

Beijing's diplomatic forays in India's backyard have stoked fears in New Delhi of being 'encircled' even as the trade war with the US forces a new regional pragmatism.

By Joe Leahy, Andres Schipani, Humza Jilani and John Reed

China's south Asian charm offensive

In the small Dhaka apartment of Syed Abdullah Muhammad Taher, the smiling face of Xi Jinping beams out from the cover of a book placed among the Korans on the Islamist leader's desk.

The senior member of Bangladesh's Jamaat-e-Islami, a political party and important contender in elections in February, received his copy of *The Governance of China* — the Chinese president's five-volume collection of speeches and writings — while visiting Beijing this year to meet Communist party leaders.

"It was an excellent trip, they treated us as government dignitaries. This was the first time China has invited a senior leader from Jamaat," he says.

Taher's visit to the Chinese capital is part of a broader campaign by Beijing to court not only Bangladesh's political classes but also leaders from the other countries surrounding India, China's regional arch-rival, to try to tip the balance of power in south Asia in its favour.

FT research shows Chinese officials have held at least seven high-profile meetings with Bangladeshi politicians in the 14 months since the interim government of Muhammad Yunus, a former social finance entrepreneur, took office. This compares with eight meetings in the last five-year term of Bangladesh's long-standing autocrat, Sheikh Hasina.

Beijing officials, meanwhile, have held 22 high-profile meetings this year with counterparts from Pakistan — on track to match last year's 30. Among the smaller countries surrounding India, Beijing has conducted at least six high-

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ally in the region, with which Bangladesh fought a brutal war of independence in 1971 with Indian support.

Since the beginning of the year, Pakistan's army chief, Field Marshal Asim Munir, and other generals have welcomed Bangladesh's top brass to Islamabad and Rawalpindi. In February, the two countries reopened direct trade links for the first time in more than 50 years, while in August, Pakistan's foreign minister Dar and commerce minister Jam Kamal Khan travelled to Dhaka in the first such high-profile trip to the Bangladeshi capital in over a decade.

Yunus was "a leader who inspires the world", said Dar, promising that direct flights between Pakistan and Bangladesh would resume.

However, analysts say the Bangladesh-Pakistan relationship is still overshadowed by unsettled business from the war decades ago. During talks between the countries' foreign secretaries in Dhaka in April, Bangladesh pushed Pakistan for an apology for its military's atrocities in 1971 and a settlement for billions of dollars of claims arising from the country's split.

"There is now an effort to re-engage with Pakistan," says Shafqat Munir, senior fellow with the Bangladesh Institute of Peace and Security Studies. "However, there is a widespread consensus that 1971 cannot be set aside for the betterment of the relationship."

China's relationship with Pakistan, meanwhile, has grown even closer. In early August, Pakistan's became the first foreign army to induct Chinese Z-10ME attack helicopters into its fleet. That same month China Shipbuilding and Offshore International Company launched the third of a planned eight Hangor-class diesel-electric submarines destined for Pakistan, designed to compete with India in the Arabian Sea.

China's weapons deliveries "beef up Pakistan's capability as an effort to bring more parity in the India-Pakistan relations", says Yun Sun, director of the Stimson Center's China programme.

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Behind the diplomatic push is a deeper strategic contest for influence. Both China and India have ambitions to be global leaders, particularly in the developing world. China's geopolitical manoeuvres keep India preoccupied, while securing Chinese access to the Indian Ocean.

"China sees what India considers to be its neighbourhood to be perfectly fair game for Chinese activities and influence," says Daniel Markey, senior fellow at the China and south Asia programmes at the Stimson Center. "That it is as much China's backyard as it is India's."

For New Delhi, long-standing fears of being "encircled" by China have never seemed more real, analysts say. India's policy of drawing closer to the US to offset China's growing power has been in question since US President Donald Trump took office and unexpectedly slapped a 50 per cent tariff on imports from India. Last month Trump announced a new \$100,000 fee on H-1B visas widely used by Indian workers and tech companies.

Beijing knows that India is distracted, says Amit Ranjan, a research fellow at the National University of Singapore's Institute of South Asian Studies. "India is not in a strong position at present, so the Chinese may feel that it's a good time to exploit that."

Ranjan adds that of the countries neighbouring India, New Delhi only has good ties with three smaller ones — Sri Lanka, the Maldives and Bhutan. But China has a presence in both Sri Lanka and the Maldives and it has been encroaching on Bhutan's borders.

The dangers of the shifting regional allegiances struck home in May when Chinese-supplied aircraft, missiles and intelligence-sharing helped India's nemesis Pakistan shoot down up to six Indian fighter jets in a brief border conflict, according to officials in Islamabad.

Although Trump appears unconcerned by or even hostile to New Delhi, for US allies in Asia, India's isolation will only open the way for China to further expand its influence in the Indian Ocean, the conduit for 80 per cent of the world's maritime oil shipments.

"There is definitely a fear here that there is an alignment of adversarial powers around India," says Sushant Singh, a lecturer in south Asian studies at Yale University. "And India is right to be concerned about it."

Randhir Jaiswal, spokesperson for India's foreign ministry, says that New



At a meeting in August, Chinese President Xi Jinping, left, told India's prime minister, Narendra Modi, that the two countries were 'partners not rivals'

FT montage; Reuters/Gerry Images

Delhi's "position is to keep a close watch" on such developments and "take action" if needed.

China's foreign ministry, meanwhile, says "the countries of south Asia are China's close neighbours" and Beijing's aim was to build "a community with a shared future in the neighbourhood", built on "inclusiveness", "security and prosperity". It says its development of friendly relations with any country did not "target any third party".

In Bangladesh, Beijing's charm offensive has gained momentum since Hasina, a staunch India ally, was brought down by student protests last year. Chinese diplomats have built close relations with Yunus, her replacement, whose first state visit to any country was to meet Xi in Beijing in March.

In contrast, Yunus has yet to hold extensive talks with Narendra Modi, India's prime minister, whom he met only once briefly on the sidelines of a regional meeting in Bangkok in April. Shafiqul Alam, Yunus's press secretary, says that the interim leader seeks good ties with its western neighbour and asked New Delhi for a bilateral visit in December weeks before his visit to China was finalised, but "unfortunately, we didn't receive a positive response".

Other Chinese diplomatic overtures in Bangladesh have included meetings by the Communist party's former international department head, Liu Jianchao, with leaders of the Bangladesh Nationalist party, the country's largest political party.

Liu and China's foreign ministry have

regularly met the Yunus government's foreign adviser, Touhid Hossain, while China's minister of commerce also visited Dhaka in June with a 250-strong business delegation.

But China is casting its net much wider. In June, hackles were raised in New Delhi after Beijing hosted an "inaugural" trilateral meeting between Bangladesh, China and Pakistan in Kunming, south-west China, at which the three nations agreed to co-operate on everything from investment to infrastructure and to set up a joint working group. Ishaq Dar, Pakistan's foreign minister, told reporters in August that Sri Lanka might also join the entente.

"Against the backdrop of sweeping global change, the south Asia and Indian Ocean regions are undergoing a structural realignment," Chinese scholar Liu Zongyi wrote in the Chinese Communist party's Global Times tabloid in June of the trilateral meeting.

China's rivalry with India dates back to a 1962 war over their Himalayan border. In recent years, relations plumbed new lows after both sides suffered casualties in hand-to-hand border skirmishes in 2020. Tensions rose again in May over the use of Chinese weapons during the conflict with Pakistan. While nuclear-armed China and India have recently sought a rapprochement, analysts say this is tactical, as both sides concentrate on dealing with Trump.

China's courting of India's neighbours goes far beyond weapons and includes promises of investment through Beijing's flagship Belt and Road infrastructure programme, according to analysts.

"While India lacks the capacity to drive regional economic development, it remains reluctant to see external countries assist its neighbours in advancing their economic and social progress, as it seeks to preserve its geopolitical dominance," said Liu in his Global Times piece.

China is not trying to contain India, says Lin Minwang, an international relations scholar at Fudan university in Shanghai. But India is actively trying to contain China through its membership of US-led defence partnerships such as the "Quad", which also includes Japan and Australia. "I think it is India's mindset to want to keep south Asia as India's own backyard, as India's sphere of influence," Lin says.

But "China's rise . . . has really been a good opportunity for Bangladesh, for Sri Lanka and for Nepal", he adds. "That's why now most of these south Asian countries try to develop closer economic relations with China."

Among China's many diplomatic manoeuvres in south Asia, its inroads into Bangladesh are among the deepest and most troubling for New Delhi.

India believes that the Yunus government is too soft on Islamists and that its closeness to China could leave the strategically important north-eastern Indian states vulnerable to border tensions. The states are connected to the rest of India by the narrow Siliguri Corridor, known as the "Chicken Neck".

During his visit to Beijing in March, Yunus stoked these fears by describing India's north-east states as "landlocked" and therefore reliant on Bangladesh for access to the ocean.

Bangladesh has revived a project with China to develop the strategic Teesta river area near the border with India and has allowed China to modernise and expand the country's second-largest shipping hub, the Mongla port.

It has also been in discussions with Beijing to acquire Chinese-origin J-10

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Vigorous Dragon fighter aircraft — the same ones the Pakistani air force used to shoot down Indian fighter jets in May — and has sought China's help to potentially combat online misinformation allegedly coming from India, people close to Yunus say.

Others point out that Bangladesh has always had a positive economic relationship with China. "China is a major source of Bangladesh's imports. China has provided Bangladesh with soft and commercial loans. Chinese investments are quite high in the garment and other major sectors," says Khondaker Golam Moazzem, research director at the Centre for Policy Dialogue, a Dhaka-based think-tank. "But what is changing is the political relationship. So, away from India, closer to China."

In this regard, the US seems to be inadvertently assisting Beijing. At the trilateral meeting with Pakistan and Bangladesh, foreign minister Wang Yi said that China had zero tariffs on Bangladeshi products, "creating opportunities for its development".

Another important diplomatic initiative for China has been its encouragement of a reconciliation between Bangladesh and Pakistan, Beijing's closest

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Alongside its diplomatic efforts to reconcile Pakistan and Bangladesh, China has been mediating ties between Pakistan and Taliban-ruled Afghanistan. These have frayed amid surging militancy along Pakistan's western border, which has also killed Chinese workers, and the expulsion of almost 1mn Afghans from Pakistan. China has also publicly called on the Taliban to crack down on Uyghur separatist groups operating from Afghan soil.

In late May, China's Wang secured a promise by Islamabad and Kabul to exchange ambassadors and deepen Belt and Road co-operation.

Yet even as Beijing has been working to isolate New Delhi diplomatically, the two countries have been trying to improve their frosty relations in public.

Wang visited Delhi in August and 10 days later, Modi made his first visit to China in seven years for a meeting of the Shanghai Cooperation Organisation, a regional security summit. There, Modi was pictured laughing and joking with Xi and Russian President Vladimir Putin. Xi told him China and India were "partners not rivals", and the two sides agreed to resume direct flights.

The rapprochement began even before Trump's election last year and was largely being driven by pragmatism between the two sides, analysts say.

As India tries to move up the manufacturing value chain, attracting the suppliers of companies such as Apple, it needs Chinese components and expertise. This is despite running a trade deficit with China of near \$100bn. Gavekal analyst Tom Miller said in a report that India was pursuing "strategic autonomy" — "cultivating relationships with many partners without aligning decisively with any one of them".

In Dhaka, the favourable newfound attitude towards China of Nahid Islam, leader of the National Citizen party, which was started by the students who spearheaded last year's revolution, explains the size of the challenge facing India in winning back its old ally.

Islam, who visited Beijing in August and was also awarded Xi's opus as a souvenir, says that for China, Bangladesh is "part of a new political alignment" and that Beijing is thinking way ahead.

"The Chinese gave priority to us because they think that we are representatives of a young political force and also they think that we are the future, that we can be the future for Bangladesh," Islam says.

