

THE GROWING ECONOMIC TIES BETWEEN PAKISTAN AND CHINA AND ITS IMPACT ON THE ECONOMY OF PAKISTAN

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ABSTRACT

This paper examines the current scenario of growing economic relations between Pakistan & China. It explains how strong economic ties are important to boost up the economic growth in both countries. In past the economic relations between the two countries were not remained appreciating and Pakistan faced a severe trade deficit. In the beginning of 21st century Pakistan and China realized the importance of strong economic ties, yet both countries revised the trade policy and Pakistan was given much favor to export several types of goods into Chinese market. In current scenario the strategic importance is based on how much the countries are engaged in Trade. It brings not only economic prosperity but also brings peace and stability in the region. China will benefit by using Gawader seaport in Pakistan, which will be the shortest transit for Chinese goods to enter into Gulf states, Europe and Africa as well, on the other hand huge foreign investment by Chinese firms in Pakistan will also push the overall economic condition.

KEYWORDS: FTA (Free Trade Agreement), KKH (Karakoram High Way), PSA (Port of Singapore Authority)