A Pakistani Overview of Pakistan-China Relations:
From Geopolitical Compulsions to a Strengthening Co-operation

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Historic relations between the Islamic Republic of Pakistan and the People’s Republic of China have been based on common interests; their security and defense cooperation has been enhanced due to their common animosity with India. But as China’s relationship with India changed course for the better in the 1990s Pakistan and China have searched for new avenues of co-operation. This paper traces Pakistan’s bilateral relationship with China in a geopolitical context while commenting on the changes which occurred in the South Asian region.

The resulting analysis helps understanding the current status of the relationship between Pakistan and China. The paper looks at various dimensions of China Pakistan Economic Corridor and highlights its political, security and strategic implications for Pakistan and China. It also finds that military cooperation has deepened in the past decade. However, a similar trend in trade/commerce has yet to follow if both countries want to become strategic partners in the true spirit of the term.
Pakistan’s independence from British colonial sub-continent happened just two years before the Communist Party drove out the Kuomintang (KMT) to the island of Taiwan at the end of the civil war, establishing the People’s Republic of China (PRC) in 1949. This paper aims to trace the roots of the relationship and provides an overview of Pakistan-China relations as they stand today. It does so with an international geopolitical perspective. To achieve that, understanding the overall nature of the relationship through a historic outlook is essential. Though asymmetric by almost all scales of measurement, the relations between Pakistan and China have outlived many formal alliances. Both states play significant regional and international roles in their own respective capacities. As powerful and influential China is today, Pakistan too in its own region has been and still continues to be an “environment-determining” actor. Will the new China-Pakistan Economic Corridor bring both countries even closer to each other?

A Historical Analysis of the Bilateral Relationship

An overview of the first sixty-three years of Pakistan-China Relations

Between the two neighbors, multiple contrasts have existed at many levels since the very beginning. Ideologically, China was on a path to establish a strong socialist state under the supreme leader Mao Zedong whereas Pakistan under its founding father M. A. Jinnah was clearly tilted towards the United States. The whole idea behind establishing Pakistan was to create a federation with autonomous provinces based both on Islam and liberal democratic principles. These obvious differences, however, did not keep them from establishing diplomatic relations in 1951, as Pakistan withdrew its recognition for the Republic of China (Taiwan).

In early Cold War years, US concerns of Soviet expansion in Asia coupled with Pakistan’s India compulsions provided incentive and opportunity for US and Pakistan to form a close relationship. However, Pakistan was careful not to antagonize China by engaging in direct or indirect conflict with it. In this regional context, China was establishing close ties with socialist regimes in Eastern and Central Europe (the Soviet Union and its satellites) as well as in South and East Asia, with countries like India, North Vietnam, North Korea and Laos. On the other hand, Pakistan’s diplomatic and political ties with the US were growing. Despite Pakistan’s efforts to stress its neutrality to China during the Bandung Conference 1955, Beijing was well-aware of Pakistan’s growing dependence on US - for aid and military assistance. Pakistan grasped the opportunity to sign the Mutual Defense Assistance Agreement when U.S extended its security assistance package in 1954 followed soon by regional treaty pacts: the South East Asia Treaty Organization (SEATO) and the Central Treaty Organization (CENTO). Pakistan’s diplomatic agility at the time was such that these pacts and its alliance with the US at the time did not inhibit it from forming a friendly and non-confrontational relationship with China. Also, Pakistan navigated cautiously to avoid participation in the Korean War and refrained from criticizing China’s annexation of Tibet. It also supported the “One China Policy” while it received diplomatic backing from China on Kashmir, which is a disputed territory partly administered by India and partly by Pakistan, and also on the Bangladesh issue almost twenty years later. Hence for reasons stated above a number of observers see the first decade as a decade of “correct” Pakistan-China relations.

It was in the 1960s that relations began to shift from “correct” into the domain of regional compulsions, which were primarily targeted to tip the balance of power away from India. Border tensions increased causing a limited war in 1962. The Sino-Indian border dispute is still unresolved and still causes tensions. China claims India-controlled Arunachal Pradesh and India claims China-controlled Aksai Chin.

In 1963, Pakistan and China signed a border agreement in which 5,180 sq. kilometres of Pakistan-controlled Kashmir was ceded to China, triggering a strong Indian protest. In Pakistan’s 1965 war with India, Pakistan was disappointed when the US imposed an arms embargo on Pakistan and also on India. However, China provided Pakistan with not only diplomatic but also military support without entering the war, yet posing credible threat of a two-front war with India.

Structural changes in Pakistan-China relations began to occur in the early 1970s. Through secret diplomacy Henry Kissinger was flown into Beijing via Islamabad to work out US relations with China. Pakistan utilized the Sino-American rapprochement to develop military and even nuclear co-operation with China. Although Washington was aware of the nuclear cooperation between Pakistan and China, it overlooked it due to Pakistan’s high utility in U.S’s own South Asia policy. In December 1971 the Eastern Wing of Pakistan, which is Bangladesh today, became independent from the Western Wing. Earlier in the summer of 1971, an Indo-Soviet Treaty of Strategic Cooperation had already alerted China. However, China’s reactions to the 1971 Indo-Pakistan war were measured and no credible threats towards India were made as it had been the case in the 1965 Indo-Pakistan war.

As a result of Bangladesh’s independence, a downward trend was recorded in Pakistan’s share of total Chinese assistance and loans to third world from 1970-1978 with the exception of the year 1977- when it grew by 1

1 - Muhammed Ayub Khan, «The Pakistan-American Alliance,» Foreign Affairs (June 8, 2017).
3.4%\(^5\). In 1974, India successfully tested its first nuclear device which shifted the balance of power significantly in its favour.

Evidence suggests that as early as mid-1970s the Pakistani military was getting involved with the Afghan Mujahedeen for achieving geopolitical objectives. It was laying the groundwork needed for cultivating a “Strategic Depth” in Afghanistan - a process that sped up after the Soviet invasion and throughout the period of 1980’s and 1990’s. The vision was to have apliant government in Kabul which would serve Pakistan’s goal’s vis-à-vis India and Central Asia\(^6\).

Through the 1980s, after the Soviet invasion and occupation of Afghanistan in December 1979, US and Saudi money poured into Pakistan to spread religious war doctrine (Jihad) against the “godless” Soviet threat using the Jihadi syllabus developed and distributed by the University of Nebraska\(^7\). The separatist elements in Muslim population of Xinjiang were directly influenced by this new strategic environment and Pakistan became one of the many recruiting and training grounds for the East Turkmenistan Islamic Movement\(^8\). But China utilized Pakistan Inter Services Intelligence’s leverage with the Afghan Taliban to keep Uighur separatists out of Xinjiang. The Soviet invasion of Afghanistan had ushered a convergence of interests between US, Pakistan and China. Pakistan became a frontline state in countering the Soviet military in Afghanistan and took advantage of this new context to extract resources from the US and China which it then invested in building its own defence capacity against India. During the Afghan Jihad, China permitted over-flights from its territory and provided anti-tank rockets to Pakistan\(^9\).

In South Asia the results of the end of the Cold War - just nine months after Soviet withdrawal from Afghanistan (1989) - complicated the existing structure. Following this withdrawal, Pakistan’s utility for the US in its South Asian policy had dropped and it imposed harsh sanctions, due to Pakistan’s nuclear program that China had helped developing considerably\(^10\). US suspended all military sales and economic aid to Pakistan in 1990 by invoking the Pressler Amendment. Pakistan-US relations were so strained by mid 1990s that US was on the verge of declaring Pakistan a state sponsoring terrorism\(^11\). Then, China became Pakistan’s leading arms supplier. Pakistan kept a close military cooperation with China.

The co-operation expanded gradually over the years as China began to build its own capacity to produce and export arms. In 1992 China sold 54 short-range ballistic M-11 missiles to Pakistan\(^12\). When Pakistan conducted its first nuclear tests in May 1998, China condemned the tests but it continued its nuclear cooperation by assisting Pakistan setting up the Khushab reactor facility in Islamabad\(^13\). The facility is a 40-50 MW production reactor of weapon grade plutonium.

Three incidents underscored China’s support for Pakistan in the years 1990-2001: 1) The 1990 confrontation between Pakistan-India forces on the line of control in Kashmir; 2) The 1999 Kargil mini war; and 3) The standoff in Kashmir in the aftermath of 2001 Indian Parliament attacks. High-level Chinese officials visited Pakistan after each of the confrontations listed above assuring Pakistan that China’s “comprehensive cooperative partnership with Pakistan would continue and so will the aid and military cooperation”\(^14\). Furthermore, Stockholm International Peace Research Project (SIPRI) yearbooks reveal a number of new orders of arms that were placed by Pakistan during the timeline of the above mentioned confrontations\(^15\). While Pakistan-China defence, nuclear and diplomatic ties grew in scope and strength, areas of co-operation as trade relations and people-to-people contacts remained weak.

For China, Pakistan was a gateway to the world, e.g. the US and the Muslim world. It was a safe regional balancer for countering India, and it was a reliable neighbor which had refused to engage in war with China despite being a US ally. China’s geopolitical environment and regional dynamics brought it closer to Pakistan in the aftermath of its clash with India. Moreover, Pakistan was the only UN member country besides Cuba to support China in the aftermath of Tiananmen Square massacre of 1989. For Pakistan, as time went on, it viewed the US as a less reliable ally, whereas China was considered as a regional reliable partner which offered material and non-material support.

**A period of deepening Cooperation (2001-2012)**

Following the September 11, 2001 attacks on twin towers and the Pentagon, Pakistan was given an ultimatum to either get on board with the War against Terror or to face it. Pakistan chose the former. Since then, civilian and military death toll in the War against Terror in Pakistan has crossed 80,000\(^16\) as of March 2017. The country has faced direct and indirect losses of more than $118 billion\(^17\). Pakistan encountered multi-dimensional crisis during this period. This section provides an overview of the evolution of Pakistan-China relations during this period.

14 - “PRC: Jiang Zemin Interviewed by Pakistani Correspondent on Ties, Afghanistan,” Xinhua (English), (December 18, 2001).
17 - “‘War on terror’ has cost Pakistan $118bn: SBP”, Dawn, (19/11/2016).
political, military and economic relations from 2001 until 2012.
In 2001 the then chief of Army staff, Musharraf, visited China. During a press conference he said “the total trade between Pakistan and China is not even $1 billion, which really is regrettable in the context of trade between two very close partners and very close countries”18. Just five years later China’s trade volume with Pakistan was US$ 4 billion (2006-07). A Preferential Trade Agreement (2005) and Free Trade Agreement (2006) came into effect in 2007 and Pakistan’s exports to China crossed $1 billion that year. The total value of imports of goods from China between December 2006 and August 2010 was $11 billion, whereas exports to China were merely $0.25 billion in the same period19. Aside from these official figures tax-free arrangements of containers carrying goods from China remained undocumented due to presence of smuggling rackets.

During the Musharraf and Zardari regime, Pakistan reportedly asked Beijing to formalize the relationship but China was opposed to concluding an alliance even with its “long standing strategic partner” of five decades20. China termed Pakistan a “Strategic Partner” in 200521. China’s counter-terrorism co-operation with Pakistan also strengthened between 2001 and 2012. Terrorists and separatist activities in Xinjiang during this period were found to have links with groups and individuals in terrorist training camps operating in Pakistan. Some of them were also involved in the 2008 attack at the time of the Beijing Olympics, the 2010 Uighur separatist riots and the 2010 Kashgar knife attacks. Pakistani officials have admitted that members of separatist group as the East Turkmenistan Islamic Movement (ETIM) and the Turkestan Islamic Party (TIP) had links with the Tehrik e Taliban Pakistan (TTP). In 2010 Abdul Haq, the head of ETIM, was killed in a U.S drone strike. His predecessor Hassan Mahsum was killed by Pakistani security forces earlier in 2003. Pakistan’s proximity and its links to certain factions of Afghan Taliban have their merits and demerits. These links have benefited Pakistan and China in their defense capabilities. For instance, after U.S. attacked an al Qaeda camp in Afghanistan (1998) one Tomahawk cruise missile went off course and landed in Baluchistan, with Pakistan’s facilitation, many of these missiles were sold to the Chinese and reverse-engineered, helping the conception of the Pakistani Babur cruise missile and also the Chinese DH-10. Furthermore, Chinese-inspired short-range Shaheen I and medium-range Shaheen II ballistic missiles are integral part of Pakistan’s delivery system, which are inspired from Chinese designs. Pakistan has returned the favor in its own capacity by allegedly allowing Chinese engineers to access Western technology, e.g. the black hawk stealth helicopter that crashed in Abbottabad during the Osama Bin Laden raid in May 2011.

Pakistan’s total arms import from China between 2000 and 2013 was US$5,107 million, making China its largest source of arms and equipment during that period22. The above overview of the developments in Pakistan-China from 2001 to 2012 shows a deeper cooperation in political, economic and security/defence arenas. Then, the scope of co-operation between the two also gradually expanded beyond the earlier India-centric slant. However, economic and trade relations remained the weakest pillar of the Pakistan-China strategic partnership.

21 - Feng Zhongping, and Jing Huang, “China strategic partnership diplomacy: engaging with a changing world”, European Strategic Partnerships Observatory, Working paper number 8, (June 2014).
22 - SIPRI Arms Transfers Database, TVIs of Arms Exports to Pakistan 2000-2013.
23 - HKTDC, “The Belt and Road Initiative”, (16/05/2017).

Pakistan-China Relations since 2012: The Economy Takes the Lead?

In 2013, President Xi Jinping put forward his One Belt One Road Initiative (OBOR). It comprises of physical and non-physical components of connectivity and development across more than 65 countries to be linked to China. It aims to achieve the world largest economic cooperation network along with policy coordination, socio-cultural cooperation, financing and trade collaboration. OBOR has a land route, i.e. the Silk Road Economic Belt, and a maritime route, i.e. 21st Century Maritime Silk Road. The Fig. 1 below illustrates both components. Although the Bangladesh-China-India-Myanmar Corridor is unlikely to materialize as talks remain stalled, it still features in official maps.

The initiative has immense significance for China for a number of reasons. The aim is to boost development, connectivity and trade via infrastructure and transport networks, in regions traversed by OBOR. It will also provide China with the opportunity to expand its economic, political and even military presence across the globe to take on a proactive role in world affairs to secure its interests abroad. President Xi’s 2015 visit to Pakistan was the occasion for both countries to launch a new initiative, the China
Pakistan Economic Corridor (CPEC). Memorandums of Understanding (MoUs) worth of $46 Billion were then signed. But the envelope later increased: as of May 2017 local Pakistani news sources inflated the figure to as high as $62 billion\(^24\) (United States total financial and military assistance to Pakistan from 1948-2010 equals $61.7 billion\(^25\)).

The CPEC is a collection of projects related to energy, infrastructural and agricultural/industrial development, along with various other development projects aimed at boosting Pakistan’s economy and bringing political and economic stability. The CPEC comprises of a land and maritime route connected by the port of Gwadar, as is illustrated in Fig.1 above. The CPEC is an important component of the OBOR as it constitutes a considerably shorter route to the Arabian Sea from Western China. And in the event of tension or conflict in the South China Sea, this alternative route can help China overcome its “Malacca Dilemma”, Gwadar lies east of Strait of Hormuz through which much of the Middle East’s crude production passes.

However, there are security concerns over much of the plan, especially in developing Gwadar. This port is located at the tip of Pakistan’s most unstable province that has gone through episodes of medium to low intensity separatist insurgency. In the past, ethnic Baloch rebels have blown up numerous gas pipelines, trains and even attacked Chinese engineers. As a result, the CPEC land route has an Eastern route (proposed alternative) and Western route (original proposed) as shown in Fig. 2.

![Fig 2. Source: Gandhara 2015 Illustration of China Pakistan Economic Corridor\(^26\)](image)

The CPEC: A Closer and Unprecedented Economic Partnership

Although Pakistan does not fall into top 15 of China’s trading partners, there is a cautious optimism on both sides that the investment China has made in Pakistan via CPEC projects is going to expand bilateral trade. Nevertheless, Pakistan’s internal controversies have drawn scepticism to the viability of the project, even at this early stage. Pakistan is not a small country in terms of its population, it is the 6th largest population in the world. A population census is underway as of June 2017, after a gap of 19 years, the estimation is above 200 million. Instability, mismanagement and incompetency coupled with rampant corruption have resulted in crisis in almost every sector. Business ranking prepared by the World Bank places Pakistan at number 144 out of 190. A commodity such as electricity is in short supply and the energy sector is in shackles; blackouts (load-shedding) of up to 18 hours a day (in rural areas) have become the norm. Power black-outs and expensive energy have weakened Pakistani local industry in the last two decades. Hence, more than $35 billion has been allocated to energy generation projects in CPEC, with the aim to revive the local industry. Reports suggest that a 17% return rate has been promised to Chinese State Owned Enterprises (SOEs) investing in all CPEC related projects; if that is true, the electricity generated would be very expensive for a common man. Pakistan GDP per capita is $1,561 (2016) (China is above $8,000) and more than 40% of its total population lives in acute poverty\(^27\).

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\(^{24}\) - “CPEC investment pushed from $55b to $62b”, Tribune, (12/04/2017).


\(^{26}\) - Khalifah Gandhara, “CPEC Illustration” (March 2017).

\(^{27}\) - “40% Pakistani’s live in Poverty “, The Express Tribune, (21st June 2016).
Four of the five poorest districts are in Baluchistan, where Gwadar’s bottleneck deep sea port is located.

Fig. 3 shows the major power projects that are expected to be completed in 2019.

They are expected to exceed $3.546 billion\(^\text{31}\). These loans which fall under the Foreign Directed Investment schemes have a 17 % guaranteed return\(^\text{32}\). However, due to insufficient information it is speculated that Pakistani’s are still unaware of how much the CPEC would actually cost them\(^\text{33}\).

In February 2017 Shanghai Electric Power acquired for $1.8 billion K-Electric which is one of Pakistan’s biggest energy producers.

For the sake of comparison, in 2016 India-China bilateral trade amounted to $70.8 billion\(^\text{29}\) with a trade deficit of $46 billion; whereas Pakistan-China total trade stood at $10 billion with a trade deficit of $6.2 billion\(^\text{29}\). Out of a total 7,550 tariff lines under the China Pakistan Free Trade Agreement, Pakistan only exported 253, with an average export value of $500, reported Dawn in June 2016. Although major deals have been signed between China and Pakistan, very limited information is available. For instance, even the rates of return on the loans, repayment methods and terms of agreements have not been made public.

The CPEC loans are of two main types: 1) Government to government loans and 2) Commercial loans. The former having a lower interest rate only make up one third of the total loans. Special concessions given to Chinese investors (state-owned companies and private investors) have made people speculate Pakistan’s annual dues once the commercial operations begin.

\(^{29}\) - “India’s trade deficit with China climbs to $46.56 billion”, The Economic Times, (13th Jan 2017).
\(^{31}\) - Ghulam Ali, “What we get right and wrong on CPEC”, The Friday Times, (23rd June 2017)
\(^{33}\) - Christine Fair, “Pakistan Can’t Afford China’s Friendship”, Foreign Policy, (03/07/2017)
are on the rise. In May 2017 Pakistan launched its first Chinese language newspaper for its estimated 10,000 Chinese population.

The Political, Military and Geo-strategic Implications of the CPEC

China’s economic and geo-strategic ambitions with its power projections have had an inevitable spill over effect on its South Asia policy. Pakistan’s current elite views itself as the biggest beneficiary of China’s rise and the CPEC. Aside from bilateral engagement China has sought to engage Pakistan on a broader scale. For instance, in June 2017, Pakistan (and India also) were accepted as full members of the Shanghai Corporation Organization. The CPEC is part development scheme, part strategic gambit. But according to a document “leaked” by Pakistani leading newspaper, Dawn News, in May 2017, it seems as though China has positioned itself to make the most of the deal. Also, the project has raised multiple controversies within Pakistan. Politicization of such a vast plan is inevitable even in a weak democracy like Pakistan. It has polarized the political elite as well as the society. In May 2017, a Pentagon report suggested that Chinese forces are likely to be stationed at Gwadar, something that has been in discussion for some time, especially in Indian policy circles. As India expands its navy into the Indian Ocean, fears that China is infringing on its rights by stationing warships in Gwadar, comes as an alarm. However, China has on multiple occasions indicated that Gwadar is a civilian project. The CPEC also has political implications on the provincial level. There have been allegations from Baluchistan, KPK (Khyber Pakhtunkhwa), FATA (Federally Administered Tribal Areas) and Sindh that Punjab wants to maximise its own share and benefits of the project on the expense of other provinces. Their allegations are well founded, given that contrary to the public announcements and consensus built during the meeting of the CPEC Joint Coordination Committee, there has been little on-ground infrastructural development in the Western route. These objections to altering the initial Western (Baluchistan) route to the Eastern (Punjab) route have been labelled as anti-CPEC propaganda by the government spokespersons repeatedly. The central government has also stated that it was the Chinese companies that preferred the Eastern route for security reasons, whilst documents obtained by certain television journalists suggest the contrary. A Senate committee on the CPEC was formed by the government in 2015, which includes members from various political parties. During an interview in the summer of 2016 with a leading journalist, the chairman of the committee expressed serious concerns of governments “duplicity” on the CPEC route while revealing that the Gwadar port itself remains a “non-starter”. In November 2016, the first cargo shipment consisting of hundreds of trolleys was transported across 3,000 kilometres from China to Gwadar port and then escorted by Pakistan navy vessels on its way to Middle-East and Africa. If each caravan and shipment has to be escorted by army and navy the costs for the corridor would be very high for Pakistan to sustain. In geostrategic terms, South Asia is a highly volatile region. Pakistan’s historic animosity with India and growing tension in Kashmir along with Pakistan’s deteriorating relations with Afghanistan are serious impediments to the CPEC. A report published in June 2017 by the UN’s Economic and Social Commission for Asia and the Pacific (ESCAP) stated that the project is likely to ignite further political instability in the region. This seems likely given that India has remained outside of OBOR and boycotted the Belt and Road Initiative held in Beijing in May 2017. It has also protested that the CPEC passes through Pakistan-administered Kashmir, presented as a violation of its sovereignty by China. A month later India inaugurated an Air Corridor with Afghanistan, a route that by-passes Pakistan. Indian media outlets have been quick to report the slightest hint of rattle between Pakistan and China. For example, when Xi Jinping did not meet Nawaz Sharif on the sidelines of the June Shanghai Corporation Organization (2017), the move was reported as a “snub” to Pakistan (allegedly due to the killing of two Chinese teachers by ISIS in Pakistan). However, Chinese Foreign Ministry was quick to dismiss these reports. Despite China’s economic engagement with India, border disputes are a usual source of contention. As recent as June 2017 China lodged a solemn protest to Indian government for allegedly “trespassing into its territory Sikkim Sector” and also barred Indian pilgrims from entering Tibet. China’s relationship with India has improved over the years in trade and political terms but is not free of tensions. As one China expert stated: China has “sustained its strategic entente cordiale with Pakistan, while navigating toward ever-deeper cooperation with India.” China’s much deeper trade, social and economic ties with India have not upset Pakistan due to China’s repeated diplomatic support for Pakistan. For instance, Prime Minister Modi’s charm offensive launched at president Xi to accept India’s membership
to the nuclear suppliers group (NSG) of 48 countries has not been fertile.

The CPEC has also contributed to improving Pakistan-Russia relations. A Russian military delegation, headed by Chief of General Staff Colonel General Israkov Sergi Yuryevich visited Pakistan in April 2017 and this was seen as a hint of Pakistan switching course. In 2016 soon after the India's claims of conducting a “surgical strike” in Pakistan-administered Kashmir, 200 Pakistani and Russian military personnel conducted joint exercises codenamed (Druzhbha-2016 meaning friendship) to India's anxiety. Modi’s meeting with the American President Trump in June 2017 further strengthens the idea that India has orbited closer to Washington. Moscow has suggested its support for the project in the spirit of regional connectivity and its interest in a closer engagement with Pakistan is likely driven by concerns over Afghanistan security46. However, India remains to be CPEC’s largest critic.

Pakistan is convinced that India is determined to subjugate the project and in March 2016 an alleged Indian self-confessed serving naval officer, Kulbushan Jadhav was arrested by Pakistan. He was sentenced to death by Pakistani military court in 2017. In a confession video, which Indian authorities believe to be a forced confession, he revealed he was funding Baloch Liberation Army and was involved in certain terrorist attacks in Baluchistan to the deral economic development there.

There is a wide range of challenges to the CPEC but if Pakistan and China want this plan to be sustainable, it must be made public, so that it can become a national project and not a party slogan, as some suggest in Pakistan47.

**Defense Co-operation and Security Risks: Terrorism and Xinjiang**

As the CPEC aims for more cross-border movement and business opportunities for people on either side, China’s primary concern is cross-border terrorism and instability in Xinjiang. A report published by Dawn News of Pakistan speculated that China's covert pressure on Pakistan to get tough with the terrorists at home has been more fruitful than that of the US, citing the Lal Masjdi (Red Mosque) operation of 200748. However, to secure its investments and ensure return for its loans the report suggested that Beijing's pressure had increased on Pakistan after Nawaz Sharif’s first state visit to China in 2013. This pressure played a part in the unanimous decision of Pakistan’s civilian and military leadership to launch Zarb-e-Azb, a military operation countrywide to destroy terrorist hubs in 2014.

The starting and ending point of the entire land-route is from Kashgar to Gwadar and Xinjiang to Baluchistan. Therefore, a tense security environment in either region or in between could be detrimental 49.

An Ever Closer Military Cooperation

In 2011, China and USA had a relatively similar proportion of Pakistan’s arms import: 38 % and 39% respectively. However, in 2016 imports from China account for 63% of Pakistan's total arm imports50. In 2014, a two week long Pak-China Joint military exercise “Peace Angel 2014” was held in Pakistan. In 2016, Pakistan Navy (PN) guided missile frigate Shamsheer and fleet replenishment vessel Nasrheld joint navy drills with a pair of People’s Liberation Army (PLA) Navy ships, the Type-054A Jiangkai II frigates Xuzhou and 49 - “Chinese couple abducted in Pakistan has been killed”, *The New York Times*, (12/06/ 2017). 49 - “Chinese couple abducted in Pakistan has been killed”, *The New York Times*, (12/06/ 2017).

50 - “Pakistan says ‘almost all’ Uighur militants eliminated” *Dawn*, (8th April 2016)

51 - “China to carry out shuttle diplomacy between Afghanistan and Pakistan”, *The Economic Times*, (26th June 2017).

52 - “China behind Pak’s growing confidence, supplies 63% of Islamabad’s arms need”, *Hindustan Times*, (30th September 2016).
Yangzhou. Earlier in 2016, Islamabad signed a deal with Beijing that includes the supply of 8 new stealth attack submarines by 202853, four to be made in China and the remaining four in Pakistan.

According to the media wing of the Armed Forces of Pakistan (ISPR), China and Pakistan have held 12 rounds of medium to high-level security and defence talks between early 2016 and June 2017. These include Pakistan’s Chief of Army’s Staff’s meetings with Chinese civilian and military leadership.

In May 2016 a PLA nuclear-powered attack submarine made a port call in Karachi when the Chinese Navy Commander, was in Pakistan for a visit. This was China’s first ever port call not only in Pakistan but in South Asia. In 2016, China built its first overseas base in Djibouti and is moving towards a military build up in Spratly Islands of South China Sea. However, an international security professor at Nanjing University, Zhu Feng, said “it is not a military base, it’s a military supply base. The characterisation is wrong,”54 in an attempt to play down the scope of the facility just as the Chinese official state machinery does.

In March 2017, for the first time in Chinese military history PLA sent a 90-member contingent to march alongside their Pakistani counterparts joined by a contingent of Saudi special forces and Turkish forces on Pakistan Day parade. The parade carried great significance as it had been discontinued for past seven years owing to an unstable internal security situation. The aim was to send a strong signal of solidarity across the region55.

Speculations about China’s intentions to station PLA forces in Gwadar, if they materialise would only deepen a military cooperation that has become much closer in the past few years56.

Fig. 4 shows Trend Indicator Values (TIVs) of Pakistan’s imports from China and other countries. These data generated by Stockholm International Peace Research Institute (SIPRI) underline Pakistan’s reliance on Chinese goods. Note that there is now a huge gap between Pakistan’s imports from China and the US. The figures are in US$ million.

Conclusion

For Pakistan’s ruling elite, a sustained diplomatic military and now economic support from China seems to be at the core of the country’s long-term objectives. Pakistan has always seen China as a bulwark against India and will continue to do so. In the absence of other reliable partners and friends, Pakistan’s limited options in the neighbourhood has forced it to put all its eggs in the China basket. For China, Pakistan’s internal stability is crucial for the sake of its investments and interests there. China’s primary concern is regional stability and security which is vital for its own growth and connectivity, as well as the whole OBOR initiative. Hence the launching of the CPEC. Furthermore, while military cooperation between China and Pakistan, after CPEC was announced, has increased, a similar trend in trade and commerce is yet to be seen. Most of early-harvest projects are due for completion in 2018 and 2019. All in all, this paper finds that co-operation between Pakistan and China has expanded beyond their traditional defence oriented ties into a new broad-based realm in which economy is going to play a larger role. However; this evolution is going to be a gradual one and the CPEC progression remains subjected to Pakistan’s internal stability and security. In order to fulfil China’s interests in Pakistan, a conducive environment has to be guaranteed by Pakistan. This paper also finds that although the relationship between Pakistan and China is based on mutual interests, China is more prepared and capable of extracting benefits for it than Pakistan. The relationship is lopsided and China clearly bargains with a much stronger hand.
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