

Bolstering Trajectory of Pakistan's Strategic Ties with China

Post Seminar Report



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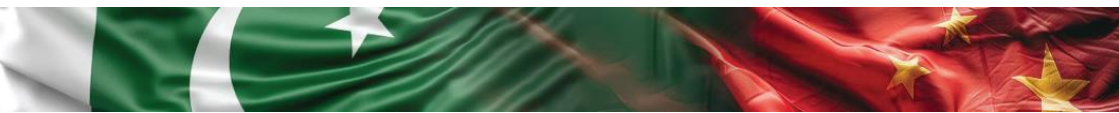


TABLE OF CONTENTS

Introduction	01
Speakers of the Seminar	05
Executive Summary	07
Key Takeaways	19
Introductory Remarks	23
Concluding Remarks	83
Q&A Session	89
Policy Considerations	103
Speaker's Profiles	109
Press Release	117
Summary of the Headlines	121
Media Coverage	125
Gallery	129



INTRODUCTION

China's emergence as a global power amid shifting power dynamics is reshaping the international landscape, with a profound impact at global and regional levels. As the world's second-largest economy, China's rapid military modernisation and focus on niche technologies have bolstered its influence on the global stage, allowing it to protect its interests and shape geopolitical configurations. Its principled approach to international issues, such as the conflicts in Ukraine and the Middle East, showcases its growing diplomatic clout and commitment to global stability.

The Pakistan-China relationship is defined as an "All-Weather Strategic Cooperative Partnership", reflecting a deep-rooted friendship and mutual support across all sectors, especially defence and economic cooperation. The China-Pakistan Economic Corridor (CPEC) serves as a cornerstone of this partnership and represents a strategic alignment of interests. It has the potential to facilitate Pakistan's rapid development, enhance regional connectivity, and foster prosperity. Beyond infrastructure development, CPEC opens up a range of



new opportunities for trade, investment, and technological cooperation between the two nations. However, to fully harness these opportunities, Pakistan needs to overcome institutional and administrative obstacles, fast-track the establishment of Special Economic Zones (SEZs), and bring about a qualitative change in ease of doing business in the country.

Additionally, the CPEC has the potential to reshape the geopolitical landscape of South Asia by strengthening Pakistan's role as a regional hub and providing China with alternate trade routes that bypass maritime chokepoints. With the completion of CPEC's first phase focusing on energy and infrastructure, the second phase aims to deepen industrial cooperation and expand bilateral economic ties, further cementing the bonds between the two nations. The success of CPEC will have a transformative impact on Pakistan's growth and development.

Importantly, Pakistan-China strategic partnership contributes to stability and regional equilibrium in South Asia and peace and stability in the broader region.



Recognising the crucial need to carefully navigate this strategic partnership further into the future, the Centre for Aerospace & Security Studies (CASS), Lahore, convened a seminar on 18 April 2024 titled “Bolstering Trajectory of Pakistan’s Strategic Ties with China”. The seminar served as a platform for insightful discussions by distinguished speakers, shedding light on the evolving dynamics of China’s global role, Pakistan’s strategic partnership with China, the next phase of industrial development and the potential of CPEC beyond 2030.



SPEAKERS OF THE SEMINAR

Introductory Remarks

**Ambassador M Haroon Shaukat
(Retd)**

**Role of China in Global and
Regional Geopolitics**

**Ambassador Masood Khalid
(Retd)**

**Further Strengthening
Pakistan-China Strategic
Partnership**

**Ambassador Moin ul Haque
(Retd)**

**Special Economic Zones and
Industrial Development**

Dr Suhail Saleem

**Leveraging CPEC Beyond 2030
for Sustainable Economic
Growth and Connectivity**

Dr Hassan Daud Butt

Concluding Remarks

**Air Marshal Asim Suleiman (Retd)
President CASS, Lahore**



EXECUTIVE SUMMARY

A seminar titled “Bolstering Trajectory of Pakistan’s Strategic Ties with China” was organised by the CASS, Lahore, on 18 April 2024. The seminar featured four guest speakers. Ambassador Masood Khalid (Retd) the longest-serving Ambassador of Pakistan to China, gave an insightful talk on China’s growing global role. It was followed by an enlightening address by Ambassador Moin ul Haque (Retd), another former Ambassador to China, covering the full spectrum of bilateral ties. Dr Suhail Saleem highlighted the importance of SEZs and Dr Hassan Daud Butt delved into CPEC beyond 2030. An extensive Q&A session ensued, followed by concluding remarks by Air Marshal Asim Suleiman (Retd), President, CASS Lahore, who rounded up the seminar.

In his introductory remarks, Ambassador Muhammad Haroon Shaukat (Retd), Director Foreign Affairs, CASS, Lahore, highlighted China's rapid rise as a global power amidst significant global transformations. He emphasised China's vision of peaceful co-existence and win-win cooperation, which was gaining traction internationally. He underscored Washington's concerns regarding China's growing role and influence



and its policy of containment of China through a web of alliances and partnerships. In this context, India has emerged as a key US partner in the Indo-Pacific region.

Regarding Pakistan's strategic ties with China, Ambassador Shaukat emphasised their deep-rooted nature and a wide canvas of cooperation, particularly in the defence sector. The CPEC has significantly enhanced bilateral relations, with its first phase successfully focusing on energy and infrastructure projects. Some impediments and challenges had emerged which were being addressed in all earnestness. These were mainly due to COVID-19, economic difficulties, political uncertainty, and security concerns. Ambassador Shaukat outlined Pakistan's resolve to pursue the second phase of CPEC, focusing on industrial development and broader economic cooperation.

In his keynote address, Ambassador Masood Khalid (Retd) made insightful comments regarding China's role in global and regional geopolitics. He quoted Graham Allison: "The world has never seen anything like the rapid, tectonic shift in the global balance of



power created by the rise of China.” The Global South has welcomed this development while the West is apprehensive. He emphasised China's historical economic prowess and its recent resurgence, quoting figures from notable historians and economists. Ambassador Khalid traced China's economic transformation from Mao Tse Tung's era to Deng Xiao Peng's reforms in the late 1970s, which transformed China into a socialist market economy and led to decades of double-digit growth.

Ambassador Khalid also discussed China's holistic reform process, covering various sectors of the economy and governance. He pointed out that China's focus on foreign direct investment (FDI) and international trade were key drivers of its economic growth. Ambassador Khalid elaborated on President Xi Jinping's goals of "National Rejuvenation", aiming to achieve moderate prosperity by 2035 and high-income status by 2049. He emphasised China's peaceful rise and its commitment to multilateralism. China's growing influence on the international stage was discussed as well. Today, China is the second largest contributor to the United Nations budget and a major troop-contributing country to Peacekeeping Operations.



Ambassador Khalid highlighted the American concerns about China's rise and the consequent erosion of US dominance. He discussed the US strategy of containment and the formation of coalitions to counter China. However, the goal of Chinese diplomacy is to create a peaceful international environment, where it prospers along with others. He also elaborated upon China's important role in regional geopolitics, particularly in South Asia and the South China Sea. Ambassador Khalid discussed China's Belt and Road Initiative (BRI) and its implications for connectivity which is a strategic imperative for the country. He highlighted that India naturally has concerns regarding BRI. In conclusion, Ambassador Khalid discussed the 'Thucydides Trap' and the need for China and the US to manage their relationship peacefully. He emphasised the importance of cooperation to address global challenges and to avoid conflict.

Ambassador Moin ul Haque (Retd) shared insights on the significance of Pakistan's strategic partnership with China, acknowledging it as a pivotal relationship deeply linked to Pakistan's national security. He highlighted various dimensions of this partnership, stressing the strong government-to-government ties



and the consensus across Pakistan's political spectrum regarding the importance of this relationship.

Ambassador Haque advocated the need for 'strategic clarity' in understanding 'Pakistan's true friend', particularly in terms of national security, amidst the US-China competition. He emphasised the need to further strengthen the strategic partnership with China. He stated that a mechanism of strategic dialogue existed at the level of Foreign Ministers. Pakistan has proposed to elevate such a dialogue to the level of the Prime Ministers.

In the economic domain, Ambassador Haque emphasised the key role of CPEC. He felt that future emphasis on economic cooperation with China should focus on four core areas, namely: i) industrialisation, in this endeavour, SEZs are crucial and must be developed on a business model, ii) Pakistan needs a comprehensive and long-term export strategy, iii) modernisation of agriculture as an important area of Phase II of CPEC, and iv) cooperation in the areas of science and technology, including green energy, AI, and aerospace, etc. Additionally, the speaker underscored the importance of defence and security



collaboration, tourism, education, culture, and people-to-people exchanges, emphasising the enduring nature of the China-Pakistan relationship and the opportunities it presents for Pakistan's future economic security and development.

Dr Suhail Saleem provided an overview of Punjab's investment landscape, highlighting its attractiveness as an investment destination with 18 special economic zones (SEZs), one of which enjoys priority status under CPEC. He emphasised the substantial investment figures within these SEZs, totalling over \$1 billion, with key sectors including textile, food and beverages, leather, chemicals, light engineering, packaging, healthcare, and pharmacy. Dr Saleem noted a shift towards private sector-driven SEZs due to challenges faced by investors in public sector SEZs, including location issues and bureaucratic hurdles in obtaining necessary approvals. Dr. Saleem highlighted the Punjab Government's initiative to create Business Facilitation Centres (BFCs) under the "Punjab Ease" programme. In Lahore Centre, 31 government departments sit under one roof. This constitutes an important step towards the ease of doing business.



Dr Hassan Daud Butt delivered a comprehensive talk on leveraging the China-Pakistan Economic Corridor (CPEC) for sustainable economic growth beyond 2030. He emphasised the importance of effectively utilising CPEC and outlined challenges and strategies for success. Dr Daud highlighted the Gwadar Master Plan as a model for development, showcasing the Gwadar airport as a symbol of CPEC's future potential. He stressed the need to prepare for Pakistan's rapidly growing population and creating five million jobs annually by 2035. The speaker shed light on labour productivity issues in Pakistan compared to other countries, stressing the importance of addressing this gap for economic growth. Dr. Daud advocated utilising CPEC through energy projects, trade infrastructure, and green initiatives, enhancing agricultural productivity and attracting Chinese tourists. In conclusion, Dr. Daud stressed the need for a politically stable environment and continuity in long-term economic policies. He echoed the sentiment that success is achievable with pragmatic leadership and innovative approaches.

During the Q&A session, various important issues were raised. To a question regarding the possibility of



China developing closer ties with India compared to Pakistan in the future, Ambassador Khalid and Ambassador Haque acknowledged that 'China regards India as an important economic market and neighbour' but highlighted the deep-rooted mistrust between the two nations, exacerbated by border clashes and India's alignment with the United States. Despite China's substantial trade and economic relations with India, a drastic shift in policy towards India seems unlikely as long as India remains a close strategic partner of the US. Both the ambassadors emphasised China's unique strategic relationship with Pakistan which will continue to grow.

Responding to a question about China's perception of Pakistan's foreign policy strategy, particularly its close engagement with both China and the US, Ambassador Khalid emphasised that Pakistan did not need to be adversarial towards the US or China but should prioritise aligning itself with China's interests. Ambassador Haque acknowledged China's expectations from Pakistan to support its interests but recognised the complexities in Pakistan-US relations and stressed the need for Pakistan to maintain a balanced approach. He highlighted China's strong



support for Pakistan and its understanding of Pakistan's need for a mutually beneficial relationship with the US.

On a question regarding the perception of the Pakistani government's lack of seriousness and commitment towards CPEC despite recognising its importance, both Dr Daud and Ambassador Haque attributed the problem to governance issues, including policy inconsistency and capacity challenges. Both stressed the need for pragmatic approaches to resolve impediments and to ensure the effective implementation of CPEC initiatives.

In his closing statements, Air Marshal Asim Suleiman (Retd), President, CASS, Lahore, highlighted China's ascendancy to remarkable heights of progress, stating that currently, it stood as a significant player in the evolving global landscape, wielding influence across various domains, ranging from geopolitics to financial markets. This commanding presence in the international arena stemmed from China's strong economy and advanced military capabilities. China's impressive economic growth has been a result of careful planning, hard work, and economic reforms. He



appreciated Pakistan's enduring friendship with China, noting its significance in thwarting regional adversaries and deepening collaboration across various sectors, including military cooperation and infrastructure development through projects like the CPEC. The President underscored the importance of CPEC in Pakistan-China relations, highlighting its role in fostering Pakistan's development and serving as a symbol of China's confidence in Pakistan. He also addressed the challenges posed by India's attempts to sabotage CPEC and stressed the need for improved security measures to ensure the safety of Chinese citizens and project security within Pakistan's borders.

The President highlighted China's abiding support to Pakistan in the field of defence acquisitions and modernisation. He recalled China's unwavering support for the Pakistan Air Force, notably through flagship projects like the JF-17, the recent induction of the Chengdu J-10C into the Pakistan Air Force (PAF) and plans for acquiring the fifth-generation J-31 Gyr Falcon stealth fighter. Indeed, China stands as Pakistan's steadfast and unwavering strategic ally. In conclusion, he recalled mutual aspirations for peace, prosperity, and development that underpin the



Pakistan-China partnership. He profoundly thanked the distinguished speakers for their insightful discourse.



KEY TAKEAWAYS

1 China's Rise and Global Vision

China's role in global politics is essentially linked to its rise. The world has never witnessed anything like the rapid and tectonic shift in the global balance of power created by the meteoric ascendancy of China. It has not indulged in aggression or colonisation. China is opposed to power politics and Cold War mentality. China supports multilateralism. This advocacy resonates with majority of countries.

2 Expanding Chinese Footprint

On the strength of its financial muscle and diplomatic influence, China is expanding its global footprint. As the second largest economy of the world with a GDP of \$18 trillion, China presently contributes 30 percent to the world's economy. The centre of economic gravity is shifting from the West to the East.



3 US Hostility towards China

The United States regards China as the principal competitor. The Indo-Pacific strategy of the US formally declares containment of China as a policy imperative. India has been chosen as a counterweight to China. Despite their interdependence, US-China relations are on the edge. The main reason is the gradual erosion of the US pre-eminence. Taiwan is a red line for China and is a potential flash point.

4 National Rejuvenation

China is determined to achieve goals of “National Rejuvenation” in two phases: To make China a ‘modestly prosperous society’ by 2035 and to convert China into a ‘high income country’ by 2049.

5 Growing Convergence between China and Russia

In the new power dynamics, there is greater strategic convergence between China and Russia against the US’ “double containment” strategy.



6 Defence Cooperation

China is Pakistan's unwavering and reliable strategic partner. Wide ranging and multidimensional defence cooperation with the Armed Forces of Pakistan is a significant element of this partnership. This includes, among others, supply of military equipment, technological support, modernisation of defence facilities, ongoing project of eight submarines being built for Pakistan Navy and consistent support for the PAF, notably through flagship projects like the JF-17, the induction of the Chengdu J-10C and planned acquisition of the fifth-generation J-31 Gyrfalcon stealth fighter aircraft.

7 CPEC – An Engine of Economic Transformation

CPEC serves as the bedrock of economic cooperation between the two countries. It reflects the confidence China places in Pakistan. Geographically, the success of the BRI considerably depends on CPEC, as it provides a shorter and alternate route. Success of phase II of CPEC is crucially important for Pakistan's economic turn-around.



8

Pakistan-China Strategic Partnership

Pakistan's bilateral ties with China are deep-rooted, multifaceted, long-standing and iron-clad, based upon mutual trust, respect and support for each other. Over the years, the relationship has blossomed into an All-Weather Strategic Cooperative Partnership. Strong relations with China enjoy a broad consensus across the political spectrum. Similarly in China, Pakistan enjoys the utmost priority in the former's neighbourhood policy.

9

Cooperation in Aerospace

China is Pakistan's main partner in aerospace. It has helped launch a number of Pakistani satellites in space. Soon, a Pakistani astronaut will travel in space aboard a Chinese spacecraft.



INTRODUCTORY REMARKS

Ambassador Muhammad Haroon Shaukat (Retd)

Ambassador Muhammad Haroon Shaukat (Retd) commenced the seminar by emphasising the phenomenal rise of China as a formidable global power in an era marked by significant global transformations. He highlighted that China has swiftly transformed into a new global hub, as the balance of economic and political power drifts from the West to the East. Beijing's vision of peaceful co-existence, harmony and cooperation is winning the day.

US-China Competition

He emphasised that China's economic power, military strength, and diplomatic influence had sparked serious concerns in Washington. The US regards China as the principal competitor having the intent and the capacity to reshape the global order. Ambassador Shaukat added that the US was building alliances and arrangements to contain China, especially in its periphery. India has become a principal partner of the US in the Indo-Pacific theatre.



Pakistan's Strategic Ties with China

Ambassador Shaukat said that Pakistan faces a plethora of challenges in the present-day uncertain and volatile international setting and a difficult domestic situation. In addition, conflicts and intense competition in different parts of the world, the resurgence of deadly terrorist threats, global economic slowdown, high inflation, especially in food and energy prices and climate disasters are negatively impacting countries around the globe.

“Against this challenging and fluid environment, Pakistan's strategic ties with China are a constant positive and indeed a source of stability, promise, and hope.”

Pakistan's bilateral ties with China are deep-rooted and multifaceted, having a strong component of cooperation in the field of defence. Over the years, the relationship has blossomed into an All-Weather Strategic Cooperative Partnership. Ambassador Shaukat was of the view that this partnership is one of the most significant, if not the most important and vital relationship of Pakistan, for its foreign policy. He added that the CPEC, had greatly upgraded the much desired



development dimension in Pakistan-China relations. The first phase of CPEC, comprising largely the energy and infrastructure projects, achieved a great deal of success.

Highlighting the challenges facing the CPEC, Ambassador Shaukat noted COVID-19, serious economic difficulties, political uncertainty, red tapeism resulting in delayed payments to some Chinese companies, and a worrying upsurge in terrorist attacks against the Chinese working in Pakistan as critical factors.

Strengthening Pakistan-China Ties under CPEC Phase II

He elaborated that the Government of Pakistan was making serious efforts to address all the concerns and to vigorously pursue the second phase of CPEC that focuses on industrial development and broader bilateral economic cooperation. Both Pakistan and China are also ready to welcome interested third parties, especially Saudi Arabia, the GCC and others, to benefit from investment opportunities in the priority areas of CPEC.



“Efficient and expeditious implementation of CPEC will have a transformative impact on Pakistan’s development and regional connectivity.”

Providing a roadmap for the seminar, Ambassador Shaukat highlighted some important dimensions of the subject, including the growing role of China in shaping global and regional geopolitical and geo-economic landscape; China’s role and influence in the Middle East, South Asia and Central Asia; philosophic underpinnings of China’s world view and the emerging global order; how best to maintain a delicate balance between Pakistan’s ties with China and its relations with the United States; and key areas to deepen and strengthen Pakistan-China strategic partnership as well as the dire need to surmount challenges and impediments to bring to reality the long-term vision of CPEC for sustainable economic growth and connectivity.



Role of China in Global and Regional Geopolitics

Ambassador Masood Khalid (Retd)

Ambassador Masood Khalid (Retd) delivered an enlightening talk on the topic “Role of China in Global and Regional Geopolitics”. His extensive experience positions him as a leading authority in providing a deeper understanding of China’s increasing global influence and changing regional dynamics. Ambassador Khalid highlighted that China’s role in global politics is linked to its rise, marking a profound change at the turn of the 21st Century. Quoting Graham Allison from his book *Destined for War*, the speaker said, “The world has never seen anything like the rapid, tectonic shift in the global balance of power created by the rise of China.”

The Rise of China

Ambassador Khalid noted China’s rise as a welcome development by the Global South while the West looks apprehensive, notwithstanding the fact noted by historians that, with the exception of about 100 years, which Chinese call a "century of humiliation", China along with India, were the two largest economies of the world. Quoting Henry Kissinger from his book *On*



China, the speaker stated, “As late as 1820, China produced 30 percent of world's GDP – an amount exceeding the GDP of Western Europe, Eastern Europe and the United States combined.” Not only this, but Graham Allison rightly pointed out that even when China's growth rate was low in 2015, "China's economy created a Greece every sixteen weeks and an Israel every twenty five weeks." Ambassador Khalid highlighted that China's economy makes up about 30 percent of the global economy today.

Elaborating China's historical development, he noted that when China emerged as a new People's Republic after a civil war in 1949, Mao Tse Tung embarked on a nation-building venture with massive industrialisation and land reforms in line with Communist principles. However, this path of national reconstruction faced numerous internal and external challenges resulting in economic stagnation and forcing a policy reversal by Deng Xiao Peng. He further explained that In 1978, the 3rd plenum of the 11th Party Congress of CPC decided to take a turn from a centralised economy to a socialist market economy. This was a paradigm shift in national planning – a reform process initiated to propel China to its current stature.



Moving on, the speaker discussed how China maintained a double-digit rate of economic growth for almost three decades, paving the way for its accession to the World Trade Organisation (WTO) in 2001 and integration into the world economy. The speaker highlighted that China's economy grew from \$1.2 trillion in 2000 to \$11.1 trillion in 2015.

China's Holistic Reform Process

Building on this discussion, Ambassador Khalid illuminated the holistic nature of China's reform process, covering all important sectors of the economy and instruments of governance. He highlighted that establishment of SEZs in coastal regions has turned into a vital component of China's economy today. Moreover, Deng Xiao Peng's decision to send a large number of students to western universities created a new crop of specialists and technocrats who are now the policymakers in China.

“The hallmark of Chinese system is 'meritocracy' as well as deriving strength from its rich culture and Confucian teachings.”

The speaker shed light on another important sector of economy i.e. FDI, elaborating that China has been the



most popular destination for FDI for years amongst the developing countries. In 2002, it surpassed the US as the world's largest recipient of foreign capital. International trade is its lifeline being the largest trading and manufacturing nation.

According to the speaker, China's reform process has continued unabated since 1978-79; despite numerous headwinds and domestic change of leadership, the CPC has provided a unique model of governance.

Xi Jinping's Goal of "National Rejuvenation"

Expanding the discussion, Ambassador Khalid explored Chinese President Jinping's goals of "National Rejuvenation" which he aims to achieve in two phases. To make China a moderately prosperous society by 2035 and to make her into a high income country by 2049. The speaker noted that as per the projections, the Chinese economy will surpass the US economy by the end of the decade or thereabout despite disputing claims of Western analysts.

The speaker delved into the impact of China's rise on the liberal international order, arguing that the US and some Western countries allege that China wants to disrupt the international order but this view is strongly



contested by China. China asserts that it has benefitted from Globalisation and its membership in WTO, and it is deeply integrated with the international economy. He wondered that when 45 percent of its trade is with the US and the EU, so why should China rock the boat it is riding. China contends that it does not wish to wreck the international system but it wants the due share and protection of its legitimate interests in the global political and financial architecture, devised by the West after World War II.

The speaker argued that indeed, it makes no sense for China to close the window of western capital and technology, needed for its economic growth. China's advocacy of multilateralism resonates with the majority of countries. He further noted that China is the second largest contributor to the UN budget and a major troop-contributing country to PKOs. Based on these ground realities, China's voice can neither be ignored be it security or development-related issues nor is it possible to "decouple" from China as global trade and supply chains are heavily dependent on her.

China asserts that it is opposed to hegemonism, power politics, Cold War mentality and zero-sum game.



China's record also endorses this claim as China's rise has been peaceful; it has not gone to a full-fledged war since 1979.

“Unlike the West, China has not indulged in aggression, overseas conquests, colonisation, loot or plunder. Most of its projects abroad are helping to improve the infrastructure of the countries concerned.”

The speaker further highlighted that China's financial muscle has to play a significant role in the expansion of its global footprint. Its BRI is helping developing countries in overcoming their development deficit. He stressed that in order to sustain its growth and achieve its targets of a high income country, China needs overseas markets for its exports, raw material needs, energy supplies, and food requirements.



Connectivity – A Strategic Imperative for China

After discussing China's increasing influence in global politics, the speaker transitioned to the significance of 'connectivity' for China. According to Ambassador Khalid, connectivity is a strategic imperative for China. Its big corporations are engaged in construction, energy development and mineral exploration in many parts of the world. The speaker underscored that the hype of China's maritime expansion is self-serving as evident from China's single base in Djibouti compared to hundreds of the US bases all across the globe. Even its new ventures of overseas port development pale into comparison with the US military bases and logistical hubs.

The speaker delved into China's dependence on the crucial choke points of the Malacca Strait and the Suez Canal for its trade and energy supplies. Given these geographical facts, the speaker argued that it is natural that China secures its maritime boundaries and enhances its military capability. He further argued that this is particularly crucial due to the emergence of the US-led coalition in the South China Sea and the Indian Ocean through security arrangements like QUAD,



AUKUS, I2U2, Five Eyes as well as numerous bilateral and multilateral security mechanisms and joint military exercises with partner countries.

Peaceful International Environment and Internal Stability

He underscored the central goal of Chinese diplomacy i.e. creation of a peaceful international environment. The speaker highlighted that China's increasing military capabilities come with China's enhanced diplomatic efforts towards a peaceful international environment for economic development. He argued that China is aware that it cannot afford to have a volatile neighborhood, as instability there could also negatively impact China. It recognises the importance of preserving the gains made over the last forty years and avoiding actions that could jeopardize them.

The speaker elaborated that for the very purpose, social stability and internal unity are top priorities for China. The CPC is determined to not allow any destabilisation of society particularly as it has the collapse of the Soviet Union in mind. He stressed that China has succeeded in achieving its national goals so



far as it is the second largest economy today and its GDP stands above \$18 trillion.

Moreover, the speaker pointed that China has lifted 800 million people out of absolute poverty and it is number one in grain output. China's spending on R&D is the second highest in the world. Now, China is not only a knowledge economy but also a leading power in AI, EVS and renewable energy. Furthermore, he highlighted that China is the only major country which successfully navigated the Asian Financial Crisis of 1997 and the Global Financial Crisis of 2008.

China, Not a Threat

Building on this discourse, Ambassador Khalid stressed that the American and Chinese economies together contribute about 50 percent to the global economy and American companies are making profits in China. Their interdependence betrays any decoupling and this is a premise which can only be described as 'over-simplistic'. He argued that similarly, any talk of "China collapse" or "China Threat" is also misplaced. China is far away geographically from the United States and does not pose any military threat as such to the US. He referenced Thomas Friedman, a



noted New York Times columnist, who, like some others in the West, predicted China's collapse in the 1990s but later conceded his error. Now, many more acknowledge that China's collapse is not imminent.

The End of Unipolar Moment

Further probing China's global rise, Ambassador Khalid highlighted that it is deeply concerning that despite their interdependence, relations between the US and China are on the brink. He pointed out gradual erosion of the US preeminence in world affairs as the major factor behind the US-China relationship dynamics. The speaker underscored that US believes that if China is not stopped now, it will be unstoppable. It appears difficult for the sole super power to accept the reality of the rise of another power, and that too, a non-caucasian.

The speaker noted that the emerging world order of multipolarity or bi-multipolarity is considered disruptive to the American dominance of last 30-40 years. He argued that the unipolar moment is over as the rise of China has forced the US to focus more on Asia-Pacific. Its Indo-Pacific strategy formally declares containment of China as a policy imperative. The speaker



elaborated that US is, therefore, building a coalition of like minded countries to encircle China. Quoting Kishore Mahbubani, a renowned scholar and diplomat, the speaker stated, “There is a remarkable consensus in an otherwise divided American body politic that the time has come for America to stand up to China. Yet there is no consensus on what realistic goals America can achieve by such a confrontation.”

Ambassador Khalid mentioned that several level-headed thought leaders and American scholars, including Dr Kissinger, Richard Haass, William Burns (CIA Director), and Fareed Zakaria, have advised against this hardline approach and instead counseled restraint.

“There is an emerging view that the US policy will not succeed as most countries, including US allies and partners, do not wish to choose sides.”

China in the Wider Regional Geopolitics

Transitioning to the role of China in regional geopolitics, Ambassador Khalid noted that the centre of economic gravity is shifting from the West to East, with China being the locomotive of Asia's growth. For example, in 2021, Asia accounted for 39 percent of



global GDP with \$36 trillion, compared to North America with \$32 trillion and Europe with \$20.8 trillion. In 2000, US economy was 8 times that of China; today it is only 1.5 times bigger. About 140 countries have more trade with China than the US, with Taiwan falling in the same category.

The speaker highlighted an interesting fact that even those Southeast Asian countries which have territorial disputes in South China Sea with China, wish to see peace in the region and are concerned over growing US-China rivalry. Hence, President Xi's assertion that "let Asia decide its own affairs" makes sense.

The interplay between the geo-politics and geoeconomics is a defining feature of this era. Ambassador Khalid argued that the global scene will be shaped by how US-China competition plays out and now the technological revolution impacts this process. He further highlighted that the US wants to carve out a system which confines China to its periphery. In the new power dynamics, there is greater strategic convergence between China and Russia against US "double containment" strategy. New alignments and realignments are taking place at regional and sub-



regional levels. The speaker emphasised that the overwhelming trend is in favour of multilateralism, regional cooperation, and inclusivity.

China and South Asia

According to Ambassador Khalid, BRI is popular on this account with 150 partner countries. Despite its popularity, the US and its close allies like India project BRI as China's tool for expanding its geopolitical influence. The speaker noted that the CPEC is facing opposition and derailment by inimical forces, showing that there is a well-calibrated move to drive a wedge in time-tested Pakistan-China relations.

The speaker posited that India has been chosen to be a counterweight to China in the South Asian region. He stressed that the West, which has turned a blind eye to its excesses in occupied Kashmir and against minorities, is facilitating India's military capacity upgrade. He further argued that these developments have disturbed strategic balance in South Asia. India entering into foundational agreements with the US threatens the security of both Pakistan and China.



Furthermore, the speaker brought attention to India's role in making SAARC dysfunctional. Ambassador Khalid pointed out that almost all South Asian countries wish China to play a prominent role in their development through SAARC but India has vetoed such efforts. Building on the discussion, the speaker underscored the negative fallouts of a complex triangular conflictual relationship between China, the US, and India on Pakistan. Analysing the current situation, the speaker noted that given the distance India has travelled in solidifying its partnership with the US, its disentanglement from this relationship is highly unlikely in foreseeable future. Ambassador Khalid predicted that the world may even see greater bonhomie between the two if Narendra Modi and Donald Trump are back in power. Based on this assertion, Ambassador Khalid called out India's so-called foreign policy of 'strategic autonomy' as more of "strategic duplicity."

China in the South China Sea and Taiwan Strait

Further exploring China's role in the regional geopolitics, Ambassador Khalid highlighted that China's main theatre of priority is South China Sea and



Taiwan Strait. Taiwan is a red line for China and is a potential flash point. In the last few years, successive US administrations have upped the ante against China through diplomatic, commercial and technological sanctions and the outcome of US elections is unlikely to reverse this trend. Ambassador Khalid argued that with the rise of nuclear risks and increasing conventional and non-conventional threats to humanity, the world has to choose between conflict and cooperation.

Avoiding the Thucydides Trap

Ambassador Khalid expressed hope that both major powers will manage their relationship on the basis of peaceful coexistence. He referenced Graham Allison's concept of the Thucydides Trap, stating that the defining question about global order is whether China and the US can escape it. Allison's book provides examples of how such contests between an established power and a rising power have historically resulted in conflicts. Ambassador Khalid ended his discussion emphasising that to avoid this trap, the US will need to overcome its paranoia about China.



Conclusion

Ambassador Khalid's comprehensive discussion on the role of China in global and regional geopolitics provided valuable insights into the profound shifts reshaping the world order. Through a historical lens, he outlined China's remarkable rise as a global economic powerhouse and its impact on international relations. He highlighted the complexities and challenges surrounding US-China relations, emphasising the need for peaceful coexistence to avoid the Thucydides Trap. His analysis underscored the importance of dialogue, cooperation, and a nuanced understanding of the dynamics shaping the contemporary geopolitical landscape. As the world navigates these challenges, Ambassador Khalid's insights served as a timely reminder of the imperative for diplomatic engagement and strategic foresight to ensure stability and prosperity for all nations involved.



Further Strengthening Pakistan-China Strategic Partnership Ambassador Moin ul Haque (Retd)

Reflecting on Ambassador Khalid's comprehensive overview of China's role in global and regional geopolitics and socioeconomics, Ambassador Moin ul Haque (Retd) emphasised the significance of Pakistan's close friendship and strategic partnership with China. He stated that Pakistan is 'lucky' to call such an economic power, China, a close friend. Drawing from his three-year experience in China, he highlighted the deep linkage between Pakistan's relations with China and its national security.

Ambassador Haque delved into various dimensions of the relationship between Pakistan and China. He stated that the relationship is of a bilateral nature in that it is very broad, very wide, and very deep. However, the nature and significance of this relationship is often underappreciated in Pakistan's important circles.

With this contextual backdrop, he initiated his remarks on "Further Strengthening Pakistan-China Strategic Partnership". His objective encompassed elucidating various dimensions of the Pakistan-China relationship,



assessing its current status, and exploring avenues through which Pakistan could enhance this strategic partnership.

Political Dimension

The political dimension, according to Ambassador Haque, highlighted the strong government-to-government ties, terming the relationship as an all-weather strategic partnership. Pakistan holds a position of paramount importance in China's Neighbourhood Policy. Similarly, strong relations with China is considered as a cornerstone of Pakistan's foreign policy. Ambiguity should be avoided in recognising this fundamental aspect. Therefore, regardless of which government is in power, there exists a broad consensus across Pakistan's political spectrum regarding the importance of the relationship with China. The speaker pointed out that close Pakistan-China cooperation included a bilateral strategic dialogue at the level of Foreign Ministers, of which four sessions had been held.

In the debate surrounding Pakistan's balancing act between China and the US, Ambassador Haque emphasised the necessity for clarity in identifying



allies, particularly concerning national security. While advocating for maintaining robust relationships with other nations, it is essential to discern, based on concrete realities, facts, and historical precedents, who truly aligns with Pakistan's interests and security concerns. Ambassador Haque highlighted that a historical precedence exists within Pakistan's political landscape, where upon assuming power, leaders consistently prioritise visits to China. He anticipated that the new Prime Minister will similarly embark on a visit to China in the near future.

Progressive Momentum in Pakistan-China Strategic Partnership

Moreover, Ambassador Haque revealed ongoing discussions between Pakistan and China, signifying a progressive momentum in their strategic partnership. He highlighted a proposal by Pakistan seeking to elevate the level of strategic dialogue between the two Prime Ministers, akin to existing arrangements with Turkey (HLSCC). He drew a parallel to China's established dialogue framework with Russia at the Prime Ministerial level. In this context, Pakistan had



presented a concept paper outlining the rationale and structure of such a dialogue.

Ambassador Haque expressed optimism regarding the proposed initiative, emphasising the necessity for leaders to convene and deliberate on various facets of bilateral relations. He emphasised the proposed dialogue as a pivotal platform for fostering deeper collaboration and understanding between Pakistan and China.

Economic Dimension

In addressing the economic dimension of Pakistan-China the relationship, Ambassador Haque highlighted that China presently stands as Pakistan's foremost trading partner. The substantial trade volume between Pakistan and China stood at approximately \$27 billion in the preceding year. The speaker drew attention to the vast trade deficit, which amounted to approximately \$24 billion, underscoring the need for concerted efforts to address this imbalance. Notably, Pakistan's exports to China stood at a modest \$3.5 billion, a figure that Ambassador Haque characterised as significantly low.



According to the speaker, this observation prompts reflection on the necessity for enhancing Pakistan's export capacity and diversifying its trade portfolio with China. He advocated for strategic initiatives aimed at bolstering economic cooperation and fostering mutually beneficial trade relations between the two nations in order to mitigate the trade deficit and bolster economic resilience within Pakistan. The Free Trade Agreement (FTA) inked between Pakistan and China in 2007, followed by its Phase II in 2020, provides a pivotal framework for fostering bilateral economic cooperation and expanding exports to China.

China as a Prominent Source of FDI

Ambassador Haque argued that China's role as a prominent source of FDI in Pakistan merits attention. Despite a recent decline in FDI inflows attributed to various factors, China remains a critical contributor to Pakistan's FDI landscape and the CPEC stands as a tangible manifestation of this investment partnership.

“Within the broader framework of the BRI, CPEC holds singular importance, often referred to as the flagship project and a high-quality demonstration endeavour.”



Ambassador Haque provided an overview of the substantial progress achieved under CPEC, with completed projects valued at approximately \$25 billion. These projects primarily encompass infrastructure and energy sectors, including an additional 8,000 MW of electricity generation capacity, as well as extensive development in transmission lines and transportation infrastructure, and 800 kilometres of highways and motorways. Notably, the Gwadar component of CPEC has emerged as a functional and nearly operational entity, with the imminent inauguration of the international airport scheduled for the current year.

Ambassador Haque acknowledged Phase I of CPEC as pivotal infrastructure groundwork for Phase II. This phase will welcome third-party funding for CPEC projects, fostering broader participation. It will focus on furthering the economic partnership to include industrialisation, agriculture, and IT, along with the introduction of new corridors of green energy and livelihood.



Key Areas for Economic Partnership

Haque identified four key areas of focus for the economic partnership between Pakistan and China: industrialisation, a comprehensive long-term export strategy, agriculture, and technology.

Industrialisation

Amb Haque emphasised the critical role of industrialisation, particularly within the context of SEZs. He acknowledged the forthcoming insights from other speakers on SEZs, noting their significance within the CPEC agenda. However, Ambassador Haque lamented Pakistan's inability to fully realise the potential of SEZs outlined in initial documents. He stressed the necessity for the government to assume a pivotal role in crafting conducive policies and fostering an enabling environment for SEZs to thrive. Furthermore, Ambassador Haque expressed concern over the current trajectory of SEZ development in Pakistan, citing reliance on a real estate model driven by political considerations rather than sound business principles aligned with regional comparative advantages. He highlighted the case of Dhabeji SEZ near Karachi as an example, suggesting that despite



its theoretical existence, it has yet to materialise effectively.

A Comprehensive and Long-Term Export Strategy

Ambassador Haque emphasised the imperative need for a comprehensive and long-term export strategy as the cornerstone of economic advancement. He referred to Dr Ahsan Iqbal, the Minister of Planning, Development and Special Initiatives CPEC, who during an official visit to China, had stressed the urgency for Pakistan to escalate its exports to the range of \$80 to \$100 billion within the next 5-10 years to avoid dire consequences.

Ambassador Haque highlighted the significance of China as a pivotal partner in realising Pakistan's export targets. With a market of 1.4 billion consumers with diverse needs, including food, agriculture, and minerals, China presents a vast opportunity for Pakistan to capitalise on its capacity and resources. All that is required is correct policies and a sustained effort.

Recent advancements were noted, including the signing of crucial protocols over the past three years aimed at exporting various agricultural products to



China, such as dairy, meat, cherries, sesame seeds, and donkey hides. He emphasised the potential for opening a market estimated at \$60 to \$80 billion, citing the example of Gilgit Baltistan, where Chinese importers swiftly purchased the entire cherry production during a two-day visit.

Addressing logistical challenges, Ambassador Haque proposed strategic measures to enhance trade accessibility, particularly through the Khunjerab border. He highlighted the recent efforts during the Prime Minister's visit to keep the border open, emphasising the need for infrastructural improvements, including modern customs and logistics facilities. Leveraging the land route, historically integral to the CPEC corridor, is essential to facilitate access to the Chinese market.

Agriculture

Ambassador Haque addressed the significance of agriculture within the framework of CPEC Phase II. He acknowledged China's advancements in this sector, particularly in developing innovative irrigation and smart farming systems. He emphasised the importance of Pakistan leveraging these opportunities,



noting the existence of a working group within the CPEC framework dedicated to agriculture.

Highlighting the need for proactive engagement, the speaker stressed the importance of Pakistani institutions and relevant departments developing sound projects and proposals for joint collaboration with China in agriculture. He expressed satisfaction in the involvement of the armed forces of Pakistan in this domain, highlighting collaborative efforts with significant Chinese companies in various agricultural endeavours.

Technology

Ambassador Haque thoroughly discussed the significance of technology as a crucial aspect of economic engagement, particularly within the context of China's leading position in technology, electronic vehicles, and Artificial Intelligence (AI). He highlighted technology as a key focus area for the next phase of CPEC development.

He stressed the necessity of establishing technology zones in Pakistan to facilitate the entry of Chinese companies for research and incubation purposes. He expressed concern over the slow progress of planned



technology zones in Islamabad and Lahore, highlighting the need for comprehensive policies to capitalise on Chinese technological advancements.

Furthermore, Ambassador Haque cited China's dominance in electronic vehicles, exemplified by companies like BYD (Beyond Your Dream), the largest manufacturer of electronic vehicles globally. He commended BYD's recent agreement with HUBCO, transitioning from energy to automobile manufacturing, and urged the government to extend a 'red carpet' treatment to such companies to encourage their investment in Pakistan.

The transformative potential of companies like BYD, and their potential presence in Pakistan can act as a catalyst for technology transfer, job creation, and economic growth. The speaker advocated for prioritising and facilitating such investments at the leadership level to maximise their benefits for the country.

Ambassador Haque suggested that Pakistan needs to emulate China's successful investment strategy, which involved empowering provinces with specialised investment departments to assist foreign investors. He



highlighted that Pakistan has multiple problems such as political instability, security issues and engaging in a “ease of doing business” practice that challenges efficacy. However, a simple shift into streamlining processes could facilitate foreign investment.

Aerospace and Aviation

The speaker pointed out another noteworthy domain in the realm of technology i.e. aerospace and aviation. Over the past decade, China has made significant strides in these sectors, despite historical underdevelopment. Notably, China has focused its efforts on aviation, resulting in the development of aircraft such as the ARJ21 and C919. China has expressed a keen interest in partnering with Pakistan International Airlines (PIA) to introduce these aircraft into service.

However, despite this opportunity for collaboration, there appears to be a preference for Airbus aircraft within Pakistan's aviation sector. This stance overlooks China's emergence as a formidable player in the aerospace industry and the potential benefits of being an early adopter of Chinese-made aircraft. Given this context, Ambassador Haque emphasised the



importance of stepping up cooperation with China in the aerospace sector.

Amidst these challenges there does exist a successful space cooperation between the two countries. Pakistan has launched several satellites with Chinese assistance, and an exciting prospect on the horizon is the potential for sending a Pakistani astronaut to space through collaboration with the Chinese space station.

Defence and Security

Defence and security constitute pivotal components of strategic relations with China. The country has emerged as a significant partner in defence cooperation, notably evidenced by the collaboration on projects such as the JF-17 Thunder aircraft. Presently, a paramount endeavour for Pakistan is the construction of eight submarines in China, representing a cornerstone priority project. He elucidated that Pakistan's engineers and technicians have played a crucial role in salvaging this project, contributing to China's capacity to manufacture submarine engines. This collaboration stands as a significant milestone with profound implications for



strengthening our national defence and security apparatus.

Tourism

Ambassador Haque further highlighted the importance of boosting tourism, owing to Pakistan's abundant natural beauty. Although Chinese travellers have traditionally favoured destinations in Western countries, recent developments show promise for change.

Pakistan and China have recently signed a protocol on tourism and a Memorandum of Understanding (MoU) on tourism, marking a significant step forward. In October 2023, a group of Chinese tour operators visited Pakistan for the first time, departing via the Khunjerab border. Impressed by the country's scenic landscapes and the warmth of its people, they have since added Pakistan to their list of recommended tourist destinations. This shift has the potential to bring significant economic benefits to Pakistan through increased tourism.



Education, Culture, and People-to-People Exchange

Finally, Ambassador Haque touched upon the aspect of education, culture, and people-to-people exchange. Acknowledging previous misconceptions about the nature of the China-Pakistan relationship, he highlighted the deep-rooted affection that the Chinese people hold for Pakistan.

“The term ‘Bhatia’, meaning Iron Brother, is exclusively reserved for Pakistan, and this sentiment is palpable across China, where the Pakistani identity is met with warmth and camaraderie.”

Conclusion

Ambassador Haque’s elaborated discussion on the current dimensions of Pakistan-China partnership and avenues of cooperation in the future offered a deeper understanding into the future trajectory of Pak-China relationship. The speaker ended his discussion on the note that China is a trusted friend and strategic partner, therefore Pakistan must seize the opportunities available in the political, economic, security, and socio-cultural sectors. He stressed the importance of



recognising China's role in ensuring Pakistan's future economic security. In conclusion, reaffirming the enduring nature of the China-Pakistan relationship, the



Special Economic Zones and Industrial Development

Dr Suhail Saleem

Dr Suhail Saleem began his discussion by highlighting Punjab's strong position as an investment destination, with 18 special economic zones (SEZs), one enjoying priority status under the CPEC framework. He mentioned that Pakistan, as a whole, offers investors a network of 35 SEZs. Dr Saleem detailed impressive figures of 424 enterprise investments, over 4,000 business profiles, and over \$1 billion in SEZ investment. The speaker proudly noted that within the last eighteen months, concerted efforts have resulted in the facilitation of over \$1 billion in investment. Dr Saleem provided a detailed breakdown of the sectors benefitting from this investment, including textile (25 percent), food and beverages (23 percent), leather and footwear (16 percent), chemicals and allied products (11 percent), light engineering (9 percent), packaging (9 percent), and healthcare and pharmacy (7 percent).

The speaker further clarified that of the \$1 billion, over \$200 million were directly invested by enterprises within the SEZs, while investments exceeding 300



million dollars were directed toward the development of the SEZs themselves. Dr Saleem proceeded to share a list of the currently operational SEZs within Punjab. He distinguished the nine SEZs developed by the public sector under the Act of 2012, noting that these were established by the government during the first ten years of the SEZ initiative.

Sales-driven Model of Public Sector SEZs

Dr Saleem made an interesting observation: during the first ten years, nine SEZs were developed by the public sector, while in just a single year following, nine additional SEZs were established exclusively through private sector initiative.

Dr Saleem elaborated on the public sector's approach to developing SEZs, calling it a "sales-driven model" where land was provided, initial development commenced, and then plots were offered to local and foreign investors. Revenue was generated through these sales, subsequently used to complete development work. He noted that this approach became a source of frustration for investors.

Dr Saleem cited challenges faced by investors, including the questionable locations of some of these



public sector SEZs and emphasised that facilitating investment extends far beyond simply providing a plot of land. Investors require comprehensive services and often compare the ease of doing business to that of other nations, a factor the public sector SEZs were lacking in.

Investors found it burdensome to repeatedly approach government agencies for multiple NOCs (No Objection Certificates) related to allotment, possession, boundary wall approvals, construction approvals, etc. This difficulty contributed to the rise of privately established SEZs within Punjab.

Promoting Private Sector SEZs

Dr Saleem continued by stating that private sector's involvement in establishing SEZs is a more effective approach than relying on potentially loss-making public sector entities.

“The government's key role lies in facilitating investment, providing an enabling environment, and regulating SEZs, instead of directly selling plots or cancelling them.”



Dr Saleem noted that of the nine SEZs currently approved by the federal government and in operation, four more private sector applications are under process. He anticipates a future where out of 23 special economic zones, 14 might be established by the private sector.

Dr Saleem provided examples of major Chinese investments in SEZs, such as a top garment manufacturer supplying international brands, now producing in Pakistan. He mentioned a Sino-Pakistani joint venture for paper manufacturing in Sheikhpura. Dr Saleem also highlighted prominent local companies like Sapphire producing chemicals, and Ethnic and Outfitters manufacturing garments for export, all operating within SEZs. He noted the presence of DW, a Greek refrigerator manufacturer, emphasising that major players are establishing their presence in the SEZs with government support, benefitting from a professional environment and improved infrastructure.

Chinese Contribution to SEZs development

Dr Saleem underlined the significant contribution of Chinese companies operating within existing special economic zones. He spoke of Time Ceramics, crucial



in reducing Pakistan's reliance on imported ceramics and tiles, noting the presence of eight large-scale ceramic factories in various SEZs. Dr Saleem added that Oreal Ceramics and a substantial glass industry were also established within the SEZs.

He went on to list other major investments, including Hayat Kimya, a large Turkish group investing over \$300 million, Huawei's operations, Haier's diverse home appliance industries, Hyundai Nishat's Japanese investment with a Korean brand, and JW Motors from the US. Dr Saleem emphasised that these are just a few examples of the established industries within government-developed and managed SEZs, with facilitation efforts for these foreign and local investors dating back to 2016.

Ease of Doing Business: A Missing Element

Dr Saleem then acknowledged that initially, the focus was primarily on providing land to investors within SEZs. However, the government soon realized the need to offer comprehensive services as well. He highlighted a crucial missing element – ease of doing business – a major consideration for foreign investors when choosing Pakistan. Dr Saleem explained the



complexity of starting a business in Pakistan, with over 200 NOCs, approvals, or licenses required, involving a minimum of 19 agencies and interactions with various departments at both the federal and provincial levels.

He described how, even with a single "one-window" entry point, investors still faced the daunting task of interacting with up to 26 different departments. Dr Saleem admitted that overcoming this hurdle to facilitate investors was a significant challenge.

Establishment of Business Facilitation Center

To address this, Dr Saleem stated the establishment of a Business Facilitation Centre (BFC). The first BFC, located at the Alfalah Building in Lahore, was inaugurated on 4 December 2023. He emphasised the extensive preparations that went into making this possible.

Dr Saleem outlined the first crucial step – process mapping. He explained the importance of this step, as it helped clarify requirements for both local and foreign investors, streamlining the process of obtaining NOCs. Dr Saleem described the frustrations investors previously faced, where lengthy submission processes



could be followed by unexpected requests for additional documents, creating an endless cycle.

In resolving the issue, Dr Saleem credited the Industries Department of Punjab for taking the lead, with the Punjab Board of Investment and Trade (PBIT) and Punjab Information Technology Board (PITB) playing crucial roles. The speaker described the process mapping efforts, initially identifying 106 registration certificates and NOCs across 23 provincial departments. He stated that the list of required documents was finalised and uploaded to the Knowledge Hub website.

Dr Saleem proudly announced the development of the Knowledge Hub portal alongside the BFC. The speaker explained that anyone seeking a particular NOC can now visit the Knowledge Hub, easily identify the mandatory documents, and even access sample documents for clarity.

Dr Saleem emphasised the second key step – requesting each of the 23 government departments to appoint two focal persons. One focal person would be stationed at the BFC, while the second would remain within the department to ensure on-going liaison.



He shared impressive statistics from the Lahore centre alone: 1,872 applications submitted, 1,617 NOCs issued. Dr Saleem highlighted the interconnected nature of the centres, enabling real-time tracking of applications and NOCs across all locations. He explained the time-bound process where departments have a fixed timeframe for issuing NOCs (ranging from one day to a maximum of 45 days for environmental approvals). Failure to comply results in information being directly escalated to the Chief Minister and Chief Secretary.

Dr Saleem provided additional figures demonstrating the impact of the BFCs: 7,494 total visitors, 5,967 total NOC requests, and 5,231 NOCs issued. He stressed the importance of these centres in empowering foreign investors, particularly Chinese investors, reducing reliance on consultants and streamlining the investment process.

“Punjab Ease” Programme

Dr Saleem introduced the "Punjab Ease" programme, designed to attract global investors by providing crucial information and facilitating the investment process from initial establishment to on-going operations. He



mentioned that the Punjab Investment catalogue is being translated into Chinese to enhance accessibility for potential investors. Dr Saleem highlighted PBIT's close collaboration with allied departments in Punjab to identify opportunities across sectors such as forestry, tourism, and energy. He emphasised the detailed nature of the developed projects, containing concrete data to attract investors and provide essential information in advance.

In conclusion, Dr Saleem expressed his gratitude for the opportunity to share these insights.



Leveraging CPEC Beyond 2030 for Sustainable Economic Growth and Connectivity

Dr Hassan Daud Butt

Dr Hassan Daud Butt delivered his talk on “Leveraging the CPEC for Sustainable Economic Growth.” Stressing on the importance of effectively utilising CPEC for economic growth, the speaker outlined the challenges facing this endeavour and proposed a path forward. According to Dr Daud, the Gwadar Master Plan serves as a baseline model for development. Drawing from experiences during his visits to China in the formulation of the plan, he showcased the Gwadar airport as a symbol of the future potential of CPEC. This airport, he argued, represents the trajectory of development that CPEC promises for the region.

Challenges to the success of CPEC

Dr Daud highlighted the importance of considering historical context when making predictions. He expressed his intention to analyse the past decade of CPEC developments to assess the feasibility of



leveraging CPEC in the future, contingent upon the availability of resources.

Furthermore, he pointed out geopolitical conflicts, post-pandemic developments, and the emergence of an anti-globalisation narrative as factors influencing the potential success of CPEC. He noted that the increasing scrutiny of China by Western powers suggests a shift towards protectionism. He added that there exist certain challenges and the metaphorical "glass walls" in debates surrounding the competition between the US' apex and China's ascent.

In his discussion on the dynamics of globalisation and localisation, the speaker highlighted the importance of leveraging local environments while also engaging globally, potentially through third-party participation. Dr Daud reminded that audience that Pakistan needs to prepare for its centennial which is in less than three decades. In doing so, it must facilitate its rapidly growing population which is projected to surpass 240 million. Looking ahead to the post-2030 era, he stressed the necessity of creating five million jobs annually by 2035 as a solid job creation target is vital



for progress and Pakistan should maximise on the opportunities that CPEC can provide to the country.

Dr Daud expressed belief in achieving these goals through pragmatic leadership and a robust, innovative economy. Without these essential components, progress would be hindered. The speaker argued that between becoming an Asian powerhouse or a bleak, doom fill, CPEC offers Pakistan the opportunity of finding a middle ground. Referencing Tim Marshall's books, *Prisoners of Geography* (2015) and *The Power of Geography* (2021), the speaker underscored the importance of geographical factors such as population and strategic location in driving growth.

Issue of Productivity

The speaker highlighted insights from Elon Musk, emphasising the importance of human resource competition. He stressed the issue of productivity in Pakistan, drawing from personal experiences working on multicultural projects in various countries. He cited examples like the rapid construction of a railway station in China with 1,500 workers in just nine hours, highlighting the stark difference in productivity



compared to Pakistan's situation, which he observed first-hand while working in universities.

In a post-COVID speech, the governor of New York highlighted the dominance of Chinese manufacturing. While this may pose challenges for some, Dr Daud saw it as an opportunity, especially for neighbouring countries like Pakistan. He stressed the importance of seizing this opportunity, suggesting that questioning its potential is, in itself, a missed opportunity. Instead of dwelling on conspiracy theories, such as comparisons to the East India Company. Dr Daud urged a shift in focus advocating for an embrace of this perspective, especially as we look towards the future beyond 2030.

Despite concerns over various crises in China's economy real estate, he urged the audience to shift their attention to the remarkable growth evident in several sectors instead. He highlighted the proliferation of solar panels, the increasing number of televisions, the expansion of Chinese ports, and the burgeoning automobile industry. Dr Daud also highlighted China's significant achievements in poverty reduction.



“China has successfully lifted 30 million people out of poverty through collective efforts and wage increases.”

Given these tangible indicators of growth and progress, the speaker questioned whether there exists any room for debate regarding China's trajectory.

Ways to Leverage CPEC

Dr Daud strongly advocated for CPEC, terming it as the buckle of the BRI. He asserted that without the successful implementation of CPEC, the entire BRI initiative would falter. While the Chinese recognise this reality, Dr Daud suggested that Pakistan is unable to fully comprehend it and the commitment to its success remains a topic of ongoing debate over the past decade. Following to this, he suggested multiple ways in which Pakistan can leverage CPEC and benefit from it.

The speaker highlighted China's significant engagement in energy-related projects in 2023, marking the highest level of involvement since the inception of BRI. He emphasised China's growing investment in electricity transmission infrastructure,



particularly in response to persistent challenges faced by Pakistan in this sector. Dr Daud underscored the prevalence of power theft during transmission in Pakistan as a major obstacle. He urged consideration of China's expertise and resources in addressing this issue during the seminar.

Moreover, the speaker noted a shift in Chinese discourse towards open, green, and clean projects. He highlighted several key areas of focus, including renewable energy, trade-enabling infrastructure, information, and communication technology (ICT), resource-backed deals, mining, oil and gas, electric vehicle (EV) manufacturing, and city projects like ML1.

He explained that China's expanding presence in countries like Laos, Malaysia, and Indonesia, expressing a desire for similar collaboration with Pakistan. As an adviser in the energy sector, he highlighted a recent report by the Chinese premier outlining various sectors ripe for investment, spanning tourism, aviation, automobile, construction, and manufacturing. Dr Daud stressed the significance of these sectors to Pakistan's economy, given its natural



geographical advantages and its strategic position between energy-hungry nations like India and China.

Defence and Security

The speaker recalled the frequent visits of Air Marshals to China during their collaboration on Air Force projects. Additionally, he mentioned a specific event in 2017, a seminar on avionics and air hosted by the Air University and sponsored by the Air Force. This seminar facilitated extensive discussions and exchanges of ideas pertinent to the field, showcasing the depth of cooperation between Pakistan and China in aviation and defence matters.

But after 10 years of development and collaboration Pakistan has been unable to uphold the tenants of this partnership. Dr Daud mentioned two events that exemplified this; the blasphemy accusation placed on a Chinese national working at a hydro power project in April 2023 and the second suicide attack on Chinese workers in Dassu on March 2024.



Positive Impacts of CPEC

Dr Daud then shifted his attention to give details on the how CPEC has positively impacted Pakistan economy and its future potential. The initial targets set forth in the CPEC long-term plan of 2017 prioritised market cultivation, infrastructure development including roads and energy solutions, with the eventual establishment of special economic zones by 2025 and beyond.

ML1 Project

In regard to the significance of railways, particularly the ML1 project, it stands as a pivotal endeavour for Pakistan, offering strategic advantages in security, tourism, and regional connectivity well into the future. Addressing the energy crisis has been a focal point, with projects such as Dassu, Suki Kinari, Thakot, and Kohala underway or completed.

Employment Opportunities and Increase in Exports

CPEC has generated substantial employment opportunities, directly impacting the economy with significant gains in electricity production, transmission infrastructure, rural-urban synergy, and regional



connectivity, alongside the development of the Gwadar blue economy. Pakistan's exports to China have surged by 35 percent over the past decade, with notable increases in sesame seed and seafood exports.

Development of Gwadar Airport

Furthermore, Suki Kinari is poised for commissioning pending the completion of the Gwadar airport, this would be a significant infrastructure project supported by China.

Green and Renewable Energy Initiatives

Moreover, noteworthy shifts in energy strategies within the BRI are evident, with a decreasing focus on coal projects and a growing emphasis has been placed on green and renewable energy initiatives, including hydroelectric projects. An initial Memorandum of Operations was also signed to balance the capacity within the BRI and attract more projects.

Regional Connectivity Beyond 2030

The speaker placed a strong emphasis on embracing the ancient Chinese philosophy of building roads to



achieve prosperity, a tradition dating back 5,000 years. Analysing connectivity, he referred to the connectivity formula of western corridors. This formula encompasses factors such as income growth, commerce, public infrastructure development, modernisation efforts, rural-urban synergy, and enhanced connectivity, all contributing to overall progress.

Examining the Khuzdar-Bassima road, a crucial link between Sindh and Baluchistan, Dr Daud shed light on the significant impact of that security-linked connectivity will have. In studying the economic activity along these routes, he mentioned how one can discern the correlation between infrastructure development and production.

Moreover, the speaker mentioned the construction of the DI Khan Haqla Road, which has resulted in rapid economic growth. Within a year, notable groups like Sapphire and Fatima invested in land along the route, with the former purchasing 233 acres and latter purchasing 600 acres. These developments in DI Khan, situated at a strategic crossroads, serve as a



compelling example of the economic benefits associated with infrastructure investment.

According to Dr Daud this is not solely about CPEC, there is a broader perspective that extends into the foreseeable future and beyond. He pointed out ongoing projects such as the Pakistan and Mazar-i-Sharif railway initiatives, highlighting their role in linking Central Asian countries. He outlined additional endeavours, including the KPK economic corridor and projects sponsored by the World Bank (WB), such as the Torkham-Peshawar-Karak 5 and Karak 6 routes. These initiatives aim to connect Karachi ports with Port Qassim in Dushanbe, as well as link Gwadar port to Hoshab and Herat Sharif in Tajikistan, demonstrating the extensive network of connectivity being established.

Within the framework of CPEC, he highlighted the critical importance of ML1 and ML2. ML1, leveraging existing railway infrastructure, and ML2, linking with Iran and Central Asia, stand out as pivotal components of this endeavour. Expanding on connectivity, he pointed to initiatives like the East Bay Express and Outshore Expressway, facilitating linkages from



Jacobabad to Quetta, albeit with some existing bottlenecks being actively addressed.

Moreover, the speaker expressed optimism on Gwadar airport handling Airbus 380 beyond 2030. He stressed on the potential importance of Gwadar, adding that China sees huge potential and success in the project, or they would not be investing heavily into it.

Improvement Strategies

Different scenarios for improvement exist beyond 2030, extending to 2050, ranging from short-term to long-term strategies. The speaker emphasised promotion of fishing industries, with various models available for consideration. The speaker highlighted that in the agricultural sector, efforts are underway to address the challenges posed by Pakistan's growing population. Last year saw negative growth, with slight improvement this year, but the trajectory remains uncertain.

A comparison between China and Pakistan in terms of agricultural output highlights disparities. Dr Daud highlighted that beyond 2030, agriculture emerges as a pivotal sector in the CPEC but there is a need for



greater Chinese involvement in its promotion. Priority areas for development include increasing rice yield through CPEC initiatives and enhancing livestock and dairy production. Challenges persist, such as the inability to export dairy products to China due to stringent sanitary and phytosanitary requirements. The speaker noted that efforts by companies like Nestle to meet these standards are commendable, but broader measures are needed to facilitate dairy exports.

Furthermore, drawing inspiration from Haier's successful model in Sheikhpura, where Chinese investment with local partnerships thrives, Dr Daud said that there exists potential to replicate such success in the textile and manufacturing sectors. Additionally, the development of infrastructure for e-vehicles could tap into a substantial consumer market.



Conclusion

In his detailed discussion, Dr Daud highlighted the limitations of Pakistan's policy framework and stressed on the necessity for stable, long-term policies, particularly in projects like CPEC. He emphasised on Pakistan's geographical advantage as inherent strength but highlighted the need for labour productivity, efficiency, and security for the success of CPEC Phase II. The speaker warned against outdated security methods, advocating for technological advancements to instil investor confidence.

“Pakistan must align investment capacity with claims made by the nation, asserting that success is achievable by 2030 and beyond.”

He echoed the sentiment that “it does not matter if a cat is black or white, as long as it catches the mice”.



CONCLUDING REMARKS

Air Marshal Asim Suleiman (Retd)

President, CASS, Lahore

In his concluding remarks, Air Marshal Asim Suleiman (Retd), President, CASS Lahore, highlighted China's remarkable ascent from poverty to becoming a significant player in the evolving global landscape. He noted that China now stands as a commanding presence across various domains, from geopolitics to financial markets. The president emphasized that China's influence in the international arena is driven by its strong economy and advanced military capabilities.

He stressed that China's impressive economic growth is a result of careful planning and hard work. With a GDP growth rate averaging around 9.2 percent per year over the past four decades, China has emerged as the world's second-largest economy. This rapid expansion is attributed to the implementation of economic reforms and opening up to foreign investment in the late 20th century, whereby it signalled to its citizens that getting rich was glorious.



“Pakistan cherishes a profound and enduring friendship with China, forged over the years through shared experiences and mutual trust.”

This bond has not only stood the test of time but has also proven instrumental in foiling the designs of adversaries within the region. As this alliance continues to mature, it deepens across various spheres, encompassing military collaboration, infrastructure development, and technology exchange.

Significance of CPEC in Pak-China Ties

The President stressed the importance of the CPEC in Pak-China relations, stating that the CPEC stands as a symbol of the confidence China places in Pakistan. He emphasised the geographical significance of CPEC in bringing the Belt and Road Initiative to success, as it significantly shortens the route. He highlighted that Pakistan's active promotion and dedicated efforts towards CPEC are crucial for its progress. This monumental project serves as a cornerstone of economic cooperation between the two nations, holding the promise of fostering Pakistan's development.



“With a substantial investment of \$60 billion in the mega project and a history of extending financial support, China emerges as a reliable economic partner.”

Pakistan-China Military Cooperation

The President stressed on Pakistan's active engagement in military cooperation with China, another factor cementing a significant partnership. He noted that since 1962, China has consistently supplied military equipment to the Pakistani Army, facilitating the establishment of ammunition factories, offering technological support, and modernising existing facilities. It has also demonstrated unwavering support for the Pakistan Air Force, notably through flagship projects like the JF-17. He further added that the recent induction of the Chengdu J-10C into the PAF and plans for acquiring the 5th Generation J-31 Gyrfalcon Stealth Fighter highlight the depth of this collaboration.

Pakistan's Strategic Focus

China stands as Pakistan's steadfast and unwavering strategic ally. The President articulated that On its end, despite encountering numerous challenges, Pakistan has maintained a remarkably balanced foreign policy,



yet its strategic focus remains firmly directed towards Beijing. He added that while the global landscape evolves and US-led multilateral alliances emerge to contain China, with active involvement from India, Pakistan must steadfastly support its time-tested friend as it is always better to be on the side of your neighbours, rather than extra-regional forces.

India's Attempts to Sabotage CPEC

He further said that Pakistan must remain vigilant regarding India's actions in the region, particularly in Balochistan, where it actively seeks to undermine Pakistan and China's interests by supporting insurgent activities.

“The recent attacks targeting Chinese nationals within Pakistan’s borders underscore India's active role in sabotaging CPEC and, consequently, impeding Pakistan's development and China's BRI.”

Emphasising on the need for improved security, he added that we must assure the Chinese about our commitment to China's project security within our borders and undertake all necessary measures to ensure the safety of their citizens. Additionally, we can



collaborate closely with Chinese authorities to address any concerns promptly and effectively, fostering a sense of mutual trust and cooperation between our nations.

Conclusion

The President concluded that the multifaceted dynamics of Pakistan-China relations and the broader global landscape reflect that our partnership is not only rooted in shared interests but also shaped by mutual aspirations for peace, prosperity, and development. He thanked distinguished speakers for their professional and interesting discourse on subject of strategic nature.



Q&A SESSION

Question 1: Is there a possibility of a future where China develops closer ties with India compared to its relationship with Pakistan?

Answer: Ambassador Khalid acknowledged that China views India as an important economic market and neighbour. He emphasised China's philosophy of advocating for peaceful neighbourhoods, asserting that instability in neighbouring countries can have negative consequences. Over the past decade, China has attempted to reach out to India with the aim of preventing India from becoming a proxy for the US. Exchange of visits and expressions of goodwill marked this period. However, this goodwill evaporated due to clashes on the border, highlighting the issue of distrust between the two nations. From the Chinese perspective, India is seen as unreliable for historical reasons. While trade between the two countries has increased and China has advised Pakistan to maintain constructive relations with India, these efforts have not been effective.

Ambassador Khalid asserted the border issue poses a serious challenge. China has established new facts on



the ground and is unlikely to relinquish its position easily. He emphasised India's strategic decision to align with the United States as a central concern in India-China relations. As long as India continues on this trajectory of close ties with the US, a drastic shift in China's policy towards India is unlikely. He concluded by highlighting the depth of mistrust between the two countries, particularly in the context of India's alignment with the United States' strategy for containing China.

Ambassador Haque endorsed Ambassador Khalid's analysis. He provided a historical perspective, noting that China was a pre-eminent global economic power for nearly 19 centuries, and India also held significant economic influence throughout this period. After experiencing a downturn, China has been experiencing unprecedented economic growth for the last four decades, fuelled by its national rejuvenation. India, while making strides, aims to catch up, utilising its partnerships with Western powers to counterbalance China's rise.

While the Chinese understand this strategy, they maintain the view of India as unreliable, a sentiment



rooted in their shared history. Ambassador Haque emphasised China's pragmatic approach in acknowledging India's historical importance and its potential as a major power. In an effort to prevent India from fully joining the Western camp, China has advised India to maintain strategic autonomy – advice viewed as strategic deception by the Indians. India, while claiming an independent foreign policy, uses these Western ties to position itself as a counterweight to China. Therefore, despite difficulties in the China-India relationship and ongoing border clashes, economic ties between the two nations have been steadily growing.

Ambassador Haque noted that as China navigates this complex relationship, it maintains open channels for communication and business but views the prospect of ties with India growing stronger than those with Pakistan as unlikely. Pakistan and China share a



Question 2: How does China view Pakistan's foreign policy strategy given its strong relationship with China but also maintaining close engagement with the US, and how does China reconcile this apparent inconsistency and what its true perception of Pakistan as a partner is?

Answer: Ambassador Khalid remarked that Pakistan must position itself as an asset to China, not a liability. He noted that Pakistan's increasing dependence on China across various sectors, combined with the security threats facing CPEC, poses challenges. He urged the audience to consider why the CPEC has been specifically targeted by hostile forces out of all the six corridors China has initiated. This targeting, he argued, emphasises both the progress made by CPEC and its strategic value to both Pakistan and China. He concluded by stating that Pakistan does not need to be adversarial towards the US or China, but should prioritise aligning itself with China's interests.

Ambassador Haque acknowledged that while China appreciates Pakistan's expressions of goodwill, this support should not be taken for granted, and efforts must be made to nurture positive sentiment among



China's youth. He emphasised that support for Pakistan within China is widespread and surpasses that of even Turkey. He then shifted to discuss Sino-US relations, noting that the Biden administration's alliances and actions against China have heightened competition between the two powers. China naturally expects Pakistan, as a strategic partner, to support its interests. However, China recognises the complexities in Pakistan-US relations and does not advocate for complete severance of ties. China understands Pakistan's need to maintain a balanced and mutually beneficial relationship with the US but expects Pakistan to take principled stances in support of China when its core interests are threatened.

Ambassador Haque provided the example of the Summit for Democracy, where Pakistan, in consultation with stakeholders, declined to participate due to its divisive nature and the targeting of China. He acknowledged that China's expectations will place tough demands on Pakistan but assured that Pakistan engages in on-going dialogue with China to navigate the complex geopolitical landscape.



Dr Daud, speaking from an operational standpoint, explained the perceived pro-West sentiment among Pakistan's elite. He attributed this to many elite Pakistanis, across various sectors, having received their education and training in Western institutions. This historical connection has shaped narratives and policies within Pakistan. He noted that Pakistan's military relationship with China has grown stronger in recent decades, while the operational-level relationship with the West has a longer history.

He anticipated that the rise of Pakistani leaders who have been educated in Chinese universities will play a crucial role in driving a policy shift but emphasised that currently, Western-educated individuals occupy most positions of power. He also pointed to a disparity in the quality of students Pakistan sends to China compared to Western universities which is a challenge to be addressed.



Question 3: There is an apparent lack of Pakistani government's seriousness and commitment towards CPEC, despite receiving presentations and briefings highlighting its importance. How can the government improve its engagement with the initiative?

Answer: Dr Hassan Daud acknowledged that while the government is not entirely inactive, challenges remain. He cited policy inconsistency across different regimes, where policies are often changed for political reasons, as a major obstacle. He emphasised the balancing act that Pakistan must navigate between the US, its largest export market, and China, the primary source of FDI. He called for a pragmatic approach to resolving these issues.

Dr Daud conceded that the leadership is aware of CPEC's significance but characterised them as lazy. He proposed a solution: the inclusion of third-party participation in the CPEC, particularly from Middle Eastern countries. He highlighted the potential role Saudi Arabia could play, given its strong relationships with both Pakistan and China.



Ambassador Haque echoed Dr Daud's sentiments, identifying governance as the primary issue hindering progress. He noted an abundance of reports, vision documents, and research pertaining to the CPEC but a significant gap between these plans and their implementation. He highlighted challenges in capacity, as well as a lack of sincerity in both individuals and purpose.

The Ambassador agreed with the idea of third-party participation. He recounted a previous interaction with a French ambassador who expressed interest in investing in CPEC and his own recommendation, once CPEC was opened up, to pursue investment and technological partnerships with the West.



Question 4: There is a lack of continuity in Pakistan's political system in a way that each new government discards the plans of its predecessor, leading to a lack of progress and political instability. There is an urgent need for change as excellent plans, such as CPEC, suffer due to the constant political disruption. Share your thoughts on these critical aspects.

Answer: Ambassador Khalid acknowledged the lack of continuity and emphasised the need for Pakistan to nationally address these issues. The Ambassador defended the CPEC initiative, noting investment came through CPEC at a time when no other entities were willing to invest in Pakistan. He highlighted that the projects were built within Pakistan and not in China despite the challenging security situation and ongoing terrorism targeting Chinese nationals.

He lamented the negative narrative being built around CPEC, often promoted by forces hostile to Pakistan, seeking to damage its relationship with China. He expressed concern that Pakistanis themselves sometimes contribute to this negative narrative. Ambassador Khalid highlighted the importance of



gratitude towards China for its unwavering support for Pakistan, providing economic, diplomatic, and strategic space.

He then drew a stark contrast between China's support and the US-India nexus, which he believes works against the interests of both Pakistan and China. He emphasised the pressure Pakistan faces from the US to distance itself from China, CPEC, Russia, Iran, and even to accept the status quo in Kashmir, actions deeply detrimental to Pakistan's interests. While advocating that Pakistan must not become an adversary of the US, he stressed the need for rigorous diplomacy to maintain a balance in foreign relations. He concluded by calling for introspection and putting things in order internally to maximize the benefits of CPEC and other Chinese investments.

Dr Daud proposed a solution: insulate the economy from politics because in Pakistan's case, politics has a detrimental impact on the economy, which can take a decade to recover. He stressed the importance of investor confidence and that a consistent, long-term economic policy, devised through consensus amongst



stakeholders, would be crucial to attracting investors back to Pakistan.

Question 5: Given Pakistan's shortcomings in fulfilling its obligations under CPEC, is there a potential risk of China withdrawing support?

Answer: Ambassador Khalid acknowledged Pakistan's failings, agreeing that the country has faltered and lagged behind commitments. He emphasised that Pakistan cannot match the pace set by China. However, he rejected the idea of China withdrawing support entirely. He explained that China views Pakistan as a strategic partner, and this partnership extends beyond just CPEC. Calling CPEC the pilot project of the wider BRI initiative, he highlighted that the success of CPEC is crucial for China, and they will continue to push forward. Nonetheless, he stressed that Pakistan must urgently address internal shortcomings and questioned the lack of replication of successful models, such as the BFCs, across all provinces.



Question 6: What are the social and economic impacts of large projects like CPEC on local Pakistani communities given potential resentments arising from issues like debt sustainability, employment concerns, and environmental implications?

Answer: Dr Daud began by clarifying that CPEC should not be viewed as a cure for all of Pakistan's problems but rather as a stimulus for economic development and connectivity. Despite this, he acknowledged the potential for such projects to bring prosperity to local communities through increased connectivity and economic opportunities.

He provided specific examples: farmers and producers directly benefitting from new export markets for products like cherries and chilies, improved travel time from Islamabad to DI Khan, and major corporations establishing special economic zones in the region. He underscored the transformation taking place in Gwadar, with the establishment of a university, a modern hospital, and other developments. Finally, Dr Daud addressed the need to manage expectations,



noting that political rhetoric has sometimes inflated expectations surrounding CPEC and similar initiatives.

Ambassador Khalid reinforced this point by highlighting the case of Thar, a historically underdeveloped region now witnessing positive change due to CPEC. He cited the example of women in Thar now driving trucks as a symbol of the transformative potential these projects hold for local communities.



POLICY CONSIDERATIONS

1 China's Rise and Global Vision

All-weather strategic partnership with China should remain a cornerstone of Pakistan's foreign policy. This partnership is vitally important for Pakistan's national security and development. To further strengthen and diversify this strategic partnership must remain a top priority.

2 Expanding Chinese Footprint

Pakistan needs to maintain the right balance between its vital political, security and economic ties with China on the one hand and its valuable relations with the US-led West on the other. However, Pakistan's strategic focus should remain firmly directed towards Beijing.



3 US Hostility towards China

CPEC is the buckle of the belt (BRI). Success of CPEC must remain a high priority. Concerted efforts are required to ensure the success of 'Phase II of CPEC' that will focus on industrialisation, agriculture and IT etc. Gwadar and ML1 are crucial for regional connectivity. In implementing projects like ML1, local production and transfer of technology should be emphasised.

4 Growing Convergence between China and Russia

Industrial development, especially geared towards exports, including for the Chinese market has to be a top agenda. CPEC-specific SEZs all over Pakistan should be operationalised as 'plug-and-play' with urgency. Serious efforts are also required to encourage relocation of some of the Chinese export oriented industry in Pakistan.



5 National Rejuvenation

To encourage investments in Pakistan, bureaucratic red tape has to be removed and the ease of doing business must be improved. The one-stop-shop idea incorporated in Business Facilitation Centres in Punjab is a good beginning. At the same time, concerted efforts are required to enhance productivity of Pakistani labour.

6 Pakistan-China Strategic Partnership

Collaboration with China in projects entailing science and technology, including AI, IT, clean, green and renewable energy, EVs, oil and gas, minerals' development etc. are most desirable. Pakistan needs to develop and use 'Technology Zones' and forge closer cooperation with China.



7

CPEC – An Engine of Economic Transformation

Safety of Chinese personnel in Pakistan has become a major concern of the Chinese. A second attack at Dasu showed gaps in security arrangements. Pakistani authorities have to provide foolproof security to the Chinese. Pakistan also has to ensure that contractual obligations with the Chinese companies operating in Pakistan are fulfilled in letter a spirit. This includes timely payments and repatriation of profits as agreed in contracts.

8

Defence Cooperation

China today is Pakistan's largest trading partner. Last year, bilateral trade was around \$27 billion. Of this amount, Pakistan's exports to China were merely \$3.5 billion, leaving a yawning gap in favour of China. This extent of trade deficit is unsustainable and efforts must be made to bridge it with exports of value added industrial goods to China, using FTA II.



9

Cooperation in Aerospace

Close collaboration with China in defence, security and aerospace is vitally important for Pakistan's national security. All efforts should be made to further strengthen this cooperation.



PROFILES OF THE SPEAKERS



**Ambassador
Masood Khalid (Retd),**

**Former Ambassador of
Pakistan to China**

Ambassador Masood Khalid holds a Master's degree in International Relations from Quaid i Azam University, Islamabad. Ambassador Khalid served as the longest serving ambassador of Pakistan to People's Republic of China from 2013-2019. He also served as a High Commissioner for Pakistan to South Korea and Malaysia, and has held many senior positions at Foreign Office. He was awarded Distinguished Services Award by Diplomatic Insight Group for his outstanding contribution towards building Pakistan's strong partnership China. As Ambassador to China, Mr. Masood Khalid made invaluable contribution to strengthening of Pakistan-China relations. During his tenure China-Pakistan Economic Corridor (CPEC) was conceived, launched and consolidated.



Ambassador Moin ul Haque

**Former Ambassador of Pakistan
to China**

Ambassador Moin ul Haque holds a Masters degree in Commerce and has undertaken a National Security Course from National Defence University, Islamabad. He served as an ambassador of Pakistan to People's Republic of China from August 2020 to November 2023. He also served as Pakistan's Ambassador to France from July 2016 to July 2020. Ambassador Moin ul Haque has held many senior positions at Foreign Office. He served as Pakistan's High Commissioner to India in 2019. He is also a recipient of Sitar-e-imtiaz in recognition of outstanding services during his meritorious diplomatic career.



Dr Suhail Saleem
Director General Investment
Facilitation and SEZ for Punjab
Board of Investment and Trade
(PBIT)

Dr Saleem holds a doctorate degree in Poverty Alleviation and Mphil in Rural Development from University of Agriculture, Faisalabad. Previously, he has worked at Nestle and Tetra Pak in senior positions. He has undertaken several consultancy roles for development projects at Lead Foundation. Dr. Saleem has successfully undertaken a number of consultancy projects with the World Bank, Asian Development Bank, and European Union.



Dr Hassan Daud Butt,
Associate Professor, Bahria
University Islamabad

Dr Daud holds a doctorate degree in Management Sciences from Bahria University. Currently, he is serving as an Associate Professor at Bahria University, Islamabad. He also serves as an Honorary Director at the Centre for BRI and Regional Studies and is a Senior Advisor to China Energy Engineering Group Co. Ltd. Previously, Dr Daud served as an attaché to Pakistan's embassy in Beijing and Hanoi. He is also a former CEO of Khyber Pakhtunkhwa Board of Investment and Trade and Project Director CPEC at Ministry of Planning. As Director HR to Navy, he was awarded Chief of the Naval staff letter of Commendation for introducing new HR policies, as well as Chinese MOD Honorary Medal on contributing towards improving bilateral relations between Pakistan and Chinese Military.



**Air Marshal
Asim Suleiman,
HI(M), S Bt, IS (Retd)
President, CASS, Lahore**

Air Marshal Asim Suleiman (Retd) graduated from the Pakistan Air Force (PAF) Academy in 1978 and has flown a wide assortment of fighter aircraft from the PAF's inventory during his flying career. Air Marshal Asim Suleiman (Retd) is a graduate of the National Defence University, Islamabad, and Defence Services and Staff College, Dhaka. He holds a master's degree in Defence and Strategic Studies from Quaid-i Azam University, Islamabad.

He has been a part of several Operational and Training Squadrons, including the Combat Commanders' School as an instructor. His command assignments include command of a Combat Squadron and an Operational Base. He served as an Air Adviser at the Pakistan High Commission in India.

His numerous staff appointments include Director-General Air Intelligence,



Deputy Chief of Air Staff (Support), and Deputy Chief of the Air Staff (Administration).

After retirement, he served as Director General of the Pakistan Civil Aviation Authority. He was also nominated as Chairman PIA.



**Ambassador
Muhammad Haroon
Shaukat (Retd)**

**Director Foreign Affairs,
CASS, Lahore**

Ambassador Muhmammad Haroon Shaukat (Retd) is currently Director Foreign Affiars at CASS, Lahore Ambassador Muhammad Haroon Shaukat has nearly four decades of rich and diverse experience as a career diplomat. He served as the Ambassador of Pakistan to Turkey, with concurrent accreditation to Macedonia and Kosovo. In recognition of his services rendered to strengthening Pakistan-Turkey relations, the Turkish Foreign Minister conferred upon him the prestigious “Distinguished Services Award” – a first for any Pakistani Ambassador to Turkey. He was also the Ambassador of Pakistan to Brazil with non-resident accreditation to Bolivia, Colombia, Paraguay, and Suriname. Earlier, he served as the Consul General of Pakistan to New York. His other diplomatic assignments included Saudi Arabia, France, and Niger.



PRESS RELEASE

The Centre for Aerospace and Security Studies (CASS), Lahore, hosted a seminar titled “Bolstering the Trajectory of Pakistan’s Strategic Ties with China” on 18 April 2024 to examine the dynamic partnership between the two countries and propose strategic recommendations to further solidify the Pakistan-China relationship.

The seminar began with opening remarks by Ambassador Muhammad Haroon Shaukat (Retd), Director of Foreign Affairs at CASS, Lahore, who emphasised the importance of Pakistan-China ties within the evolving regional landscape. This was followed by an address by Ambassador Masood Khalid (Retd), the former Pakistani envoy to the People’s Republic of China, who discussed China’s role in global and regional geopolitics. Ambassador Moin ul Haque (Retd), another former envoy to China, highlighted the importance of strengthening the strategic partnership between the two countries. Dr Suhail Saleem, Director General of the Punjab Board of Investment and Trade (PBIT), elaborated on the Special Economic Zones and industrial development in the context of Pakistan-China ties. Lastly, Dr Hassan



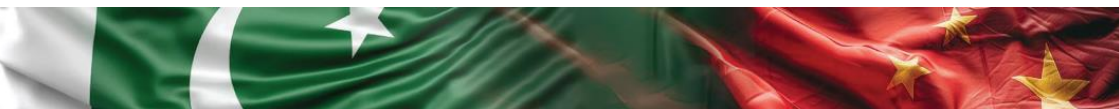
Daud Butt, an Associate Professor at Bahria University, explored leveraging the China-Pakistan Economic Corridor (CPEC) beyond 2030 for sustainable economic growth and connectivity.

In his concluding remarks, Air Marshal Asim Suleiman (Retd), President CASS, Lahore, highlighted Pakistan's deep and enduring friendship with China, forged through shared experiences and mutual trust. He hailed CPEC as a symbol of China's confidence in Pakistan and a key factor in the latter's progress. In the defence sector, he noted China's collaboration with the Pakistan Armed Forces, highlighting the flagship project JF-17, the major induction of J-10C fighters, and the planned acquisition of J-31 Gyr Falcon Stealth Fighter.

The seminar brought forth several key points. The speakers unanimously stressed Pakistan's need to prioritise cementing and diversifying its strategic partnership with China. Clearing impediments for Phase II of CPEC was emphasised for industrial growth in Pakistan. The seminar placed special emphasis on ensuring the safety of Chinese personnel working in Pakistan. Moreover, the government was



urged to promote ease of doing business and to address the external trade gap with China. Finally, the seminar underscored the importance of avoiding bloc politics to foster mutually beneficial relations with great powers while maintaining strategic autonomy.



SUMMARY OF HEADLINES

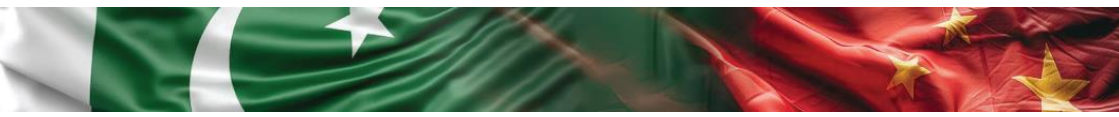
Newspaper	Title
NATIONAL FILE DIGITAL	Seminar on bolstering trajectory of Pak strategic ties with China held
THE FRONTIER POST	Seminar on bolstering trajectory of Pak strategic ties with China held
Asian Sun	Speakers emphasised the importance of Pakistan- China relations in the changing regional scenario
Soon Times	Bolstering the Trajectory of Pakistan's Strategic ties with China
Asia Today	Bolstering the Trajectory of Pakistan's Strategic ties with China
Today's Muslim	Bolstering the Trajectory of Pakistan's Strategic ties with China
News Lark	Bolstering the Trajectory of Pakistan's Strategic ties with China
Press Time	Bolstering the Trajectory of Pakistan's Strategic ties with China
Islamabad Post	Bolstering the Trajectory of Pakistan's Strategic ties with China



اخبار	خبر
چولستان ٹائمز	پاک چین دو طرفہ تعلقات میں مزید تقویت کیلئے تیز ویراتی اقدامات
روزنامہ کرک ٹائم	پاکستان اور چین تعلقات میں مزید تقویت کیلئے تیز ویراتی اقدامات
طاقت بلوچستان نیوز روزنامہ	پاکستان اور چین کے دو طرفہ تعلقات میں مزید تقویت کیلئے تیز ویراتی اقدامات
روزنامہ عوامی للکار	پاکستان اور چین کے دو طرفہ تعلقات میں مزید تقویت کیلئے تیز ویراتی اقدامات
روزنامہ مہم	پاکستان اور چین کے دو طرفہ تعلقات میں مزید تقویت کیلئے تیز ویراتی اقدامات
روزنامہ الاخبار	پاک چین دو طرفہ تعلقات میں مزید تقویت کیلئے تیز ویراتی اقدامات
روزنامہ ملن	پاک چین دو طرفہ تعلقات میں مزید تقویت کیلئے تیز ویراتی اقدامات
روزنامہ پیام وقت	پاک چین دو طرفہ تعلقات میں مزید تقویت کیلئے تیز ویراتی اقدامات سینٹر فار ایرو اسپیس اینڈ سکیورٹی اسٹڈیز لاہور نے ایک سیمینار کا انعقاد کیا
روزنامہ تجارت	سینٹر فار ایرو اسپیس اینڈ سکیورٹی اسٹڈیز کے زیر اہتمام سیمینار کا انعقاد کیا
روزنامہ جہاں	سی پیک پاکستان پر چین کے اعتماد کی علامت ہے (اٹیر مارشل ر) عاصم سلیمان



اخبار	خبر
روزنامہ تجارت	پاک چین دو طرفہ تعلقات میں مزید تقویت کیلئے تیز ویراتی اقدامات
روزنامہ جہاں	سی پیک پاکستان پر چین کے اعتماد کی علامت ہے (ائیر مارشل (ر)عاصم سلیمان
روزنامہ حر نیوز	پاک چین دو طرفہ تعلقات میں مزید تقویت کیلئے تیز ویراتی اقدامات
روزنامہ بدلتا جہاں	پاک چین دو طرفہ تعلقات میں مزید تقویت کیلئے تیز ویراتی اقدامات
روزنامہ حال	پاک چین دو طرفہ تعلقات میں مزید تقویت کیلئے تیز ویراتی اقدامات
روزنامہ اقتدار	پاک چین دو طرفہ تعلقات میں مزید تقویت کیلئے تیز ویراتی اقدامات
روزنامہ صحافت	پاک چین دو طرفہ تعلقات میں مزید تقویت کیلئے تیز ویراتی اقدامات
روزنامہ سندھ سجاگ	پاکستان چین لا گاپن کی مضبوط کنڈا سیمینار
روزنامہ خبردار	پاک چین دو طرفہ تعلقات میں مزید تقویت کیلئے تیز ویراتی اقدامات
روزنامہ چنار ٹائم	پاک چین دو طرفہ تعلقات میں مزید تقویت کیلئے تیز ویراتی اقدامات



اخبار	خبر
روزنامہ گلوبل پوسٹ	سی پیک منصوبہ پاکستان پر چین کے بھرپور اعتماد کی علامت ہے
روزنامہ راز دار	پاک چین دو طرفہ تعلقات میں مزید تقویت کیلئے تیز ویراتی اقدامات
روزنامہ پاکستان ٹو ڈے	پاکستان کو چین کیساتھ اپنی اسٹریجک شراکت داری کو مضبوط بنانے اور متنوع بنانے کی ضرورت ہے
روزنامہ	پاک چین تعلقات میں مزید تقویت دینے کے حوالے سے سیمینار
روزنامہ آئین	پاک چین دو طرفہ تعلقات میں مزید تقویت کیلئے تیز ویراتی اقدامات
روزنامہ شہید	پاک چین دو طرفہ تعلقات میں مزید تقویت کیلئے تیز ویراتی اقدامات



MEDIA COVERAGE



Bolstering Trajectory of strategic relations with China

The seminar began with opening remarks by Ambassador Muhammad Masood Khalid (Retd), Director of Foreign Affairs at CASS, who emphasised the importance of Pakistan-China ties within the evolving regional landscape.



A group of officials and speakers at the seminar.

inss

Saturday, April 20, 2024

Seminar on bolstering trajectory of Pak strategic ties with China held



A group of officials and speakers at the seminar.

Daily ASIAN SUN

20-04-2024

Speakers emphasised the importance of Pakistan-China relations in the changing regional scenario



A group of officials and speakers at the seminar.

Priss Times

20-04-2024

Bolstering the Trajectory of the Pakistan's Strategic Ties with China



A group of officials and speakers at the seminar.



Bolstering trajectory of Pak's strategic ties with China

The Centre for Aerospace and Security Studies (CASS) Lahore, hosted a seminar titled "Bolstering the Trajectory of Pakistan's Strategic Ties with China" on 18 April 2024 to examine the dynamic partnership between the two countries and its implications for the region.



A group of officials and speakers at the seminar.

SOON TIMES

20-04-2024

Bolstering the Trajectory of Pakistan's Strategic Ties with China



A group of officials and speakers at the seminar.

Today's Vision

20-04-2024

Bolstering trajectory of Pak's strategic ties with China



A group of officials and speakers at the seminar.

Priss Times

20-04-2024

Bolstering the Trajectory of the Pakistan's Strategic Ties with China



A group of officials and speakers at the seminar.



Bolstering the Trajectory of Pakistan's Strategic Ties with China

The Centre for Aerospace and Security Studies (CASS) Lahore, hosted a seminar titled "Bolstering the Trajectory of Pakistan's Strategic Ties with China" on 18 April 2024 to examine the dynamic partnership between the two countries and its implications for the region.



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Daily NEWS ARK

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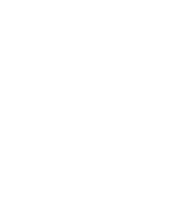


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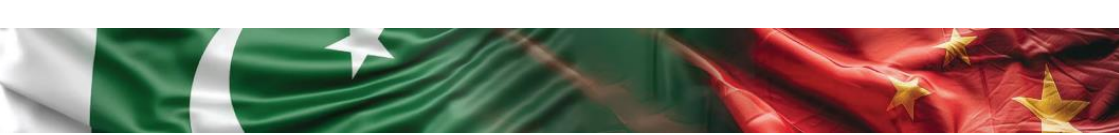
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مناقب

کونٹائمز

جلیق

پیمارقت

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GALLERY















BOLSTERING TRAJECTORY OF PAKISTAN'S STRATEGIC TIES WITH CHINA

"Unlike the West, China has not indulged in aggression, overseas conquests, colonisation, loot or plunder. Most of its projects abroad are helping to improve the infrastructure of the countries concerned."

–Ambassador Masood Khalid (Retd)

"Within the broader framework of the BRI, CPEC holds singular importance, often referred to as the flagship project and a high-quality demonstration endeavour."

–Ambassador Moin ul Haque (Retd)

"The government's key role lies in facilitating investment, providing an enabling environment, and regulating SEZs."

–Dr Suhail Saleem

"Pakistan must align investment capacity with claims made by the nation, asserting that success is achievable by 2030 and beyond."

–Dr Hassan Daud Butt

"The multifaceted dynamics of Pakistan-China relations reflect that our partnership is shaped by mutual aspirations for peace, prosperity, and development."

–Air Marshal Asim Suleiman (Retd), President, CASS Lahore

"Pakistan's strategic ties with China are a constant positive and indeed a source of stability, promise, and hope."

–Ambassador Muhammad Haroon Shaukat (Retd)

