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Batch - 350

Subjective Part - Part-11

QNO2:

India - Middle East Europe Economic Corridor is projected as a competitor to the Belt and Road Initiative of China. Critically evaluate the potential and the future prospects of the two projects.

The Global Arena of Economic Corridors:

In the dynamic landscape of geopolitics economic corridors have emerged as strategic chess pieces, shaping the intricate moves of nations. At the forefront are two colossal initiatives - China's Belt and Road Initiative and recently introduced India Middle East Europe Economic Corridor. These two projects conceived against the backdrop of G20 Summit, stand as manifestations of economic powers, geo-political maneuvering and the quest for dominance.

Shaping the narrative: IMEC's Genesis and Purpose:

IMEC born from the collaborative efforts of India, USA and their Allies seek to redefine trade routes b/w India, Gulf States and Europe. Positioned as a mediator b/w the regions. Its proclaimed purpose is to enhance

the movement of goods, data, money and foster people to people connections. However the underlined motivations hint at countering China's expansive BRI, as highlighted by the commitment of \$600 billion by G7 leaders to counterbalance China's influence.

The BRI: A decade of transformation.

Celebrating its 10th anniversary China's BRI unfolds as a multi-trillion dollar global cooperation platform. Showcasing over 3000 cooperation projects and nearly a trillion dollars in investments, despite criticism regarding transparency and debt traps, China asserts the BRI's positive impact on global connectivity.

Geo-political tussle: clash of Economic visions.

In the broader context of US China rivalry the BRI and IMEC symbolize conflicting interests and visions for economic development. China's BRI, an answer to the world's infrastructure gap, stands in stark contrast to the IMEC's emergence as a response to counterbalance China's growing influence. The geopolitical interplay b/w these economies trajectories underscores the complexity of global power dynamics and economic interests.

Corridor wars: Unveiling Geo-economic Motivations

Delving into corridor's political intricacies the IMEC emerges as a diplomatic victory for India, strategically backed up by the US and its allies. Positioned as a counter to China's BRI, the IMEC reflects a larger narrative of the US attempting to offset China's global influence. The geo-political chessboard extends to the Middle East, where the US seeks to reassert its role and influence through initiatives like the IMEC.

fact sheet ~ comparative analysis of BRI and IMEC

BRI launched by China in 2013 is well underway while the IMEC is still in the memorandum of understanding stage. Key points of comparison include initiation and progress, scale of investment, geographical coverage, transformation modes, directionality and the scope of projects.

→ Initiation and progress.

- BRI was launched in 2013 and is actively progressing.
- IMEC is in memorandum of understanding stage indicating it is in preliminary planning.

→ Scale of investment.

- BRI has an estimated value of around US \$8 trillion.
- IMEC's investments are projected ^{to be} ~~by~~ smaller possibly a few billion dollars.

- Geographical coverage
- BRI spans approximately 150 countries, primarily developing or emerging economies.
 - IMEC is planned to cover around 20 countries mainly in M. East and Europe with generally higher economic development.
- transportation modes.
- BRI has a diverse network, with 70% focused on land-based routes.
 - IMEC emphasizes sea transportation envisioning shipping lanes and rail and road connections.
- Directionality.
- BRI is multi-directional, connecting China with Asia, Europe, Africa and the Americas.
 - IMEC is unidirectional primarily connecting India to Europe.
- Scope of project.
- BRI is ~~meets~~ wide range of projects from infrastructure to energy, agriculture and Industrial zone.
 - IMEC scope appears more limited focused on shipping lanes and rail and road infrastructure.
- Prospects of IMEC.
- IMEC is 90% complete and operational with the advanced stages in sea lanes and railroads connections.
 - financial viability is enhanced by the wealth of participating countries.
 - concerns about Chinese ~~development~~ dominance

- drive nations to expedite IMEC's completion
- Robust private sector involvement can expedite project implementation.
- Economic benefits include regional integration and enhanced energy security.
- Challenges for IMEC.
- Complex coordination among 20 countries poses challenges.
- Financial hurdles and debt burdens may impact funding and economic viability.
- Geo political and security concerns in the middle East could disrupt operations.
- Environmental and regulatory issues need to be addressed.
- Infrastructure gaps and technological integration across borders are challenges.

Conclusion: Navigating the future of Economic Corridors.

A nation maneuver their pieces on the chess geo economic chessboard, the future of Economic corridors remains uncertain. The clash between IMEC and BRI signifies more than just infrastructure development. It represents a struggle for global influence. The complexities of regional dynamics, strategic interests and diplomatic manoeuvring will shape the narrative of economic corridors, influencing trajectory of the nations in year to come. BRI and IMEC represent distant approaches with BRI having a larger scale and global impact. In addition IMEC

offers economic benefits and connectivity but is still in early stages. Pakistan's geopolitical significance remains intact despite the emergence of new projects like IMEC. On that front, collaboration with Pakistan is crucial for the success of regional connectivity initiatives.

Q NO 3

China and Pakistan are celebrating the decade of CPEC. Critically evaluate success and failures of the project.

TEN YEARS OF CPEC ~ Point of Celebration or Introspection?

Building connections and prosperity ~
the Decade of CPEC

"CPEC is the testament to the enduring friendship between China and Pakistan, and its represent a shining example of regional cooperation and connectivity." Xi Jinping

The CPEC project is very important not only for China's development but also for Pakistan's growth and connections with other regions. It will help Pakistan to deal with its energy shortages, which have been holding back its economy. The projects including building different types of power plants like coal, fired hydro electric, wind farm, which will add a lot of electricity to

Pakistan's power grid. Additionally the CPEC project will create many job opportunities for young people in Pakistan. They are building special economic zones along the CPEC route to attract foreign investment, bring in new technology and create jobs. They expect to make more than 2 million job opportunities for young Pakistanis by the year 2030. The CPEC project has already started to make a positive impact on Pakistan's economy. It has helped revive the construction industry, which was not doing well for some time. The building of roads, railways and pipelines has provided work for many local workers. The project also encourages foreign investment in Pakistan.

Over the past ten years ~ the CPEC project has made significant progress focusing on building infrastructure and energy projects. It has helped Pakistan deal with its ongoing energy shortages by adding more than 6,000 megawatts of electricity to the national grid.

The CPEC also helps Pakistan develop its "Blue Economy". by working on Gwadar port which will be an important trade route to China and other countries. CPEC has played a crucial role in connecting rural and urban areas in Pakistan and improving connections between other regions.

Major progress of CPEC in different Aspects.

JOBS

- Jobs created by 2022 : 236 k .
- Jobs for Pakistani workers : 155 K
- Indirect jobs : 200 k
- ILO Job estimates : 400 k .

Investment Planned .

- Fiscal year 2015 — 2030
- \$ 62 Billion .

Infrastructure projects.

- Power supply : 6000 MW capacity
- Highways : 510 km
- Installed transmission Lines : 886 km .

GDP Growth

- Expected GDP growth rate by 2030 : 7.5%
- Annual economic growth rate expected till 2030 : 2 to 2.5%

Green Energy .

wind and Solar Power projects

- 300 mega watts each .
- the Karot Hydro power projects
- 3.2 billion kWh of clean energy annually .

- Reduces CO₂ emissions by 3.5 millions tons

Women Empowerment.

Female representation.

Education; 40% women candidates.

Commerce and management; 37.5% females.

Computer science; 32% women.

Energy related failures of CPEC

- 6500 mw coal projects that have been installed out of which 4500 are on imported coal. and we ^{don't} have dollars.
- numerous projects are rented from china.
3 - coal projects 2 - LNG.
- Completed import hydrocarbon and we can't give them money so they have cutted the projects.

transportation related failure of CPEC.

- Pakistan railway has been strategically failed. focused on truck industries and damaged railways because power elite has to cement, steel so they have interest in truck industry / transports.

Agriculture related failure of CPEC

- Poor policies of the state.
- Bad Economic condition of state.
- worst security condition attacks on chinese
- target chinese citizens in dasu, karachi.
- Biggest investment in dasu → attack.
- Developers are being targeted.

Political hurdle

- Instability of Political democracies of Pakistan.
- repeated change in government.
- Numerously changing Policies.
- Politics of Protest.
- Use of coercion by state.

Pakistan is facing to balance between USA and China
So China is antagonizing.

Q NOS:

SIFC is expecting huge foreign direct investment in Pakistan from middle East and China. How do you see their chance of investment in Pakistan?

SIFC: Special Investment facilitation Council.

SIFC is the joint venture of civil military leadership announced in 2023 beginning, that would attract investment in Real Estate, Agriculture, natural Resources etc.

A series of steps being taken to insure ease of doing business but in order to attract size able foreign investment there are certain pre-requisites required which are lacking in Pak. Unfill and unless those step will not be taken sizable invest would not come.

Prime objectives: to attract investment in diverse sectors.

Real Estate:-

Teacher's Signature

real estate is one of the most attractive area across in all over the world so it is in Pakistan.

till now 2 major project expo's have been held in Karachi or Dubai to attract investment in real estate in Pakistan.

major area identified for investment.

→ Island in Karachi
Government launched this idea in 2020 but by then it was opposed by provincial government, but once again it has been proposed now central and provincial authorities have agreed to develop the project and many investors shown the interest from Dubai which are Pakistanis American.

→ Ravi urban project.
It was launched in 2020 but didn't started and now again Pakistan's 1st clean green city parallel to Lahore started where towers will be constructed.

→ towers in Islamabad, Lahore and Karachi.
Business oriented as well as residential towers the major attraction.

→ Investment

→ builders

→ Realtor (Property dealers)

Agriculture.

In agriculture sector of Pakistan China and

Middle East both have been interested in agriculture sector of Central Asia + South Asia or wherever there is river mostly in Pakistan.

China plans to generate \$100 bn from agriculture sector of Pakistan till 2040. Saudi Arabia, UAE, Qatar, Bahrain all are interested in agriculture sector of Pakistan.

because of all of these we facing food shortage and Pakistan has enough land for agriculture.

Major focus:

- Cotton
- Maize
- Vegetables
- Wheat
- Fruits
- Livestock
- Fisheries

Investment in Specific Area.

- Seed development programme (Hybrid Seed)
- Modernization of Irrigation techniques
- Making cold storages.

Investment in minerals.

We first offered China in the field of Copper, Gold, Silver, Marble or Salt business.

Investment in power sector:

Solar projects — China.

Wind projects — China.

Hydel projects — China or KSA.

The president of SIFC, Prime Minister and

Army chief claim that expected investment

in the history of Pakistan is \$100 billion and maximum \$200 billion.

If this happens than it would be the largest investment in the history of Pakistan.

Ease of doing business.

- the investor would keep investment in dollars it would no change to rupee.
 - give the free zone to investors.
 - minimum the 50% earning could take back each year of project.
 - they have administrative control along with financial control.
 - one window operation. only one department will get approval for other departments, but these are not enough not even major.
- Demand of investor to invest in any market.
- higher GDP rate attract investor in market minimum 5%.
 - Investor would have more chances for turnover
 - higher the chances of profit.
- our GDP growth rates right now is less than 1% and in coming 3yrs we didn't reach to 3% or 5% than the chances of investors turnover becomes less
- If we didn't increase GDP the chances of potential investor are low

Solution

- bring Political stability

Teacher's Signature _____

Falcon

- Ideally democratic

In dictatorship the GDP increases because they have pts power exercises and have long tenure to apply policies, they are much stable than democratic government.

Physical security crisis.

In 2013-14 China had one major demand from Pakistan to bring CPEC Physical Security program.

- Zarb-e-Azab
- Kyber operations
- Rad-ul-fasad.

In Pakistan military is in peak and major target → Chinese investors + developers

State have to ensure physical security to bring investors back.