

# Pak-China friendship

Pak-F. Relation

Kamal Matinuddin

16/9/04

The News

**D**uring the visit of the President to China in November last year a joint declaration between the two countries was issued, in which the two parties agreed to maintain frequent exchanges of not only high level visits but also strengthen exchange of visits between parliamentarians, political parties, armed forces and non governmental organisations, with a view to enhancing mutual understanding and friendship and promoting all round, steady and deepened developments of the bilateral relations.

In pursuance of these aims The Pakistan-China Friendship Forum held its second meeting in Beijing recently. The Pakistani delegation was led by Mr Agha Hahi, while the Chinese Chapter was led by the former Vice Foreign Minister, His Excellency Mr Xu Dunxin. Both delegations agreed that the relations between the two neighbours have remained close and friendly and largely unaffected by radical changes in the international environment however, greater cooperation between the two nations is needed to eradicate the scourge of terrorism, separatism and religious extremism. It was noticed that though China and Pakistan have excellent relations at the political level but much more has to be achieved in the economic field. The scope of people to people contact also needed to be enlarged.

The tragic incident in Gwadar, where three Chinese workers were killed, is a matter of serious concern to our friends. Though the Chinese delegation did emphasise that this act of terrorism was done by a handful of terrorists and that it would not affect the warm relations with Pakistan but they made it amply clear that if such incidents are repeated it would be difficult for the Chinese to continue to work in Pakistan. An impression will be created that Pakistan is not a safe place to work. They would very much appreciate if the criminals are caught and punished. The Chinese delegation was informed that Pakistan was taking effective measures to trace out the culprits and is determined to root out terrorists from its soil.

China condemns terrorism in all its forms. No matter how justified the cause, it does not support the killing of civilians. Ironically it was India and China, which had held a seminar on international terrorism. The papers presented were then published and circulated. As expected it was an opportunity for the Indians to portray Pakistan as a supporter of terrorist activities. This needs to be countered.

The Chinese are making efforts to develop their western region, which is adjacent to Pakistan. It is important for them that the region should have a peaceful environment. Pakistan's support to China to counter separatist's movements in Xinjiang has been appreciated. The anti-terrorist exercise carried out between the

Pakistan army and the PLA in Xinjiang was a step in that direction. However, there is a lurking fear amongst some of them that some Uighurs come to Pakistan and study in the madrassas. They then go back and create problems for the Chinese authorities. If these allegations have any substance our religious leaders would be well advised not to interfere in the internal affairs of Western China.

It is in the field of trade and investments where more work has to be done in order to widen the scope of our relationship. Presently, the annual bi-lateral trade, excluding Hong Kong, between the two countries is around US\$ 1 billion. It has been increasing since the last three years but only nominally, but the trade gap has been widening in favour of China. Our exports to China are restricted to either raw materials or intermediate products.

The percentage of Pakistan's trade with China as compared to its total trade with South Asian countries has been decreasing over the years. It was 50% of China's total trade with South Asia in 1990. It has come down to 20.2% in 2003 because, as the Chinese delegation put it, other South Asian countries are making greater effort to increase their trade with China. Our private sector must make renewed efforts to identify items and explore markets in China for their goods.

The bilateral trade between China and India in 2003 reached \$7.6 billion, up by 53.6 % over the previous year. India has become China's largest trading partner in South Asia. The two countries have steadily replaced their pure commodity trade with extensive technological cooperation covering project contracting, and mutual investment. Border trade between the two countries is also making rapid progress. Pakistan too can increase the volume of its border trade with China.

A good beginning has been made by signing the protocol of Phytosanitary Requirements for exporting mangoes from Pakistan. Other areas where an entry can be made in Chinese markets are agricultural machinery, animal husbandry, canned fruit, polished marble and building material. A Chinese company was interested in buying cotton from Pakistan. China has announced a preferential buyer's credit of US\$500 million. Pakistan provided US\$100,000 in cash and in kind to help China's efforts to fight SARS.

Both countries have indeed granted each other an MFN status. They have recently signed a Preferential Trading Agreement (PTA) by which a list of tariff concessions was exchanged between the two sides. They are now working towards a Free Trade Area (FTA) between them. Tariffs have been reduced by 18% on 193 items. (China and Thailand have an agreement of zero-tariff for their vegetable and fruit trade). The two nations need to establish a mechanism for economic cooperation. It must be remem-

bered that economic cooperation has its own logic. It is restricted or enlarged due to several factors - profits, privileges and the environment, availability of suitable infrastructures being some of them.

While it is difficult for opening Pakistani banks in China because of the requirement of declaring US\$20 billion assets by the bank concerned, China could be persuaded to open the Bank of China in Pakistan. It will greatly facilitate transactions by the sixty Chinese companies working in Pakistan.

China and Pakistan continue to maintain friendly exchanges and cooperation in the military field. A Pakistani naval fleet conducted a joint search and rescue exercise with the Chinese navy, the first of its kind between the Chinese and foreign navies.

**T**he Chinese delegation was happy to learn that an important road in Islamabad is to be named in honour of the late Chou En Lai, who played a major role in putting pressure on India and Bangladesh to release the Pakistani prisoners of war and desist from trying some of them for alleged abuses of human rights in the erstwhile East Pakistan.

High-level visits to China have taken place, which has helped in consolidating our friendship with our northern neighbour. However, no top leader from China has visited Pakistan lately. It is hoped that a visit by a Chinese dignitary will take place by the end of the year. Hopefully our new Prime Minister will visit China soon.

In order to maintain and increase cooperation between the two countries greater people to people contacts should be encouraged. Pakistani and China chairs can be established in some of the Universities in each other's countries. Though collaborating between think tanks already exists there is a need to send and receive more scholars to carry out joint research on subjects of common concern. It is heartening to note that around 40 Pakistani students have been sent to China to study for their Ph D degrees, by the Higher Education Commission.

China is no longer a closed society. Pakistan was indeed one of the first countries to recognise new China, but Beijing today has diplomatic relations with over 160 countries and is building good neighbourly relationships and partnerships with all nations, particularly between countries in South and Southeast Asia. Pakistan must not, therefore, take its friendship with China for granted. It must continue to make efforts to retain the time-tested friendship and do nothing, which will cause concerns in the minds of our Chinese friends. We could be marginalised if we do not continue to nurture our existing very warm relationship.

The writer is a retired Lt Gen and a member of the Pakistan-China Friendship Forum