

Q. CPEC is at 10. What are milestones achieved during the decade. Discuss challenges and geopolitical implications for Pakistan.

Introduction:

July marked the 10th anniversary of CPEC (China Pakistan Economic Corridor), a pivotal element of China's ambitious Belt Road Initiative (BRI). In 2015, while inauguration of CPEC, Xi Jinping addressed the Parliament of Pakistan with Chinese saying, "Strong winds reveals the grass strength and genuine gold stands the test of fire." It's been a decade and it has made significant advancements in the promised sectors. However, it has also posed certain internal and external challenges. After the decade long recent developments, it is safe to say that CPEC has withstood strong winds of criticism and false propaganda. Future prospects depend on its progress through existing challenges.

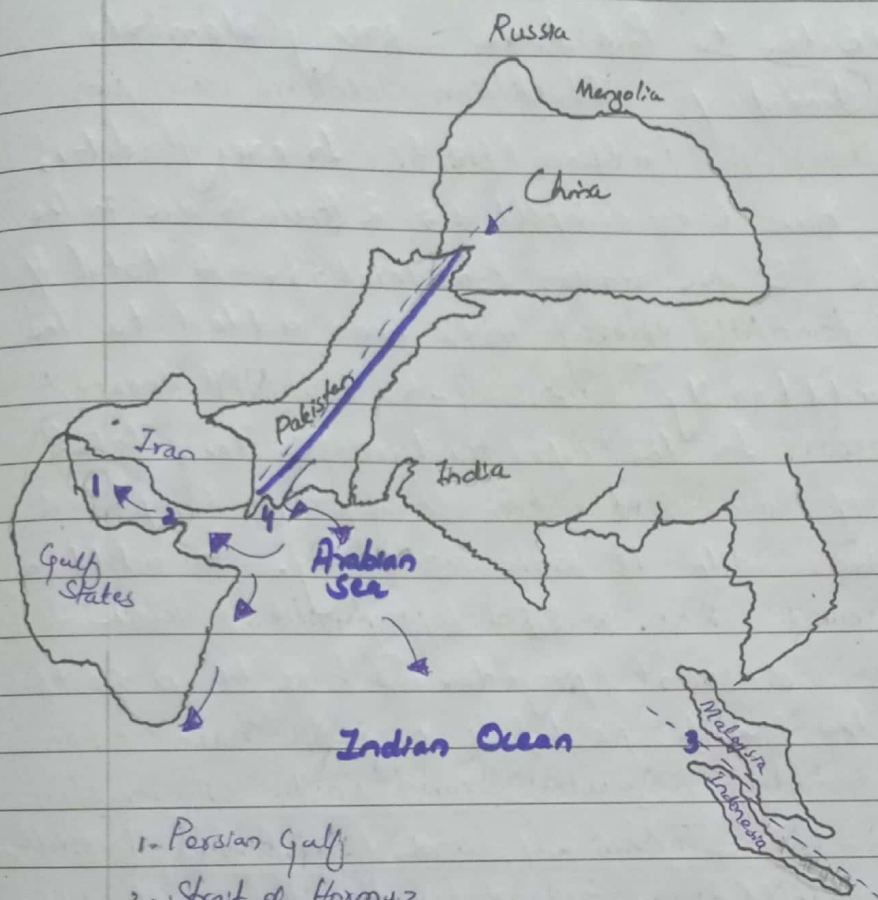
What CPEC Is.

Blueprints for initial plan of CPEC constituted that BRI paves the way for economic cooperation and regional - interregional connectivity that will lead to collective prosperity. CPEC is mainly divided into three phase: Phase I was related with development of infrastructure and energy projects; Phase II deals with development of special Economic Zones and industrial build up. Phase III regards for tourism and human resource cooperation.

Phases	Objectives	Major Projects (by 2023)
Phase I 2015-20	Energy and Infrastructure developments	<ul style="list-style-type: none"> - 1320 MW Sahiwal Coal Power Plant • 1320 MW Coal Power Plant at Port Qasim Karachi • 1320 MW Coal Power Plant Hub Balochistan • Peshawar-Karachi Motorway • Orange Line Metro Train Lahore • Cross Border Optical Fibre Cable (Khunjerab-Rawalpindi) • Hakra-development of Port and free zone (7 energy and 18 infrastructure projects).
Phase II 2021-25	Special Economic Zones and Industrial Buildups	<ul style="list-style-type: none"> • Gwadar Smart Port City Master Plan • China Technical and Vocational institute Gwadar • Gwadar Eastbay Expressway
Phase III 2023-26	Tourism and Human Resource Cooperation	

CPEC Significance For China :

Over the past 10 years, CPEC has been pertinent in strengthening Pakistan and China withstanding regionally and globally, through development of new trade routes, promoting developmental projects and setting new Economic Zones.



1. Persian Gulf
2. Strait of Hormuz
3. Strait of Malacca
4. CPEC

CPEC has provided China maritime route to Arabian Sea and Indian Ocean. Furthermore, CPEC grants it access to Strait of Hormuz and Persian Gulf, thus will connect China with Middle East, Europe and Africa. China imports 70-80% of Hydrocarbons from Middle East through Strait of Malacca which is vulnerable to disruption and blockade by enemy. Moreover, CPEC provide an alternative overland energy corridor to China which is three thousand kilometers long and is shorter than 12000km Sea route via Malacca. CPEC reduces China's dependency on Malacca's Strait.

Significance for Pakistan:

CPEC contributes to Pakistan's energy demands through investment of 25 billion dollars as per article published in *Paradigm Shift*. In energy sector, 14 projects have been completed; 2 (have) are in the progress and 5 are under consideration. A total of more than 7000MW energy has been added to the grid and additionally more than 4000MW energy is in the process. In the infrastructure sector, total 6 projects of around 1600km have been completed across provinces with 18 more underway. In addition to this, around 200,000 job opportunities were created in different projects. Out of 14 projects to develop the Gwadar port, 4 projects have been completed including Gwadar Smart-party city master plan, Pak-China Technical and Vocational Institute Gwadar, Pak-China Friendship Hospital and Gwadar East Bay Expressway.

Some of the phase I projects, which were supposed to be completed by 2020 are still in progress. Therefore Phase I cannot be considered technically completed, despite a delay of three years. Though the milestones achieved are significant enough to consider its progress, but the internal as well as external challenges that CPEC has faced - cannot be denied.

SWOT Analysis of CPEC : In Perspective of Pakistan

Strengths

- A decade has already completed.
- Recent developments with China on joint cooperation committee.
- 14 energy projects have completed.
- 6 infrastructure projects have already completed.
- Phase II of CPEC is in progress.

Weaknesses

- Strong opposition by US since its inauguration.
- Delays in phase I projects.
- Economic struggles.
- Terrorists attacks on Chinese workers.
- Political instability.
- Security issues due to internal and external (non-state) actors.

Opportunity

- Potential for significant energy trade routes for future projects.
- Potential to attract SCO members.
- Potential to create additional job opportunities for around 1.2 million people.
- Attraction for Arab investments in CPEC projects.
- Easing of VISA among SCO members.
- Chances for investments like CIMS.
- Shift to renewable energy resources through mediation of other states.

Threats

- Threat from strong alliances like QUAD, AUKUS, B3W.
- Baloch insurgencies due to concerns of shift in global demographic balance.
- Terrorism's revival.
- Diverse terrains along CPEC routes.
- Strategic location of Gwader make it prone to militant attacks.
- Security Dilemmas.
- Security situation of Afghanistan.
- Indian skepticism towards BRI.
- Opposition from US may affect timely completion of CPEC.

Challenges and Potential ^{Impacts} (Solutions):

CPEC is facing numerous challenges, that need to be addressed properly so that they could be resolved in a better time frame. Some of potential challenges and their impacts are given below:

1- Security Issues :

Since the fall of Kabul, Pakistan is facing internal and external threats. Revival of terrorism, insurgencies in the provinces and attacks on Chinese engineers and infrastructure are the challenges which need to be addressed.

Impact:

These issues cause a delay in project implementation thus leads to cost escalation due to rising inflation.

2- Political Instability :

Political Instability is also an important challenge to CPEC as its projects and policies need to be continuously implemented. However, the regime change may turn the CPEC from most prioritized to least prioritized for some officials.

Impacts:

Political instability cause serious disruption in project planning as well as implementation.

3- Land Acquisition and Compensation Issues :

The owners of land need to

be compensated in best possible way. However, low payments and forced acquisition create challenges in implementation of projects.

Impact:

The owners of land may either involve into legal proceeding or hold protest against public officials.

4. Bureaucratic Red Tapes:

The long tiresome procedures of bureaucracy are a hurdle in way of implementation of projects. Inflexibility in bureaucratic structure is challenging for CPEC.

Impact:

All these issues cause administrative delays which lead to other challenges.

5. Funding Gaps:

Pakistan is a developing country, which is already struggling in its economic sectors. Funding gaps are also one of the important factors in implementation of CPEC.

Impact:

Funding gaps lead to slow progress of the projects. Some of the projects have already been delayed.

6. Other Challenges and Their Impacts

Challenges	Impacts
- Technical challenges	Delays and difficulties in project design.

- - Conduction of EIA
- - Local Opposition
- - Infrastructure gaps
- - Geopolitical factors
(involvement of regional players)

Regulatory delays
Protests and Delays
Project cost expansion
Uncertainty and diplomatic
challenges.

Conclusion :

CPEC has great potential to change fate of economy of Pakistan. The need of hour is to identify the potential challenges, their impacts and propose remedies for them. The main factor which is pertinent is implementation of those remedies. Discussion and implementation of solutions to potential threats can further improve the delays and hurdles in way of CPEC.

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