

Pakistan Plans Replacing U.S. Dollar with Yuan in Trade with China

By [Zero Hedge](#)

Global Research, December 22, 2017

[Zero Hedge](#) 21 December 2017

Region: [Asia](#)

Theme: [Global Economy](#), [Intelligence](#)

*Pakistan is considering replacing the U.S. dollar with the Chinese yuan for bilateral trade between Pakistan and China, Pakistan's Minister for Planning and Development **Ahsan Iqbal** said according to [Dawn Online](#) and [The Economic Times](#). Interior Minister Iqbal, who has been central to the planning and implementation of China-Pakistan economic ties, was reported discussing the proposal after unveiling a long-term economic development cooperation plan for the two countries, [Reuters added](#).*

Iqbal spoke to journalists after the formal launch of Long Term Plan (LTP) for the China-Pakistan Economic Corridor (CPEC) signed by the two sides on November 21, Dawn online reported on Tuesday. The CPEC is a flagship project of China's Belt and Road initiative. The 3,000 km, over \$50 billion corridor stretches from Kashgar in western China to Gwadar port in Pakistan on the Arabian sea.

Asked if the Chinese currency could be allowed for use in Pakistan, the minister said the Pakistani currency would be used within the country **but China desired that bilateral trade should take place in yuan instead of dollars, in yet another push to de-dollarize what China considers its sphere of influence.**

"We are examining the use of yuan instead of the US dollar for trade between the two countries," Iqbal said, adding that the use of yuan was not against the interest of Pakistan. **Rather, it would "benefit" Pakistan.**

It would also show that world that when it comes to Asia, the "superpower" of significance is no longer the US. And so, as China's influence grows, the long-term plan highlighted key cooperation areas between the neighboring states including road and rail connections, information network infrastructure, energy, trade and industrial parks, agriculture, poverty alleviation and tourism.

The CPEC plan marks the first time the two countries have said how long they plan to work together on the project, taking the economic partnership to at least 2030. China has already committed to investing \$57 billion in Pakistan to finance CPEC as part of Beijing's "Belt and Road" initiative to build a new Silk Road of land and maritime trade routes across more than 60 countries in Asia, Europe and Africa.

Addressing the launching ceremony Chinese Ambassador to Pakistan Yao Jing said the long term plan would expand the scope of cooperation in various new areas, including cooperation in social sectors along with economic fields. "CPEC was a national plan

approved by the both the Chinese and Pakistan government.” It will effectively match relevant national plans of China as well as Pakistan Vision 2025.”

The two nations also agreed to establish and improve cross-border credit system and financial services, strengthen currency swap arrangements as well as establish a bilateral payment and settlement system.... in yuan that is, not dollars.

Featured image is from Zero Hedge.

The original source of this article is [Zero Hedge](#)
Copyright © [Zero Hedge](#), [Zero Hedge](#), 2017

[Comment on Global Research Articles on our Facebook page](#)

[Become a Member of Global Research](#)

Articles by: [Zero Hedge](#)

Disclaimer: The contents of this article are of sole responsibility of the author(s). The Centre for Research on Globalization will not be responsible for any inaccurate or incorrect statement in this article. The Centre of Research on Globalization grants permission to cross-post Global Research articles on community internet sites as long the source and copyright are acknowledged together with a hyperlink to the original Global Research article. For publication of Global Research articles in print or other forms including commercial internet sites, contact: publications@globalresearch.ca

www.globalresearch.ca contains copyrighted material the use of which has not always been specifically authorized by the copyright owner. We are making such material available to our readers under the provisions of "fair use" in an effort to advance a better understanding of political, economic and social issues. The material on this site is distributed without profit to those who have expressed a prior interest in receiving it for research and educational purposes. If you wish to use copyrighted material for purposes other than "fair use" you must request permission from the copyright owner.

For media inquiries: publications@globalresearch.ca