

Modi and Xi are set to meet at BRICS with trade and border issues in spotlight

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Chinese President Xi Jinping will attend the BRICS summit in India, marking his first trip there since 2019. A meeting with Prime Minister Narendra Modi would be the clearest test yet of the tentative post-2020 reset between Asia's two largest economies. The disputed Himalayan border remains the relationship's central political constraint, even as the two countries resume flights, border trade and people-to-people exchanges. When the BRICS summit gets underway tomorrow in India, the meeting between Chinese President Xi Jinping and Indian Prime Minister Narendra Modi will be among the most keenly watched events.

[Beijing confirmed Xi's attendance](#) at the event on Thursday, marking the Chinese president's first visit to India since 2019, and since ties deteriorated following [deadly border](#) clashes in 2020.

"This is a really crucial moment," Vrinda Sahai, research analyst in the Security Studies Program at Carnegie India, told CNBC. "It's a great opportunity to use the BRICS summit as an excuse to have a really substantive bilateral meeting."

The meeting comes amid thawing relations between New Delhi and Beijing, and follows Modi's visit to China [last year for the SCO summit](#), although border disputes and trade imbalance remain sticking points between the two countries.

Border worries

Border issues between New Delhi and Beijing are expected to be on the agenda, a dispute that goes back decades and saw the two countries go to war in 1962. While the 2020 conflict plunged relations into a deep freeze, the relationship between the two sides has improved markedly over the past year.

"The meeting between Modi and Xi is likely to further advance the ongoing reset in bilateral relations and build confidence. A meeting in August between the Chinese foreign minister and



Indian national security advisor made notable progress on their longstanding border dispute," Chietigj Bajpaee, senior research fellow for South Asia at Chatham House, said in an article earlier this week.

Chinese Foreign Minister Wang Yi and India National Security Advisor Ajit Doval [had met in August](#), and "expressed satisfaction at the steady resumption of people-to-people and cross-border exchanges" including border trade and pilgrimages through Himalayan passes.

Signaling improving ties, India and China have resumed direct flights, with New Delhi also relaxing [rules around Chinese investment](#) in India.

New Delhi's rapprochement with China come as [relations with the second Trump administration](#) have been strained over trade and tariffs, leading India to proactively invest in other relationships.

Modi and Xi met on the sidelines of the Shanghai Cooperation Organisation in Kyrgyzstan last week, and signed the Bishkek Declaration along with Russian President Vladimir Putin and other members, condemning military attacks against Iran, without naming the U.S.

Experts previously told CNBC that they expect New Delhi to use its presence at the SCO and

BRICS summits to highlight the strength of its multi-polar alignment. The 11-member bloc also includes Iran, with President Masoud Pezeshkian set to attend the summit.

Bajpaee said "recent Indian government actions confirm India's continuing commitment to strategic hedging." He pointed at resources deals the country had struck with Australia, Indonesia and Uzbekistan, and trade deals with the United Kingdom and European Union. However, in a sign that distrust between India and China continues despite a thaw in relations, Beijing in August [reportedly denied](#) Indian Army access to key patrolling points and encroached on land in the northeastern Indian border state of Arunachal Pradesh.

Carnegie India's Sahai said that it was important that observers manage expectations. "[BRICS is] a group that came into being [for] bringing reforms in the existing financial and global governance architectures. It was not something that was aimed at solving geopolitical issues ... It gets conflated with Russia and China's border issues, but that is not what the group is trying to solve," she pointed out.

Trade imbalance

Trade between the two countries is also expected to be high on

the agenda, especially for New Delhi.

India has a massive trade deficit with China, and has been dependent on exports from the world's second-largest economy. China is India's [largest business partner](#), with total trade at a record \$151.1 billion in the year ending March 2026. But New Delhi's deficit with Beijing has also risen to a record to \$112.16 billion, up from \$99.21 billion. Last year, India had urged members at the BRICS summit to address their trade imbalances with New Delhi, and market access to address that distortion is [expected to be on the agenda](#) this year.

When it comes to Beijing, India is particularly vulnerable because of its reliance on Chinese goods to boost domestic sectors. For example, [India's push for green energy infrastructure](#) predominantly relies on Chinese batteries, granting Beijing the power to scuttle New Delhi's ambitions.

China has used rare earth [export controls](#) as leverage against the U.S., and has reportedly employed measures detrimental to India's growth, with prominent Indian think tank the [Observer Research Foundation](#) calling it a "national security challenge."

For sectors where India is closer to self-sufficiency such as

[aluminium foil](#) and [electrical steel](#), New Delhi has also imposed trade restrictions on China. Meanwhile, China is wary of technology transfers to India as it could undermine Beijing's role in key global supply chains. India, for example, is already emerging as a key supplier for Apple smartphones after the company started diversifying its manufacturing base away from China. As per the Indian government, the country is already the world's [second-largest mobile phone maker](#). China's ban on engineers and equipment last year had [disrupted](#) iPhone production, according to several media outlets.

As such, while any potential investment ties would be viewed positively, foreign direct investment liberalization between the two sides will proceed "cautiously, with guardrails remaining closely tied to geopolitical developments," said Radhika Rao, senior economist at DBS Bank.

[Reuters reported](#) last month that Xi will travel to India with a delegation of about 400 officials, more than double the number from his 2019 delegation. - CNBC's Priyanka Salve contributed to this report.