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China Pakistan Economic Corridor.

Outlines

I. Introduction

Thesis statement, China Pakistan Economic Corridor is a flagship project of BRI in 21st century. It is composed various sectors: Energy, infrastructure, Gwadar port, special economic zones and agriculture. It has multiple effects on the region and the country, Pakistan.

II. Bird view of CPEC

III. Prospects of the CPEC

- (a) Alleviating energy crisis.
- (b) Improving infrastructure and connectivity in Pakistan
- (c) Improving Gwadar port
- (d) Cooperation in industrial sector
- (e) Cooperation in agriculture sector
- (f) Cooperation in information technology

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(g) Development of education sector.

IV. Challenges to the CPEC

- (a) External challenges
- (b) Internal challenges

V. Economic gains from this project

VI. Impact on the region

(a) Gateway to middle East and Europe

(b) Serve as economic hub

(c) Shortest route to China for flung areas

(d) Offer trade services to landlocked countries

(e) Counter Indian hegemony in South Asia.

VII. Social effects of CPEC

(a) Improve economy

(b) Enhance FDI

(c) Overcome energy crisis

(d) Development of roads, railway and infrastructure

(e) Lift millions of people out of poverty

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(f) Generate employment opportunity
~~the~~ Conclusion

China Pakistan Economic Corridor (CPEC) is a flagship project linked to BRI project of 21st century. It is comprising various sectors like energy projects, renewable and non-renewable, infrastructure projects, including rail, roads, highways, motorways and expressways, development of Orsaday projects, Special economic zones / industrial sectors, cooperation in online connectivity, textile expo and development in education sector. Further, the project has multiple challenges: external and internal. In addition to that, it has multiple effects on the region and the country. The region impacts, including gateway to Middle East, serve as economic hub, shortest route to the far flung China provinces, offers trade

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services to the landlocked country such as Afghanistan, and counter Indian hegemony in the region, South Asia. Moreover, the effects on the country, including improve economy at the country, enhance FDI, address energy crisis, development in infrastructure, establishment of industries, improvement in agriculture sector, lift millions of people out of poverty and creation of employment opportunities. ~~in~~
~~the~~

The China Pakistan Economic Corridor is the most important project at Belt and Road Initiative of 21st century. It is comprising 62 billion worth of US dollar. In 2013, China Pakistan agreed on bilateral trade via CPEC. It officially started in 2015 in the tenure of the then prime minister Nawaz Sharif. Nawaz was very interested in

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The corridor of comprised various sectors like energy, infrastructure, development at Guadalupe port, industrial zones, special economic zones, agriculture sector, science and technology and information technology. According to latest update 14 projects of energy have been completed with the investment of 15 billion us dollar (200 MW HVDC transmission line). Two projects are under construction with the investment of 0.5 billion us dollar, others projects are in ^{the} planning and pipeline. Further, infrastructure including 3000 km of railways, roads, waterways, highways and expressways. Some of the infrastructure related projects completed and some are under construction and in pipeline. Development at Guadalupe is also under construction, more than half of the works is completed. Similarly special economic

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Zones are under construction across the country. There are a special economic zones were installed; two in each Punjab, Sindh, and Balochistan and one in each KP, Gilgit and AJK. Furthermore, cooperation in agriculture under the CPEC also underway.

It will improve the productivity of agriculture to deal with the food insecurity. In addition to that, optical fiber wire, 850 km, to be laid from China to Rawalpindi.

The project has multiple challenges; external and internal. It has

multiple effects on the region. It is a gateway to Middle East and

Europe, serve as economic hub, shortest route of trade, offers

trade opportunity to landlocked countries like Afghanistan. Likewise,

it has multiple effect on the country like improve economy and enhance

foreign direct investment. According to World Bank, the economy

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of the country will improve by 4.43% of the countries linked to BRI and 0.67 percent non-participatory countries and 0.67 percent of the world. It also created thousands of jobs in various sectors like 70 thousand jobs created in Orange line Main, thousands of jobs created in other sectors like infrastructure, energy and special economic zones. Therefore, CPEC has multiple prospects, challenges and effects on the country and region.

Energy sector is one of the most important projects of investment under the CPEC. As Pakistan has been facing energy shortage for the last couple of years. The worst energy crisis hit the country in 2007, when the oil prices hiked and distribution companies were unable to oil companies resulted in energy blackout in the country. Almost,

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According to dawn newspaper the entire system of the Wapda tripped for 9 times in the period of 75 years. The country faced worst energy shortage even 10 hours loadshedding in urban areas and 22 hours in rural areas. 14 projects of the energy sector have been completed under the CPEC project with the investment at 15 billion dollar (8000 MW HVDC Transmission line). Two projects are under construction with the investment (1100 MW) of electricity. According to estimates 7040 MW added to the system and 3340 MW of electricity is ~~the~~ added to the transmission. To total 21 projects are working under the CPEC, remaining five projects are in planning and pipeline, most of the focus is on the renewable energy projects, as they are cheap and environmentally friendly.

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Investment in infrastructure is the second most important projects of the CPEC. Infrastructure includes railways, roads, motorways, highways and expressways. The China-Pakistan cross-border economic belt, linked by the China-Pakistan Karakoram Highway, has taken a shape under CPEC. Through international logistics nodes such as Rawalpindi, Karachi and Peshawar, Pakistan serves to transport products from western China to the countries in the Middle East and the Indian Ocean via transit transport. Therefore, infrastructure connectivity is also one of the most important areas in the early harvest projects of CPEC. The Karakoram Highway phase-2 (Havelian to Thakot section) is 118.194 km long, including 39.305 km of expressway and 78.889 km of secondary highway. The project officially

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Started on September 1, 2016. Currently more than half of the project has been completed.

The section from Sukkar, Sindh in the south to Multan, Punjab in the north, of the Karachi-Peshawar expressway is 398 km long, with the investment 2.84 billion dollar.

The construction was undertaken by China State Construction Engineering Corporation. The project officially started ~~in~~ in August, 2016. The 33 km section from Multan to Shujabad was opened to traffic 15 month ahead of schedule on May 26, 2018. The Karachi-Peshawar expressway is designed with six lanes in two directions and a speed of 100 km/h. It will greatly improve the traffic in the two cities upon the completion.

The Lahore Orange Line rail transit project was started in 2010. The line is 25.58 km long and is

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organized into five carriages, each carrying 200 passengers. The train started from Ali Town and terminates at Dera Gajran. The total distance can be covered in 45 minutes with stops on 14 stations, compared with 2.5 hours at the road travel between the two places. According to the design plan, the orange line will have a capacity of 250,000 passengers per day at the beginning of the operation, which will be further increased to 500,000 passengers per day by 2025. Over the past five years, 51,000 direct jobs were created in the road infrastructure sector under the CPIC projects, of which 11,000 were created specifically for local Pakistanis. Further, infrastructure projects are expected to spur the development of Pakistanis beginning-related industries and attract more foreign investment.

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Qawadar port has taken a new look in the past five years. The port roads, storage yards, loading and unloading equipment, seawater desalination, oil supply and port monitoring facilities have been further improved. Five new container bridge cranes; 100,000 m² storage yards; container scanning equipment; 330,000 gal desalination plant, oil supply lines sewage treatment system; 80,000 m² new green space; and new LPGA receiving station have made the port capable of handling bulk cargo, containers, roll on roll off cargo and LPGA. The container lines service was officially launched at Qawadar port on March 7, 2018. The Qawadar - Middle East express was opened, connecting Qawadar with other major ports in the world. These enterprises will accomplish an annual output value of over RMB5 billion and

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create more than 5,000 jobs after
and being put into operation.
The 800 km China Pakistan
cross border optical fiber project
which is laid between the city
of Rawalpindi, Pakistan in the
south, China in the north, was
completed and opened on July
13, 2018. On March 30, 2019, China
and Pakistan held first strategic
dialogue between foreign ministers
and reached broad consensus. The
then foreign minister Shah Mehmood
Qureshi noted the Pakistanis are
committed to promoting CPEC
construction and expanding bilateral
cooperation in various fields. State
Councilor Wang Yi said that CPEC
project is expected to be expanded
to a larger scope, including the
western region, in Pakistan, according
to vision plan of CPEC construction
agreed by both sides.

~~the enemies of the country.~~

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As per data available on the official website of CPTEC 2003, Pakistan and China has finalized nine SEZ to be developed in the first phase under the CPTEC. Four special economic zones namely Phabeji in Sindh, Bostan in Balochistan, Rashkai in KP, and Allama Iqbal Industrial zone in Punjab are at advanced stage of the development. Five special economic zones, Moarpondas in Gilgit Baltistan, Mirpur in AJK, Mohmand Marble city in Fata, and two federal special economic zones, Industrial Park on Pakistan Steel Mill land and ICT Model Industrial zone are in feasibility stage.

Similarly, cooperation in agriculture will be deepened. More than 65 percent of the population lives in rural areas, dependent on land. China's advanced agriculture and farming equipment will improve

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The agricultural production efficiency and increase the added value of agricultural products, so as to lift the farmers out of poverty. Given the dilemma of inflation, currency ~~de~~ devaluation, high interest rate, imbalance of trade and ~~insufficient~~ insufficient foreign exchange reserves in Pakistan in recent years, the development of agriculture will help in improving trade balance and foreign exchange reserves. Further, it will deal with the food insecurity in the country.

Likewise, the second textile expo was held in Lahore, Pakistan from April 11 to 14, 2019.

Pakistan's textile industry accounts for 60 percent of the country's total exports. Pakistan is one of the few countries in the world with a complete textile industry chain. The expo means a good

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opportunity for the development of the textile industry enterprises. Additionally, the second Cnwocter expo was successfully held on 28 and 29 March, 2019. It attracted more than 200 exhibitors from China and Pakistan, and cooperation agreements were signed in shipping logistics, agriculture, animal husbandry, Muslim food processing and so on.

The new Pakistani government attached great importance to the development of people's livelihood and aims to shape Pakistan a welfare state. EPFC consistent with local situation, has particularly has given priority to benefiting the people. Energy projects have been completed to meet the need of approximately 6.6 million people. The primary school and China Pakistan medical centers near Cnwocter have improved the education and medical condition.

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of the local people.

Pakistan faces several challenges to the implementation of the China Pakistan Economic Corridor.

These challenges can be defined as external and internal. According to Vice Director General of Policy Research at International Department of the Central Committee Communist Party of China, Dr. Luang Jiauzhang is of the view that political unrest, security threats and administrative issues are some of the great challenges in the way of successful completion of the corridor.

The construction of corridor has been defined by many as a strategic moment such as Pakistan has assumed the economic pivot of the whole region. This paradigm shift in circumstances is cause a great worry for the enemies of the country.

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India, Israel and US are unhappy. For India, CPEC is a Moyn in its paw. They have put their heads together to work out new strategies to block the project forward march. RAW has opened a special office in Delhi and has allotted 300 million dollar to disrupt the CPEC. Already one can notice sudden upsurge in the acts of terror in the three restive regions and activation of certain NCOs and Hindu fanatics will try to air misgivings and create fear psychosis. In Pakistan, some political parties: ANP, Pak MAP raised serious concerns to the CPEC project. Even PTI and JUI(F) showed inclinations to climb the bandwagon of anti-CPEC forces. Objections were being raised despite assurances by the government that this project will provide equal opportunities

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to all the provinces.

Security concerns have been the most critical challenges to the CPEC and both Pakistan and China have been trying to meet them. An arc of militancy stretches from Xinjiang to Rawalakot consisting of groups like East Turkistan Islamic Movement (ETIM), Tehreek-e-Taliban Pakistan (TTP), Lashkar-e-Jhangvi (LeJ), Daesh (ISIS), Balochistan Liberation Army (BLA), Baloch Liberation Front (BLF) and the militant wing of some political parties. Most of these groups may not have an ~~any~~ enmity with China itself but rather ~~to~~ intend ~~to~~ to attack Chinese interests like CPEC as a means to deal with the Pakistani State.

Rawalakot is the tail of Silk Belt which will reach Kashgar through different communication networks. The security of whole corridor and Rawalakot

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is a great concern for China. After military operations in different parts of the country, infrastructure of the militants still exists inside and outside the border, which will continue to pose a threat. The support of American CIA, Israeli Mossad and Indian RAW has continuously been assisting the militant groups and sub-nationalists in all the provinces to conduct subversive acts and using terrorist elements in the whole country to threaten the Pak-China plans of developing CPFC. In the past few years, they kidnapped and killed many Chinese nationals to destroy the project. Recently, a Chinese engineer's vehicle attacked by militants and killed five Chinese ~~not~~ engineers worker, working on CPFC projects. The Chinese workers suspended the work on all projects running under CPFC, owing to not being secured from security threats.

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An economic enterprises, for the CPEC, greatest challenge comes from competitors. The most significant is the Iranian port of Chabahar. India intends to invest 85 million dollar in the development of Chabahar, which lies few miles away from Gwadar and is part of its efforts for access to landlocked Afghanistan and Central Asia while bypassing rival Pakistan. Chabahar will be a way station for energy imports coming from Gulf region and destined for Afghanistan and Central Asia. It will be a gateway to Middle East, and possibly Europe for exports originating from Afghanistan and Central Asia. While the Chabahar port has not yet started due to on going talks on the Iranian nuclear issue, the Gwadar port has already become functional. However, there is no need for contention between these two ports. Iran has a stake in the CPEC through the proposal to link CPEC

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Iran-Pakistan gas pipeline

After the completion of CPEC project, Pakistan will become economic hub in the region

as most of the trade will be done through Gwadar port.

Besides, Chabahar port is an alternative route for China

for access to Middle East. But

there are serious concerns that the

Chabahar port of Iran, is facing

sanction from Americans and

European Union. These sanctions

also prevent Pakistan from trade

with Iran. For instance gas pipeline

is facing stalemate between the

two countries owing to sanction

on Iran. However, no alternative

route of Gwadar to China. Resultantly

Gwadar port is one of the most

significant ports in the world

in terms of Middle East.

Further, China-Pakistan Economic

Corridor, a shortest route to

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access Middle East from China.

As China has sea trade route: South China, East China Sea, Bay of Bengal and other routes. These routes are too long to reach the destination like Saudi Arabia and England.

A ship from China, through sea routes like East China Sea and West China Sea, takes 36 to reach Saudi Arabia. Further, it takes heavy cost to reach Saudi Arabia. China Pakistan

Economic Corridor will make shorten the route that a ~~ship~~ train will take only 11 days to reach Saudi Arabia from China. It will reduce the cost and it will ensure supplies at good. Finally, CPEC proved to be shortest route to access to Middle East.

Likewise, another salient feature of the CPEC route is that

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it will create opportunity to access trade for landlocked countries like Afghanistan. Further, it will be more beneficial than it could bring in the peace and stability in the region. As trade is one of the most important factors to de-escalate the tension between the countries so, trade through CPEC ~~to~~ ^{with} neighbouring countries will bring peace and stability in the region. As Afghanistan is considered a war-torn and war-ridden country in the region as well as in the world, it also develops friendly relations with India. In short, the project will be beneficial to the landlocked countries to access trade routes.

Similarly, India is considered a major power in the region, which is the major ally of the USA. USA supports India against the influence of China, Pakistan is major

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ally of China in the region. China is a major investor in Pakistan under the CPEC project it will improve the infrastructure and address the energy crisis which is responsible for transforming the economy of the country and living condition of the people. It ~~will~~ ^{will} be the most important benefit, reduce the Indian hegemony in the region and it will ~~it~~ also reduce the influence of USA in the region. Consequently, it will reduce the Indian hegemony and as well as influence of the USA.

There are multiple effects of CPEC on Pakistan: increased in GDP and annual growth rate in GDP. Further CPEC project enhanced FDI in the country, improve connectivity through investment in infrastructure development, decreased energy shortage and loadshedding by investment in energy sector of

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renewable sources. Similarly, the project improved the infrastructure in Gwadar port. In addition to that, special economic zones have improved the production of the country and export. Lastly, it also improved the agriculture in terms of productivity to overcome the food insecurity in the country. It will also deal with the social problem by creating a lot of jobs in the country.

To begin with, CPEC has increased the economic growth by improving the infrastructure connectivity among the provinces. It also increased the GDP of the country 90 percent. Pakistan GDP growth rate increased from 4.7 percent in 2015 to 5.4 percent in 2016 according to World Bank, and in 2017-18 GDP increased by 5.8 percent. Similarly, the total GDP has increased from 244 billion in 2014 to 300 billion dollars in 2017 and 13 billion dollar will

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be added by 2025, according to IMF. And the annual growth of the GDP is 9.5 percent till 2030, Applied Economic Research center. Similarly, CPEC project also enhance the FDI in the country. As development in infrastructure attracts the foreign investors to invest in the country and CPEC projects also compels the foreign investors to invest in the country. That is why, the foreign investment increased in the country ~~by~~ from 600 million dollar to 2.2 billion in the fiscal year 2017-18. After the completion of the project, it will ~~more~~ attract more foreign investors to invest in the country. It also improved the per capita income from 1341 dollar to 1641 dollar.

Likewise, the CPEC also overcome the energy crisis. According to the study we got, the electricity gap cost Pakistan annual average of 2.89 billion dollar. The

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loss of 13.5 billion dollar. The country is facing worst energy shortage in the history as the schedule of loadshedding was 99 hours in rural areas and more 10 hours in urban one. Multiple reason behind the energy crisis including line losses, theft, complicity of workers official and aging power station equipment and unnecessary usage of electricity in offices. However, cpec has potential to overcome the energy crisis in the country. As 14 projects related to energy have been completed under the cpec with the investment at 15 billion dollar and two under construction with investment 9.5 billion and some 5 project are in pipeline and planning. These include renewable and non renewable energy projects. More than 7000 MW electricity installed and 3340 MW added to the system. It also reduced the high loadshedding in the country. Further, renewable energy projects will also reduce the cost

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of energy. It will ensure affordable energy to the consumers, and improve the living standard of the country.

In addition to that renewable energy projects will help reduce the green house gas emissions and consequently reduced the climate change.

Investment in infrastructure will improve the connectivity on the one hand, and it will also transform the economic growth in the country. Various projects of the infrastructure development have been completed and some under construction planning and pipeline. Karakoram Highway project, Havelian- Thakot section, is 118.124 km, including 39.305 km of expressway and 78.819 km of secondary high, currently more than half of the project has been completed. The section from Sukkar to mullan of the Karachi expressway is 59 km long with total investment of 2.84 billion dollar. The Karachi-

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Peshawar is designed in 6 lanes in two directions. It will improve the traffic flow upon the completion. Further, Orange Line Train is also the part of CPEC project with total route of 18 km. It starts from Ahi Town and terminates to Para Crayvon. It has facilitated the people as it covered this route in 45 minutes compared with local traffic in 2.5 hours. It has five carriages and 14 stations and it carries 25,000 passengers in a day and it will further increase by 50,000 by 2025. It also created 8,000 jobs. In addition to it, 5,000 direct jobs created in infrastructure development, 4,000 for local people.

As per data available on official website of CPEC 2013, Pakistan and China ~~has~~ finalized that nine special economic zones to be established in Pakistan two in each Punjab, Sindh, and KP and one in each, Balochistan, Azad

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Kashmir and Gilgit Baltistan. These economic zones will improve the export of the country and will also improve the economy of the country. These economic zones will attract domestic and foreign investors to invest in the country. These will add to the GDP of the country. Further, thousands of jobs will also be created in this sector and it will help reduce the unemployment in the country. It has potential to create space for employment. Cooperation in agriculture sector will increase the will increase the agricultural production in this sector. China has advanced agriculture sector including live live stocks animal husbandry. It will help improve the productivity of the country. It would deal with the food insecurity in country and improve export of major crops wheat, rice, maize and pulses. The most important cause of agricultural

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crisis is lack of investment in agriculture sector and overuse of water in this sector. Investment in agricultural sector with through Chinese exports will reduce the agriculture crisis. As 65 percent of the population involved in this sector, this sector also shares 83% of the GDP. It will lift the millions of farmers out of poverty in the country.

In conclusion, China Pakistan Economic project is most significant project of the 21st century and part of the Chinese Belt and Road Initiative, a pilot project. It is comprised various projects of energy, renewable and non-renewable, projects infrastructure investment projects including rail, roads, motorways, highways and expressways Karakoram Highway and Sakkar section of Karachi to Peshawar including Orange line metro train in Lahore. It also included infrastructure development of Gwadar port. Further,

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9 special economic zones in Punjab
 Sindh and KP two in each, on the
 other hand in Gilgit Baltistan,
 Azad Jammu Kashmir and Balochistan.
 In addition to that, cooperation
 in agriculture sector as China
 has advanced farming and agriculture
 sector. There are multiple effects of
 the EPZC on the region and
 Pakistan. Effects on the region
 include Gateway to Middle,
 East, economic hub in the
 region, shortest to China's for
 flying provinces and to access to
 Middle East. It also offers opportunity
 to access trade and sea port to
 landlocked countries such as
 Afghanistan. It also a gateway to
 Central Asia and Europe. It will
 bring peace in the region through
 trade and cooperation. It will also
 help to deal with social, political
 and economic and security issues
 in the region. It would create

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The Indian hegemony in the region. China's influence will improve countering USA influence in the region. Moreover, many effects on Pakistan as it will improve the economy of the country and enhance FDI in the country. It will also overcome the energy crisis and improve infrastructure development and connectivity in the country. It will advance agriculture sectors of the country. Nearly one million jobs will create in the country, so it will decrease the unemployment rate in the country. However, there multiple challenges for the projects including internal and external security challenges is one of the most significant to the project. However, the current government has taken steps to counter the challenges facing the project. We hope it will be a game changer to the country.