

Pakistan-China Social and Economic Relations

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Abstract

South Asia and East Asia are two sub regions of Asia. South Asia consists of seven countries India, Pakistan, Nepal, Bangladesh, Bhutan, Sri Lanka and Maldives. On the other hand, East Asia consists of China, Hong Kong, North Korea, South Korea, Japan and Taiwan. This article throws light on the Social and Economic relations of two countries, one from East Asian Region, China and other from South Asian Region, Pakistan. Pakistan and China has long history of reliable and time tested relationship. Pak-China friendship has been proven to be model of friendship between two neighboring states. Both states have strong political, defence, social and economic relations. This article is an attempt to explore new trends in Pakistan and china relationship.

Key Words: Pakistan, China, Social, Economic, Gawadar, Trade

Introduction

There are no permanent friends and enemies in international relations. The permanent thing is National interest which depends upon regional and international situation. It is a Nation's self interest which makes its foreign policy. South Asia and East Asia are two sub regions of Asia. South Asia consists of seven countries India, Pakistan, Nepal, Bangladesh, Bhutan, Sri Lanka and Maldives. On the other hand, East Asia consists of China, Hong Kong, North Korea, South Korea, Japan and Taiwan. East Asian economy is one of world's largest, successful and prosperous economies. In East Asia, China is the most powerful and populous country with population over 1.35 billion. China has second largest economy of world as well as world's largest exporter and importer of goods. China is a nuclear state and world's largest army. China has Quality and a potential to become next superpower of world. China and South Asian countries established their relations since independence of China. China shares common border with four south Asian countries, Pakistan, Nepal, Bhutan and India. South Asia geo-strategically and geo-politically, is very important for the world. There is many events which makes South Asia important for world some of these are (i) Wars between India and Pakistan in 1965 and 1971(ii)Unsolved Kashmir issue (iii) Pakistan and India's Nuclear tests (iv)Soviet invasion in Afghanistan (v)Incident of 9/11 and after 9/11 USA presence in Afghanistan. (Malik, 2012)

South Asian Studies 29 (2)

It is a fact that China is the only major power of Asia that can maintain balance of power, stability and peace in this region. Influence of superpowers like USA has increased in this region. India and USA relations are becoming stronger. Now there is China which can play its active role for the betterment and economic development of other's South Asia States. (Sukhanver,n.d.)

China's foreign policy towards South Asia consists of State to State relations with five principles of co-existence which are mutual trust, noninterference in internal affairs, respect of sovereignty of independent state, confidence and understanding. International Relations always depend upon national interest and in South Asia China's biggest interest is its economic interest. China has good relations with all small and big countries of this region to get economic and strategic benefits. As China is a permanent member of United Nations Security Council (UNSC) and work for the peace and stability in the world therefore, China works for the social, economic and political reforms of the world. China is big aid donor to all South Asian countries especially Pakistan, Bangladesh, Maldives, Nepal and Sri Lanka. Pakistan is the strongest ally of China in this region. Relations between Pakistan and China have remained constant from the very beginning. There are many reasons of good and close friendship between Pakistan and China. Both countries are immediate neighbors. There is no conflict between them. Both countries have cooperated with each other diplomatically. Their friendship is based on sovereign equality, brotherhood and mutual cooperation. Although China is a great power, it has shown no hegemonic designs and has never interfered in the internal affairs of Pakistan. Their strategic partnership always remains as reliable. They are committed to fight against terrorism, separatism and religious extremism, which is necessary for the stability, peace, progress and prosperity of the region. (Malik, 2012)

Pak-China socio-economic relations in the Era 2000-2012

Pakistan and China has long history of reliable and time tested relationship. Pak-China friendship has been proved to be model of friendship between two neighboring states. Both states have strong political, defence, social and economic relations. The changes took place in government of both states do not affect their relations. Their friendship is based on the principle of equality and mutual interests in all the fields of life. Both states respect the independence, sovereignty and territorial integrity of each other. Both countries are giving much importance to their mutual relations in their foreign policy. Pakistan supported Chinese point of view on one China policy, Tibet and Taiwan issues. China always gives defence and economic assistance to Pakistan. In Pakistan, there is huge Chinese investment which is likely to invest in the development of infrastructure, roads, highway, ports, and energy and communications sectors. Pakistan welcomed the Chinese investment for social and economic development. China supported Pakistan role against terrorism in this region.(Sabir, n. d.)

Both states are giving much importance to strengthen their economic relations. Chinese investment in Pakistan is gradually increasing which is very important for economic development. In South Asia, Pakistan is first country which has FTA (free trade agreement) with China. Pakistan and China are good trading partners. During first five years of FTA, Pakistan's exports were increased. So, it is planned to extend FTA for next five years. Both states cooperate each others in the field of trade, economic, agriculture, industry, energy, communication, and technology sectors. Pakistan-China relations are an excellent example of shared perceptions on important issues and dependable friendship based on principles. (Sabir, n.d.)

Historically, Pakistan and China has strong defence relations. China shares close military relations with Pakistan and transfer modern equipments to Pakistan defence forces. China gave material and moral support to Pakistan during Soviet invasion in Afghanistan, wars against India and as a frontline state against terrorism. Both states want to promote diplomatic, defence, economic, and social relations. The relations between two states describe as higher than Himalaya, deeper than Arabian Sea. So, it is important to discuss all major events took place in last twelve years (2000-2012). (Iqbal, 2011)

Diplomatic Relations

In twenty first century, Pakistan-China relations entered in new phase of development and cooperation. When General Pervez Musharraf became new chief executive of Pakistan, he focused to improve relations with China. In January 2000, Chief executive of Pakistan General Pervez Musharraf visited China after few months after he came of power. Pervez Musharraf met the Chinese Primer Zhou Rongji and discussed the problems related US sanctions on Pakistan's nuclear policy and democracy related issues. He also talked to enhance Pak-China economic and trade relations. Premier Zhou Rongji stated military government in Pakistan would not affect Pak-China relations and stated "In our nation-building endeavors, our two countries have supported each other and have carried out fruit full cooperation". Pervez Musharraf stated that "Pakistan considers China as its most reliable and time tested friend". (Mahmood, 2000)

In 2001, two countries organized major celebrations on 50th anniversary of Pak-China bilateral relations. In May 2001, Chinese primer Zhou Rongji visited Pakistan to attend 50th anniversary of Pakistan and China bilateral relationship. Zhou Rongji announced that China would start cooperation on the initial development of Gwadar port and coastal highway in Pakistan. Zhou Rongji also stated peace and stability in this region was priority of China. (Tao, 2012)

The terrorists attacked World Trade Center and Pentagon on 11 September 2001. The world community reacted with shock. All condemned the attacks and expressed sympathy for American people. The President of Pakistan, Pervez Musharraf issued a strong statement of condemnation and sympathy. He also affirmed Pakistan's readiness to join US war in fight against terrorism. On the

South Asian Studies 29 (2)

basis of this terrorist attacks, US entered in Afghanistan and Pakistan became the front line state against War On terror. Pakistan's alignment with west did not affect the Pak-China friendship. (Sattar, 2010)

After 9/11 event, President Pervez Musharraf immediately visited China after becoming ally of west on War of Terror. In December 2001, Pakistani President Pervez Musharraf visited China on the invitation of Chinese President. He met President Jiang Zemin and discussed the Pakistan's alignment on War On terror and regional situation. Pervez Musharraf stated that "The cornerstone of Pakistan's foreign policy is its close association and relationship with China". China ensured their support for Pakistan as an ally of US against terrorism. (http://news.bbc.co.uk/2/hi/south_asia/1720900.stm)

In 2002, China joined US and EU efforts to prevent a possible war between Pakistan and India. Secretary of state Powell later praised China's very helpful role. (Sattar, 2010) On March 2003, Pakistan's new Prime Minister Zafarullah Khan Jamali visited China. Zafarullah Jamali was first foreign Prime Minister who was invited in China to met new Prime Minister Wen Jiabao. Both states signed agreement on peaceful nuclear plant transmission, as well as economic sectors. Both states agreed to establish Pak-China friendship forum. (<http://books.google.com.pk>)

In November 2003, President Pervez Musharraf went to China. During the visit, leaders of both states signed the Pak-China Joint Declaration for mutual cooperation in all the fields. (<http://www.china.org.cn/world/>) President Musharraf met President Hu Jintao and discussed the situations of terrorism at regional and world level. Pervez Musharraf attending the second annual conference of Boao Forum for Asia in China province of Hainan. (Umer, 2013)

In April 2005, Chinese Premier Wen Jiabao's visit of Pakistan is marked as a new stage in the burgeoning relations between good friends, good neighbors and good partners whose friendship has withstood the test of time and international vicissitudes. Wen and Shaukat Aziz signed Treaty of Friendship, Cooperation and Good Neighborly Relations pledging mutual support in defense of sovereignty independent and territorial integration. Meanwhile, Wen and his Pakistani counterpart Shaukat Aziz jointly announced to start the negotiation on a free trade area between China and Pakistan and signed twenty one agreements to promote close trade and economic ties. (Sattar, 2010)

In April 2005, Chinese President and Prime Minister sent sympathy messages to Pakistan on train clash accident in Sind province. (http://www.chinadaily.com.cn/english/doc/2005-07/14/content_460031.htm) In 2005, President Pervez Musharraf visit to China. He said, "We are proud of our ties with China. Our relationship with China is time-tested and broad-based and this visit will be a landmark in further enhancing our political and economic friendship." (<http://pk.chineseembassy.org/eng/zbgx/t236948.htm>)

In February 2006, President Pervez Musharraf asked China for support of Pakistan for becoming full member of the Shanghai Cooperation Organization

(SCO). Pakistan can play an active role in the peace, stability and development of the region. China's Chairman of National People's Congress, Wu Bangguo ensured their support against terrorism and appreciated Pakistan's role in counter terrorism. (<http://pk.chineseembassy.org/eng/zbqx/t236948.htm>)

On Chinese World Affairs, an author launched a book on President General Pervez Musharraf. In this book author described President Pervez Musharraf as universally recognizing leader who had contribution in the peace of region as well as world. Professor Yang Daoin, the author of the book titled "Iron-willed Statesman of the 21st century" presented a copy to President Musharraf who was on a five day state visit to China. (<http://pk.chineseembassy.org/eng/zbqx/t236948.htm>)

In November 2006, President Hu Jintao visited Pakistan. He stated that "Pakistan was one of the first countries to recognize China. Ever since our diplomatic relations began in 1951, we have enjoyed mutual understanding, respect, trust and support and our friendship and cooperation have flourished. We are truly good neighbors, close friends, trusted partners and dear brothers". (President Hu Jintao, Islamabad, 24 November 2006) Pakistan also gave the highest civil award of Nishan-i-Pakistan to President Hu Jintao for idealist leadership and his great contribution to strength Pakistan and China relations. Both states signed the agreement of Pak-China Free Trade agreement and their mutual cooperation in all fields. (<http://www.nihao-salam.com>)

On 8 August 2008, Prime Minister Yousaf Raza Gilani went to China to attend the Beijing Olympics. During this visit, he met President Hu Jintao and Premier Wen Jiabao and signed several agreements. (<http://www.pakbj.org.pk/>)

In October 2008, on his first foreign state visit, after he became the president of Pakistan Asif Ali Zardari met the Chinese political leadership, entrepreneurs and Chinese media. (<http://www.pakbj.org.pk/>) In this visit, both states signed several agreements in the field of economy, technology, trade, agriculture, and communications. (<http://pk.chineseembassy.org/eng/>)

In October 2008, Prime Minister Yousaf Raza Gilani reached China. He specially went to attend the Asia Europe Summit Meeting (ASEM). Prime Minister met the group of Chinese corporate leaders. He also invited Chinese businesses men to find business and joint ventures opportunities in Pakistan. He also met with Heads of State and Government during ASEM in which he met with Prime Ministers of Malaysia, Japan, Italy, Poland and India. (<http://www.pakbj.org.pk/>)

In April 2009, President Asif Ali Zardari visited Hainan Island. He was there to attend Annual meeting of Boao Forum for Asia. This meeting was attended by eleven Heads of States. The President held a meeting with Premier Wen Jiabao. He also met President of China, Chinese Investment Corporation leaders and China International Offshore Oil Corporation and welcomed them to invest in Pakistan. (<http://www.pakbj.org.pk/>)

In August 2009, President Asif Ali Zardari visited Chinese provinces Hangzhou and Guangzhou. He met with new leadership of the Communist Party

South Asian Studies 29 (2)

of China in these cities. Pakistan and China signed three MOUs (Memorandum of Understanding) for cooperation in the field of fisheries. President Zardari also invited Chinese cooperation in the field of agriculture, energy sector and construction of dams in Pakistan. This visit of Pakistan's President covered all aspects of Pakistan and China relations. (<http://www.pakbj.org.pk/>)

In October 2009, Prime Minister Yousaf Raza Gilani went to China to attend the meeting of the Shanghai Cooperation Organization (SCO) member states. He met with heads of eight countries. He also met with Chinese president Hu Jintao and Prime Minister Wen Jiabao. (<http://www.china.org.cn/world/>)

In July 2010, Pakistani President Zardari visited two Chinese cities Shanghai and Beijing. He met with President and Prime Minister of China. President Asif Ali Zardari inaugurated photo exhibition on Mohenjo-Daro in Shanghai. Both states signed six agreements related to agriculture, healthcare, justice, media, economy and technology. (<http://www.china.org.cn/world/>)

In November 2010, Zardari went to China at the invitation of Chinese President. He reached Guangzhou to attend the opening ceremony of the 16th Asian Games. During this visit, President Asif Ali Zardari stated the importance of Pak-China relations and Pakistan's support of China as a host in world's sporting events. (<http://www.china.org.cn/world/>)

In December 2010, Prime Minister of China Wen Jiabao visited Pakistan. During his visit, he met with Prime Minister and President of Pakistan. Chinese Primer also held talks with Chairman of Senate, Speaker of National Assembly, and leaders of different political parties of Pakistan. He addressed with the Parliament of Pakistan. He met with Chairman Joint Chief of Staff Committee, and head of Pak Army, Pak Navy and Pak Air forces. He also attended the Pakistan and China business cooperation summit and visited the National Disaster Management Authority. He inaugurated the "Pakistan-China Friendship Centre" in Islamabad. The joint statements emphase on the importance of China-Pakistan and stressed that friendship and cooperation between the two states serve the main interests of them. Pak-China friendship shares peace, stability and development in the region as well as for whole world. (<http://www.pakbj.org.pk/>)

In 2010, Primer Wen Jiabao announced that next year would be celebrated as Pak-China Friendship Year". In 2011, Pakistan and China celebrated "Pak-China Friendship Year" at the occasion of 60th anniversary of bilateral Pak-China relations. On May 2011, governments of two sides and common people sent messages to each others on 60th anniversary. In this year, there was remarkable progress in the field of economic, trade, energy, defence, cultural, sports and educational developments. Head of Chinese state council of information Wang Chen visited Pakistan and attended the anniversary celebrations. In August 2011, President Asif Ali Zardari visited China to attend China-Eurasia Expo and met the president of China. In September, Chinese State councilor Meng Jian Zhu reached Pakistan. In November, Prime Minister Gilani visited China to attend Shanghai Cooperation Organization (SCO). (<http://pakobserver.net/>)

In 2012, there were high level exchanges of visits from both states. There were several times visits of President, Prime Minister, Chairman Senate, Speaker and Deputy Speaker National Assembly, Ministers of different departments and different political parties' delegations to China. There were also high level visits of leaders and defense ministers of both sides. In January 2012, Chief of Army Staff General Ashfaq Kiyani visited China. He met with President of China and Chinese chief of Army staff and discussed the defence matters. After this, Chief of Naval Staff visited China and attends Maritime cooperation ceremony of PNS Aslat. In March 2012, Prime Minister Yousaf Raza Gilani visited China to attend Boao forum for Asia Annual Conference. He met with the political leadership of China. In June 2012, President of Pakistan Asif Ali Zardari ninth times visited China and attended 12th Shanghai Cooperation Organization (SCO). During this visit, he met with president of Iran, Tajikistan and Afghanistan. President Asif Ali Zardari met with president of China Hu Jintao and signed three MOUs in the field of trade, economy, science and technology. In 2012, Pakistani parliamentary delegation visited China and met Chinese communist party. (<http://www.pakbj.org.pk/publications/Embassay%20News%20Letter2012.pdf>)

In September 2012, Chinese President Hu Jintao and Premier Wen Jiabao sent messages of condolences to Pakistani President and Prime Minister on the incident of the two major factory fire incidents. (<http://pk.chineseembassy.org/eng/zbqx/bilateralrelations/t971156.htm>)

In May 2013, Chinese Premier Li Keqiang visited Pakistan at the invitation of the government of Pakistan along with Chinese Foreign Minister, Minister of Commerce, and Minister of National Development and Deputy Secretary General of the State Council. During the visit, Premier Li Keqiang met with President Asif Ali Zardari and with the leadership of Pakistan's parliament, political parties and military.

In July 2013, Prime Minister Nawaz Sharif's Visited China on the invitation of Premier Li Keqiang. During the visit, Prime Minister Nawaz Sharif met with President, Premier Li Keqiang, and Chairman of the Standing Committee of the National People's Congress of China and corporate leaders and business community. (<http://www.pakbj.org.pk/>)

In June 2013, after Nawaz Sharif was elected he made China his first international official visit as Prime Minister. In October, China's Ambassador told Pakistan's National Defense University that "the Chinese government attaches great importance to developing relations with South Asia, and takes South Asia as a key direction of China's opening up to the west and a prominent position in China's neighboring diplomacy". (Pantucci, 2014)

Pak-China cooperation in the disaster of earth quakes

Pakistan and China had faced earthquake disaster in 2005 and 2008 respectively. Mutual cooperation of both states showed their time test and strong relations at the time of need. Therefore, their friendship is called all weather friends.

In October 2005, a dreadful earthquake hit Pakistan and some areas of neighbor countries. Earth quake was very powerful in its nature and in those areas since last hundred years. According to Pakistan government, about 18000 people were dead and more than 41000 injured in northern areas of Pakistan. There were too much unrecorded deaths in many cities of Pakistan. In Islamabad, huge residential building which was called Margalla hills was completely destroyed killing all its residents. (<http://www.cnn.com/>)

After earthquake disaster, in the first week China provided \$6.2 million aid to Pakistan. This aid included new 150000 blankets, and 3380 tents at the worth of 50 million Yuan .Total aid package from China was reached up to \$20.5 million. Pakistan's Cabinet Sectary Ejaz Rahim stated, "We cannot forget that China is amongst the first countries to leap to the assistance of the people of Pakistan and it has done it every time when Pakistan is in need. We cannot forget the tremendous work the Chinese rescue team has done in Balakot, the most affected area, in those very difficult conditions and we cannot forget China's contribution to the Pakistani President Relief Fund." (<http://img.static.reliefweb.int/report/>)

On 12 May 2008, a serious earthquake hit the Sichuan province of China. The quake killed 87150 people and more than 374643 were injured. There were 300000 people missing and thousands remained under collapsed buildings. (<http://earthquake-report.com/2011/05/10/the-may-12-2008-deadly-sichuan-earthquake-a-recap-3-years-later/>)

After disaster, Pakistan immediately sent 30000 tents, life saving and other essential good provided by federal as well provincial government. (<http://pk.chineseembassy.org/eng/>)

A 28 member's team of medical officer's went China from Pakistan. They made the field hospital with latest machinery and medicine to facilitate the effected people. Chinese president Hu Jintao visited this hospital and renamed this hospital as "Pakistan- China friendship hospital". (<http://app.com.pk/en /index.php?>)

In 2010, Pakistan faced worst flood disaster of the history causing huge losses in life. This disaster effected eighteen million population of Pakistan. It also destroyed infrastructure, roads, homes, bridges, irrigation system, crops and livestock's and also spread diseases, environmental and social issues. (<http://www.trust.org/spotlight/>)

China was one of the first countries which provided immediate aid after flood disaster. China sent her medical team to assist the people of affected areas. Total aid package from China was \$250 million. It was largest ever aid package to a foreign country. Chinese government, social organization and common people also denoted aid for Pakistani people. (<http://www.chinadaily.com.cn/>)

Economic Relations

China is world's second largest economy after United States. It has been largest exporter and second largest importer of goods in the world. In 2011, China's exports were US\$ 1.9 trillion and imports \$1.7 trillion. China's total trade was more than US\$ 3.6 trillion and its foreign direct investment was US\$ 65 billion. (Hamid & Hayat, 2013)

In November 2006, Chinese president Hu Jintao visited Pakistan. Both states signed Free Trade Agreement on 24 November 2006. The FTA has very importance not only in the field of economy but also in strategic relations. It became very significant when signed between two friendly states. Pakistan gave market access to China in cotton, bed linen, marble, sports goods, fruits, vegetables and other raw materials. China also gave access to Pakistan in chemicals, organic, machinery, fishery, plastic, rubber, and leather produce, and industrial machinery etc. (<http://masoodaziz.com/downloads/>)

In 2006, China eliminated tariff of 767 items on Early Harvest Programs (EHP). Free Trade Agreement was implemented in 2007. Pakistan is the only South Asia state that signed Free Trade Agreement with China. China is second largest trading partner of Pakistan. (Shabir & Kazmi, 2007)

Pakistan and China trade relations(2006-2012)

A Free Trade Agreement (FTA) signed between Pakistan and China in 2006 and implemented in 2007. The agreement was divided into two phases in which first phase ended in 2012 and phase 2 started in 2013. It is expected that the FTA will reach at \$15 billion in second phase.

Table 7: Pakistan and China trade performance after FTA(2006-2012)

In million dollars	2006	2007	2008	2009	2010	2011	2012
Imports from China	2915	4164	4738	3780	5248	6471	6688
% of total imports from world	10%	13%	11%	12%	14%	15%	16%
Exports to China	507	614	727	998	1436	1679	2620
% of total exports to world	3%	3%	4%	6%	7%	7%	11%

After FTA, Pakistan's export rate increased with China which is most important for economic growth. In the last financial year exports witness sixty percent increase in one year. China and Pakistan have enjoying good friendly relations with each other throughout the history. China is supporting Pakistan in

the development of infrastructure, technology and defense sectors. (Pakistan business council, 2013)

Pak-China bilateral trade volume was US\$ 1 billion in 2001 and reached at US\$ 12 billion in last year, which was a great achievement. In 2012, Pakistan's exports to China were at the worth of US\$ 3.1 billion and imports US\$ 9.2 billion. But Trade balance was in favor of China. China's emergence as an economic giant in the neighbor has opened up several opportunities for Pakistan. It is on Pakistan how it can take advantage from China. (Khan, 2013)

In 2011, both states agreed to extend Pak-China Free Trade Agreement in second phase. The two countries held the first China-Pakistan Entrepreneur Forum. The Industrial and Commercial Bank of China (ICBC) opened branches in two cities of Pakistan. The first phase of the China-Pakistan Energy Working Group was also held in China. (<http://pakobserver.net/>)

Pakistan's ambassador to China said that both sides were working to fully utilize their free trade agreements on goods, investment and services. He also stated that "We have requested the Chinese government and private sector to help us strengthen our capacity in processing and manufacturing, textiles, leather products, garments, and also in the light engineering sector". (Khan, 2012)

Pakistani and Chinese banks are working jointly since a long time. On 1951, China opened bank of China in Pakistan. In 2007, Joint Pak-China Investment Company was established. In 2010, China offered to open National Bank of Pakistan in China. In 2011, Chinese Primer visited Pakistan and inaugurated "Pak-China Friendship Center" in Islamabad. Pakistan and China signed thirteen agreements at government and twenty two agreements at private level with the worth of US \$ 35 billion. In June 2012, President Asif Ali Zardari went to China to attend Shanghai Cooperation Organization (SCO) Summit. He met with the Chinese president and signed four agreements in the field of trade and economy. In May 2013, Chinese primer Li Keqiang visited Pakistan. During this visit, both countries signed eleven agreements in the field of trade and economic development. (Khan, 2013)

Chinese Investment in Pakistan

Table 8: Net foreign private investment from China to Pakistan (Million \$)

Year	2001-2002	2002-2003	2003-2004	2004-2005
Amount	0.3	3	14.3	0.4

(Source: State Bank of Pakistan, Statistical Bulletin13). State Bank of Pakistan, *Statistical Bulletin*, July 2006, p. 140,

http://www.sbp.org.pk/reports/stat_reviews/Jul_06/Pakistan_Balance_of_Payment.pdf

Private Sector investment

- Saigols Qingqi Motors Ltd
- Zhongxing Telecom (Pvt) Ltd
- Sino-Pak Metal Foundry in Nooriabad
- Sehala Chemical Complex

- Pak Glass Ltd Glass Industry
- Saif Nadeem Ltd
- Haier Home Appliances

These are some examples of Chinese private sector investment in Pakistan. In 2006, The President Musharraf visited China which became landmark in Pak-China friendship history. China announced to increase investment in Pakistan from \$ 500 million to \$12 billion, which would be used to make Joint Venture Company. (Shabir & Kazmi, 2007)

Joint Ventures

Pakistan and China have joint ventures in different fields of life in which heavy engineering, steel mills, and infrastructure development.

- Karakoram Highway
- Pakistan Aeronautical Complex
- Gwadar Deep Sea Port
- Chashma Nuclear Power Plant
- Indus Highway
- THAR Coal Development
- Saindak Metal Project
- Pakistan Cycle and Industrial Cooperative

Gwadar deep Sea Port

Baluchistan is a major province of Pakistan and rich in natural resources. It shares its border with Iran and Afghanistan. Baluchistan has an important district Gwadar. Gwadar is located at the mouth of Persian Gulf near Strait of Hormuz (which is world's trading route). Gwadar is situated at Arabic sea which is only 72 km from Iran and 32 km from Oman and linked with Persian Gulf. In 1958, Pakistan bought Gwadar port from Oman. Pakistan declared Gwadar as Gwadar port in 1964. In 2001, first phase of Gwadar port construction and development started with the cooperation of China. In 2002, China laid the foundation of Gwadar port. (Anwar, 2012)

In 22 March 2002, President Pervez Musharraf said, "If we see this whole region, it is like a funnel. The top of the funnel is this wide area of Central Asia and also China's western region. And this funnel gets narrowed on through Afghanistan and Pakistan and the end of this funnel is Gwadar port. So this funnel, futuristically, is the economic funnel of this whole region". (Malik, 2012)

In 2003 and 2004, Government of Pakistan declared that Gwadar is special economic zone as a duty free port. A road from Gwadar to Saindak provides shortest route to Central Asian Republics. Gwadar port gave access to landlocked countries of Afghanistan and Central Asian Republics to deep water. Gwadar port transformed consumer goods, oil and gas resources from landlocked countries to global markets. Gwadar port will reduce the distance between Central Asian

South Asian Studies 29 (2)

Republic, Afghanistan, Pakistan, and China. Gwadar deep sea port is also called regional hub because it is located in center of Middle East, Persian Gulf, South East Asia, Afghanistan, Central Asian Republics, and Iran. Gwadar port provides trade links with Central Asian Countries, Persian Gulf, United Arab emirates, east Africa, and North West India. Gwadar Port Project has become another milestone in Pakistan and China friendship. Pak-China friendship is higher than Himalaya deeper than Indian Ocean and sweeter than honey. On 15 March 2008, Gwadar port was inaugurated. Gwadar port will also increase the job opportunity in Baluchistan and improve their living status. (Anwar, 2012)

China's contribution in Gwadar sea port is remarkable. In first phase, total cost was US\$1.16 billion in which China invested \$198 million four times more than Pakistan's investment. In first phase, construction of three multipurpose ship berths was included. In second phase, China is also contributing in the construction of highway from Gwadar port to Karachi port on Arabian Sea which costs \$200 million and will be totally financed by China. In second phase, China will also financenine ship berths includeing storage terminals. China is also providing four fifty engineers to provide technical expertise in this project. (<http://raafay-awan.blogspot.com/2011/05/introduction-islamic-republic-of.htm>) Gwadar is Pakistan's vision of globalization as a socio economic system dedicated to free trade and free access to global markets. From Gwadar, ships could go over the world. Pakistan recently has handed over operational control of the Gwadar Port to Chinese Overseas Port Holdings Ltd. China will further invest \$200 million in the port plans and will be put billion more into railways, roads, and pipelines linking Gwadar to China. Gwadar would serve as a great port for China while it's western China based industry and even outsourcing franchise in Pakistan would use Gwadar as great export zone. For China the pivotal sequel on global chessboard is named Gwadar. (Mir, 2010)

Makran Coastal Highway

Makran coastal highway is 653 km long coastal line located on Arabian Sea. This coastal begins from Pakistan as near to Iranian border at Gwadar bay and connects Gwadar to Karachi. For the development of Makran coastal highway China also gave assistance to Pakistan in financial and technical assistance to Pakistan. Makran coastal highway is built by joint cooperation of more than 450 Chinese and 512 Pakistani workers. (Iqbal, 2011)

Cultural Relations

Pakistan and China have long cultural relations throughout the history. As both states started their diplomatic relations lead to close cultural relations. First Pak-China cultural exchange agreement was signed in March 1965. In 1980's, Pakistani Cultural Delegation visited China. In May 1983, an important Chinese Cultural Delegation visited Pakistan. In November 1991, another Chinese Cultural

Delegation reached Pakistan. These visits help to close people to people relations. In September 1999, Pakistani Government Cultural Delegation visited China. These cultural exchanges were very useful in the field of art, education, health, sports, literature, and information. Chinese art troupes visited Pakistan and performed their folk songs, dance, and traditional music. In literature, quite a few writings from two sides have been translated into each other's language. In 1980's, a special agreement was signed between two states to promote the cultural interaction in the field of TV and film. China-Pak educational exchanges and cooperation have developing history. China gave 65 scholarships to Pakistani students while Pakistan gave 6 scholarships to Chinese students. In 2003, cooperative education exchanges programs started between Pakistan and China. In Pakistan Higher Education Commission gave scholarship to Pakistani students for study in China. In this agreement, 72 Pakistani students were sent to China and Chinese student came in Pakistan. (<http://karachi.chineseconsulate.org/eng/>)

Both states gave importance to cultural relations to increase people to people cooperation for strong Pak-China relations. China appreciated Pakistani's effort to expand Chinese language and Confucius Institutes in Pakistan. (Sabir, n.d.)A delegation of 100 members of China Youth Federation visited National University of Modern Languages (NUML) to increase Pak-China youth friendship exchange. (<http://pk.chineseembassy.org/>)A teacher Ahmad Ali Shah stated "Our students should go there and learn their language so we can bridge the gap. If we have some understanding with China the whole SAARC countries should be our vision where the youngsters can hold the market. Experts maintain, the construction of Pak-China friendship center is an icon of Pakistan's deep cultural ties with China". (<http://english.cntv.cn/program/>)

To create people to people interaction Pakistani and Chinese governments have made several steps. In 2005, first Confucius Institute was established in National University of Modern Languages Islamabad. In December 2010, Premier Wen Jiabao visited Pakistan and inaugurated Pak-China Friendship Center in Islamabad. Aim of establishing this friendship center is to promote mutual cultural activities of both states. In this center, there are four Pakistan study centers and 8000 Pakistani students studying various discipline of China. Many Private Schools in Pakistan are also teaching Chinese languages. (Khan, 2013)

In 2007, Pakistan Study Centers was established in Peking and Sichuan Universities. In 2008, Pakistan Culture and Communication Centres were established in Tsinghua University. In 2009, Pakistan Study Centre was made at Fudan University. (<http://www.pakbj.org.pk/>)

In 2008, Pak-China signed MOU to establish permanent campus of Pak-China University in both states. In 2009, Pak-China institute for socio-cultural cooperation was established. In 2011, Sind government announced Chinese language as compulsory subject in school level but its implementation is not easy task. In 2013, Premier Li Keqiang signed agreement to establish another Confucius institute in Karachi University. (Khan, 2013).

South Asian Studies 29 (2)

Pakistan and China are agreed to establish Digital Television Terrestrial Multimedia Broadcasting (DTMB) in Pakistan. They will lead to exchanges of universities, media, film and TV, youth delegations, entrepreneurs and establishment of cultural centers in Pakistan and China. Two states are agreed to celebrate 2015 as "China-Pakistan Year of Friendly Exchanges".

(Sabir, n.d.)

Conclusion

The relationship between Pakistan and China became closer and stronger with the passage of time. Both states are enjoying deep diplomatic, defence, economic and Cultural ties. So, it can be said that the future of this friendship will be bright and prosperous. Pak-China Socio-economic relations are playing important role to attain their mutual concerns for the economic development. In future, strong Pak-China socio-economic relations will be beneficial to bring regional prosperity and development.

China considers Pakistan as its strong ally in this region. Both states feel threat from India. China economic relations with all South Asian States are very useful to eliminate the influence of Western powers in this region. Pakistan's geographical location is very important for China.

On the other hand, China has great strategic importance and economic opportunity for Pakistan. Pakistan needs China in the field of defence, nuclear and economic development. China is biggest supporter of Pakistan against India and counter USA influence in this region. Traditionally it was considered that Pakistan needed China more than it needed Pakistan. But now days, rapid changes in global scenario make both states essential for each others.

China has world's second large economy having great opportunities for Pakistan to take advantage it. Chinese investment is playing important role to uplift Pakistan's weak economy. Due to FTA, Pak-China trade volume gradually increases.

China is become second largest consumer of oil and energy. Pakistan is a bridge towards oil and energy rich countries. So, China can fulfill its need from Pakistan's Gwadar port through safe and cheap trading routes linked with rich natural resources countries. It is also planned to connect Gwadar port to China through road and rail links to make strong Pak-China economic ties. China needs Pakistan to control extremist activates in Chinese province Xinjiang and northern areas of Pakistan near its boundary. So, Pakistan and China have great strategic importance for each others.

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