

“China-South Asia: Changing Contours”

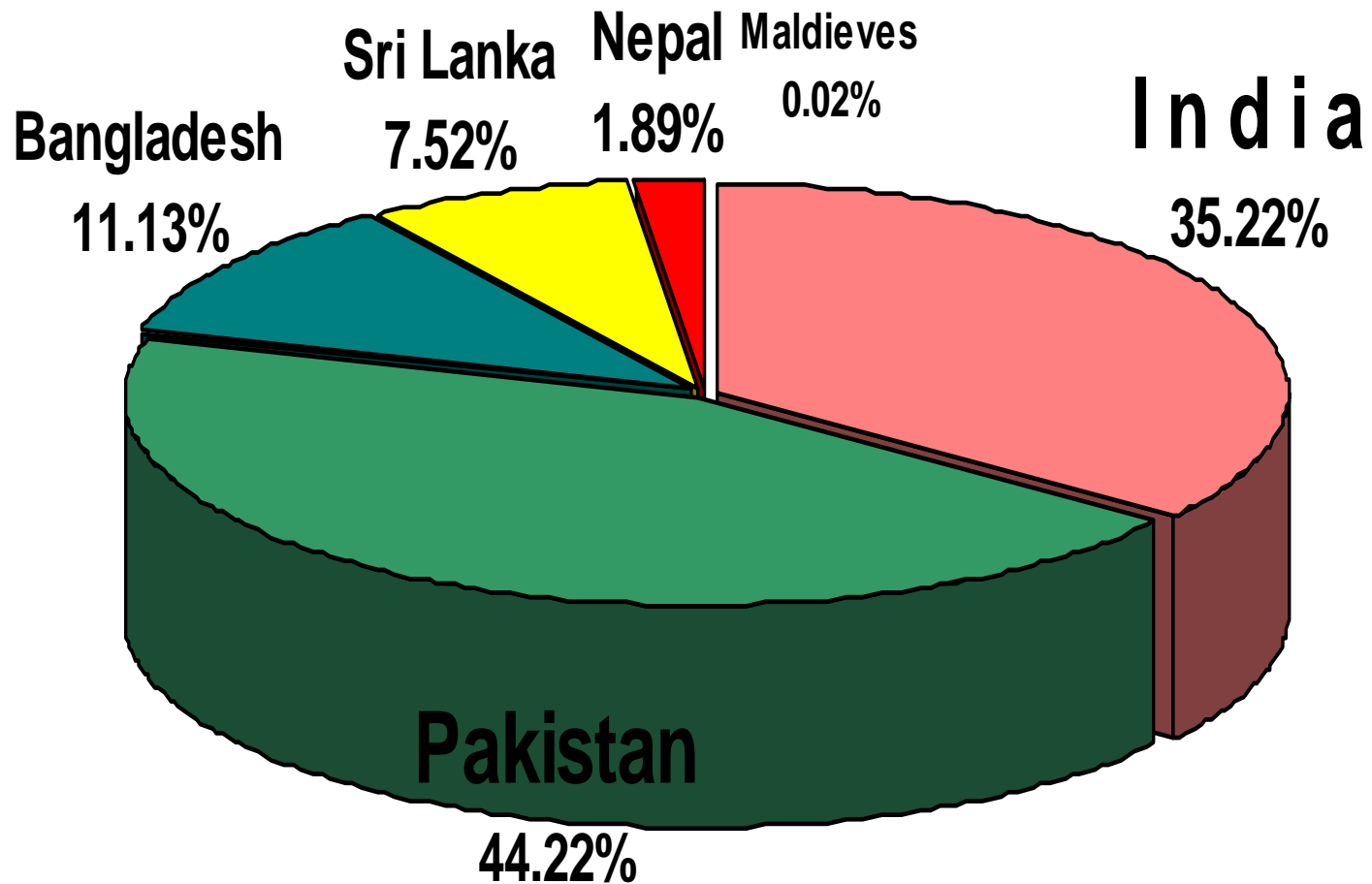
Dr. Swaran SINGH, India



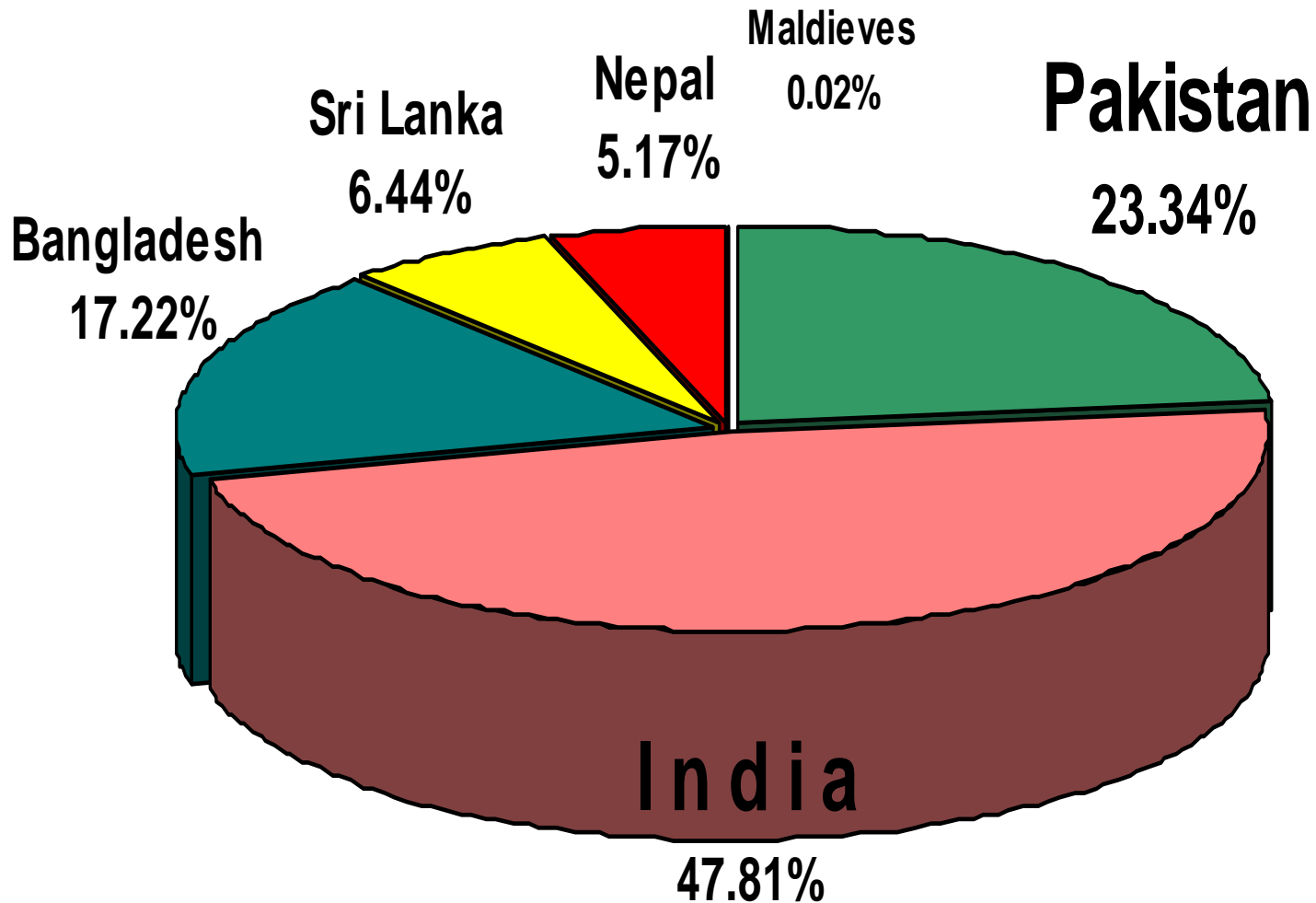
Changing Contours

- ❑ *Shifting hyphenation:*
 - ❑ From India-Pakistan to India-China ties
 - ❑ From South to Southern Asia (China now part of this new formulation)
 - ❑ *Shifting focus of ties:*
 - ❑ From colonial legacies, political polemics to economic opening up & engagement
 - ❑ Trade-led transformation is most visible face of change in China-S Asia ties
 - ❑ Last decade has seen their Trade go up from \$3 billion to \$20 billion... still rising !
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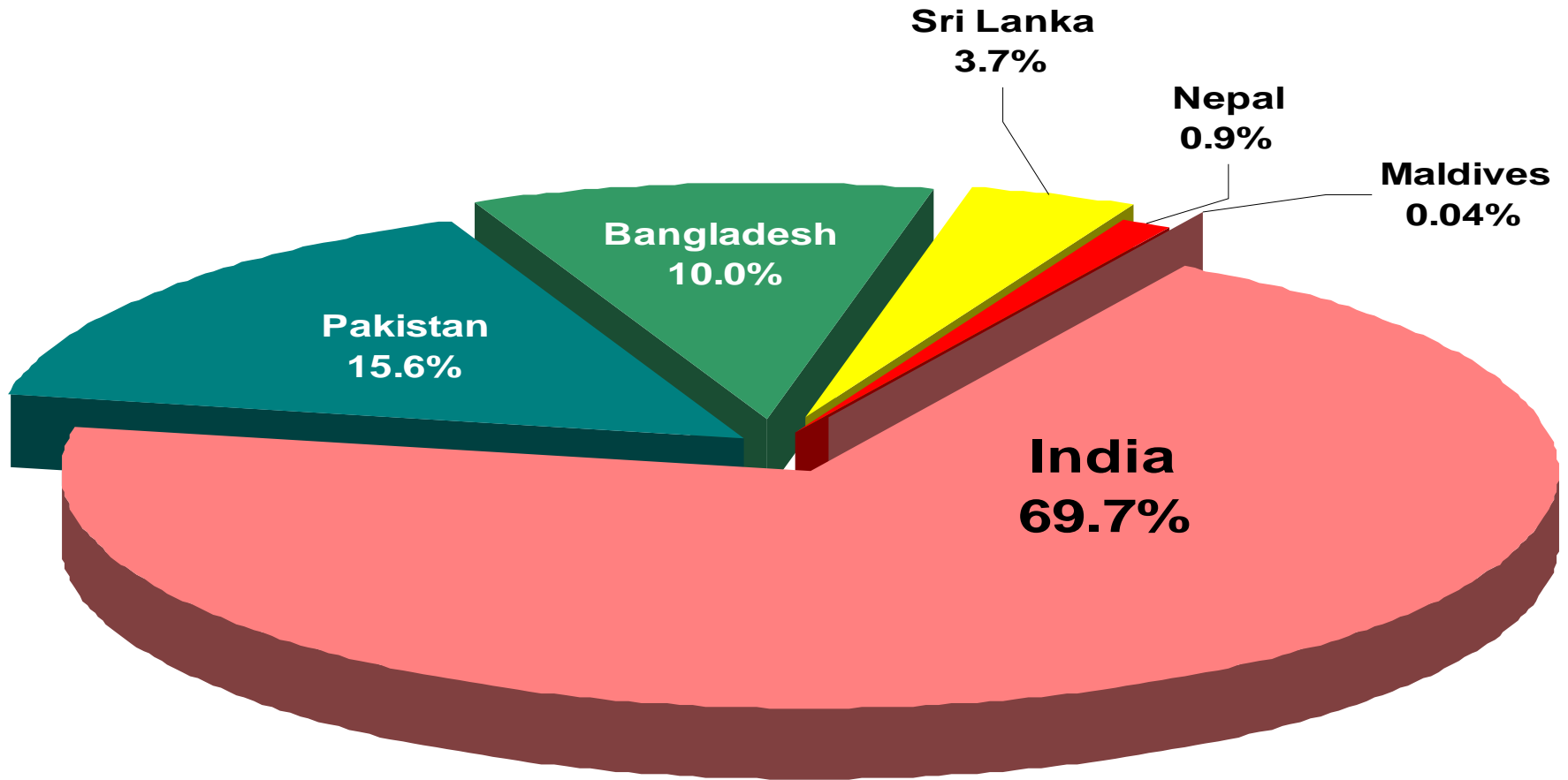
Trade Transformation: China-South Asian Trade 1993

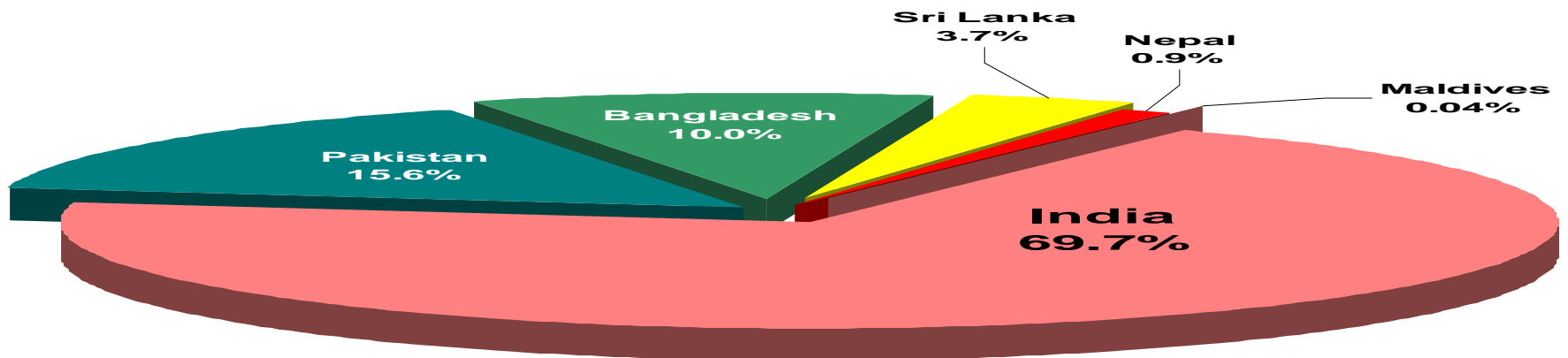
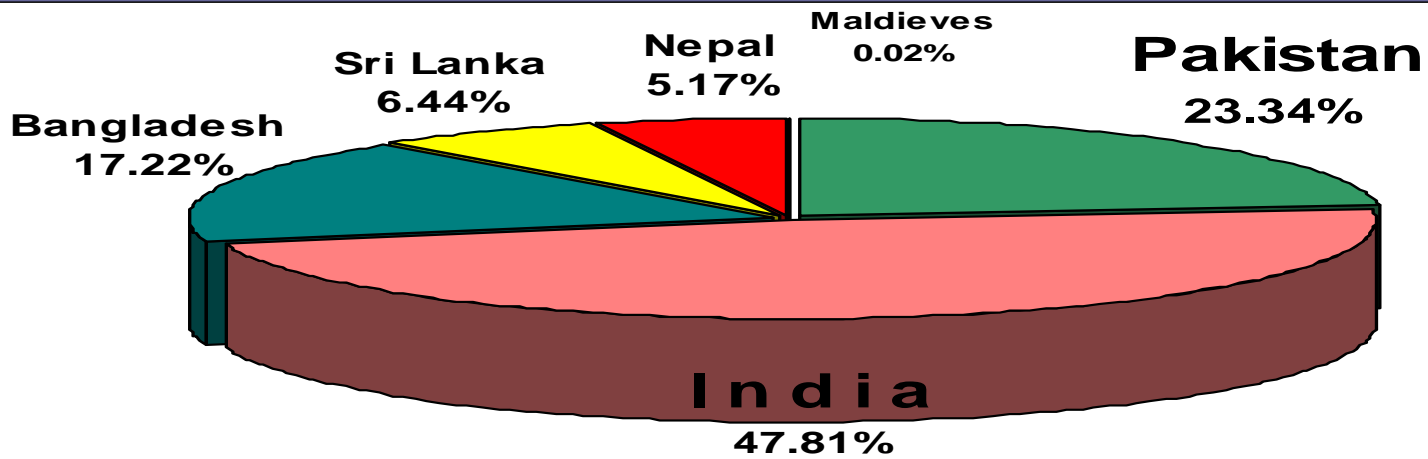
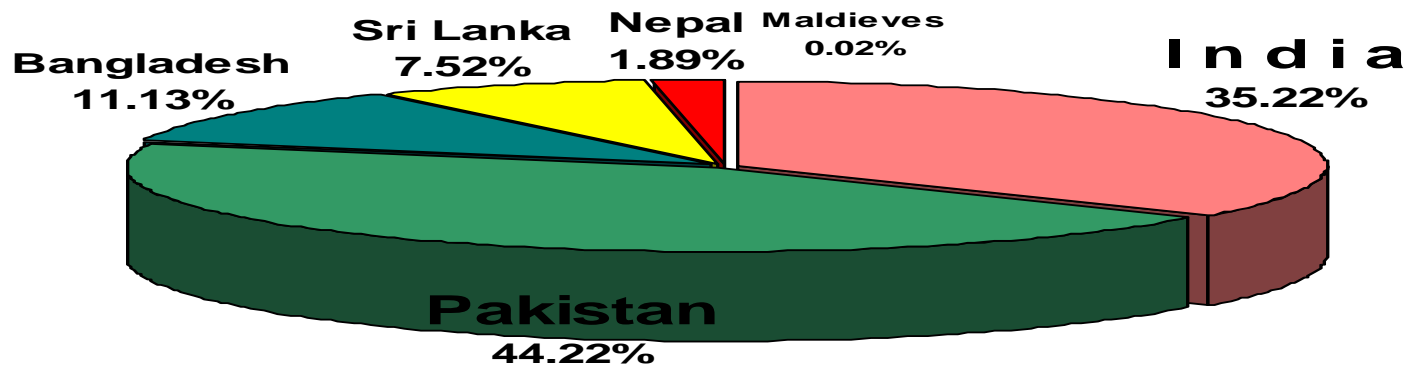


China-South Asia Trade 1999



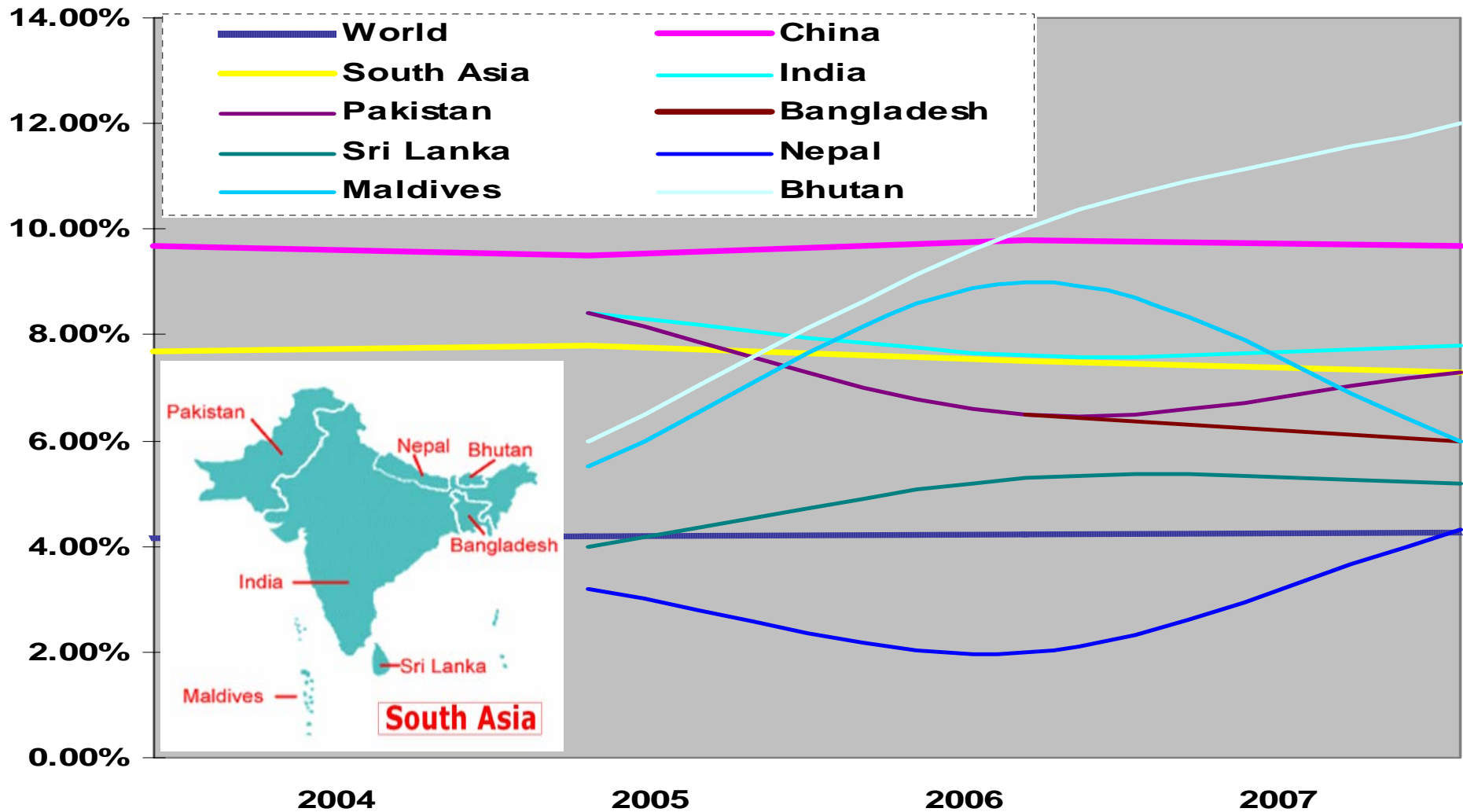
China-South Asia Trade 2004



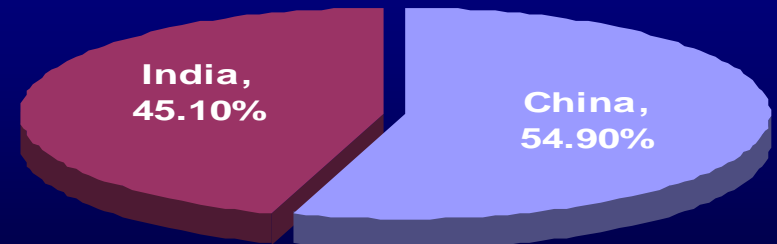
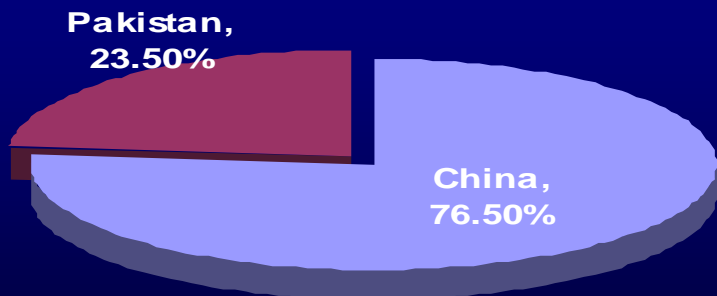
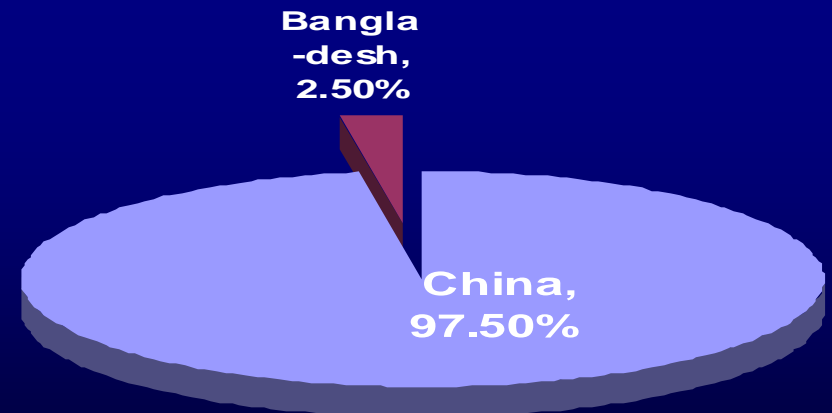
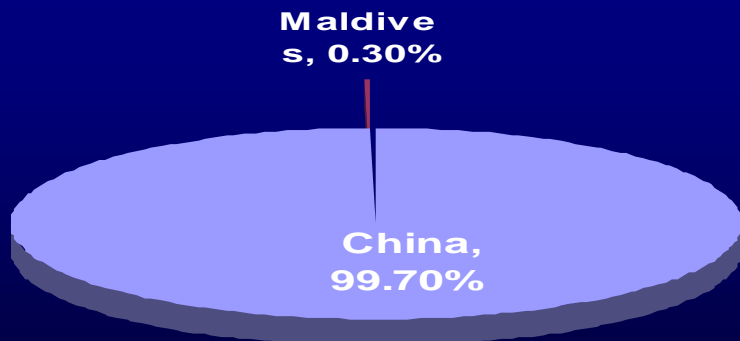


What about Future?

GDP Growth Rates



China's Trade with S Asia: In-build pressures, 2004



Political Spin-offs of Economic Engagement

- ❑ **China enters as Observer in Regional Organizations**
 - ❑ IORARC January 2002, SAARC December 2005
 - ❑ Working together in CICA, Bohao, Shengri-la
 - ❑ India-China-Russia St Triangle: Noble experiment
 - ❑ **China's interface with Sub-regional Organizations**
 - ❑ Kunming Initiative 1999: cooperative yet slow
 - ❑ The Mekong Basic projects: Parallel Initiatives
 - ❑ BIMSTEC: China interested yet remains outside
 - ❑ **China's facilitation, accommodation, acceptance...**
 - ❑ a) SCO welcomes as Observers: India, Pakistan
Afghanistan, (Iran); receives good response
 - ❑ b) Together in ARF, ASEAN+3+1, ASEM, EAS
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Is Trade boom decisive Core of their ties? What Is ?

- ❑ Nuclear Triangle lies at the Core of their ties today
- ❑ + Continued history of Terrorism in S Asia & China
- ❑ = Kashmir as (Nuclear?) Flashpoint ?
- ❑ India-US friendship: the new trigger ? Yes.
- ❑ Soft-Power: China trying to broad-base ties (spatially) with India and (into new sectors) neighbors in S Asia
- ❑ Hard-Power: China continues as largest & most reliable supplier of military equipment to small states in S Asia
- ❑ China though increasingly neutral in S Asian affairs, still allows small-state mindset of India's neighbors
- ❑ China-Pak nuclear & missile cooperation still decisive determinant of South Asian security & development
- ❑ *Implications for US Security Interests in the region?*

Implications for US Interests

- ❑ Focus on Soft-power bring China's some advantages
 - ❑ China's projecting growing acceptance of Beijing's engagement with neighbours
 - ❑ China projected as an alternative to the US by/for South Asian states
 - ❑ US is global power with 'global commitments' and 'rising expectations' yet limited material support
 - ❑ US has stakes in Southern Asia lie in providing global leadership in issues of Energy, SLOCs, Environment – issues that can bring contention in China-S Asia ties
 - ❑ Proximity with US becoming decisive factor (even source of contention): so balancing its policies with local players is a major challenge to the US
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☐ *Thank You !*
