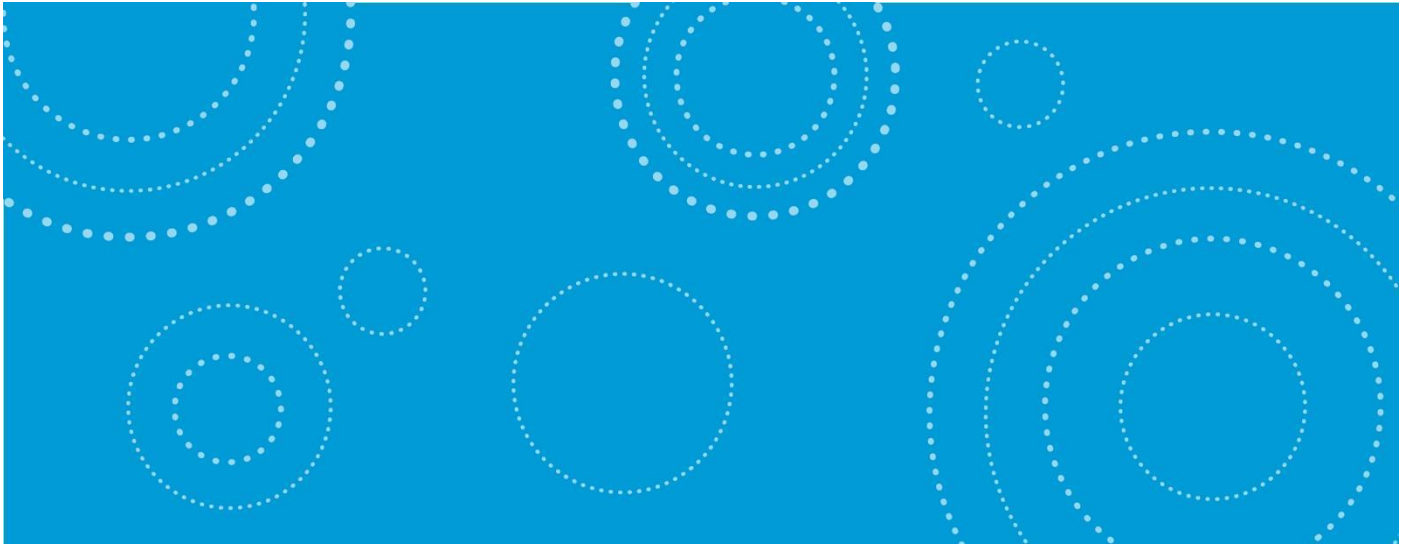




## India and the World

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### **Is India really moving closer to China?**

Considerable attention, particularly in the media, has been given to images from the summit of the Shanghai Cooperation Organization in Tianjin that appeared to show bonhomie between Prime Minister Narendra Modi of India, President Xi Jinping of China and President Vladimir Putin of the Russian Federation. Soon after, India participated with 65 troops in Zapad, a joint exercise dominated by Russia and Belarus.

Combined, the optics created some concern in Europe that India, which has always stressed its geopolitical multialignment, was tilting towards China and Russia. India's persistent insistence on not taking any sides, and the presence of 450 Indian troops in the US-India Yudh Abhyas exercise in Alaska, seems not to have shifted European thinking on this topic. It is worth noting that while there are significant knowledge gaps in Europe on India's own view of its role in the world, existing perceptions are ambivalent and could move in several possible directions.

The Russia-India-China trilateral is not new, but has existed for two decades – and comes with its own inherent tensions. While the foreign ministers of the three countries have met 18 times since 2003, it was the first time in seven years the grouping convened at a high political level. Yet, the format has had declining utility for India, especially in light of the ever-deepening cooperation between Russia and China.

While India's historically close political, military, and defence industry relations with Russia are well known, and possible to extrapolate from, the pathways of India's relations with China are more difficult to decipher. Clearly, India and China are now navigating a possibly more cooperative phase,

yet engagement is paired with caution. Both actors are maintaining strategic flexibility to manage uncertainties in a rapidly changing global order.

Relations between India and China have been at a low point since the 2020 confrontation in Galwan. The BRICS meeting in Kazan in October 2024, however, resulted in a cautious improvement; both sides seem intent to strive for gradual normalisation along the Line of Actual Control. Reduced tension along the border has created the space for small steps in other areas as well. Direct flights have been reinstated, and visa issuance has resumed. Several border crossings have reopened, and China has eased export controls on key inputs such as fertilisers and rare earth elements to India. In return, India has lifted restrictions on Chinese travellers.

Although bilateral diplomacy between India and China had resumed prior to US President Donald Trump's arrival in office, the escalation of his trade disputes with India — tariffs were raised to 50% on August 27 — may have accelerated this process, as there are now significant strains in the otherwise strong U.S.–India relationship. The U.S., along with the EU, is India's second-largest trading partner (after China), and the tariff hike has the potential to cause major disruptions for Indian industry, including job losses in labour intensive sectors of India's economy, and also in geographical regions of importance to BJP's voter base.

The development of advanced manufacturing in India requires investments, know-how and the buildup of eco-systems, all of which China currently possesses. Some business conglomerates in India now seem to make the case that a degree of normalisation with China is essential for the growth of manufacturing in particular — especially if the stresses caused by U.S. tariffs mean that it is no longer seen as a viable partner for industrialisation. The apparent inability of the U.S. to pressure China on crucial issues such as rare earth exports and critical technologies has also suggested to some in New Delhi that accommodation with China is a wiser course than continued confrontation.

However, despite cautious steps towards formal normalisation, significant barriers to the restoration of the earlier relationship remain. The Himalayan border issue continues to be unresolved, and is a significant source of risk to India. At the moment, both sides appear focused on managing the issue to avoid escalation rather than finding a long-term solution.

Additionally, China has for decades supported Pakistan both economically and militarily. China's growing presence and engagement in South Asia—particularly through port acquisitions and expansions—has prompted India to deepen cooperation with other actors concerned about China's rising regional dominance. The Quad alliance and India's "Act East" policy are two examples that underscore the ongoing competition for regional influence. From New Delhi's perspective, the issues above must be addressed in order to move forward.



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