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: QUESTION :

Topic: CPEC 2.0

Introduction To CPEC 2.0: A flagship Project of BRI aimed prosperity.

- "CPEC, a flagship project of BRI, will prove a gateway to economic prosperity for Pakistan" -

- Xing Chiang

CPEC 2.0 brings economic prosperity, industrial development and stronger ties under the roof of regional developments, as well as regional alliance. CPEC represents a long strategic partnership as compared to risk of forming into a modern version of the East India Company model of economic growth. as it aims in developing infrastructure, construct special economic zones, enhance trade, thereby increasing avenues of growth and casts an era of economic prosperity.

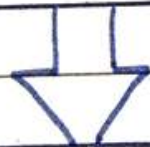
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II: A historical glimpse : from CPEC to CPEC 2.0 :

Announced in 2013 by China, A flagship project of BRI, by which a road connection was built from Gwadar to China



The first phase of CPEC consisted mainly of developments of infrastructure, roads and Gwadar Port



The Second phase was initiated in 2018 consisted of the construction of special economic zones, several agricultural developments and investment in renewable energy projects. This fostered boom in economy, tourism, and direct foreign investment

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III Critique of CPEC 2.0

to

III Critical analogies of the developments of CPEC phase 2 in context to Pakistan's economic sovereignty, industrial developments, and regional allies.

III:1: Developments of CPEC phase 2 in Context to Pakistan's economic sovereignty

(i): Boom in trade via Gawadar Port development:

- "Gawadar is a planksheet, one can write anything on it" -
- Xing Ping

Gawadar Port has a capacity of trade none other holds. It is a mega seaport that boomed trade of China, as well as Pakistan. One of the biggest advantage that helped boom trade was the trade of oil now made via Gawadar instead of the Strait of Malacca and thus provides oil to the entire region without passing through additional choke-points in that region.

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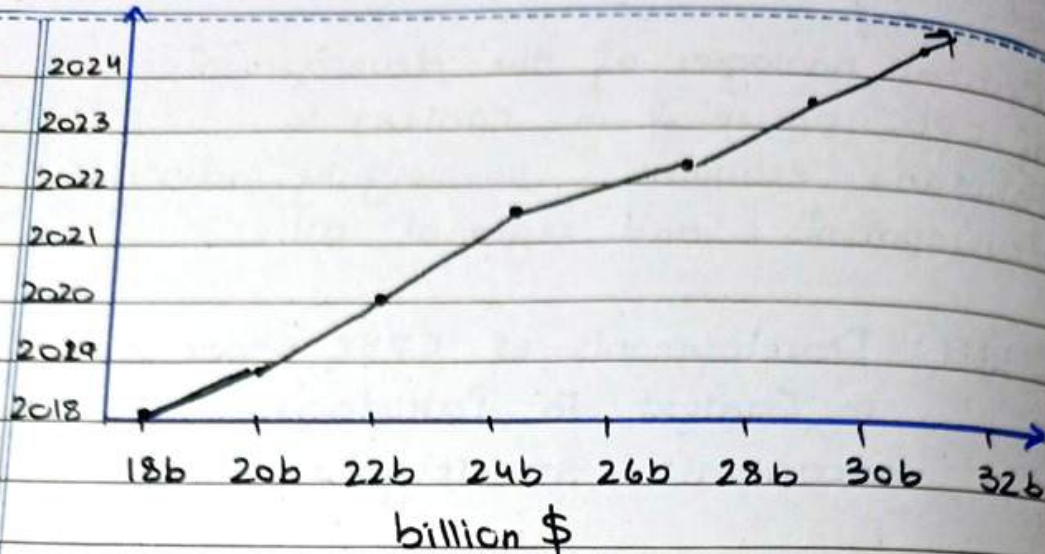


Fig: CPEC 2.0 and trade boom
(data by SIPRA)

(ii) Special Economic zones and economic prosperity

- "An estimation of 2.4% increase in Gross Domestic Production (GDP), by dabegi special economic zones" -

A total of 8 special economic zones were established in CPEC 2.0 which mainly focuses on industrial development and aims to bring in economic prosperity

These Special economic zones have made an integrating 2.4% increase in the annual GDP of Pakistan, further fastening economic boom.

(iii): Increase in direct foreign Investments

The phase 2.0 of CPEC, along with a 24% rise in GDP paved way for foreign investment as well. After \$62 billion investment by China, other strong avenues also stepped forth to contribute direct foreign investment in the boosted CPEC 2.0.

IV Developments of CPEC 2.0 in context to Industrial enhanced Developments:

(iv) Growth in Industries and Special Technical Skills: Training youth leads to skilled labor force and boom in exports:

Through CPEC 2.0, industries of Pakistan are growing, for instance, CPEC's oil trade enhanced energy production and less use of bio fuels as well as through TEVTA, provides skilled labor to industries to enhance production, both fostering efficiency and effectiveness thus increasing exports through the span of 2018 to 2025.

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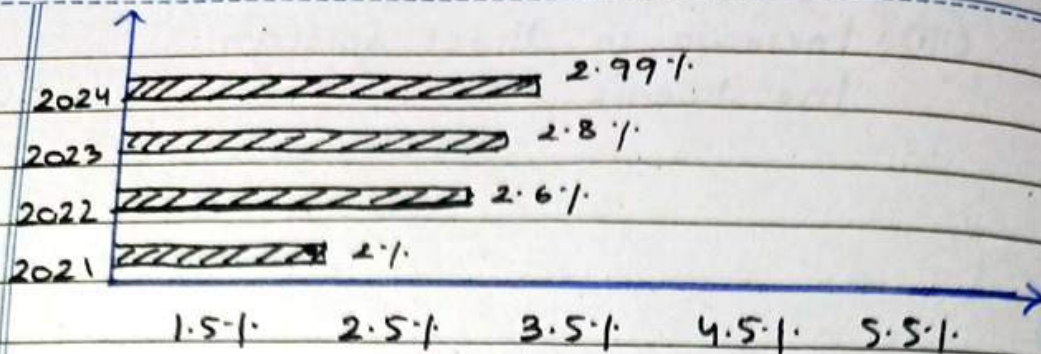


Fig: Increase in Exports after CPEC 2.0 from 2021 - 2024

(Data from Pakistan's Institute of Development and Economics)

V. A Glimpse at CPEC 2.0 in context to regional alliances:

(i) A gateway to Central Asian States: Enhance regional allyship:

Due to threats of terrorism and neighbourhood rivalry, the region is weak and prone to collapse. With the recent escalations, such between Pakistan and India, Afghanistan and Iran, the region is in definite need of a stabilizer. CPEC provides such an opportunities to open doors to world trade and boost economic ties with neighbouring South Asian countries thus reducing the chance of revolt.

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(ii) Strong and connected Global South;
Enhance regional trade thereby
foster era of prosperity

As CPEC is a flagship of BRI, it can
connect Afghanistan to Pakistan and
then to central Asia which enhances
regional connectivity and leads to
the emergence of a strong Global
South.

VI. A picture of CPEC 2.0 showing economic
and industrial developments, as well as
regional allies:



VII A risk of turning into a model version of East India Company

Many economist show risk of turning CPEC into a model version of East India Company. "Qaisar Borngali called it a debt trap." However, their concerns are real and on the other hand Pakistan needs such projects for the growth of infrastructure and industry, so that the looming economic crisis could be mitigated.

VIII Conclusion

To conclude, CPEC 2.0 fosters a new era of prosperity, economic development and regional connectivity. It increases Pakistan's exports, develops infrastructure and generate multiple avenues for growth. However a looming risk of CPEC 2.0 turning into a modern model version of East India Company still prevails, yet vague which can easily be mitigated by forming policies that fosters connectivity and economic growth.