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CPEC as an economic corridor

Introduction:

The China Pakistan Economic Corridor (CPEC) is more than just a road. It is one of the most important project in Pakistan's history. It is not just a road that links Kashgar (Western China) to Pakistan's (Gwadar sea port), it is an economic corridor which involves roads, railways, highways, industries and trade. It is beneficial for Pakistan to improve their energy crisis, investment and trade. In today's world, countries are competing more through economy and connectivity rather than wars. CPEC provides Pakistan a chance to shift from Geo-political strategic location to Geo-economic hub. If managed properly, CPEC can become a game changer for both the countries Pakistan and China, it will ~~also~~ increase jobs, solving the energy crisis and linking the country with major global markets.

Economic Corridor:

Economic corridor is more than just a road, it is a network of infrastructure, industries, trade routes and economic

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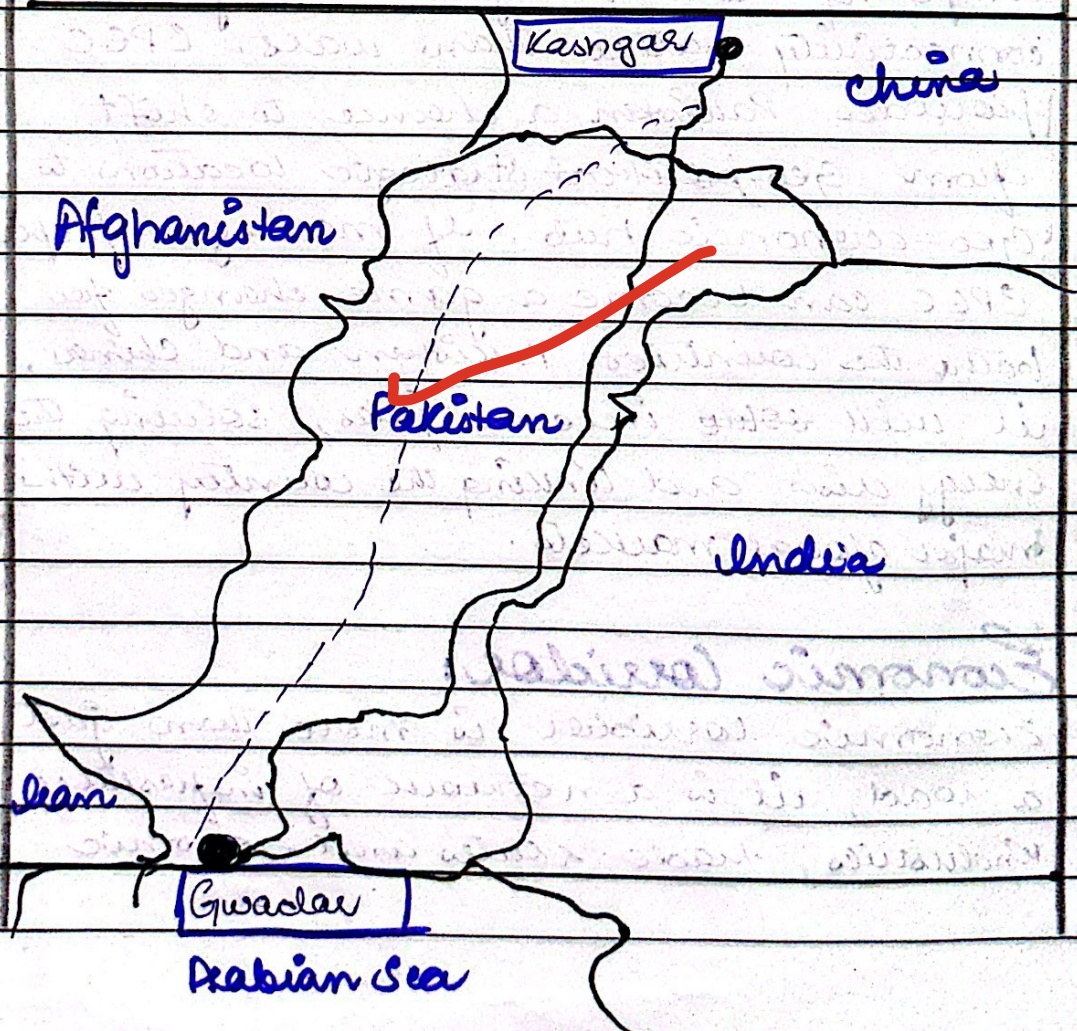
activity that connects two or more regions to:

- Promote trade and investment
- To encourage industrial growth
- To boost regional cooperation and connectivity

CPEC as an Economic Corridor

The China-Pakistan Economic Corridor (CPEC) is a flagship project of China's Belt and Road Initiative (BRI). It stretches over 3000 kilometers and aims to connect:

Kashgar (Western China) to Gwadar (Pakistan's Arabian Sea Port).

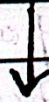


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- Facilitates Chinese trade with Africa, Gulf countries and Europe via shorter, cheaper and secure routes.
- It will help Pakistan to solve energy crisis issues, ~~building roads~~, increased trade and investment.

Key Sectors of CPEC Economic Corridor:

Transport & Connectivity:



Energy Development



Gwadar Port and City Development



Special Economic Zones (SEZs)



Digital and Fiber Optics

1- Transport and Connectivity

Building of roads, highways, railways, and logistic centers.

ML-1 Railway upgrade:

It is 1872 kilometer, from Karachi to Peshawar.

Motorways:

Karachi-Lahore, Hazara Motorway, and Western routes.

Example:

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The Hazara Motorway travel time from Islamabad to Abbottabad more than 1 hour.

2- Energy Development:

- CPBC involves over \$ 33 Billion over energy sector.
- It focuses on coal, hydro, wind, solar and LNG plant.

Example:

The Sahiwal coal power plant (1320 MW) is now providing power to Punjab sector.

3- Gwadar Port and City Development:

Gwadar is being developed into a deep commercial hub. It includes Gwadar free-zones, Gwadar International Airport, East bay - Expressway, hospitals and schools.

Strategic value:

Gwadar shortens China's oil supply route (12,000 km) via Malacca to 3000 km.

4- Special Economic Zones:

Nine (SEZs) planned across Pakistan. It involves to attract local and foreign investment. It offers tax incentives, cheap lands and skilled labour.

Example:

Rashakai (SEZs) (KPK) is a joint venture between Pakistan and China focus on ~~manufacturing~~ and food production.

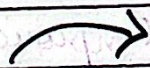
5- Digital and Fiber optic:

- Optical Fiber link from Khunjerab Pass to Rawalpindi (to make strong connection)
- Improves Internet, ~~Telecom~~, e-governance and surveillance.

Economic Impacts of CPEC:

Short-Term Benefits

Jobs



It involves 75,000+ jobs created in early phase.

Roads



Easier movements of goods and easy travel for people.

Energy



Solved 70% energy crisis (power shortage issues).

Local-Investment



Boost to cement, steel, and transport sectors.

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Long-Term Economic Transformation

Export-led Growth

→ Pakistan may export, textiles, minerals, and processed goods via Gwadar port.

Urban Development

→ Gwadar, D.I. Khan, Faisalabad will be future economic cities.

Industrial Shift

→ Pakistan will shift its agriculture economy to industrial economy.

Tourism Potential

→ Improved roads may boost tourism in KP, Gilgit-Baltistan, and Gwadar.

Geo-economic and Geo Political Importance

→ China's Goal:

- 1- The goal of China is to connect Kashgar (Western China) to Gwadar (Pakistan's Arabian Sea port) and built Kashgar an industrial hub.
- 2- Reduce dependence on the risky Malacca strait.

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- 3- Although, it takes a month but through Gwadar it will take 13 to 14 days.
- 4- According to strategic point of view, it will help China or to increase the trade & investment with Gulf states via Gwadar.
- 5- It provides a secure access to Arabian Sea.

→ Pakistan's Goal

- 1- The most important advantage through CPEC is solved energy crisis (a major issue in Pakistan).
- 2- Increase trade and investment which will improve trade balance.
- 3- Develop Balochistan and backward regions.
- 4- Regional connectivity.
- 5- CPEC could connect South Asia with Central Asia, The Middle East, and beyond.

Phases of CPEC

value: It involves \$62 Billion.

Timeline: 2015 — 2030 phase Development

Short term Phase: (2015-2020)

Road and Energy Development.

Mid term Phase: (2020-2025)

SEZs and Gwadar City Development.

Long-term Phase: (2025-2030)

Agriculture, Tourism and digital economy.

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4- Phase 1 - Connectivity (2015-2020)

- Roads and Highways from Kashgar to Gwadar.

Western Route

Havelian → Mianwali → DI Khan

Khuzdar → Gwadar

Eastern Route

Havelian → Pindi Bhattian → Multan

Sukkur → Gwadar

This phase is now fully completed.

2- Phase 2 - Industrial Development (2024-)

- Development of Special Economic Zones (SEZs)

- Aimed to promote exports, jobs and manufacturing

(Delayed due to political instability now resumed).

3- Phase 3 - Final Development (2025-2030)

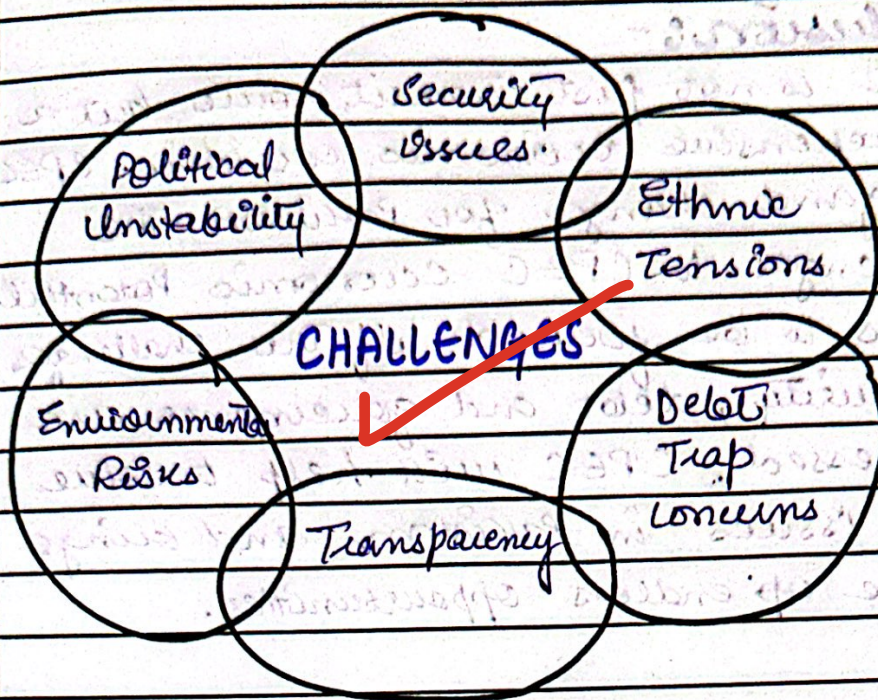
- Bullet trains, international airports, and modern cities
- Gwadar is planned as small port city.
- Luxurious facilities and export industries will be built.

"CPEC is the Crown Jewel of the Belt and Road Initiative"

Chinese Foreign Minister.

Challenges to CPEC Economic Potential:

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- **Security issues:** Attack on Chinese workers (Karachi University Blast and on CPEC sites).
- **Ethnic Tensions:** Baloch groups fear marginalization.
- **Transparency:** lack of clarity in projects causes tensions.
- **Political Instability:** Shifting political governments slow project speed.
- **Debt Trap concerns:** loans from China add to Pakistan already in high debt.
- **Environmental Risks:** local plants and construction affect local ecology.

Conclusion:-

CPEC is not just Transit route but a comprehensive economic corridor. CPEC is a game changer for Pakistan. The challenges to CPEC economic Potential needs to be focused. If the challenges of security, debt and governance are addressed, CPEC will help to solve the issues in Pakistan and brings more of endless opportunities.