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This issue of the Indo-Pacific Monitor focuses on the latest round of China-India border tensions, which have persisted since early May. The territorial disputes between the two nuclear-armed neighbors stretch from Chinese-controlled Aksai Chin and the Indian territory of Ladakh, near Jammu and Kashmir, to Sikkim and Arunachal Pradesh, sandwiched among Nepal, Bhutan, and Bangladesh. The ongoing instability stems from a confluence of events eight decades ago: the dissolution of the British Raj and subsequent independence of India in 1947, the concurrent partition of India and Pakistan, the Communist revolution in China in 1949, and China's subsequent invasion of Tibet in 1951. These developments challenged borders negotiated by the British Empire and eventually culminated in the 1962 China-India border war, which failed to bring any lasting resolution. The resulting status quo was the "Line of Actual Control" (LAC), an ambiguous border that both sides have regularly tested.

INDIA RE-ENFORCES ITS HIMALAYAN PERCH AS CHINA MOVES INTO GALWAN

At an altitude of 16,614 ft sits the world's highest airstrip, Daulat Beg Oldie (DBO). The Indian Air Force uses this perch to stake its claim to Ladakh, territory which China claims is part of its western region of Xinjiang. But the base also serves a clear strategic purpose, allowing the Indian military to observe construction of the China-Pakistan Economic Corridor (CPEC), a critical One Belt, One Road project strongly opposed by Delhi that passes through the disputed region of Kashmir. India has spent nearly 20 years building the Darbuk-Shyok-Daulat Beg Oldie (DSDBO) road, but recent moves to make it an all-weather road have alarmed China.

In response, Beijing has reportedly expanded its claims to the entire Galwan River Valley and advanced upward of 1,000 People's Liberation Army (PLA) troops into the broader region. China's principal strategic concern is to secure positions along the ridgeline overlooking the DSDBO, both to observe Indian activities and to establish the ability to attack from high ground. On June 15th, Indian and Chinese soldiers clashed at Patrol Point 14, the core location of the PLA's buildup, and both sides suffered fatalities, with 20 Indian soldiers killed, and an undisclosed number of PLA deaths. (*Indian Express*, June 16, 2020; Australian Strategic Policy Institute, June 18, 2020)

CHINA CHALLENGES THE STATUS QUO IN PANGONG LAKE

Much of the structural instability along the LAC stems from China and India's overlapping interpretations of the border. Pangong Lake, which straddles Chinese-controlled Aksai Chin and the Indian-demarcated territory of Ladakh, is a longstanding hotspot in this regard. The lake begins in Ladakh, juts across the LAC, and terminates in Tibet. Within the disputed border, tiny land features, or "fingers" protrude into Pangong Lake. India believes that the LAC runs through "Finger 8," the easternmost land feature, while China views "Finger 4" as intersecting the border. Both sides have regularly patrolled up to these outcroppings. But after China flooded the "western sector" with upward of 1,000 troops, PLA forces blocked Indian patrols in Pangong Lake, limiting their mobility and effectively changing the *status quo*. India has deployed additional units in response, and these forces have reported several new Chinese features along Pangong Lake — shelters, moats, and bunkers among them. (IISS, June 18, 2020; *Indian Express*, June 28, 2020)

REGIONAL NEIGHBORS SEIZE THE MOMENT

As China and India brawl along the LAC, neighboring nations are trying to turn the situation to their advantage. Years of Chinese OBOR infrastructure investments throughout South Asia, combined with preexisting border disputes of their own, are incentivizing Nepal and Bhutan to take their own actions against Delhi. To wit, Nepal's National Assembly passed legislation in June that effectively claimed Indian territory as belonging to Nepal. Meanwhile, the Bhutanese government is withholding irrigation water from the Indian state of Assam, impacting roughly 25 Indian villages that depend on the water supply. (*The Statesman*, June 26, 2020)

BORDER DISPUTE SPILLS OVER INTO 5G NETWORKS, AUTO PRODUCTION

The border skirmish between China and India is beginning to impact broader bilateral relations, moving from the geographic domain into the economic sphere. In June, the government of Prime Minister Narendra Modi directed Indian telecom companies to eschew using equipment from Chinese tech giants Huawei and ZTE in any 4G upgrades or in the country's own emerging 5G network. The state of Maharashtra, India's second most populous state, is freezing an agreement with Chinese automaker Great Wall Motor that could imperil future plans to produce and sell Chinese cars in India. Delhi is also now said to be reviewing hiking tariffs on Chinese furniture and air conditioners. (*Nikkei Asian Review*, June 29, 2020)