

Essay

Topic:

CPEC: Opportunities and Challenges for Pakistan's economy

Outline:

1. Introduction:

- a) Hook
- b) General Statements
- c) Thesis Statement: CPEC Provides corridors of opportunities for Pakistan's economy but there are also certain challenges for Pakistan's economy regarding CPEC.

2) CPEC is the corridor of Opportunities for Pakistan's economy.

- a) Development in energy sector will improve Pakistan's economy
- b) Infrastructural developments will boost Pakistan's economy.
- c) Opportunities in Technology sector will revive Economic growth.
- d) Special Economic Zones (SEZs) will exclusively strengthen Pakistan's economy.

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Through CPEC Pakistan will become connectivity hub which will reinforce trade and Economy
f) Industrial and Agricultural development through CPEC will enhance economic Productivity.

3) CPEC Challenges for Pakistan's Economy

- a) Security threats for CPEC in Pakistan.
- b) Governance issues and Red Tapism
- c) lack of coordination between governmental institutions.
- d) Indian reservation about CPEC
- e) Trade Imbalance between Pakistan and China.
- f) Potential delays and cost overruns.

4) Conclusion

- a) Thesis Restatement
- b) General statements
- c) Hope note

"The idea of CPEC goes beyond a thousand years, and our future generations will continue to reap the fruits of this game-changing Project."

(Pakistan's President Asif Ali Zardari)

China Pakistan Economic Corridor (CPEC) is a flagship project of Chinese project Belt and Road Initiative (BRI) and it focuses generally on whole region, primarily on China and Pakistan. Through CPEC Pakistan can achieve various economic benefits as this project offers various economic opportunities for Pakistan. There is a window of opportunities in energy sector through CPEC. Infrastructural developments and opportunities in technology sector are also provided by CPEC. Special

Economic Zones (SEZ) are built under this project to improve Pakistan's economic growth. There are also certain challenges for Pakistan's economy regarding this project. These challenges include security threats, governance crises, Indian lobby and many others. China Pakistan Economic Corridor (CPEC) provides opportunities for Pakistan's economy but there are ^{also} certain challenges for Pakistan's economy regarding CPEC.

CPEC provides window of opportunities in energy sector of Pakistan that will ultimately boost the economy. CPEC Phase-I was primarily focused on energy projects. This is much needed for Pakistan also because Pakistan is facing

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huge energy crises since decades. By development in energy sector, it will help to decrease hydrocarbon imports and reduces the dependency of country on expensive sources of energy. Such energy projects under CPEC include Sukki-Kinnari hydal Power project, Quaid-e-Azam Coal Power project and Thimpir wind power project etc. By these energy projects and many others, CPEC offers an opportunity for Pakistan to improve its economy.

CPEC is an infrastructural project and it mainly focuses on development of infrastructure in Pakistan. It will cover infrastructural lapses in various sectors of Pakistan. Roads networks has been expanded in Pakistan through

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CPEC. For example M3 connect Lahore to Multan, M4 connect Lahore to Faisalabad and M5 connects Multan to Sahiwal. Through CPEC there is an upgradation of Makran Coastal highway in Balochistan and Quetta-Karachi highway is under construction. All these and many other infrastructural developments will help in sustainable economic growth of Pakistan.

CPEC also focuses on technology sector in Pakistan to uplift its economy. It provides with latest technology and latest techniques used in various sectors. 4G internet service was given to Pakistan in 2017 and now 5G is also in pipeline. China is also investing in Pakistan's

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automobile sector through CPEC. Technological university (Gawadar Lahore) was also ~~in~~ established under this project. Through all these technological developments Pakistan's economy can grow and benefit.

Under CPEC nine special economic zones (SEZ) were announced to be established. These are tax free zones and are made to attract foreign investment, generate revenue by providing jobs and services. Some of these zones include Mirpur SEZ, Islamabad SEZ and Bostan SEZ. After completion of all these SEZ Pakistan is likely to generate five million new jobs for local people and country itself will become

a magnet for international investors. In this way CPEC special economic zones will exclusively strengthen Pakistan's economy.

To improve Pakistan's trade for its economy, CPEC has given an opportunity to Pakistan of becoming a Connectivity hub. As CPEC is a project of BRI which links almost 150 countries, so CPEC will make Gwadar the centre of trade and transit for the world. Through CPEC, Gwadar will be connected to whole Central Asia and trade will be easy for Pakistan. Such kind of connectivity will reduce cost and time for trade and ultimately reinforcing the economy.

CPEC offers agricultural and industrial development in Pakistan which will increase economic productivity in the country. Five industries will be established under CPE in SEZ which will increase the local production in the country. Through CPEC farmers will be trained and equipped with latest technology and techniques to increase productivity. In industrial development, paper, ceramic, food and packaging industries will be established. All these industrial and agricultural projects under CPEC will directly or indirectly improve economy of Pakistan.

There is no doubt CPEC provides huge opportunities to improve economy of Pakistan but challenges faced by country

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regarding this project are also
real. These challenges are
discussed below.

To start with challenges,
first and foremost challenge
is security threats to CPEC
in Pakistan. Pakistan's
overburdened economy is
facing various security threats
because of uprising militancy
in Balochistan which
primarily target the
CPEC projects and Chinese
investors to sabotage the
project. TTP and BLA
are carrying various attacks
which make it difficult
for China to come
and invest in Pakistan.
This security challenge to
Pakistan's economy is
a major hurdle in
the development of CPEC
in Pakistan.

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Red tapism is a reality in Pakistan because here beaurocratic hurdles cause delay in various project of CPEC, creating a major challenge for Pakistan. Because of political instability, there are various governance crises in Pakistan which hinders the continuity of CPEC in Pakistan. So, for Pakistan's economy the red tapism and governance issues are major hurdles for CPEC.

Lack of cooperation and coordination between different governmental institutions is also a great challenge for Pakistan's economy regarding CPEC. There is a lack of cooperation between CPEC authority and Planning and Development authority in Pakistan. Due to

to coordination gaps between such institutes of government the developing projects are delayed and sometimes suspended. This will lead to an economic challenge for the country.

Indian is trying its best to challenge CPEC by building fake narratives about it. India openly challenges CPEC as India never wants the economic growth of Pakistan. Prime minister of India Narendra Modi has publicly criticized CPEC many times. This is a huge challenge for Pakistan's economy to counter all such narratives by measured and calculated steps.

Trade imbalance between Pakistan and China because of CPEC is a Challenge that cannot be overruled. There are an enhanced imports in Pakistan while its exports are declining.

Under CPEC Pakistan is becoming overdependent on China and its dependency on its own local industries is declining. Such kind of trade imbalance and dependence on foreign industries are great challenges confronted by Pakistan's economy in recent times.

Last but not least the Challenge of potential delays and cost overruns of CPEC projects is a Challenge that Pakistan needs to overcome. CPEC

Phase-II is delayed mainly because of such delays in payments by Pakistan's side. Pakistan must fulfill its promises on time to maintain China's trust and to improve its own economic growth.

CPEC is a window of various opportunities for Pakistan's economy. Besides all opportunities there exists certain challenges for Pakistan regarding CPEC. Opportunities from which Pakistan's economy can benefit lies in energy sector, technology, infrastructure developments, special economic zones, industrial growth and connectivity routes. While the potential challenges faced by Pakistan regarding

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CPEC are security threats, governance issues, red tapism, lack of coordination between institutes, trade imbalance between China and Pakistan and potential delays with cost overruns etcetra. All these challenges are very serious and practical but these can be overcome with pragmatic solutions. Pakistan needs to focus on opportunities given on CPEC and gain maximum benefits from these. On the other hand, Pakistan must overcome all these challenges to achieve the dream of its economic prosperity. Hopefully, great economic future is waiting for Pakistan.

"The future is not something we enter. The future is something we create."

(Leonard I. Sweet)

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