

New era of partnership

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Pak-F. Relations

THE five-day state visit of Prime Minister Shaukat Aziz to China, from December 14 to 18, was truly a historic one. During his first visit as head of government, he initiated a change in the character of the "all-weather friendship" that resulted in the hosts adding yet another epithet to describe the friendship, when they called Pakistan "China's most reliable partner".

Starting with the Boundary Agreement, concluded in 1963, that eliminated the only possible source of contention, the graph of friendship and cooperation has gone steadily upwards. The writer was privileged to fly by the PIA inaugural flight to China in 1964 and heard Vice-Premier Chen Yi proclaim that the hostile attempts to isolate China had failed.

The Karakoram Highway was built between 1967 and 1978 and remains a marvel of engineering across the world's highest mountains in which some 500 Pakistani and Chinese builders lost their lives. The privilege of being a member of the joint Sino-Pakistan Delegation that formally opened it to civilian traffic in 1982 also marked the start of my tenure as Ambassador to this great country.

Forty years of association with this emerging great power, have provided reassurance, as well as security to Pakistan, and Pakistan has not been wanting in extending its full support to China, starting with a period when China confronted hostile powers to its east, west and South. The tree of friendship planted in those years has become tall, strong and deep-rooted, and is now yielding fruit.

Sino-Pakistan friendship assumed the character of a strategic partnership, in which the US joined during the years the former Soviet Union adopted an expansionist policy, and attacked Afghanistan in 1979. However, after the end of the Cold War following the Soviet withdrawal from Afghanistan in 1989, US perceptions changed radically as the Muslim world was viewed as the successor threat to communism. Pakistan was placed under sanctions, and not only denied economic and military aid, but even military equipment purchased and paid for was not delivered. China became the only source of sophisticated arms, and of advanced technology for development such as nuclear power reactors.

This friendship has endured and gained deep roots because it is based on shared principles of state relations, such as the UN Charter, and its essence that is contained in

the Five Principles of Peaceful Coexistence. Despite changes of government and of leadership, this friendship has been maintained and enjoys broad support in both countries. The start of the new century has witnessed a shared effort to build up the economic dimension of their relations, which has not kept pace with political and strategic relations.

The 50th anniversary of diplomatic relations, in 2001, was utilized to launch a major effort to build up trade and economic cooperation between the two countries. Premier Zhu Rongji availed of his visit in May 2001 to announce China's decision to increase its investment on a massive scale. He picked out some major projects, which China would finance and construct, such as

the offshore areas. The other was in agro-based industries, since Pakistan lags behind in agricultural productivity, and a high proportion of produce is wasted for want of processing for export. Joint ventures will be set up in rural areas for food processing, and in fishing areas for canning for export.

Areas other than economic and commercial were also addressed. Cooperation in higher education and science would be expanded. Thirty additional scholarships would be awarded for Ph.D students, while China would offer assistance for the teaching of Chinese in Pakistan. China would also provide financial support for the Chashma II Nuclear Power Plant. Agreement was reached also on the finan-

cial and technical arrangements for the Thar coal project. China would provide a grant of RMB 50 million to finance various programmes for assistance.

Prime Minister Shaukat Aziz is considered to be specially attached to the US where he has spent many years in high business positions. The recent visit to China gave proof that where national priorities and interests were involved, he can act in the national interest. He displayed a very cordial relationship not only with his counterpart, Wen Jiabao,

who will visit Pakistan in the first quarter of 2005, but also with other Chinese leaders. He also addressed Chinese intellectuals in Beijing, and businessmen in Shanghai. The Chinese defence minister called on him, and it was agreed to maintain the defence cooperation between the two countries.

Both sides took significant steps to build their economic relations in a manner that would reinforce their traditional friendship. Pakistan agreed to classify China as a "market economy country". This would facilitate increased economic interaction, especially Chinese participation in joint ventures, and readiness to invest in special economic zones. It may be added that the European Union had not responded positively to the Chinese request to be included in market economy countries. Pakistan's taking a lead in this matter would persuade more countries to take this step.

Several other areas for cooperation have been under discussion, and it is expected that the visit of Premier Wen Jiabao in early 2005 will lead to the announcement of more agreements. Chinese leaders reiterated their assurance that any improvement of relations with India would not be at the cost of its time-tested friendship with Pakistan. China also welcomed the moves made by Pakistan to pursue a dialogue with India. China was also pleased that the relationship was evolving to that of partnership, and China regarded Pakistan as its most trusted partner in the region.

The focus of negotiations during the prime minister's visit to China was on building up the structure of a partnership. It was agreed that joint companies would be set up for investment, and for infrastructure development, with equity participation from both sides. From the joint infrastructure development fund of \$4 billion, the contracts would be given only to Chinese firms.

the Gwadar Port, the Thar Coal Project, and several other infrastructure undertakings, in order to promote progress and prosperity in Pakistan.

President Musharraf visited China four times, concluding some major agreements in the economic field during his visit in November 2003. However, as both countries have made steady progress, and Pakistan's financial reserves have grown substantially. Prime Minister Shaukat Aziz, who has visited China as Finance Minister, was keen to raise the level and status of the economic relationship to that of partnership.

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A preferential buyers credit of \$500 million had been created during President Musharraf's visit in 2003. Agreement was reached on the procedure to be applied for utilizing this fund. A protocol was also signed to expand the preferential tariff list, and to speed up completion of study to set up Free Trade. An MOU was also signed for expanding the Saindak gold-copper project.

Two areas were picked for closer cooperation. One was oil and gas exploration in