



Pakistan's all-weather friend

China offers investment, aid and expressions of brotherly love to its neighbor and Cold War-era ally.

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ISLAMABAD — While American strategic planners debate when, where, if and how to put "boots on the ground" in Pakistan, the Chinese are leaving their footprints throughout the length of this country — from the northern Himalayan highlands to the southern Arabian Sea coast.

In Pakistan the Chinese touch is everywhere: in palms clutching cell phones, between the treads of trucks trading on new highways, and on the assembly lines of Pakistani military hardware factories.

"From a development point of view, China's always been Pakistan's most loyal friend," said Khurram Jamali, who left his financial consulting job in Washington, D.C. in 2006, learned Mandarin and moved to Beijing to work for Pakistan's largest bank, Habib Bank, which set up shop in China in 2005.

"I've put my eggs in the China basket — I see the future for Pakistan from here," he said from Beijing.

Jamali might have left Washington behind, but the choice is not as simple for Pakistan. Since its creation in 1947, Pakistan has been a vital strategic partner of the United States. But there is also a deep and decades-old relationship between Pakistan and China, two Asian "all-weather friends."

The strong ties between Pakistan and China have their roots in the Cold War, and it's often been a synergetic relationship. During the Cold War, while China was a rising Asian power, it supported Pakistan to counter India, the other large Asian powerhouse with whom the Chinese fought a war in Kashmir in 1962.

Today, Pakistan continues to benefit from this latent rivalry. Last year when the U.S. and India signed a nuclear deal, Pakistan and China responded within weeks by signing their own agreement, in which the Chinese agreed to build two more nuclear power plants for Pakistan at a total cost of nearly \$2 billion. This is in addition to the two reactors that the Chinese have already built in Pakistan.

But with the Cold War over, "we are now working on projects that look far beyond India," said Fazlur Rahman, the head of the China Study Center at the Institute for

Strategic Studies, a think tank funded by the Pakistani government. "If anything, the relationship has strengthened since the 1990s."

Today, China not only has one of the largest diplomatic missions in Islamabad, it is also the fourth-largest investor in the country after the United States, the United Kingdom, and the United Arab Emirates, with total investment estimated at \$6 billion. Pakistan carries out more than one-tenth of its total trade with China, and a free trade agreement signed between Beijing and Islamabad promised to triple bilateral trade by 2011.

But it's the kind of money the Chinese bring in that sets them apart, says Muhammad Bilal Khokhar, who manages the China desk at the Pakistan Board of Investment in Islamabad. While aid money comes through — Pakistan said last month that China had agreed to provide \$500 million to bail the country out of a looming economic crisis — the Chinese have always been most interested in large infrastructure projects, said Khokhar, projects "with concrete results."

Last year China Mobile, a state-owned telecom company that is the largest in the world, made its first international foray into Pakistan. The company invested nearly \$1 billion in the country in 2008 and "Zong" mobile has quickly become the fastest growing cellphone company in Pakistan.

Other Chinese companies, Khokhar said, were similarly working with Pakistan on longterm strategic projects: oil and gas, mining and ports.

Though such levels of trade suggest otherwise, the border between the two countries is a mere 300 miles. But it is also the path of the historic Silk Road, a fabled trading route. Through the mountainous passages on this border runs the highest road in the world, the Karakoram Highway, which connects Pakistan's northern mountainous areas with China's Xingjian autonomous region. Last year, Beijing announced \$327 million in aid to Pakistan to rebuild the Karakoram Highway on the Pakistan side, to improve trade and traffic.

The road is especially important to the Chinese to gain land access to Gwadar. The port — which has a \$1.5 billion price tag and is slated for the southwestern tip of Pakistan, a few dozen miles from the straits of Hormuz in the Persian Gulf — is being built with Chinese money and soft loans. While a Pentagon report warns that the port could become a Chinese naval outpost on the Arabian Sea, Chinese and Pakistani leaders emphasize its importance as a vital future trading route for the energy reserves in Central Asia.

Even military hardware, for which Pakistan has always looked to the West, is now being provided by the Chinese. And Pakistan isn't just a buyer: Islamabad began working with Beijing in 2003 to develop the JF-17 fighter jet. The first jets rolled off assembly lines in Pakistan in 2008.

But more than military hardware, or even billions of dollars in investment and aid, it's the expressions of "brotherhood" that offer a stark contrast to Pakistan's mixed emotions

towards America. In 2006, Chinese President Hu Jintao described Beijing's relations with Pakistan as being "higher than the Himalayas, deeper than the Indian Ocean and sweeter than honey," in a speech televised nationally in Pakistan.

In Beijing during last year's Olympics, I saw hints of this special relationship first-hand. "Pakistan, China — good friends," people from the host country stopped to tell me at the games. The "Chinese roar for Pakistan" during the opening ceremony, Anthony Lane wrote in a dispatch for "The New Yorker" magazine, "harks back to the Cold War."

Theorists see a New Great Game afoot in Asia. Pakistan is strategic ground for major world powers looking to get a foothold in South and Central Asia. But Khokhar at the investment board says there is no reason to choose — Pakistan has always been comfortable between the spheres of China and the U.S. It was Pakistan, after all, that helped broker diplomatic relations between Washington and Beijing in 1971 by smuggling Henry Kissinger over the Silk Road.

"As long as China and the U.S. don't have problems," says Khokhar, "we won't either."