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**Declaration on Principles for Relations  
and  
Comprehensive Cooperation  
Between the Republic of India and the People's Republic of China**

At the invitation of Premier of the State Council of the People's Republic of China H.E. Wen Jiabao, Prime Minister of the Republic of India H.E. Atal Bihari Vajpayee paid an official visit to the People's Republic of China from 22 to 27 June 2003.

During this visit, Premier Wen Jiabao held talks with Prime Minister Vajpayee. Their Excellencies President Hu Jintao of the People's Republic of China, Chairman Jiang Zemin of the Central Military Commission, Chairman Wu Bangguo of the Standing Committee of the National People's Congress and Vice President Zeng Qinghong of the People's Republic of China held separate meetings with Prime Minister Vajpayee. The talks and meetings were held in a sincere and friendly atmosphere.

Leaders from both countries noted with satisfaction the progress made over recent years in bilateral relations. This is conducive not only to their respective development, but also to regional stability and prosperity. The two sides recalled the historical depth of their friendly contacts. India and China are the two largest developing countries of the world with centuries-old civilization, unique history and similar objectives. Both noted that the sustained economic and social development in the two countries, representing one third of humanity is vital for ensuring peace, stability and prosperity not only in Asia but also in the whole world.

The two sides agreed that India and China have a mutual desire for good neighborly relations and have broad common interests. They agreed to fully utilize the substantial potential and opportunities for deepening mutually beneficial cooperation.

Friendship and cooperation between the two countries meets the need to:

- promote the socio-economic development and prosperity of both India and China;
- maintain peace and stability regionally and globally;
- strengthen multipolarity at the international level; and
- enhance the positive factors of globalization.

Both sides affirmed that they would abide by the following principles, promote a long-term constructive and cooperative partnership and, on this basis, build a qualitatively new relationship:

- Both sides are committed to developing their long-term constructive and cooperative partnership on the basis of the principles of *Panchsheel*, mutual respect and sensitivity for each other's concerns and equality;
- As two major developing countries, India and China have a broad mutual interest in the maintenance of peace, stability and prosperity in Asia and the world, and a mutual desire in developing wider and closer cooperation and understanding in regional and international affairs;
- The common interests of the two sides outweigh their differences. The two countries are not a threat to each other. Neither side shall use or threaten to use force against the other; and
- Both sides agree to qualitatively enhancing the bilateral relationship at all levels and in all areas while addressing differences through peaceful means in a fair, reasonable and mutually acceptable manner. The differences should not be allowed to affect the overall development of bilateral relations.

Both sides agreed to hold regular high-level exchanges between the two countries. This will greatly enhance mutual understanding and expand bilateral relations. With a view to deepening their coordination and dialogues on bilateral, regional and international issues, both sides agreed on the need for annual meetings between Foreign Ministers of the two countries. They also agreed that personnel exchanges and friendly contacts between ministries, parliaments and political parties of the two

countries should be further enhanced.

The two sides welcomed the positive momentum of bilateral trade and economic cooperation in recent years and shared the belief that continued expansion and intensification of India-China economic cooperation is essential for strengthening bilateral relations.

Both sides shared the view that existing complementarities between their two economies provide an important foundation and offer broad prospects for further enhancing their economic relations. In order to promote trade and economic cooperation, both sides will take necessary measures consistent with their national laws and rules and international obligations to remove impediments to bilateral trade and investment. They reaffirmed the importance of the ministerial meeting of the Joint Economic Group (JEG) and agreed to hold the next (seventh) JEG meeting within the year.

The two sides will set up a compact Joint Study Group (JSG) composed of officials and economists to examine the potential complementarities between the two countries in expanded trade and economic cooperation. The JSG would also draw up a programme for the development of India-China trade and economic cooperation for the next five years, aimed at encouraging greater cooperation between the business communities of both sides. The Group should present a study report and recommendations to the two Governments on measures for comprehensive trade and economic cooperation by the end of June 2004.

The two countries will launch a financial dialogue and cooperation mechanism to strengthen their dialogue and coordination in this sector.

The two sides agreed to enhance cooperation at the World Trade Organization, which is not only to mutual benefit but also in the broader interest of developing countries. The two sides will hold dialogues on a regular basis in this regard.

Historical and cultural links between India and China will be strengthened, inter-alia, through the promotion of exchanges in culture, education, science and technology, media, youth and people-to-people relations. They agreed to set up Cultural Centers in each other's capitals and facilitate their establishment.

Both sides will work towards the enhancement of direct air and shipping links, tourism, exchange hydrological data in flood season on common rivers as agreed, cooperation in agriculture, dairy, food processing, health and other sectors.

They agreed on the need to broaden and deepen defence exchanges between the two countries, which will help enhance and deepen the mutual understanding and trust between the two armed forces. They confirmed that the exchange of visits by their Defence Ministers and of military officials at various levels should be strengthened.

The two sides exchanged views on the India-China boundary question and expounded their respective positions. They reiterated their readiness to seek a fair, reasonable and mutually acceptable solution through consultations on an equal footing. The two sides agreed that pending an ultimate solution, they should work together to maintain peace and tranquility in the border areas, and reiterated their commitment to continue implementation of the agreements signed for this purpose, including the clarification of the Line of Actual Control.

The two sides agreed to each appoint a Special Representative to explore from the political perspective of the overall bilateral relationship the framework of a boundary settlement.

The Indian side recognizes that the Tibet Autonomous Region is part of the territory of the People's Republic of China and reiterates that it does not allow Tibetans to engage in anti-China political activities in India. The Chinese side expresses its appreciation for the Indian position and reiterates that it is firmly opposed to any attempt and action aimed at splitting China and bringing about "independence of Tibet".

The Indian side recalled that India was among the first countries to recognize that there is one China and its one China policy remains unaltered. The Chinese side expressed its appreciation of the Indian position.

India and China recognized the primacy of maintaining international peace. This is a prerequisite for the socio-economic development of all developing countries, including India and China. The world is marked by diversity. Every country has the right to choose its own political system and path to development. As two major developing

countries, India and China acknowledged the importance of their respective roles in the shaping of a new international political and economic order. The international community must help the developing countries to eliminate poverty and narrow the gap between the North and the South through dialogue and cooperation so as to achieve common prosperity.

The two sides acknowledged the vital importance of the role of the United Nations in world peace, stability and development. They are determined to continue their efforts in strengthening the UN system. They reaffirmed their readiness to work together to promote reform of the UN. In reform of the UN Security Council, priority should be given to enhancing representation of the developing countries.

Both sides stood for continued multilateral arms control and disarmament process, undiminished and equal security for all at progressively lower levels of armament and for multilateral negotiations aimed at nuclear disarmament and elimination of nuclear weapons. They are firmly opposed to introduction of weapons in outer space, use or threat of force against space-based objects and support cooperation in development of space technology for peaceful purposes.

The two sides recognised the threat posed by terrorism to them and to global peace and security. They resolutely condemned terrorism in any form. The struggle between the international community and global terrorism is a comprehensive and sustained one, with the ultimate objective of eradication of terrorism in all regions. This requires strengthening the global legal framework against terrorism. Both sides shall also promote cooperation on counter-terrorism through their bilateral dialogue mechanism.

India and China face special and similar challenges in their efforts to protect the environment while simultaneously forging ahead with rapid social and economic development of their countries. In this context, the two sides agreed to work together in a practical manner to cooperate on preserving the environment and ensuring sustainable development and to coordinate positions on climate change, biodiversity and other issues in relevant multilateral fora.

The two sides supported multilateral cooperation in Asia, believing that such cooperation promotes mutually beneficial exchanges, economic

growth as well as greater cohesion among Asian countries. The two sides viewed positively each other's participation in regional and sub-regional multilateral cooperation processes in Asia.

The two sides stated that the improvement and development of India-China relations is not targeted at any third country and does not affect either country's existing friendly relations and cooperation with other countries.

The two sides agreed that the official visit of the Prime Minister of India to the People's Republic of China has been a success, has contributed to enhancing mutual understanding and trust between the Governments, leaders and peoples of the two countries, and marks a new step forward in strengthening the all-round cooperation between India and China in the new century.

Prime Minister Vajpayee invited Premier Wen Jiabao to visit India at a mutually convenient time and conveyed to President Hu Jintao an invitation from President Abdul Kalam to visit India. The Chinese side accepted the invitations with appreciation. The dates of the visits will be settled through diplomatic channels.

On behalf of the Government and the people of India, H.E Prime Minister Atal Bihari Vajpayee thanked the Government and the people of China for the warm welcome received by him and his delegation.

Signed in Beijing on 23 June 2003 in the Hindi, Chinese and English languages.



(Atal Bihari Vajpayee)

**Prime Minister  
The Republic of India**



(Wen Jiabao)

**Premier of the State Council  
The People's Republic of China**