

Inter-Regional Contact Ushers in a New Era

Closer India-China and India-Pakistan relations are set to boost tourism flows

When the leaders of Pakistan, India and China (PRC) – three PATA countries with a combined population of nearly 2.5 billion, just under half of the world's estimated total – decide to settle long-simmering conflicts and move toward a new era of peace, trade, sport and socio-cultural contacts, the result can only be positive for travel and tourism.

As a step in this direction, Chinese Prime Minister Mr Wen Jiabao visited New Delhi from April 9-12, followed by Pakistani President Gen Pervez Musharraf's visit to India from April 16-18.

These recent high-level meetings, in addition to the Asian-African Summit held in Jakarta, April 22-23, have set in place efforts designed to boost bilateral and regional economies and create "a new international political and economic order that is fair, rational, equal and mutually beneficial".

Indeed, the trilateral China (PRC)-India-Pakistan rapprochement could have the same positive impact that the end of the Indochina wars has had on the Greater Mekong Subregion countries.

The May 2005 edition of *Issues & Trends* discussed the potential impact of the Asia-Africa Summit. This edition will discuss the potential positive implications of improving relations along the China (PRC)-India-Pakistan axis.

OVERVIEW

Although they are neighbours, China (PRC), India and Pakistan have been constrained from tapping into their full potential for economic, technological, social and cultural growth by years of conflict and controversy.

India and Pakistan were founded in 1947 following their independence from British rule and were divided along largely ethnic and religious lines. The People's Republic of China was proclaimed only two years later in 1949.

Since then, the three countries have been through a number of local, bilateral, regional and international upheavals. India and Pakistan have fought three wars, one immediately after independence in 1948-49, one in 1965 over Kashmir, and one in 1971 over the formation of Bangladesh from what was once East Pakistan. China (PRC) and India also fought a war in 1962 over a border dispute.

With internal and external security a major concern for all three powers, it is not surprising that their military budgets are huge. The CIA's *World Factbook* estimates that China (PRC) spent US\$67.49 billion in 2004 (about 4.3% of GDP) on its military. India's military expenditure was US\$16.97 billion (2.5% of GDP) and Pakistan's was US\$3.84 billion (4.9% of GDP).

In all three countries, there is a greater realisation that military solutions are not the way forward. Although each of their political and social systems is distinct, all three are nuclear powers and depend on massive oil imports to meet their burgeoning energy needs. They also share the common problems of overpopulation, environmental degradation, extensive poverty and significant differences in ethnic and social composition.

Hence, leaders of all three countries realise that greater efforts need to be made to put the past behind them and to fully tap into their huge potential. Diversity can be a tremendous source of strength and synergy.

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TRAVEL AND TOURISM POTENTIAL

Travel and tourism is expected to be both a major beneficiary and positive contributor to this new era of growth. The rich and ancient civilisations of the three countries have created an unmatched pool of tourism assets: the Great Wall of China is just one of 30 UNESCO World Heritage sites in China (PRC), India boasts the Taj Mahal among its 26 heritage sites, and the archaeological ruins at Moenjodaro are among Pakistan's six heritage sites.

A new focus on economic liberalisation is opening up business and MICE traffic. Low-cost airlines are revolutionising transportation systems, with more to come as roads, railways and ports are developed and upgraded. China (PRC) is being touted as the future 'factory' of the world and India the future 'office'.

None of this will be possible without increased people-to-people contact. In turn, more intra-regional travel will contribute to the national goals of poverty alleviation and the rise of living standards in rural areas.

The following looks at the details of what was agreed upon at the India-China (PRC) and India-Pakistan summits in April, including the travel, tourism and transportation components.

CHINA (PRC) AND INDIA FORM 'STRATEGIC PARTNERSHIP'

Taking into account "the profound changes in the regional and international situation", the two sides agreed in their joint communiqué that China (PRC)-India relations "have now acquired a global and strategic character". The leaders therefore agreed to establish an 'India-China (PRC) Strategic and Cooperative Partnership for Peace and Prosperity'.

They agreed that the partnership would be based on the principles of *Panchsheel* (equality, mutual respect and sensitivity for each other's concerns and aspirations); provide a framework for the comprehensive development of bilateral relations based on the mutual goals of security, development and prosperity; and contribute to jointly addressing global challenges and threats. They expressed "readiness" to resolve outstanding differences in a proactive manner without letting them interrupt the continued development of bilateral relations.

The two sides agreed that:

- High-level exchanges between the governments, parliaments and political parties play an important role in expanding overall bilateral cooperation and should therefore be maintained and strengthened;

- A series of commemorative activities will take place in 2005 to mark the 55th anniversary of bilateral diplomatic relations, including a 'Cultural Festival of China', which is currently underway in India, and a corresponding 'Cultural Festival of India, to be organised in China (PRC) later in 2005. Moreover, 2006 is declared the 'Year of India-China (PRC) friendship';
- An Indian-style Buddhist temple will be built at Luoyang in Henan Province of China (PRC);
- An increase in bilateral trade volume to US\$20 billion or higher by 2008 is appropriate. A Joint Study Group (JSG) has identified a series of measures related to trade in goods and services, investment and other areas of economic cooperation, and recommended their expeditious implementation to remove impediments. A Ministerial-level Joint Economic Group was tasked to coordinate implementation of these recommendations. The JSG also recommended an India-China (PRC) Regional Trading Arrangement comprising trade in goods and services and investment. It identified areas for trade and investment promotion as well as measures for promoting economic cooperation in specific sectors. A Joint Task Force is to study in detail the feasibility of an India-China (PRC) Regional Trading Arrangement;
- Consultation should continue on a Bilateral Investment Promotion and Protection Agreement;
- Cooperation should be stepped up in education, science and technology, healthcare, information, tourism, youth exchange, agriculture, dairy development, sports and other fields;
- An India-China (PRC) Steering Committee on Scientific and Technological Cooperation should be established, including consultations on the mutual recognition of academic certificates and degrees;
- Regular youth exchange activities are important. China (PRC) will invite 100 Indian youths to China (PRC) in 2005 and hold an exhibition on advanced and applicable technologies in India;
- The countries should enhance direct air and shipping links, tourism exchanges and people-to-people contacts. A memorandum of understanding on the liberalisation of civil aviation links has already been concluded, allowing a designated airline from either side to mount at least 21 flights a week to any six points. Private airlines such as Jet Airways and Air Sahara can now operate to China (PRC), as can Air China to India. At the moment, Air India and China Eastern operate only three and four flights a week, respectively;

both a major beneficiary and positive new era of growth

- The memorandum on border trade through the Nathula Pass between the Tibet Autonomous Region of China and Sikkim State, India should be implemented;
- An India-China (PRC) Film Cooperation Commission should be established.

International heavyweights

The two countries' future roles in the field of international relations were also a subject of discussion.

Says the joint communiqué: "As two large developing countries, both India and China (PRC) were aware of each other's important role in the process of promoting the establishment of a new international political and economic order. Both sides share common interests in the maintenance of peace, stability and prosperity in Asia and the world at large, and share the desire to develop closer and more extensive understanding and cooperation in regional and international affairs.

"The two sides are supportive of democratisation of international relations and multilateralism, stand for the establishment of a new international political and economic order that is fair, rational, equal and mutually beneficial, and promote North-South Dialogue and South-South Cooperation.

"The two sides believe that the international community should eliminate poverty, narrow the gap between North and South, and achieve common prosperity through dialogue and cooperation."

Based on the above principles, it was agreed to:

- Conduct regular exchanges of views on major international and regional issues and strengthen cooperation in the World Trade Organization and other international multilateral organisations;
- Work together to preserve stability and growth in the global economy and reduce disparities between developed and developing countries;
- Support an open, fair, equitable and transparent rule-based multilateral trade system and safeguard the legitimate rights and interests of developing countries.

Said the communiqué: "Aware of their linked destinies as neighbours and the two largest countries of Asia, both sides agreed that they would, together, contribute to the establishment of an atmosphere of mutual understanding, trust and cooperation in Asia and the world at large, and facilitate efforts to strengthen multilateral coordination mechanisms on security and cooperation."

INDIA-PAKISTAN PEACE PROCESS 'IRREVERSIBLE'

For the first time, India has a Prime Minister who was born in what is now Pakistan, and Pakistan has a President born in present-day India. Both spent their childhoods in secular communities that got along fine until rent asunder by the Partition.

Pakistani President General Musharraf was born in the Neharwali Haveli in the Darya Ganj area of Delhi, India. Today, the little community, originally built according to the late Mughal architectural style, has given way to a theatre and residential complex.

Indian Prime Minister Manmohan Singh was born in the Pakistani village of Gah, a rural settlement some 80 km southwest of Islamabad. Today, little has changed. A motorway runs nearby, but there is no road from it to Gah. Women still draw water by hand from the wells. Some years before the Partition, Manmohan Singh's father, a dried fruit merchant, moved his family from Gah to the western Indian city of Amritsar.

Since assuming power, both leaders have visited their birthplaces. In a way, that created a special bond between them when they met. Before their historic meeting, both leaders carried out some 'Confidence-Building Measures' known in diplomatic jargon as CBMs.

Resumption of bus services

The disputed territory of Jammu and Kashmir is divided by what is known as the Line of Control (LoC). For 58 years, there has been no transportation across the LoC.

On April 7, 2005, 30 passengers from Muzaffarabad on the Pakistani side of Kashmir crossed over in a bus to Srinagar in the Indian part of Kashmir. Among the 30 were five women, including an elderly woman who crossed the bridge spanning the yawning divide between the two Kashmirs in a wheelchair.

Reported the Indian media: "It was a tearful, profound occasion as the passengers kissed the soil on the Indian side of the divide. There were bouquets and garlands, and also many moist eyes in the crowds that had gathered to witness this historic moment. Officers and soldiers of the Indian Army were at the forefront of the welcome, and it appeared as if the acrimony and mistrust of the last decades had suddenly been forgotten."

Cricket diplomacy

If there is one passion the two countries share, it is for cricket. Test matches and one-day internationals between the two sides are played and watched with a frenzy and passion unmatched in many (if not all) of the 154 countries where the sport has a presence.

Between March 8 and April 17, the Pakistani team visited India to play three tests and six one-dayers. This was one year after the Indian team visited Pakistan, from March 10-April 18, 2004 to play five one-dayers and three tests. On April 17, 2005, when President Musharraf was in Delhi, he watched the last one-day international match, which Pakistan won, taking the series.

The sporting spirit in which the two series were played has been widely lauded throughout the subcontinent, leaving cricket fans hankering for more. The two countries relaxed visa restrictions, allowing fans from both sides to watch the matches. Cricket commentators from both sides shared comradely TV banter. The ubiquitous Indian media reflected the new atmosphere as it shifted, in the words of one former military officer, "from full confrontation to full cooperation".

The joint communiqué

After the summit, the joint communiqué contained language that reflected the change of heart on both sides.

It declares: "Conscious of the historic opportunity created by the improved environment in relations and the overwhelming desire of the peoples of the two countries for durable peace and recognising their responsibility to continue to move forward towards that objective, the two leaders had substantive talks on all issues. They determined that the peace process was now irreversible."

In this spirit, the two leaders addressed the issue of Jammu and Kashmir and "agreed to continue these discussions in a sincere and purposeful and forward-looking manner for a final settlement. They were satisfied with the discussions and expressed their determination to work together to carry forward the process and to bring the benefit of peace to their people."

They also agreed to pursue further measures to enhance interaction and cooperation across the LoC, including agreeing upon meeting points for divided families, trade, pilgrimages and cultural interaction. They welcomed the successful operation of the Srinagar-Muzaffarabad bus service and "pledged that they would not allow terrorism to impede the peace process".

The two leaders also agreed to:

- Increase the frequency of the bus service and allow the use of trucks along the route to promote trade;
- Operate additional routes, including one between Poonch and Rawalakot;
- Give an early start to the bus service between Amritsar and Lahore and to religious places such as Nankana Sahib;
- Re-establish the Khokhrapar-Munnabao route by January 1, 2006;
- Reopen the Consulates General of the two countries in Mumbai and Karachi, respectively, before the end of 2005;

- Have their Ministers of Petroleum and Natural Gas meet to explore cooperation in the sector, including the issue of pipelines;
- Reactivate the Joint Economic Commission as early as possible and convene a meeting of the Joint Business Council soon.

CONCLUSIONS

No one is under any illusions that further problems will not arise to complicate relations between the three countries. However, the mood of the moment is not to allow temporary setbacks to disrupt the overall drift towards increased people-to-people contact. As the benefits begin to manifest themselves, it will become difficult for the enemies of these dual-track peace processes to derail them.

The travel and tourism industry has no shortage of opportunities to bolster and boost these contacts. In February 2005, a delegation of PATA executives, including former Chairman Mr Ram Kohli and President and CEO Mr Peter de Jong, had an audience in Islamabad with President Musharraf as part of their South Asian tour. The meeting was arranged by Col Akbar Shareef, Chairman of the PATA Pakistan Chapter.

President Musharraf affirmed Pakistan's intention to build a strong and viable tourism sector through new investments and initiatives. He praised PATA's support and promised increased participation and interaction with PATA.

If tourism considers itself to be an industry of peace, a golden opportunity to walk the talk has presented itself. The peace is ours to win.



Issues & Trends is published monthly for the members of the Pacific Asia Travel Association.

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Issues & Trends is delivered free to PATA members. A 12-month subscription for non-members is priced at US\$250. Contact publications@PATA.org

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