# **SPOTLIGHT**

January-February 2014

# INSTITUTE OF REGIONAL STUDIES

## ISLAMABAD

www.irs.org.pk

# **CONENTS**

Introduction	1
Towards Gwadar	3
Economic cooperation	4
Energy cooperation	8
Defence cooperation	9
Socio-cultural cooperation	10
The India factor	12
Countering terrorism	14
Conclusion	18
Notes and References	20

# PAK-CHINA RELATIONS: ADDING SUBSTANCE TO SLOGAN

#### **AARISH U. KHAN**

#### Introduction

Pakistan's diplomatic relations with the People's Republic of China (PRC) date back almost to the advent of PRC. Pakistan recognized it on 9 January 1950 to become the first Muslim and third non-Communist country to do so. Chinese premier Zhou Enlai held his first meeting with Pakistan's then prime minister, Mohammad Ali Bogra, during the Bandung Conference of Asian and African states in 1955. Contrary to some popular accounts of Pak-China diplomacy, however, the relationship between the two countries was marked by ambivalence for the first decade. (1) The four major events that turned the relationship from caution to intimate cooperation were: the boundary agreement between Pakistan and China in March 1963; China's unambiguous support to Pakistan in the 1965 Pak-India war; Pakistan's support in facilitating a link between China and the US in 1970; and China's use of a rare veto in the United Nations Security Council in 1972 conditioning Bangladesh's admission to the UN with the return of Pakistani prisoners of the 1971 war. (2)

Aarish U. Khan is a Research Analyst at the Institute of Regional Studies.

\_

Since then, the bilateral relationship has been on a steady upward gradient with several high-level exchanges of visits and numerous agreements signed. Another landmark in relations was achieved in February this year when the government of Pakistan officially transferred the control of Gwadar port from Port of Singapore Authority (PSA) Private Limited to China Overseas Port Holdings Limited (COPHL), a company owned by the Chinese government. The transfer was formally solemnized during the visit of Chinese premier Li Keqiang in May. An agreement was also signed to establish an economic corridor between Pakistan and China.

China had played a major role in the first phase of development of the port from 2002 to 2007, but the port operations were leased to the Port of Singapore Authority (PSA) International Private Limited in 2007 for 40 years. As the PSA failed to make any substantial development to the port in the first five years, Pakistan handed over its control to COPHL.<sup>(3)</sup> The transfer of the port operations to a Chinese company after a five-year hiatus was a milestone in bilateral relations. Since China had played a key role in the first phase of the development of the port, it was like returning it to where it belonged.

The port provides the underdeveloped western part of China easy access to the warm waters of the Arabian Sea and considerably reduces the time and resources required for transporting trade goods to and from western China to West Asia. (4) The port, thus, has great potential for economic development of the western part of China through trade with West Asia. This paper attempts of document and analyze the developments in Pak-China relations from 2008 to 2013 that culminated in the return of Gwadar port operations to China as well as other similar developments that further solidified the long-standing and time-tested friendship. The paper does not talk about Pak-China cooperation on

regional and global forums or regional or global issues. It only covers bilateral relations over the past five years.

#### **Towards Gwadar**

As if Pakistan acknowledged the mistake of handing over port operations to PSA in 2007 despite the fact that China had played a major role in the first phase of its construction, top Pakistani leadership expressed its desire for the Chinese to return to Gwadar on several occasions. President Asif Ali Zardari had offered warm-waters access to China during his first visits to Beijing as President of Pakistan in October 2008, wherein he said, "With other countries interested to tap the trade potential of Pakistan, we offer the Chinese companies and entrepreneurs access to warm waters and beyond."(5) During his second official visit in February 2009 — besides signing of four agreements in the fields of agricultural and economic cooperation — President Zardari renewed his warmwaters access offer to China through Pakistan once again. (6) Again in July 2010, during another official visit to China, President Zardari reemphasized the need for rail link between China and Pakistan as well as a pipeline from Gwadar to China.<sup>(7)</sup> Two MoUs on road projects related to the strengthening of trade and communication linkages between Pakistan and China were also singed during that visit. One related to a section of the Karakorum Highway (KKH) while another related to another important road in Gilgit-Baltistan, the Jaglot-Skardu Highway. (8)

It was in May 2011 that Pakistan's then defence minister, Chaudhry Ahmed Mukhtar, told the media that China had agreed to take over the control of port operations in Gwadar. With the completion of the procedural formalities for transfer of port operations from the PSA to COPHL in about two years' time, the port operations were handed over to China. During the May 2013 visit of Chinese Prime Minister Li Keqiang, the development of Gwadar port and its link-up with

western China was taken one step ahead with the signing of an MoU on development of an economic corridor between Pakistan and China. (10)

There is still a long way ahead for the operationalization of Gwadar port and the establishment of a smooth trade linkage between Western China and the southern Pakistani seaport of Gwadar, the particular step in the right direction could pave the way for even stronger bilateral relations and play an instrumental role in bringing economic prosperity not only to Pakistan but also to the less-developed western part of China. Since violence connected with religious extremism in the western Xinjiang province has at time put some strain on their friendly relations, Pakistan's support in development of that part of China could also be instrumental in removing that minor irritant in relations.

Besides renewing Pakistan's commitment to China over Gwadar, port operations Pakistan and China have come a long way in improving their bilateral relations in other fields in the past few years as well. The next section highlights the major achievements in economic cooperation in various fields from 2008 to 2013.

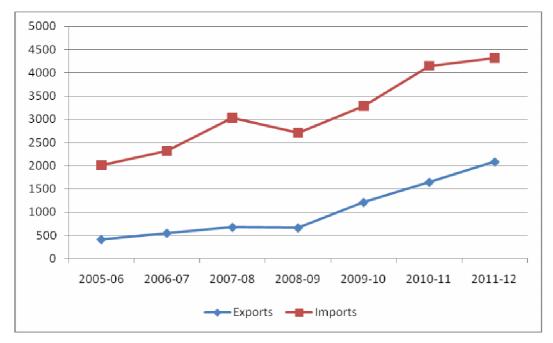
# **Economic cooperation**

Pakistan and China signed a preferential trade agreement in 2003, which was converted into a free trade agreement (FTA) in 2006. While initially it was estimated that the bilateral trade was estimated to hit \$15 billion by 2011, the overall trade actually did fall short of the mark at around \$12.4 billion as of 2013. Another important aspect of this trade is that it is tilted strongly in favour of China with Pakistan having a huge deficit. However, it is worth noting that since the signing of the FTA and its operationalization in October 2009 Pakistan's exports (goods and services included) have been on a steady rise. Figure 1 below shows Pakistan's exports to and imports from China (including goods as well as services) since fiscal year 2005-06, and it clearly illustrates that Pakistan's exports

are showing a healthy increase in the past few years, notwithstanding the discrepancies between the Pakistani and Chinese statistics on bilateral trade.

Figure 1

Pakistan's trade with China (in \$ millions) for FY 2005-06



Source: State Bank of Pakistan

Moreover, the trade and balance of payments deficit that Pakistan has with China is determined more by the export constraints of Pakistan — such as infrastructure, productivity, export-biased taxation, lack of diversification, etc. — than the friendliness of Chinese market towards Pakistani goods. (11)

A Pak-China Joint Investment Company was also launched in 2007, but it has shown only moderate accomplishments so far. Pakistani and Chinese banking sectors, on the other hand, are cooperating for a long time. The Bank of China opened two branches in Pakistan as early as in 1951, but those were discontinued

as a result of instability caused by the Pak-India war of 1971. Pakistani banks expressed their desire to open branches in China as early as April 2008.<sup>(12)</sup> It was during the previous Chinese prime minister Wen Jiabao's visit to Pakistan in December 2010 that the Industrial and Commercial Bank of China (ICBC) was invited to open branches in Pakistan and the National Bank of Pakistan (NBP) was offered to commence banking activities in China.<sup>(13)</sup> During that particular visit of the Chinese premier, Pakistan and China signed 13 agreements at the government-to-government level while 22 more agreements were signed between the private sectors of the two countries with a total worth of around \$ 35 billion, besides the inauguration of the Pak-China Friendship Centre in Islamabad.<sup>(14)</sup> The opening of banking sectors between the two countries was also followed by a Currency Swap Arrangement (CSA) for a three years term in October 2011.<sup>(15)</sup>

Earlier in 2008, during the first of the many visits to China of President Asif Ali Zardari, about a dozen agreements on economic and technical cooperation were signed between the two countries. (16) One of the objectives of that particular visit was to seek a \$ 1.5 to \$ 3 billion immediate economic bailout package from China because of the dire economic straits the country was facing at the time. China obliged by providing a \$ 500 million aid package in November while the rest was sought from the International Monetary Fund. (17)

Pakistan has always leaned on China for support in times of need, and the Pak-China friendship has always risen to the occasion. One such occasion came in May 2011 when the US Navy SEALs raided a compound in the town of Abbottabad in Pakistan and killed Osama bin Laden, the leader of al-Qaeda. Amid all the negativity generated about Pakistan in the international media and hostile statements by US authorities, the then prime minister of Pakistan, Yousaf Raza Gilani, visited China only days after the incident. It was a great support for Pakistan when the spokesperson of Chinese foreign ministry told reporters on the

eve of Pakistani prime minister's visit, "Pakistan has made very important contributions" to international anti-terrorism cooperation and made "great sacrifices." The world "should help it do even more...The Chinese government will unswervingly continue to support Pakistan's effort to counter terrorism."(18) During his meeting with Pakistan's prime minister, Chinese premier Wen Jiabao also assured Pakistan that it would stand by Pakistan's side under all circumstances. (19) Pakistan reciprocated the gesture with a similar resolve when it gave a five-year extension to the state-owned Chinese firm working on the Saindak mineral exploration project, the Metallurgical Corps of China (MCC),a year ahead of the expiry of its contract that was due to expire in October 2012. (20) Another four bilateral agreements were signed during President Zardari's China visit to attend a summit of the Shanghai Cooperation Organization (CSO).(21) Eleven more agreements were signed during Chinese Premier Li Keqiang's visit to the Pakistan in May 2013. The agreements mainly related to the long-term economic corridor plan (mentioned above), border management, maritime cooperation, and satellite navigation. (22) The Chinese premier also reiterated his government's desire for continuing to help Pakistan in the field of energy. (23) Since energy shortfall has become such a major hurdle in Pakistan's economic growth, the Chinese government has taken some serious steps in helping Pakistan deal with its energy crisis. The next section discusses Pak-China energy cooperation.

# **Energy cooperation**

Pakistan and China have well-established cooperation in the energysector, especially in the field of peaceful use of nuclear energy. Over the past five years, the two countries have not only enhanced cooperation in peaceful use of nuclear energy but also other modes of energy production. In December 2010, when Pakistan and China agreed to launch the next five-year plan from 2011 with 36 development projects worth \$ 13.285 billion to be undertaken in five years, power generation remained high on the agenda. Power generation projects like the Kohala hydropower project, Chichoki Mallian thermal power plant, Guddu combined cycle power plant, Karachi windpower project, and Chashma nuclear power project (units 3 and 4) were part of the plan, besides agricultural projects like sustainable agriculture through water reservoirs in the tail-end areas of non-perennial canals in Sindh, and industrial projects like the expansion of Pakistan Steel Mills. (24)

The inclusion of hydropower projects in the five-year plan was a result of an agreement between Pakistan and China in June 2009 for generating electricity through 12 small- medium-sized dams and water reservoirs through a \$ 700 million credit provided by China's EXIM Bank. (25) As far as the inclusion of Chashma 3 and 4 nuclear power plants into the plan is concerned, Pakistan secured Chinese assent for the construction of these two projects, in October 2008. (26) The agreement for these nuclear power plants was finalized in March 2010, when the government of Pakistan formally approved an inter-governmental agreement for the financing of Chashma 3 and 4 plants with China covering 82 per cent of the total \$ 1.91 billion cost of the project through a soft loan programme. (27) There has also been some speculation in the media lately about expansion of the Karachi Nuclear Power Plant (Kanupp) with purchase of two power plants, Kanupp 2 and Kanupp 3, from China for adding 2,000 MW into the national grid. (28)

Pak-China energy cooperation, though remarkable, has not been without its hiccups. In April 2011, there was a row between the China Three Gorges Project Corporation (CTGPC) and Pakistan's Water and Power Development Authority (WAPDA) over the award of the contract for the 1,100-MW Kohala

Hydropower Project without an international bidding process owing to the complications that arose with respect to the Public Procurement Regulatory Authority (PPRA) regulations. The contract was, however, awarded to CTGPC without bidding after some lobbying by the Chinese company. (29) Pakistani authorities approached China for funding the Thar coal project quite a while ago, (30) but there has not been much headway in that sector or in the fields of solar and wind power generation.

#### **Defence cooperation**

Pak-China defence cooperation has a long-standing history. The Heavy Industries Taxila (HIT), which is producing the Al-Khalid battle tank with Chinese support, was itself established with help from China in the 1980s (then called Heavy Rebuild Factory). Besides help in the development of Pakistan's indigenous missile programme, China has also greatly helped Pakistan Air Force. The joint manufacture of the JF-17 Thunder aircraft is a living testimony to the cooperation between the air forces of the two countries. In 2006, Pakistan also secured a deal with China for the provision of four frigates to the Pakistan Navy. The induction of the frigates into Pakistan Navy commenced in July 2009.

The ongoing military cooperation between the two countries was further solidified when a new military cooperation agreement was signed in December 2008 during the visit of the then Chairman, Joint Chiefs of Staff (CJCS), Gen. Tariq Majid, to Beijing, which was followed by a deal for the purchase of \$ 278 million worth Airborne Warning and Control System (AWACS) from China. (34)

In November 2009, China agreed to sell Pakistan 36 advanced fighter jets at the cost of \$ 1.4 billion. (35) In May 2010, during the visit of Chinese Minister for National Defence, Liang Guangile, to Pakistan, three MoUs were signed for cooperation in counter-terrorism covering joint military exercises, provision of

four trainer aircraft, and training for Pakistan's armed forces. (36) The joint antiterrorism military exercises began in July 2010. (37)

While Pakistan Navy was already procuring frigates from China,<sup>(38)</sup> in a landmark achievement in July 2010, the two countries also signed an agreement to jointly build one.<sup>(39)</sup> That agreement was followed by another one in March 2011 to jointly manufacture two missile boats in the Chinese port city of Tianjin.<sup>(40)</sup>

The defence cooperation between Pakistan and China is intensive and longstanding. The defence ties are being cemented with fresh rounds of strategic dialogues. The fifth round of strategic dialogue between China and Pakistan concluded in November 2012. (41) It is argued sometime that though Pakistan and China have good government-to-government relations in all fields, people-to-people contacts are not as strong. The next section highlights the socio-cultural cooperation.

## **Socio-cultural cooperation**

Taking cognizance of the need for improving people-to-people contacts, Pakistan and China have taken several steps towards enhancing it. A Pak-China Friendship Centre (mentioned above) was inaugurated in Islamabad during former Chinese premier Wen Jiabao's visit in December 2010. There are four Pakistan Study Centres and 8,000 Pakistani students studying various disciplines in China. Some private schools have also started teaching Chinese language in Pakistan. In September 2011, the provincial government of Sindh overzealously announced starting teaching of Chinese language as a compulsory subject from 6th grade onward from 2013 — a decision that came under a lot of criticism in the press. Notwithstanding the criticism, however, the provincial education department of the Sindh government allocated Rs. 625 million for

Chinese language teaching in 2012.\* Because of the enormity of the undertaking, the implementation is slow and not without problems though. (45)

Pakistan and China signed an MoU for establishing a permanent campus of the Pakistan-China University of Engineering, Science and Technology in August 2008. (46) Although the university has not been inaugurated yet, an independent Pakistani think-tank dedicated to research on China, the Pak-China Institute, was established on 1 October 2009. Pak-China socio-cultural cooperation has thus been progressing very smoothly over the past few years. It is also being contemplated celebrating 2015 as the "Year of Friendly Exchanges." (47) While a Confucius Institute was established at the National University of Modern Languages in Islamabad in 2005, during Chinese Premier Li Keqiang's visit in May 2013, an agreement was signed for opening another one at the Karachi University. (48)

Despite the enormity of Pak-China cooperation, certain segments of Pakistani society and intelligentsia tend to get overanxious about growing Sino-Indian cooperation. The next section talks about the impact or absence thereof of that particular aspect on Pak-China relations

#### The India factor

Standing at \$ 66.57 billion in 2012, and targeted to reach \$ 100 billion by 2015, bilateral trade between China and India is way ahead of the bilateral trade between Pakistan and China. One of the most obvious factors in this, of course, is the sheer size of the two economies. Growing Sino-Indian economic relations and the importance China has started attaching to its economic interests vis-à-vis India has become a source of concern for some minds in Pakistan.

<sup>\*</sup> See <a href="http://www.thenewstribe.com/2012/04/21/rs-625-million-approved-for-chinese-language-program-in-sindh/">http://www.thenewstribe.com/2012/04/21/rs-625-million-approved-for-chinese-language-program-in-sindh/</a>, (last viewed on 27 May 2013).

Pakistani apprehensions about Indians cozying up to China are a bit overstretched, though. Besides the history of a brief border war in 1962, there are longstanding and lingering territorial disputes between China and India. China disputes Indian control over Arunachal Pradesh, while India has given refuge to the Tibetan spiritual leader, the Dalai Lama. (49) Military build-up on either side of their border and the possibility of water disputes in the days to come are signs of a superficial cordiality between China and India. (50) Only days before Chinese Premier Li Keqiang's visit to India in May 2013, India had alleged that Chinese forces had intruded into Indian territory, crossing over the line of actual control (LAC). (51) The maritime ambitions of both countries could also result in a conflict between the two countries. (52) One of the recent examples of how tensions could easily escalate in the maritime realm is that of Huangyan Islands or the Scarborough Shoal. While the dispute was between China and the Philippines, India got itself involved by asking China to show restraint and China asking Indians to mind their own business. (53) Even the economic relations between China and India are not mutually complementary and have become a source of discontent between them at times. (54) Senior Indian strategic analyst, Brahma Chellany, argues in one of his recent articles that economic relations between China and India are strongly in favour of the former, which leaves it with little incentive to engage with India on political differences. (55)

Pakistanis need to keep this in mind that there are several limitations to the Sino-Indian relationship such as the territorial disputes and maritime rivalry, competing regional and global ambitions, alliances working at cross-purposes, etc. (56) On the other hand, Pakistan's relations with China are strongly rooted in a shared perspective on international relations, absence of territorial disputes, and complementarity of economic and political interests. No matter how much China and India improve their economic relations or dampen their political disputes,

there is a fundamental difference between China's relations with Pakistan and its relations with India. There are neither any outstanding disputes between China and Pakistan nor any lingering mutual suspicions, which is not the case with India, which suggests that while China would not compromise its economic benefits in dealing with India, it would always view it as a competitor in the political realm with a certain amount of caution in all its dealings with it.

With the burst of economic prosperity of China in the past couple of decades, however, it looks like Pakistan has started to lag behind and is finding it hard to keep pace with it. To sustain economic complementarities, Pakistan will have to concentrate on economic development and the development of its human resource potential. Unfortunately though, not only has Pakistan not grown as fast as China in the said period of time, it has also come to face serious internal challenges to its national security, which have not only stinted Pakistan's growth itself but have also had a bearing on Pak-China relations. The next section discusses that important aspect in their bilateral relations.

#### **Countering terrorism**

Over a period of time, religious extremism and militancy emanating from Pakistan has become an irritant in the Pak-China relations. It is believed that Muslim extremists belonging to the ethnic Uyghur Muslim community of China started coming to Afghanistan and Pakistan for training in the 1990s. According to some accounts, the East Turkistan Islamic Movement (ETIM) — a separatist terrorist organization active in the western Xinjiang province of China — established its base in Afghanistan in 1997, but moved it to Pakistan after the US invasion of Afghanistan in 2001. (57) Nonetheless, whenever concerns were voiced in China about terrorist hideouts in Pakistan, Pakistan did take action against Uyghur separatists. (58) Pakistani troops also killed the leader of ETIM, Hassan Makhsum, in 2003. (59)

14

Chinese fears of internationally connected terrorist networks were further exacerbated in 2004, when six major attacks took place against Chinese nationals in quick succession in Afghanistan, Iraq, and Pakistan. (60) This development prompted the Chinese decision-makers to seriously consider building strong partnerships with regional countries to counter international terrorism. In the words of Fang Jinying, "[A] high-risk zone brought about by terrorism is being shaped around China, from Central Asia to Southeast Asia via South Asia. For this reason, in the days ahead, counter-terrorism will be Chinese army's another important duty, while safeguarding national unity as its top priority. To forestall such a zone through regional cooperation becomes one of the priorities for China's neighborhood diplomacy." (61) Since Pakistan has suffered in the form of terrorist presence from the spillover effects of the wars in Afghanistan in the late 20th and early 21st century, it has become a key player for China to develop regional cooperation against terrorism. The very fact that there are 120 Chinese companies and over 10,000 Chinese nationals working in Pakistan, (62) has also made Pakistan important for regional counter-terrorism initiatives as well as concerns. Chinese cooperation with Pakistan in the field of counter-terrorism and its concerns regarding terrorist presence in Pakistan remained a major component of the bilateral relations between the two countries during the period under study.

In March 2008, Chinese authorities linked a botched plane-hijack incident to Pakistan. (63) As Pakistani authorities scrambled to find leads to the perpetrators of the attempt, Chinese government stood firm with Pakistan with its Foreign Minister, Yang Jiechi, lauding Pakistan's help against separatists in Xinjiang during his visit soon after the incident in April 2008. (64) The issue of terrorism remained high on Chinese priority list as it was raised in a meeting between the then advisor to prime minister of Pakistan on Interior Affairs, Rehman Malik, and

his Chinese counterpart Meng Jianzhu during the visit of prime minister Yusuf Raza Gilani to Beijing in August 2008. (65)

In another terrorist incident, two Chinese engineers were kidnapped from Upper Dir district of Malakand Division on 29 August 2008, while returning from a tower site of a cell phone company, soon after the prime minister's visit. It resulted in another round of discussions, this time with Pakistan's military leadership, during the first China visit of Chief of Army Staff (COAS), Gen. Ashfaq Parvez Kayani, after assuming office in September 2008. (66)

On 29 September 2008, the Swat chapter of the Tehrik-i-Taliban Pakistan (TTP) offered to release the two Chinese engineers held hostage by them in return for the release of 136 jailed militants. One of the two kidnapped Chinese engineers was recovered by Pakistan's armed forces in October 2008, at a time when President Zardari was on a visit to China. The second engineers was recovered on 14 February 2009 amid rumours that he was freed in return for the release of several imprisoned militants. Before that, however, another Chinese engineer was injured at a militant attack at Dargai on 24 December.

The developments did not go unnoticed in the Chinese press and several reports were published there in March-April 2009 about Chinese concerns over the activities of the ETIM in the Federally Administered Tribal Areas of Pakistan (FATA).<sup>(71)</sup> That cast a shadow on the discussions between President Zardari and Chinese premier Wen Jiabao on the sidelines of the annual Boao Forum for Asia (BFA) in April 2009, where terrorism was a major point on the agenda.<sup>(72)</sup> In June 2009, after the Chinese president had conveyed a message urging Pakistan to act against ETIM militants based in FATA, the Pakistan government is reported to have extradited 10 suspected ETIM militants to China.<sup>(73)</sup>

Showing sympathy with Chinese stance on the issue of separatist Muslim extremism, President Zardari was quoted as telling journalists before his departure

for China on his fourth official visit in August 2009, "We are glad that the situation in Urumqi has been brought under control. We believe that China's policy of social harmony and development is producing great results for all Chinese people." (74) Seemingly expressing urgency, Chinese President, Hu Jintao not only suggested to Pakistan to review its security strategy but also offered help in that connection at his meeting in China with the then prime minister of Pakistan, Yusuf Raza Gilani. (75) President Hu repeated his offer during his July 2010 meeting with President Zardari. (76)

Chinese concerns were somewhat addressed by Pakistan when in August 2011, five Chinese nationals with suspected links to terrorists in Xinjiang, were deported to China. On a visit to China soon after the deportation, the then foreign minister of Pakistan, Hina Rabbani Khar, assured Chinese officials of Pakistan's full cooperation against any members of ETIM who might have taken refuge in Pakistan. The assurances came after two successive terrorist attacks in the town of Kashgar in Xinjiang.

Terrorist attacks targeting Chinese nationals kept on taking place in Pakistan despite repeated assurances by Pakistan and continued cooperation between the two countries on the subject. In February 2012, a Chinese woman was killed while on a sightseeing trip in Peshawar with her Pakistani friend, who was also killed in the attack. This attack was particularly significant because the Tehrik-i-Taliban Pakistan (TTP) claimed responsibility for it with a clearly articulated intent of targeting Chinese interests in Pakistan for showing solidarity with the ETIM. The spokesman of the Darra Adamkhel chapter of the TTP was reported as saying that the killing was a revenge of "the atrocities committed against Muslims" in Xinjiang. The Governor of Xinjiang-Uyghur Autonomous Region, Nur Bekri, was quick to underscore the links between the Muslim militants of Xinjiang and the militants in Pakistan.

In July 2012, the Chinese Consulate in Karachi was attacked with a remote-controlled bomb, which left three people injured. (82) On 21 May 2013, there was another attack on Chinese nationals in Pakistan: a delegation of Chinese engineers was attacked with an improvised explosive device (IED). The engineers and their Pakistan Rangers escort escaped unhurt because the detonator of the IED misfired. (83) This latest attack on Chinese nationals in Pakistan only a day before the arrival of the new Chinese premier Li Keqiang was another reminder of the ever present threat for Chinese nationals in Pakistan.

#### **Conclusion**

Like the almost six decades preceding it, Pak-China relations in the past five years have also stood the test of time. Not only have Pakistan and China considerably improved upon their economic, defence, and cultural cooperation, they have also stood by one another in times of their respective need. The reversion of the Gwardar Port operations to COPHL was another milestone in the relations. Not only did the port operations, thus, go back to its rightful place, they would also play an instrumental role in the uplift of Pakistan and prosperity of the relatively less developed western parts of China. The economic corridor — that would connect Gwardar Port with western China as well as Central Asia — will not only have immense economic value, it would also put Pak-China friendship on even more stable footing. Given the fact that Pakistan and China have no outstanding disputes, the economic corridor plan is in line with the realities of the interdependence of the twenty-first century where economic complementarities between nations cement their relations.

Even though China is improving upon its economic relations with India, it should not be a matter of concern for Pakistan, because the overall context of Sino-Indian relations is marred by territorial disputes, economic rivalry, competing regional and global ambitions, and lack of overlapping

complementarities in the strategic realm. A Chinese Prime Minister flying into Pakistan from India is only the most obvious part of the story of relations of China with the two countries. The latent core of China's approach towards both Pakistan and India suggests that China would always be wary of India while it would always be comfortable and confident with Pakistan.

Terrorism has become a global concern over the past couple of decades. China has not remained immune from its destructive impact, while Pakistan is one of the countries that have suffered the most from it. China has concerns about global terrorist networks trying to target Chinese nationals abroad or supporting extremist terrorists, like the ETIM, at home. Because of the war in Afghanistan, several terrorist outfits have established their hideouts in Pakistan's border areas with it, which has resulted in increased terrorist activity in Pakistan as well as its spillover from Pakistan to some other countries. Pakistan is trying its best to fight the menace of terrorism while endeavouring, at the same time, to keep its own head above water. The problem, however, persists and has landed Pakistan into some serious troubles in the past with other countries. The terrorists are trying their utmost to subvert Pak-China relations as well, but the exemplary relations have withstood that test as well. There is no denying the fact, however, that terrorism has surfaced as one of the major irritants in Pak-China relations over the past couple of decades. Keeping in view the importance Pakistan attaches to its relations with China, protection of Chinese nationals on Pakistani soil and elimination of remnants of ETIM or their supporters in any part of Pakistan should be a top priority for Pakistan.

Pakistan and China are destined to go a long way together because the two countries, as in the words of Prime Minister Li Keqiang, treat each other with sincerity, cooperate for mutual benefit, and thrive on popular local support.<sup>(84)</sup>

#### **Notes and References**

- 1. Riaz Mohammad Khan, "Pakistan-China Relations: An Overview," *Pakistan Horizon*, Vol.64, No.4 (October 2011), p.11.
- 2. Ibid., pp.11-12.
- 3. For more details, see Aarish U. Khan, "Bringing Gwadar back to life," *The Spokesman*, Islamabad, 20 February 2013.
- 4. Ibid; See also, Raja Muhammad Khan, "Pak-China Strategic Relations: Regional and Global Impacts," *Regional Studies*, Vol.XXXI, No.1 (Winter 2012-13), p.45.
- 5. "Pakistan offers China access to warm waters," *The Nation,* Islamabad, 16 October 2008.
- 6. "Zardari arrives in China on four-day visit," *The News*, Karachi, 21 February 2009; Syed Irfan Raza, "Accords on trade, energy with China likely during Zardari visit," *Dawn*, Karachi, 21 February 2009; "Zardari offers China access to Pakistan's warm waters," *The News*, 22 February 2009; "Pakistan, China sign MoUs on trade, agriculture," *The News*, 22 February 2009; "Zardari offers China access to ports," *Dawn*, 22 February 2009; "China can use Pak ports: Asif," *The Nation*, Islamabad, 22 February 2009.
- 7. "Pak to build rail link, pipeline from Gwadar to China," *The Nation*, 9 July 2010.
- 8. "Pakistan, China ink MoUs on health, Rs.45 bn road project," *The News*, 10 July 2010; "China to build two highways in Gilgit-Baltistan," *Dawn*, 10 July 2010.

- 9. Kalbe Ali, "China agrees to run Gwadar port," *Dawn*, 22 May 2011.
- 10. Baqir Sajjad Syed, "Global changes not to affect ties, Li," *Dawn*, 23 May 2013; "Pakistan and China pledge to stand united at all costs," *Daily Times*, Lahore, 23 May 2013.
- 11. Fazal-ur-Rahman, "Pakistan-China trade and investment relations," *Strategic Studies*, Islamabad, Vol.XXX, No.3 & 4, (2010) p.106.
- 12. Sabihuddin Ghausi, "Banks eying business on rising trade," *Dawn*, 21 April 2008.
- 13. Hasib ur Rahman, "Deepening Banking Cooperation of Pakistan and China," *Youlin Magazine*, 9 April 2013.
- 14. "Pakistan, China ink \$30 billion accords," *The News*, 19 December 2010; Amin Ahmed, "Deals worth \$36bn signed with China," *Dawn*, 19 December 2010; Imran Ali Kundi and Abrar Saeed, "\$35b Sino-Pak deals inked," *The Nation*, 19 December 2010.
- 15. Government of Pakistan, Finance Division, *Yearbook 2011-12*, p. 35.
- 16. "Zardari, Hu hold talks," *The News*, 16 October 2008. "Pakistan, China sign 12 agreements, protocols: Beijing offers to boost economic cooperation, supports Islamabad's efforts to safeguard sovereignty," *Dawn*, 16 October 2008. "Pakistan offers China access to warm waters," *The Nation*, 16 October 2008. "Pacts signed by Pakistan and China," *Daily Times*, 16 October 2008.
- 17. "China to give \$500m aid to Pakistan," *The News*, 14 November 2008; "China to give \$500 million," *The Nation*, 14 November 2008; "The helping hand of China," *Daily Times*, 18 October 2008; Khaild Hasan,

- "No Chinese cash bailout for Pakistan, next stop IMF," *Daily Times*, 20 October 2008.
- 18. "China reminds world of Pak sacrifices in terror war," *The News*, 18 May 2011.
- 19. Muhammad Saleh Zaafir, "Pakistan, China to remain friends no matter what: Jiabao," *The News*, 19 May 2011.
- Ahmad Ahmadani, "Chinese firm gets rare extension in Saindak project,"
   The Nation, 24 May 2011.
- 21. "Pakistan signs one agreement, three MoUs with China," *The News*, 7 June 2012; "Accords signed with China," *Dawn*, 7 June 2012.
- 22. Baqir Sajjad Syed, "Global changes not to affect ties, Li," *Dawn*, 23 May 2013.
- 23. "China's premier offers to help end Pakistan energy crisis," *Dawn*, 22 May 2013.
- 24. "Pak, China okay \$13b projects," *The Nation*, 3 December 2010; "China and Pakistan to launch new 5-year plan," *Dawn*, 4 December 2010.
- 25. "Pakistan signs MoU with China for \$700m," *Dawn*, 20 June 2009.
- 26. Mariana Baabar, "China to help build two more nuclear power plants: FM," *The News*, 19 October 2008; Baqir Sajjad Syed, "Beijing to help build 2 N-plants: Islamabad eyes new era in ties," *Dawn*, 19 October 2008.
- 27. "China to give 82pc: Financing pact for Chashma-3, 4 approved," *Dawn*,30 March 2010; "Pakistan in 'civil nuclear deal' with China," *Daily Times*, 30 March 2010.

- 28. Zafar Bhutta, "Energy requirement: Pakistan to buy two nuclear power plants from China," *The Express Tribune*, Karachi, 11 November 2011.
- 29. See, "Chinese firm, Wapda rift jeopardises Rs.2.6b project," *The Nation*, 29 March 2011; Amin Ahmed, "China corporation ready to invest in hydel power projects," *Dawn*, 6 April 2011; Khalid Mustafa, "China ready for huge cooperation in power generation," *The News*, 7 April 2011; Khalid Mustafa, "Kohala project given to Chinese firm without bidding," *The News*, 13 April 2011.
- 30. Ismat Sabir, "Pakistan again needs Chinese help," *The Post*, Islamabad, 8 September 2008; Sabihuddin Ghausi, "Zardari to seek China's investment in energy," *Dawn*, 9 September 2008.
- 31. Haris Raqeeb Azeemi, "55 Years of Pak-China Relationship," *Pakistan Horizon*, Karachi, Vol.60, No.2 (April 2007), p.112.
- 32. Ibid.
- 33. "First Chinese-built frigate inducted into Pakistan Navy," *Dawn*, 31 July 2009.
- 34. "Sino-Pak accord to boost military cooperation," *The News*, 16 December 2008; "Pakistan, China to boost military ties," *Dawn*, 16 December 2008; Rauf Klasra, "\$278m AWACS deal struck with China," *The News*, 18 December 2008.
- 35. "Pakistan-China in \$1.4 billion fighter jet deal," *Daily Times*, 11 November 2009.
- 36. Iftikhar A. Khan, "Accords signed with China to boost anti-terror power," *Dawn*, 25 May 2010.

- 37. "Army team leaves for China," *Dawn*, 2 July 2010;" Anti-terror exercise with China begins," *Dawn*, 3 July 2010.
- 38. "First Chinese-built frigate inducted into Pakistan Navy," *Dawn*, 31 July 2009.
- 39. "Pakistan, China sign contract to build frigate," *The News*, 16 July 2010.
- 40. "Pakistan and China to manufacture missile boats," *Dawn*, 3 March 2011.
- 41. "Pakistan, China conclude fifth round of strategic dialogue," *The News*, 3 November 2012; "Pak-China strategic talks end," *Dawn*, 3 November 2012.
- 42. Masood Khalid, "Pakistan-China Relations: An exemplary friendship," *Daily Times*, 22 May 2013.
- 43. Ibid.
- 44. Editorial, "Chinese in Sindh," *Dawn*, 6 September 2011; Editorial, "Chinese, anyone?" *The News*, 8 September 2011; Zubeida Mustafa, "Chinese in Sindh Schools," *Dawn*, 14 September 2011.
- 45. See, <a href="http://www.pakistantoday.com.pk/2012/11/27/city/karachi/schools-rally-against-chinese-language/">http://www.pakistantoday.com.pk/2012/11/27/city/karachi/schools-rally-against-chinese-language/</a>, (last accessed 27 May 2013).
- 46. "Pak-China varsity campus to be built next year: MoU signed," *Dawn*, 8 August 2008.
- 47. Khalid, "Pakistan-China Relations..." op.cit., (ref.42).
- 48. "Academic diplomacy: KU to establish a Mandarin institute," *The Express Tribune*, Karachi, 23 May 2013.
- 49. Bajpaee, "China-India Relations," *China Security*, Vol.6, No.2 (2010) pp.42-43.

- 50. Ibid., pp.43-46.
- 51. See, <a href="http://www.bloomberg.com/news/2013-05-24/india-offers-china-a-wary-embrace.html">http://www.bloomberg.com/news/2013-05-24/india-offers-china-a-wary-embrace.html</a>, (last viewed 28 May 2013)
- 52. Bajpaee, "China-India Relations" op.cit., (ref.49), pp.51-52.
- 53. "India steps into Philippines-China spat over South China Sea," *The Times of India*, New Delhi, 11 May 2012. Accessed at <a href="http://timesofindia.indiatimes.com/india/India-steps-into-Philippines-China-spat-over-South-China-Sea/articleshow/13089219.cms">http://timesofindia.indiatimes.com/india/India-steps-into-Philippines-China-spat-over-South-China-Sea/articleshow/13089219.cms</a>, (last viewed on 28 May 2013).
- 54. Bajpaee, op.cit., (ref.49), pp.46-47.
- 55. Brahma Chellany, "The iron fist in a trade glove," *The Japan Times*, 28 May 2013 available at <a href="http://www.japantimes.co.jp/opinion/2013/05/28/commentary/the-iron-fist-in-a-trade-glove/#.UaQ85aI3D9U">http://www.japantimes.co.jp/opinion/2013/05/28/commentary/the-iron-fist-in-a-trade-glove/#.UaQ85aI3D9U</a>, (last viewed on 28 May 2013).
- 56. Amna Yusaf Khokhar, "Sino-Indian relations: Implications for Pakistan," *Strategic Studies*, Vol.XXX, No.3 and 4 (Autumn and Winter 2010), pp.77-78.
- 57. J. Todd Reed and Diana Raschke, *The ETIM: China's Islamic Militants and the Global Terrorist Threat*, ABC-CLIO LLC (Santa Barbara, CA: 2010), pp.76-77.
- 58. Lutfullah Mangi, "Pakistan and China: An Excellent Model for Relations Between Neighboring Countries," *Contemporary International Relations*, Vol.20, No.6 (Nov-Dec 2010) p.108.

- 59. US Department of State, Office of the Coordinator for Counterterrorism, *Country Reports on Terrorism*, 2004, (Washington, DC, April 2005), p.117.
- 60. Fang Jinying, "International Terrorist Threat to Chinese Security," *Terrorism: Genesis, Implications, Remedial and Countermeasures,* (Islamabad: Institute of Regional Studies, 2006) p.262.
- 61. Ibid., p.263.
- 62. Editorial, "Pak-China accord," *The Post*, Islamabad, 9 July 2010.
- 63. "China plane attackers came from Pakistan, Central Asia," *The News*, 21 March 2008; and, "Chinese plane attack suspects came from Pakistan," in *Dawn*, 21 March 2008.
- 64. "'Valuable support' against separatists praised by China," *Dawn*, 26 April 2008.
- 65. "Pakistan, China to coordinate efforts against terrorism," *The News*, 12 August 2008.
- 66. Muhammad Saleh Zaafir, "China concerned over safety of its nationals in Pakistan," *The News*, 28 September 2008.
- 67. "Taliban offer to release Chinese in exchange of 136 jailed militants," *Dawn*, 30 September 2008.
- 68. Delawar Jan, "Army recovers one kidnapped Chinese engineer," *The News*, 18 October 2008; Hameedullah Khan, "Chinese hostage escapes from Taliban kidnappers," *Dawn*, 18 October 2008.
- 69. Delawar Jan, "Kidnapped Chinese engineer freed," *The News*, 15 February 2009; "Militants swapped for Chinese engineer?," *The News*, 16 February 2009; "Militants release Chinese engineer," *Dawn*, 16 February 2009.

- 70. "Chinese engineer, FC man hurt in Dargai attack," *The Nation*, 25 December 2008; "Chinese injured in Malakand attack," *Dawn*, 25 December 2008.
- 71. Mariana Baabar, "When friends complain, someone must listen," *The News*, 21 March 2009; "China concerned over militant activity in Fata," *The Nation*, 9 April 2009; "China asked Zardari to act against ETIM?," *Daily Times*, 9 April 2009; "China and terrorism in our tribal areas," *Daily Times*, 10 April 2009.
- 72. "Pakistan, China vow to jointly fight terrorism," *The News*, 18 April 2009; "Pakistan, China vow to fight terrorism," *Dawn*, 18 April 2009.
- 73. "Hu Jintao urges Zardari to crush ETIM extremists," *The Nation*, 3 June 2009; Editorial, "Friends' concern," *The Nation*, 4 June 2009; Amir Mir, "10 terror suspects extradited to China," *The News*, 6 June 2009.
- 74. "Zardari backs China over Xinjiang," *The News*, 22 August 2009; "Zardari appreciates China's handling of Xinjiang unrest," *Dawn*, 22 August 2009.
- 75. Muhammad Saleh Zaafir, "China to help Pakistan formulate anti-terror strategy," *The News*, 14 October 2009; Shamim-ur-Rehman, "China vows support for efforts to boost security," *Dawn*, 14 October 2009.
- 76. "Pakistan, China to fight terrorism jointly," *The News*, 8 July 2010;"China, Pakistan vow to step up fight against terrorism," *Dawn*, 8 July 2010.
- 77. Mohammad Asghar, "Five Chinese nationals deported," *Dawn*, 10 August 2011.
- 78. "Hina Khar holds talks with Chinese foreign minister," *Dawn*, Karachi, 25 August 2011.

- 79. "Chinese embassy seeks speedy probe into killing of its national," *The News*, 1 March 2012.
- 80. "TTP claims responsibility for killing Chinese woman," *The News*, 2 March 2012; "Taliban say they killed Chinese woman," *Dawn*, 2 March 2012.
- 81. "Chinese official sees militant links in Pakistan," *The News*, 8 March 2012; "Xinjiang militants linked to Pakistan groups: China," *The Nation*, 8 March 2012.
- 82. "Blast near Chinese consulate; 3 injured," *Dawn*, 24 July 2012; "The Chinese attacked again," *Daily Times*, 25 July 2012.
- 83. Imtiaz Ali, "Chinese engineers escape bomb attack in Clifton," *Dawn*, 22 May 2013.
- 84. Text of the speech by Chinese Prime Minister Li Keqiang, at the Senate, Islamabad, 23 May 2013. Available at <athttp://www.fmprc.gov.cn/eng/wjb/zzjg/yzs/gjlb/2757/2759/t1043526.shtml>, (last viewed on 29 May 2013).