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Is China Losing Interest in China Pakistan Economic Corridor (CPEC)?



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Pakistan's 'deeper than the oceans' friendship with China appears to be losing depth with China getting perturbed over Pakistan's ways. China has bluntly pointed to the country for its support and nexus as the reason for Afghanistan's terror ills. Bickering and infighting within the country besides security concerns relating to CPEC, it appears, has also forced China to rethink on its involvement in the Project. China from all indications may not stop short of abandoning its participation in the much publicised CPEC project.

Terrorism affecting Afghanistan

For the first time ever, China openly signposted its disapproval of Pakistan's patronage for terror outfits. In an exclusive article published in Xinhua¹, the official press agency of the People's Republic of China, without naming Pakistan and quoting General (Retired) Atiqullah Omarkhil, has pronounced that the breeding center of extremism, terrorists, the sanctuaries of Taliban and like-minded elements and their financial resources that are afflicting Afghanistan are from outside the country.

Key Points

1. Xinhua the official press agency of the People's Republic of China has contended that the breeding center of extremism, terrorists, the sanctuaries of Taliban and like-minded elements and their financial resources that are afflicting Afghanistan are from outside the country.
2. The article asserted that all the militant groups and extremist elements including Taliban and IS fighting in Afghanistan are the protégée of foreign countries' intelligence agencies, directly pointing a finger at the Inter-Services Intelligence Agency (ISI) of Pakistan.
3. In China's assessment, spillover of militancy will pose a threat to the world at large and hence Afghanistan's neighbors and big powers including US and China cannot overlook the growing insurgency in Afghanistan.
4. Israel has provided evidences to China that 1,000 Chinese jihadists are receiving military training at a base in Pakistan and a number of Chinese nationals are already fighting inside Syria. China is concerned about the security implications of these jihadi elements returning to its Xinjiang province.
5. Pakistan government, its allies, provinces, and opposition parties had been squabbling over alleged changes in the route of the \$46 billion dollar CPEC. The project had also become yet another source of tension between the civil and military leaderships.

The Centre for Land Warfare Studies (CLAWS), New Delhi, is an autonomous think-tank dealing with national security and conceptual aspects of land warfare, including conventional and sub-conventional conflict and terrorism. CLAWS conducts research that is futuristic in outlook and policy-oriented in approach.

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The article asserted that all the militant groups and extremist elements including Taliban and IS fighting in Afghanistan are the protégée of foreign countries' intelligence agencies, directly pointing a finger at the Inter-Services Intelligence Agency (ISI) of Pakistan. Citing an analyst, the article declared that there will be no viable peace and stability in Afghanistan unless and until the sanctuaries of militants outside the country are closed, an implied message to Pakistan. Threats of Taliban, Islamic State (IS), al-Qaida and like-minded groups it added would not merely affect the region but will spill over across the region to pose a threat to the world at large if Afghanistan's neighboring states and big powers including United States of America (US) and China overlook the ongoing situation and increasing insurgency in Afghanistan.

Evidences from Israel

In an earlier unconnected report 'The Jerusalem Post' had conveyed that Jacques Neriah, formerly foreign policy adviser to Prime Minister Yitzhak Rabin, had communicated to a 10 member Chinese delegation which included several participants from the Central Party School (CPS) of the Communist Party's Central Committee, that has served as a training institution for China's top leadership, including its president Xi Jinping, that some 1,000 Chinese jihadists are receiving military training at a base in Pakistan and a number of Chinese nationals are already fighting inside Syria. Related material to substantiate the assertion were presented to the guests which included the role of thousands of Chinese jihadists in the Syrian civil war, as well as on the involvement of volunteers from Uzbekistan and other Central Asian states surrounding China. Obviously China has been concerned about the corollaries of these trained militants returning to China and its effect on its own security in Xinjiang. It is possible that the Chinese had discreetly warned Pakistan to desist from continuing with such terror related activities. The Xinhua story pointing to the involvement of

Pakistan in Afghan militancy is a reflection of its own concerns in its soil.

The CPEC Trouble

Since January this year, the Pakistan government, its allies, provinces, and opposition parties had been squabbling over alleged changes in the route of the \$46 billion dollar CPEC. The project had also become yet another source of tension between the civil and military leaderships. It was being speculated that the Chinese were unhappy with the overall management of the project, particularly the involvement of various ministries, which were causing unnecessary delays and were of the opinion that a separate ministry or authority be created to deal with CPEC exclusively. Presently the project is being supervised by a Special Section set up at the Prime Minister's office with the Ministry of Planning and Development serving as the nodal ministry.

Consequently, the Army had floated an idea of creating a separate 'CPEC Development Authority' which will provide all stakeholders, including provincial governments and the army, a formal forum to give their inputs. In the process the Army was hoping to have a major say and control over the project. A Senate committee on the other hand had been suggesting that pending the creation of a new authority to oversee the affairs of the corridor, control of the project be handed over to the Council of Common Interests (CCI) – which oversees matters involving the provinces.

It transpires that the Chinese have been suggesting that the government formally rope in the army to ensure smooth execution of the project probably based on suggestions made by General Rahil Sharif to the Chinese leadership on the quiet. The Prime Minister Nawaz Sharif had not been happy with the idea of handing over the project to the Army and had perhaps wanted to project the undertaking as one of his party, PML (N)'s major

achievements during his campaign for the next general elections.

On June 23, 2016, President Mamnoon Hussain held a meeting with his Chinese counterpart Xi Jinping on the sidelines of the 'Head of State Council Summit' of the Shanghai Cooperation Organisation (SCO) in Tashkent, Uzbekistan. After the meeting, President Hussain was quoted as saying: "Pakistan is committed to the timely realisation of all projects under CPEC" indicating the Chinese' unhappiness over the delay in the execution of the project.

The Chinese Embassy in Islamabad broke its silence and urged all concerned to resolve their differences³. A two-member delegation of the Pakistan Tehreek-e-Insaf comprising former foreign minister Shah Mehmood Qureshi and Dr Shireen Mazari met the Chinese ambassador and assured him that they had no issue with China and that they were in favour of the CPEC. A few days ago a Chinese think-tank has once again has asked Pakistan to settle their internal differences over the CPEC⁴.

Security threat and plans for the protection of the CPEC Project

Ever since 2014, when the CPEC project commenced work, 44 deaths and over 100 getting wounded has been reported⁵ on road construction in Baluchistan. The casualty figures relates to Pakistani workers. Details of Chinese casualties if any, has not been notified. In November 2015, the official figure was 25 killed, indicating that the toll has accelerated this year. The raising toll has been a matter of serious apprehension to the Chinese authorities.

Pakistan Army has created a Special Security Division for the protection of Chinese engineers, project directors, experts and workers employed on various Chinese funded projects in CPEC. Personnel from the Rangers are also part of this security plan in addition to the army units. 10,000 troops have been dedicated for this purpose and a two-star senior

military officer is heading this Security Division who reports directly to the General Headquarters (GHQ). Of these, over 5,000 are from the Special Services Group (SSG) of Pakistan Army considered an elite brand of troops.

China distancing from CPEC

The Global Times, a Chinese publication functioning under the auspices of the People's Daily, an official newspaper of the Chinese Communist Party published an article on September 13, 2016⁶ expressing concern that the increasing cost of security is becoming a big problem in efficiently pushing forward the projects under the CPEC. Setting aside Prime Minister Nawaz Sharif's statement earlier that projects under the CPEC were the top priority for Pakistan government, the newspaper said that "given the difficulty of protecting the personnel that are working in Pakistan, projects under the CPEC may need to be implemented and assessed step by step", a complete reversal from its earlier stance seeking out speedy completion of the project.

The article remained vague while expressing China's long term support to the project by stating that "it is unlikely that China will change its supportive attitude on the CPEC in the short term". Does that not mean that China may be reviewing its long term support to the project? Does the word 'unlikely' in the statement not amount to saying that there is a possibility of China reviewing its patronage in the short term as well? In a project of this nature with huge investments, can anyone afford to withdraw or slowdown in the long term but decide to stay put investing in the short term sacrificing the need for early completion of the project to harvest dividends for its investments? Will China be prepared to book losses in the investments made in the short term? China definitely is not going to do that with the 19th Congress of the Communist Party of China waiting to happen next year.

The article was firm and categorical when it clarified by stating “China may not want to put too much focus on the region. At the very least, it would be unwise to put all its eggs in one basket”.

The article went on to suggest that “Beijing should consider giving more attention to its economic cooperation with the Southeast Asian countries”. “The CPEC has long been seen as a flagship project in China’s Belt and Road initiative, but the initiative’s strategic focus may need to shift gradually towards Southeast Asia, where there is a wide infrastructure funding gap but a relatively stable regional environment that will enable China to efficiently push forward ventures under the Belt and Road initiative.”

The message is clear. China will be reviewing its investment plan in the CPEC and in all likelihood would shift focus to South East Asia and especially Vietnam. Obviously that would mean that the funds earmarked by China for CPEC may be redirected to South East Asia.

Conclusion

China has been trying to find a way out to end violence and terrorism inside Afghanistan. Along with US it had initiated the creation of the Quadrilateral Coordination Group on Afghan

Peace and Reconciliation (QCG) with US, China, Pakistan and Afghanistan sharing the table to find a way out of the Afghan imbroglio. Despite China and the US goading Pakistan, it failed to bring the Taliban, most of whose leadership elements were residing in Pakistan, to the negotiating table. As a result the QCG has almost died a natural death. China is also aware of the fact that consequent to the Kunduz offensive, to calm China⁷ Pakistan’s ISI had flown to Urumqi, the capital of Xinjiang Uyghur Autonomous Region three dummy former Taliban Leaders for negotiations who had no connections with the Taliban’s Political Commission or did they wield any influence in the Taliban hierarchy⁸ then. The Chinese were not fooled and have probably lost patience with Pakistan’s ways.

‘Shift to South East Asia’ message coming from the Chinese Communist Party is unlikely to be ignored. Chinese pull back from CPEC will be a major setback to the PML (N) and Nawaz Sharif in particular in the next general elections due to be held in Pakistan in 2018. It will also be a major setback to the country economically with a negative message going to prospective foreign investors. With remittances already down by 20 % in Jul 2016 and exports dwindling, the situation cannot be worse. Pakistan may well review its links with terrorism sooner than later.

Notes

- 1 ‘News Analysis: Cooperation between regional, world powers essential for returning durable peace in Afghanistan’, Xinhua, Asia & Pacific edition, June, 25, 2014, available at http://news.xinhuanet.com/english/2016-08/28/c_135640280.htm accessed on September, 16, 2016.
- 2 Herb Heninon, ‘JCPA analyst: 1,000 Chinese jihadists training in Pakistan’ Jerusalem Post, September 16, 2016, available at <http://www.jpost.com/Middle-East/JCPA-analyst-1000-Chinese-jihadists-training-in-Pakistan-360469> accessed on September 16, 2016.
- 3 Azam Khan, ‘China urges Pakistani parties to settle CPEC differences’ Express Tribune, January 10, 2016, available at <http://tribune.com.pk/story/1024971/breaking-silence-china-urges-pakistani-parties-to-settle-cpec-differences/> accessed on September 16, 2016.
- 4 Shafqat Ali, ‘Pakistan asked to bury differences over CPEC’ The Nation Pakistan, September 09, 2016, available at <http://nation.com.pk/national/09-Sep-2016/pakistan-asked-to-bury-differences-over-cpec> accessed on September 16, 2016.

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- 5 Syed Raza Hassan, 'Attacks have killed 44 Pakistanis working on China corridor since 2014' Reuters, September, 08, 2016 available at <http://in.reuters.com/article/pakistan-china-idINKCN11E1K9> accessed on September 16, 2016.
- 6 Hu Weijia, 'Increased ties with Southeast Asia don't detract from China's goals in the CPEC' Global Times, September 13, 2016, available at <http://www.globaltimes.cn/content/1006157.shtml> accessed on September 16, 2016.
- 7 The Economic Times, May 25, 2015, 'Afghan Taliban leaders meet secretly in China: Report' available at http://articles.economictimes.indiatimes.com/2015-05-25/news/62624355_1_afghan-taliban-leaders-high-peace-council-mullah-abdul-jalil accessed on November, 04, 2015.
- 8 Joy Mitra, 'The Afghan Game of Thrones', Indrestra, August, 14, 2015, available at http://www.indrastra.com/2015/08/FEATURED-An-Afghan-Game-of-Thrones-by-Joy-Mitra_14.html accessed on September 18,, 2016.

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