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An Analysis of Pakistan's Macroeconomic Development Strategic Role in the Context of Belt and Road Initiative

Abstract

Since Pakistan established diplomatic relations with China in 1950, it has always maintained friendly bilateral cooperative relations and its all-round cooperation has become increasingly sophisticated. Both countries have experienced a difficult economic start, breakthrough difficulties, gradual development, and entered a period of rapid development. At present, the international situation is changing rapidly, the 5G era is rapidly approaching, the world economy has entered a period of great adjustment and developing countries have encountered unprecedented opportunities for development. Especially in 2013, when China launched the Belt and Road, Pakistan played an important role, in 2019 the Belt and Road will open a new chapter of economic development in south Asia, with connecting more than 10 different state nations. Therefore, Pakistan will seize the opportunity and take advantage of all favorable factors to accelerate China-Pakistan cooperation in the context of Belt and Road's macro-economic development Win-win policy. This study examines Pakistan's strategic role in the Belt and Road initiative from both a geopolitical and a market perspective.

Keywords: Belt and Road; Pakistan; strategic status

Introduction

China pursues a win-win strategy of opening-up and pursues common development for both the nations- China and Pakistan. China will continue to share its development experiences and opportunities with Pakistan and other

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developing countries to realize common development. Since the introduction of the reform and opening-up policy, China has gradually improved top-level design and institutional arrangements, expanded cooperation mechanisms and platforms, continued to advance cooperation in project construction with other countries, and fully consolidated public opinion and world identity. Meanwhile, Pakistan as a neighboring country has taken part in the project as the second most important part of the one road one belt initiative (Liang & Zhang 2019). China has open new avenues of business and trade for several countries especially for Pakistan. Currently, China's 2013 Belt and Road cooperation initiative has gone through the stage, Belt and Road has developed into a big brand which is now known to the world as a new approach towards trade and mutual cooperation. Pakistan maintains friendly diplomatic relations with China and is affectionately referred to by Chinese Internet users as the China-Pakistan railway, while the media prefer to describe the relationship as an all-weather strategic partner. Globally, of the more than 200 countries in the world, Pakistan is probably the most popular among Chinese citizens. On the international political stage, Pakistan is China's most steadfast ally, and in the game with India, China and Pakistan are even more closely linked. Under the initiative of the Belt and Road, China and Pakistan have formed the China-Pakistan economic corridor. In South Asia, Pakistan holds the strategic position next to India (Lei & Huang, 2019).

Belt and Road's macro-economic development

During President Xi Jinping's meeting with the Prime Minister of Pakistan in Islamabad, both sides agreed to elevate China-Pakistan relations to an all-weather strategic cooperative partnership, constantly enriching the connotation of a community of shared future for China and Pakistan. Focusing on the development of the China-Pakistan Economic Corridor and focusing on cooperation between Gwadar Port, transport infrastructure, energy and industry, we will form a 1 + 4 cooperation pattern to achieve win-win cooperation and common development. The Silk Road Fund has selected the Energy Project of China-Pakistan cooperation as the first support project, and both sides highly appreciate the progress made by the Belt and Road in the major projects of the China-Pakistan economic corridor. Pakistan will firmly support and actively participate in the construction of the Belt and Road. The Silk Road Fund will actively expand investment and financing opportunities for other projects under the framework of the China-Pakistan Economic Corridor, which can play an instrumental role in the development of the Belt and Road. Both sides agreed that the Belt and Road initiative is a new model of regional cooperation and South-South cooperation, which will bring new opportunities for the revitalization of Asia as a whole and the common prosperity of all countries (Fatima & Ullah, 2019).

The top floor design of Belt and Road has been completed, four beams and eight pillars have been established, and Belt and Road has become an internationally recognized brand, and the topic of China is almost impossible to get around Belt and Road. Because the goal of Belt and Road is to build a new type of international relations, to build a community of human destiny. Today, the world is full of hope for China. The achievements made since the reform and opening up 40 years ago have attracted worldwide attention. China's status in the world is constantly rising. So far, more than 150 countries and international organizations have signed

cooperation documents with China. Since the Belt and Road initiative was launched, China's total merchandise trade with the countries along the belt and road will exceed 6 trillion US dollars by 2018. An annual growth rate of 4% , and Chinese enterprises 'direct investment in the countries along the belt and road will exceed 90 billion US dollars. With revenues from overseas contracted projects exceeding US \$400 billion and investment exceeding US \$40 billion in the countries along the belt and road, the pace of the construction of the free trade zones has been quickened and the cooperation mechanism has been further improved (Suddin & Memon 2019).

Countries and regions along the Belt and Road have formed new growing markets in e-commerce, which, combined with the FTZ, have formed a new trading system and strengthened the new impetus for foreign trade. Sri Lanka's Crabs, Kazakhstan's cherries, Turkey's figs, Pakistan's rock salt and other goods can be purchased through cross-border e-commerce platforms, and then quickly shipped through customs by logistics companies Straight to the consumer's home. The countries along the route can also buy Chinese products, which helps Chinese companies will establish business abroad. People-to-people exchanges are frequent. Cultural Festivals, Year of Tourism, arts festivals, Film and Television Bridges, think-tank dialogues and other cultural cooperation projects have been launched. By the time of the second summit on International Cooperation, all 279 concrete outcomes of the first forum had been achieved as planned (Asif & Shah, 2019).

The strategic role of Pakistan in the macroeconomic development of the Belt and Road

Both sides agreed to form a 1 + 4 cooperation structure with the development of the China-Pakistan Economic Corridor as the center and with Gwadar Port, transport infrastructure, energy and industrial cooperation as the focus. In the case of Gwadar Port, the China-Pakistan Economic Corridor is a road leading to development, peace and prosperity. It is a road of win-win cooperation and Gwadar Port is an important starting point for this road. Strategically speaking, Pakistan has a high strategic position in the Belt and Road, and the China Pakistan economic corridor is the northern Silk Road economic belt, which is connected to sea route of Silk Road in the south Right on the cusp of Belt and Road. From this we can see that the China-Pakistan economic corridor is to build a modern north-south Silk Road in the western Plateau region of China and the Pakistan region adjacent to the Indian Ocean To find the shortest route to the sea for the western region (Raza, 2018).

A geopolitical analysis of Pakistan's strategic role

Pakistan is situated in the northwest of the Indian subcontinent, bordering the Arabian Sea in the south, India in the east, the western part of the country in the northeast, Afghanistan in the northwest and Iran in the West. With an area of 880,000 square kilometers and a population of 220 million, Pakistan is geographical bordered by the Indus River, the source of the Tibetan Plateau. The river-impacted plain area, well suited for large-scale industrial and Agricultural Development, is the undisputed core of Pakistan's headquarters. The northeastern Tibetan plateau separates Pakistan from the mainland of East Asia Pakistan is

separated from Afghanistan and Iran by the Hindu Kush in the northwest and the Baluchistan plateau in the West, and the Arabian Sea in the south. Geographically, Pakistan is well-integrated, but its Indus Plate is suppressed by India, whose core is the Ganges River Basin. Relations between Pakistan and India have not been good, Pakistan and India are in constant conflict, among which there are historical problem. Pakistan India conflict has not stopped until now, and military operations around the Kashmir are in no small number But the intensity of the conflict never rose to the level of war. In the conflict between Pakistan and India, Pakistan has actually been in a passive state, because Pakistan has a nuclear bomb, and China and India also have friction, China-Pakistan friendly cooperation will be a natural outcome. (Shoukat & Abdullah, 2017).

In terms of the strength of the geographical barrier, Thar Desert, which lies between India and Pakistan, has the weakest barrier, while Pakistan and China need to pass through the Himalayas. The above-mentioned Geographical Situation of Pakistan determines that the geopolitics between Pakistan and China is very complicated. In the early days, Pakistan was not an ally of China but an ally of the United States, hoping to rely on the United States to counterbalance India, while the United States was in conflict with India because of India's geostrategic dominance of the Indian Ocean. In the context of the Cold War, the US Pakistan alliance was born out of necessity, and as a result, the US was too far apart to help Pakistan geographically. For China to operate the Indian Ocean is bound to be a conflict with India, and the existence of the Tibetan Plateau, which determines the structural nature of the conflict between China and India. The Tibetan Plateau as the Roof of the World between China and Pakistan, even with advanced science and technology, its role in geographical division is still very strong. If China wants to occupy South Asia, it will actually lose more than it gains. Of course, China has made a peaceful start and will not use military means to occupy South Asia, but China has brotherly relations with the neighboring countries and with mutual cooperation work for the prosperity of each other. There are contradictions between China and India from the perspective of sea route of Silk Road alone, Pakistan is an important node in the sea route of Silk Road, where the sea route of Silk Road seeks to link Asia and Europe by sea, including India. India is in an important geostrategic position, but for India, the competing notions of geopolitical influence prevail, despite China's repeated statements about the sea route of Silk Road's economic objectives But India has always existed, from a competitive point of view. Pakistan is in a position to find new outlets to the sea if Belt and Road does not work. From the interest point of view, as an Indian Ocean country, China's strategic push in the region is of great value, so China's investment in Pakistan can be said to be sparing no expense And this investment will only deepen as China's interests expand, which will determine that the all-weather strategic partnership between China and Pakistan will be irreversible unless Pakistan is strong enough to exterminate India That's obviously not possible (Iqbal, 2017).

Analysis of Pakistan's strategic role from a market perspective

Pakistan is close to the heart of the Silk Road economic belt in our country's Belt and Road, which, according to the plan of the Silk Road Economic Belt, starts from China, passes through Central Asia, Russia, and finally reaches Europe One

runs from Central Asia and West Asia to the Persian Gulf and Mediterranean Sea, and the other from China to Southeast Asia and South Asia and finally into the Indian Ocean. Pakistan is on the line between Southeast Asia and South Asia, and is a terminal point of the modern Silk Road, and in contact with the sea route of Silk Road, it is not difficult to draw several lines on the Belt and Road's blueprint. But how to realize the difficulty is very high, the key needs to achieve the policy communication, the facility communication, the trade unimpeded, the financial communication as well as the people's heart communication (Maqsood, 2018).

The government of Pakistan has been committed to accelerating industrialization, expanding exports and thus narrowing the foreign trade deficit, and has trade relations with more than 90 countries and regions. Pakistan mainly imports oil and petroleum products, machinery and transportation equipment Steel products and electrical products, the main export is rice, cotton, textiles, leather products and so on, the difference between imports and exports of more than 10 billion US dollars. Chlef came to power in 2013, and the Pakistani government began to develop industry in an effort to develop the economy, both by promoting the economic liberalization and by encouraging private investment and foreign investment. The main priorities of the Chlef Administration in Pakistan are: First, to advocate economic revitalization; second, to promote political peace; and third, to strive for diplomatic independence. The Pakistani government actively seeks cooperation abroad, introduces foreign investment, and shrinks government expenditure at home To increase fiscal revenue and expand public investment, we should focus on energy and infrastructure to tap the potential of endogenous economic growth. In the specialty market, the government has invested heavily in energy projects (industrial development is heavily dependent on oil, but almost all of them are imported), and the potential of the transportation market is huge. Many strategic projects in the transportation sector have been launched. China-Pakistan economic corridor will greatly improve the supply and demand shortage of oil and gas in Pakistan, the communications market has maintained good momentum, the housing market space is huge, the degree of opening to the outside world is very high. Because Pakistan and China are all-weather strategic partnerships, Pakistan is highly concerned about potential investors from China And is eager to jointly promote the peaceful development in the context of the Silk Road Renaissance by stepping up the construction of the China-brazil Economic Corridor, in which the oil and gas industry is the flagship project And Pakistan is close to the core area of China's Silk Road Economic Belt, such as Kashgar, which is the corridor bridge of the China-Pakistan economic corridor, and Kashgar is the main node of the China-central Asia, west Asia Economic Corridor Thus, Pakistan and the core of the Silk Road economic belt formed two Fulcrum, their connection formed a line, that is, the Gwadar Port would form a line, to take the surface by line It will radiate into Central Asia, West Asia, South Asia, and the interior of Central and western China. Further, Pakistan is on the sea route of Silk Road, which is connected to the Silk Road and forms a closed loop with the sea route of Silk Road, which will delineate a very large market in which virtually all of China is in the market. From this perspective, Pakistan is a core region of the Belt and Road internationally, a very important fulcrum, together with the domestic core region, supporting the blue sea market along the Belt and Road. (Suddin & Memon, 2019).

At the official launch of the new Gwadar Port in Gwadar Port in 2016, Pakistani Prime Minister Chief declared that today marks the dawn of a new era. China's oil comes from the Middle East, and if the original route is followed, crude oil would have to go through the Strait of Malacca, 60 percent of the world's oil would have to go through the Strait of Malacca, and 80 percent of China's oil imports would have to go through Malacca, in other words, malacca has directly strangled the main energy artery and throat of its economic development. In fact, China has been trapped in Malacca before, not only because of geopolitical problems, but also because of the long route through Malacca. Pakistan is in a very special position. With the completion of the China-Pakistan railway and the departure of Gwadar Port, it is a new port for China's opening up. Various products of Chinese Midwestern Sectional Figure Skating Championships Converge in Kashgar Cross the China-Pakistan railway into Pakistan, sail with Pakistani goods from Gwadar Port to Djibouti and radiate into a wider world. Gwadar Port, which holds the Persian Gulf, Gulf of Oman's main route to the Indian Ocean and not far from the Strait of Hormuz, is linked to Middle Eastern oil, while Djibouti is linked to another oil field, north and South Sudan. Pakistan is also very dependent on oil, but it has to import, so in Belt and Road, the Energy Project of the China Pakistan Economic Corridor is called the flagship project Of course, the China-Pakistan Energy Project will cover a quarter of Pakistan's electricity needs, meeting the needs of 10 million people. The Karakoram Highway will bring the first two-way, six lane highway to northern Pakistan, linking the north with the capital, Islamabad. Trade and logistics between the two countries will take only eight days on the road, with a threefold increase in transport capacity, a reduction in transport costs of at least \$100 per ton of goods, and direct overland trade (Khan & Anwar, 2017).

Conclusion:

In conclusion, Pakistan has an important strategic position in the macro economic development of Belt and Road initiative. For China, the most direct impact is to shorten China's trade route with the Middle East, Africa and other regions For Pakistan, too, the gains from Belt and Road have been impressive. So whether from a geopolitical perspective or a market perspective, Pakistan is China's all weather partner and a fulcrum of the Belt and Road's macroeconomic development. China's Xinjiang region like the Earth's Poles, the two-point belt line, line belt surface situation is like the Earth's magnetic field, is likely to radiate around the world.

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