



RESEARCH PAPER

20C80S Historical Review of Pakistan-China Economic Reform and Qualitative Changes in Relations

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ABSTRACT

In the 1980s, both Pakistan and China were in a critical period of economic reform. The two friendly neighbors have not only strengthened high-level political exchanges, but also assisted each other in the economic reform process, laying a foundation for the development of bilateral relations. This article reviews the economic reforms and the growth of foreign trade between the two countries in the ten years from 1978 to 1988, and concludes that the success of economic reforms has also expanded the relationship between the two countries from political friendship to economic integration and development, and then concludes that China The conclusion that Pakistan-Pakistan relations have begun to undergo qualitative changes has paved the way for the realization of "all-weather friendly and comprehensive cooperative relations" between China and Pakistan, the current "China-Pakistan all-weather strategic cooperative partnership", and the formation of a "community of destiny" in the development of the China-Pakistan Economic Corridor.

KEYWORDS 20C80S, Economic Reform , Qualitative Changes in Relations, Pakistan, China, Historical Review

Introduction

Pakistan and China are friendly neighbors and the only "all-weather strategic cooperative partner" of China. China's Xinjiang borders Pakistan's Kashmir region. PRC's first prime minister and foreign minister Zhou Enlai once pointed out that since the dawn of history, the people of China and Pakistan have started friendly exchanges. As early as more than two thousand years ago, it became a must for the ancient "Silk Road". "The famous "Silk Road" from China, through northern Pakistan to West Asia and Europe, become a link for political, commercial and cultural exchanges with Europe and West Asia". (Lin, 2001) The healthy, stable, and rapid development of the contemporary Pakistani and Chinese economies has a profound impact on each other's national interests. Both countries were in a critical period of economic and social transformation in the 1980s. On July 5, 1977, Muhammad Zia-ul-Haq launched a military coup, overthrowing the Zulfikar Ali Bhutto government, and served as the chief of military control and chairman of the military committee. By August 17, 1988, Zia died in a plane crash. Its rule is over. This is the second military government period in Pakistan's history. During the reign of Zia-ul-Haq, a series of liberalized economic policies were implemented, including rural development plans, denationalization policies, and industrial policies that encouraged private sector development. The implementation of these policies has enabled Pakistan's economic development to go on a relatively high-speed and relatively stable development path that has continued for 10 years. In March 1978, Deng Xiaoping was elected as Chairman of the Fifth National Committee of the Chinese People's Political Consultative Conference. He first promoted the chaos of the ideological line, opposed to the "two everything" wrong policy, and should shift the focus of the whole party's work to economic construction as soon as possible. By June

1989, at the Fourth Plenary Session of the Thirteenth Central Committee of the Communist Party of China, Jiang Zemin was elected member of the Standing Committee of the Political Bureau of the CPC Central Committee and General Secretary of the CPC Central Committee. This period was an exploration period for China's reform and opening up. On December 20, 1978, the Third Plenary Session of the Eleventh Central Committee of the Communist Party of China began to implement the domestic reform and opening policy, shifting the focus of national work to the construction of socialist modernization, regard internal reform and opening up as the basic national policy, this has also become a turning point in China's history, and China's foreign trade has entered a new development situation. The decade between 1978 and 1988 was a key period in the history of economic development between Pakistan and China. By combing the policy adjustments and bilateral economic and trade relations between Pakistan and China during this historical period to explore the positive impact of the political changes and policy adjustments on the national economy and bilateral trade between the two countries.

Changes in China's Political Situation and Foreign Trade Policy Adjustments

In December 1978, the Third Plenary Session of the Eleventh Central Committee of China began to implement the policy of internal reform and opening to the outside world. Decided to shift the focus of national work to the construction of socialist modernization, and proposed to make full use of both domestic and foreign resources; to open both domestic and international markets; to learn to organize both domestic construction and the development of foreign economic relations. After the Third Plenary Session of the Eleventh Central Committee in 1978, the national economy entered a period of adjustment, first of all internal reforms. In September 1979, the Fourth Plenary Session of the Eleventh Central Committee adopted the "Decisions on Accelerating Agricultural Development", allowing farmers under the guidance of the national unified plan to adapt to the time and local conditions, guarantee their management autonomy, and give play to their enthusiasm for production. On August 18, 1980, Deng Xiaoping delivered a speech entitled "Reform of the Party and State Leadership System" at the enlarged meeting of the Political Bureau of the Central Committee, which pointed out the direction for the reform of the Chinese political system in the new period. In September 1980, the Central Committee of the Communist Party of China issued "Several Issues on Further Strengthening and Improving the Agricultural Production Responsibility System", affirming the socialist nature of contracting production to households. By the beginning of 1983, the rural household contract responsibility system was fully promoted nationwide. In October 1984, the Third Plenary Session of the 12th Central Committee of the Party proposed and clarified a series of major theoretical and practical issues in the reform of the economic system, confirming that China's socialist economy is a planned commodity economy based on public ownership. It is a programmatic document for comprehensive economic system reform. In the mid-1980s, reforms in various fields such as science, technology, education, and culture in China also started. Through internal reforms, the Chinese economy has been rejuvenated, and the productive forces have been greatly liberated and developed. From Table 1: 1978-1988 Mainland China GDP List, we can see that China's GDP increased from 149.541 billion in 1978 to 312.354 billion in 1988, GDP has more than doubled in ten years, Ten-year average growth rate 11.19%, The economy is in a stage of rapid development.

Table 1
1978-1988 Mainland China GDP List (current US\$) (World Bank.A, 1988)

Year	GDP (billion)	GDP growth (annual %)
1978	149.541	11.134

1979	178.281	7.6
1980	191.149	7.807
1981	195.866	5.172
1982	205.09	8.934
1983	230.687	10.835
1984	259.947	15.139
1985	309.488	13.443
1986	300.758	8.94
1987	272.973	11.689
1988	312.354	11.235

In the late 1970s and early 1980s, China seized the historical opportunity of international industrial transfer, and actively carried out opening-up work on the basis of internal reforms. In 1979, Guangdong and Fujian provinces in southern China implemented "special policies and flexible measures" in their foreign economic activities, and decided to pilot special economic zones in Shenzhen, Zhuhai, Xiamen, and Shantou. Fujian Province and Guangdong Province became one of the earliest provinces in the country to open to the outside world; In April 1984, the State Council decided to further open 14 port cities including Qinhuangdao, Shanghai, and Guangzhou; Since 1985, it has successively opened up economic opening zones in the Yangtze River Delta, the Pearl River Delta, southeast Fujian and the Bohai Rim region; In 1988, the Hainan Special Economic Zone was added, and Hainan became the largest special economic zone in China. On the basis of opening up trade ports and establishing special economic zones, we will actively attract foreign investment, introduce advanced technologies and equipment, and develop foreign trade. The development of foreign trade is mainly manifested in two aspects: on the one hand, we will vigorously develop the processing trade industry, from the initial "processing and importing" processing trade to the later "three come and one supplement", come materials for processing, come Sample processing, come parts assembly and compensation trade. On the other hand, reform the foreign trade system. Before the reform and opening up, China's foreign trade implemented a planned management system, and the state operated in a unified way, with overall responsibility for profit and loss. From 1978 to 1988, the goals of China's foreign trade reform were: Separation of power from government and enterprise; weakening plan management and increasing market regulation; enterprises breaking the "mess together" and taking responsibility for their own profits and losses; liberalizing operations and equal competition. In 1984, the State Council approved the report of the Ministry of Foreign Trade and Economic Cooperation on the reform of foreign trade system, which clearly put forward the basic principles of foreign trade system reform of "separation of government and enterprise, implementation of agency system in foreign trade, combination of industry and trade, combination of technology and trade, and combination of entry and exit". A reform plan based on this principle was systematically designed. In 1988, the State Council issued the "Provisions on Accelerating and Deepening the Reform of the Foreign Trade System" and "Interim Regulations on the Contracted Management Responsibility System of Industrial Enterprises Owned by the People", Started to fully implement the operating contract responsibility system in the national foreign trade industry to accelerate and deepen the reform of the foreign trade system.

Table 2
China's Foreign Trade Data 1978-88 (US\$ billions) (Nicholas, 1992)

Year	Ministry Data			Customs Data			Trade (% of GDP)
	Total	Imports	Exports	Total	Imports	Export	
1978	20.6	10.9	9.7	-	-	-	9.65%

1979	29.3	15.7	13.7	-	-	-	11.09%
1980	37.8	19.6	18.3	38.1	20.0	18.1	12.42%
1981	40.4	19.5	20.9	44.0	22.0	22.0	14.90%
1982	39.3	17.5	21.9	41.6	19.3	22.3	19.69%
1983	40.7	18.5	22.2	43.6	21.4	22.2	17.92%
1984	49.8	25.4	24.4	53.6	27.4	26.1	19.03%
1985	60.3	34.3	25.9	69.6	42.3	27.4	20.71%
1986	60.1	33.1	27.0	73.9	42.9	30.9	19.88%
1987	68.1	33.4	34.7	82.7	43.2	39.4	24.86%
1988	80.5	39.9	40.6	102.8	55.3	47.5	30.06%

Sources: Ministry data; Editorial Board of the Almanac of China's Foreign Economic Relations and Trade, *Almanac of China's Foreign Economic Relations and Trade 1989* (English edition) (Hong Kong: China Resources Advertising Company Ltd., 1989), p.353; Yao Jianguo, "Foreign trade increase in 1989," *Beijing Review*, No. 7 (1990), p.43; News in brief," *Beijing Review*, No.5(1991), p.43. Customs data: State Statistical Bureau, *Zhong guo tong ji zhai yao 1991* (Chinese Statistical Abstract 1991) (Beijing: Statistical Publishing House, 1991), p. 97; Jing Ji, "New trade record set because of import rise," *China Daily Business Weekly*, 12-18 January 1992, p.1. Trade (% of GDP) -World Bank national accounts data, and OECD National Accounts data files. <https://data.worldbank.org/indicator/NE.TRD.GNFS.ZS?locations=CN>.

China has successfully transformed from a nearly closed state into a fully integrated international economy and has become an active participant in global markets. The number of export trade companies increased from 12 in 1978 to about 1,200 in 1986, reaching a peak of 5,075 in 1988. As can be seen from Table 2, the total value of imports and exports increased from 20.6 billion US\$ in 1978 to 80.5 billion US\$ in 1988. Imports increased from 10.9 billion US\$ to 39.9 billion US\$, and Exports increased from 9.7 billion US\$ to 40.6 billion US\$. From 1978 to 1988, China's total foreign trade increased nearly fourfold, and its share of GDP increased from 9.65% to 30.06%. Therefore, it was from the founding of the People's Republic of China in 1949 to 1988, which was its fastest economic growth for 10 years, with a per capita GDP of 283.538 current US\$.

Pakistan's Political Changes and Foreign Trade Policy Adjustments

On July 5, 1977, General Muhammad Zia-ul-Haq launched a military coup to overthrow the Zulfikar Ali Bhutto government. He served as the chief of military control and chairman of the military committee. The civil rule of Pakistan, which has continued since 1971, came to an end. From July 1977 to August 1988, Zia-ul-Haq died in an air crash. This was the second period of military rule in Pakistan and was called the period of the Second Military Government. During this period, Muhammad Zia-ul-Haq adopted a series of liberalized economic policies, mainly the implementation of denationalization policies and industrial policies that encourage private sector development, vigorously liberate and develop domestic production, and promote international trade. Make Pakistan's economy develop rapidly.

Zia-ul-Haq's reform measures are mainly divided into two parts: domestic economy and foreign trade. First of all, a green revolution was launched in internal agriculture. In the 1980s, the introduction of sugarcane, cotton and other high-yield varieties improved the yield and quality of crops. Simultaneously increase the construction of agricultural infrastructure and build 48 new canals in the construction of water conservancy facilities. The total length of the canal and irrigation channel is 63,000 kilometers, with a total displacement of 76.25 million cubic meters per second.

(Yang,1999) Through the formulation of "Rural Comprehensive Development Plan" and "People's Engineering Plan", the rural literacy rate has been increased from 14.3% in 1981-1982 to 17.3% in 1986-1987, and the number of post offices has increased from 8893 to 9854, including 272 telegraph offices. Increase by 10.8%;The proportion of the population with access to clean drinking water rose from 16% to 35, an increase of 19 percentage points. (Muzi,1992) On December 31, 1985, Pakistani Prime Minister Muhammad Khan Junejo promulgated the "five-point plan" on agricultural development,On April 20, 1986, the Pakistani government established the National Agricultural Committee and submitted to the government on April 3, 1986, a report on Pakistan's agricultural modernization that addressed the problems in agricultural development.Through a series of measures, from Table 3, we can see that under the policy of a series of benefit farmers, Pakistan's arable land is showing a growing trend, and grain output is also increasing.From 1978 to 1988, the average yield of wheat per hectare was 1621 kg, of which the highest yield was 1985-1986, and the yield reached 1881 kg;The average yield of rice per hectare is 1652.5 kg, of which the highest yield was 1982-1983, and the output reached 1741 kg. This period was the period of rapid agricultural development in Pakistan, In 1980, grain self-sufficiency was achieved and the problem of "eating" was solved. ", which laid the foundation for social stability and industrial development.

Table 3
1978-1988 Pakistan Area and Production of Important Crops (Production ,2015)
Area: '000'Hectares
Production: '000'Tonnes

Year	Wheat		Rice		Maize		Sugarcane		Cotton	
	Area	Production	Area	Production	Area	Production	Area	Production	Area	Production
1978	6,360	8,367	1,899	2,950	656	821	823	30,077	1,84	3,380
1979	6,687	9,950	2,026	3,272	650	799	753	27,326	1,891	2,783
1980	6,924	10,857	2,035	3,216	701	875	719	27,498	2,081	4,282
1981	6,984	11,475	1,933	3,123	769	970	825	32,359	2,109	4,201
1982	7,223	11,304	1,976	3,430	739	930	947	36,580	2,214	4,398
1983	7,398	12,414	1,978	3,445	790	1,005	912	32,534	2,263	4,844
1984	7,343	10,882	1,999	3,340	798	1,014	897	34,287	2,221	2,908
1985	7,259	11,703	1,999	3,315	809	1,028	904	32,140	2,242	5,930
1986	7,403	13,923	1,863	2,919	804	1,009	780	27,856	2,364	7,155
1987	7,706	12,016	2,066	3,486	816	1,111	762	29,926	2,505	7,760
1988	7,308	12,675	1,963	3,241	854	1,127	842	33,029	2,568	8,633

Sources: Ministry of Food, Agricultural & Livestock (Economic Wing) .Cotton : Production in '000' bales (1 bale = 375 lbs or 170.09711 Kilogram)

While consolidating agricultural development, Zia-ul-Haq also adopted a series of measures to promote industrial development.The first is to implement a non-nationalized industrial policy. The government promulgated the "Takeover of Enterprises Transfer Law" in 1978. By September 1979, the government had restored 4,000 nationalized flour mills, rice mills, and flower plants to the main .In 1979, the "Protection of Industrial Property Law" was promulgated, prohibiting the brutalization of nationalization of private enterprises, at the same time legally protecting private industrial and commercial investment.The second is to promulgate a series of industrial policies that encourage the development of the private sector.While consolidating agricultural development,Zia-ul-Haq also adopted a series of measures to promote industrial development.In the fifth five-year plan, the investment in the private industrial sector reached Rs 19.5 crore, accounting for 40% of the total industrial

investment in the public and private sectors; In the sixth five-year plan, the government's investment in the private sector was Rs 62 billion, accounting for 79.6% of the total investment in the public and private sectors. From the statistical data, the ratio of investment in the public sector from 1978-1979 48.29% fell to 17.85% in 1987-1988. Zia-ul-Haq took measures to reduce industrial investment in the public sector and increase industrial investment in the private sector, increasing the vitality of the private industry and further revitalizing the social economy. With the rapid development of domestic agriculture and industry, especially the further liberalization of private industry and the rapid increase of social production capacity, it has also continued to adopt a series of measures to develop international trade. On the one hand, it is conducive to the expansion of international markets for domestic industrial products, and on the other hand, it provides convenience for the industrial raw materials needed for the development of the national economy. Therefore, the Zia-ul-Haq government has taken many measures conducive to the development of foreign trade. The first is to adopt an export-oriented development model, actively develop high-tech products, and establish the Commodity Quality Control and Standardization Bureau to improve the quality of exported commodities and expand the export base; Second, encourage domestic enterprises to actively develop international trade through policies such as export tax exemption, tax rebate and loan preferences; The third is to establish special economic zones to attract foreign investment through a series of preferential investment policies, such as export processing zones established in Port Muhammad Bin Qasim, Lahore, Peshawar and Balochistan. Fourth, import restrictions on loans, simplifying the import process, and free imports of raw materials are urgently needed. In 1977, Pakistan had 438 items that could be freely imported. In 1982-1983, it had reached 529 items. (Asian Development Bank, 1985)

Table 4
Pakistan's Direction of Foreign Trade 1978-88 (US\$ Billions)

Year	Imports	Exports	Total	GDP(current US\$)	GDP growth(annual %)
1978	2.8096	1.3111	4.1207	17.82	8.049
1979	3.6756	1.7096	5.3852	19.708	3.758
1980	4.7403	2.3647	7.105	23.69	10.216
1981	5.4085	2.9575	8.366	28.101	7.921
1982	5.6362	2.4892	8.1254	30.726	6.537
1983	5.3636	2.7106	8.0742	28.692	6.778
1984	5.6888	2.7691	8.4579	31.152	5.065
1985	5.9194	2.5041	8.4235	31.145	7.592
1986	5.6352	3.0728	8.708	31.899	5.502
1987	5.3803	3.6878	9.0681	33.352	6.452
1988	6.3952	4.4572	10.8524	38.473	7.625

Sources: Imports, Exports, Total data from : Handbook of Statistics on Pakistan Economy 2015, The original unit is Million Dollars. In order to unify the data in this paper, it is converted into Billion Dollars ; GDP, GDP growth data from : the world bank <https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?locations=CN>

During the reign of Zia-ul-Haq, it not only solved the problem of self-sufficiency in agriculture and food, but also enabled the rapid development of domestic industry. From Table 4 we can see that Pakistan's GDP increased from 17.82 Billions US\$ in 1978 to 38.473 Billions US\$ in 1988, which has more than doubled in ten years. During this decade, the average GDP growth rate reached 7.55%, which is in a fast pace Growth stage. According to statistics from the World Bank, from 1977 to 1986, Pakistan's manufacturing industry's GDP grew at an average annual rate of 9.5%, investment in

large and medium-sized industries increased at an average annual rate of 18.2%, and private industrial investment increased at an average annual rate of 15.6%. (World Bank.B.1988) Pakistan's foreign trade has also developed rapidly. From Table 4, we can see that Pakistan's imports increased from 2.8096 Billions US\$ in 1978 to 6.3952 Billions US\$ in 1988, and exports increased from 1.3111 Billions US\$ in 1978 to 4.4572 Billions US\$ in 1988. The total value of imports and exports increased from 4.1207 Billions US\$ in 1978 to 10.8524 Billions US\$ in 1988. Among them, exports grew the fastest, increasing by nearly 3.4 times during the ten-year period. The annual average export growth rate exceeded the annual average import growth rate for the first time, and the annual average The deficit growth rate has set a record low since the late 1950s. From 1977-1978 to 1987-1988, Pakistan's GNP average annual growth rate reached 6.5%, income per capita growth reached 3.3%, GDP per capita reached 380current US\$, while China was only 283.538current US\$. (World Bank.C.(1988)) Make Pakistan's economic development and per capita income rank first in South Asia.

The Commonness of Pakistan-China Economic Reform and Its Impact on the Economic Exchanges between the Two Sides

Pakistan and China are friendly neighbors. In Modern times, both countries have been oppressed by Western powers. In the early days of the establishment of the two countries, they were also faced with a crisis of new government and economic backwardness. On January 4, 1950, the Pakistani government issued a statement recognizing New China, the first Muslim country to recognize New China. Pakistan established diplomatic relations with China on May 21, 1951. The relationship between the two countries grew from lukewarm initially to a rapid rise after 1962, bringing the destinies of the two peoples closer together. Especially in the ten years from 1978 to 1988, both countries have experienced political changes and economic reforms, and economically effective reforms have become the fastest period of economic development of the two countries since their establishment.

By analyzing the economic reforms of the two countries, we find that the economic reforms of the two countries have many similarities. The first is political stability. Before the economic reforms, they all experienced political changes, This provides a more stable political situation for economic reform. Pakistan frequently changed six prime ministers from 1947 to 1958, with a GDP growth rate of only 3.1%. The Pakistan-Indo-Pakistan War of 1972-1977 during the period of Zulfikar Ali Bhutto ruled Pakistan and the independence of East Pakistan plus the nationals of 1972 The parliamentary elections and provincial assembly elections opposed the unrecognition of the election results, making the political situation more turbulent. The average annual GDP growth rate was only 3.8%, and Zia-ul-Haq did not frequently change the prime minister during the rule. There was no major social unrest in the elections held in 1985. The internal government personnel had unified views on economic policies and the implementation of economic policies was good, thus providing a stable political environment for economic reform and development. For China, The left-leaning and right-leaning errors that occurred during the early exploration phase of PRC, especially the erroneous launch of the "Cultural Revolution" from 1966 to 1976, caused great damage to the entire society. After two years of wandering from 1976 to 1978, China has carried out "ideological emancipation" and "from disordered to ordered" to make the whole country more pragmatic and embark on a development path of seeking truth from facts, and also provides a stable political environment for China's "reform and opening up". Secondly, with the economic reform, the internal economic momentum is sufficient. Both countries have adopted internal economic reform measures, especially

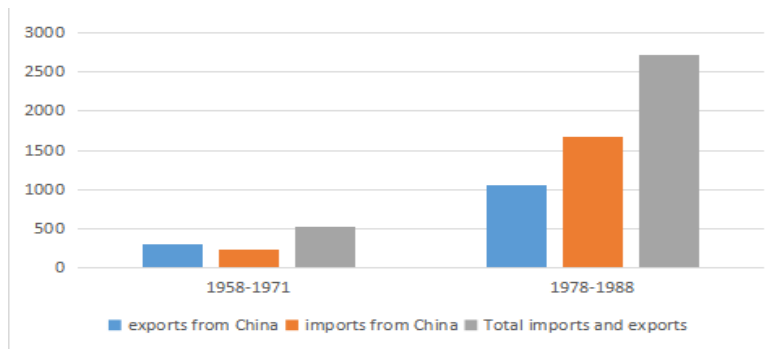
policies that encourage the development of non-state-owned enterprises, so that the two countries have sufficient internal economic momentum. Zia-ul-Haq has formulated some measures in agriculture that are conducive to agricultural and rural development, further liberating agricultural productivity, and Pakistan as a populous country finally solve the problem of food self-sufficiency in 1980; In terms of industrial development, it advocates a free economic policy, relaxes the control and restrictions on private enterprises, strives to improve the development environment of industries in backward areas, and allows private enterprises to play a leading role in industrial development while not forgetting to promote the development of public enterprises. During this period, Pakistan implemented two five-year plans, the "Fifth Five" and "Sixth Five", which enabled Pakistan's economic development to go on a high-speed and stable development path that lasted for 10 years. The third, two countries have adopted an enlightened foreign trade policy. Both Pakistan and China have implemented the policy of opening up to the outside world, making full use of the international market, developing international trade, and encouraging the export of their domestic industrial products, while seizing the historical opportunities of international industrial transfer, so the volume of international trade is constantly rising. Fourth, adapt to the international "peace and development" situation, actively adjust foreign policy, and pave the way for the economic development of the two countries. Since the reform and opening up in 1978, China has implemented a full range of diplomacy and has thus formed a series of new ideas: advocating a new security concept, advancing the democratization of international relations, and holding high the banner of "peace, development, and cooperation." Muhammad Zia-ul-Haq also pursued an independent non-aligned peace foreign policy. In the Islamic world, on the Non-Aligned Movement and United Nations forums, Pakistan has upheld justice and adhered to the Five Principles of Peaceful Coexistence, which has won praise from third-world countries.

With the rapid economic development of the two neighboring countries known as "brothers," relations between the two countries have become more stable and high-level exchanges of visits have become more frequent. Since China's reform and opening up in 1978, the level of Sino-Pakistani relations has been continuously improved. President Muhammad Zia-ul-Haq also advocated the development of friendly relations with China. During his tenure, Pakistan maintained close relations with China and he also visited China many times. Zia Huck made his first visit in December 1977 after taking office, in May 1980, Pakistani President Zia Huck visited China again. In June 1981, The Prime Minister Zhao Ziyang visited Pakistan. In August 1982, the two countries signed a protocol to open the Khunjerab Pass at the border between Pakistan and China. On October 17 of the same year, President of the Islamic Republic of Pakistan Zia-ul-Haq and his wife took a special plane to China for a state visit. President Zia-ul-Haq spoke to reporters at the airport and said that his visit to China is of far-reaching significance. This visit will enhance the friendship and cooperation between the two countries. He said: "I am very pleased that my visit was conducted at the moment when China successfully launched the launch vehicle from the submarine. It marks the new development of science and technology in China." President Zia-ul-Haq spoke to reporters at the airport and said that his visit to China is of far-reaching significance. He pointed out: "The relationship between Pakistan and China is very good, and there are no outstanding issues." This is also the third time President Zia-ul-Haq has visited China.

(People's Daily, 1982) In March 1984, Chairman of the National Committee of the Chinese People's Political Consultative Conference Li Xiannian visited Pakistan. In November 1985, Pakistani Prime Minister Muhammad Khan Junejo visited China. In June 1987, the Chinese Prime Minister Zhao Ziyang visited Pakistan again. In May 1988, Prime Minister Muhammad Khan Junejo visited China again.

Table 5 : Comparison of Pakistan-China Trade during the First Military Government and the Second Military Government (Direction.A,2015)

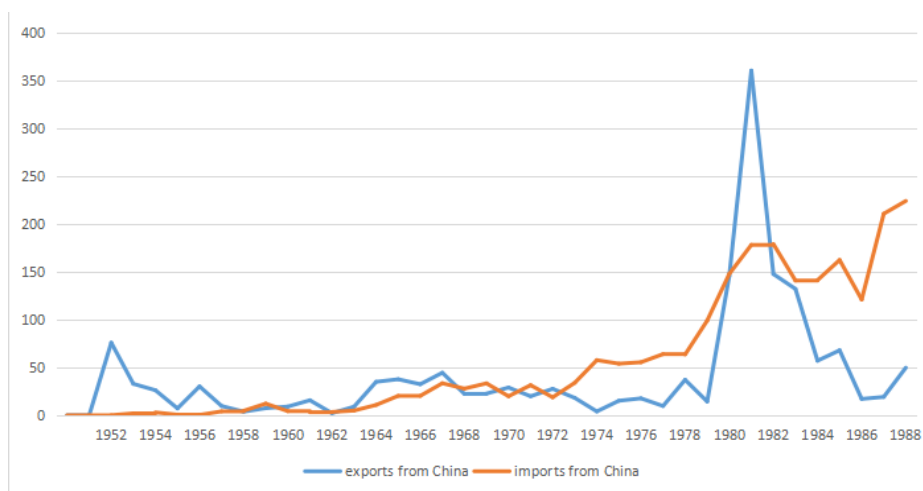
(Million Dollars)



Since the reform and opening up, the exchange of high-level visits between the two countries has also brought new historical breakthroughs to the development of trade between the two countries, Trade relations have gradually been strengthened, China and Pakistan have also become important trading partners of each other. As can be seen from Table 5, during the ten years of the first military government established by Ayub Khan in 1958-1971, the total import and export volume of China and Pakistan was only 521.3 Million US\$. To the period of the second military government established by Zia-ul-Haq in 1977-1988, The total trade between Pakistan and China has reached 2718.3 Million US\$, and the total trade between Pakistan and China has increased by as much as 5 times. The quantity of goods imported from China also exceeds exports, and the economic dependence of the two countries is further upgraded.

Table 6 : Line chart of import and export trade between the two countries since the establishment of diplomatic relations (Direction.B,2015)

(Million Dollars)



From Table 6, we can also see that since the establishment of diplomatic relations between the two countries in 1952, the import and export trade between the two countries has remained at a low level, but since 1978 the trade volume between the two countries has experienced a rapid development period. The country's economic

dependence has further improved. From 1978 to the present, successive leaders of Pakistan have regarded Pakistan-China relations as the cornerstone of Pakistan's diplomacy. They also attach great importance to Pakistan-China relations. Not only have they reached a considerable height in terms of political mutual trust, but also in economic, technical cooperation and cultural exchanges have also been great breakthroughs, and Pakistan-China cooperation has continuously expanded its content and fields. In October 1982, the Pakistan-China Joint Committee on Economic, Trade and Scientific and Technological Cooperation was established. Through the joint efforts of both sides, the economic and trade cooperation between the two countries has made great progress. Pakistan has been China's largest trading partner in South Asia for a long time.

(Zhang, 2019) In November 1984, Deng Xiaoping, the chief designer of China's reform and opening up, proposed that South Asia is located in the central part of the "arc zone" on the outer edge of the Asian continent, and has a common border with China of 5,000 kilometers. It is very important for China's security. China is willing to work with all South Asian countries to develop good-neighbourly and friendly relations. In September 1986, Deng Xiaoping said that Pakistan is a special friend of China, and our friendship has stood the test of time. The economic reform and rapid development of both Pakistan and China, the two countries have achieved comprehensive rapid development from politics to economy to science, technology and culture. Eventually, an "unusual China-Pakistan relationship" was formed.

Conclusion

Both Pakistan and China were in a critical period of reform in the 1980s. The two friendly neighboring countries not only increased political interaction at high levels, but also assisted each other in the process of economic reform to develop together, laying the foundation for the development of bilateral relations. On the one hand, the reforms have greatly improved the economic situation of the two countries. On the other hand, reform and development have also deepened economic ties between the two countries on the basis of political friendship, and have also opened up a new model of relations between the two countries. Especially in the early days of the establishment of diplomatic relations between the two countries, Pakistan-China relations experienced a cold period in the 1950s, a period of improvement and consolidation in the 1960s, especially after the Asian-African Conference. When Mao Zedong received Pakistan's ambassador to China Sultanuddin Ahmad, he said: "China and Pakistan are both Eastern countries. Eastern countries have many things in common. They used to be oppressed by Western countries. There has never been a war between Pakistan and China, and there is no dispute now. The two countries have trade exchanges, so China and Pakistan should become good friends, thus opening up the era of "China and Pakistan should become good friends." When Pakistan elections were held in November 1988, the People's Party won and Benazir Bhutto became prime minister. The first country she visited after taking office was China. During Benazir Bhutto's visit to China, Deng Xiaoping praised China and Pakistan as special friends. Deng said: "Sino-Pakistani relations are unusual, and China-Pakistan relations truly embody the Five Principles of Peaceful Coexistence. Therefore, after the quantitative change of "should be good friends" in Pakistan-China relations, start from "unusual Pakistan-China relations", there has gradually developed into a qualitative change. It has successively experienced "neighbourly and friendly relations", "all-weather friendship and all-round cooperative relations" and the current "Pakistan-China all-weather strategic cooperative partnership". The long-tested relationship between Pakistan and China has also ushered in the historical opportunities of CPEC. The all-weather strategic partnership between

the two countries will further make the two countries a "community of destiny" for social and economic development.

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