

# China-Russia ties strengthened

BARRISTER HARUN UR RASHID

ON 15th June, Chinese President Hu Jintao arrived in Moscow for a four-day state visit aimed at deepening pragmatic cooperation between China and Russia. President Dmitry Medvedev received President Hu and his wife Liu Yongqing in the Kremlin's glittering St George hall.

This year marks the 10th anniversary of the signing of the China-Russia Treaty on Good-Neighbourliness, Friendship and Cooperation.

In the past decade, the development of China-Russia ties has made remarkable progress. Political and strategic mutual trust between the two nations has deepened continuously.

Two months ago, the Chinese and Russian presidents met on the sidelines of a BRICS (Brazil, Russia, India, China and South Africa) summit in the southern Chinese beach resort of Sanya, and the two leaders agreed to further improve cooperation and safeguard common interests.

In 2010, Hu and Medvedev held six bilateral meetings, and reached important agreements to strengthen China-Russia strategic partnership of cooperation.

President Hu flew to Moscow from Astana after a visit to Kazakhstan and attending to the Shanghai Cooperation Organization summit.

Emphasising warm relations between the Kremlin and Beijing, Medvedev said, "I am glad to welcome you to Moscow ... you and I meet relatively frequently, but we will always have time to discuss important issues."

During this visit, Hu met with President Medvedev and Prime Minister Vladimir Putin. The two sides exchanged views on

planning for the development of China-Russia relations in the next decade and on major regional and international issues.

He said during the visit, China was ready to work with Russia to make new and greater contributions to the sustainable growth and comprehensive rejuvenation of the two countries, as well as to the benefits of their peoples and to world peace and development.

"Our continuous exchange of opinions on a whole range of pressing questions is one of the main reasons for the dynamic and successful development of Russia-China relations," Hu said, in comments aired by Russian national television.

Among the topics the two leaders discussed were the conflicts in Libya and Syria, the security situation in North

Korea, nuclear energy, border demarcation, aerospace cooperation and development, and military equipment sales, the Interfax news agency reported.

Trade issues on the agenda included setting up jointly operated border crossing points and improving transportation infrastructure between the two countries.

The two countries have established mechanisms for high-level exchange of visits and all-round cooperation. They have become each other's major trading partner, and have coordinated closely in dealing with

major world and regional affairs.

Last year, their two-way trade volume reached 55.4 billion U.S. dollars, an increase of 43 percent over the previous year. In the first four months of this year, bilateral trade stood at 22.3 billion dollars.

The China-Russia oil pipeline started operation at the beginning of this year, and

entrenched to resolve. In a deal of this size, even a tiny alteration in price means a loss or gain of billions of dollars.

The price difference between Gazprom and China National Petroleum Company is reported to be about \$100 per 1,000 cubic meters, with the two sides looking at a compromise of \$250 to \$350 per 1,000 cubic meters.

Gazprom sold pipeline gas to Europe in the first half of 2011 for an average of \$346 per 1,000 cubic meters and may raise the price for long-term contracts to \$500 per 1,000 cubic meters by December on the back of high oil prices.

During a session with leading international financiers, Finance Minister Alexei Kudrin said oil and gas output accounts for 17 percent of the country's GDP, while producers contribute 35 percent to 40 percent of the government's revenue. The government needs the price of crude oil to average \$115 a barrel to balance its budget, he said.

Under the terms of an agreement signed in 2006, Gazprom is due to begin supplies of about 70 billion cubic meters of gas a year to CNPC in 2015. China consumed 107 billion cubic meters of gas in 2010.

China is seeking a discount on the price at which Gazprom sells gas to its European customers. Gazprom has stressed that a final decision would not depend on politics

but economics. "It's the wrong assumption that companies can establish a price by themselves -- market forces decide," he said.

China is developing other sources for the supply of gas to its domestic market. Regasification terminals for liquefied natural gas, or LNG, are being installed along its eastern coast, with an annual import capacity target of 64 billion cubic meters by 2015. The country's potential reserves of shale gas are thought to be substantial.

Since the end of the Cold War, the improved political and economic relationship between Beijing and Moscow has affected a range of international security issues. China and Russia have expanded their bilateral economic and security cooperation. In addition, they have pursued distinct, yet parallel, policies regarding major global and regional issues.

Although both countries have experienced a geopolitical resurgence during the past two decades, Chinese and Russian security concerns are not directed at each other but rather focus on different areas and issues, with the notable exceptions of maintaining stability in Central Asia and constraining North Korea's nuclear activities.

As the international situation is undergoing profound and complicated changes, the great cause of peace and development of the mankind now faces a number of challenges. Given that scenario, growth of China-Russia relations has pushed forward the process of multi-polarisation of the world and is likely to play an important role in promoting peace, stability and prosperity in the region and the world.

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the fifth round of their strategic security consultations last January was a great success.

A supply deal is important for energy-hungry China, which saw its gas demand increase 22 percent in 2010, and for Russia, which is looking to diversify its exports away from Europe and to exploit Asian markets. But experts said neither side yet had a sufficiently strong reason to make the required compromise on price.

Disagreements on the price of deliveries determined by any contract proved too

## Looking at Asia

C. RAJA MOHAN

AS US Secretary of State Hillary Clinton arrives in India on Monday for the second round of the bilateral strategic dialogue, there has been quibbling in both Delhi and Washington over a number of issues, including the fulfilment of their mutual nuclear commitments and defence cooperation.

While Delhi and Washington must iron out the many wrinkles in their bilateral relationship, Clinton's India visit will be judged by the ability of the two sides to develop a cooperative political agenda in the Af-Pak region and in East Asia, which are undergoing rapid geopolitical evolution.

Washington has made no secret of concerns on India's nuclear liability legislation that is seen by the US companies as imposing unbearable costs in building 10,000 MW of nuclear capacity that India has set aside for them.

Delhi is unhappy that the United States did not stop the Nuclear Suppliers Group from taking steps that could prevent future transfers of uranium enrichment and plutonium reprocessing technologies for commercial application in India.

Sections of the US establishment continue to crib over the elimination of Boeing and Lockheed from the first round of the bidding for the sale of 126 medium-range multi-role combat aircraft to the Indian Air Force.

India, on the other hand, points to the fact that US companies have won orders for weapons systems worth \$8 billion in the last few years. Delhi also suggests that American companies might be on the verge of winning other defence contracts worth billions of dollars.

Some in the US are asking what Washington has got for the political investments that the Bush and Obama administrations have made into the construction of a new partnership with India in recent years. Delhi, on the other hand, warns against letting accountants judge the Indo-US strategic partnership.

Neither India nor the United States would want to build the kind of transactional relationship that America and Pakistan have. Nor should they want to emulate the very cynical US-China alliance against the Soviet Union during the Cold War.

What Delhi and Washington need is a

partnership that has the political bandwidth to deal with their common threats in the Af-Pak region and the shared interests in East Asia and the waters of the Indian and Pacific Oceans.

In the northwestern marches of the sub-continent, the American raid on Abbottabad and the execution of Osama bin Laden have brought into the open the deep contradictions between the United States and Pakistan in Afghanistan and the war on terror.

Washington thought it could buy Pakistan Army's support by defeating al-Qaeda and stabilising Afghanistan.

to terms with the increasingly tense relationship between Washington and Beijing in Asia.

A rising China, unsurprisingly, would like to diminish the US influence on its Asian periphery. In the face of an increasingly assertive China, Beijing's neighbours are turning to Washington for protection.

During her last visit to Southeast Asia a year ago, Clinton proclaimed "America's return to Asia" after a prolonged preoccupation with the Middle East, and extended support to China's smaller neighbours in their maritime territorial disputes with Beijing. Since then matters have taken a

turn for the worse in the waters of Asia. As in the Af-Pak region, so in East Asia, the old geopolitical assumptions are no longer sustainable.

Through the last six decades, the US relations with China and Pakistan have been major sources of Delhi's wariness about Washington. The United States had little time for Indian concerns as it built instrumental partnerships with Beijing and Rawalpindi.

Today, the US ties with both China and Pakistan have entered an uncertain phase as the ties between Delhi and Washington have improved.

More broadly, India's worldview since Independence has been shaped by an enduring distrust of the West and the suspicion that the United States is opposed to India's territorial integrity and her aspirations for a larger role in the world.

India's problem today is not an unfettered Western dominance, but the increasing manifestations of American weakness in the face of a rising China and the resulting strategic ambiguities.

For an United States that must now shed some of its global security burdens, an emerging India is a valuable partner in managing the impending chaos in the Af-Pak region and promote political stability and economic prosperity in East Asia.

For nearly six decades, India and the United States struggled to limit the damage to their bilateral relations from their divergent strategic trajectories. Today, the challenge for Clinton and her Indian hosts is to build on the convergence of their interests in Asia -- in the continent's southwestern and eastern parts.

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Indian Foreign Minister S.M. Krishna listens to U.S. Secretary of State Hillary Clinton before the start of security talks at Hyderabad House on July 19, 2011.

Rawalpindi's interest has been different -- to establish a pliable government in Kabul and secure strategic depth in Afghanistan through the Taliban and the Haqqani network, both of which have had enduring connections to al-Qaeda.

Despite its relentless drone attacks, Washington is nowhere near bending the Pakistan army to act against the terror groups that are fighting the United States. Delhi has far fewer levers in pressing the Pakistan army to dismantle the anti-India terror infrastructure on its soil.

Yet, Washington and Delhi think they can manage the Pakistan problem on their own and don't want to be associated too closely with each other in Afghanistan. The prospects for the stabilisation of the Af-Pak region will remain bleak until there is a measure of strategic coordination between Delhi and Washington.

Despite a very different situation, the story is similar in East Asia where Clinton heads after completing her Indian sojourn in Chennai.

In the past, India vigorously objected to Sino-American partnership -- during the Cold War and after. Delhi must now come

## Britain opposes permanent EU military HQ

FRANCE, Germany and Poland want the idea of a permanent European Union military headquarters in Brussels to be pursued despite British opposition, their foreign ministers said Monday.

The ministers issued a joint statement after EU foreign and security policy chief Catherine Ashton released a report on possible ways for states to pool and share military capacities, which the ministers discussed.

The text of her report mentioned a "permanent civilian-military planning and conduct of operations capacity" or permanent European military headquarters, Alain Juppe, Guido Westerwelle and Radoslaw Sikorski said in the statement.

Ashton's report also called for sharing defence capacities, improving EU-NATO relations and operational engagements by EU tactical groups, the statement said. The talks' conclusions were not immediately officially released because of the differences of opinion. "The report remains on the table," the ministers said. "Our three countries want her (Ashton) to continue work with member states on this basis."

British Foreign Secretary William Hague however on Monday voiced opposition to the mooted EU military headquarters, an idea backed by France for years.

"It is very clear that the United Kingdom will not agree now or in the future to an EU permanent HQ," Hague said after talks with EU counterparts in Brussels. Britain's chief diplomat said an EU military headquarters would be costly and create duplications with existing structures within the NATO transatlantic alliance.

Hague said London would strive to scrub the idea of an EU military HQ from Ashton's report.

## UH-60M Blackhawk Helicopters for Thailand

THE Defense Security Cooperation Agency notified Congress Tuesday of a possible Foreign Military Sale to the Government of Thailand for three UH-60M Black Hawk Helicopters and associated equipment, parts, training and logistical support for an estimated cost of \$235 million.

The Government of Thailand has requested a possible sale of three UH-60M Black Hawk Helicopters, eight T700-GE-701D Engines (six installed and two spares), Dual MXF-4027 VHF/UHF-AM/FM communication radios, AN/ARC-201E Export SINCGARS Airborne Radio, AN/AXP-117 CXP (Common Digital IFF Transponder), government furnished equipment, engineering change proposals, spare and repair parts, support equipment, publications and technical documentation, Aviation Mission Planning Station, Transportable Blackhawk Operations Simulator (TBOS), U.S. Government and contractor technical and logistics support services, aircraft warranty, Air Worthiness Release Support, Repair and Return Support, and other related elements of logistics support.

The estimated cost is \$235 million.

This proposed sale will contribute to the foreign policy and national security of the United States by helping to improve the security of a major non-NATO ally...

Source: [defencetalk.com](http://defencetalk.com)

