

the role of regional powers to sabotage it?
CSS~2023

Discuss the project idea of China Pakistan Economic Corridor (CPEC) which is the great leap forward of economic regionalization in globalized world. Explain its potential advantages, challenges and future prospects?

A) INTRODUCTION:-

Belt and Road Initiative (BRI) is a development strategy launched by China in 2013 to enhance the regional connectivity across Asia, Europe, Africa and beyond. BRI consists of six corridors, which aim to work on energy projects, infrastructure projects like roads, railway networks, information technology, hydrocarbon projects in Middle east along with many other factors. Among its six corridors, CPEC is a flagship project of BRI, which provide a transit route for China to trade with Middle Eastern countries, Afghanistan, Iran, South Asia, South Africa and beyond within shorter timeperiod. It aims to foster

regional connectivity but, unfortunately it is grappled with certain challenges such as political instability in Pakistan coupled with security tensions. Despite these challenges governments try their best to expedite the project as it has vital potential to boost the economic growth of Pakistan by developing Gwadar sea port as the biggest sea port in Asia Pacific, which would act as a trade hub for the region.

POTENTIAL ADVANTAGES

i) Shorter and Faster Access To market:

As China is a major trading partner of Middle East, Europe, Africa. CPEC is an opportunity for China to reduce its trade time-length with other continents.

- Through CPEC the distance has reduced to 1200km and time decreased from 36 days to 19 days to trade across between China and Kingdom of Saudi Arabia.
- 49 → 11 days (China ↔ Europe)

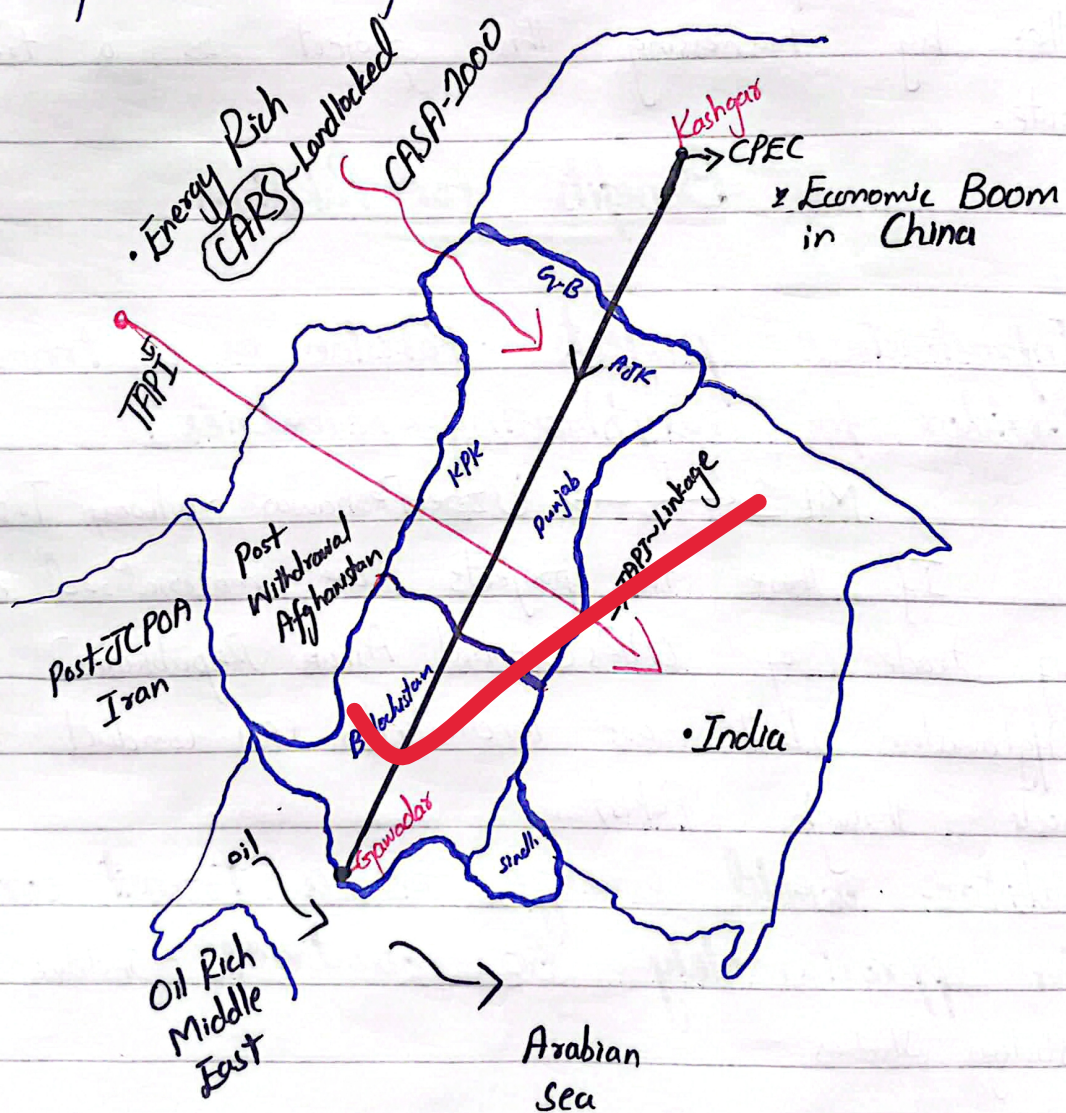
ii) CPEC provides alternative trade route to China - Sea Route → Land connectivity

- As China has one major international trade route that is sea route. But this maritime route is grappled with many security challenges. South China Sea

East China Sea, Bay of Bengal, Mediterranean sea are the water routes used by China to access markets.

US military presence in Strait of Malacca and Strait of Taiwan a major threat for Chinese exports.

Moreover, these routes are lengthy and results in high transportation cost for China.



Geoeconomic Importance of Pak

- Kashgar - Gawadar Road ~ 2400km Long
- Gawadar area ~ 64000 hectares "Pakistan"

Bureau of Statistics

iii) Policy of Collective Economic Growth :-

China aims to make the world multipolar. For this, CPEC provides opportunity for regional connectivity.

- If landlocked Central Asia want to trade with South East Asia, it can facilitate through CPEC.
- Moreover, Europe and Asia can trade with each other by harnessing this project as a transit route.

Benefits for Pakistan

i) Infrastructure projects ~ Pakistan as a transit corridor for neighbouring countries.

ML-1 \longleftrightarrow Uzbk-Peshawar railway Track

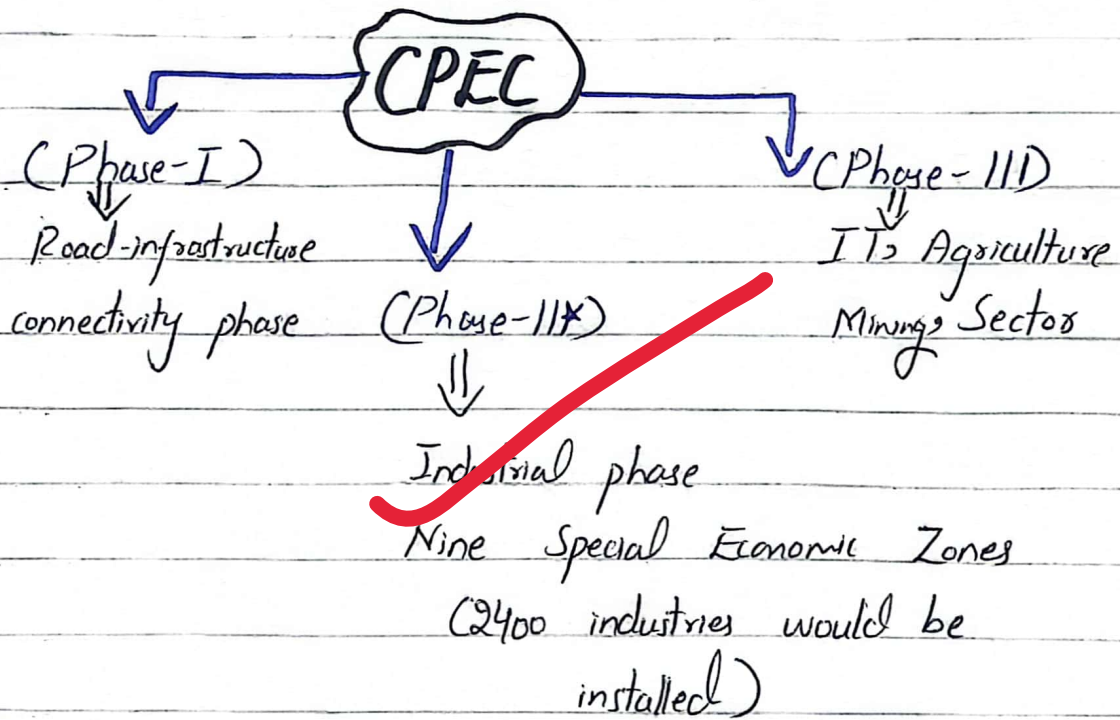
If these two projects are materialized majority of trade of CARs (Central Asian Republics) and Afghanistan, both as landlocked, can conduct their trade through Pakistan.

ii) Pakistan would emerge as a transit corridor for approximately 60 countries - Institute of Strategic Studies

iii) Potential benefit of annual trade ~ as world's second largest economy dependent on Pakistan for accessing Middle East, Afghanistan, Iran

- The largest exporting market for Iranian Hydrocarbon is China.
- The largest exporting market for Saudi oil is China.
- China world top most consumer of agricultural products - importer. It spend almost \$1300 bn on this. That's why developing in agricultural sector of Pakistan as well.

(15 years project)



ix) Network of motorways and highways have been established:

- Eastern alignment almost completed: In this network of motorways have been build to connect the areas like Buxhar - Islamabad - Faisalabad - Multan - Sukkur - Hyderabad - Karachi.

b) Western / central alignment has been completed connecting
Bushan - Islamabad, Mianwali - D.I. Khan - - -

c) Kashgar → Gawadar ~ Karakoram Highway

v) Investment in energy sector:

Almost \$33 bn dollars scheduled for this sector
and out of which \$18bn had been invested

- 15,000 MW electricity has been added to
the system.

- Chinese Independent power producers ~ rental
projects fulfilling energy demands of Pakistan

i

- Investment in Thar - Coal Projects, which is the
3rd most largest reservoir of coal in the
world - "Pakistan Energy Year Book".

- Investment in Clean Energy Projects (Renewable energy
resources) to reduce dependency on imported
expensive Hydro Carbons.

ii,

1) Solar energy projects 2) Wind Projects.

3) Hydroelectric Power Projects.

"If 0.25% area of Balochistan installed
with 20% efficient solar panels, it
would suffice whole country's energy
demands" - Pakistan Bureau of

iii)

Statistics

"Almost 20 million people (mostly in Balochistan, Sindh) are using solar energy in Pakistan" ~ PIDE report: 2023

∴ Almost \$20-25 billion have been invested in CPEC, aiming to reduce poverty, and to boost economic growth.

* Expedition of Phase II & future-prospects:

- Continuation of energy and transport sector development, along with focus on special economic zones and industrial development.
- ML1 completion and expansion of Gwadar port
- Largest textile industry would be developed in South Asia (Faisalabad)
- Largest smart city would be Sialkot
- It has been estimated that annually \$1.3 trillion trade is to be expected through CPE

* Challenges *

1) Security Threats as major hurdle in acceleration of CPEC Projects.

According to Nacta "National Action Counter Terrorism Authority": Almost 20 Chinese citizens

have been killed, 34 injured in 24 terrorist attacks since 2011.

Attempt these by giving

subheadings

Rising military in Pakistan after Taliban takeover in Afghanistan proposed major threat to CPEC project.

- BLA (Balochistan Liberation Army), BRA, Balochistan liberation front along with other separatist movement confessed that they have been involve in terrorist attacks especially on "Frontier Work Organizations" and logistic cells.

⇒ Attacks on Chinese nationals in Bisham and Dasu, as well as death on Chinese scholars in Karachi terrorist attack raised a major concern for Chinese authority, about its citizens protection.

- India which has always opposed CPEC and China's BRI policy, also want to sabotage these projects by funding terrorists through its agency **RAW**.
"Kulboshun Yadav himself confessed that RAW has been involved in training, as well as giving funds to separatists movements by using Iran and Afghanistan as a launching pad to sabotage CPEC project."

DG ISPR, Interior Minister of Pakistan had repeatedly identified RAW to be supported these terrorist groups including separatist as well as TTP and ISK.

Measures taken by Pakistan

- Military operations against resurgents in ex-FATA, KPK ~ i.e. Azad-e-Istehkam in 2024
- Zero-tolerance policy for terrorists
- Separate Military division for protection of Chinese national, which consists of 12,000 military personnel.
- 4000 additional FC personnel
- Pakistan purchased four warships and submarines from China for protection.
- Collective / Joint measures

Conclusion:

CPEC project, if harnessed properly will be result in economic boom for Pakistan, as well as for China and the whole region. CPEC accelerate the regional connectivity would be beneficial for many regions like Central Asia, Middle East and Europe. The emerging security challenges along with propaganda of "Debt Trap Diplomacy" by USA and India

Discuss the future prospects part in detail as well

could be subsided by comprehensive and inclusive policy formulations and strategies both by China and Pakistan. Moreover, through CPEC-phase II and III, which focus mainly on energy sector (clean) will reduce dependency on imported HC's, which are the main cause of circular debts and trade deficit for Pakistan.

By accelerating industrialization through formulation of economic zones, IT services Pakistan could be able to emerge as a competing economy. For this, government has to take steps for political stability, economic stability, fulfilling socio-economic demands which are the main causes of alienation and separatist movements. Moreover, it should joint Chinese intelligence collaboration to enhance security for Chinese nationals. Law enforcement agencies should be active to curb the terrorism.

Therefore, it is no wrong to say that CPEC is full of economic opportunities not only for China and Pakistan but for the regions like SEA, CARs, Afghanistan, Middle East as well.

It would boost economic collective growth. The present challenges could be curb with comprehensive policy reforms.