

ISAS Brief

No. 283 – 6 June 2013

469A Bukit Timah Road
#07-01, Tower Block, Singapore 259770
Tel: 6516 6179 / 6516 4239
Fax: 6776 7505 / 6314 5447
Email: isassecc@nus.edu.sg
Website: www.isas.nus.edu.sg



China Reinforces the Bridge to Pakistan

Sajjad Ashraf¹

The two-day visit of new Chinese Premier Li Keqiang to Pakistan (22-23 May) took place during extraordinary times of political transition, following the 11 May general election, from one civilian government to another – the first such change in Pakistan's troubled political history.

In addition to the substance, the visit was significant as part of the first overseas tour by the new Chinese Premier and as the first by a foreign leader after the elections in Pakistan. Setting the tone in a pre-visit interview to a Chinese magazine, Mr Li used a new term “iron brother” for Pakistan. As Pakistan's closest ally, demonstrating “all-weather friendship,” China has risen to Pakistan's support in difficult times.

Given the special nature of this relationship, the visit to Pakistan during its political transition allowed the Chinese leader to talk to both the then outgoing and incoming leadership in Pakistan. Perhaps, no two countries could have had such a high-level visit under such circumstances.

Premier Li was given a head of state welcome with JF-17 Thunder fighter jets, jointly produced by Pakistan and China, escorting his plane as it entered Pakistani air space.

¹ Mr Sajjad Ashraf is Consultant at the Institute of South Asian Studies (ISAS), an autonomous research institute at the National University of Singapore (NUS). He is also an Adjunct Professor at the Lee Kuan Yew School of Public Policy at the NUS, and a Visiting Senior Research Fellow at the Institute of Southeast Asian Studies, Singapore. He was Pakistan's High Commissioner to Singapore 2004-2008. He can be contacted at sashraf1947@gmail.com. The views expressed in this paper are those of the author and do not necessarily reflect those of ISAS.

Welcomed with a 21-gun salute and much beyond the normal protocol, Pakistan's President and the then Caretaker Prime Minister received him at the airport.

Nawaz Sharif, Pakistan's prime-minister-in-waiting (as he then was), in a separate meeting with the Chinese Premier, specifically asked China to provide civil nuclear technology. (Mr Sharif assumed office on 5 June). Persuading China to sign a deal akin to what the United States signed with India is one of Pakistan's policy goals now.

Robust Military Ties

Underscoring strong military relationship, the Chinese Premier separately met the top leadership of the Pakistani military. Some reports suggest that the Chinese Premier expressed concern over the Uighur militants allegedly operating from Pakistan's northwest – some of whom are said to be involved in terrorist activities.

Several agreements and memoranda of understanding, some with not much headline-appeal, were signed during the visit. These related to cooperation in economy, science and technology, upper atmospheric communications and boundary management, maritime science and technology.

More importantly however, China and Pakistan agreed to jointly work on "a giant economic corridor that would not only enhance China's strategic significance but would also help in restoring peace and stability to Asia", said Mr Li, addressing a joint news conference with President Asif Ali Zardari in Islamabad, at the conclusion of the two-day visit.

The proposed Pak-China economic corridor linking Gwadar Port with Xinjiang – the western province – and other parts of China will involve both road and rail links, with both fibre optic and oil pipelines for boosting energy, trade and transport between the two countries. Initially investing over US\$ 20 billion, creating a 'Special Economic Zone' in Xinjiang, China is keen to have another trade outlet to the Indian Ocean. This will increase the strategic interdependency between China and Pakistan.

The economic corridor agreement came in the wake of handover of the Gwadar port to the China Overseas Port Holding Company, after a pullout by Port of Singapore Authority. This was formally done during the Chinese Premier's visit. The Chinese have reportedly agreed to put in another US\$ 900 million into developing the port and making it fully operational. With Iran-Pakistan gas pipeline passing through Gwadar, its possible extension to western China, and with goods transit time reduced to three to four days, Pakistan-China collaboration is set to go up in the medium and long-term.

“The development of China cannot be separated from the friendship with Pakistan”, the Chinese Premier maintained while addressing Pakistan’s Senate, the upper house of parliament.

The Chinese control of Gwadar exposes Pakistan to the charge of allowing a Chinese naval base in its ‘string of pearls’ strategy in the Indian Ocean. It would become another point of concern for Indian and other strategic thinkers.

Many critics argue that Mr Li’s choosing of India as the first stop in his first overseas tour as Chinese Premier, spending three days there against two in Pakistan, signifies a slow but visible shift in China’s foreign policy. His visit to Pakistan was therefore, meant to “to avoid slapping Islamabad in the face completely”, wrote a Pakistani newspaper, Express Tribune.

China-India business relations are gaining pace. Bilateral trade between the two is more than US\$ 66 billion now, which the two want to take past US\$100 billion by 2015.

Aiming to increase the share of manufacturing in its economy from 16 to 25 per cent by 2022, India is openly seeking Chinese investments. With surplus money and comparative advantages of investing in India, the Chinese investments are sure to go up.

“We are one-third of world’s total population and our interactions attract the world. Without doubt, China-India relations are most important global relations,” said Mr Li during his visit to India.

While China denies that burgeoning engagement with India is at Pakistan’s expense, Islamabad should be concerned at the growing interdependency between China and India.

Critics also point out that contrary to Chinese relations with India, China’s commercial relationship with Pakistan is “colonial in nature”. In a balance of trade heavily tilted in China’s favour, Pakistan buys electronic equipment and machinery and exports cotton yarn to China.

The Chinese business investments in Pakistan during 2000-2012 have been a meagre US\$ 0.8 billion out US\$29 billion that China invested overseas during this period, according to the Express Tribune. True, this could reflect pure business strategy due to unsettled conditions in Pakistan; it does not account for Chinese infrastructure and defence collaboration with Pakistan.

Many Pakistani analysts, however, believe that India-US civil nuclear deal is of far reaching implication for the delicate balance of power and stability in the region. This should be sufficient for a convergence of Pakistan’s and China’s interests in the longer-term.

A Shadow over Strong Bedrock

The bedrock of China-Pakistan relations, based upon strategic and security considerations, therefore, remains strong. China, already helping Pakistan to build two nuclear power units at Chashma by brushing aside objections from the Nuclear Suppliers Group, is reportedly adding two more. Mr Li listed cooperation in power generation as a priority between the two countries. At a different level, the joint development of JF 17 Thunder, the next generation strike aircraft, is on course.

China must be deeply worried at the unsettling developments within Pakistan, which are not entirely of Pakistan's making. Pakistan's radicalisation, in response to perpetual war in Afghanistan, its connections with global 'jihad', troubles with India, and how the world looks at Pakistan are questions casting a shadow over China-Pakistan relations. Surely, China does not want a North Korea on the south-western fringes of its borders also. To sustain and grow this relationship Pakistan's domestic stability therefore becomes critical. The onus is now on Pakistan to remain relevant for China in this changing global environment.

China however, continues to be deeply interested in longer-term strategic cooperation with Pakistan where there is a convergence between the two.

Notwithstanding the critics, Mr Li's trip to Pakistan was meant, in his own words, to "open a new chapter in bilateral ties, chart a new course for practical cooperation and thus lift their traditional friendship to a new height".

During Henry Kissinger's trip to China in 1971, when he secretly flew out of Pakistan, changing the direction of global politics, the late Chinese Premier Zhou Enlai reportedly advised him, "Do not forget the bridge you have used, you may have to use it again". China is applying that advice to itself.

.....