

CPEC effect: Pakistan considering replacing dollar with Yuan in bilateral trade with China

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The use of yuan was not against the interest of Pakistan and would rather "benefit" the country, Minister for Planning and Development Ahsan Iqbal said.

The Pakistani currency would be used within the country but China desired that bilateral trade should take place in yuan, Iqbal said.

Islamabad: The US dollar may be replaced by Chinese yuan in China-Pakistan trade, Pakistan's Minister for Planning and Development Ahsan Iqbal has said.

Iqbal told this to journalists after the formal launch of Long Term Plan (LTP) for the China-Pakistan Economic Corridor (CPEC) 2017-30 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.

"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.

The minister said China had not stopped CPEC-related investment in Pakistan as claimed by some quarters.

"All projects already identified and committed by the two sides were going through the codal formalities and moved into the implementation phase on completion of these procedures."

The 26-page LTP document covered broad areas of cooperation where the two sides have to contribute to each other in three phases -- first ending 2020, followed by another in 2025 and then completing in 2030.

The two sides 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.

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