

RESEARCH PAPER**Assessing the China-Pakistan FTA and Its Alignment with WTO Digital Trade Provisions**Maseeh Ullah ¹¹ PhD Scholar, School of Law, Zhongnan University of Economics and Law, China*Corresponding Author advmaseehullah@yahoo.com

ABSTRACT

This study examines the integration of digital trade provisions in the China-Pakistan Free Trade Agreement (FTA) and its alignment with World Trade Organization (WTO) rules. With the rise of digital trade as a crucial component of global commerce, the research focuses on how the FTA reflects these developments and what it means for Pakistan's digital economy. The study adopts a qualitative approach, analyzing the FTA's provisions on e-commerce and digital services, and comparing them with key WTO agreements such as the General Agreement on Trade in Services (GATS) and the Trade-Related Aspects of Intellectual Property Rights (TRIPS). Findings indicate that while the FTA presents opportunities for Pakistan to enhance digital trade, challenges persist in areas such as regulatory harmonization, data localization, and intellectual property enforcement. The study concludes that Pakistan needs to strengthen its digital infrastructure and regulatory frameworks to fully benefit from the agreement, and it recommends active engagement in WTO negotiations to address emerging digital trade issues.

Keywords: China-Pakistan FTA, Data Localization, Developing Countries, Digital Trade, E-Commerce, Intellectual Property, Regulatory Harmonization, WTO.

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INTRODUCTION

The rapid expansion of digital trade has transformed global commerce, introducing new opportunities for economic growth and development, particularly for developing countries like Pakistan. Digital trade encompasses a broad range of activities, including the cross-border exchange of goods and services via digital platforms, e-commerce, and the transmission of data. For economies striving to integrate into the global digital marketplace, the legal frameworks governing these exchanges are crucial. The FTA, particularly its second phase, represents a pivotal step for Pakistan as it seeks to enhance its trade relations with China by incorporating provisions on e-commerce and digital services. Understanding how these provisions align with global trade rules under the WTO is vital for assessing their potential impact on Pakistan's economy

(Sahibzada, 2021). The inclusion of digital trade provisions in the China-Pakistan FTA signals the increasing importance of digital economies in shaping modern trade relationships. For China, a global leader in e-commerce and digital infrastructure, this FTA provides a framework to strengthen its digital ties with Pakistan. For Pakistan, the agreement offers an opportunity to gain access to China's vast digital market and enhance its own digital trade capabilities. However, integrating digital trade provisions into bilateral trade agreements requires careful alignment with international norms, particularly those outlined by the WTO. Given that the WTO is the primary body governing international trade, its rules on digital trade—though still evolving—serve as the foundation for agreements like the China-Pakistan FTA. Understanding how the FTA measures up to these standards is crucial in evaluating its potential benefits and challenges (Zakir, 2020; Khan, 2024).

This article explores the extent to which the digital trade provisions in the China-Pakistan FTA align with existing WTO frameworks, such as the GATS and TRIPS. It seeks to answer key questions about how the FTA's digital trade provisions compare with WTO norms and what challenges or opportunities Pakistan faces in leveraging these provisions to enhance its digital economy. The research also examines how Pakistan can align its regulatory and legal frameworks to fully benefit from the FTA while adhering to WTO guidelines. The core hypothesis of this study is that while the China-Pakistan FTA offers significant opportunities for Pakistan's digital economy, it faces challenges in aligning fully with WTO provisions, particularly in areas such as regulatory harmonization, data protection, and intellectual property rights enforcement (ESCAP, 2021). Addressing these gaps will be critical for Pakistan to maximize the benefits of digital trade under the FTA. This research adopts a qualitative approach, utilizing content analysis of both the China-Pakistan FTA and relevant WTO agreements, including GATS and TRIPS. By comparing the FTA's digital trade provisions with WTO standards, the study seeks to identify areas of alignment and divergence. Additionally, secondary data from reports, legal documents, and scholarly articles provide insights into Pakistan's current digital trade infrastructure and regulatory environment.

The study is expected to reveal that while the China-Pakistan FTA aligns with many WTO provisions, key challenges—such as regulatory differences and the need for stronger intellectual property protection in Pakistan—remain. The findings will highlight the need for Pakistan to improve its digital infrastructure, develop coherent regulatory frameworks, and engage more actively in WTO negotiations on digital trade to ensure long-term benefits. By addressing these challenges, Pakistan could unlock significant economic potential, strengthening its position within the global digital trade ecosystem and benefiting from its trade partnership with China.

LITERATURE REVIEW

The literature on digital trade, FTAs, and the interplay between international trade frameworks such as the WTO has grown significantly in recent years. This review synthesizes key themes and findings from existing research, focusing on the FTA, its digital trade provisions, and the implications for Pakistan's digital economy within the context of WTO regulations.

A substantial body of literature highlights the transformative impact of digital trade on global commerce. Scholars like Manyika et al. (2016) argue that digital trade has the potential to increase productivity and innovation, particularly in developing economies. As economies increasingly rely on digital platforms for trade, understanding the regulatory frameworks governing these transactions becomes crucial. The WTO's Work Programme on E-Commerce aims to address various aspects of digital trade, including data flows, privacy concerns, and intellectual property rights, creating a foundation for future negotiations (Bacchus, 2018). In the context of FTAs, researchers such as Mattoo and Nair (2021) examine how agreements can facilitate or hinder digital trade. They emphasize that FTAs like the China-Pakistan FTA can serve as vehicles for improving digital trade conditions by incorporating specific provisions related to e-commerce. The FTA's provisions can enhance market access and foster cooperation in areas like technology transfer, digital services, and infrastructure development, which are essential for Pakistan's digital economy (Siddiqui, 2020).

Additionally, literature focusing specifically on the China-Pakistan FTA reveals significant insights into its structure and implications. Chen and Javed (2020) analyze the FTA's potential to enhance economic ties between the two countries, particularly through digital trade. Their findings suggest that while the FTA offers opportunities for increased collaboration in technology and e-commerce, challenges related to regulatory alignment and implementation remain significant obstacles. Other scholars, such as Ali and Wu (2019), highlight the need for Pakistan to strengthen its digital infrastructure and regulatory frameworks to fully benefit from the FTA's provisions. The alignment of the China-Pakistan FTA with WTO rules is another critical area of exploration in the literature. Research by Lee (2021) examines the compatibility of FTAs with WTO agreements, emphasizing the need for coherence between bilateral agreements and multilateral frameworks. This coherence is particularly important in the context of digital trade, where differing regulations can create barriers to cross-border commerce. Pakistan's participation in WTO negotiations on digital trade is vital to ensure that its interests are represented and that it can leverage the benefits of the FTA in compliance with international norms (Hussain, 2020).

Challenges related to data localization and privacy also feature prominently in literature. Many scholars, including Jin and Wu (2021), argue that differing approaches to data governance between countries can hinder the flow of information necessary for digital trade. The regulatory environment in Pakistan, which is still developing in terms of data protection laws, poses additional challenges. The need for Pakistan to establish a robust regulatory framework that aligns with both the FTA and WTO provisions is highlighted as essential for fostering a conducive environment for digital trade.

In summary, the literature underscores the significance of digital trade in shaping modern economic relationships, particularly through FTAs like the China-Pakistan FTA. While the agreement presents opportunities for enhancing Pakistan's digital economy, challenges related to regulatory alignment, data protection, and implementation remain. The findings suggest that Pakistan must address these challenges while actively engaging with the WTO to ensure that it can maximize the benefits of digital trade in a rapidly evolving global landscape. This review provides a foundational understanding of the key themes and challenges that will be explored further in this

study, setting the stage for a detailed analysis of the China-Pakistan FTA and its implications for digital trade governance.

CONCEPTUAL AND THEORETICAL FRAMEWORK

The conceptual and theoretical framework of this study integrates several key theories to analyze the interplay between the FTA, WTO provisions on digital trade, and Pakistan's digital economy. Central to this framework is the Theory of Comparative Advantage, which suggests that Pakistan can leverage its unique advantages in digital services and e-commerce through the FTA, enhancing its participation in international trade with China. Additionally, the New Institutional Economics (NIE) emphasizes the critical role of effective institutions and regulatory frameworks in facilitating trade and economic growth, highlighting the need for Pakistan to align its regulatory environment with the FTA and WTO standards. Legal aspects of digital trade are examined through International Trade Law, focusing on how the FTA's provisions correlate with the GATS and TRIPS agreements. Furthermore, the Digital Economy Paradigm underscores the transformative impact of digital technologies on economic activities, stressing the importance of data flows and e-commerce in modern trade. By synthesizing these theories, the framework provides a comprehensive lens to assess the opportunities and challenges arising from the China-Pakistan FTA, guiding the research towards identifying strategies for optimizing the benefits of digital trade while addressing regulatory obstacles in Pakistan's digital landscape.

RESEARCH METHODOLOGY

The research methodology for this study adopts a qualitative approach to explore the dynamics between the FTA, WTO provisions on digital trade, and the implications for Pakistan's digital economy. This qualitative methodology is particularly suitable for examining complex relationships and capturing the nuances of regulatory frameworks and their impact on digital trade. The research process begins with a comprehensive document analysis of the China-Pakistan FTA and relevant WTO agreements, such as the GATS and the TRIPS. This analysis involves a close reading of the text to identify key provisions related to digital trade and e-commerce, enabling a detailed comparison of the FTA's stipulations with established international norms. Through this approach, the study seeks to uncover areas of alignment and divergence, highlighting how these frameworks interact and the implications for Pakistan's regulatory environment.

In addition to document analysis, the study will incorporate semi-structured interviews with key stakeholders in Pakistan's digital trade ecosystem, including policymakers, legal experts, business leaders, and representatives from trade associations. These interviews will provide valuable insights into the practical challenges and opportunities presented by the FTA, as well as the stakeholders' perspectives on the regulatory landscape governing digital trade. The semi-structured format allows for flexibility in questioning, enabling the exploration of emerging themes and issues relevant to the research questions. Thematic analysis will be employed to analyze the data collected from both the document analysis and interviews. This involves coding the data to identify recurring themes and patterns, which will then be categorized to draw meaningful conclusions about the implications of the China-Pakistan FTA for Pakistan's digital economy. The findings will be contextualized within the theoretical framework established in the study, providing

a comprehensive understanding of how the FTA aligns with WTO provisions and what this means for Pakistan's regulatory and economic landscape. This qualitative research methodology not only facilitates an in-depth exploration of the issues at hand but also contributes to the broader discourse on digital trade and international trade agreements, particularly in the context of developing economies. By focusing on the interplay between policy, regulation, and practice, the study aims to provide actionable recommendations for enhancing Pakistan's digital trade capabilities and maximizing the benefits of the China-Pakistan FTA.

CHINA-PAKISTAN FTA: AN OVERVIEW

The FTA represents a critical initiative aimed at strengthening economic ties between China and Pakistan. Initially signed in 2006, the FTA was designed to reduce tariffs and enhance trade relations. The first phase predominantly targeted tariff reductions for goods, laying the groundwork for increased bilateral trade. However, the second phase, which came into effect in 2019, marked a significant evolution by incorporating provisions on trade in services, particularly e-commerce and digital services. This shift reflects the growing importance of digital trade within the bilateral relationship, aligning with China's broader strategic initiatives, such as the Digital Silk Road, which aims to enhance global connectivity through digital infrastructure (Shah ET AL., 2022; Khan et al., 2023).

The second phase of the FTA includes several critical provisions related to digital trade. Notably, the agreement emphasizes the facilitation of electronic commerce, addressing issues such as cross-border data flows, electronic contracts, and the recognition of electronic signatures. This is crucial for enabling smoother transactions in the digital marketplace. Additionally, the provisions for digital services encourage collaboration in sectors such as information technology, telecommunications, and fintech. This aims to leverage China's advanced digital infrastructure to support Pakistan's digital economy. Furthermore, the FTA fosters an investment-friendly environment, promoting Chinese investments in Pakistan's digital infrastructure, which can help bridge the gap in the country's underdeveloped digital ecosystem (Khan et al., 2019).

The FTA presents several strategic opportunities for Pakistan to enhance its economic landscape. One of the most significant benefits is access to China's vast digital market, which is crucial for improving the export potential of Pakistani digital services and products. By leveraging the advancements made by China in e-commerce, Pakistan can benefit from increased trade flows and market integration. The agreement also opens avenues for partnerships between Chinese and Pakistani firms, fostering knowledge exchange and joint ventures in technology sectors, which can lead to economic diversification and innovation-driven growth. Moreover, technological collaboration can result in capacity building within Pakistan's workforce, improving skills in digital technologies and enhancing overall productivity (Irshad, 2015; Khan et al., 2023).

However, despite these opportunities, several challenges may impede Pakistan's ability to fully capitalize on the FTA. A primary concern is the country's relatively underdeveloped digital infrastructure, which poses significant hurdles such as inconsistent internet access, inadequate digital payment systems, and limited cybersecurity measures. These challenges can hinder the seamless operation of digital trade and prevent Pakistani businesses from effectively engaging in

the global market. Additionally, the existing regulatory framework in Pakistan may not be fully equipped to handle the complexities of digital trade, particularly concerning data protection, privacy, and intellectual property rights, which require significant reform to meet international standards. Moreover, capacity limitations in terms of technical expertise and access to advanced technologies can impede Pakistan's ability to leverage the full potential of the FTA, especially in critical areas such as e-commerce and digital services. Compliance with international norms presents another challenge, as Pakistan must ensure that the provisions of the FTA align with global standards established by the WTO to fully benefit from the agreement (Chaudhry et al., 2017).

The implications of the China-Pakistan FTA for Pakistan's digital economy are profound. The incorporation of digital trade provisions can potentially transform Pakistan into a regional hub for e-commerce, attracting investment and enhancing trade flows. However, to realize these benefits, Pakistan must address the existing challenges head-on. Comprehensive policy reforms are essential to create a robust regulatory framework that supports digital trade, including strengthening data protection laws, enhancing intellectual property rights enforcement, and establishing clear guidelines for e-commerce operations. Investment in digital infrastructure should also be prioritized. The government must focus on initiatives that improve internet access, digital payment systems, and cybersecurity measures to facilitate smoother digital transactions. Furthermore, investing in education and training programs focused on digital skills will empower the workforce and enhance Pakistan's competitiveness in the digital economy. Active engagement in international trade negotiations and adherence to WTO guidelines will position Pakistan favorably in the global digital trade arena, ensuring that its interests are represented (Khan, 2011).

WTO PROVISIONS ON DIGITAL TRADE

The WTO has increasingly recognized the significance of digital trade as the global economy becomes more interconnected and reliant on technology. While the WTO traditionally focused on trade in goods and services, it has begun to address digital trade through various agreements and initiatives. The key provisions related to digital trade within the WTO framework include the following:

GATS encompasses trade in services, including digital services, under its scope. Digital trade can be categorized under several modes of service delivery defined by GATS: the cross-border supply of services, consumption abroad, and the movement of natural people. This classification allows for a comprehensive approach to regulating services in the digital economy, facilitating cross-border e-commerce and the provision of digital services by foreign providers (Elsiget et al., 2021).

Another crucial aspect of digital trade is governed by the Agreement on TRIPS. The TRIPS Agreement plays a critical role in protecting intellectual property rights, which are essential for fostering innovation and technological development in the digital space. By establishing standards for copyright, patents, and trademarks, TRIPS ensures that creators and innovators are afforded protection for their digital content and technologies, thereby incentivizing investment and growth in the digital economy (Janow et al., 2019).

Since 1998, WTO members have agreed to a temporary moratorium on customs duties for electronic transmissions. This moratorium, which has been regularly extended, is vital for the growth of digital trade, as it prevents countries from imposing tariffs on e-commerce transactions. By eliminating the risk of additional costs associated with cross-border digital transactions, the moratorium encourages international trade in digital goods and services, facilitating a more open and accessible global digital marketplace (Weber, 2010).

To further address the unique challenges posed by the digital economy, the WTO has established a dedicated Work Programme on E-Commerce. This program seeks to tackle various trade-related issues arising from the digital economy and highlights key areas for future negotiations, including data localization, privacy, cybersecurity, and digital taxation. By focusing on these critical aspects, the Work Programme aims to create a comprehensive framework that supports the sustainable growth of digital trade while addressing the concerns of member countries regarding the implications of the digital economy on traditional trade practices (Neeraj, 2019).

COMPATIBILITY OF THE CHINA-PAKISTAN FTA WITH WTO PROVISIONS ON DIGITAL TRADE

The China-Pakistan FTA and the WTO provisions on digital trade operate within a complex interplay of international trade rules and regulations. As the digital economy expands, understanding the compatibility of the FTA with WTO provisions becomes essential for maximizing the benefits of trade while adhering to international obligations.

E-Commerce Provisions in the FTA and GATS

The China-Pakistan FTA, particularly in its second phase, incorporates significant provisions on e-commerce, which align with the WTO's GATS. The FTA emphasizes the facilitation of electronic commerce, recognizing the importance of cross-border data flows, electronic contracts, and the legal validity of electronic signatures. This alignment with GATS is crucial, as GATS provides a framework for the cross-border supply of services, including digital services. Both the FTA and GATS advocate market access and national treatment principles, enabling foreign service providers to operate in each other's markets without discrimination (Khan & Ximei, 2022).

Moreover, the FTA's focus on digital services supports the objectives outlined in the WTO's Work Programme on E-Commerce. By addressing issues related to data localization and cybersecurity, the FTA complements the WTO's initiatives aimed at creating a conducive environment for digital trade.

Intellectual Property Rights and TRIPS Compliance

The TRIPS Agreement is fundamental in protecting intellectual property rights (IPR), which are vital for fostering innovation in the digital economy. The China-Pakistan FTA includes provisions related to intellectual property that aim to protect digital content, software, and innovations. This alignment with the TRIPS Agreement ensures that both parties are committed to upholding international standards for IPR protection. By adhering to TRIPS, the FTA fosters an

environment conducive to technological collaboration and innovation, enabling both countries to leverage their strengths in the digital sector (Abdelrehim et al., 2021).

Moratorium on E-Commerce Tariffs

The WTO's longstanding moratorium on customs duties for electronic transmissions directly supports the growth of digital trade by preventing additional tariffs on e-commerce transactions. The China-Pakistan FTA, by not imposing tariffs on digital goods and services, is consistent with this moratorium. This compatibility is significant as it helps facilitate trade in digital products, allowing for smoother cross-border transactions and promoting the growth of the digital economy in both countries (Kahn & Wu, 2020).

Future Negotiations and Regulatory Frameworks

As the digital landscape continues to evolve, both the China-Pakistan FTA and the WTO's Work Programme on E-Commerce emphasize the need for ongoing discussions and negotiations regarding emerging issues in digital trade, such as privacy, cybersecurity, and digital taxation. The FTA's provisions that promote technology transfer and capacity building in Pakistan align with the WTO's goals of enhancing global cooperation in addressing these challenges. By fostering dialogue and collaboration between the two countries, the FTA can serve as a model for regional agreements that align with the broader objectives of the WTO (Khan et al., 2023).

The FTA is largely compatible with the WTO provisions on digital trade, reflecting a mutual understanding of the significance of digital commerce in the modern economy. The alignment of e-commerce provisions with GATS, adherence to TRIPS standards, and the commitment to preventing tariffs on electronic transmissions illustrate the cooperative framework established by both the FTA and the WTO. As digital trade continues to expand, maintaining this compatibility will be essential for both countries to harness the full potential of their economic relationship while ensuring compliance with international trade norms. By addressing the challenges and opportunities presented by the digital economy, the FTA and the WTO can work together to promote sustainable growth in digital trade for China, Pakistan, and beyond (Khan et al., 2021).

IMPACT ON PAKISTAN'S DIGITAL ECONOMY

The inclusion of digital trade in the FTA has the potential to significantly accelerate the growth of Pakistan's digital economy. With over 76 million internet users and a rapidly expanding e-commerce market, Pakistan stands to benefit immensely from increased digital cooperation with China. Several key areas highlight this potential for growth.

E-Commerce

The e-commerce provisions outlined in the FTA are particularly advantageous for Pakistani businesses seeking to enter international markets. By reducing tariffs and streamlining regulatory processes, the FTA can facilitate Pakistani sellers' access to China's vast online marketplace. Prominent platforms like Alibaba have already established a foothold in Pakistan, providing local sellers with avenues to reach millions of Chinese consumers. This increased access not only

enhances trade opportunities but also encourages the growth of local e-commerce platforms, fostering a competitive environment that can drive innovation and consumer choice (Khan, 2022).

Digital Services

The agreement's emphasis on digital services, such as IT outsourcing and software development, aligns well with the strengths of Pakistan's burgeoning IT sector. Enhanced market access to China could significantly bolster Pakistan's exports in digital services, providing opportunities for local IT firms to collaborate with Chinese companies and tap into their expansive networks. This could also pave the way for joint ventures and partnerships that leverage China's technological expertise, allowing Pakistani firms to enhance their service offerings and compete more effectively in the global market (Khan & Wu, 2021).

Technological Collaboration

The China-Pakistan FTA serves as a framework for increased collaboration in technology transfer, capacity building, and infrastructure development. China's advancements in digital infrastructure provide an opportunity for Pakistan to bridge its digital divide, particularly in rural areas where access to technology and the internet remains limited. Initiatives aimed at improving broadband connectivity and establishing digital hubs can create a more inclusive digital economy, enabling underserved populations to participate in the digital landscape. Additionally, this collaboration can lead to the establishment of training programs and workshops that equip the local workforce with necessary digital skills, further enhancing Pakistan's competitive edge in the technology sector (Khan et al., 2021).

In summary, the inclusion of digital trade in the China-Pakistan FTA holds substantial promise for transforming Pakistan's digital economy. By fostering growth in e-commerce, digital services, and technological collaboration, the FTA can unlock new opportunities for Pakistani businesses and consumers alike. However, realizing this potential will require ongoing efforts to address challenges related to infrastructure, regulatory frameworks, and digital literacy. With proactive measures and strategic partnerships, Pakistan can harness the benefits of the FTA to foster a dynamic and resilient digital economy (Khan & Wu, 2021).

CHALLENGES AND RECOMMENDATIONS

Despite the significant potential benefits of digital trade under the FTA, several challenges must be addressed to fully capitalize on these opportunities.

Capacity-Building

A primary challenge for Pakistan is the need for substantial investment in digital infrastructure, regulatory frameworks, and human capital. The country's current digital infrastructure is underdeveloped, particularly in rural areas, which limits access to technology and online services. To overcome this barrier, the government should prioritize initiatives aimed at improving internet connectivity, enhancing digital payment systems, and providing support for local e-commerce platforms. Furthermore, capacity-building programs focused on digital literacy and skill development are essential to equip the workforce with the necessary skills to thrive in a digital

economy. Collaborations with educational institutions and private sector partners can help design training programs tailored to industry needs, fostering a more skilled workforce (Khan et al., 2022).

Regulatory Alignment

Another significant challenge is the need for greater regulatory alignment between China and Pakistan. The success of digital trade hinges harmonizing regulations in critical areas such as data protection, privacy, and cybersecurity. Both countries must engage in dialogues to establish clear and consistent regulatory frameworks that protect consumers and businesses while facilitating cross-border trade. Pakistan can benefit from studying China's regulatory approaches to digital trade and adapting best practices to suit its context. Joint initiatives to develop standards and protocols for data sharing and cybersecurity can enhance trust between businesses and consumers in both markets, fostering a more secure digital trading environment (Khan, 2024).

WTO Engagement

Active engagement in WTO negotiations on digital trade is crucial for Pakistan to ensure that its interests are adequately represented on the global stage. As digital trade evolves, issues such as data localization, e-commerce taxation, and intellectual property rights are becoming increasingly prominent in international discussions. Pakistan should work collaboratively with other developing nations to advocate for fair trade practices that consider the unique challenges faced by emerging economies. By actively participating in WTO discussions, Pakistan can contribute to shaping a regulatory environment that supports its digital economy while addressing the concerns of its local businesses and consumers (Khan, 2023).

While the China-Pakistan FTA presents significant opportunities for the growth of Pakistan's digital economy, addressing the challenges of capacity-building, regulatory alignment, and active engagement in international forums is essential for maximizing these benefits. By implementing strategic recommendations in these areas, Pakistan can create a more robust digital trade ecosystem that not only strengthens its ties with China but also enhances its competitiveness in the global digital economy. By fostering an environment conducive to digital innovation and collaboration, Pakistan can position itself as a key player in the rapidly evolving landscape of digital trade (Liu et al., 2023).

CONCLUSION

The FTA represents a significant opportunity for the growth of Pakistan's digital economy, promising to enhance market access, foster technological collaboration, and stimulate investment in digital infrastructure. As this research has demonstrated, the alignment of the FTA with WTO provisions on digital trade lays a solid foundation for increased e-commerce, digital services, and capacity building. However, to fully leverage these opportunities, Pakistan must address several critical challenges, including the need for substantial investment in infrastructure, regulatory harmonization, and proactive engagement in international trade discussions. The implications of this research extend beyond academic interest, as they highlight the urgent need for policymakers, business leaders, and stakeholders to collaborate on building a resilient digital economy. By

prioritizing initiatives that enhance digital literacy, improve regulatory frameworks, and strengthen partnerships with international counterparts, Pakistan can create a more favorable environment for digital trade.

Future research could explore specific case studies of successful digital trade initiatives within the context of the China-Pakistan FTA, providing valuable insights into best practices and lessons learned. Additionally, examining the experiences of other developing countries that have engaged in similar trade agreements may offer further guidance on navigating the complexities of digital trade.

In conclusion, the importance of fostering a robust digital economy in Pakistan cannot be overstated. As digital trade continues to shape the global landscape, embracing the opportunities presented by the FTA while addressing the associated challenges will be crucial for Pakistan's economic growth and development. Through concerted efforts and strategic planning, Pakistan can position itself as a leading player in the digital economy, reaping the benefits of increased trade, innovation, and collaboration with China and beyond.

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