

Pakistan-China Relations: Developments in Economic and Security Areas in the 21st Century

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Abstract

Considering new trends in global politics, the Islamic Republic of Pakistan appreciates the peaceful rise of the Peoples Republic of China. The well-established Pak-China camaraderie entered the 21st century with the new hopes of exploring innovative economic opportunities. The paper examines this relationship based on the interest of both the countries to be vigilant of the emerging regional and global scenario and to come up with appropriate economic and security strategy to meet their common challenges. The prospects of Pak-China relations reveal its significant impact on the global politics in future. This article spotlights the adjustments and the new areas of cooperation, which China and Pakistan explored in their relations. Keeping in mind the belligerent neighbour of Pakistan i.e., India and China's relationship with India and the US, from the perspective of neorealist school of thought this paper explores the nature of bilateral partnership in the anarchic order of the 21st century and two-pronged promising approach of Pakistan and China. It also seeks to understand whether coordination between the two countries to assure their economic prosperity and security in the 21st century will help in achieving their national interest or not.

Keywords: Pakistan-China Relations, Neorealism, Economic Prosperity, Security, India, United States.

Introduction

The geostrategic significance of the Islamic Republic of Pakistan has always been exceptional for China. Pakistan has significant importance for China in the 21st century, especially in the context of China's rise in the global arena. China sees Pakistan as a bridge towards Muslim countries. Pakistan

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possesses huge natural resources. It has the fifth largest standing armed force in the world with one of the best intelligence agencies and is the first Islamic nuclear weapons state, which makes Pakistan important in regional and international politics. Similarly, Pakistan is in close proximity to the Middle-Eastern region and serves as a natural bridge between South-West Asia and South Asia. In particular, Pakistan provides the shortest access to China towards Iran and a landlocked state Afghanistan, abundant with natural resources. Likewise, China also desires a route to the Indian Ocean via Pakistani seaports and Karakorum Highway (KKH). Although geostrategic position of Pakistan makes it an important regional player, yet it is encircled by multitude of problems including a hostile neighbour — India. In such scenario, Pakistan strongly needs the support and expertise of an external international actor. In this regard, China serves as a ray of hope towards solutions of Pakistan's economic and security issues.

The paper seeks to address and understand the question as to why the special relationship between Pakistan and China is important and how the two countries have enjoyed such friendly and stable diplomatic relations for decades. As discussed, the strategic importance of Pakistan both in the region and the world is of utmost importance to China. China, as an emerging power, is alarming for the US at present and will remain a concern for it in the future. Therefore, Pak-China strategic relationship must be understood from an international perspective, specifically the interlinking geopolitical relationships between China, the US and India. Since 9/11, this relationship has further strengthened keeping in view the various challenges faced by the two countries, in particular, to contain the global rise of terrorism, which has affected both countries, are also crucial factors in Pak-China relations.

Neorealist Perspective in Pakistan-China Relations

The theories of International Relations, when applied to the international system, claim their own domains. On the contrary, Neorealism covers biggest issues, such as past, present, and future of states interaction in the international relations: war, the avoidance of war, power balancing,

power seeking, the dismemberment of states, security competition, arms races and alliance formation.¹

Neorealism, as a theory of the international relations, seeks to explain how states, particularly the economically and militarily powerful states, behave in the international system and how they interact with each other at the global level. As opposed to classical realists, who consider states as a unitary element and acknowledge its dominant role in the international system, the neorealists concentrate on the international system that influences states relationship with each other in an anarchic world.

Kenneth N Waltz, the proponent of Neorealism, in his book *Theory of International Politics*, published in 1979, attempted to “hypothesise a general framework for describing the frequent and recurring patterns of state behaviour and state interaction in the international system.”²

As discussed, Neorealism focus on state relations with each other in a way where the international system influences their interactions in the form of shared common interests like forming an alliance, security dilemma, maintaining the balance of power and the balance of threat to secure their main objective of ensuring their security. The geopolitics since the Cold War has definitely influenced Pakistan and China in a way that both states strengthened their relations. For example, the 1962 China-India war, the ups and downs in Pak-US relations, Pak-India relations, China-US and China-Soviet (and now with Russia) relations and the ensuing global and regional geopolitical environment, illustrates the theoretical influence of Neorealism on Pak-China relations.

Pakistan and China have enjoyed long-lasting friendly relations, however, in the past, the two countries mostly cooperated at the political and military level. At present, both countries have extended their relationship to all-inclusive social, economic and cultural exchange relations. The following paragraphs discuss the nature of their relationship and how they have been able to sustain it.

¹ Jojo Jacobsen, “Neo-realism in International Relations – Kenneth Waltz,” <http://www.popularsocialscience.com/2013/11/06/neorealism-in-international-relations-kenneth-waltz/>

² Ibid.

Economic Collaborations

China's Ambassador to Pakistan, Sun Weidong, on June 24, 2016, in an interview stated that the projects in terms of Pak-China cooperation are focused on four areas: 1) energy projects, 2) transport infrastructure, 3) building of the Gwadar port and 4) industrial cooperation. Major energy projects include construction of a 300-megawatt solar power plant by the Chinese company, Zonergy, and the work on 16 other energy projects has been initiated. In terms of transport infrastructure, reconstruction and upgradation of the KKH, within Pakistan, is underway, and the construction of the Karachi-Lahore Motorway also started in March 2016.³ Regarding the progress on the Gwadar port, Pakistan handed over 280 hectares of land-use rights to a Chinese company for a term of 43 years on November 11, 2015. The construction of new facilities at the Gwadar port is already going on. Lastly, the Chinese projects in Pakistan under the China Pakistan Economic Corridor (CPEC) have employed Pakistani workers, showing that the close relationship between the two countries has already moved from the policy announcement to the project implementation stage. The number of funds involved, the depth of the exchanges, and the numbers of people participating are unprecedented in relations between the two countries.⁴ In the light of the above discussion, it can be stated that Pakistan and China had a time-honoured relationship, keeping in view cooperation in many areas. Some of the areas of Pak-China collaborations are as under;

Gwadar Deep Seaport

The Gwadar port is situated at the entrance of oil riched Persian Gulf region, around 234 nautical miles west of Karachi and around 390 nautical miles east of the Gulf of Hormuz. The Gwadar port is 80 km away from Iran's border⁵ and is located in close proximity to the Chahbahar port of Iran. The strategically important Gwadar port is

³ Raymond Lee, "The Strategic Importance of Chinese Pakistani Relations," *Aljazeera Centre for Studies*, 2016, <http://studies.aljazeera.net/en/reports/2016/08/strategic-importance-chinese-pakistani-relations-160803101555719.html>

⁴ Ibid.

⁵ K Raffat Zaheer, "Development and Operation of Port of Gwadar," n.d., <http://www.ifsma.org/tempannounce/aga33/Gwadar.pdf>

situated outside the Straits of Hormuz, which serves as a vital conduit for the international oil supplies in the region.⁶ It is situated close to three vital regions of the world, i.e., the Middle East, South Asia and Central Asia.

A revolutionary moment came in the history of Pakistan when former Prime Minister of Pakistan, Feroz Khan Noon, purchased it in September 1958, in return for a payment of three million pound sterling after the approval of Sultan Said Bin Taimur, integrating Gwadar into Pakistan.⁷ Since then constructing a port at Gwadar had been under consideration. Pakistan acknowledged Gwadar's potential as a deep seaport site in 1964. However, in 1992, Pakistan decided to build a port at Gwadar⁸ and in 1993, it started feasibility studies for the development of the port.⁹ Finally, in 2001, when China agreed to contribute in the construction of the Gwadar port, major steps were taken by Pakistan to turn its dream into a reality. China, on the other hand, was very keen to take productive steps towards the development of the port as 60 per cent of oil for China comes from the Gulf States through ships which travel over 16,000 km in two to three months, facing various risks. While through Gwadar distance will be reduced to around 2,500 km and the port can be used throughout the year.

In March 2002, Pakistan signed an agreement with the Chinese Harbour Construction Cooperation and both states agreed to construct a port at Gwadar. For the construction of the first phase of the port, China invested around US\$198 million, while Pakistan invested around US\$50 million. The completion of phase one, in 2005, brought new commercial advantages for both China and Pakistan, in addition to military dimensions, it assured opening of China towards the Indian Ocean and strengthened Pakistan's naval defence mechanism for the reason that in the event of war with India, the Gwadar port will provide strategic depth to Pakistan. It is also essential to mention that for improving mobility, China also

⁶ Ibid.

⁷ Syed Fazl-e-Haider, "Gwadar: An Emerging Center of the New Great Game," *ISPI: Policy Brief*, no. 162 (October 2009), 1.

⁸ Ibid.

⁹ Zahid Anwar, "Gwadar Deep Sea Port's Emergence as Regional Trade and Transportation Hub: Prospects and Problems," *Journal of Political Studies*, 1 (2), (2010): 97-112.

invested US\$200 million for the construction of a coastal highway that connects Gwadar port with Karachi.

On March 15, 2008, the Gwadar port began its cargo handling. However, the port was officially inaugurated by the Government of Pakistan on December 21, 2008. The opening of the Gwadar port marked another milestone in Pak-China friendship. With the construction of the Gwadar port, both Pakistan and China would be able to fulfil their energy requirements and would also facilitate the emerging Central Asian oil and gas centers, which seek outlets for their natural resources.

The development of the second phase of the port has yet to start that includes “four containers berth, one bulk cargo terminal and one-grain terminal.”¹⁰ In addition to this, development of the port also includes construction of “one Ro-Ro terminal and two oil terminals to handle 200,000 DWT ships.”¹¹ For the development of Gwadar, control of the port has once again been handed over to China. Pakistan and China intend to make advancement towards evolving and implementing a chief design for the Gwadar port as part of a financial corridor that foresees huge investment from China. No doubt, the economic corridor will drive Pakistan towards transforming itself into a regional economic hub.¹² The Gwadar port will be linked via railway and road networks for enhancing trade between the regional countries. The economic corridor also includes the construction of oil and gas pipelines in the long-run with the objective of attracting investments in various sectors¹³ and fulfilling the energy requirements of Pakistan and China besides other states.

By 2015, Pakistan and China also finalised a formula for linking the Gwadar port with western China within few years. China will also invest heavily in Pakistan for assuring smooth implementation of the CPEC.¹⁴

¹⁰ Zaheer, “Development and Operation of Port of Gwadar.”

¹¹ Ibid.

¹² Zafar Bhutta, “Gwadar Port: Pakistan, China all set to Develop Master Plan,” *Express Tribune*, February 15, 2014, <http://tribune.com.pk/story/671852/gwadar-port-pakistan-china-all-set-to-develop-master-plan/> (accessed on December 17, 2015).

¹³ Ibid.

¹⁴ Ismail Dilawar, “Plan to Link Gwadar port to Western China finalised,” *Pakistan Today*, November 25, 2014,

The CPEC will enable China to trade with the different regions through economic option.¹⁵

i. Current Port Facilities

The current port facilities include; the port area of around 64,000 square-meters, container stacking area of about 48,278 square-meters, empty container stacking area of around 6,875 square-meters, reefer cargo area around 367 square-meters and storage yard of about 28,669 square meters.¹⁶ Similarly, it also includes hazardous cargo storage 1,800 square-meters, control tower (foot print only) 1,536 square-meters, buoy yard, transit shed 3,750 square-meters, mosque, security building 65 square-meters, vehicles servicing garage 450 square-meters, generator building 593 square-meters, several immigration floors, per floor: 4,144 square-meters, lorry car park 1,125 square-meters, operations office and canteen, per floor: 1,742 square-meters, oil recovery system one complete set and future development area 118,575 square-meters etc.¹⁷

ii. Additional Projects

Additional projects include a coastal highway construction, connecting Karachi and Gawadar port with Iran. For that purpose, work on the coastal highway connecting the Gwadar port with Karachi has already been completed. In addition, up-gradation of the KKH; strategy of construction of railway line connecting Gwadar with China; schemes for energy cooperation and pipelines development; plans for establishment of industrial zone; enhancing arrangements for oil storage and refining facilities adjacent to the port; plan of massive capital injection into expansion of the port and energy projects; working on necessary facilities of fresh water treatment and water supply; construction of Gwadar International Airport and boosting of tourism and hotel industries. The additional projects will increase the significance of the Gwadar deep seaport which will play an important role in regional and the international politics.

<http://www.pakistantoday.com.pk/2014/11/25/business/plan-to-link-gwadar-port-to-western-china-finalised/>

¹⁵ Ibid.

¹⁶ “Gwadar Port Authority,” <http://www.gwadarport.gov.pk/portprofile.html> .

¹⁷ Ibid.

iii. *Significance of Gwadar Port*

Significance of the Gwadar port is explained as following

- i Gwadar deep seaport development strengthened the relations between Pakistan and China. It not only enhanced the concept of cooperation between these two states, but it also highlighted the relevance and significance of Pak-China relations in the international politics in the 21st century.¹⁸
- ii Pakistan has around 38 million tons of trade, and out of it about 95 per cent goes through the Arabian Sea — Indian Ocean. Port Qasim handles 32 per cent and Karachi port handles around 68 per cent, of all seaborne trade. It is predicted that in near future shipping activities will increase at existing ports and the total trade will rise to more than 91 million tons in coming years.¹⁹ The Gwadar port will definitely share the burden of the two ports very soon. Moreover, it is capable of meeting the economic goals, that can additionally be guaranteed over the growth of its “infrastructure along with assuring and increasing its connectivity with the hinterland.”²⁰
- iii The Gwadar port provides easy and shortest outlet to China, towards the Gulf States and the African region. In addition, it has the potential to serve as an alternate route for the Chinese trade in case the Strait of Malacca in the Indian Ocean is blocked by the US.
- iv China has been keen to construct an oil pipeline from Gwadar port to the western province of China so as to transform Gwadar into energy corridor, which will also work for the development of the Xinjiang province. It will ultimately make the Gwadar port significant at the regional and international levels.

¹⁸ Nawabzada Riaz Khan Jomezai , Chief of Pashtoon tribe, during an interview to the first author, September 3, 2014.

¹⁹ Adeela Khan, “Gwadar Port: Growing beyond,” *Center for Pakistan and Gulf*, <http://cpakgulf.org/gwadar-port-growing-beyond/>

²⁰ Ibid.

- v The Gwadar port can acquire the status of a gate to Strait of Hurmoz, hence, it can compete with the Iranian and the UAE ports. Similarly, by improving the present links the Gwadar port can provide a better and shortest trade route to the Caspian region and, thus, it may serve as a gateway between the Central Asian Republics (CARs) and the rest of the world.
- vi The Gwadar port provides strategic depth to Pakistan Navy in case Port Qasim and Karachi port are encircled by the Indian naval forces. Pakistan with its weak economy and limited resources cannot match the naval strength of India and looks towards China to play a balancing role in the Indian Ocean. Thus, Gwadar port provides an opportunity for Pak-China naval collaboration to monitor the Indian naval activities around the Gulf of Aden and the Persian Gulf, thus assuring strategic edge to Pakistan and China over India.
- vii The Gwadar port's success will provide a chance to the masses of "Balochistan to improve the living conditions in their province."²¹
- viii The Gwadar port has the potential to handle large cargo ships and oil tankers, which give it an edge over other ports. Similarly, the geostrategic location of the Gwadar port places it at a much advantageous position than other ports, like the Iranian Bandar Abbas and Chahbahar port, Salalah port of Oman and Dubai's Jebel Ali ports.²²
- ix Gwadar is situated at the strategic junction of three regions, namely South Asia, West Asia and Central Asia zone. The deep-sea port at Gwadar is visualised as a regional capital hub, serving commercial traffic to and from the CARs, Afghanistan, the Middle East, the Gulf, Xinjiang, Iran, and South East Asia, which, no doubts, makes it a very important port of the region.²³

²¹ Ariba Khan, "Gwadar Ports's Importance," *Pakistan Observer*, April 04, 2013, <http://pakobserver.net/201304/04/detailnews.asp?id=202615>

²² Ibid.

²³ Taj Muhammad, Member provincial Assembly from Battagram-Khyber Pakhtunkhwa, during an interview to the first author, June 22, 2012.

Saindak Project

The Saindak project became another milestone in Pak-China friendship, through the reserves of Pakistan and high-tech expertise of China, both have been exploring gains. The Saindak mines of gold and copper are situated in the district of Chaghi, Balochistan. During the 1970s, with the assistance of the Chinese engineering firm copper deposits at Saindak were discovered and in 1975, the feasibility study of Saindak project took place. The Saindak mine was expected to have ore deposits of around 412 million tons²⁴ and per ton holding on normally around “0.5 gram of gold per ton and 1.5 grams of silver.”²⁵ In accordance with the official evaluations, the Saindak project has the volume of producing around “15,800 ton copper, 1.5 tons gold and 2.8 ton silver”²⁶ annually.

With the funding of Pakistan in 1995, production of copper and gold from Saindak mine started. The project was set up by a Pakistani owned company, named Saindak Metals Ltd., at a cost of PKR13.5 billion. Initially, the monthly production rate was 6000 ounces of gold, 12000 ounces of silver and 1700 tons of copper. The copper was to be refined in China, it was also recommended that a refinery should be constructed at Saindak but no progress has been made on this as yet.²⁷

During Benazir Bhutto’s era, Pakistan decided to close the project late in 1995, because of the low price of copper in global markets and lack of availability of funds for continuing the project. Similarly, respective Nawaz governments also ignored to re-start Saindak project.²⁸

In 2002, Pakistan called foreign investors to invest in the Saindak project. The Metallurgical Corporation of China (MCC) Ltd., showed keen interests in the project and it was granted on lease for ten years which was to last in October 2012.²⁹ Pakistan-China signed an agreement for the development of Saindak Copper-Gold mine, later Pakistan gave five-year

²⁴ Yousaf Ajab Baloch, “Comment: the Plunder of Saindak’s Cooper and Gold,” *Daily Times*, October 15, 2013, <http://archives.dailytimes.com.pk/editorial/15-Oct-2013/comment-plunder-of-saindak-s-copper-and-gold-yousaf-ajab-baloch>

²⁵ Ibid.

²⁶ Ibid.

²⁷ Ibid.

²⁸ Ibid.

²⁹ Ibid.

extension which will work til October 2017, in the favour of Chinese firm, MCC, for the project, once the MCC approved to pay 5 per cent extra shares to the Government of Balochistan.

After restarting the work on the Saindak project in early 2001, the MCC kept the principle of employing locals of Balochistan and gave special priority to people living in Chaghai. Under Saindak project, the company can employ more than 1,300 Pakistani employees annually and 84 per cent of its workers are from Balochistan. Additionally, the MCC has also employed around 200 Chaghai residents as temporary employees, which helped in a significant way in increasing the income of local people and in up-gradation of their living standards.³⁰

The MCC has specifically designed the training packages, in which short-term, medium and long-term training requirements and development goals were set forth. In 2009, almost 4,900 employees attended various training programmes.³¹ These training programmes not only improved the work efficiency of the employees but a large number of technicians for Balochistan were also raised. The project also sustained the economic growth in district Chaghai, for instance, the local annual purchase of tools amounted around US\$40 million and the company in transportation annually pays about US\$2.6 million.³²

Security Cooperation

The One Belt One Road (OBOR) initiative and its flagship project, the CPEC, has expanded bilateral strategic and cooperative partnership to a more inclusive framework. The bilateral relations rose between the two from ‘All weather friendship’ to “all-weather strategic cooperation partners.” This bilateral relationship is grounded in common strategic and security interests and concerns, like global terrorism and maritime security. Since the beginning of the 21st century, the two sides not only have common economic interest and common security concerns, but also share

³⁰“MCCT Makes Strenuous Efforts in Technical Training for Saindak Project,” June 3, 2010, <http://www.mccchina.com/ENGLISH/ShowArticle.asp?ArticleID=5363>.

³¹ Ibid.

³² Ibid.

the dream of national peace, stability, and prosperity.³³ Security cooperation between the two countries is discussed in the succeeding paragraphs.

Al-Khalid Tank

Pakistan's Main Battle Tank (MBT), Al-Khalid, jointly developed by China and Pakistan is basically a hybrid tank; made with armament arrangements, subsystems designed through modification and unification of several international means. Most importantly, it is a locally manufactured tank.³⁴ Al Khalid tank's direct "lineage stems from the Chinese NORINCO Type 90-II MBT,"³⁵ while "its indirect lineage can be traced back to the Soviet T-54 series."³⁶ Furthermore, the tank has Ukrainian origin engine, however, assembling was done in Pakistan. In various aspects, the tank can be noticed as the eventual advancement of the successful Soviet T-54 system.³⁷

The design of the Al-Khalid tank ran through the last decade of the 20th century and the scheme was then recognised with "MBT 2000." The project was set together by Heavy Industries Taxila (HIT), of Pakistan and NORINCO Factory 617 of China. Prototypes appeared around 1991, and then it went into the evaluation phase.³⁸

The MBT is named after the great Muslim General, Khalid Bin Walid, the initial deliveries of this tank were made in 2002 and since then it has been in service. The new Al Khalid-I and Al Khalid-II versions will be signified as SAK-Super Al Khalid. Advanced Super Al Khalid MBTs with the arrangement of the new armour and optional Explosives Reactive Armour (ERA) can resist all known 120mm and 125mm rounds.³⁹

³³ "China Pakistan Friendship Strong and Lasting," <http://forpakistan.org/china-pakistan-friendship-strong-and-lasting/>

³⁴ "HIT Al Khalid (MBT 2000) Main Battle Tank (MBT) (2001)," http://www.militaryfactory.com/armor/detail.asp?armor_id=181

³⁵ Ibid.

³⁶ Ibid.

³⁷ Ibid.

³⁸ Ibid.

³⁹ "New Super Al Khalid Tank- AK I and II Main Battle Tank," *Pakistan Defence*, December 25, 2011, <http://defence.pk/threads/new-super-al-khalid-tank-ak-i-ii-main-battle-tank.148908/> (accessed on November 24, 2015).

An up-gradation of Al-Khalid tank also contains improved transmission and an electronic turret mechanism for it. The Tank additionally offers better defence during Nuclear, Biological and Chemical (NBC) battles. Al-Khalid tanks are equipped with the modern active threat-protection system and Integrated Battle Management System (IBMS). The HIT has also improved Al-Khalid's firearms loading potential⁴⁰ and, currently, it is capable of carrying "49 125mm HEAT and Armor Piercing Fin Stabilised Discarding Sabot-APFSDS"⁴¹ and "Naiza 125 mm DU rounds, 1,500 12.7mm and 7,100 7.62mm rounds."⁴²

Interestingly, through Al-Khalid tank Pakistan has strengthened its defence mechanism while China succeed in attracting other regional and international actors to seek the Chinese expertise, which will help China to reject the attempts of isolating it in regional and the international politics.

JF-17 Thunder Aircraft

The JF-17 Thunder combat aircraft is another landmark achievement of Pak-China friendship, a development project between "all-weather" partners. The JF-17 Thunder is a world class single seat fighter jet. This is significantly a powerful, cost-effective and multi-role fighter aircraft, which has the potential of facing the current and forthcoming air power employment trials.

It is loaded with a digital fly-by-wire flight regulatory structure that adds agility in it. The combat aircraft possesses the modern self-protection suite and excellent man-machine interface, completely a glass cockpit, which increases aircraft's combat capability and sustainability.⁴³

The JF-17 Thunder is loaded with long range glide bombs, fourth generation avionics systems,⁴⁴ "beyond visual range and short range air-to-air missiles, anti-ship missile and air-to-surface missiles and extensive

⁴⁰ Ibid.

⁴¹ Ibid.

⁴² Ibid.

⁴³ "JF-17 Thunder Brings laurels to Pakistan," *News*, June 18, 2015.

⁴⁴ Ibid.

range of conventional and smart armaments.”⁴⁵ The combat aircraft needs extraordinarily short lengths of the runway for landing and take-off, which assures flexibility of its operations at short air strips.⁴⁶ The aircraft is extremely efficient, reliable, and economical with the advantage of lower cost for maintenance than other existing light fighters.

It is an innovative, “lightweight, all weather, day/night multi-role fighter aircraft,”⁴⁷ manufactured as a combined project among Chengdu Aircraft Industry Corporation (CAC) of China and Pakistan Aeronautical Complex (PAC). The combat aircraft has excellent potential during air-to-surface and air-to-air battles.⁴⁸ The optimally united sub-systems of state-of-the-art avionics, computerised flight controls and potential of loading modern weaponry assures significant advantage to the JF-17 Thunder over same class rivals.⁴⁹ This jet contains the latest avionics of the world which can combat any fourth generation fighter jet.

The JF-17 Thunder can be used in all high fighting manoeuvrability both at medium and low altitudes. It has effective firepower, agility and survivability during warfare. It is expected to appear as an effective option for the air force of any state.⁵⁰

Moreover, the JF-17, economically, is an inexpensive aircraft with a weapons package that is not available elsewhere. The first prototype aircraft made its initial flight in August 2003.⁵¹ After that, two additional prototype aircraft were added for flying qualities, operation, engine, flight testing and basic structure. While the two prototype aircrafts were involved in wide-ranging avionics flight tests. All the required testings of the aircraft were completed in 2007, which marked the arrival of the JF-17 Thunder aircraft in Pakistan, where it was ceremoniously presented to the nation as a worthy gift on March 23, 2007.⁵²

⁴⁵ Ibid.

⁴⁶ Ibid.

⁴⁷ “Pakistan Aeronautical Complex Kamra: A Symbol of Excellence in Aviation: JF-17 Aircraft,” n.d, <http://www.pac.org.pk/jf-17>.

⁴⁸ Ibid.

⁴⁹ Ibid.

⁵⁰ Ibid.

⁵¹ Ibid.

⁵² Ibid.

The Test and Assessment Flight Centre was established at PAC, which made the operational evaluation of the combat aircraft along with the training of ground and air crew. The JF-17 Thunder has been formally added in Pakistan Air Force (PAF) as a substitute of A-5 combat aircraft of an operational squadron of PAF. At Farnborough Air Show UK in 2010, the JF-17 Thunder made its first parade.⁵³ Later on, this aircraft took part in several other international air shows, such as Dubai Air show, Zhuhai Air show in China, Turkish Air show and Paris Air show.

Pakistan has also launched the upgraded version of Block-I that is, JF-17, Block-II Thunder combat aircraft that made its maiden flight from the PAC facility at Kamra on February 9, 2015. The JF-17 Block-II version has advanced features like an air-to-air refuelling (AAR) probe, better weapons carriage, enhanced oxygen system and improved electronic countermeasures system. Pakistan has also started working on JF-17 Block-III, which will have a feature of Dual Seat cockpit option with a significant change in the engine and very advanced avionics, it will also enable pilots to see all required statistics & information on the helmet-screen.

Interestingly, China projected Pakistan as a model for the other actors, and via JF-17 China delivered a silent message to other states that they can also maximise their interests if they coordinate with China. It is not a secret now that the JF-17 will not only enhance the defence capabilities of Pakistan but it will also give Pakistan a chance to generate money through its export. In this regard, agreements have been signed with several Asian states.⁵⁴

Civil Nuclear Cooperation

Civil nuclear cooperation is another dimension of Pak-China friendly relations. During the early 1990s, China agreed to construct Chashma-1, a 325 MW nuclear power plant, which after completion became operational in 2000.

⁵³ Ibid.

⁵⁴ Franz Stefan Gady, "Confirmed: Sino-Pak JF-17 Fighter Jet has its First Buyer," *Diplomat*, June 15, 2015, <http://thediplomat.com/2015/06/confirmed-sino-pak-jf-17-fighter-jet-has-its-first-buyer/>

China affirmed that it has been involved in around six nuclear power ventures in Pakistan and is expected to export more reactors, representing that civilian nuclear collaboration between Pakistan and China will progress despite concerns of various countries at regional and at the international levels.⁵⁵

In the past, China repeatedly declined to affirm the details regarding the degree of its civil nuclear collaboration with Pakistan, however, recently China quotes its involvement in the construction of six reactors in Pakistan.⁵⁶ Wang Xiaotao, Vice-Minister of the National Development and Reform Commission (NDRC), told media that the “NDRC was keen to support further exports to Pakistan.”⁵⁷ He further added, “The NDRC is sketching fresh strategies for announcing the supportive financial rules for exports to Pakistan in the nuclear sector.”

Announcing the strategies at a press conference in Beijing, Wang also said that China is assisting Pakistan in the construction of six nuclear reactors with an overall installed capacity of around 3.4 million kilowatts.” China’s current ventures with Pakistan have come under scrutiny as the Nuclear Suppliers Group (NSG) does not authorise the member states to supply nuclear technology to the states that have not signed the Nuclear Non-Proliferation Treaty (NPT). India sought a waiver from the NSG for the development and assurance of its civilian nuclear cooperation with the US, which it obtained only after guaranteeing a variety of assurances.⁵⁸

China only declared the first two reactors, Chashma-1 and Chashma-2, were constructed in Pakistan at the stage of joining the NSG. During 2009, the China declared that it would assist Pakistan in constructing two new reactors i.e., Chashma-3 and Chashma-4, which became a matter of debates at the NSG, while China argues⁵⁹ that it prepared such supply arrangements with Pakistan earlier than becoming a member of the NSG in 2004, and

⁵⁵ “China Confirms it is Building Six Nuclear Power Plants in Pakistan,” *Daily Times*, February 9, 2015, <http://www.dailytimes.com.pk/national/09-Feb-2015/china-confirms-it-is-building-six-nuclear-power-plants-in-pakistan>

⁵⁶ Ibid.

⁵⁷ Ibid.

⁵⁸ Ibid.

⁵⁹ Ibid.

therefore China has been following a grandfathered contract dating back to the 1980s. China further stressed that the deals between Pakistan and China in this regard were under the International Atomic Energy Agency (IAEA) safeguards and were legal.⁶⁰

China is optimistic about nuclear collaboration with Pakistan. It has been observed that during November 2010, the Pakistan Atomic Energy Commission (PAEC) signed a contract with China National Nuclear Corporation (CNNC), for the construction of a 5th unit at Chashma. China has also announced its plans to construct two 1100 MW reactors in Karachi with roughly US\$6.5 billion in assistance.

Unlike the Indo-US nuclear deal, Pak-China nuclear collaboration is only for power generation and has a permissible cover before the laws of two states. Moreover, the nuclear collaboration between the two states started before the Chinese membership in NSG or even the NPT. After becoming an NSG member in 2004, China has voluntarily followed the NSG rules, despite extensive and traditional nuclear relations with Pakistan. Various NSG states may raise their objections towards Pak-China nuclear collaborative arrangements, however, they cannot force China from stepping back from exporting the reactors to Pakistan.⁶¹

When no legal grounds could be presented against Pak-China nuclear collaboration, then a movement was initiated with the objective of blaming that Pakistan was going to use those kinds of Chinese built reactors, which are yet to be tested. In reality, China is constructing the new scheme before the US could and China is expected to become the main state in the world that uses innovative reactor designs and test them.⁶²

Latest Developments

The regionalism and close cooperation in economic and trade fields between neighbouring states are fast emerging trends in the international

⁶⁰ “China Confirms it is Building Six Nuclear Power Plants in Pakistan.”

⁶¹ Hasan Ehtisham, “Pakistan-China nuclear cooperation,” *Express Tribune*, February 10, 2014, <http://tribune.com.pk/story/669571/pakistan-china-nuclear-cooperation/>

⁶² Ibid.

politics. By enhancing their relations with their neighbours and encouraging free trade concept between them, the nations is not to only learn from one another's experiences but they also wanted to achieve goals of economic development. To achieve targets on the same pattern, Pakistan and China also promoted the bilateral free trade concept. In April 2005, Pakistan-China started negotiations on free trade area on the occasion of the Chinese Premier, Wen Jiabao's, visit to Pakistan. Both states concluded Free Trade Agreement (FTA) that became effective in July 2007.⁶³

Furthermore, the former President of Pakistan, Asif Ali Zardari, and the Chinese State Councilor, Dai Bingguo, witnessed the signing of the FTA on February 21, 2009, related to Trade in Service of the Pakistan-China FTA, which was enforced on October 10, 2009.⁶⁴ Pakistan emerged as the second largest South Asian trader in China after India. The bilateral trade between Pakistan and China has improved from almost US\$4.10 billion in 2006-07, to around US\$10 billion in 2014, and in 2016, it nearly reached US\$16 billion.

The two countries are willing to increase their bilateral trade capacity around US\$20 billion in the next couple of years and, in addition, they also guaranteed to carry on their collaboration in the civilian nuclear hi-tech sector. The economic relations between China and Pakistan are getting a fast pace, not only in the arena of mega and minor projects but in strategic and ordinary businesses as well.

For further strengthening their relationship, in April 2015, the Chinese President, Xi Jinping, came to Pakistan, and the two sides concluded around 51 agreements and Memorandums of Understanding (MoUs) for cooperation in numerous fields. Among them, the most important venture has been the CPEC project. This development is strategically significant for the economies of two states. Once it is completed, China via Gwadar port will have easy access to the Middle Eastern and African markets, similarly by safeguarding a channel to the Indian Ocean through the Gwadar port, China will assure its military existence in the region the Indian Ocean,

⁶³ "China FTA Network: China-Pakistan FTA," n.d,
<http://fta.mofcom.gov.cn/topic/enpakistan.shtml>

⁶⁴ Ibid.

which will add an advantage before China in upholding its String of Pearls strategy.⁶⁵

Under the CPEC project, China will also help Pakistan to strengthen its economic infrastructure, China will invest around US\$11 billion in infrastructure sector and development projects in Pakistan and will inject around US\$34 billion investment in energy sector to help Pakistan to deal with its energy crisis. China also plans additional investments in the infrastructure projects of Pakistan of over US\$10 billion outside the CPEC framework. These include a six-lane 1,240 km expressway between Karachi and Lahore, the upgradation of the KKH and upgradation of public transportation in various Pakistani cities etc.

The CPEC is an extension of Chinese anticipated 21st century Silk Road initiative. This is one of China's major investments and the CPEC is predictably a strategic game changer in the entire region. For Pakistan, it will be a source of becoming an economically stable state, as the economic corridor will accelerate the movement of goods and services in the region.⁶⁶ According to the Prime Minister of Pakistan, Nawaz Sharif, "we welcome China's vision of the OBOR, and the CPEC announced during Chinese President's visit to Pakistan, which will spur regional economic integration and bring prosperity to the entire region and beyond."⁶⁷

Thus, the economic corridor will not only provide a short trading route to China, but it will also help her in fulfilling the energy requirements in a risk-free manner from the Gulf states. Likewise, it can also become a turning point in the prosperity and progress of the western province of China Xinjiang, which will help China to emerge as an economic giant. The CPEC is a significant venture in the history of Pak-China relations and it is seen as the Silk Road Economic Belt over the land network that joins the Maritime Silk Road in Sea which will

⁶⁵ Muhammad Daim Fazil, "The China-Pakistan Economic Corridor: Potential and Vulnerabilities," *Diplomat*, May 29, 2015, <http://thediplomat.com/2015/05/the-china-pakistan-economic-corridor-potential-and-vulnerabilities/>

⁶⁶ Syeda Mazhar, "China Pakistan Economic Corridor," *News*, May 27, 2015.

⁶⁷ Nawaz Sharif, Prime Minister of Pakistan during his speech at the 70th session of the United Nations General Assembly, on *ARY News TV*, September 30, 2015.

ultimately lead to the emergence of unique zone with vital importance, where 'Iron Brother' will have pivotal positions.

Conclusion

The world has been constantly changing in many ways, but in terms of Pak-China relations, this partnership has emerged as time tested, multi-dimensional and unique as it has not only sustained the shifts in regional and international politics but it has also remained unaffected because of changes of governments and leaderships in both countries.

Pak-China relations emerged out of regional strategic obligations that have always been considered as unique because it developed between a strongest Islamic State — Pakistan and a rising super power state — China. The bilateral relations symbolise the phrase of mutual respect, and deep sentiments of affinity as both nations have provided support for each other economically, politically and on defence related issues at regional and the international levels, which not only worked for securing their own interests but are also attracting other regional actors to explore advantage for themselves.

Because of the level of understanding between Pakistan and China, their bilateral partnership got the potential to alter regional politics and influence global politics. It also has the potential to act as a stabilising force for the entire region and because of the CPEC project their collaborations appears as an opportunity for regional and global actors rather than a threat.