

Discuss the prospects and challenges to the construction of "CPEC". How will it become a game changer for region?

Introduction:

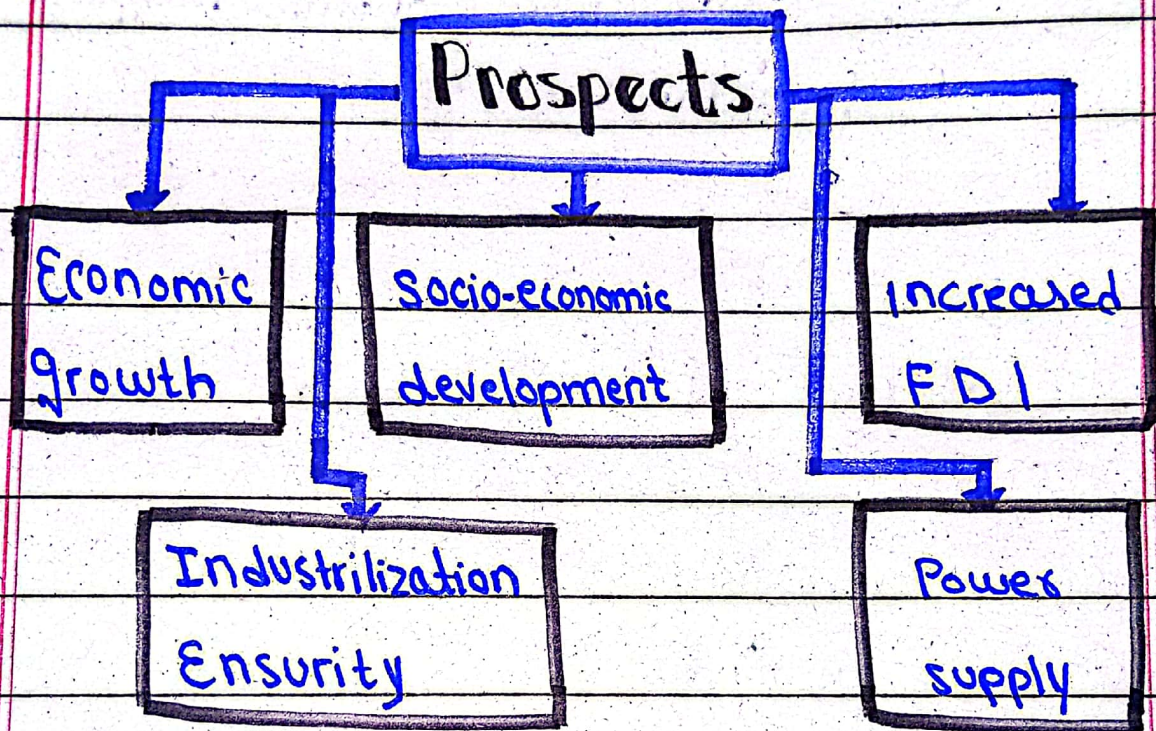
"CPEC is the best project for the social and economic development of Pakistan." Asim Saleem Bajwa

CPEC is 3000 km long corridor between the China and Pakistan. The prospects of CPEC are increased economic growth, socio-economic development, increased foreign investment, industrialization and stable power supply. Despite the significant prospects it faces challenges like security concerns, Political instability, opposition from US and India, Poor governance and environmental concerns. It will increase regional connectivity, trade

opportunities, increased cultural exchanges, and regional peace and stability.

Prospects of CPEC:

China Pakistan Economic Corridor offers various prospects:



i) Economic growth:

CPEC will increase the economic growth of Pakistan through infrastructure development and building the rail and road networks for

trade opportunities.

"CPEC will enable Pakistan to achieve growth rate of 6.5% through policy continuation and economic stability."

Source: Institute of Strategic Studies Islamabad (ISSI)

ii) Socio-economic development:

CPEC Authority has revealed that it will improve socio-economic conditions of Pakistan through poverty alleviation training, Better healthcare services, and providing job opportunities.

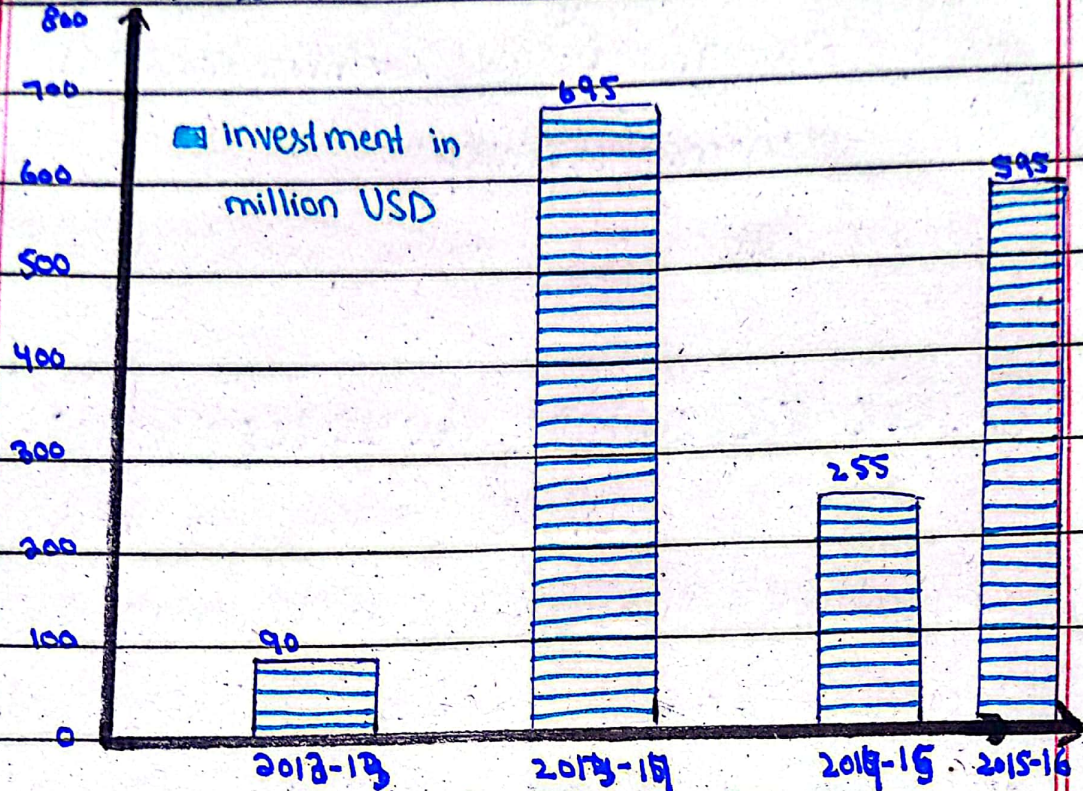
"The Special Economic zones will provide job opportunities to the locals of provinces. Also technical and vocational training programme will produce skilled labor."

Source: Ministry of planning and Development

i) Increased Foreign investments:

Due to the CPES

the FDI has increased annually.



Source: State Bank of Pakistan.

iv) Increased Industrialization:

China is relocating industries in Pakistan due to the cheap labor and attractive incentives. This will boost industrialization and employment in Pakistan.

"The creation of Special Economic

Zones (SEZs) will boost industry and employment in Pakistan."

Source: Ministry of planning & Development.

v) Stable power supply:

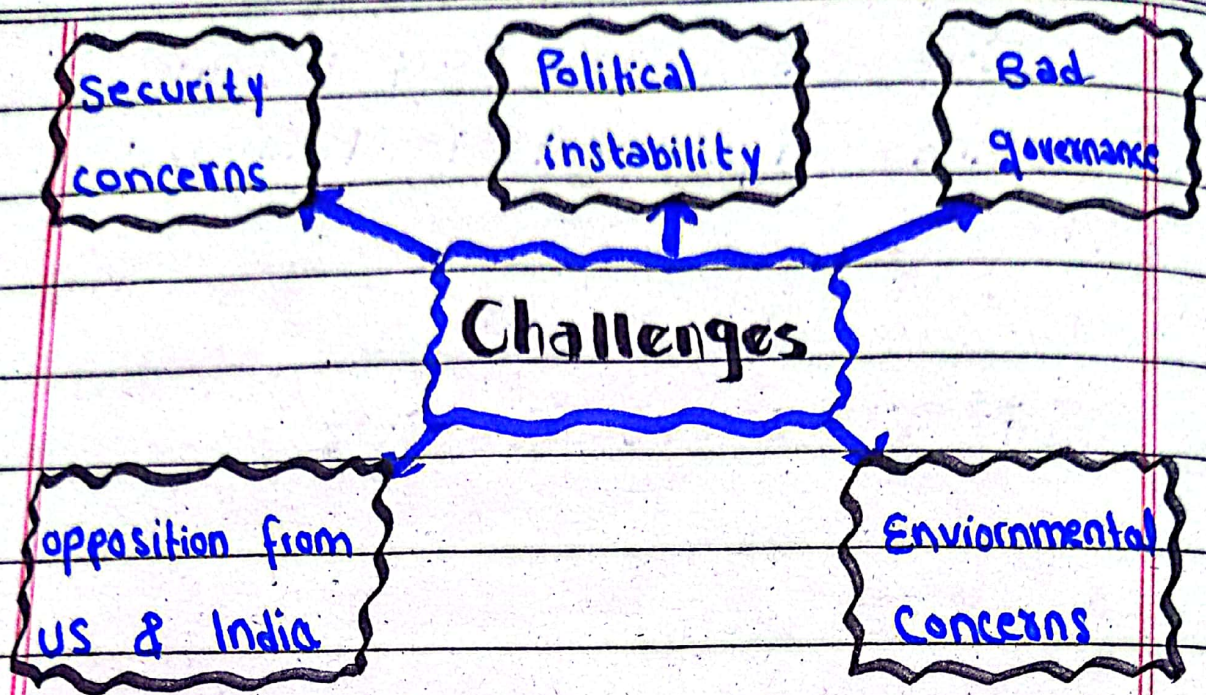
The major focus of the CPEC is to resolve energy shortages of industries of Pakistan. The emphasis is now developing renewable energy projects like Kohala, Sukhi kinari to mention a few.

"The matalari Lahore project will ensure stable power supply to Pakistan and will promote industrialization."

Nong Rong (Chinese Ambassador to Pakistan).

Challenges to CPEC Construction:

Despite CPEC offers various prospects, it is facing significant challenges:



i) Security Concerns:

There exist internal and external security concerns to the construction of CP&C. Punjab is perceived as major beneficiary of CP&C by other provinces. So, the militant attacks started on Chinese workers to stop the construction of this project. Moreover, the neighbouring countries are aiding to conduct these hostilities:

Recent Jaffar Express hijack was backed by Indian RAW. General Asim Munir

ii) Opposition from India & USA:

US and India are strongly opposing this project. India is aiding Iran to develop Chabahar port against it.

"India is opposing CPEC because it will internationalize Kashmir issue as perceived by new Delhi and will reduce new Delhi influence in Indian Ocean." Source: SIPRI

iii) Political instability:

Political instability is a serious issue in Pakistan haltering the construction of CPEC.

"Due to the political uncertainty in Pakistan, Investors are hesitant to invest in the country."

Source: Institute of strategic studies Islamabad.

Due to the lost investor confidence the construction of CPEC is slowed down.

iv) Bad Governance:

Lack of transparency and accountability in the country is resulting into slowed construction of CPEC.

"Global Corruption Perception ranked Pakistan 135, marking bad governance and institutional inefficiency."

Resultantly economic growth is slowed down.

v) Environmental Concerns:

CPEC has arised enviornmental concerns due the coal projects in it.

"Kenya, vietnam and Bangladesh has opposed coal-based projects due to the enviornmental concerns."

Source: International Peace Research Institute.

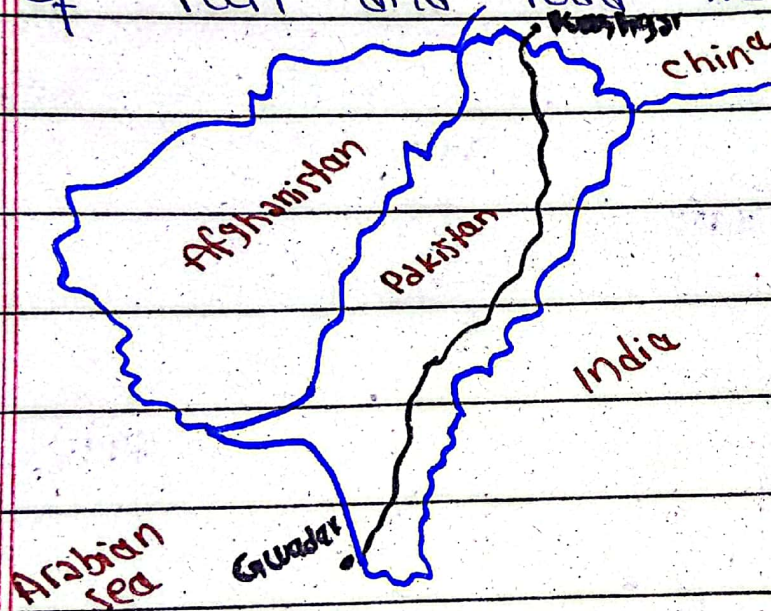
To address these concerns, China is shifting towards Renewable energy.

Game Changer for region:

CPEC will become game changer for region due to:

i) Increased regional connectivity:

CPEC will enhance regional connectivity through the construction of rail and road networks.



ii) Cultural Exchanges:

CPEC will provide opportunities for cultural exchanges and increased people to people interaction.

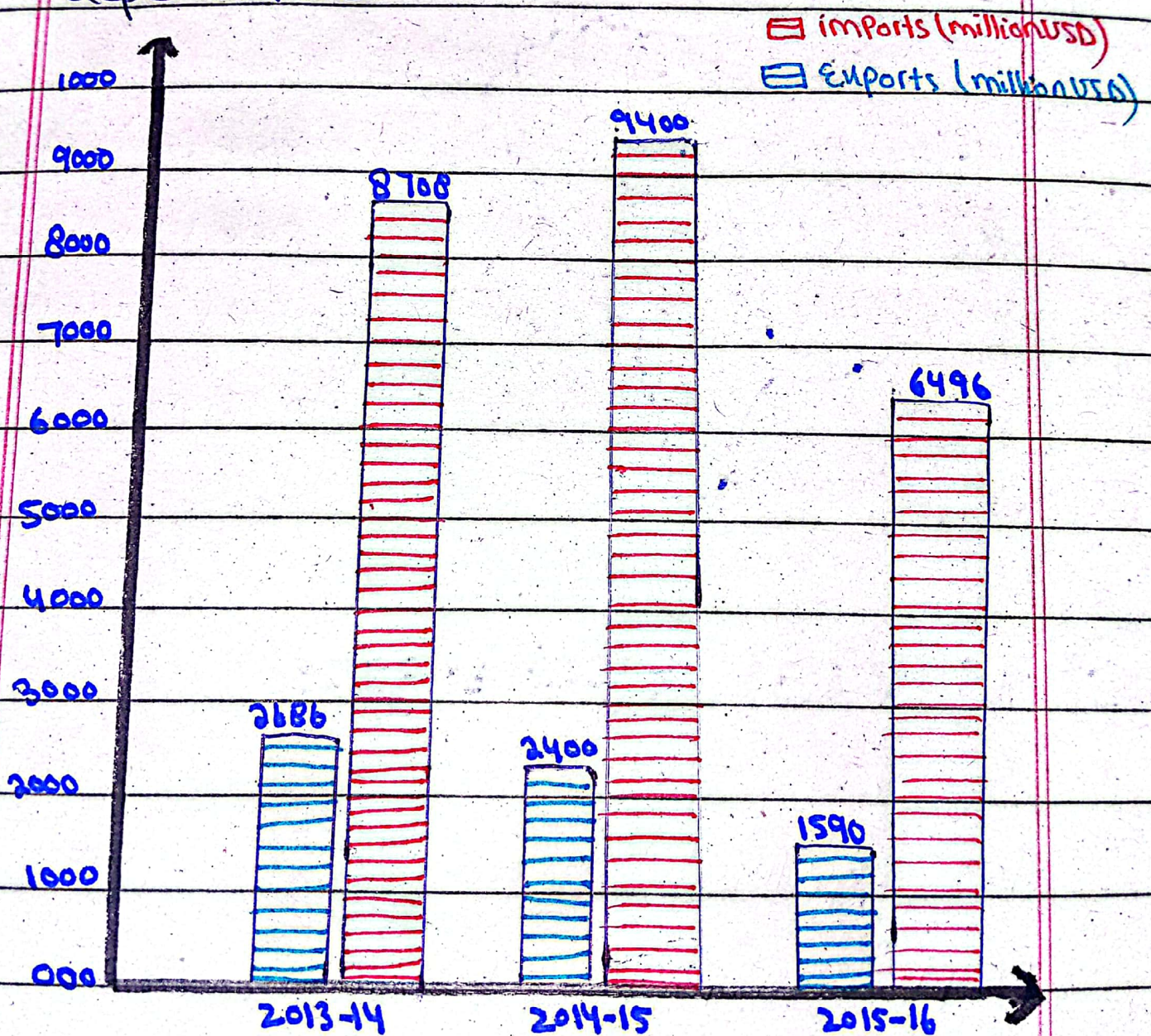
China is developing and improving Gwadar port for tourism development.

to increase people to people interaction.

Source: Ministry of Planning and Development.

iii) Increased trade Opportunities:

CPEC will increase regional trade opportunities, creating dependencies.



Source: State Bank of Pakistan.

Trade between China and Pakistan.

iv) Regional Peace and Stability:

CPEC will ensure regional peace and stability through counter terrorism efforts and creating trade dependencies.

"In recent years China has reduced grievances of Kabul towards Islamabad by offering both countries to engage in economic cooperation." Source: ISSI

Conclusion:

In a nutshell, CPEC offers numerous prospects for the country. It will increase economic growth and will reduce poverty. It is facing significant challenges in its construction. It will also increase regional connectivity and trade growth.