

Economic Potential of Gwadar Port: Implications for Pak-China Trade Relations

By

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Abstract:

The study is an attempt to explore economic potential of Gawadar port and its implications for trade relations between Pakistan and China. The Huge economic potential of Gawadar port is vital for Pakistan's economic revival. Pakistan's economy has been facing serious challenges, especially the last decade witnessed critical economic circumstances in Pakistan. This study explores economic potential of Gawadar and its role in enhancing trade volume between Pakistan and China. Today, China is emerging as world's largest economy. The Present trade routes of China is vulnerable. China is looking for alternates in order to have safe trade routes. In this context, Gawadar gets high significance for China. The initiative of China Pakistan Economic Corridor and developing of Gawadr port is reflection of Chinese interests in Pakistan's gawadar area. Gawadar is now getting the status of a hub of shipping, commercial and industrial activities. The study focuses gawadar port and its economic potential. After the initiative of port of Gawadar, the China Pakistan Economic Corridor and other trade related activities begun to be witnessed in Pakistan. The Chinese trade activities in Pakistan's territory has enormous benefits for the fragile economy of Pakistan. The study explores the trade ties between China and Pakistan which is significant to be explored as the present period of Pak-China trade ties gets great significance. There are numerous studies which are related directly and some indirectly to the topic. There for using secondary source of data collection proved to be effective in conducting this research paper.

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Introduction:

Relationships between Pakistan and China were established in 1950. Since the establishment of their diplomatic ties, both these countries are enjoying cordial and trust-worthy relations. China is Pakistan's all-weather friend. China always extended her support towards Pakistan in time of needs. On the other hand, Pakistan always supported China's stance in international politics. The firm and friendly bilateral ties between China and Pakistan have led to the initiatives of mega projects by China in Pakistan's territory. China is one of the world's prosperous economies. Its trade activities in Pakistan gets great significance for Pakistan's economy. The last decade witnessed increasing of trade volume between Pakistan and China (Mills, 2006).

Gawadar has huge economic potential which is expected to change the fate of poor Pakistani population. The economic potential of Gawadar will provide numerous opportunities for business in Pakistan. The mega projects launched by China in Pakistan will help in boosting Pakistan's economy. The huge economic potential of Gawadar is playing crucial role in enhancing trade volume between Pakistan and China (Miangul, 2014). The Huge economic potential of Gawadar port is vital for Pakistan's economic revival. Pakistan's economy has been facing serious challenges, especially the last decade witnessed critical economic circumstances in Pakistan. This study explores economic potential of Gawadar and its role in enhancing trade volume between Pakistan and China. Today, China is emerging as world's largest economy. The Present trade routes of China is vulnerable. China is looking for alternates in order to have safe trade routes. In this context, Gawadar gets high significance for China. The initiative of China Pakistan Economic Corridor and developing of Gawadr port is reflection of Chinese interests in Pakistan's gawadar area. Gawadar is now getting the status of a hub of shipping, commercial and industrial activities (Downs, 2013).

The study focuses gawadar port and its economic potential. After the initiative of port of Gawadar, the China Pakistan Economic Corridor and other trade related activities begun to to be witnessed in Pakistan. The Chinese trade activities in Pakistan's territory has enormous benefits for the

fragile economy of Pakistan. The study examines the trade relationships between China and Pakistan.

Research Methodology:

Gawadar has been a repeated topic, especially in the last decade. There are numerous studies which are related directly and some indirectly to the topic. Data for this study has been collected using secondary source of data collection. Research articles, scholarly books, newspapers and online data was used for conducting this study.

Maritime Sector in Pakistan: Implications for Pak-China trade

Pakistan's economy has been facing serious challenges for the last seven decades. In Pakistan, the succeeding governments maintained artificial prosperity by receiving foreign aids. Approximately 95% of the country's trade is routed via sea. The trade through sea is amounted about 36.3 % of the Gross Domestic Product. It is pertinent to mention that such an extended dependency on sea trade highlights the significance of maritime sector in Pakistan's economy. Since its establishment, Pakistan failed to formulate effective policies in order to gain benefits from its maritime sector. Lack of will on the part of country's national leadership has led to the fragile economic system, especially the maritime sector got no attention. There is no denying the fact that the twenty first century is the era of globalization making an easy access and exponential trade via the sea. Even, In this age of globalization, Pakistan has not pursued an effective economic policies (Rob, 2007).

Gawadar enjoys the status of spinal rope in Pakistan's maritime sector. The huge potential of Gawadar has got the attention of the world powers. The economic potential of Gawadar will provide numerous opportunities for business in Pakistan. The mega projects launched by China in Pakistan will help in boosting Pakistan's economy. The huge economic potential of Gawadar is playing crucial role in enhancing trade volume between Pakistan and China. The Huge economic potential of Gawadar port is vital for Pakistan's economic revival. Pakistan's economy has been facing serious challenges, especially the last decade witnessed critical economic circumstances in Pakistan (Aftab, 2007). This study explores economic potential of Gawadar and its role in enhancing trade volume between Pakistan and China. Today, China is emerging as world's largest economy. The Present trade routes of China is vulnerable. China is looking for alternates in order to have safe trade routes. In this context, Gawadar gets high significance for China. The initiative of China Pakistan

Economic Corridor and developing of Gawadr port is reflection of Chinese interests in Pakistan's gawadar area. Gawadar is now getting the status of a hub of shipping ,commercial and industrial activities (Khan, 2010).

The Economic Potential of Gawadar:

According to the review of UN on Maritime Transport 2004 the sea-borne trade enhanced by 3.7 % in response to 2.6 % enhanced of the global trade output. Growth of sea-borne trade at this rate has led to an exponential raise in the global container traffic by 9.2 %. The increasing volume in sea routed trade dictate concrete measures by all ports. The world ports are making measures to deal with this increasing trade demand. Currently, there is no other port being built in this area and the port of Gawadar provides numerous opportunities to attract extended trade volumes (Leonardo, 2008).

Gawadar has an extraordinary economic potential which will help Pakistan in overcoming its long-staning economic crisis. The huge economic potential of Gawadar provides numerous trade opportunities in Pakistan. The economic potential of Gawadar has got the attention of world powers. China is investing huge amount of money in order to gain economic benefits from the port of Gawadar. The present Chinese investment in Pakistan is ,indeed, the world largest investment by a country outside its territory (Mughal, 2008). The economic potential of Gawadar is expected to change the fate of poor Pakistani population. The economic potential of Gawadar will provide numerous opportunities for buisness in Pakistan. The mega projects launched by China in Pakistan will help in boosting Pakistan's economy. The huge economic potential of Gawadar is playing crucial role in enhancing trade volume between Pakistan and China.

The Huge economic potential of Gawadar port is vital for Pakistan's economic revival. Pakistan's economy has been facing serious challenges , especially the last decade witnessed critical economic circumstances in Pakistan. This study explores economic potential of Gawadar and its role in enhancing trade volume between Pakistan and China. Today, China is emerging as world's largest economy. The Present trade routes of China is vulerable. China is looking for alternates in order to have safe trade routes. In this context, Gawadar gets high significance for China. The initiative of China Pakistan Economic Corridor and developing of Gawadr port is reflection of Chinese interests in Pakistan's gawadar area. Gawadar is now getting the status of a hub of shipping ,commercial and industrial activities (Niazi, 2008).

The Gawadar Port: Expected Pak-China Trade:

The region of South Asia has been an area of Chinese interest. China is pursuing its economic policies in South Asia. The last decade witnessed growing Chinese interest in the region, especially Pakistan has been the center of its attention. The eastern part of China is significantly developed than its western part. In 1990, China had triggered the western development strategy because the its western part has cheaper labour force, rich natural resources and huge potential of market. The Chinese use of Gawadar port for exports originating from its western part will provide China preferred choice. Consequently, the port of Gawadar will be an integral part of Chinese trade route. Ultimately, this will also enhance volume of trade between Pakistan and China (Frederick, 2007).

The Huge economic potential of Gawadar port is vital for Pakistan's economic revival. Pakistan's economy has been facing serious challenges, especially the last decade witnessed critical economic circumstances in Pakistan. This study explores economic potential of Gawadar and its role in enhancing trade volume between Pakistan and China. Today, China is emerging as world's largest economy. The Present trade routes of China is vulnerable. China is looking for alternatives in order to have safe trade routes. In this context, Gawadar gets high significance for China. The initiative of China Pakistan Economic Corridor and developing of Gawadar port is reflection of Chinese interests in Pakistan's Gawadar area. Gawadar is now getting the status of a hub of shipping, commercial and industrial activities (Zeb, 2012)

Conclusion:

The study examined economic potential of Gawadar and its role in Pak-China trade relations. It is apparent from the findings of the study that Gawadar plays vital role in enhancing volume of trade between Pakistan and China. This study explored economic potential of Gawadar and its role in enhancing trade volume between Pakistan and China. Today, China is emerging as world's largest economy. The Present trade routes of China is vulnerable. China is looking for alternatives in order to have safe trade routes. In this context, Gawadar gets high significance for China. The initiative of China Pakistan Economic Corridor and developing of Gawadar port is reflection of Chinese interests in Pakistan's Gawadar area. Gawadar is now getting the status of a hub of shipping, commercial and industrial activities.

The study focused Gawadar port and its economic potential. After the initiative of port of Gawadar, the China Pakistan Economic Corridor and

other trade related activities begun to be witnessed in Pakistan. The Chinese trade activities in Pakistan's territory has enormous benefits for the fragile economy of Pakistan. The study explores the trade ties between China and Pakistan which is significant to be explored as the present period of Pak-China trade ties gets great significance.

Suggestions:

Based on the findings of the study some points are suggested for the policy makers of Pakistan and China. These suggestions will help policy makers of the both countries in enhancing their bilateral trade and making effective trade policies. Followings are some suggestions:

- The main objective of foreign policy of Pakistan is to establish cordial and firm relationships with all world powers and maintain friendly ties with its immediate neighbours. It is need of time to adress genuine grievances of the people of Balochistan.
- Concrete measures should be made in order to eliminate sense of deprivation of the people of Balochistan and include local stakes in the development of province Valochistan.
- The Huge economic potential could revive the fragile economy of Pakistan. Measures should be made in order to ensure full implementation of the planned
- projects.

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