

# Sino-Pak Strategic Relationship: Implications for India

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Rolling out the \$45 billion deal linked to the China-Pakistan Economic Corridor (CPEC), the “Higher than Mountain, Deeper than Ocean” clichéd Sino-Pak ties reached new dimensions as the two countries signed 51 agreements and Memorandums of Understanding (MoUs) for cooperation in different fields in April this year as President Xiping visited that country after much postponement earlier. Beginning with the economic and technical cooperation, the MoUs touched whatever you could name, from Gwadar to climate change to motorways.....<sup>1</sup>

The relationship has seen an upward swing since it started modestly in 1955 at Bandung, where Prime Ministers Mohammed Ali Bogra and Zhou En-lai met; the \$2 billion bilateral trade in 2002 has seen an increase since the signing of the China-Pakistan Free Trade Agreement (CPFTA) (enforced in 2007) between the two countries: “Trade volume increased from around \$6bn in 2006 to \$16bn in 2014; trade volume is targeted at \$20bn”.<sup>2</sup> Chinese investment in Pakistan (telecommunications, energy, infrastructure, heavy engineering, IT, mining, and defence industries) has reached \$1.5 billion. Roughly 10,000 Chinese workers and 60 big Chinese companies are engaged in 122 projects in Pakistan in the fields of oil, gas, power generation, engineering and information technology.<sup>3</sup>

Politically, Pakistan supports the “One-China policy, opposes Taiwan’s independence, endorses China’s policies in its far western Xinjiang region, ensures that the Organisation of Islamic Countries (OIC) does not pass any anti-

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China resolutions for steps against its Uighur Muslims (like curbs on the observance of *Ramadan*), for which China has reciprocated by repeatedly using its permanent membership at the UN to protect Pakistan against allegations of 'sheltering anti-Indian terrorist groups', including its latest veto to block India's move in the United Nations calling for action against Pakistan over the release of Zaki-ur Rehman Lakhvi, the mastermind of the 2008 Mumbai attacks".<sup>4</sup> Most of Pakistan's major weapon systems are of Chinese origin, including the JF-17 Thunder fighter aircraft, K-8 Karakoram advance training aircraft, Airborne Warning and Control System (AWACS), Al-Khalid tanks and Babur cruise missiles, complete M-11 ballistic missiles and components for the M-11 surface-to-surface missiles.<sup>5</sup>

In the nuclear field, the cooperation includes designs for a 25-kiloton nuclear weapon test similar to China's fourth nuclear test conducted in 1966; enriched uranium and tritium used to "boost the yield" of nuclear weapons as per the 1986 Comprehensive Nuclear Cooperation Agreement between China and Pakistan; and 5,000 ring magnets (used in suspension bearings of centrifuge rotating cylinders) worth \$70,000 given to Pakistan in 1994-95.<sup>6</sup> In 2003, China agreed to extend financial and technical help to Pakistan for the second phase of the Chashma nuclear power plant for building another 300 megawatt (MW) nuclear power plant.<sup>7</sup> In 2010, China promised to build two more nuclear reactors, Chashma 3 and Chashma 4.<sup>8</sup>

On Kashmir, as John Garver says, it was from the beginning of 1964 that China started supporting the "Kashmiri people's war of self-determination", a support translated in the following years to "material support to launch an insurgency" inside Jammu and Kashmir (J&K).<sup>9</sup> In 1990, China had conveyed to Pakistan that the dispute was one "left over from history," a polite way of saying it was not taking sides.<sup>10</sup>

The latest in Sino-Pak strategic cooperation is the centrality of Pakistan in the Chinese dual Silk Road plans: maritime and overland. The most serious strategic challenge comes from the China-Pakistan Economic Corridor or CPEC, passing through India's periphery, more significantly, Gilgit-Baltistan, claimed by India as part of the erstwhile princely state of Jammu and Kashmir (J&K). The issue is particularly of concern to India, as, apart from the strategic implications of the infrastructure created for the project in the Kashmir region being used for military purposes by China and Pakistan, China has again tacitly accepted Pakistan's views on Kashmir. In December 2014, the Chinese state-run Xinhua, in a published statement on the closure of the strategic Khunjerab Pass, referred to Gilgit-Baltistan as part of Pakistan.<sup>11</sup>

The April 2015 visit of China's President Jinping Xi's to Pakistan saw investments thrice the amount of its Foreign Direct Investment (FDI) in that country in the last ten years. As per the CPEC plan details, the Chinese government and banks will give loans to Chinese companies for investing \$15.5 billion in coal, wind, solar and hydropower projects, to come on-line by 2017, and to add 10,400 MW of electricity to Pakistan's national grid. Expected to ease Pakistan's energy shortages by covering both generation and transmission, the \$75 billion CPEC, which is to become operational by 2020, entails building new roads, an 1,800-km railway line, a network of oil pipelines connecting Kashgar in China's western Xinjiang region to the port of Gwadar, and an airport at the port and a string of energy projects, special economic zones, dry ports and other infrastructure.<sup>12</sup>

The biggest challenge to the corridor is militancy along the route. Gwadar is in Balochistan, a conflict embroiled province. The government is being assailed for having changed the route, which apparently under its original plan ran from Gwadar to Quetta, then up to Zhob before veering east towards Dera Ismail Khan; it now goes straight east from Gwadar towards Khuzdar, then slightly northeast to cross the Indus river near Ratodero and connects with the road network in Sindh. The government, however, has denied the route changes, saying it is pursuing both routes, and, on China's request, the second one is being built first "simply because it is cheaper".<sup>13</sup> The latter, passing mostly through Punjab, thereby avoids the conflict areas of Balochistan and Khyber-Pakhtunkhwa; the route is also sought to be protected by the Pakistan military as it plans a "special division" to train over 12,000 security personnel.

The significance of the 3,000-km overland transportation corridor for China is more than obvious: apart from connecting its western provinces, especially its restive Xinjiang region with the Arabian Sea through Pakistan's Chinese-built Gwadar port, some of the trade now passing through the Strait of Malacca could use it as an alternative route. It can be especially useful if China succeeds in its bid to exploit mineral resources in Central Asia, Afghanistan and Balochistan.<sup>14</sup>

Gwadar also benefits from being conveniently situated on the mouth of the Persian Gulf, along the path of a major international oil and shipping route. Crude oil can be pumped to refineries near the port for widespread transportation. In addition, there is a potential for \$60 billion trade along the newly developed road and rail networks, which, in turn, means employment generation. However, there can be a potential long-term negative impact on the industrial sector "when the goods from China will likely flood Pakistan's market more rapidly, which will potentially slow down, or in the worst case, cripple the local industry.

Furthermore, Pakistan may only get royalties from CPEC and China may require Pakistan to open the trade route for Chinese goods to pass into Afghanistan, Iran and India, depending on the economic situation".<sup>15</sup>

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### ***Implications for India***

The roots of the Sino-Pak strategic partnership go back to the 1960s in the shared target, India. As explained by Hussain Haqqani, "For China, Pakistan is a low-cost secondary deterrent to India ... for Pakistan, China is a high-value guarantor of security against India".<sup>16</sup> Wirsing says, "The most important strategic interest shared by China and Pakistan is the containment of India".<sup>17</sup> Tarique Niazi explains it further, "Of all these nations, Pakistan's strategic significance is, nevertheless, priceless for China. Although a smaller nation, Pakistan rivals India in unconventional weapons. It has long denied India access to western and Central Asian nations, while, at the same time, literally paving the highway – Karakoram – for Beijing's direct access to Eurasia. Above all, it has tied down 500,000 to 700,000 Indian troops in the Kashmir Valley for the past 15 years. By keeping hundreds of thousands of Indian troops engaged in Kashmir, Pakistan indirectly helps ease India's challenge to China's defences on their disputed border. More importantly, Pakistan emboldens the region's smaller economies to stand up to India and seek Chinese patronage, which hurts India's stature in the region".<sup>18</sup>

There is no doubt that Sino-Pak strategic cooperation is obviously targeted against India ...be it conventional weapons, nuclear weapons or the Karakoram Highway. That China is also sitting on territory claimed by India in Jammu and Kashmir is well known, as is the fact that it switches its position depending on its convenience: treating it as a bilateral dispute left from history or maintaining a pro-Pakistan posture. The same is true about the China-Pakistan Economic Corridor, their latest joint venture!

Apart from the two-front pressure of the duo, China is benefitting directly from the 1963 agreement, which has led to its involvement in several infrastructural projects, including upgrading the Karakoram Highway, building the 165-km Jaglot-Skardu and 135-km Thakot-Sazin roads, and several hydropower projects (Dasu hydropower project, Phandar hydropower project, Bashu hydropower project, Harpo hydropower project, Yulbo hydropower project) in Gilgit-Baltistan; raising the Mangla Dam reservoir by 60 ft, building the Neelum-Jhelum hydroelectric power project, commissioning the Kohala power project for generating 1,050 MW of electricity; and building the Diamir-Bhasha dam on the Indus.

The strategic cooperation is also going to be a major concern post- American withdrawal from Afghanistan, where the Chinese interests range from economic (it has already bagged the Aynak copper mine project) to regional security, including its terror concern in Xinjiang, which explains China's facilitating the Afghanistan-Taliban dialogue: an issue of concern for India vis-à-vis its interests in Afghanistan.

The implications of the CPEC are even more than obvious: as the project enhances the presence of both countries in the Gulf of Oman and the Arabian Sea where it can have decisive control over the Strait of Hormuz through Gwadar port, it adversely impacts India's growing economic and military power. Notwithstanding China's claims of the project being commercial in nature, its potential for intelligence gathering and forward deployment of its naval assets in the Gwadar and Karachi ports cannot but be a cause of strategic concern in New Delhi. Besides, the corridor will run through Gilgit-Baltistan. During his China visit, Prime Minister Narendra Modi had told the Chinese that the corridor was "unacceptable" to India. India flagged up its concerns regarding Chinese activities in Pakistan Occupied Kashmir (PoK) during Chinese Premier Li Keqiang's visit to New Delhi in May this year.<sup>19</sup> Answering a query on projects between China and Pakistan in the Lok Sabha in December 2014, Minister for External Affairs Sushma Swaraj had said: "The government has seen reports with regard to China and Pakistan being involved in infrastructure building activities in POK, including construction of the China-Pakistan Economic Corridor. Government has conveyed its concerns to China about their activities in Pakistan Occupied Kashmir, and asked them to cease such activities".<sup>20</sup> "The Indian government also lodged a protest (by) calling the Chinese Ambassador... (and also) through our Ambassador (in Beijing)".<sup>21</sup>

Also, following the CPEC related investment announcement, India followed up on a 12-year-old MoU with Iran by signing a new agreement to construct the Chabahar port. India has yet to come up with a comprehensive well debated response to the CPEC. On the other hand, while the government did take up the issue with the Chinese as stated above, Indian High Commissioner TCA Raghavan, addressing a meeting of the Khyber-Pakhtunkhwa Chamber of Commerce and Industry (KPCCI), said that India is not worried over the \$46 billion economic corridor between Pakistan and China as an economically strong Pakistan would bring regional stability.<sup>22</sup>

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## Notes

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3. Nauman Asghar, "Moving Closer", *The News*, July 10, 2010, [http://www.thenews.com.pk/daily\\_detail.asp?id=249955](http://www.thenews.com.pk/daily_detail.asp?id=249955); Asma Mujahid, "Pakistan-China All-Weather Friendship", *The News*, June 13, 2011, <http://www.thenews.com.pk/TodaysPrintDetail.aspx?ID=52337&Cat=2&dt=6/13/2011>
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5. "... in 1993, the United States determined that China had transferred to Pakistan prohibited missile technology and imposed trade sanctions on one Pakistani and 11 Chinese entities (government ministries and aerospace companies) for 2 years ...which brought warnings from the United States. Although it is not a member of the Missile Technology Control Regime (MTCR), China repeatedly has agreed to abide by the restrictions of the regime", "Pakistan-US Relations", *CRS Issue Brief for Congress*, December 02, 2003, <http://fpc.state.gov/documents/organization/27323.pdf>, p. 3. *Arms Control Reporter* 1998, p. 706, A. 3.
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