

## CURRENT AFFAIRS

Q: Discuss the prospects and challenges to the construction of 'China-Pakistan Economic Corridor.' How will CPEC become a game changer for the region.

### Introduction

CPEC - a project launched in 2013, pilot project of China's Belt and Road Initiative (BRI), has turned 10 years old.

There were multiple achievements under CPEC in energy, transport, agriculture and technology sectors with a series of setbacks and challenges. Remedial measures are required to overcome failures and hurdles and make CPEC a truly a success story.

### Prospects and Strategic Goals:

Both China and Pakistan are enhancing CPEC's impact and ensuring its long term sustainability. CPEC aims to focus on industrial cooperation, agriculture, science and technology, and digital infrastructure. Special emphasis is placed on expanding Special Economic zones, upgrading trade networks, and promoting technological innovation to foster economic diversification and job creation.

## i) CPEC in Energy sector:

China and Pakistan have collaborated in multiple projects as China has done an investment of \$33 billion in energy sector, out of which 18 billion dollars have been landed in Pakistan.

Multiple projects are completed and some are under construction—according to 'CPEC Pakistan Information.'

Furthermore, nuclear power plants K2, K3 and ~~two~~ energy (coal) projects are also completed by CPEC for power generation in Pakistan.

The plans to increasing generation capacity are also underway.

## ii) CPEC in Transportation sector:

After energy sector, the highest investment done by CPEC is in transport sector. It has invested 12 billion dollars for 8 billion projects.

10 billion dollar projects are under construction which include Rato Dero Gwadar, Gwadar Basima, Zhob-Quetta. A number of motorways and ~~railways~~ <sup>highways</sup> are under construction.

It is also decided and planned that Gwadar <sup>seaport</sup> to be made the epicentre of CPEC.

Also railway networks are in the pipeline to be started under CPEC.

### 3. CPEC in Special Economic Zones:

CPEC has also planned and has made revitalization in the industrial sector of Pakistan. 9 special economic zones are to be developed: 2 each in Punjab, ~~from~~ KPK and Balochistan, 1 <sup>each</sup> in Sindh, AJK and Gilgit. 2400 industries are to be established in these zones. It has decided to make industrial base of Pakistan to be more than double. ~~Es~~ Also, Faisalabad is decided to be made largest textile city in South Asia. Moreover, Allama Iqbal Economic zone, leather, food, automobile and electrical goods industries are to be installed by CPEC in Pakistan.

### 4. CPEC in Agriculture sector:

As Agriculture is the backbone of Pakistan's economy so ~~the~~ China is ~~invested in~~ interested in investment in this sector as well.

It has planned to launch DRIP irrigation system for crops, solarization of tube wells and to increase the per acre crop yield to 3 times. China ~~has~~ <sup>has</sup> also ~~is~~ ready to invest in <sup>increased</sup> livestock yield for milk and meat production to give a boom to the agriculture sector.

## Challenges to CPEC:

Despite its transformative potential, CPEC has not been without challenges and criticisms.

- **Import burden:** Despite CPEC, Pakistan is still dependent on imported fuel, uranium and hydrocarbons from China and other countries, due to loans and balance of payment crisis.
- **No practical materialization of Industries:** No practical working has been started in the transportation sector for creating railways and the projects under construction are not still materialized.
- **Revival of Terrorism:** The revival of increased terrorism in Pakistan has alarmed Chinese investor and workers of the threats. The attacks on Chinese workers are a clear indication of terrorism sabotaging CPEC's functioning.
- **Political Instability in Pakistan:** Despite external threats, the change of regimes in Pakistan is a big challenge to CPEC. No government comply with the decisions and agreements of the previous one, thus leading to chaos and turbulence.

- GDP growth rate declined in Pakistan:  
The GDP has been consistently declining as Pakistan is on the verge of bankruptcy because of Balance-of-payment crisis. Due to such destabilized internal conditions Chinese investor is reluctant to invest.
- Unfavourable conditions: In Agriculture sector, unfavourable conditions discourages China to cooperate as here the farmers are not ready to provide land on lease. Chinese are less interested in arid land. Moreover, Pakistani farmers are also not unwilling to adopt the new techniques and tools.

### CPEC as a game changer:

As CPEC has immense strategic significance for both Pakistan and China, it is really a game changer if it becomes successful in overcoming the hurdles and challenges by confronted by CPEC. Spanning over 3000 kilometers, it connects Gwadar Port on Arabian Sea with Xinjiang in China, passing through Pakistan's resource rich provinces. This geographic advantage provides China with a shorter and

more secure trade route to the Middle East, Africa and Europe, by passing the maritime choke point of Strait of Malacca.

It is ~~be~~ also beneficial for Pakistan as it needs weapon, China needs market. ~~It~~ This duo can also be helpful in confronting India, which is a common threat.

Also US-India alliance is a threat to Pakistan's maritime.

China is helping in it. China and Pakistan portray CPEC as a mutually beneficial partnership aimed at fostering regional connectivity, economic development and stability.

Furthermore, initiatives like Green Corridor and Livelihood Enhancing Corridor emphasize sustainable development practices and poverty alleviation which are the recently discussed developments under CPEC.

### Conclusion:

In conclusion, CPEC represents a paradigm shift in China-Pakistan relations and regional cooperation under the broader framework of BRI. Despite facing challenges, CPEC has demonstrated its

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potential to transform Pakistan's economy, upgrade transport infrastructure and invest in economic zones. By strengthening their bilateral ties between China and Pakistan, CPEC can truly become a game changer for the region.