



International Online Conference Report

“China's Quest for Peaceful Coexistence & Mutual Development”



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Opening Remarks

Major General Syed Khalid Amir Jaffery HI(M), (Retd) - President CGSS



A very warm welcome to all our friends from China and all the other participants for joining us on this unique Conference. It is an honor and privilege for us to be hosting all of you together. At this particular time when the world is facing an unprecedented situation because of the shattering effects of the corona virus pandemic, it would be sensible for nations to pull together in order to devise policies and strategies to counter and defeat the devastation that is taking place, and seems likely to increase. Now is the time for cooperation in all spheres.

Internationalism should be the norm and the best brains from Beijing to Washington should be working together. However that is not happening because there are some countries that are rejecting cooperation and choosing to focus on confrontation. Naturally, they are the ones suffering the most also. As of July 23rd, the highest number of deaths for COVID-19 were in the USA, while UK was also not far behind. The so called leaders of these countries have failed utterly to cope with the national and international aspects of the pandemic and aggressively confronted countries like China and Russia with whom they should be actually working very closely. The corona virus campaign however takes a back seat where the US or the western power projection is concerned, especially in the case of China. In the US national security policy paper, which they published in 2017, China is considered by the US (based on unknown reasoning or the need to create a threat to keep the economy and other alliances going) as the number one advisory and top competitor. Russia is also been added to the threat and the western media has been galvanized into action, and they are working overtime to project these countries as a threat. The rift between the West, Russia and China is deliberately being widened and the new cold war is breaking or has broken out already. The forthcoming US election is also an important factor in whipping up this frenzy but it must be remembered that this sort of a policy cannot be regulated and becomes uncontrollable with very damaging effects. China as we all know has never been expansionist power. The attempt to contain China was a policy doomed to failure. The very concept of BRI is a brilliant concept as it managed to break out of this containment policy. It has countered the containment policy without firing a single shot and has had geopolitical effects. The recent developments in our region as well

as in Asia must be analyzed carefully. The recent Indian failed attempt to creep forward got a fitting response from China and the US attempt to use India against China has suffered a serious setback at the moment. A word of caution for our Chinese brothers, the Indians have always this habit of going for appeasement till the time they become strong, so you have to keep an eye on them. And then they back out of all their promises. The illogical campaign against China, the tirade continues unabated backed by maneuvers in the South China Sea. The aggressive rhetoric cannot be wished away as per election posturing. The US is now facing serious domestic issues and it serves to divert attention of the US public. The US realizes that its policy to contain China economically has failed and is now fighting to retain its position as the leading superpower of the world. This is as usual supported by the usual followers of America, some countries in the west also. China meanwhile has its strong supporters like Pakistan, Iran, Russia and possibly Turkey. The demonizing of China by the western media continues. Our friends from China must counter these attempts. Iran, Nepal and Myanmar have also drifted into the Chinese camp. Countries as far away as Greenland, Iceland and in Africa as well are poised to enter the BRI fold along with many other countries. Developments are taking place rapidly and Pakistan and China have to work very closely together to analyze the situation and come up with suitable policies and strategies. The CPEC will remain a major target through various means and China and Pakistan will have to remain alert and responsive to any threats, direct or indirect. Pakistan as usual will always stand by our brothers in China through thick and thin and there should be no doubt in that. Thank You

Speaker 1

Mr. Muhammad Mudassir Tipu, Director General China, Ministry of Foreign Affairs, Pakistan



I thank CGSS for holding this very timely initiative. General Jaffery has very eloquently expressed some of the key issues that China is confronting right now and the global political landscape is confronting right now and the need for multilateralism and deeper strategic coordination between China and Pakistan. I also have to thank Mr. Victor Gao, he's a very eminent personality known all over the world and the other

speakers who in their own right are leading names in China, particularly the gentleman from Chengdu because I had the honor of serving there as Pakistan's consul general. Now, I think you have hit the nail by asking a note on the all-weather strategic relationship of Pakistan and China. I have been serving in China for about ten years. I had the honor to serve in Beijing, Chengdu and other capitals also and the kind of cultural expression that Pakistan's relation with China gets in China is really incredible. I have had the honor of being in the communist parties meetings of His Excellency President Xi Jinping, premier Li Keqiang state counselor Wong Yee and the meetings start with a historical perspective of how Pakistan and China have evolved, strengthened and deepened their relationship. It begins from 1951 and then it goes on to rapprochement between US and China in which Pakistan played very critical role and then of course other moment of history where both countries and people stood together with each other. As a diplomat I can tell you that where ever I have been posted people always ask me what is so unique about this relationship. It is a textbook case where the convergence of views is near complete and all of you people know and the speakers who are here today know that within Pakistan there is a board consensus across all political parties and state institutions that China is Pakistan's closest friend, staunchest partner and as the Chinese leadership says, 'Iron brothers'. Now these closest friends are not just expression, they are actually translated into reality, and the most recent affirmation of this concept is during the COVID-19. You have seen that the two countries have really stood by each other in the wake of the pandemic when the outbreak happened in Wuhan. Our President Dr. Arif Alvi

went to China as an expression of solidarity, PM Imran Khan spoke to H.E. Xi Jinping, and Foreign Minister Mr. Shah Mehmood Qureshi spoke to Mr. Wang Yi. Then you know, our students were in Wuhan and China took great care of our students. Of course this was a time when China was battling with Covid-19. The Hubei province is about 60 million people but the Chinese leadership said to us that we will take care of Pakistanis as our own people. This one phrase that as our own people meant and evoked a great deal of love and affection for China in Pakistan. So this is one recent example then of course when the outbreak happened in Pakistan, China extended a lot of material and moral supports. A team of doctors was sent by President Xi to Pakistan, it stayed in Pakistan for about three weeks, went to different hospitals, universities, think tanks and then PLA team had come to visit Pakistan and share their own experiences of Covid-19. Right now on vaccine development we are coordinating with our national institute of health and China's Sinopharm are in coordination. We are working towards a clinical trial and we believe that once the vaccine is going to be made available it will be a public good. So this is a very recent example of how we have been coming closer together. You may have read in the newspaper that in our division of Bhawalpur some 10 Chinese came in with the symptoms of Covid-19 and then the district administration took a great care of them. They sent them a bouquet of flowers, food etc. and made them feel that we will take great care of you, and thanks to God that only two were positive. So I am just telling you that you need in newspapers about the security ties and the strategic coordination but at a much broader level the people to people ties between these two countries are very strong. We have supported the idea of health sync role, proposed by Beijing. COVID-19 will one day go away. How are we going to build institutions? How are we going to cooperate in the health sector? How can we learn from the experiences of Chinese traditional medicines? Then the deeper coordination between the regional countries in dealing with COVID-19, post-economic recovery and the resumption of the global supply chains. These are all the things where China is taking the lead and Pakistan is supporting them. Then of course China Pakistan Economic Corridor (CPEC) is a flagship project of the BRI. It is a transformational project. Pakistani leadership has reiterated time and again, PM Imran Khan has reiterated time and again that the completion of the CPEC project is the number one priority of his government. Recently we have announced two very mega projects. One is the Azad Pattan Hydropower Project and the other is the Kohala power project. We have also announced the Diamer Bhasha project and the good thing about this project is that it is a joint venture between the Frontiers works organization

and the Chinese companies. Collectively these three projects have investment about 15 billion dollars over a period of couple of years. We have completed a lot of other energy projects in past six, seven years and some remarkable developments have taken place on the CPEC project. If you got various cities of Pakistan, the road infrastructure has been laid out. If you remember there was a lot of load shedding in Pakistan few years back but no it has come to an end. There is an argument made that the CPEC projects that they contribute only 6 percent to Pakistan's debt burden so every other thing every other propaganda every other misinformation or the dystopian news that you are reading about the CPEC is absolutely false and part of propaganda and not based on facts. In the second stage of CPEC we are focusing on the special economic zones and the socio-economic development projects because we believe that in infrastructure we have made a huge development. We have identified nine special economic zones. If you have gone to Gawadar you will see that it is a completely changed city. So much economic investment is coming the Gawadar East Bay Expressway is being completed, airport is being completed, a 300 MW power project is being installed there. Gawadar is at the mouth of the Strait of Hormuz, it is very close to Africa. So a lot of trade facilitation will take place from Gawadar. It is declared an entry point for trade with Afghanistan. So I think in the next 5 to 10 years you will see that Gawadar will have huge economic trade significance and this will reinforce development for the entire region. CPEC has also created thousands of jobs in Pakistan's economy and this by itself is a very amazing development and we welcome special investments in the special economic zones of CPEC and more recently two joint working groups have been established one is on agriculture and one is on science and technology. In agriculture we have a huge potential. In the last 30 years, China has really made a remarkable progress on the technical sector so what we need to do is to bring in more companies, we need to revamp our agriculture sector and we want to export our meat and dairy products to China, this is a huge market and we can meet the standards according to the quarantine regulations of China. So hopefully in a short time we are working on it, we are expecting a Chinese team to visit Pakistan and see our facilities. Very few people know that during past couple of years we have completed about 1600 km of road infrastructure and another 1500 km under CPEC is being constructed. A 5320 MW of energy have been added into Pakistan's sector in the last couple of months. 820 km optical fiber between Khunjerab and Islamabad and of course it will go up to Karachi and other parts of Pakistan. We have signed a second round of free trade agreement which is going to give a lots of boost to Pakistan's trade to China. We have a number of flights that have

started between both countries and we hope that once the COVID-19 is over the real potential of this relationship will further grow. We believe that if we have peace, development and stability in the region, BRI and CPEC will play a very major role in reshaping the destiny of Asia. CPEC testifies and our relation testifies that Pak-China relationship is all-weather strategic cooperative partnership. Thank you

Speaker 2:

Mr. Victor Zhikai GAO, Chair Professor Soochow University & Vice President, Center for China & Globalization, Beijing, China



Thank you very much, especially our Pakistani friends for organizing this very important Conference. I think to talk about peaceful coexistence and joint development between China and other countries especially between China and Pakistan is a very important topic. Please allow me to express our heartfelt thanks and appreciation to our Pakistani friends. Allow me to talk about China Indian border clash and what is the current status. I recently co-authored an article talking about this particular topic. It will be published in India as well as in China. It's in English and I hope we can have a look at that. The topic talks about a very scary situation on what happened on June the 15th because it reminded us of what happened in 1962 which evolved into a border clash. And this time both China and India are lucky that it did not get out of control. However, subsequent to June 15th tensions remain between the two countries despite the fact that both the Chinese government and the Indian government are doing whatever they can to de-escalate the tension. However as we can see, we are living in a very fast moving and increasingly dangerous world because India may deliberately or unwittingly been drawn into another geopolitical game not initiated by India but very much initiated by another superpower and from the Chinese perspective we see increasing tensions in the South China sea, we see increasing tensions in Taiwan where pro independent forces are stretching and pushing the edge of the envelope and now we also see increasing tensions between China and the United States. The recent closure of Chinese consulate general in Houston and today the closing of the American consulate general in Chengdu. So we see all these things kind of interrelated with each other and as part of this very fast changing situation we see increasing relations between India and the United States including the recently concluded joint naval exercise between India and the United States in the Indian Ocean and the more push by US into India in a variety of ways. Therefore even though the two governments did their part to make sure that the forces on ground were disengaged from each other however the reinforcements have been taking place both in China as well as in India in the rear of the line of actual control. This actually creates the potential for more tensions

between China and India especially for example if India does not follow its own independent foreign policy very closely. If India succumbs to the pressure from another super power which has its own geopolitical gains vis a vis China. So this is the overall situation we are faced with.

I personally hope the tensions on the ground between China and India in Himalayas will remain reduced and nothing will happen in terms of rising tensions or more conflicts up till let's say November because after November the mountain area will be very much frozen up and it will be impossible to maneuver military forces on either side against the other. Having said this, allow me to emphasize one point. Now that we have more and more details on what exactly happened on the ground on June the 15th, I think we have full confidence to say that there is nothing on the Chinese side either in terms of strategy or tactics or the inclination of the forces on the ground to make any incursion into the Indian side of the Line of actual control because to avoid conflicts with India to eliminate the possibility of confrontation with India is very of our country's strategy as well as our firm decision for the troops on the first front line between China and India. There is no reason why Chinese soldiers want to move further and cause the conflicts with the Indian side and this leaves very much a question as to why and how things happened on June the 15th and this gives me the reason to suspect that the United States is really playing a very big hand in trying to bring India more and more into its own bandwagon but also to create more problem on the ground. We also see evidences which show that exactly at the same time the United States is urging several ASEAN members in the South China Sea for example to stiffen their position with China and try to create confrontation with China together with the US naval exercises in the South China Sea as well as most likely in August when the naval exercises by the United States will wind down. But after it winds down it may not be the end of the story. I think there is suspicion that the US military forces may actually create conditions that will lead to confrontations in the South China Sea including the Chinese controlled islands, reefs etc. especially vis-à-vis the military buildup on these atolls reefs and islands in the South China Sea by the Chinese side. But to emphasize and to dispel any doubt the Chinese military presence on these islands are purely for self-defense and we all know they are very much installed to deter the surprise attack by the US. We know since the beginning of this year, the US military has been in the South China Sea more than any other period of time in recent history and tensions are building up. Therefore if you look at the evolving situation from the Chinese perspective, you see lot of tensions in the South China Sea, you see a lot of continued tension between China and India. Therefore I think it is really the time for us to

appeal for peace and to appeal that no party does anything irresponsible to pour more fuel onto the flame and all of us need to avoid playing into the hands of the US which is very much bent upon creating major geopolitical problems as a divergence from the American government's utter failure in handling the Covid-19 pandemic. It pains me personally to see many good Americans have died because of the pandemic and it pains me and traumatizes me to see millions of the American people getting infected why because the US government is not up to the job and they do not put saving the American people as a top priority for their government in the United States and on the contrary they are pushing the edge of the envelope in many directions trying to stir up geopolitical problems in other parts of the world. I think in this context the brotherhood and the friendship and the all—weather close cooperation between China and Pakistan becomes more and more important and crucial not only for Pakistan but equally if not more importantly for China now because we need true friends at this time whom we can really trust and depend upon whether in good times or in bad times, whether in peaceful developments or for example whenever conflicts of war breakouts and I truly believe China Pakistan will be sitting side by side, shoulder to shoulder and we will stand together for good or for bad through all these challenging times. Thank you very much.

Speaker 3:

**Prof. Huang Yunsong, Associate Dean, School of International Studies,
Sichuan University, Chengdu, China**



I am very thrilled to be a part of this esteemed panel of my Chinese colleagues and I would like to share some of my observations on the China-India clash and the role of the key international players. I think since June 24th three rounds of talks have already been held under the WMCC which is the working mechanism of consultation and coordination. This is a framework that has been in place for some years and just within one month there has been three rounds of such talks. The meetings were aimed at diffusing the tensions along the LAC through the disengagement, at the same time on the ground four rounds of corps commander level meetings have also been convened to see to the implementation of the disengagement process. I would like to emphasize that China has been very restrained in dealing with the skirmishes along the LAC specially the Galwan valley and in comparison with what happened in Doklam standoff in 2017. For the time being I reckon there are at least two types of takeaways of the episode, one the standoff between Chinese and the Indian troops along the LAC has completely been brought under control and the possibility of a full-fledged border war between the two Asian giants has been considerably reduced. This is a very good sign and a great relief for not only China and India but also the region and the world at large. We remain cautiously optimistic towards the final outcome. Two, which is very unfortunately, the China-Indian bilateral relations have suffered the most serious setback since 1962.

The efforts on the China's side to insulate the interactions on other aspects and the other fronts from border skirmish have mostly gone in vain. India's decision to ban Chinese apps and to create additional barriers to trade and investments from China has very likely squandered the achievements that Beijing and New Delhi had accumulated during the past three decades. The purpose of our patience and engagement with New Delhi is two-fold. First as the lower end of the purpose we want to have very cordial relations with India, We want no derailment, no confrontation no loss of control of the bilateral relations and many of my colleagues have a very reasonable expectation of the bilateral relations we know it has been operating in a very low level

for the past decades but mostly it's peaceful to maintain the baseline of this relations. We believe that the both sides need to act in a restraint way and manage the risks that could lead to a major flare-up. Second, as the higher end of the purpose, we have strived for the relations with India as good neighbors, good friends and good partners. More often however it has come to our realization that it is not an easy job to do. India has regarded China as a long term strategic threat and adversary. The Indian administration and political parties were unable to face the disfigured historical discourse and the fake colonial legacy, thus, creating a public opinion and a political agenda that is unconducive to better relations with the China. The British were very clear that the so-called Simla agreement was never agreed by Chinese government, therefore, it had no binding force upon China. That is why the original fourteenth volume of Argentine treaties in 1929 didn't include the agreement and the maps showing McMahon line. Although the British administration published the replacement volume that has a fake content and a false publication date and does not support India's claim of the disputed territory including the western section where the Galwan Valley lies.

The decision makers in New Delhi never introspect and reflect on why its neighboring states have accused India of being an expansionist. There is a prevalent argument in India now that Galwan valley skirmish is a watershed moment for Indian-China relations. What we have witnesses now in India's action against China seems to cooperate with the argument. We are now at threshold to reassess our policy towards New Delhi. The border incident is very likely to usher in a very rough chapter of China-India relations although we are trying very hard to avoid it from happening. If New Delhi keeps pushing the wrong button I'm afraid the results will be very ugly. It is true that the China-U.S relations are about to hit the rock bottom in the remaining three months of Trumps Presidency but this is hardly an opportunity for India. As a matter of fact it is quite dangerous for India to pull the string on the behest of the United States at this moment. I'm confident that some professionals and practitioners around the world including New Delhi think alike. We are trying very hard to avoid clashes at all fronts with India but the odds are now working against us due to various reasons. The most urgent question for India to answer is to whom is this benefit. It automatically to a very large degree explain the role of key international players in this regard. Firstly is the United States. It is very eager to beat and dismantle China's.

The U.S probably is speculating a speedy decoupling between India and China because it was India that took the lead to ban Chinese apps around the world. The India's move is more radical than that of US in certain way and it has literally snapped all people to people contact through social media across Himalaya. The Trump's administration is very delighted with it actually and became more active in advocating for a coordinated campaign to challenge and counter China. There is little doubt that the United States is prepared to capitalize on the even greater rift if not necessarily on open war between China and India. During this skirmish the United States has surely shared with India the intelligence on PLA's deployment and expedited a delivery of military equipment to the front line and discussed to how to boost the anti-submarine cooperation in the Indian Ocean. The U.S is opening its arsenal to India hoping the latter can fight America's war in the name of protecting India's interests. The U.S wants to be a net beneficiary of China-India clash but New Delhi I think is not dumb enough to be just an errand boy of Washington. Secondly the China-India clash has also put Russia in a very awkward situation. Moscow finds it difficult to choose between India - its traditional partner and the most lucrative arms market and China - its best chance and new partner against the hostile U.S and NATO.

The analysts in New Delhi has played down the strategic role of Russia for so long, humiliating Moscow of almost money back and shrinking global clout. However, it is Russia that India turned to for most of its military equipment and spare parts from fighter jets, submarines and to assault rifles. Since China and India that are embedded with ambition and capability of sorting out the wrong problems Russia officially has to stay clear of the scuffle between its partners. Some people are speculating a mediator's service on part of Russia. I would like to point out that Russia has no major role to play except for calling for peace and restraint. The chance of the 12th BRICS summit under SCO summit 2020 being cancelled is growing higher and the role for Russia to break a deal between China and India is lower than zero. However, out of the politeness, I think china would keep an open mind towards Russia's initiative to bring around difficult relations between Beijing and New Delhi, if Russia really choose to do so.

Thirdly I think Europe is kind of divided on how to deal with escalation of China-India clash. Foreign minister Maas urged India and China to de-escalate their deadly border clash. Germany has snatched as you know a very big share of Chinese market and have made a huge amount of profits out of the same. Therefore Berlin would not risk its commercial interests and the workable

relations with Beijing so far that's the better in a western world by openly taking sides with New Delhi. Germany is in a sort of similar situation of Russia and it is in its best interest to dissuade the protracted clash between its best trading partners and there would be best trading partner. Basically, however I don't see any major contribution that Germany is capable of in this regard. But very differently from Germany, France has been readily taking advantage of the difficult relations between China and India. We are not surprised to know that the French Defense Minister wrote a letter to her Indian counterpart, condoling the death of Indian soldiers in Galwan valley and more importantly implying that France is ready to sell more weapons to India. It is understandable why France has emphasized their strategic partnership. Paris has also acted on a special request from New Delhi to speed up delivery of Rafael combat jets which it ordered in 2016.

How the international players to react to India-China clash is really incubate upon whether they can benefit from the sign. By a close observation we have become sober and clear about how these players are projecting their roles based on their expectations. China would not rush to any judgment, we want to keep good relations with all the players around the world. We will keep our pace and agenda in carrying out our diplomacy agenda and however we would bear in mind that Pakistan is our most trustworthy all-weather strategic partner and vowed to beef up our corporation at all fronts from economic development to Kashmir issue, to secure peace and stability not only along LAC but also in the subcontinent. At international front though we want to call upon all key players to take a responsible approach to China-India scuffle. It is true that certain powers are keen to utilizing this scuffle for their own gains, especially the U.S and its close allies, but it is also true that instability and military clash would overflow to the periphery and create even more serious problems. Therefore we also need to count on players other than major powers, including Pakistan and Iran factoring their interests to ensure peace and stability in the region and the world. This is what I would like to say on the moment and I will leave it on further discussion later. Thank you for your attention.

Speaker 4:

Mr. Qinduo Xu, Senior Fellow on Chinese Foreign Policy, Pangoal Institution, Beijing, China



I am following Chinese policy, in particular, of course nowadays we see the rising tensions between China and the United States. By the end of 2017 , US' strategy paper basically viewed China as the number one advisory and top competitor and the short term background is of course the US upcoming general elections in November, about 100 days to go. We see the US government have a need basically to create distractions from their poor handling of the pandemic and so China is again becoming this poster boy to be bashed in the US media and in the US public opinion arena over there.

You can see that following the closure of the Chinese consulate in Houston and of course Chinese response reciprocal measure of closing their consulate in Chengdu. I want to draw your attention to one post by a reporter for Washington post. She basically complained that the majority of the US people working in the media they can't hide their glee at the escalation of China-US tension. At least it speaks something of the US side about their relationship with China or their tensions with China. For the Chinese side, the short term before the general election or before Trump finishes his first term obviously the choice is to keep low profile, to be practical, to cooperate in area we can and to respond with measured means to whatever provocation from the US side as the expectation is there could be more provocation from the US side in unpredictable way because that is part of the characteristic of the US government. There is hope that if there is a change of government for example if Biden become the President of United States, the ways and means of communicating between the two sides and of course how the US will deal with China could be different from Trump. On one hand the US strategy will be more or less the same because there is obviously a consensus in Washington that China is the top competitor, we need to compete with China on variety of fields. But how to compete with China would be different. The new administration practice could be different from that of Trump. For example Biden probably or more likely would work closer with EU, Japan, South Korea or India or Vietnam to describe their strategy to contain the rise of China. But at the same time we are expecting also cooperation between China and US for example on the issues of international concerns like climate change or

proliferation of nuclear weapons etc. To the bright side of this next stage if Biden wins, the dialogue patterns that were paused and caught off more or less by the Trump administration are likely to be resumed between Biden and the Chinese side. That means we will have dialogue in terms of economic and trade, in terms of hi tech, culture and people to people communication. In that side you can expect a more stable relation between China and the US – the two largest economies in the world. That is of course a very responsible manner for both Beijing and the Washington because a stable relationship, however competitive it might be, is in the interest of Chinese people and the American people. More importantly that is the responsibility for Beijing and Washington and the rest of the world, because most of the countries will hate to choose a side between the two powers, for example the European countries or the ASEAN countries. They would love to maintain their relationship in term of security with Washington, in terms of trade and investment with Beijing because that will be beneficial for them. Probably not a cold war but a new normal between China and US I would say will emerge particularly after Biden, if that is the case. The current tension between China and India is already creating effects beyond their borders for example India and China relationship here. So I want to add in the previous remarks made by my Chinese colleagues here that it is really up to India to make choice either they want to side with Washington against Beijing. Yes they will benefit from doing that partly but also at a high risk of alienating Beijing or creating hostility between the two sides that would exist probably for decades to come. That would be heavy burden on the side of India. If you look at the India's response to the Chinese apps or the companies, they are creating more barriers for the Chinese companies to do investment in India. But you know economic trade and investment are by nature win-win situation, mutually beneficial. Of course it will hurt China because of the ban or the barrier from the India side. By the same time the India side will receive less and less investment from China and also they are sending out to the rest of the world a very negative signal that if there is something that makes New Delhi unhappy they could all of a sudden somehow ban your apps or kick your investors out of their country. In the long term that would be very bad for India's economic development. And of course Chinese investors are showing increased interest or diversify the investment away from India for example probably to Iran or more to Pakistan, to Bangladesh or other countries in South Asia and South East Asia. So you know the money is with the Chinese investors, of course they are in a position to shift their attention if India is not welcoming them, they can find somewhere else. So that will be a loss-loss for both China and India. In this particular

situation in South Asia I would say China and Pakistan relationship in the next one or two decades is critically important in South Asia and around the world. We often say and the young people in China know this phrase that Pakistan and China are Iron brothers. I was posted in Washington some years ago as a correspondent and I was invited to join Al Jazeera I remember. They sent a car to pick me up and the young driver and I talked to each other. He asked me where you from are, I said I am from China and he is from Pakistan. All of a sudden we feel so close to each other and it was like we have complete trust in each other. That's the relationship between Pakistan and China. The trust level between Pak and China is unraveled in the world, especially in China's relationship with rest of the world. So there is complete trust and no doubt or suspicion between Pak and China. This is critical to China as a strong anchor in South Asia and of course is important to Pakistan for example CPEC program and that's the most important program in China's BRI. So recently President Xi Jinping has written a letter to very important forum further clarifying about BRI against the background of the global pandemic. I think there is a bit of refocus of BRI on the health cooperation on the recovery of economies of BRI countries and also on unleashing their potential to focus on growth. As our friends said earlier the pandemic will be gone and all the construction of the BRI will resume with some adjustment so that's a very important program for China as well as for the world. It is peaceful, it's about investment and trade and it benefits everybody participating in this program. I want to express my great thanks to the CGSS for inviting us to join this very important forum.

Speaker 5:

**Mr. Xu Wenhong, Deputy Secretary General of the Belt & Road Center,
Chinese Academy of Social Sciences, Beijing, China**



The Belt and Road Initiative put forth by China 7 years ago, is now recognized as a project for peace, development and stability benefiting the region and the world. As of to-date, more than 130 countries and 30 international institutions have signed BRI cooperation agreements with China. BRI has turned from an initiative by China into a global action plan for development. BRI also has been written into numerous resolutions of UN and other related multilateral institutions. This project is an inclusive one. All countries are welcome to take part in BRI and become a partner country after consultation and discussion with China. Among South Asian countries, many of them are already BRI partners and benefited from this project. Together with China, these countries are contributing to the peace, development and stability in this region. India has not taken part in this inclusive project as it claimed CPEC, the BRI flagship project has infringed its sovereignty. However, India too, has benefited from this project. The Asia Infrastructure Investment Bank had provided huge loans to India. Twice separately, India has borrowed 29.4 billion Yuan (more than 4 billion (USD) from the AIIB; India is now the second biggest borrower of the AIIB. Recently, India for the third time has asked the AIIB to provide more loans. Western countries, however, had never provided any credit to India. The Indian government should have a better understanding of the current global situation. In the 21 century, the competition among countries should not focus on geopolitics, but rather on improving productivity, that means, education, and innovation. High technology would play more important role in the coming competition among nations. Frequent provocative activities in border areas should be avoided. India should miss no opportunity provided by the BRI. It should concentrate more on economic development, improvement of its people's wellbeing, and thus contributing more to the economic growth whole region. India has been a great nation. India should shoulder historic responsibilities and the government of the day must make responsible decisions that would benefit its people. Time will be the best judge of all the decisions made by the Indian politicians today.

Speaker 6:

**Mr. Zhong Feiteng, Head & Professor, National Institute of Int'l Strategy,
Chinese Academy of Social Sciences, Beijing, China**



I have four main points. First, trade is not the main factor that leads to China's strength growth. For example, the proportion of trade in China's GDP has been declining. However, after the international financial crisis in 2008, China's position in power has increased significantly. Second, the trade deficit between China and the United States, to a certain extent, is the result of the East Asian production model, that is, the export-oriented development strategy, which itself originates from the international order dominated by the United States.

In the 1980s, the trade deficit between Japan and the United States also accounted for 50% of the total trade deficit of the United States. Today, it is only the trade surplus of Japan transferred to that of China, which is the result of the international division system dominated by multinational companies. Third, although China is the second largest economy, China still positions itself as a member of a developing country. Therefore, it does not want to compete with the United States for hegemony. China is not a hegemonic country in the Western sense. Fourth, in the next decade, if India's Modi government really implements its manufacturing development strategy, that is, the proportion of manufacturing industry in GDP will increase from 17% to 25% or more, then the trade deficit with the United States will also increase, and India will repeat the path of today's China.



ANALYSIS AND RECOMMENDATIONS

A. Brief Overview:

- 1) The key issues that China is confronting right now and the current global political landscape needs to be analyzed.
- 2) China as we all know has never been an expansionist power and has continued to pursue the policies of peaceful co-existence and mutual economic growth.
- 3) US is fueling the tensions between China and India to contain the rise of China.
- 4) There is a strong need for multilateralism and deeper strategic coordination between China and Pakistan in the ongoing regional developments.
- 5) The CPEC will remain a major target through various means and China and Pakistan will have to remain alert and responsive to any direct or indirect threats to it.

B. China India Standoff

- 1) There are at least two types of takeaways of the episode. One, the standoff between Chinese and the Indian troops along the LAC has completely been brought under control and the possibility of a full-fledged border war between the two Asian giants has been considerably reduced.
- 2) Two; which is very, unfortunately, the China-Indian bilateral relations have suffered the most serious setback since 1962.
- 3) Since June 24th three rounds of talks have already been held under the WMCC that is the working mechanism of consultation and coordination. The meetings were aimed at diffusing the tensions along the LAC.
- 4) The purpose of China's patience and engagement with New Delhi is two-fold. First, China wants to have cordial relations with India, i.e. no derailment, no confrontation, and no loss of control of the bilateral relations.
- 5) Second; as the higher end of the purpose, China has strived for relations with India as good neighbors, good friends, and good partners. However, India has regarded China as a long term strategic threat and adversary.
- 6) The Indian administration and political parties are unable to face the disfigured historical discourse and the fake colonial legacy, thus, creating a public opinion and a political agenda that is unconducive to better relations with China.

C. The Chinese perspective on the Current Standoff with India

- 1) India may deliberately or unwittingly been drawn into a geopolitical game not initiated by India, but very much initiated by another superpower.
- 2) From the Chinese perspective, we see increasing tensions in the South China Sea, in Taiwan (where pro independent forces are stretching and pushing the edge of the envelope), and now we also see increasing tensions between China and the United States.
- 3) The recent closure of Chinese consulate general in Houston and the closing of the American consulate general in Chengdu indicates a rise of tensions between China and the US.
- 4) China has the clear details now, on what exactly happened on the ground on June 15th, so according to the Chinese experts, there is nothing on the Chinese side either in terms of strategy or tactics or the inclination of the forces on the ground to make an incursion into the Indian side of the Line of actual control.
- 5) To avoid conflicts with India and eliminate the possibility of confrontation is very much of China's strategy.

D. Role of Big Powers:

i) U.S.

- 1) The United States is playing a very big hand in trying to bring India more and more into its own bandwagon and to create more problems on the ground. The U.S wants to be a net beneficiary of the China-India clash.
- 2) United States is urging several ASEAN members in the South China Sea to stiffen their position with China and try to create a confrontation with China together with the US naval exercises in the South China Sea.
- 3) There is suspicion that the US military forces may create conditions that will lead to confrontations in the South China Sea.
- 4) To emphasize and to dispel any doubt, the Chinese military presence on these islands is purely for self-defense and they are very much installed to deter any surprise attack by the US.
- 5) US is very much bent upon creating major geopolitical problems as a divergence from the American government's utter failure in handling the Covid-19 pandemic.
- 6) China-U.S relations are extremely tenuous in the remaining three months of Trumps Presidency but this is hardly an opportunity for India. As a matter of

fact, it is quite dangerous for India to pull the string on the behest of the United States at this moment.

- 7) The most urgent question for India to answer is to whom it will benefit. It automatically to a very large degree explain the role of key international players in this regard. Firstly is the United States, which is very eager to beat and dismantle China's.
- 8) The U.S is speculating a speedy decoupling between India and China because it was India that took the lead to ban Chinese apps around the world.
- 9) The Trump's administration has become more active in advocating for a coordinated campaign to challenge and counter China.
- 10) There is little doubt that the United States is prepared to capitalize on the even greater rift, if not necessarily on open war, between China and India.
- 11) During this skirmish, the United States has surely shared with India, the intelligence on PLA's deployment and expedited delivery of military equipment to the front line and discussed to how to boost the anti-submarine cooperation in the Indian Ocean.
- 12) The U.S is opening its arsenal to India hoping the latter can fight America's war in the name of protecting India's interests.
- 13) According to news in the Washington Post, a reporter basically complained that the majority of the US people working in the media can't hide their glee at the escalation of China-US tension.

ii) Russia:

- 1) China-India clash has put Russia in a very awkward situation. Moscow finds it difficult to choose between India - its traditional partner and the most lucrative arms market and China - new partner against the hostile U.S and NATO.
- 2) The analysts in New Delhi has played down the strategic role of Russia for so long, humiliating it of money back and shrinking global clout.
- 3) However, it is Russia that India turned to for most of its military equipment and spare parts from fighter jets, submarines, and to assault rifles.
- 4) Some people are speculating a mediator's service on part of Russia. Nevertheless, Russia has no major role to play except for calling for peace and restraint.
- 5) The chance of the 12th BRICS summit under the SCO summit 2020 being cancelled is growing higher and the role for Russia to break a deal between China and India is lower than zero.

iii) **Europe** is kind of divided on how to deal with the escalation of China-India clash. Foreign minister Maas urged India and China to de-escalate their deadly border clash.

iv) **Germany** has snatched a very big share of the Chinese market and has made a huge amount of profits out of the same. Therefore, Berlin would not risk its commercial interests and the workable relations with Beijing by openly taking sides with New Delhi.

Germany is in a sort of similar situation of Russia and it is in its best interest to dissuade the protracted clash between its best trading partners.

v) **France** has been readily taking advantage of the difficult relations between China and India. French Defense Minister wrote a letter to her Indian counterpart, condoling the death of Indian soldiers in Galwan valley and more importantly implying that France is ready to sell more weapons to India.

- 2) Paris has also acted on a special request from New Delhi to speed up delivery of Rafael combat jets which it ordered in 2016.
- 3) China would not rush to any judgment and want to keep good relations with all the players around the world.
- 4) China will keep its pace and agenda in carrying out diplomacy agenda and vow to beef up a corporation at all fronts from economic development to Kashmir issue, to secure peace and stability not only along LAC but also in the subcontinent.
- 5) At the international front, China has called upon all key players to take a responsible approach to China-India scuffle.

E. US' Attempts to Contain China's Rise:

- 1) In the US national security policy paper published in 2017, China is considered a threat to keep the economy and other alliances going. The western media has continued to demonize China.
- 2) The rift between the West, Russia, and China is deliberately being widened and the new cold war is breaking.
- 3) The forthcoming US election is an important factor as it is now facing serious domestic issues and thus diverting the attention of the US public.
- 4) The illogical campaign against China continues unabated backed by maneuvers in the South China Sea.
- 5) US attempt to contain China was a policy doomed to failure. The very concept of BRI is brilliant as it managed to break out of this containment policy.
- 6) BRI has countered the containment policy without firing a single shot and has had geopolitical effects.
- 7) The US realizes that its policy to contain China economically has failed and is now fighting to retain its position as the leading superpower of the world.
- 8) Iran, Nepal, and Myanmar have also drifted into the Chinese camp. Countries as far away as Greenland, Iceland, and in Africa as well are poised to enter the BRI fold along with many other countries.

F. The Upcoming U.S. Elections

- 1) There is hope that if there is a change of government in the United States, the ways and means of communicating between the two sides and how the US will deal with China could be different from Trump.
- 2) On one hand, the US strategy will be more or less the same because there is a consensus in Washington that China is the top competitor. But how to compete with China would be different.
- 3) If Biden wins, he would probably work closely with the EU, Japan, South Korea, or India or Vietnam to contain the rise of China.
- 4) However, to the bright side, the possibility of cooperation between China and the US on the issues of international concerns like climate change or proliferation of nuclear weapons, etc. cannot be ruled out.
- 5) The dialogue patterns that were paused and caught off more or less by the Trump administration are likely to be resumed between Biden and the Chinese side.
- 6) Most of the countries will hate to choose a side between the two powers, for example, the European countries or the ASEAN countries would love to maintain their relationship in term of security with Washington, and in terms of trade and investment with Beijing.

G. The Belt and Road Initiative

- 1) BRI is recognized as a project for peace, development, and stability benefiting the region and the world.
- 2) BRI has turned from an initiative by China into a global action plan for development. It has been written into numerous resolutions of the UN and other related multilateral institutions. This project is an inclusive one.
- 3) India too has benefited from this project. The Asia Infrastructure Investment Bank had provided huge loans to India. Twice separately, India has borrowed 29.4 billion Yuan (more than 4 billion (USD) from the AIIB.
- 4) India is now the second biggest borrower of the AIIB. Recently, India for the third time has asked the AIIB to provide more loans.

H. The Trade/Economic Factor:

- 1) After the international financial crisis in 2008, China's position in power has increased significantly.
- 2) The trade deficit between China and the United States, to a certain extent, is the result of the East Asian production model, that is, the export-oriented development strategy, which itself originates from the international order dominated by the United States.
- 3) Although China is the second largest economy, China still positions itself as a member of a developing country. Therefore, it does not want to compete with the United States for hegemony.
- 4) India's decision to ban Chinese apps and to create additional barriers to trade and investments from China has very likely squandered the achievements that Beijing and New Delhi had accumulated during the past three decades.
- 5) India's response to the Chinese apps or the companies is creating more barriers for Chinese companies to do investment in India. Of course, it will hurt China because of the ban from the India side but India too will receive less investment from China. In the long term that would be very bad for India's economic development.

I. Pak-China Friendship and the CPEC:

- 1) Developments are taking place rapidly and Pakistan and China have to work closely together to analyze the situation and come up with suitable policies and strategies.

- 2) There is a need for multilateralism and deeper strategic coordination between China and Pakistan.
- 3) The most recent affirmation of China- Pak friendship is how the two countries have stood by each other in the wake of the pandemic.
- 4) Chinese leadership assured to take care of Pakistanis as their own people. This one phrase meant and evoked a great deal of love and affection for China in Pakistan.
- 5) On vaccine development, Pak and China are coordinating with Pakistan's national institute of health and China's Sino pharm. They are working towards a clinical trial and once the vaccine is going to be made available it will be a public good.
- 6) China Pakistan Economic Corridor (CPEC) is a flagship project of the BRI. It is a transformational project.
- 7) Pakistani leadership has reiterated time and again that the completion of the CPEC project is the number one priority of the Pak government.
- 8) Recently Pakistan has announced two mega projects. One is the Azad Pattan Hydropower Project and the other is the Kohala power project.
- 9) Diamer Bhasha project is also announced and the good thing about this project is that it is a joint venture between the Frontiers works organization and the Chinese companies.
- 10) In the second stage of CPEC, the special economic zones and the socio-economic development projects are stressed. Nine special economic zones have been identified.
- 11) Gawadar is at the mouth of the Strait of Hormuz, it is very close to Africa. So a lot of trade facilitation will take place from Gawadar.
- 12) In the next 5 to 10 years Gawadar will have huge economic trade significance and this will reinforce development for the entire region.
- 13) More recently two joint working groups have been established one is on agriculture and one is on science and technology.
- 14) In the last 30 years, China has made remarkable progress in the technology sector so we need to bring in more companies, revamp our agriculture sector, and export our meat and dairy products to China.
- 15) About 1600 km of road infrastructure is completed and another 1500 km under CPEC is being constructed. A 5320 MW of energy have been added into Pakistan's sector in the last couple of months.
- 16) 820 km optical fiber between Khunjerab and Islamabad and of course it will go up to Karachi and other parts of Pakistan.

- 17) Pakistan believes that if we have peace, development, and stability in the region, BRI and CPEC will play a very major role in reshaping the destiny of Asia.
- 18) There is propaganda against CPEC projects but all this propaganda, misinformation or the dystopian news about the CPEC is absolutely false and not based on facts.
- 19) The CPEC will remain a major target through various means and China and Pakistan will have to remain alert and responsive to any threats direct or indirect.