



infrastructure, Special Economic zones, energy power plants, socio economic development and agricultural advancement. However CPEC also faces many challenges like terrorism, western rivalries and propaganda and political instability. Although, CPEC has the potential to enhance economic development of Pakistan. At the same time there are many challenges, so it is necessary for Pakistan to address those challenges in order to avail the benefits of CPEC.

## CPEC : An overview:

CPEC (China Pakistan Economic Corridor) is part of BRI (Belt Road Initiative) project. The idea of CPEC was given by Chinese Premier **Kejiang** in 2013. However the official agreement was signed in May 2015. Earlier, the investment in CPEC was planned **\$46 bn**. But after that it was increased to **\$62 bn**. In 2015 China and Pakistan signed an **21 (MOUs)**. CPEC includes **501 Km** highways, **820 Km** optic fibers and **6000 MW** energy

capability. It has also include  
9 (SEZs) along the routes  
of CPEC in order to boost  
investment from foreign countries.

## CPEC and its success:

### 1- Economic Development:

CPEC is positive initiative to boost economic development in Pakistan. The CPEC contains Special Economic Zones in which industries are also included. This will give economic boost to country as country would be able to enhance its exports.

### 2: Agricultural Advancement:

CPEC project also include the advancement of agricultural sector. China will provide modernized technology of drip irrigation to Pakistan. Through this technology water can be save from wastage.

### 3: Job opportunity:

CPEC has created job opportunity. Till now it has created 192,000 jobs for Pakistanis. Similarly it has the potential to create 700,000

#### 4. Jobs and many business opportunities.

### Socio-economic development:

Socio-economic development and poverty-alleviation is also included in the plans of CPEC. The second phase of CPEC is primarily focused on socio-economic development. It would well enhance the living standards of people. The special economic zones included education and healthcare facilities for people.

### 5. Revival of construction Industry:

The revival of construction industry is another success of CPEC project. The project include the construction of railroads, industries, energy power plants and educational institutions. In this way CPEC will give impetus to the revival of construction industry.

### 6. Source of foreign Investment:

CPEC also become a source of foreign investment in Pakistan. After functionalism of Gwadar port city, Pakistan will be used trade route from China to middle east and Europe. So for foreign countries middle

eastern and european countries can  
be encouraged for investment in  
Pakistan.

### 7: Helpful in mitigating energy crisis:

CPEC include 14 energy  
power plants in Pakistan. Through  
these energy power plants, more  
electricity would be produced and  
Pakistan would be able to  
mitigate energy crisis.

### 8: Address climate challenge:

CPEC included renewable  
energy power plants. In this  
way climate challenge would be  
addressed by less reliance on  
fossil fuels. CPEC include  
wind and solar power projects  
have 300 MW capability each.

### 9: Save trade route for China:

CPEC gives China  
a save trade route, through  
Arabian sea. Earlier China has  
to pass through (IOR) and  
Strait of Malacca which were  
not safe because of Indian  
naval.

### 10: Reduced Distance for China:

CPEC has reduced distance  
of China to Europe and  
middle east. For Europe, distance

has been reduced to 22000 km  
and for middle east it is  
reduced to 11000 km.

## Failures of CPEC

### 1. Terrorism:

The growing terrorism  
has hampered the progress of CPEC.  
In 2021 attack on Chinese  
consulates created threatening  
situation towards CPEC. Similarly  
the extremist group in Gauday  
also created trouble in the  
progress of CPEC.

### 2. Political Instability:

Political instability in  
Pakistan is another reason of the  
failure of CPEC. This is the  
reason that phase II of CPEC  
is ~~is~~ was ~~late~~ not started at  
appropriate time. Moreover political  
instability in the country discourages  
Chinese companies to invest in  
Pakistan.

### 3. Indian Promises:

India, the big rival  
of Pakistan do not want the  
regulation of CPEC in Pakistan.  
So, India invoked its promises  
against Pakistan by indulging

extremist groups. According to  
**Summit Wala:**

"If there is no industrial development in Pakistan, the payment of loans and return of Chinese investment will cripple its economy. We must actively isolate Pakistan diplomatically and economically making it more difficult for it to secure loans."

(The Economics for CPEC:  
What are the options for  
India: 2019)

This shows that ~~hard~~ handling CPEC project is the main part of Indian foreign policy.

4: **Western propaganda:**

Western countries indulged in spreading propaganda against CPEC by naming it "**debt trap**". Moreover, ~~from~~ International Financial Institutions like IMF are dominating by west influence. These institutions are subjecting Pakistan to ~~is~~ discriminatory treatment. Resultantly Pakistan has to face stringent conditions of IMF like devaluation of rupees and rise in oil and

electricity prices. (Navigating the  
Path towards Geo-economics:  
An Analysis of Opportunities  
and Challenges for Pakistan.)

## Conclusion:

In a nutshell, CPEC is an economic corridor between Pakistan and China. It has benefits for both countries. ~~The~~ The benefits of CPEC are economic development, job opportunities, socio-economic development and foreign investment. Similarly it has the potential to revive construction industry, overcome energy crisis and boost agriculture. Contrary CPEC has many failures in the form of terrorism, political instabilities, income inequality and western propaganda.



QNo2 - KSA - Iran rapprochement would have far reaching positive implications on the conflicts in the Middle East but would have far reaching impacts on Pakistan. Discuss!

## Introduction:

KSA - Iran rapprochement was brokered by China on 10 March 2023. The trilateral statement between Saudi Arabia, Iran and China is called Deal. According to the deal both countries would respect each other's sovereignty and will not interfere in the internal matters of each other's country. Moreover both countries revive agreement of 1998 and 2001. These agreements were related to energy, science, technology, trade, investment and culture. Furthermore both countries open embassies in one another's country. The rapprochement has implications for middle east, world and for Pakistan. In middle east sectarian violence and civil war in Yemen, Syria and Iraq

would be settled is settled down after the rapprochement. The whole region became peaceful and stable. However, USA-Iran rapprochement has far reaching impacts for Pakistan. The impact for Pakistan include trade and investment opportunities, end of sectarianism in Pakistan, and normalization of situation between India and Pakistan would be normalized through forum of SCO and OIC.

## Implications in Middle East:

### 1: Stability and Peace in the region:

The USA-Iran rapprochement has created stability and peace in the whole region. As the region was victim of strained relations between Saudi Arabia and Iran. Similarly rivalry between both countries had created social unrest in Yemen and Syria. After the rapprochement Saudi Arabia made progress in Yemen as condition for establishing diplomatic ties with Iran. Similarly Iran agreed to stop interfering attacks by Houthi rebels.

in Yemen. In this way peace and stability is developed in the region.

## 2: Trade Development in middle east:

Another positive implication of USA-Iran rapprochement is trade development between countries of middle east. As the middle eastern countries are rich in oil, gas and other natural resources. The trade among middle eastern countries which was halted due to rivalry between Iran and Saudi Arabia is now normalized.

## 3: Termination of civil war in Syria and Yemen:

The seven years long rivalry between Saudi Arabia and Iran also involve the whole region. Both countries had intervened in Syria and Yemen and created escalated tension.

In Syria, Iran supported Syrian government against opposition supported by Saudi Arabia. The rivalry between Syrian government and opposition has created a large number of devastation and humanitarian

- Crisis. Similarly in Yemen's Iran supported Houthi rebels against Yemen's government which was supported by Saudi Arabia. It also created humanitarian crisis at a large scale. The rapprochement between ~~the~~ Saudi Arabia and Iran has terminated civil wars in Syria and Yemen.

#### 4: China's BRI and opportunity for Middle East:

The BRI project of China create economic opportunity for middle east. After rapprochement, the whole peaceful region can attain opportunity of BRI and moves towards prosperity. China has invested **\$280 bn** in Iran's oil, gas and petrochemical sectors. Similarly China is the largest exporter of oil from Saudi Arabia. So, China after rapprochement China is able to be benefited from both countries.

#### 5: Less interference of west in the region:

The USA-Iran rapprochement made less interference of western powers

like USA in the region. Actually the normalization deal is a win-win situation for China but for USA the deal is dangerous. **Peter Baker** wrote in **New York Times** that: "Chinese-brokered deal had upended the US diplomacy in middle east."

## Impacts for Pakistan:

### 1: Termination of sectarian violence and extremism in Pakistan:

In Pakistan, sectarian violence between Shia and Sunni was dominant. Saudi Arabia and Iran supported Sunni and Shia groups in Pakistan. After the rapprochement sectarian violence would be reduced in Pakistan.

### 2: Resolution of Kashmir through OIC:

The positive development in middle east not only reduce sectarian violence but also enhance the functioning of OIC (Organization of Islamic Council). The council was hampered due to the

hostility between Iran and Saudi Arabia. Pakistan could raise Kashmir issue in OIC and can use OIC forum. Not international community for the resolution of Kashmir issue.

### 3: Diplomatic opportunities for Pakistan:

The peace development in middle east create diplomatic opportunities for Pakistan with both Iran and Saudi Arabia. In Saudi Arabia 33 million Pakistanis are in labor force and support country with remittances. So Pakistan was not gone against Saudi Arabia by developing ties with Iran. But after normalization ties between Iran and USA, Pakistan can obtain gas and oil from Iran at a reduced price without pressure from Saudi Arabia.

### 4: Investment opportunities in Pakistan:

The normalization ties between Iran and Saudi Arabia can develop investment opportunities in Pakistan. Pakistan can seek investment from

Iran and Saudi Arabia through CPEC project. As Saudi Arabia has pledged to establish oil refinery company worth of \$10 bn in Pakistan.

## Conclusion:

KSA-Iran rapprochement is a deal brokered by China on 10 March 2023. The rapprochement has significant implications for middle east as well as for Pakistan. The implications of normalization ties include stability and peace in the region, trade and economic development, less participation of west and BRI's effective opportunity for middle east. Similarly for Pakistan the Deal has positive impacts like reduction in sectarian violence, resolution of Kashmir through OIC, diplomatic and investment opportunities for Pakistan.