

Discuss the project idea of CPEC which is great leap forward of economic regionalization in the globalized world.

INTRODUCTION:

Indeed CPEC is a huge step forward to the regionalization in a globalized world, connects Pakistan, China to the rest of the world. It has a great importance for the Pakistan economy for the development of power sectors and other regional developments. Despite all, CPEC faces serious challenges like sectarianism, terrorism and other. It is necessary to cope up with these challenges for the development, prospects and prosperity of the country.

"CPEC is revivalist for the Pakistan's economy"

CPEC is a One Belt One Road

Initiative:

CPEC is a one belt one road initiative by China to revive the old silk route and connect the world economy through roads, pipelines, sea routes. CPEC is very important for the Pakistan's economy as it revives the declining economy of Pakistan and connects and constructs the roads network throughout the country and provides better communication.

"CPEC is a opportunity for the prosperity of Pakistan"

CPEC IN ENERGY SECTOR:

The Benefits of Energy Sector.

① Load Shedding:

Pakistan facing severe loadshedding in 2007-2016, 16-18 hours in rural areas and 12-13 hours in urban areas. But in 2019, more than 8000+MV were added in the system, loadshedding was again at severe level, 12-13 hours in rural areas and 8-9 hours in urban areas, but this time loadshedding was not because the capacity, weather capacity was 37000 MV. It was because of less generation of electricity, Pakistan generate electricity through hydrocarbon and imported from the other countries, hydrocarbon was too much expensive as the country did not afford it. Through the CPEC mostly projects were hydrocarbons free, it made the electricity cheap and affordable.

② BOT model: Built transfer operate model

BOT model is different from the interest based projects. In this model, investor invest in the project, initially only 15-20 percent interest was paid off, once the project is started capital does not return when interest is paid off projects finances it self, 85% profit goes to the investor and 15% profit to the country, when breakeven

point occur 50% to the investor 50% to the country and then completely profit was given to the country like K2 investment began in 2016 and completed in 2020, only 15-16% interest is paid off, profit was distributed 85:15% investors to government respectively. By 2027 break even point occur By 2037 project is completely handed over to Pakistan.

③ Cheap Electricity:

Pakistan is producing most expensive electricity in the world and 5 number in producing electricity in Asia. By the CPEC project \rightarrow Civil Nuclear and coal projects electricity was produced, per unit cost 14 PKR \rightarrow 16 PKR after the completion of project it would be ~~8-9~~ PKR and may be less than 8. hydroelectric wind and solar project initially per unit cost is 8-9 PKR after breakeven period it would be 4-5 PKR. This really impact on the socio-economic life of the country. A less cost of electricity means more industries, those industries means exports were increases and imports were decrease, it should lead the prospects and prosperity of the country.

Civil Nuclear coal projects \rightarrow Cost \rightarrow 14 PKR \rightarrow less than

Hydroelectric wind and solar projects \rightarrow cost 4 PKR

\downarrow
8-9 PKR

④

Decrease in trade deficit:

Pakistan's one of the biggest problems is balance of payment crisis. Pakistan's imports were 80 billion dollar and exports were only 36 billion dollar. deficit was 44 billion dollar in FY 2021-22. The total imports of hydrocarbons were 23 billion dollars, 12 billion dollar hydrocarbons were consumed for electricity generation. The import of hydrocarbons were more than 50%. By 2027 majority of the CPEC projects were based on hydrocarbons free projects. it would lead to produce cheap electricity means massive decline in trade deficit.

⑤

Clean Energy projects:

CPEC introduces clean energy projects, hydrocarbons free based on solar wind and hydro. BRI first introduced in Pakistan clean energy projects and then tested in other other countries. Highest ever investment in solar, wind and hydro electricity projects ever in Pakistan history.

INVESTMENT IN TRANSPORT SECTOR.

The highest ever investment in Pakistan
It is broadly divided into three
parts.

Railways → Motorways → Gawadar seaport.

1- Motorways and highways:

Southern alignment → Gawadar to Basima.

Northern alignment → Khunjerab to Burehan

Eastern alignment → Burehan to Faisalabad to
Sukhal to Karachi.

Western alignment: Burehan → Gsb → DI Khan
Quetta → Rawadar.

2- Railways:

mainline ML1 → Karachi → Lahore → Isb

Navaligarh → Peshawar

8 billion dollar project, signal free, speed
limit 160 km/hr.

3- Rawadar seaport: the largest seaport in Asia Pacific, largest in Indian region 120 berths Oval shape at the top of the beach.

CPEC would transform Pakistan into
transit corridors.

CPEC would transform Pakistan into
transit corridor. China - one major
trade route that is via sea phenomenally

lengthy, it would shortest possible
route to China to access South Asia

Iran, middle east, Africa, the distance
would be reduced by 1000 km for

China access to KSA and days 36 ~~to~~ to 11 days. It is always important ~~level~~ transportation lost and timely access to the market

Land locked Central Asian Republics Central Asian Republics are Kazakhstan, Uzbekistan, Turkmenistan, they are energy enriched but do not have direct access to the sea, they need to access the Arabian Sea, Uzbekistan announced to ~~be~~ construct Tashkent Peshawar railway track that would be linked with ML1. If these two projects were completed it is easy to the land locked countries to access the Arabian Sea majority of the central Asia trade would be through Pakistan.

INVESTMENT IN SPECIAL ECONOMIC ZONES:

A special economic zone was built under CPEC 2 each in built in KP, Punjab and Balochistan, 1 each in Sindh, LB and ASK.

Allama Iqbal Economic zone: in Faisalabad more than 400 industries would be built largest textile city in South Asia, sports goods, automobiles, electronics etc.

Rashkani Economic zone: KP, largest economic zone in KP, 230 industrial plots, tobacco, industry, marble

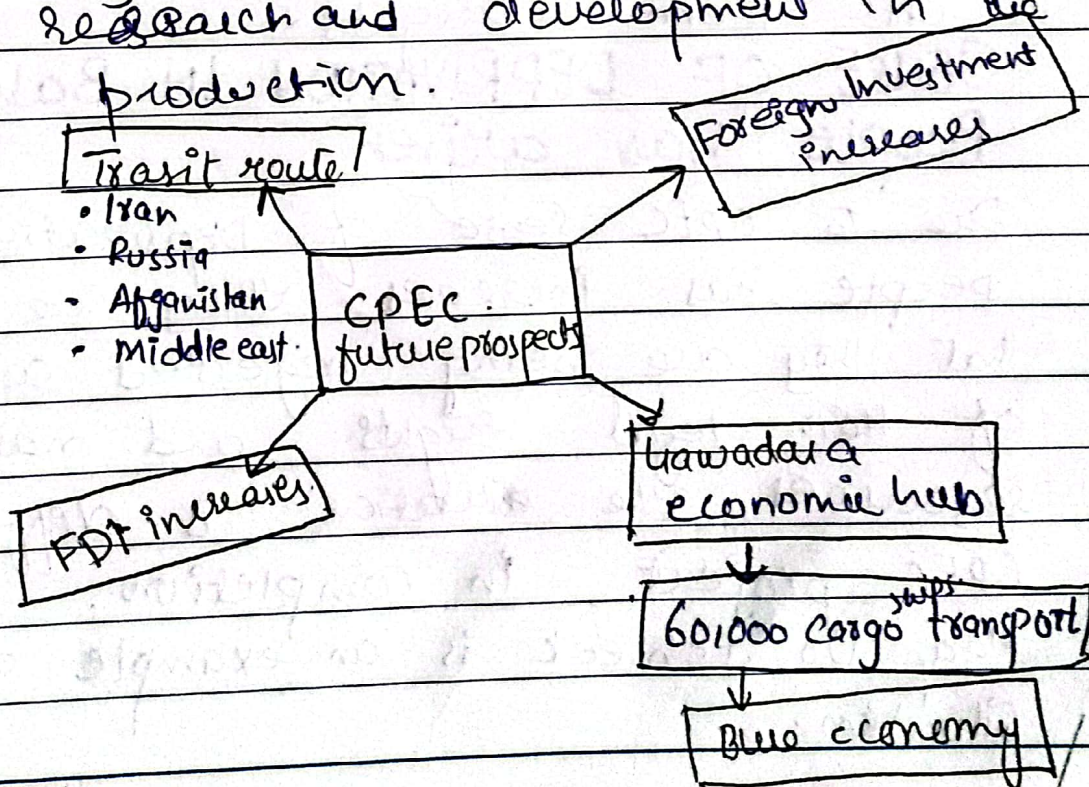
Copper, Chromite > goods etc.

Gawadar Economic Zones :- Balochistan,
230 industrial plots, oil refineries, copper
industries > automobiles etc.

DEVELOPMENT IN AGRICULTURE:

Pakistan has an outdated irrigation system called flood irrigation system. excessive wastage of water, CPEC would introduced the drip irrigation system in Pakistan. less usage of water, sprinkler and more irrigation with less water.

Increase in the per acre yield. Pakistan has least per acre yield in South Asia. India has almost double that of Pakistan, China almost 3 times and Bangladesh has 1.7 times, because these countries took multiple steps to increase production. For seed development programs specially in hybrid seeds more focused on research and development in the crop production.



CHALLENGES TO CPEC.

Terrorism and Indian proxies in Balochistan an headache for CPEC

Indian promoted proxy groups in Pakistan these groups are attacked on the project of CPEC and the on the workers. they are regularly deteriorating the progress of the province. BLF, TTP, BRA are included and other factional groups.

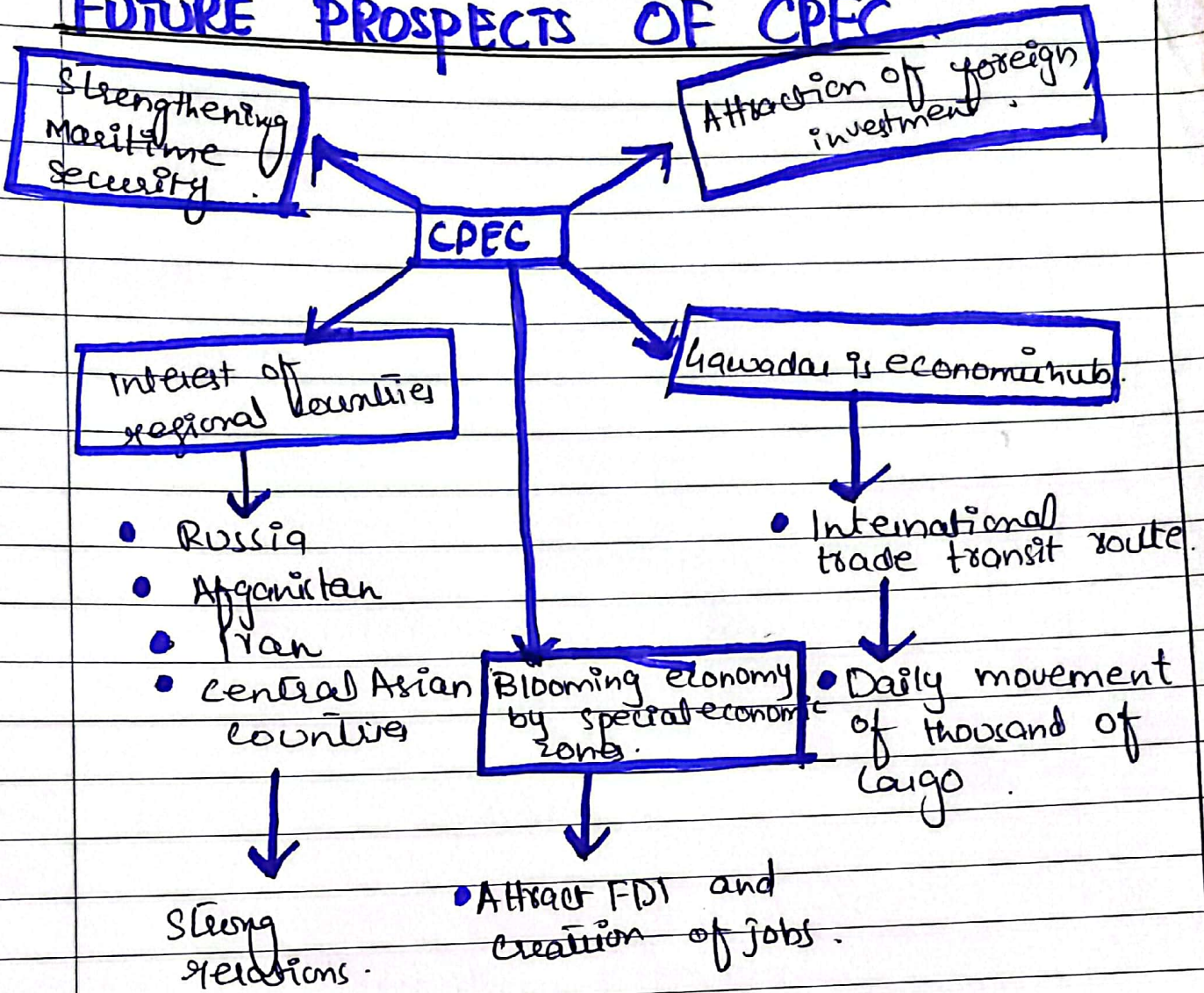
- POLITICAL INSTABILITY and inconsistent Policies remained bottleneck in Success of CPEC.

Political instability and inconsistent policies is a main hurdle in CPEC projects. Like-wise ex PM Imran Khan acquired the chair of membership. The CPEC faced many difficulties and the rumors were in the decoll of it. However, the new government the future of CPEC seems brights.

SENSE OF DEPRIVATION IN Baluch People has arisen

Due to CPEC sense of deprivation in Baloch people has increased. they are of opinion that they are being neglected and deprived of their legal rights and natural resources. The situation is difficult for CPEC project in completion. Haq Do tehsuk is an example of such

FUTURE PROSPECTS OF CPEC



CONCLUSION:

In the past seven decades or more the geopolitics of Pakistan is being driven by security but in future it would be driven by economy as CPEC would transform Pakistan into a transit corridor.