in border infrastructure and increasing incidents of Chinese transgressions on the border, the Foreign Secretary on 30 October 2017 also stated :

“I would not say that the transgressions have gone up. I think, there is a lot of action-reaction. Frankly, this is the world’s largest real estate dispute. I think, it is a credit to the militaries of the two countries and the entire system that people, by and large, manage it without any bloodshed. All that I have described to you are systemic procedures to ensure it. We will do that, but I would say that the Committee should not have an expectation that the transgressions will somehow go away. It is because as we build our border infrastructure, there will be a little bit of action-reaction where they are concerned.”

3.30 In the context of border roads the Home Secretary during the briefing on 30 October, 2017 informed:

“Our state of infrastructure should have been much better. Now, I can inform the Committee that there should have been a concerted effort to address this infrastructure deficit.”

3.31 On the reasons for poor state of border roads and other infrastructure, he further informed that regulatory clearances took a long time. He, however, added that the processes had been significantly reformed, which would expedite border infrastructure. He added that steps had also been taken to upgrade the condition of border outposts.

3.32 The Committee are perturbed to note that despite a marked progress in recent years, the border road infrastructure on the India-China border is grossly inadequate, as confirmed by its own observations from its visits to sections of the border regions. In fact on a number of important sectors we are dependent on single access routes, a risky proposition in times of conflict. Worse, many roads are not built to withstand military traffic. Chinese had specifically taken advantage of this in the 1962 war and therefore we ought to draw lessons from the past on this matter. The Committee have been assured by the three Ministries viz. Ministry of Defence, Ministry of External Affairs and Ministry of Home Affairs about likely improvements in the state of border roads. The Committee have been seized of the problems related to inadequate infrastructure including roads along the India-China border and desire that BRO works to achieve full connectivity. The main reasons attributed to the delay as stated by the Ministry of Defence is difficult terrain, delay in getting environmental clearances, inadequate infrastructure with BRO, etc. Considering the gravity of the situation, and given the recent Doklam crisis, the Committee are of the strong view that the Government should significantly enhance the level of priority it gives to border roads. During its visit to the India-China border areas, the Committee were shown pictures of infrastructure developed on both the sides of the border and major discrepancies were clearly visible. The Committee therefore feel that the Indian side needs to do a lot more. It goes without saying that better connectivity clearly gives an advantage to China in terms of defence preparedness. The Committee, therefore desire that for a strong Indian presence on the border, better infrastructure should be created for habitation and transportation so that our armed forces may not feel any difficulty in accommodation, logistics, movement and infrastructure as well as storage and movement of arms and ammunition in emergency.

The Committee have a distinct feeling that BRO as an organization with antiquated rules of delegation needs a thorough overhaul in the changed circumstances. The Committee were informed that the Border Roads Organization(BRO) has been extensively re-organized, that the responsibilities of BRO have been shifted from the Ministry of Road Transport to the Ministry of Defence, and that work of border roads has been taken up with urgency. The Committee recommend that Government should make concerted efforts to improve border road infrastructure along the India-China border and a status note on the progress achieved should be furnished to the Committee at the action-taken stage.

(Recommendation No. 14)

3.33 The Committee are further perturbed to note that only some of the border posts are connected by all weather roads. This sorry situation has accumulated over the years. The Home Secretary during oral deposition has admitted that our state of infrastructure should have been much better. Now there are concerted efforts to address this infrastructure deficit. Not all the roads sanctioned by the Government have become operational. It is expected that the remaining roads will be operational by the year 2020. The Committee strongly desire the Government to take timely steps to complete the remaining roads without any further delay.

(Recommendation No. 15)

3.34 During their Study Tour to Guwahati, Tawang and Gangtok in May, 2018, the Committee had observed that some roads for local connectivity under Pradhan Mantri Gram Sadak Yojana (PMGSY) are being constructed and maintained by the State Governments in Arunachal Pradesh and Sikkim. At present, these roads are inadequate for military purposes but they can definitely be envisaged as a back-up access route in times of exigencies. It is imperative for national security that we should not be dependent on single point access and for that we should develop a network of peripheral roads along the border. In the Committee's opinion roads under the PMGSY scheme are best suited for this purpose provided they can be adapted to serve national security interests. Therefore, the Committee recommend that the Ministry of Defence should coordinate with the respective State Governments along the India-China border to suitably enhance the design and standard specifications of the PMGSY roads in the area.

(Recommendation No. 16)

3.35 The Committee also note that a lot of border infrastructure projects have been delayed due to want of environmental clearance. In some of the cases the delay was unconscionably long, given the fact that India's national security is at stake at most places on India-China border. It has now been informed that the Ministry of Environment & Forests has over the last 2-3 years significantly streamlined their processes. With this development, the Committee are hopeful of expeditious clearances leading to progress in various border infrastructure projects. The Committee strongly desire that the issue of environmental clearance involving sensitive border infrastructure should be suitably taken up with the respective State and Central authorities so as to reconcile satisfactorily environmental imperatives with national security requirements.

(Recommendation No. 17)

CHAPTER IV

COOPERATION IN MULTILATERAL INSTITUTIONS AND OTHER ISSUES

I. International Cooperation

Regarding International cooperation between India and China, the Foreign Secretary during the course of briefing on 30 October, 2017 informed:

“India’s relations with China are multifaceted today and have made progress in the last three decades despite the twists and turns of global economic and political situations. The pace of development has varied but an overall upward direction has been maintained in relations with China. There are of course areas where the two countries have differences. Issues like India’s membership of the Nuclear Suppliers Group (NSG), China’s hold on India’s request to enlist Masood Azhar under the UNSC Resolution 1267, China’s construction of roads and other facilities through Pakistan Occupied Kashmir are examples where Chinese actions are of deep concern to India. At that same time, as two large developing countries, there are also aspects of mutual engagement particularly in the multilateral arena where both India and China see merit in cooperating with each other and therefore, are working closely together. The relative size of these two rapidly growing economies and their status as the two largest developing countries in the world provide a unique context for participation in global debates. It is no surprise that both India and China are often seen as leaders of the global south holding their respective and collective weight in favour of a more equitable and just multipolar world order.”

4.2 He further informed during the same briefing:

“India and China have some serious differences on multilateral issues such as expanding the UN Security Council and on questions of global disarmament. This has not prevented the two countries from cooperating closely on issues of global environment, sustainable development, global health issues, human rights, global trading system as well as economic and financial issues. As the two large developing countries and two pillars of growth in the global economy, India and China are central players when it comes to platforms such as G-20 and BRICS. Our cooperation in BRICS has become ever more tangible and meaningful over the years and we have collectively contributed to marking this Group a voice of influence, reason and genuine collaboration. Quite aside from being a leading voice advocating multipolarity and equity in global economic governance, BRICS today has a programme of cooperation stretching from trade, tourism, currency, finance, energy and technology. The establishment of a New Development Bank (NDB) and a contingent reserve arrangement are the two notable examples of this tangible cooperation. BRICS is also now working towards a local currency bond fund and even considering setting up its own credit rating agency.”

4.3 During the same briefing the Foreign Secretary also stated:

“India is also the second largest shareholder in the Asian Infrastructure Investment Bank (AIIB) set up on the initiative of China. Taken together, the AIIB and the NDB are important additions to the global financial landscape holding the promise of augmenting access to concessional finance for developing countries and

supplementing the efforts of multilateral and regional financial institutions. Likewise, in the G-20, India and China have played a key role enriching the global debate on financial stability and promising a robust return to broad based economic growth.”

4.4 Regarding the extant cooperation between the two countries in other areas the Foreign Secretary stated on 30 October, 2017:

“In the field of global environment, India and China have worked with synergy and made a tangible impact on the outcomes of major recent international negotiations. On Climate Change, our collaboration in the form of BASIC, which also includes Brazil and South Africa, is well established. While this cooperation has often been seen with some scepticism in certain quarters, there is no denying the fact that India and China, working together, have played a central role in protecting the real development interests of the developing world, ensuring equity in the outcomes of Climate Change negotiations and holding the feet of the developed countries to fire when it comes to delivering on the promises of financial and technological support to poorer countries. India and China were instrumental in ensuring an ambitious and equitable agreement on Climate Change in Paris, both in their individual capacities and also on the part of grouping such as BASIC and like-minded developing countries. Today, both India and China are emerging leaders when it comes to deployment of clean and renewable resources of energy. While China is already the number one producer of renewable energy, India has ambitious plans and is leading global efforts to drive down prices of renewable energy, especially solar, leading to more deployment in the developing world. India has also taken the lead in setting up the International Solar Alliance which has already been inaugurated. In the United Nations India and China are the two strongest voices when it comes to debates on development and sustainability. The collective voice of these two countries played a central role in the agreement on Sustainable Development Goals as part of 2030 Agenda for Sustainable Development. This collaboration as part of the larger voice of the developing world ensured that SDGs retained overarching focus on the imperative of poverty reduction and the most pressing problems facing developing countries while also delivering ambitious objectives for making global development increasingly sustainable. This also ensured that provisions for adequate support to developing countries by the international community are not diluted as part of the 2030 Agenda. India and China helped in separately negotiating a strong Addis Ababa Action Agenda on Financing for Development where we share a common view on international systemic issues such as creating multilateral forums for international tax cooperation, democratizing international economic governance and enhancing the voice and representation of developing countries in global financial institutions. At the United Nations Human Rights Council in Geneva, India and China engage each other and work with each other on issues before the Council. Both countries have been of the view that UNHRC should be a platform for promoting human rights through dialogue and cooperation and not finger pointing. Both countries have sought a greater focus for the right to development of socio-economic rights and frequently co-sponsor and vote in favour of resolutions on these and other issues.”

4.5 Elaborating on India’s understanding with China on trade issues, the Foreign Secretary during the course of briefing on 30 October, 2017 stated:

“In the WTO, while respecting trade profiles of India and China are quantitatively and qualitatively very different, the two countries remain committed to advancing a fair, open and transparent multilateral trading regime with WTO at its centre. A recent example of this cooperation is when India and China made a Joint Statement in the WTO just two months ago against distortions in global agricultural trade which adversely affects low income farmers. The Chinese position on global health issues such as AIDS, Malaria, Tuberculosis, non-communicable diseases, fake, spurious and counterfeit medicines etc. is along similar lines as that of India’s”.

4.6 On the issue of cooperation with China at various multilateral institutions, the Foreign Secretary during the course of briefing submitted:

“As can be seen from the examples, our cooperation with China in the multilateral arena is rich and tangible. It is in line with our approach on maximizing our cooperation even as we are engaged to deal with areas of difference. This matured approach has ensured that we have found a common ground with China in working to protecting our own as well as the collective interests of the global South amplifying our common voice in global debates and adding vitality to our collective bargaining strength in the interest of a fairer and more equitable global multilateral order.”

4.7 The Committee have noted that despite fundamental differences on issues such as the expansion of UN Security Council, global disarmament, India’s membership in the Nuclear Suppliers Group (NSG), China-Pakistan Economic Corridor (CPEC) etc., the two countries have shown some convergence of interests by cooperating on various issues in the multilateral arena. Some of the areas of this bilateral convergence and coordination are the global environment, sustainable development, global health issues, human rights, the global trading system as well as economic and financial issues. Though the Committee broadly welcome these indications of international cooperation between India and China, they have some reservations when it comes to having a common standing on issues such as climate change and human rights, where the two countries’ records and interests differ. When it comes to climate change negotiations, India and China have different standing points due to their disparate consumption and emission profiles. India’s per capita carbon dioxide emission is significantly lower than that of China and as of today India’s voice on the issue is likely to find greater resonance within the developing block. It would be therefore, advisable for India to take an appropriate independent stand on the climate negotiations. Similarly, the Committee see

no common ground for India, as a democracy, coordinating its efforts at the United Nations Human Rights Council with China. The Ministry has informed that both countries are of the view that UNHRC should be a platform for promoting human rights through dialogue and cooperation and not finger-pointing. The Committee are of the opinion that if China is constantly blocking India's request to list Masood Azhar as a terrorist under UNSC Resolution 1267, we also need not hesitate to point out China's poor track record at UNHRC in respecting human rights in Tibet, Xinjiang and with respect to other dissenters in its territory. Making a common cause with China on the issue, given its record *vis-à-vis* the human rights of its citizens appears to be contrary to our stated stand on human rights.

However, it is important that cooperation in other fields where the two countries have convergence of views should continue unhindered. It is important to promote mutually beneficial cooperation between the two countries and the Committee are of the opinion that there is ample scope for cooperation in cultural fields such as language, philosophy, Confucianism, Buddhism, tourism, etc. On the domestic front in each case the two countries face the same set of challenges whose scale is also comparable. These challenges relate to water scarcity, education, women's issue, rural and urban development, urbanization, poverty, unemployment, environmental issues, etc. There is also a lot of scope for cooperation in the field of cleaning of rivers, agriculture, including dairying and fisheries. The Committee would strongly desire that synergies in the above fields are energetically explored as a measure of deepening India-China relations.

(Recommendation No. 18)

II. Indo-China Trade issues and Trade deficit

4.8 Economic engagement between India and China has been a stabilizing force in India-China ties. The India-China trade and economic relationship has seen rapid progress in the

last few years. On the issues of India-China trade the Foreign Secretary during the course of evidence on 22 February 2018 stated:

“Our bilateral trade which was as small as US\$3 billion in year 2000 has crossed US\$70 billion by 2016. It is estimated that it might have crossed US\$80 billion in 2017, thus scaling a new high in our trade ties. But the trade deficit between the two countries remains a matter of concern. The trade deficit stood at US\$47.68 billion in 2016. There is Ministerial level Joint Economic Group. It is hoped and intended to bring this concern and interest to the forefront.”

4.9 Regarding the issue of India-China trade, the Foreign Secretary during the course of briefing on 30th October, 2017 submitted:

“.....It has been frustrating to discuss trade issues with China. I say this having been ambassador for five years. This was my number one issue and we made no progress. They would keep promising, but not do anything. They have millions of non-tariff barriers. They keep bringing up new ones. If you see the last ten years, trade deficit has grown; it has not come down. I think the issue, which we have to consider, is whether if the trade picture is not going to improve, it is better that China makes goods in India and at least gives some employment here rather than makes goods in China and dumps them here. People have different views on this. I am not saying that one view is necessarily right or wrong, but I think, the issue today is: Should we do, should we find solutions on the investment side for the problem that we have on the trade side? I think, this is the issue.”

4.10 Explaining the issue of Chinese investment in Indian market, the Foreign Secretary during the course of oral evidence on 22 February, 2018 stated:

“.....Sir, very little of it is materialised. Most of it is project exports, which is not really investment. We are making every effort to explain to the Chinese side that they need to bring in investment. Substantial liberalisation has taken place in doing business in India. There is no particular discrimination against Chinese companies. But they are still not coming; they prefer to just export to the Indian market. ...”

4.11 On the issue of trade deficit which is overwhelmingly in favour of China, the Foreign Secretary during the course of evidence on 22 February, 2018 submitted:

“.....Sir, in 2016, the trade deficit was \$47.68 billion. Figures for 2017 are not yet available with us, but no serious efforts have been made to reduce the trade deficit. So, it will be in the ballpark figure of \$ 50 billion. We are seeking, as I said, to address this issue with the Chinese side, but it is important also to draw the Committee’s attention to the fact that our exports to China have also continued to grow albeit at a much slower pace. We would like our exports to growth faster, but our imports are also growing. It is not a one-sided growth in exports. Of course, we have the Ministerial-level Joint Economic Group. We hope and intend to bring our concerns and interests to the forefront there.....”

4.12 On the issue of Chinese ease of entry to Indian markets and project exports he added during the same briefing:

“..... Another fact, I think, which is important and this is also because of the impression and for some reason or the other there is a view that the Chinese are being cut out of the Indian market and there are steps taken by the Government of India to restrict the Chinese participation in the Indian economy. It is something, which the media also tends to subscribe to. It would be interesting for the Committee to know that India is today one of the largest markets for Chinese project exports. The value of projects currently under execution is estimated to be US \$ 63 billion. So, while the cumulative Chinese investments in India are substantially low, which is about US \$ 5 billion, the project exports are substantial and the Government's effort has essentially been to persuade the Chinese to invest capital into the country and not to utilize Indian capital by bringing projects into the country. To that extent, it is important that the Committee understands that certain measures have to be taken by the Government to persuade the Chinese to invest equity into the country.”

4.13 Informing the Committee on the mechanism for dialogue on trade the Foreign Secretary during the course of evidence on 22 February, 2018 informed:

“The dialogue on trade matters goes on with the Chinese authorities through the Strategic Economic Dialogue that India has between the NITI Aayog and the National Reform and Development Commission of China. The two countries also have a Secretary-level Financial Dialogue and a number of other dialogues in this area”.

4.14 While elucidating on the statistical data on trade deficit between India and China, the Foreign Secretary during the course of evidence on 22 February, 2018 submitted:

“On the trade deficit, there has always been a difference between the Indian figures and the Chinese customs statistics. The Chinese calculate the data on calendar basis; we calculate on financial year basis. It is virtually impossible to reconcile the figures. However, if you want, we can share the figures from both sides. As far as the Government of India data is concerned, in the three previous financial years of 2014-15, 2015-16, and 2016-17, the deficit according to us was \$ 48.47 billion, \$ 52.69 billion, and \$ 51.09 billion. In each case, the Chinese exports were around 60 billion and the Indian exports were in the range of nine billion to ten billion. According to the Chinese customs statistics, in that same period, for 2014, 2015, and 2016 calendar years, their claim was that the deficit is \$ 37 billion, \$ 44 billion, and \$ 47 billion. There are different ways of calculating the figures. They do not include Hong Kong but we insist that after that has become a Special Administrative Region under China it should be included. So, there is a mismatch.”

4.15 There is no gainsaying that deepening economic engagement between India and China has been a stabilizing force in the overall India-China relationship, with the bilateral trade expected to cross US \$ 80 billion in 2017. However, factors related to the extent to which the trade deficit is totally loaded against India, non-

tariff barriers imposed by China to Indian goods and services, dumping of goods, lack of genuine investment profile on the part of China, security imperatives, etc are some of the concerns which India faces on the matter. While cumulative Chinese investments in India are substantially low at around US\$ 5 billion, the value of Indian projects currently under execution by Chinese companies is estimated to be as high as US \$63 billion. So basically China is engaged in project exports in India, without bringing its own capital for investment. Such a trend is not healthy for the overall growth of India's economy. Therefore, the Committee recommend that India should persuade Chinese companies to bring more investment into India, rather than merely resorting to project exports. In view of the national security imperatives, Chinese investment proposals should be examined with circumspection on a sectoral basis. The continuously rising trade deficit which has increased to US \$ 51.9 billion in 2016-17 and is at present US \$ 63 billion is unsustainable and requires concrete steps to be taken for redressal. The Committee, therefore desire that to bridge the gap serious efforts should be made with China to lower trade barriers at the highest level, including the Ministerial Level Joint Economic Group and at the Strategic Economic Dialogue.

On another plane the Committee fail to understand as to why the Government has not been able to leverage with China the fact of a massive \$80 billion market next door so as to compel it to bring some degree of equity in the bilateral trade. The Committee would like to have the considered views of the Ministry of External Affairs, Ministry of Commerce and Ministry of Finance on this vexed issue.

(Recommendation No. 19)

25 August, 2018
3 Bhadrapada, 1940

Chairperson
Committee on External Affairs

**MINUTES OF THE SIXTH SITTING OF THE COMMITTEE ON EXTERNAL
AFFAIRS (2017-18) HELD ON 18 OCTOBER, 2017**

The Committee sat on Wednesday, the 18 October, 2017 from 1610 hrs to 1745 hrs in Committee Room 'B', Parliament House Annexe, New Delhi.

PRESENT

Dr. Shashi Tharoor – Chairperson

MEMBERS

Lok Sabha

2. Shri Rahul Gandhi
3. Prof. Richard Hay
4. Shri A. Anwhar Raajhaa
5. Shri Mohammad Salim
6. Prof. (Dr.) Mamta Sanghamita

Rajya Sabha

7. Shri P. Bhattacharya
8. Chri C.M. Ramesh
9. Dr. Karan Singh

SECRETARIAT

1. Dr. Ram Raj Rai - Director
2. Smt. Jyochnamayi Sinha - Additional Director

MINISTRY OF EXTERNAL AFFAIRS

1. Dr. S. Jaishankar - Foreign Secretary
2. Shri Pravey Verma - Joint Secretary (EA)
3. Smt. Sripriya Ranganathan - Joint Secretary (BM)
4. Smt. Nutan Kapoor Mahawar - JS (Parl. & Coord)
5. Shri Sudhakar Dalela - Joint Secretary (Northern)

2. At the outset, the Chairperson welcomed the members of the Committee and the representatives of the Ministry of External Affairs to the Sitting of the Committee, convened to have a briefing on the topic 'Sino-India relations with a focus on Doklam situation' in connection with examination of the subject 'Sino-India Relations including Doklam, border

situation and cooperation in international organizations'. Given the immense importance of the subject, the exigencies of Committee work and the presence of official witnesses the Chairperson decided to continue with the proceedings with nine members which being a number nearest to the quorum of one third of the total number of members of the Committee under Rule 259 (1) of Rules of Procedure and Conduct of Business in Lok Sabha.

3. Accordingly, Foreign Secretary set the context of the topic under discussion by enumerating the origin, nature and implications of the recent developments in the Doklam area. While illustrating the manner in which the crisis was defused, the Foreign Secretary spelt out the main line of argument underpinning the diplomatic communications between the two sides.

4. Following a detailed briefing by the Foreign Secretary, the members of the Committee raised questions which *inter-alia* included media rhetoric surrounding the crisis; Treaties/Agreements governing the tri-junction boundary disputes; earlier attempts of transgressions by the Chinese in and around the face-off site; the Chinese claims to some Indian territories; China-Bhutan boundary dialogues; takeaways from the Doklam incident; and Special Representatives frame work.

5. After resolving the queries of the Committee, Foreign Secretary on the request of the members apprised them about the Rohingya situation in brief.

The witnesses then withdrew.

A verbatim record of the proceedings has been kept.

The Committee then adjourned.

**MINUTES OF THE THIRD SITTING OF THE COMMITTEE ON EXTERNAL
AFFAIRS (2017-18) HELD ON 30 OCTOBER, 2017**

The Committee sat on Monday, the 30 October, 2017 from 1530 hrs. to 1725 hrs. in Room No. 53, Parliament House, New Delhi.

PRESENT

Dr. Shashi Tharoor – Chairperson

MEMBERS

Lok Sabha

2. Shri Gurjeet Singh Aujla
3. Shri Rahul Gandhi
4. Shri Richard Hay
5. Shri Vishnu Dayal Ram
6. Shri Magananti Venakateswara Rao
7. Shri Mohd Salim
8. Prof. (Dr.) Mamta Sanghamita
9. Shri Sharad Tripathi

Rajya Sabha

10. Smt. Jaya Bachchan
11. Shri P. Bhattacharya
12. Shri Satyavrat Chaturvedi
13. Dr. Karan Singh

Secretariat

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| 1. Shri P.C. Koul | - | Joint Secretary |
| 2. Dr. Ram Raj Rai | - | Director |
| 3. Shri Janmesh Singh | - | Under Secretary |

MINISTRY OF EXTERNAL AFFAIRS

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| 1. Dr. S. Jaishankar | - | Foreign Secretary |
| 2. Shri Sudhakar Dalela | - | Joint Secretary (Northern) |
| 3. Shri Pranay Verma | - | Joint Secretary (EA) |
| 4. Smt. Sripriya Ranganathan | - | Joint Secretary (BM) |
| 5. Smt. Nutan Kapur Mahawar | - | Joint Secretary (Parl. & Coord.) |

MINISTRY OF HOME AFFAIRS

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|-----------------------|---|-----------------|
| 1. Shri Rajiv Gauba | - | Home Secretary |
| 2. Shri Pradeep Gupta | - | Joint Secretary |

MINISTRY OF DEFENCE

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|-----------------------|---|----------------------|
| 1. Shri Sanjay Mitra | - | Defence Secretary |
| 2. Shri Jiwesh Nandan | - | Additional Secretary |

2. At the outset, the Chairperson welcomed the members of the Committee and the representatives of the Ministry of External Affairs (MEA), Ministry of Defence (MoD) and

the Ministry of Home Affairs (MHA) to the Sitting of the Committee. The Chairperson also drew the attention of all the representatives to Direction 55 (1) of Directions by the Speaker, Lok Sabha in order to maintain the confidentiality of the proceedings. He, thereafter, directed the witnesses to brief the Committee on the subject 'Sino-India relations including Doklam, border situation and cooperation in international organizations.'

3. Elaborating upon the multifaceted dimension of Sino-India relations, the Foreign Secretary delved upon the implications of the recent Doklam crisis on India-China boundary dispute, conflicting perceptions of Line of Actual Control (LAC), mechanism of Special Representatives, cooperation and competition in various multilateral and regional groupings etc. The Defence Secretary gave a detailed account of the security infrastructure along India-China border.

4. Thereafter, the members of the Committee raised questions on issues like current situation along the tri-junction; Chinese stance on India's entry into the Nuclear Suppliers Group (NSG) and UN Sanctions on Masood Azhar; trade imbalance between India and China; construction of dams on Chinese side of Brahmaputra river; cultural aspects of the ties; delays in road building along the border; Chinese manouvres in South Asia and Indian Ocean Region; recent political developments in China, *etc.*

5. The representatives of the Ministry of External Affairs, Ministry of Home Affairs and Ministry of Defence responded to the queries of the members. Before the Committee adjourned, the Chairperson directed the principal witness to furnish written replies to the points raised by the members to the Committee Secretariat at the earliest.

The witnesses then withdrew.

A verbatim record of the proceedings has been kept.

The Committee then adjourned.

**MINUTES OF THE TWELFTH SITTING OF THE COMMITTEE ON EXTERNAL
AFFAIRS (2017-18) HELD ON 22 FEBRUARY, 2018**

The Committee sat on Thursday, 22 February, 2018 from 1500 hrs to 1800 hrs in Room No. 62, Parliament House, New Delhi.

PRESENT

Dr. Shashi Tharoor – Chairperson

MEMBERS

Lok Sabha

2. Shri Arka Keshri Deo
3. Shri Rahul Gandhi
4. Shri Raghav Lakhanpal
5. Shri Jose K. Mani
6. Shri Vishnu Dayal Ram
7. Shri Magananti Venkateshwara Rao
8. Mohammad Salim
9. Dr. (Prof) Mamta Sanghamita
10. Shri Ram Swaroop Sharma
11. Shri Sharad Tripathi

Rajya Sabha

12. Shri Satyavrat Chaturvedi
13. Shri Sambhaji Chhatrapati
14. Shri C.M Ramesh
15. Shri D. Kupendra Reddy

SECRETARIAT

1. Dr. Ram Raj Rai - Director
2. Smt. Jyochnamayi Sinha - Additional Director
3. Shri Janmesh Singh - Under Secretary

NON-OFFICIAL WITNESSES/EXPERTS

1. Gen (Retd.) Deepak Kapoor
2. Shri Vijay K. Nambiar (former diplomat)
3. Shri Nalin Surie (former diplomat)
4. Col (Retd.) Vinayak Bhat

MINISTRY OF EXTERNAL AFFAIRS

1. Shri Vijay Gokhale - Foreign Secretary

2. Dr. Pranay Verma - Joint Secretary (EA)
3. Smt. Nutan Kapoor Mahawar - JS (Parl. & Coord)

MINISTRY OF DEFENCE

Shri Sanjay Mitra - Defence Secretary

2. At the outset, the Chairperson welcomed the members of the Committee and the Non-official Witnesses/Experts to the Sitting of the Committee convened to avail their opinion in accordance with the Rule 331L of the Rules of Procedure and Conduct of Business in Lok Sabha and for taking their evidence on the subject 'Sino-India Relations including Doklam, border situation and cooperation in international organizations'. He also drew their attention to Direction 55 (1) of Directions by the Speaker, Lok Sabha pertaining to maintaining the confidentiality of the proceedings.

3. Thereafter, the three experts deposed before the Committee and shared their views/suggestions on various aspects of the subject which *inter-alia* included concentration of power by President Xi Jinping, rise of China as an international power, perceptions about India in China, implications of the Doklam crisis, emerging dynamics in India- China relations including areas of possible cooperation and need for balanced economic partnership, role of Bhutan in the Doklam crisis, problems of connectivity and troop access to sensitive border areas, possible infrastructure and troop build-up by China in disputed Bhutanese territory, etc. Before their deposition concluded, the Chairperson thanked the witnesses for their valuable inputs on the subject matter. (At around 1630hrs the representatives of MEA and MoD were ushered in.)

4. The Chairperson welcomed the representatives of MEA and MoD to the Sitting to take their evidence on the subject 'Sino-India Relations including Doklam, border situation and cooperation in international organizations'. The Chairperson also drew their attention to Direction 55 (1) of the Directions by the Speaker, Lok Sabha regarding the confidentiality of the proceedings. In his opening remarks, the Foreign Secretary broadly elucidated on the guiding philosophy of the Sino-India relations, recent trends/developments in the relations and the boundary issue including Doklam.

5. The members of the Committee then raised various queries related to the subject such as ways of countering China's moves, role of other countries in India- China relations, infrastructure build-up by China in Southern China and Aksai Chin, Chinese troops and infrastructure build-up in the disputed Bhutanese territory, defence cooperation between the two countries, steps taken to reduce trade deficit with China, Chinese investments in India,

progress in the Special Representative(SR) talks on the boundary issue, status of augmentation of border road infrastructure, Chinese ramping up of air capability in their Western sector, Belt and Road Initiative, India's stand on status quo on Doklam, etc. The principal witnesses responded to the queries raised by the members of the Committee.

6. Before the Sitting concluded the Committee held discussion with the Foreign Secretary and the Defence Secretary on the feasibility of visiting Tawang and Tri-junction point at Sikkim as part of their Study Visit. After receiving a positive response from them, the Committee tentatively decided to undertake a Study Visit to Tawang, Guwahati and Gangtok (including border areas) in the first week of May, 2018. The witnesses then withdrew.

A verbatim record of the proceedings has been kept.

The Committee then adjourned.

**MINUTES OF THE TWENTY FIRST SITTING OF THE COMMITTEE ON
EXTERNAL AFFAIRS (2017-18) HELD ON 7 AUGUST, 2018**

The Committee sat on Tuesday, 7 August, 2018 from 1600 hrs. to 1620 hrs. in Committee Room 'D', Parliament House Annexe, New Delhi.

PRESENT

Dr. Shashi Tharoor – Chairperson

MEMBERS

Lok Sabha

2. Prof. (Dr.) Sugata Bose
3. Shri Arka Keshari Deo
4. Prof. Richard Hay
5. Shri Raghav Lakhanpal
6. Shri P.R. Senthil Nathan
7. Shri A. Anwhar Raajhaa
8. Shri Vishnu Dayal Ram
9. Prof. (Dr.) Mamta Sanghamita
10. Shri Ram Swaroop Sharma
11. Smt. Supriya Sule
12. Shri Sharad Tripathi

Rajya Sabha

13. Shri P. Bhattacharya
14. Shri Sambhaji Chhatrapati
15. Shri Swapan Dasgupta
16. Shri Chunibhai Kanjibhai Gohel
17. Shri Kumar Ketkar
18. Shri Kanakamedala Ravindra Kumar
19. Shri V. Muraleedharan
20. Shri D. Kupendra Reddy

Secretariat

1. Shri P.C. Koul - Joint Secretary
2. Dr. Ram Raj Rai - Director
3. Smt. Jyochnamayi Sinha - Additional Director

2. At the outset, the Chairperson welcomed the members to the Sitting of the Committee convened to adopt the draft Report on the subject 'Sino-India Relations including Doklam, border situation and cooperation in international organizations'.

3. In view of the sensitive nature of the subject, the Committee decided to give more time to the Members to go through the draft Report. The Committee deliberated to hold next Sitting for consideration of this draft Report on 9 August, 2018 at 0930 hrs.

The Committee then adjourned.

**MINUTES OF THE TWENTY SECOND SITTING OF THE COMMITTEE ON
EXTERNAL AFFAIRS (2017-18) HELD ON 9 AUGUST, 2018**

The Committee sat on Thursday, 9 August, 2018 from 0945hrs. to 0950 hrs. in Room No.62, Parliament House, New Delhi.

PRESENT

Dr. Shashi Tharoor – Chairperson

MEMBERS

Lok Sabha

2. Shri Gurjeet Singh Aujla
3. Prof. (Dr.) Sugata Bose
4. Shri A. Anwhar Raajhaa
5. Mohammad Salim

Rajya Sabha

6. Shri P. Bhattacharya
7. Shri Swapan Dasgupta
8. Shri Kumar Ketkar
9. Shri Kanakamedala Ravindra Kumar

Secretariat

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| 2. | Shri P.C. Koul | - | Joint Secretary |
| 2. | Dr. Ram Raj Rai | - | Director |
| 3. | Smt. Jyochnamayi Sinha | - | Additional Director |

2. At the outset, the Chairperson welcomed the members to the Sitting of the Committee convened to consider the draft Report on the subject ‘Sino-India Relations including Doklam, border situation and cooperation in international organizations’. However, the meeting could not formally start at the scheduled time *i.e.* 0930 hrs due to lack of quorum.

3. Hon’ble Chairperson, CEA observed that since during the last Sitting held on 7th instant several members had promised to attend this Sitting, it would be prudent to wait for other members to arrive for the Sitting. In the meantime, he apprised the members not present during the previous Sitting about the imperative for holding this Sitting and also about the communications received from the Ministry of External Affairs and Ministry of Defence, respectively regarding the factual verification of the draft Report.

4. However, only nine members were present by 0950 hrs. When the fact of lack of quorum was once again pointed out to him, the Chairperson then adjourned the Sitting immediately.

Verbatim record of the proceedings has not been kept.

**MINUTES OF THE TWENTY THIRD SITTING OF THE COMMITTEE ON
EXTERNAL AFFAIRS (2017-18) HELD ON 25 AUGUST, 2018**

The Committee sat on Saturday, the 25 August, 2018 from 1230hrs. to 1400 hrs. in Committee Room 'C', Parliament House Annexe, New Delhi.

PRESENT

Dr. Shashi Tharoor – Chairperson

MEMBERS

Lok Sabha

2. Prof. Richard Hay
3. Shri Jose K. Mani
4. Shri Mohd. Salim
5. Shri Ram Swaroop Sharma

Rajya Sabha

6. Shri P. Bhattacharya
7. Shri Swapan Dasgupta
8. Shri Kanakamedala Ravindra Kumar
9. Shri V. Muraleedharan
10. Shri D. Kupendra Reddy

Secretariat

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| 3. | Shri P.C.Koul | - | Joint Secretary |
| 2. | Dr. Ram Raj Rai | - | Director |
| 3. | Smt. Jyochnamayi Sinha | - | Additional Director |

2. At the outset, the Chairperson welcomed the members to the Sitting of the Committee.

3. The Committee took up for consideration the draft Report on the subject 'Sino-India Relations including Doklam, border situation and cooperation in international organizations'.

4. The Chairperson invited the members to offer their suggestions, if any, for incorporation in the draft Report. The members suggested some minor modifications. After some deliberations, the Committee adopted the draft Report with minor modifications.

5. The Committee then authorized the Chairperson to finalize the Report incorporating the suggestions made by the members. It was also decided that since Parliament is not in Session, the Chairperson may present the Report to the Hon'ble Speaker under Direction 71A of the Directions by the Speaker, Lok Sabha with the request to permit the printing, publication and circulation of the Report under Rule 280 of the Rules of Procedure and Conduct of Business in Lok Sabha and an authenticated copy of the Report be placed before the Hon'ble Chairman, Rajya Sabha for his kind information. Subsequently, the Report will be presented to Parliament during the next Session.

6. The Chairperson also conveyed his heartfelt thanks and gratitude to all the Members for their cooperation and valuable contribution during the current term of the Committee.

The Committee then adjourned.