

President Zardari's visit to China

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Pakistan has an enduring, multi-dimensional and deep-rooted relationship with China. For nearly five decades now, Pakistan and China have weathered superbly global uncertainties, and many political and economic challenges. The longstanding ties of friendship between the two countries are underpinned by mutual trust and confidence. A close identity of views and mutuality of interest remain the hallmark of bilateral ties. Pakistan has always supported China on all issues of importance. The relationship has been aptly described as "higher than the mountains and deeper than oceans." The diplomatic relations between the two countries were established on May 21, 1951. Following the Sino-Indian hostilities of 1962, Pakistan's relations with the PRC became stronger; since then, the two countries have regularly exchanged high-level visits resulting in a variety of agreements. Shaheed Zulfikar Ali Bhutto was the pioneer in setting new avenues of bilateral cooperation. Since then favourable relations with China have been a pillar of Pakistan's foreign policy. The successive Pakistani leadership has followed Bhuttos legacy and approach towards China. Shaheed Benazir Bhutto also made prominent contributions in strengthening bilateral relationship. The Chinese have always appreciated Pakistan's steadfast support on issues of their concern. They are generous in acknowledging the significant role of Pakistan that helped China become a member of the UN. The two countries are involved in the joint venture of several projects to enhance military and weaponry systems which includes JF-17 Thunder fighter aircraft, K-8 Karakorum advance training aircraft, space technology, AWACS, Al-Khalid tank, Babur cruise missile. The focus in the coming years would be on strengthening bilateral relations between the two countries by adopting a more realistic forward-looking policy. Bilateral trade was more than \$7 billion in the year 2007; and the two sides have set a target of \$15 billion annually by 2011 and the on-going visit of President Zardari will set new avenues of mutual cooperation as he pledges to push forward with an all-round partnership.

President Zardari is expected to prioritise trade and economic relations with China. He is the first businessman President of Pakistan who is scheduled to meet a number of Chinese business leaders from such industries as finance, infrastructure, energy, materials and telecommunication. The present democratic government is also helping in establishing an economic zone to facilitate Chinese investors. The president has repeatedly pointed out that Shaheed Zulfikar Ali Bhutto founded the relationship with China - a great economic power of today - in those days when the world did not understand what China could become. President Zardari in the same spirit continues that relationship and is taking it to the third generation when Bilawal Bhutto Zardari goes to the Beijing Olympics to mark the relationship which Pakistan and China both are willing to take it to the third generation. Keeping this in view,

President Zardari visits China every three months to acknowledge that friendship and tell the great Chinese people of the special love and relationship Pakistanis have for their Chinese friends.

Unveiling his Economic Vision, President Zardari invited Chinese companies to avail the investment potential and trade opportunities in Pakistan, owing to its unique geo-strategic and economic location in the region. During his expansive and threadbare back-to-back interaction with the Chinese corporate leaders and chief executives the president explained the cardinal features of his Economic Vision and approach towards jacking up the volume and level of economic cooperation between the time-tested and trusted partners - Pakistan and China. This economic and strategic partnership of Pakistan and China will also dish-out economic dividends for the prosperity and development of entire region.

The first state visit of President Zardari is potentially rich in symbolism and substance as 21 gun salute was presented to any Pakistani Head of State after over a decade. During the discussions Shaheed Zulfikar Ali Bhutto and Mao Ze Dong were characterised as architects of Pak-China relations and this reflects the farsighted and sagacious vision of the leaders who laid the foundation of robust and vibrant relations between the two countries. It is a fact that China had very close ties with Pakistan Peoples Party and PPP played an important role in cementing ties between the two countries. To further boost this special relationship, the PPP Chairperson Bilawal Zardari Bhutto attended the opening ceremony of the Beijing Olympics where he also met with Chinese party leadership which reflects that friendship and warm relations were being transferred and handed over to the young generation of the two sides. During the president's previous visit Pakistan Peoples Party and National Peoples Congress reached an MOU to promote political understanding and cooperation between the two ruling parties.

The vision of President Zardari was not only appreciated by the Chinese leaders but also by the media of the host country. The vision focused on extended neighbourhood where mutual cooperation in economic sectors would help achieve the desired goals. The vision envisaged economic linkages, trans-border as well as trans-regional trade connections. The vision was shared with the top leadership as well as corporate leaders. There was a lot of receptivity to this idea as the Chinese were attentive to the potential of this vision and its dynamic results. President Zardari also exchanged views in the energy sector particularly in thermal and hydel. Pakistan and China have always cooperated with each other in the field of nuclear energy, because we believe that the nuclear energy should be used for peaceful purposes.

The overall geo-strategic environment for regional cooperation is gradually becoming more favourable. Pakistan's entry into Shanghai Cooperation Organisation as an 'observer' and China's entry into SAARC as an 'observer' would allow Pakistan-China bilateral economic relations grow with a regional perspective. Also, there is a convergence of economic interests at the strategic level, especially in the area of energy security and communication networks. China has opened up its Western region adjacent to Pakistan for trade and investment in order to reduce the economic disparity between its developed coastal regions and other underdeveloped areas. Once developed, this region would be a hub for economic activity between China, Central Asia and South Asia. Pakistan's desire to become a "corridor of trade and energy for China and Central Asia by linking Gwadar through upgraded KKH with these areas entails promising prospects.

The emerging Chinese domestic market offers huge potential for Pakistani exporters, especially in areas of agricultural, aquatic and leather products. The Pakistani commodities that have the greatest potential

to be exported to China are tropical fruits. These fruits are widely planted in Pakistan, and China has already finished quarantine and inspection on Pakistani mangoes and citrus.

While the trade volume with China is on the increase, Pakistan's exports does not show as sharp a rise as Pakistan's imports from China. One major reason of increased imports from China is the supply of machinery and equipment for recent projects agreed between Pakistan and China like the Railways, Gwadar Port and Hydro Power Project etc. Moreover, a number of Chinese companies have won infrastructure project contracts in Pakistan through international bidding. All the machinery and equipment supplied by these companies for the projects comes from China. This trend has led to a phenomenal increase in China exports to Pakistan. Pakistan's exports are centred mainly on cotton yarn and cotton fabric. However, there is an increasing trend in the export of seafood and leather. This potential can only be realised by revamping the processing technologies and producing internationally acceptable quality.

It will not be possible for Pakistan to increase its exports to China without diversifying exportable commodities. Pakistan should seek Chinese investment for projects aimed at export diversification. Chinese investment should be geared more to export-oriented projects and less for the domestic requirements. Another challenge to sustain progressive economic relationship is to establish best trade practices. It has been reported that the machinery being imported from China is usually under-invoiced in order to evade taxes. Such practices can be curtailed with the joint efforts by the two countries. Timely implementation on the decisions is a major challenge for, first building, and then sustaining momentum of the progressive economic cooperation. All the challenges to Pakistan-China economic relations can effectively be turned into opportunities through comprehensive, medium and long-term collaborative joint efforts. The things are moving in the right direction. The future of Pak-China relations seems to be promising.

The writer is presently MNA of PPP