Open Access

*Special Communication*

# Beyond the Corridor: Toward a China-Pakistan Health Economy Cooperation Model for the Global South

*Xiao Man[1], Yang Guang[2], Qu Qiumei[3]*

**SUMMARY**

Against the backdrop of the accelerating restructuring of global health governance, the continuous growth of health needs in countries of the Global South, and the high-quality development of the Belt and Road Initiative, health cooperation between China and Pakistan is gradually shifting from traditional public health assistance to health economic cooperation. This article analyzes the pathways for cooperation from six dimensions: First, deepening cooperation on medical investment, which serves as the cornerstone for the integration of health markets. Second, promoting the facilitation of pharmaceutical trade; third, developing trade in medical services; fourth, cultivating the digital healthcare market; fifth, advancing medical tourism cooperation; and sixth, establishing a regional healthcare market. Based on this analysis, this manuscript proposes policy recommendations in three areas: for China, promoting the coordinated development of the Health Silk Road and the China-Pakistan Economic Corridor; for Pakistan, strengthening its domestic healthcare industry and health financing capabilities; and for countries in the Global South, establishing a regional health economy cooperation platform.

**KEYWORDS:** Global Health Governance, Healthy Economy, Healthcare Investment, Pharmaceutical Trade, Healthcare Services, Digital Healthcare, Medical Tourism, Regional Healthcare Market.

**doi: https://doi.org/10.12669/pjms.42.11.20638**

***How to cite this:*** *Man X, Guang Y, Qiumei Q. Beyond the Corridor: Toward a China-Pakistan Health Economy Cooperation Model for the Global South. Pak J Med Sci. 2026;42(11):3156-3159. doi: https://doi.org/10.12669/pjms.42.11.20638*

This is an Open Access article distributed under the terms of the Creative Commons Attribution License (CC BY 4.0) (https://creativecommons.org/licenses/by/4.0/), which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

1. Xiao Man,
PhD Scholar,
School of Economics,
Harbin University of Commerce,
Harbin, China.
School of Economics and Management,
Heilongjiang Agricultural Reclamation Vocational College,
Harbin, China.
2. Dr. Prof. Yang Guang
Business Economics Research Institute,
Harbin University of Commerce,
Harbin, China.
3. Dr. Qu Qiumei
Visiting Lecturer,
Department of History & Pakistan Studies,
University of the Punjab,
Lahore, Pakistan.

Correspondence:

Dr. Prof. Yang Guang
Business Economics Research Institute,
Harbin University of Commerce,
Harbin, China.
Emai: qqm13099841256@163.com

* Pre submission Review: July 16, 2026
* Received for Publication: August 05, 2026
* Revision Received: September 01, 2026
* Revision Accepted: September 20, 2026

## INTRODUCTION

The China-Pakistan Economic Corridor has entered what is widely referred to as CPEC 2.0—a strategic transformation that fundamentally redefines the scope and logic of the partnership.[1] Unlike the infrastructure-intensive first phase, CPEC 2.0 emphasizes industrialization, agricultural modernization, technology transfer, and socio-economic development.[1] The ultimate manifestation of this transformation is what this paper refers to as "health market integration"—the highest level of the health economy framework, encompassing six interrelated dimensions: healthcare investment, pharmaceutical trade, trade in healthcare services, the digital health market, medical tourism, and regional healthcare markets. Together, these dimensions form a self-reinforcing ecosystem that drives bilateral health cooperation from project-based aid toward a sustainable, market-driven health economy.

## METHODOLOGY

This manuscript is based on the summary of earlier research studies on the China-Pakistan Health Corridor and official policy documents, such as the State Council,

the National Development and Reform Commission, the Ministry of Foreign Affairs. Furthermore, Academic institutions.

***Deepening Cooperation in Healthcare Investment:*** Investment in the healthcare sector is a cornerstone of integration in the health market. Nearly 90% of the raw materials used in Pakistan's pharmaceutical industry are imported. Only 5% of the APIs used in Pakistan's pharmaceutical sector can be produced domestically; the remaining chemicals are imported. The inherent risk of supply chain disruption is increased by this substantial reliance on imported raw materials.[2] At the Pakistan-China B2B Investment Conference on Pharmaceuticals, Healthcare, and Biotechnology, held in Islamabad on July 17-18, Haroon Akhtar Khan noted that Pakistan's pharmaceutical industry currently relies on imports for nearly 90 percent of its raw materials. He emphasized that attracting Chinese investment and advanced technology would significantly enhance domestic production capacity, reduce reliance on imports, and improve export competitiveness.[3]

***Promoting Trade Facilitation in the Pharmaceutical Sector:*** Medical trade is the second dimension of integration in the healthcare market. Pakistani pharmaceutical companies are highly eager to collaborate with China, and the Pakistani government has introduced a series of incentive measures including tax breaks, tariff reductions, land use policies, and streamlined approval procedures-to promote bilateral cooperation. The China-Pakistan medical trade relationship is characterized by significant complementarity. Pakistan holds a clear advantage in the field of medical consumables, such as surgical instruments, and demand for high-value medical products continues to grow. China boasts a comprehensive medical product supply chain and holds a comparative advantage in high-end medical devices, such as imaging equipment and diagnostic products.[4]

***Developing Trade in Medical Services:*** Trade in medical services is the third dimension of health integration, encompassing cross-border medical services, cooperation in medical education, and professional exchanges. A telemedicine conference held in 2024 connecting multiple hospitals in Pakistan's Gilgit region with hospitals in China's Kashgar region in Xinjiang serves as an example of this dimension. Medical education and professional training are a growing component of trade in medical services

***Developing the Digital Healthcare Market:*** Digital healthcare is the most dynamic aspect of health integration. Pakistan's e-health sector holds immense strategic opportunities, and its advantages are particularly evident when viewed through the lenses of human-centered design (HCD) and design-oriented innovation (DOI). The development of "digital health" under the China-Pakistan Economic Corridor (CPEC) benefits from natural conditions such as a large population base, high demand for healthcare, and relatively weak healthcare infrastructure. Technological advancement is a double-edged sword; if the conveniences brought by information technology can be leveraged while effectively protecting privacy, it is expected to advance the overall improvement of public health in both China and Pakistan through digitalization and informatization.

***Promoting Cooperation in Medical Tourism:*** Medical tourism is an emerging sector with significant growth potential. Pakistan's unique geographical location and cultural heritage, combined with China's advanced medical technology and cost-competitive healthcare services, create a complementary advantage. The construction of medical facilities along the China-Pakistan Economic Corridor will not only ensure the health and safety of goods transported along the corridor but also enhance tourism along the route.[5] Pakistan's diverse geography, ranging from coastal areas to mountainous regions, combined with China's expertise in the medical field, is expected to position the China-Pakistan Economic Corridor as an emerging medical tourism destination for Central Asia, the Middle East, and other regions.

***Building a Regional Healthcare Market:*** The Action Plan explicitly positions the China-Pakistan Economic Corridor as a model for health cooperation under the Belt and Road Initiative, and is expected to provide a "China-Pakistan solution" for regional and global health governance. The China-Pakistan health cooperation model which is development-oriented and centered on capacity building will help address the long-standing issue of development imbalances in current global health governance.[6]

## POLICY RECOMMENDATIONS

***Recommendations for China: Promote the Coordinated Development of the Healthy Silk Road and the China-Pakistan Economic Corridor.***

Since its official launch in 2016, the Healthy Silk Road initiative has gone through three distinct phases: institutional inception (2016–2018), mechanism development (2019–2021), and institutional consolidation (2022–2025). To this day, the Health Silk Road continues to face ongoing challenges. To address these challenges, China should take the following steps: establish a dedicated subcommittee on public health to align the Health Silk Road initiative with the broader development goals of the China-Pakistan Economic Corridor (CPEC). This mechanism will ensure that health projects are not viewed as isolated humanitarian gestures, but rather are integrated into the corridor's industrial and economic planning. The transition from "hardware export" to "joint institutional development" requires institutional mechanisms that go beyond project-level cooperation.[6] China's health cooperation model should be guided by the principle of "joint development and co-construction rather than one-

way aid." Health investments should be structured around commercially viable joint ventures, technology licensing, and local manufacturing—particularly in the pharmaceutical, medical device, and biotechnology sectors—and move away from a model that relies primarily on grant-based aid.

China's medical technology excels in the use of AI-assisted diagnosis and treatment, telemedicine, big data applications, and digital health platforms. Pakistan has adopted Alibaba's DAMO Academy's AI technology for multi-cancer screening, highlighting the need for China to systematically transfer technology, invest in infrastructure, and share knowledge with Pakistan to support the implementation of Pakistan's National Digital Health Framework 2022–2030.

One of the most important components of the Health Silk Road is traditional Chinese medicine (TCM). We will consolidate and expand cooperation between China and Pakistan in the field of traditional medicine and actively promote the "going global" of TCM. Based on the characteristics of traditional Chinese and ethnic medicine, we will carry out targeted cooperation in areas such as TCM healthcare, education, scientific research, and industry. Through a model that combines government guidance with market-driven operations, we will actively support and encourage TCM enterprises to "go global" and expand overseas markets for traditional Chinese medicine. We will actively promote the joint development and formulation of standards related to traditional medicine, advance the establishment of an international certification and accreditation system for traditional medicine in Pakistan, and enhance the competitiveness and influence of traditional Chinese and Pakistani medicine. In 2022, the China-Pakistan Traditional Medicine Alliance was established in Jinan, China. This alliance will promote research, professional training, and the application of modern technologies to strengthen cooperation in the field of traditional herbal medicine. The alliance provides an institutional model for deepening cooperation in this field.

Promote the dissemination of China's health development philosophy; encourage health policy research and exchange activities with Pakistani academic institutions and experts; and share China's experience in health policy formulation and health system reform. Promote the dissemination of China's health development philosophy; encourage health policy research and exchange activities with Pakistani academic institutions and experts; and share China's experience in health policy formulation and health system reform.

***Recommendations for Pakistan: Strengthen the Domestic Healthcare Industry and Health Financing Capacity***

Pakistan's health system is characterized by "the lack of a comprehensive healthcare system and health insurance program," "relatively insufficient investment in medical education," and "an uneven distribution of healthcare resources between urban and rural areas," among other issues. To address these structural weaknesses, Pakistan should take the following steps:

- According to Pakistan 2022: Status of Health Financing, public expenditure on health in Pakistan accounts for approximately six percent of total government expenditure, compared to an average of ten percent in developing countries and 15 percent in high-income countries (HICs). To this end, the Pakistani government should adjust its technical support to enhance the government's capacity to manage the implementation of national strategies, plans, and reforms, thereby maximizing the impact of its collective investments. Particular emphasis should be placed on adjusting support to accelerate the regional implementation of universal health coverage programs; establishing national capacity for evidence-based improvements in primary health care; and strengthening coordination mechanisms among multi-stakeholder partners to develop national and provincial health financing strategies.
- To comprehensively promote Chinese investment in Pakistan's healthcare sector, the National Institutes of Health (NIH) will establish a dedicated service desk for Chinese companies, marking a significant institutional innovation. This service desk will serve as a one-stop platform to streamline communication and support processes, with the aim of facilitating Chinese investment in local pharmaceutical production, focusing on addressing Pakistan's shortages of essential active pharmaceutical ingredients and vaccines.
- Pakistan faces a severe shortage of trained healthcare professionals, with a doctor-to-population ratio of 1:1,127 (far below international standards); the shortage of nurses is even more acute. "Training healthcare professionals is a long and costly process, yet Pakistan's investment in medical education remains relatively insufficient."[6] Pakistan should expand its medical education capacity, particularly in underserved areas, and develop competency-based training programs that meet international standards. Training programs have already been established under the framework of the China-Pakistan Economic Corridor-doctors from Pakistan and Tajikistan, along with 90 local general practitioners, gathered at Kashgar First People's Hospital for the "Belt and Road" International General Practitioner Training Program. The training covered the fundamentals of general practice, chronic disease management, infectious disease prevention and control, emergency response, and collaboration with primary-care specialists.

***Recommendations for the Global South:*** Building a Regional Platform for Health and Economic Cooperation

The China-Pakistan health economic model offers valuable lessons for other developing countries seeking to build autonomous health systems while engaging in international cooperation. This model represents a "development-oriented approach to global health governance" that addresses the limitations of the traditional donor-recipient framework. The following recommendations are directed at governments and regional organizations in the Global South:

- First, establish a regional health economy platform modeled after the CPEC framework. The 16th BRICS Health Ministers' Meeting, held in Chandigarh in July 2026, reaffirmed the commitment to "strengthening health systems, pandemic preparedness, digital health, and universal health coverage" and established the BRICS Network of National Public Health Institutes. Other regional organizations—including ASEAN, the African Union, and the Shanghai Cooperation Organization—should develop similar mechanisms to integrate health cooperation into broader economic and infrastructure development frameworks.
- Second, promoting horizontal cooperation rather than vertical, disease-specific projects. Traditional global health governance is characterized by vertical, disease-specific projects, which often fail to build sustainable health system capacity. The CPEC health economic model emphasizes horizontal integration—linking health with infrastructure, industrial development, and economic growth. Brazil's Fiocruz has been redesignated as a WHO Collaborating Center for Global Health Diplomacy and South-South Cooperation (2026–2030).
- Third, prioritize technology transfer and local manufacturing capacity. Chapter 8, "Trade and Payments," of the Pakistan Economic Survey 2021–22 states: "Pakistan imports over 90 percent of its APIs/pharmaceutical raw materials from abroad, especially from India and China." The World Health Organization (WHO) Regional Office for Africa notes in its report "Essential Medicines" that "an average of 70%–100% of pharmaceutical products in Africa are imported." China's in-depth technology transfer to Pakistan in the medical field serves as a model for other countries.
- Fourth, adopt digital health as a catch-up strategy. Cooperation between China and Pakistan in areas such as AI-based diagnosis, telemedicine, and digital health has been documented as a best practice for other developing countries.
- Fifth, establish a South-South Health Investment Fund. The Global South should explore the establishment of a regional health investment fund to leverage public and private capital to support health infrastructure, technology transfer, and local manufacturing capacity.

## REFERENCES


1. Rui Y, Qiumei Q. Sustainability and Localization of Health Infrastructure under CPEC 2.0: Toward a Self-Reliant Health System in Pakistan. Pak J Med Sci. 2026;42(5):1279-1284. doi: https://doi.org/10.12669/pjms.42.5.16529
2. Trade Development Authority of Pakistan. *Pharmaceutical Sector Report.* Karachi: Trade Development Authority of Pakistan.
3. *146 leading Chinese companies to participate in B2B Investment Conference:* Haroon [Internet]. 2026 Jul 16 [cited 2026 Aug 1]. Available from: URL
4. Tong Z, Qiumei Q. Medical Technology Transfer and Health System Capacity Building in Pakistan: Evidence from the China–Pakistan Economic Corridor. Pak J Med Sci. 2026;42(4):1026-1034. doi: https://doi.org/10.12669/pjms.42.4.16011
5. Qiumei Q, Pingjia L. Health along the corridor: Medical cooperation and public health development under the China-Pakistan Economic Corridor, 2016-2025. Pak J Med Sci. 2026;42(2):541-545. doi: https://doi.org/10.12669/pjms.42.2.14527
6. Tong Z, Qiumei Q. From Cooperation to Governance: Institutionalizing Health Cooperation under the China–Pakistan Economic Corridor. Pak J Med Sci. 2026;42(6):1534-1538. doi: https://doi.org/10.12669/pjms.42.6.19598