

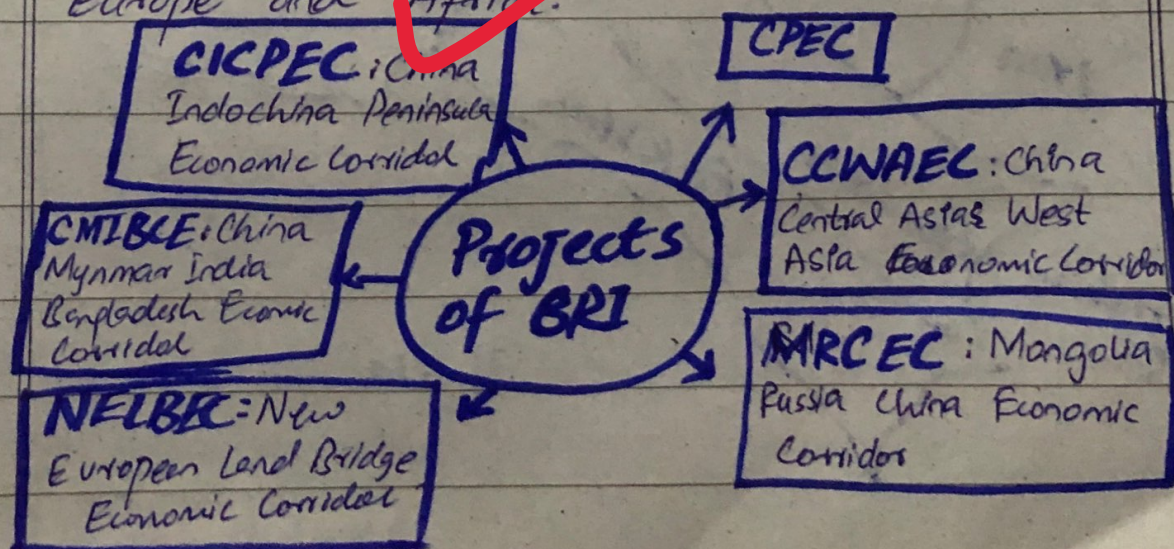
# QUESTION

Discuss the project idea of CPEC which is the great leap forward of economic regionalization in the globalized world. Explain its potential advantages, challenges and Future prospects.

## ANSWER

### INTRODUCTION

**China Pakistan Economic Corridor (CPEC)** is one of the project of **BRI (Belt and Road Initiative)**. BRI consist of 151 countries, which are comprised of 40 billion population and their combined GDP is **\$41 trillion**. Its aim is to connect Asia, Europe and Africa.



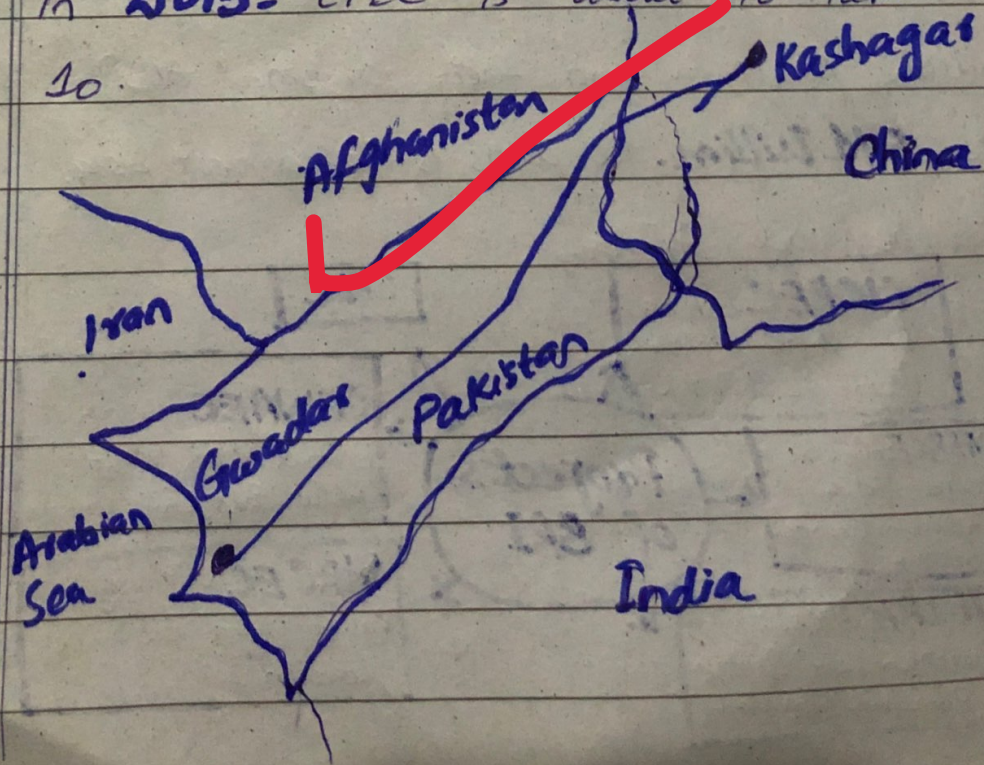


CPEC is one of the largest project which is build to ~~connect~~ <sup>make</sup> Pakistan an Transit corridor. Pakistan, had potential benefits through infrastructure development, Building of Special Economic Zones and others. Due to internal and external conflicts, Pakistan is facing challenges which require reforms.

Use specific and self explanatory headings

## China Pakistan Economic Corridor

The MOU between China and Pakistan was signed in 2013. The officially working on this projected started in 2015. CPEC is about to turn to

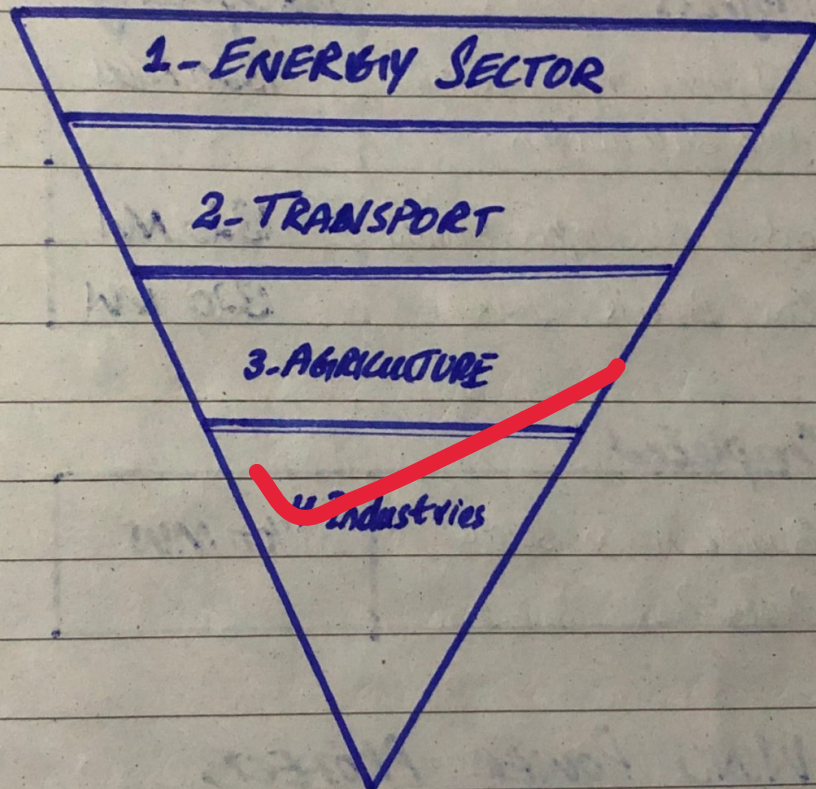




The route of CPEC connects the both countries by Road, which started from Kashgar and ends in Gwadar.

There is commitment of \$ 33bn to \$ 36bn investment.

### Major Investments



### 1- Energy Sector:

Under CPEC, energy sector holds highest investment which is \$20 bln out of which \$11 bln is



received. There are multiple energy projects in all parts of Pakistan, some are under construction and some are completed.

### Coal Power Projects

Operational.

Projects	Capacity
Coal-fired Project, Hub, Balochistan	1320 MW
Coal-fired Project, Karachi	1320 MW
Coal Project, Sialkot	1320 MW

Completed

Quaide-Azam Solar Power Project, Bahawalpur	400 MW
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### WIND POWER PROJECTS

Daad Badleen, Balochistan	50 MW
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### Hydroelectric Power Projects



K 2	1100 MW
K 3	1100 MW

## CHALLENGES FACED BY PAKISTAN:

Following are the challenges and hurdles for Pakistan.

### a. Financial Debt:

Pakistan's ~~own~~ economy is not stable. For this, it has to take loans from China and fall in vicious cycle of debt.

Add and highlight references/examples against these arguments

### b. Dependence of Imported Coal

For the coal projects in Sialkot, Pakistan import the coal and fuel.

### c. Dependence of Imported Skilled Labour:

Pakistan has imported



skilled labour from china in order  
to complete the project.

Minimum description under a heading should be 5 lines.

### D- Political Instability:

Political instability is one of the major hurdle. As every regime bring its <sup>own</sup> policies and abolish the previous ones which affects the efficiency of project.

### E- Low GDP:

Pakistan GDP is less than

3%.

Add source against your stats

## 2. TRANSPORT

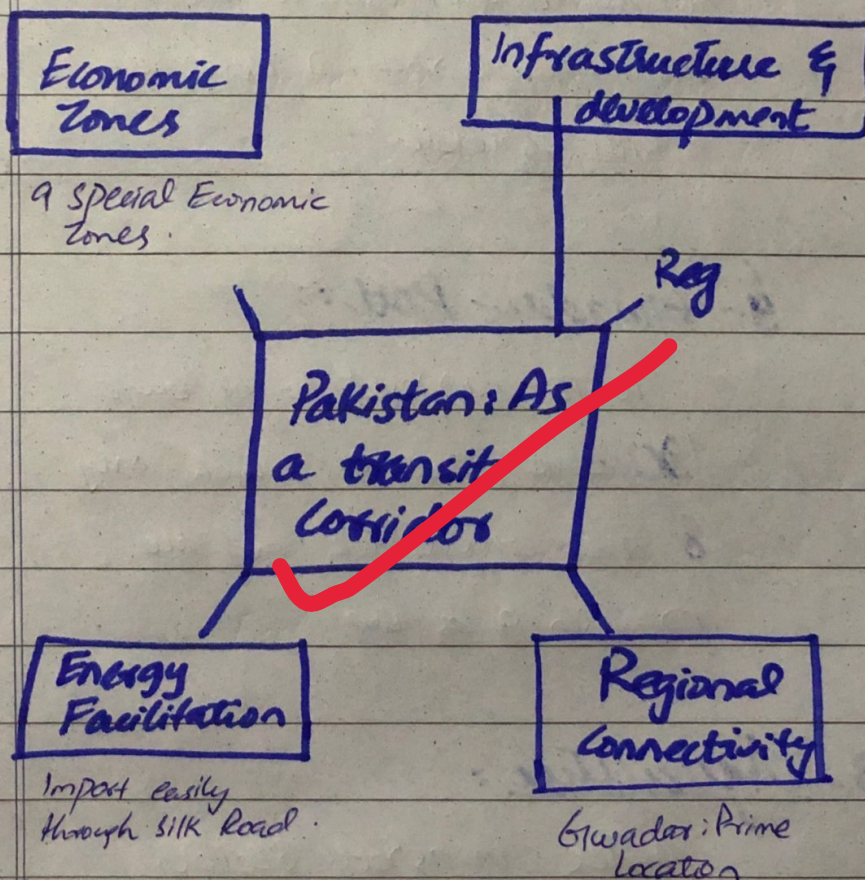
Transport is second most important sector for investment in CPEC - It consist of number of Motorways and Highways



## Completed Projects

- 1- Karachi Motorway
- 2- Burehan - Hakla - Islamabad Motorway
- 3- Lahore - Multan - Karachi Motorway

Some projects are under construction like Sukhot motorway. China want to make Pakistan a transit corridor through these projects.





## Hurdles:

### a. Internal Conflicts:

Balochistan and KPK consider it as a China-Punjab Corridor. As their major focus of development is in Punjab.

### b. Metro's and Motorway:

Majority Metro's are build in Karachi, Lahore, Peshwar, Disturbed and in Rawalpindi. A large area is still undeveloped.

### c. Gwadar Port:

It is supposed to be build 120 berths out of which only 8 are constructed and are operational.

## 3. Agriculture:

After transport sector, agriculture sector can also play

Do not use one word headings. They should be elaborate and self explanatory.



a very important role. Pakistan is agricultural based economy. China need food, for this they can ~~reinvest~~ invest number of items from Pakistan-like

→ Livestock

→ Fisheries

→ Grains

→ Cotton

## Hurdles in Agriculture Sector

### 1. Unwillingness of People:

People are not ready to give their land on lease.

### 2. Outdated Equipments

Pakistan lack advanced techniques to boost up their agricultural sector.

### 3. Political Ignorance:

Agriculture sector is being



Ignored by The government.

#### 4- Investment in <sup>Industrial</sup> Agriculture Sector:

Through CPEC, Pakistan is going to have 9 special economic zones in different areas.

Faisalabad is already known as hub of industries. Under this project Faisalabad is going to have 400 industries.

Some of the special economic zones are listed below.

- 1- Illahia - Iqbal Industrial city Punjab
- 2- Gwadar Free zone-Balochistan
- 3- Muhammad Marble city KPK.

#### Opportunities for Pakistan

Such big investment can help in boosting the Pakistan



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Day: \_\_\_\_\_

economy. Also due to geostrategic location of Pakistan, this is a great opportunity for Pakistan to connect with world and influence. As PM of Pakistan stated

"BRI is a gift of opportunity, it can change the future of Pakistan."

Also China has is working on BOT (Built Operate Transfer) Model. So without the influence of China, China is giving opportunity to developing countries to improve them.

Stance of President of China

BRI is not about building roads, but to connect people, culture and regions"

Through the soft power, China is trying



To work with countries facing issues. If Pakistan become transit corridor, <sup>China</sup> can start ~~start~~ with its uninterrupted trade with India and South Asian countries. Moreover, if the gwadar port is builded completely, it is going to be the largest port.

### Conclusion:

This is a great opportunity for Pakistan. Pakistan need to stabilize its inner conflicts, to get the fruitful outcomes of the project. Political instability, poor economy are major hurdles. As recently PM. Shahbaz Sheerif visited China for the second phase of CPEC, there are hopes for Pakistan