

Pakistan Affairs (3)  
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### Introduction:

China - Pakistan Economic Corridor (CPEC) is a flagship project started the development of infrastructure in 2015. Since 2015 it has almost a decade passed. During this period CPEC has seen many ups and downs. Despite faced by certain challenges the project, to some extent has proved a game-changer for Pakistan. Pakistan has achieved much from this project.

### Phases of CPEC:

CPEC has been divided into three phases

1<sup>st</sup> phase → Infrastructure development (2015-2020)

2<sup>nd</sup> phase → Development of special Economic Zones (2020-2025)



Third phase → Renovation of Orwadar port. (2025-2030).

Pakistan has completed its first phase and now recently entered into the second phase of development. The second phase was inaugurated by the recent visit of PM Shaukat to China. Let us discuss what Pakistan has achieved in the first two phases which spanned over a decade.

## 1. Infrastructure Development:

During the first phase of CPEC, the main focus was on the infrastructure development. It includes the development of roads which started from Orwadar Balochistan to going from major cities and finally ended in KPK. Recreational sites were also built. This gives a huge impetus to the trade of Pakistan because Chinese have the potential of \$300b trade by the CPEC.

## 2. Creation of Jobs:

CPEC has created many jobs for the Pakistani working class. Ranging from a small mechanic to a well trained engineer all are compensated in this project. According to a report CPEC has created of over 200,000 jobs more than the Chinese workers. This represents a huge potential of this project.



### 3. Construction of Gwadar Port:

During the past ten years, CPEC has witnessed the completion of several milestone projects. The construction of Gwadar port, an integral part of CPEC, has transformed into a bustling international port city. By becoming a crucial maritime gateway connecting Pakistan to the world, providing a significant boost to trade and commerce in the region.

### 4. Transformation of Energy Sector:

The energy sector has also experienced a significant transformation under CPEC. The establishment of several power projects including coal, wind, solar and hydro-electric have bridged the gap of Pakistan's energy deficit, reducing load-shedding, and ensuring a steady power supply for industries and households.

### 5. Boosted Industrialization:

Furthermore, CPEC has played a vital role in boosting industrialization and economic diversification in Pakistan. Special Economic Zones established under the project have attracted both domestic and foreign investments, creating new employment opportunities and fostering economic growth.



6. Strengthening Connectivity in the Region:  
The impact of CPEC extends beyond Pakistan's borders, encompassing the entire region. As a linchpin of BRI, the corridor has strengthened connectivity between China, Pakistan, and other countries in the region, fostering regional integration and trade.

Challenges Associated to the China-Pakistan Economic Corridor:

1. Security Concerns + Attacks of TTP

Security concerns are the major obstacles in the completion of CPEC. There are security lapses which resulted in the death of many Chinese workers. Recent incidents of attack in the Kohistan district of KPK. resulted in the death of many Chinese workers. The TTP accepted the responsibility. In addition to this there are attacks in Orakzai claimed the responsibility by the ISIA.

2. Political Instability:

Political instability is the major hindrance in the continuation of the projects. Changes in the government and political tensions affecting project continuity. Recently the second phase of CPEC has started four years late. Due the repeatedly changing of the government.



3: Bureaucratic Hurdles and Red-Tapism:  
Bureaucratic hurdles and red tapism is the major challenge of the CPEC project. This involves around delay in the project approval and land acquisition problems. To counter this issue the government has initiated a form of SIFE.

4. Debt Sustainability:  
Debt sustainability poses a significant challenge to the CPEC. This situation leads to ~~the~~ re-negotiate the projects because their debt are becoming unable to pay. The recent approval of ML of from \$9.6bn to \$7.8bn shows how costly and unsustainable projects have been signed. Due which paved the way for slow completion of projects.

5. Regional Dynamics:  
Pakistan's geopolitical and strategic location on one side is beneficial and harmful on the other side. The significance of Gwadar make Pakistan strategically important but the hostile neighbors make it harmful. India is reportedly involved in killing of Chinese workers in Pakistan by funding of TTP and BLA. Thus regional dynamics are the concern for the CPEC.



1. Corruption and Lack of Transparency  
There are allegations of corruption and embezzlement in project implementation. The corruption in the projects resulted in low quality of the material and prolong completion of projects. In addition to this there are issues of lack of transparency leading to posing a challenge of CPEC.

### Conclusion:

To conclude, despite having a flagship and game changer project for the Pakistan, this project have faced challenges during a decade. This project have brought infrastructure development, created jobs, transformed the energy sector and boosted industrialization. Although the project faces serious challenges which includes security, political instability, debt sustainability, bureaucratic hurdles and corruption and lack of transparency. We hope for the best during the second phase.