

## **ISSUE BRIEF**

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## PROSPECTS OF RUSSIA-PAKISTAN-CHINA AXIS

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(Views expressed in the brief are those of the author, and do not represent those of ISSI)



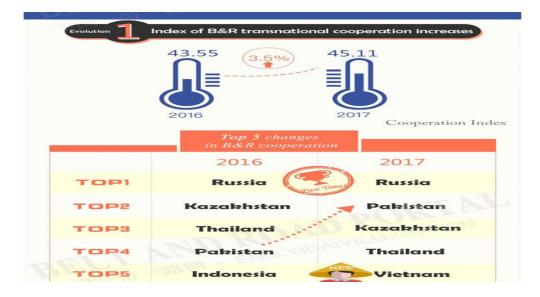
The intensified cooperation between an assertive Russia and rising China can aptly be dubbed as two indomitable forces which are shaping the global political and economic landscape. Moscow and Beijing are preoccupied with strategizing the need to join hands for systematically challenging the dominance of the United States in the international arena. Though they are seeking to create new avenues of bilateral cooperation in strategic, political and diplomatic domains, yet the spontaneous alignment of their economic interests, in the backdrop of America's protectionist policies and anti-Russian sanctions, stands out.

In his recent trip to Beijing, Russian Prime Minister Dimitry Medvedev revealed that Moscow has been considering to integrate Chinese and Russian payment systems in a bid to establish a stable global financial system.<sup>1</sup> Linked with this development is China's National Information Center's report on the evolving circle of friends in its ambitious Belt and Road Initiative (BRI), which has ranked Russia first and Pakistan second in its Index of B&R Transnational Cooperation 2017.<sup>2</sup> Since Pakistan is already a strategic partner of China and has been experiencing a new surge of cordiality with Russia, an interesting question arises: whether the growing cooperation will transform into a Russia- Pakistan-China Axis?

<sup>&</sup>quot;Sanctions Hit Russia Mulls Payment System Tie-up with China to Cut Reliance on the West", South China Morning Post, November 1, 2017.

http://www.scmp.com/news/china/diplomacy-defence/article/2118015/sanctions-hit-russia-mulls-payment-system-tie-china-cut

<sup>&</sup>quot;Evolution of the B&R Friends Circle: Upgradation of Cooperation", *Yidaiyilu*, November 14, 2017. https://eng.yidaiyilu.gov.cn/jcsj/dsjkydyl/34593.htm



**Source:** "Evolution of the B&R Friends Circle: Upgradation of Cooperation", Yidaiyilu, November 14, 2017. <a href="https://eng.yidaiyilu.gov.cn/jcsj/dsjkydyl/34593.htm">https://eng.yidaiyilu.gov.cn/jcsj/dsjkydyl/34593.htm</a>

China deems Pakistan an all-weather friend, and with the China-Pakistan Economic Corridor (CPEC), which is a flagship project of BRI, the exemplary friendship has only strengthened further. China as the only steadfast regional partner has always provided Pakistan with much-needed strategic and financial support while also preserving its own fiscal interests. It sees Pakistan as a potential counterweight to India's rising stature which is being propelled upwards with American support. Being dubbed as a 'threat to the international order' by the United States, China and Pakistan are being dealt with in similar manner which pushes them further closer to each other.

On the other hand, China views the US support towards India as a part of its long-term regional policy which centers on America's own vested interests in South Asia. However, Pakistan-China alliance is not perched on the whims and shifts of American policymakers, it is a partnership that has proven durable in face of numerous such external challenges. Terrorism, religious extremism and political instability are a few examples of these challenges, but they are being tackled accordingly by both governments and in spite of them, the ties between China and Pakistan are moving forward with joint economic projects under the flag of CPEC. The choice of leaning against a trusted friend like China seems both wise and inevitable for Pakistan. The case of engagement with Russia, however, is quite different.

The cordiality between Moscow and Islamabad began to witness a surge when Donald Trump shifted the entire blame on Pakistan for the US failure in Afghanistan under the pretext of Afghanistan and South Asia policy.<sup>3</sup> In this backdrop, Defence Minister of Pakistan, Khawaja Asif, paid a visit to

<sup>&</sup>quot;Remarks by President Trump on the Strategy in Afghanistan and South Asia," *The White House Press*, August 21, 2017.

Moscow<sup>4</sup> and, later on, Pakistan and Russia jointly conducted two-week long counter-terrorism drill which was termed as "Friendship 2017.'<sup>5</sup> Apart from this, the two countries have also been engaged in long-term projects such as purchase of Mi-35 attack helicopters.<sup>6</sup> Russia has also lifted the arms embargo on Pakistan, which has further increased the prospects of defense and strategic cooperation.

However, minimal economic cooperation has been emerging as one of the most significant delimiting factors. North-South gas pipeline project is a case in point. The agreement for the project was signed in October 2015 and was expected to conclude in December 2017. The project was supposed to link Karachi's Liquefied Natural Gas (LNG) terminals with those of Lahore through a 1100 km long pipeline with a capacity of 12.4 billion cubic meter per annum. The project has faced a stalemate because Pakistan insists on cutting LNG fee further despite having it revised twice. Russian companies showed reluctance to approve further cuts and expressed the fears that the project might be delayed.

There are many daunting challenges affecting the probability of Russia-China-Pakistan axis. For one, Pakistan itself is an area of competition where Russian oil and gas companies find themselves competing with the Chinese. Russia, on the other hand, has been trying to balance between India and Pakistan in a bid to craft a smart policy of keeping Pakistan close to its orbit as a counterweight to growing fondness of New Delhi with the US. China, interestingly, has been striving to usher in another phase of development while sustaining its peaceful rise. Therefore, it has been maintaining cordial relations with the US. Pakistan, too, cannot afford to break ties with Washington. Given this, the prospects of transforming present intensified cooperation between China, Pakistan and Russia into an 'axis' are quite dim unless a severely unpredictable situation arises threatening, indirectly and directly, the interests of the three countries.

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<sup>&</sup>lt;sup>7</sup> "Pakistan Russia Sign Agreement for Construction of North-South Gas Pipeline", *Dawn*, October 16, 2015. https://www.dawn.com/news/1213460

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