

Examrace

Premier Wen Jiabao's Visit to India, Political Developments and Chinese Foreign Policy

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Premier Wen Jiabao'S Visit to India

- India-China to increase bilateral trade to \$100 bn by 2015.
 - India's main concern is the huge trade deficit it has in trade with China
 - It has asked China to open up its IT and services sector
- They agreed to a strategic economic dialogue to enhance macroeconomic policy coordination and address challenges in economic development and cooperation
- CEO's forum shall also be created and greater cooperation between the banking regulators of the two countries

Political Developments

- Stapled visa for residents of J&K issue was discussed. Wen proposed that the officials of the two countries should hold consultations.
- India did not mention Tibet and One China in the joint statement.

Strategic

Agreement to work together against piracy in the Gulf of Aden

Assessment

- Incremental progress was made
- We have areas of difference (border, stapled visa) and cooperation (climate change)
- March 2012
- India-China agree to undertake joint operations against pirates and sharing technological knowhow on seabed research.
- Joint operation against pirates seeks to involve the Coast Guards, the navies and air forces in action against pirates.
- The proposal to share technological knowhow on seabed research is aimed at dousing India's apprehensions after Beijing was permitted by the International Seabed Authority to explore in south-west Indian Ocean.

Chinese Foreign Policy: String of Pearls Theory

- The term 'string of pearls' is used to describes the manifestation of China's rising geopolitical influence through efforts to increase access to ports and airfields, develop special diplomatic relationships and modernize military forces that extend from the South China Sea through the Strait of Malacca, across the Indian Ocean, and on to the Arabian Gulf.
- This strategy started in 1980s and its basic aim was to give China increased energy security with refuelling stations throughout the world.
- It has also helped China project its political and military influences further.
- Some of the recent additions to the pearl have been the Hambantota port in Sri Lanka and Gwadar Naval Base in Pakistan
- Karakoram Highway, connecting China's Xinjiang region with Pakistan's north, can also be seen as one of the pearls
- The implication has been that it has caused great concerns for security in India, though China has tried to project it as a purely economic and maritime security venture.
- Though India has officially denied it, the string of pearls strategy may influence its relations with its neighbours in the following ways

Myanmar

- India shares a 1600 km border with it. It also serves as a gateway for India to ASEAN and SE Asia
- Bilateral trade between China and Myanmar reached \$2.9 bn in 2009 making China the second largest trade partner of Myanmar (after Thailand)
- The two countries have also agreed to build an oil pipeline and a gas pipeline

China-Africa Relations

- In 1956, Egypt became the first African nation to establish diplomatic relations with the PRC. As of 2010, only 5 of 54 African nations maintain diplomatic relations with Taiwan.
- From 1980s economic cooperation with Africa has assumed greater importance for China.
- Relations have been institutionalized through the Forum on China-Africa Cooperation (FOCAC). Important milestones have been the ministerial conferences in 2000,2003, 2009 and the 'China's Africa Year' in 2006.
- China's relations with Africa cover all facets – political, defence, economic and other areas of cooperation. It has helped Chinese Navy to become more assertive in the Western Indian Ocean.