# CPEC & It's Economic Significance :-

## Question No # 1 :-

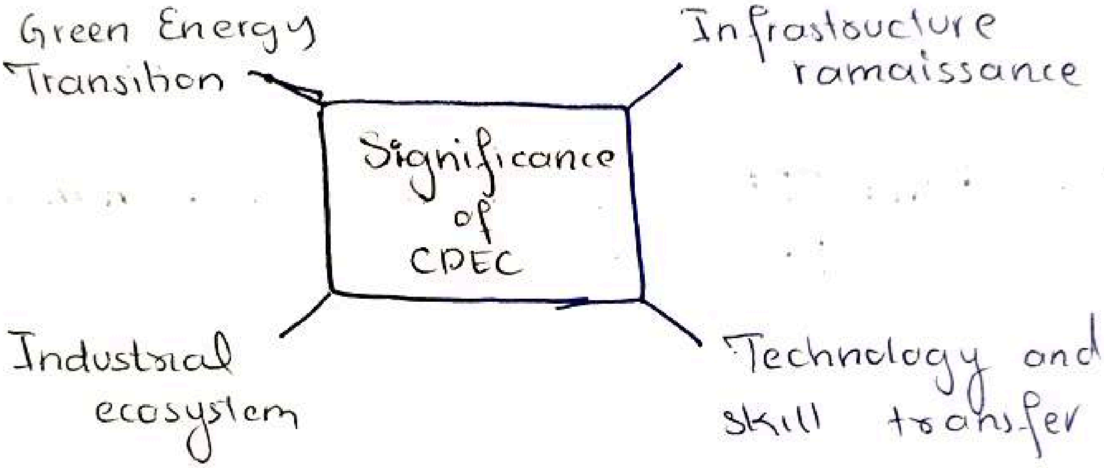
Explore the significance of CPEC for Pakistan in case of economic development. What are its potential challenges and opportunities.

## I: Introduction: CPEC: A Dream Game-Changer for Pakistan.

"Economic corridors are not merely roads and railways, they are lifeliness of nations that connect opportunities with realities"

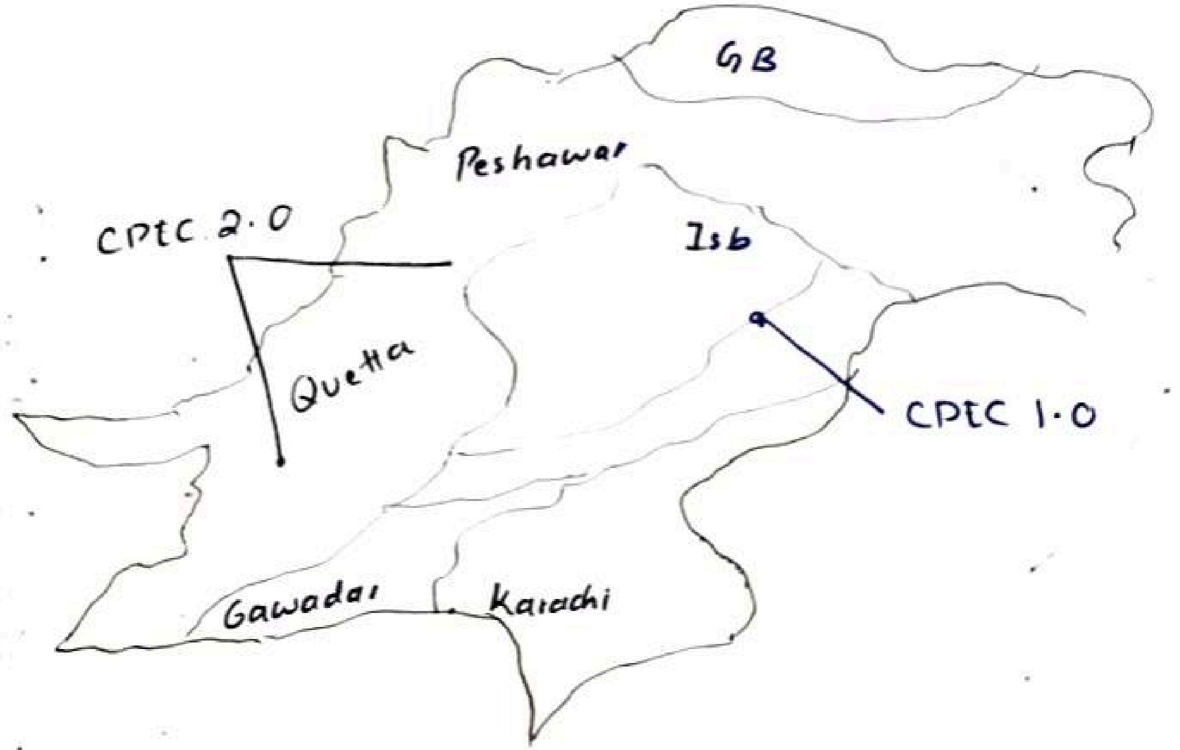
The China-Pakistan Economic coridoor (CPEC), launched in 2015 under BRI (Belt and Road Initiative) has emerged as a game-changer for Pakistan's socio-economic development stretching from Kashgar ~~from~~ in China's Xinjiang Region to Gawadar Port in Balochistan, CPEC is more than an infrastructure enhancement program (project); It is a comprehensive framework encompassing energy generation, trade facilitation, industrial cooperations, and regional connectivity. For Pakistan, it promises to address chronic energy shortages, moderanize transportation methods, attract foreign client investment, and uplift backword regime development through job creation and development. However, alongside these immense opportunities, CPEC also brings multifaceted challenges. Moreover, Geopolitical rivalries in South Asia and mistrust from external actors further complicate its smooth implementation.

## II. Significance of CPEC for the Economic Growth of Pakistan.




### A) Infrastructure Ranaissance in Pakistan : Providing of Smart Highways and Modern Rail Network throughout the Republic :

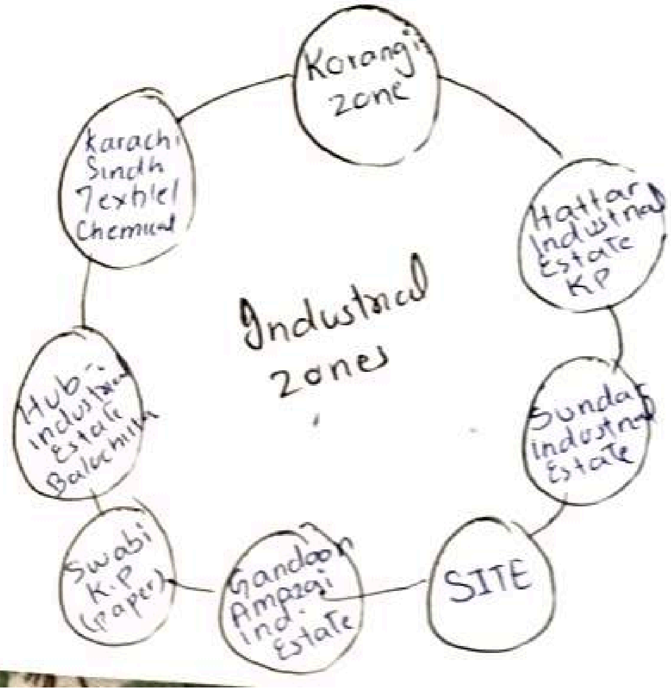
As a sub-part of China's Silk road Project, CPEC has created a connection between China and Pakistan by providing an absolute passage to trade between them and increasing economic prosperity of both the countries allenges.




B). Constructing Industrial Ecosystem - Boosting Export Based Economy by Following the precedence China's Miracle

China has raised its image through expanding trade throughout the world as their precedence is once again being nurished by Pakistan. For example 9SEZ's (Special Economic Zones) in Pakistan and other industrial zones

∴ SITE: Sindh Industrial Trading Estate



SPECIAL ECONOMIC ZONES

- Underconstruction projects
  - Rashakai Special Economic Zone
  - Allama Iqbal Industrial City
  - Dhabeji Special Economic Zone
  - Bostan Special Economic Zone
- In pipeline projects
  - ICT Model Industrial Zone
  - Industrial Park on Pakistan Steel Mill
  - Mirpur Industrial Zone
  - Mohmand Marble City.
  - Moqpondass Special Economic Zone

c) Green Energy Transition: Ending Energy Apartheid investing in Energy Sector for 24/7 Energy Supply.

Initially, CPEC investments focused on Coal, gas and hydropower to overcome Pakistan's electricity shortfall. But now, CPEC energy Cooperation framework has shifted towards renewable and clean energy to align with SDG's and Climate Commitments

**Solar Energy Projects**
- Quaid e Azam Solar Project (Bahalpur)
- Zongba Power Plant (planned in Sindh)

**Wind Energy Project**
- Jhimpir Wind Energy Project (Sindh)
- Sachal Wind Power Project (50MW)

**Hydropower project**
- Suki Kirani - 870 MW, KP
- Kohala (1124 MW, KP, Under Const.
- Karot (720 MW, AJK bardes)

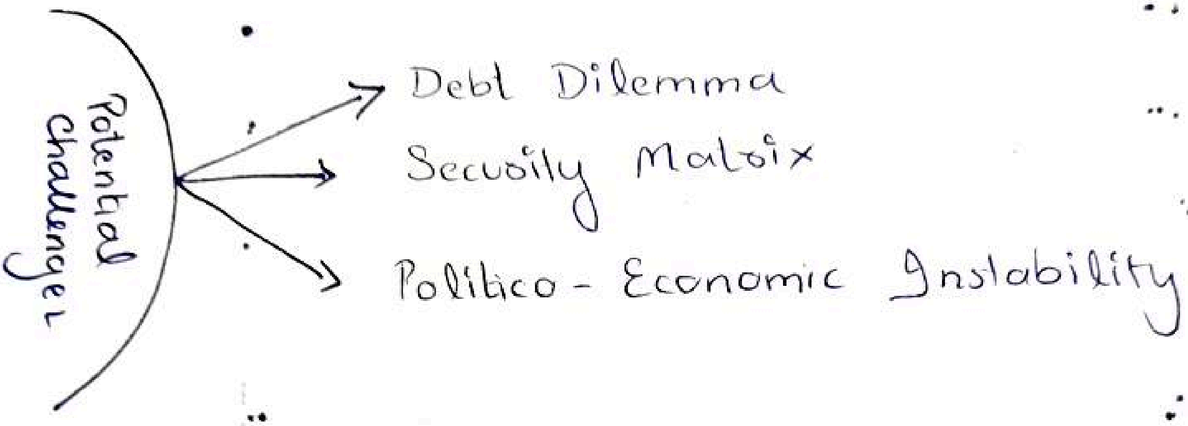
## D) Techno - Communication Synergy Projects to Revitalize the Technological Growth with Chinese Tech - Growth:

Pakistan and China ties have brought in technological realms.

**Technological Revolution**

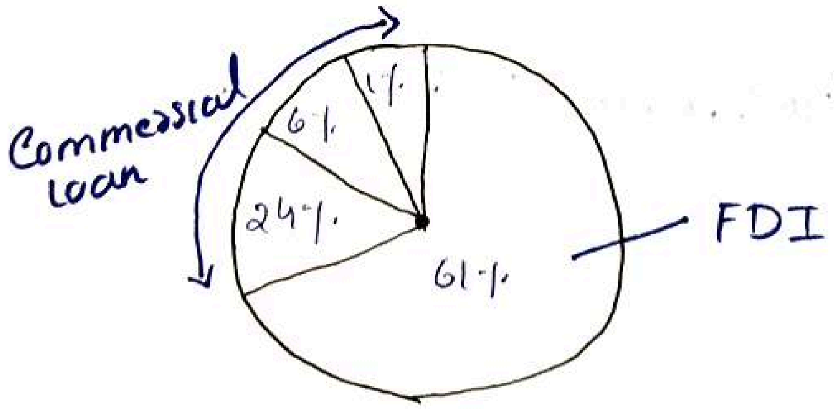
- Gawadar Smart port City master Plan
- Class bondes Fiber Optic Cable (Hawei and SCO project
- Pak-China Joint Research Center
- Fin-tech e-payments

## III) Potential Challenges Attached with CPEC in Contemporary Times




### A) Debt Dilemma Emanating Financial Over-reach. Debt Repayment Paradox Hindering Effectiveness of CPEC:

Debt sustainability of China's project has reached at $16 Billion. These debt repayments have certainly become a dilemma for the economic growth and Pak-China relations



## B) Security Matrix Detering Foreign Investments - Involvement of Regional and International Actors in Insurgencies in State

Terrorist insurgencies in Pakistan has been backed by both regional and international actors. These attacks are hindering the progress, as well as the prosperity of CPEC and relations of China-Pakistan

> "Tehrik-e-Taliban Pakistan's involvement in one insurgency pushed for Balochistan separatism has created a security matrix to the survival of CPEC"
>
> (-Zahid Hussain)

## c) Politico - Economic Instability - Unpredictable Environment in State creating a Coundoum for Survival of CPEC:

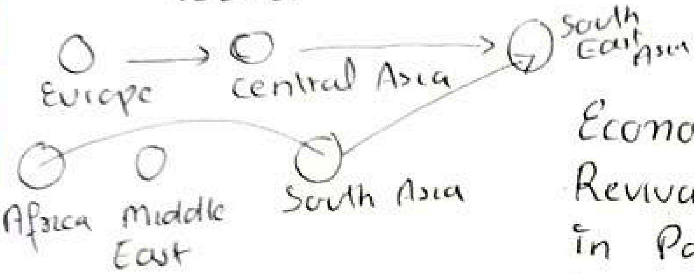
Unresolved political landscape of Pakistan has fostered economic instability. It has escalated inflation and government budgetary operations

> "Political instability features economic instability and political instability invites economic hiccup, creating a paradox of choatic environment in Islamic Republic of Pakistan"
>
> (-Pakistan Beyond the Crisis State, Maleeha Lodi)

## IV : Political Opportunities Given to Pakistan By CPEC

Opportunities for Pakistan

Regional Integration by connecting region can transform it into a Trade Hub for the world




Trade Renaissance through Export-based Growth through CPEC

Economic Diversification - Revival of Energy Sector in Pakistan to use renewable energy resources

- modern Railway
- Smart highways
- Industrial hub
- Tech-infrastructure

## V Conclusion : A Catalyst for Prosperity

China-Pakistan Economic Corridor has been providing the future-proof plan for Pakistan's pathway to Prosperity by presenting numerous opportunities in the Industrial Sector such as infrastructure, networking or regional connectivity, as well as the energy sector in regards to use of renewable energy resources. Though packed with some challenges, Pakistan has still prevailed and has made substantial positive outcome whether its in the uplifting industrial sectors, or economy as a whole fostering Political and economic stability