

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

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Introduction

China Pakistan Economic Corridor (CPEC) is one of the most influential and successful economic corridor among the six corridors in BRI project. China is working hard to become the regional hegemon through these projects with the investment of 1.3 trillion dollars. The major investments are in transport, energy, industry and agriculture sector. CPEC was ~~lauch~~ launched in April 2015 and since then have been a point of center of attention for the economic progress of both China and Pakistan. Although the vital objective behind BRI projects is hegemony of China and geo-economic, geo-politic and strategic expansion. But its benefits are not solely owned by China. Through these projects and their success, a collective economic growth is intended. This is why global tilt can be seen in the decision-making influence of many countries. In case of Pakistan, CPEC is an attempt to materialise its dream to economic stability and sustainability.

Achievements

CPEC has yet proven to be a reason behind development of Pakistan, economically. A number of projects which include projects in transportation sector, energy sector, industrial sector and agriculture were highly invested in by China through CPEC.

(a) Transport sector

China invested in transport sector through the development of bullet train projects, network of motorways and highways and a series of sea ports through BRI. Specifically in Pakistan, China has invested in a number of transportation projects which are as follows.

☞ A series of motorways and highways which include the routes of

- (i) Burehan to Karachi
- (ii) Islamabad to DI Khan
- (iii) Ratodero to Gwadar
- (iv) Gwadar to Basira
- (v) Motorways

- Lahore to Sialkot
- Peshawar to Islamabad
- Islamabad to Lahore

All of these projects are either completed or near to completion which basically materialises Pakistan's dream to

become a transit corridor. This dream is being fulfilled by China through CPEC.

(b) Energy sector

China has majorly invested in the energy sector overall. Its main focus ~~was~~ has been production of hydrocarbons and clean energy. In case of CPEC, China has invested ~~in~~ approximately \$25 billion solely in energy sector, out of which around \$9 billion is invested on civil nuclear technology and \$4 billion is invested in ~~the~~ projects of thermal and wind energy. More than 6500 megawatt energy has been produced through coal projects and around 2000 mega watt energy is being produced through civil nuclear and clean energy each. Before materializing this project, Pakistan was facing a turmoil of load shedding. Due to these projects, 8000-10000 megawatt of loadshedding has been covered yet. The rest of the load shedding is mainly due to out-dated electricity generation systems.

(C) Industrial sector

BRJ project is offering the investment of 150-200 economic zones. The main purpose of these economic zones is industrialization. Industries based on the raw materials available in a certain region are being created. For instance, Pakistan is rich in textile, marble, food and copper, hence CPEC offers to build industries related to these products as raw material. A total of 9 special economic zones are to be made or are under construction which are not beneficial for China but equally for Pakistan. These economic zones include

- (i) Allama Iqbal industrial city
(400 industries)
- (ii) Dhebaji special economic zone
(230 industries)
- (iii) Rashaki
- (iv) Bostan
- (v) Mirpur

A target of 2400 industries is set all over Pakistan. If Pakistan wants to shift from import-based economy to export-based economy, it needs to work hard to make these industries functional at all costs.

(d) Agriculture sector

Most of the investment done by China through BRI is in agriculture. Since 2000, the agriculture of China is facing downhill performances and its agricultural production went from 92% to 63% till 2020.

The consumption of agricultural goods by China was \$800 billion in 2015 and is estimated to be \$1300 billion in 2025. This is why China has specifically invested in agricultural sector to meet the need of their consumption. The investments in agriculture sector achieved goals of:

- (i) Development of seed program.
- (ii) Modernization of irrigation system.
- (iii) Solarization of tubewells.
- (iv) Dams and canals.
- (v) Promotion of livestock and fisheries.

The main goal of CPEC is to produce \$100 billion worth of agricultural goods by 2038. Moreover, it takes land on lease from Pakistan and work itself on agriculture.

“West gives you fish, China gives you the art of fishery”

Failures

Although the benefits for Pakistan through all these projects are numerous, CPEC is working to make Pakistan a more sustainable and stable economy, yet there are some projects who fail to achieve their promised status.

(a) ML1 railway track

Originally ML1 railway track was promised to be double-track and signal free and speed limit was promised to be 160 km/h. However, these instructions were not put into action. ML1, which is the railway track of route from Karachi to Peshawar, only offers a speed limit of 65-110 km/h currently. Also, the track is single and consists of signals.

(b) Gwadar port

Gwadar seaport has been of significant importance ever since the projects of CPEC started. Every common man knows about Gwadar port due to CPEC. However, the projects being materialized are not fulfilling the promises. In 2005, Gwadar had 3 multi-purpose berths before CPEC. Although a project of around 100 berths was started off but only materialized a couple of them yet by 2023.

Hence Pakistan's dream to become a transit corridor and grow economically cannot be fulfilled until these projects are fully functional.

(c) Import of coal

CPEC has currently worked enough to fulfill the demand of 8000 to 10000 megawatt production of electricity through hydrocarbons and clean energy. 6500 megawatt is solely produced by coal industries. But out of this, 4500 megawatt of electricity is being produced by coal which is imported. The cost of import adds up to the overall cost of making the industries functional. Pakistan is not yet ~~capable~~ capable enough to import such high quantity of coal to functionalize its coal industry. Pakistan has currently made 3 deals of coals and 2 deals of LNG with China but does not have the capacity to keep importing at this rate.

(d) Hydroelectric power and solar power

One of the prime purpose of CPEC was to produce hydroelectric energy but only 1 project of hydrocarbon has come into completion. Karot hydroelectric power project only offers 730 megawatt of energy. Moreover, the electricity produced by solar energy was supposed to

be 2000 megawatt, but only 900 megawatt is being made functional.

(e) Industries

A total number of industries estimated to be built in Pakistan were 2400 through CPEC. This part was important for Pakistan in order to transform into an export-based economy from an import-based economy. But only 7 industries are built as of now.

Industrialization is supposedly the most significant part of economic stability but we are in its earliest phase till now and that a failing one.

(f) Land on lease

China's one of the main focus is on agriculture sector through BRI and specifically through CPEC. It needs to empower the agriculture sector of Pakistan to be able to meet the consumption rate of it.

Since China's land is not as fertile as Pakistan so it requested land on lease from Pakistan but Pakistan has rejected the request a number ~~to~~ of times due to various reasons. This marks as a huge hurdle on the way of agricultural development of Pakistan, resulting in economic development.

Conclusion

In tough times like these, China works as a ray of light for Pakistan and its economic growth and development. Though there are certain drawbacks of the projects offered by China through CPEC but China has provided us with a roadmap to a successful economy. It might not be an overnight process but if we keep working with coordination of China, we can collectively succeed in the goals set by CPEC. However, to make it a success, ~~secure~~ political security, sustainable policies and physical security of our fellow workers is needed. If we become successful in CPEC, the economy of Pakistan will prevail.