

Q. China-Pakistan Economic Corridor (CPEC) is considered as a game-changer. How the CPEC can be helped to uplift the Pakistan's economy?

Discuss.

China-Pakistan Economic Corridor (CPEC) started in 20th April 2015. It is an agreement between China and Pakistan to promote or uplift the economy of Pakistan. Currently, China is investing in multiple sectors of Pakistan to promote their efficiency. These investments in energy and transport sectors have more significance.

Investment in Energy Sector:

China has done highest ever investment in Pakistan's

energy sector. It has planned to invest 32 billion dollars from which 20 billion dollars have already arrived. They have committed to produce 18000 mw electricity from which 8000 mw have already produced. Pakistan is facing problem of energy crisis from first day of its establishment. But these projects will help them to overcome this problem.

China is investing in coal
and renewable projects in
Balochistan, Sindh and
KPK.

Projects in Balochistan,
Sindh and KPK each

is producing 1320 MW
electricity for economy.

Thar Coal Projects

Coal projects started in their
are

- 4 projects each 320 mw
producing electricity has completed
- 1320 mw project is
completed

In Pakistan. 8500 mw
electricity is produced from
coal.

Civil nuclear reactors

^{civil}
nuclear projects have also
established in Pakistan.

- Karachi power plant 2 and
3 are producing 1100 mw
of electricity which has
completed.
- Chashma 5 will produce
1100mw which is under
construction.

Hydel Projects

5000 MW projects are under CPEC. Some of them are already completed and others are started.

- Sukhai Kinari 730 MW is completed.
- Karrot 830 MW (~~will~~ completion in 2023)

Wind Projects

3000 MW ~~per~~ wind projects are under CPEC. They are mostly built on coastal areas of Sindh and Balochistan. Because they are cheap to build there than ^{on} mountains.

This is why they are also called wind corridors.

Solar Project

2500 MW solar projects are under CPEC from which

100 MW project is completed in Bahawalpur in Quaid-e-Azam Power plant.

Objectives of investment in energy sector

The objectives of investment in energy sector are as follows which will help the economy of Pakistan to overcome problem of energy crisis are

(i) Overcome load shedding:

To reduce or overcome the problem of load shedding for one and for all. Pakistan had faced load shedding at peak ~~in~~ from 2006-2017. Pakistan has also faced electricity shortage in 2022-2023. Because Pakistan produce electricity from hydrocarbons which are imported. Production of 1 MW of electricity is contributing to overcome energy crisis.

- If coalmax project is completed it will reduce 14 PKR per units to 6 PKR after 10 years.
- if hydel project is completed it will reduce 9 PKR per unit to 5 PKR after 8 years

(Source CPEC web Page)

(ii) Cheap Production of Electricity: ^{In}

Pakistan per average one unit of electricity is cost ~~at~~ more than 35 PKR. Because most of electricity is produced by hydrocarbons which are imported. Pakistan have shortage of ~~electric~~ dollars because devaluation of Pakistani rupees. Production of electricity in Pakistan is also expensive due to costly or expensive agreements with independent power producers.

(iii) Electricity Production from domestic resources:

Pakistan can produce cheap electricity in more quantity by using domestic resources like hydel,

Day: _____

Date: _____

Solar and wind projects. Pakistan produce expensive electricity due to imported hydrocarbons. Pakistan can produce electricity from

coal ~~60%~~ wind 15%

hydel ~~60%~~ 80%

~~Wind solar~~ 15%

civil nuclear

~~Wind~~ 18%

(iv) Reduction in burden on consumers:

When electricity is produced from local resources at cheap rates it will reduce

its price at per unit which ultimately will reduce the

burden on consumers. For

example if ^{when} coal mine project ~~is~~ ~~com~~ will complete

it will reduce 14 Pkr

per units to 8 Pkr per

unit charge after 10 years.

Day: _____

Date: _____

(v) Promote Production of industrial sector

When the electricity is produced by local resources it will reduce production costs and help to flourish industries of economy. It help to produce more goods, import less, and increase exports which will help to bring dollars in Pakistan.

Investment in Transmission Line:

China has also also invested in malaysi transmission line in lahore. Large amount of electricity is losted due to theft and old transmission lines. Investment has done to save electricity from loss due to theft and change transmission system to modern.

Investment in Agriculture Sector :

China has also invested in agriculture sector of Pakistan to increase its productivity. It has take following actions.

- **Take land on lease :** China will take land on lease to grow crops. As now Chinese people and Pakistani ^{military} government is working together to promote efficiency of land.
- **modern ways of irrigation:** China will introduce new or modern ways of irrigation for crops as there is shortage of water in Pakistan.
- **Development of seeds and fertilizers :** China will provide Pakistan with new or developed seeds and fertilizers which will increase output per acre of Pakistani farms.
- **Livestock :** Farms of livestock will build.

Investment in Transport Sector :

China is mainly investing in energy and transport sector. Because it will also help China to grow rapidly, China is investing in following domains of transport sector

(i) Investment in Roads

China is investing in roads which will connect all regional countries to each other through cities of Pakistan. Some of projects of construction have already completed and others are ~~in~~ under construction.

(ii) Investment in Erwader sea port

China is also investing in Erwader sea port

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locked

which is largest sea port is Asia. China has made 30 km long artificial land in sea.

120 compartment being constructed at sea port

(iii) Investment in Railway (ML 1)

China is also helping Pakistan to build double track railway line instead of single one. It will connect Peshawar to other cities and countries.

Objectives of investment in transport sector

After the completion of these investment and projects, Pakistan will become, become transit corridor because all neighbouring countries

will depend on Pakistan for trade. Passes through this trade corridor 500 billion dollars trade will occur mainly of hydrocarbons.

• China:

China is second largest economy soon to be first largest economy will depend on Pakistan for trade. China export to middle east i.e Africa and south asia by sea. But after completion of projects they can export to middle east in 15 days instead of 38 days through Pakistan.

• Central Asian Republics

Central Asian Republics (CARs) are Kazakhstan, Uzbekistan, Tajikistan etc. They are rich in natural resources but are land locked.

They need to reach Arabian Arabian sea which they can do by using land of Pakistan, to export their commodities.

- **Russia** : Russia is a largest exporter of gas, 2nd largest exporter of weapons and 5th largest exporter of gold.

Russia need to reach Arabian sea for its export. India is a biggest market for ~~the~~ Russia. Russia need Pakistan's help to reach Indian ocean because of 1100 km frozen sea of Russia. He need access to warm waters.

- **Afghanistan** : Afghanistan will also be a major beneficiary of this project. Because Afghanistan use

Karachi's land to access sea. This project will help ~~then~~ it to reach other countries for trade easily.

- **IRAN:** ~~IR~~ Iran also needs Pakistan's to access warm water of Indian ocean through Pakistan's land. Iran is 2nd largest exporter of gas.

All these investments in sectors of Pakistan will promote economic growth and uplift Pakistan's economy.