

QUESTION #01A Decade of CPEC : Success & FailuresI. Introduction

China has been an all-weather friend of Pakistan, it has been supporting Pakistan on multifaced fronts and always showed interests for internal and strategic development of Pakistan. China-Pakistan Economic corridor is a flagship project of China which is a part of China's Belt and Road initiative. China started and officially launched CPEC in 2015, while Chinese President Xi Jinping, addressing the Parliament of Pakistan said:

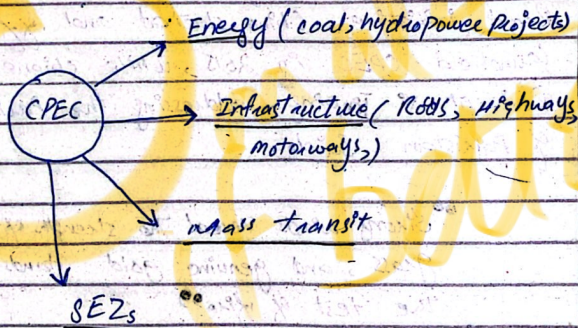
“Strong winds reveal the strength of grass, and genuine gold stands the test of fire.”

That shows the commitment of China to the development project and demands cooperation from Pakistan. Now, on the 1st of Aug 2023, China and Pakistan celebrated ten years anniversary of projects with positive future prospects. Though the CPEC has withstood strong winds of criticism and it has

achieved a milestone, but there are ongoing failures and shortcomings for Pakistan that is in crucial need to be dealt.

II. WHAT IS CPEC?

CPEC is a "Flagship Project" of BRI and it is usually dubbed as "1 in 4" or 1 plus 4, meaning one CPEC 4 Projects, because CPEC is a collection of Projects, such as Energy, infrastructure, mass transit and Special Economic Zones (SEZs).



A. Blueprints of Phases of CPEC

CPEC is basically planned to be launched in 3 phases to 2030. With the capital of 60 billion dollars, China started investment in the development of its project CPEC.

and Pakistan's regional stability. Since 2023, It has invested 20 billion dollars and some of its planned projects are already completed that was supposed to complete in three phases:

i- Phase I: (2015-2020) ("Short-term phase")

Phase I was specifically designated to energy and infrastructure developments i.e. building roads, airports, rail tracks, motorways, highways and energy power plants to nurture ground for (SEZs) and industrial buildup for 2nd and 3rd phase.

ii- Phase-II: (2020-2025)

"Mid-term phase"

The second phase of the project prospects to build Special Economic Zones (SEZs) in different areas of Pakistan. Till today 3 SEZs have been completed.

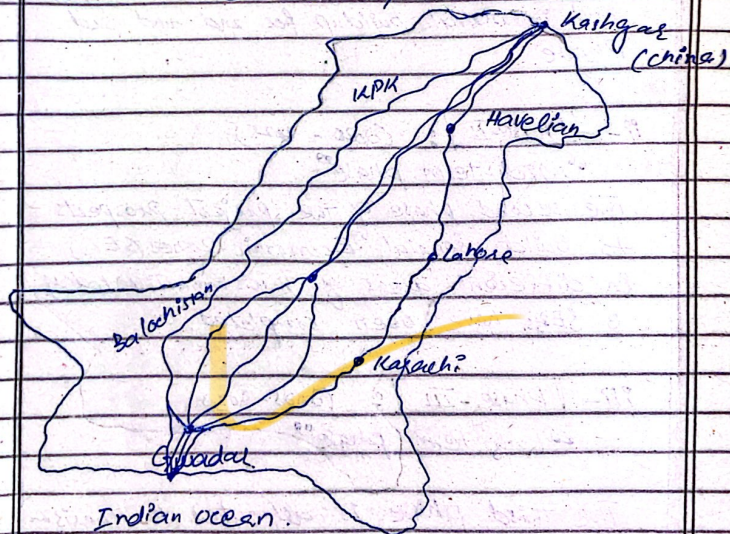
iii- Phase-III: (2025-2030)

"Long term phase"

The third phase is allocated to tourism and human resource cooperation by strengthening people-to-people ties and exchange programs.

B. What are Chinese 'Goals' behind CPEC??

China has always been successful in developing bilateral and diplomatic relations with Pakistan. Through CPEC, it wants to enhance its regional stability and a direct route to Indian ocean because Kashgar to Gwadar is the smallest route for China to reach to ocean, otherwise it has to travel across Pacific ocean.



i- Major Priorities of CPEC Projects:

- A. Poverty alleviation in Pakistan by creating job opportunities through CPEC
- B. Infrastructure development through roads, motorways, rail roads and airports.
- C. Industrialization to promote industrial sector of Pakistan.
- D. Technological development by Chinese backed vocational and technological institutes.
- E. Promote tourism while connecting regions.

III. What milestones CPEC has already achieved??

CPEC is a gamechanger for Pakistan.

An analysis of ten years of CPEC shows that it has achieved 75% of its targeted goals which are as follows;

- A. A massive investment of 25 billion dollars in one decade:

Since the inception of CPEC, China has invested \$ 25 billion in different

energy, infrastructure and development projects. Chinese investment in the region has somehow strengthened the growth of rural areas. By providing economic opportunities to locals of Pakistan, the project has been successful in promoting economy.

B. Developments in energy sector by completing powerplant projects:

In the development of energy projects, CPEC has achieved major milestones, 14 major power plants sectors are already done, 2 are under construction and 5 big projects are under consideration.

The major completed energy projects are as follows.

- i- 1320 MW Sahiwal coal fired Power Plant
- ii- 1320 MW Port Qasim coal fired Power Plant
- iii- 1320 MW China-Hub coal Power Plant
- iv-

Besides, CPEC projects have added additional energy to grid (about 7280 MW), while 4480 MW energy proposal is in progress.

c. Development of infrastructure and major routes:

With CPEC project, multiple infrastructure development projects and long routes are completed, For examples:

Projects:

- (P) KKH Phase II (traveller-Thakot section)
- (PP) Peshawar - Karachi motorway (Multan - Sukkur section)
- (PP) Orange Line Metro Train Lahore
- (iv) Cross Border Optical Fibre cable (Khyber - Rawalpindi)
- (v) Pilot Project of Digital Terrestrial Multimedia Broadcast (DTMB)
- (vi) Hakra - D.I. Khan Motorway

Six projects of 1656 km are completed already, while 18 more projects are under way.

d. Gwadar projects making Gwadar a well developed Port Area:

The major project and goal of China is to connect Gwadar to its Kashgar region through a land route. So, that

China could easily transport its goods to Gwadar and from Gwadar. Therefore, it has to build ports and multiple projects to nurture its dream of development of (SEZs). Out of 14, 4 Gwadar projects are completed, such as:

- (i) Gwadar Port and Free Zone
- (ii) - Gwadar Small Port city master plan
- (iii) - Pak-China Technical and Vocational Institute
- (iv) - Gwadar Eastbay Expressway

Middle-P Medical Project

- (v) - Pak-China Friendship Hospital

E. Employment opportunities have been increased

One of the most important development for Pakistan is the surge in employment opportunities in the region for youth, especially for engineers. CPEC has initiated 192,000 jobs and this will further be boosted to 1.2 million opportunities.

IV - FAILURES

Through the analysis of current success it is undeniable to predict that China has brought a prudent, well thought and resilient plan to enhance regional connectivity and trade opportunities, but it has also some challenges and failures that are quite devastating and awful for Pakistan.

A. A Circular Debt Problem:

When China started launching CPEC, Pakistan was facing extreme loadshedding of 12-13 hours in summer seasons. To hinder the problem, Pakistani Govt devised a plan to start energy projects under the umbrella of CPEC. Therefore, China has given 45 billion dollars loan to Pakistan. However, 45 billion is Private FDI and \$10 billion is a G-2-G loan. Although 15 billion loan of Private FDI is not of people concern but private companies would take repayment from Government and government will take it from public. So, this creating a vicious circle of loan which is a big problem.

B. Special Economic Zones (SEZs)

in some areas are complete

Flop:

A few special economic zones have become a real estate play only while, 60% of SEZs are empty without any further development.

Initially, 33 SEZs were to be established and only 9 were approved, 4 of them are under construction and five SEZs are only on paper. There is no initial development in furthering SEZs.

C. CPEC could not attract investors and skipped Economic defaults

CPEC which was supposed to attract foreign investment opportunities and initiatives could not attract a significant number of investors.

Additionally, despite of 25 billion dollar investment, CPEC could not diligently improve economic conditions of Pakistan and have pushed it to economic default and other challenges.

D. With state-of-the-Art medical facilities are not provided:

One of the main projects was the establishment of Pakistan China Friendship Hospital, which was supposed to complete in October 2023. It has not been completed yet.

E. Sukkinali Hydropower Plant is delayed

One of the major power plants, Sukkinali Hydropower plant was supposed to be operational by 2022, but is facing delay. Only 70% of the project is completed.

F. Infrastructure project delayed:

Out of total only 6 infrastructure projects are completed by CPEC, while 5 are under construction, and 13 different projects are yet to start. So, this is a big failure of CPEC, to not complete projects already started.

G. Unrest in Balochistan: Strikes and conflicts.

Gwadar is the city of Balochistan and it is the main hub of CPEC Project which is lacking in basic necessities, such as electricity, education, health which is raising unrest among people. 300 MW Coal Power plant was promised to start in Gwadar which is not started and authorities did not approve it, which created a huge unrest, forcing people out to protest.

For example "Har Do Tehreek". Baloch people think that Project is snatching their freedom and livelihood. This problem arose because of Fencing of Gwadar city which people consider an illegal move from Trawler mafia.

H. Western donors and Investors are not very forthcoming in helping Pakistan.

Due to a heavy debt problem of Pakistan on western block especially IMF is not ready to give loan to Pakistan.

Because they think that Pakistan will repay to Chinese private and investment companies.

Conclusion

Against this backdrop if Pakistan wants to exploit the true potential of CPEC to its fullest, it has to chalk out a new plan. It has to revamp its old and outdated energy and industrial policies. The country ^{will} have to work on its institutional framework to remove bottleneck and red tapism and to hinder the giant of problem. Most importantly, country has to work on stable and sustainable economy by reducing trade gap with China and by making the development of Sindh and Balochistan necessary.

QUESTION #02.

KSA - Iran Rapprochement would have far reaching positive implication on the conflict in the middle East but would also have far reaching impacts on Pakistan.

Discuss.

I. Introduction:

On 10 March 2023, KSA and Iran decided to restore their bilateral relationships and diplomatic ties. This was become possible because of Chinese mediation. This restoration of diplomatic relations after 7 years, was announced through a ~~bina~~ bilateral Joint statement mentioning that both of the countries will reopen their embassies within 2 months timeline, along with bilateral relations and cooperation in different fields. Diplomatic ties between KSA and Iran were severed in 2016 after the Saudi execution of Shiite cleric, Nimr - Al-Nimr, agitating masses in Iran who stoned and fired Saudi Embassy in Iran. Now this recent development of

Restoring ties through "Beijing Agreement" is seen as a positive and pivotal step towards reducing long-standing tension and moving towards peaceful resolution of conflicts in The Middle East region.

II. Agreements under this Joint Trilateral statement:

As part of the agreement between both countries, both countries will:

- i- reappoint their ambassadors within 2 months
- ii- ^{show} commitment to comply with and enforce two important agreements:
 - a- The General agreement for cooperation in economy, trade, investments, science, technology, sports, culture,
 - b- Cooperation Agreement resumption of diplomatic relations.

III Results of Rapprochement in Middle East.

The results of the rapprochements are already visible, For example:

a. Efforts to end war in Yemen:

Saudi Arabia has already started efforts to end the Yemen war. The Saudi-Iranian deal coincided with the 8th century anniversary of a Saudi-led Coalition's military ~~invasion~~ intervention in Yemen to dislodge the insurgent group, Ansar Allah, better known as Houthis. Saudi Arabia invited members of Presidential Leadership Council, its Yemeni partner, to discuss details of a roadmap to negotiate with Houthis.

b. Deal may speed up normalization of relations with Syria and other Arab countries:

In reality, Iran-Saudia deal looks as though it may speed up normalization of relations between Syria and other Arab countries. Syria has been readmitted to the Arab League.

after a hiatus of more than a decade now. This deal seems to trigger a significant financial engagement by wealthy gulf countries to restore Syria's destroyed infrastructure and alleviate extreme living conditions.

C. Deal could Forge a compromise in Lebanon:

This deal could be conducive in forging a compromise between two political camps of Lebanon, one is led by Hezbollah and the other one is partially supported by Saudi. So, Saudi-Iran coalition could bring both sides of parties on a table to create a functional government.

D. Deal could set back Israel's efforts to build a regional coalition which is anti-Iran:

Israel was developing a regional coalition anti-Iran and was trying to add Saudi in the coalition. Israel's only purpose is to establish its own monopoly in the region which could be curtailed through the Saudi-Iran alliance.

E. Alliance may remove political and regional obstacles in Iran:

It is said that a Saudi-Iran détente may remove political obstacles for Saudi to promote its investment in Iraq. For that matter, Interior ministry of Iraq and Saudi has already signed a memorandum of understanding to strengthen security cooperation and Basra has also hosted 25th Arabian Gulf football tournament, promoting an influx of Gulf visitors that Iran has not experienced in years.

Future prospects of Iran-Saudi deal are positive in middle East region. It is also believed that that coalition of both countries will kick out US from the region.

IV. IMPACTS ON PAKISTAN:

The normalization of Saudi-Iran ties entails positive implication and promising opportunities for Pakistan, being Saudi-Arabia's long standing partner and Iran's neighboring country and China's strategic partner.

Pakistan was one of the first countries who significantly supported the deal and welcomed this move towards reconciliation and peace.

“Pakistan believes that this coalition will contribute to peace and stability in the region and beyond” said

(Foreign office)

This normalisation of ties scheme could bring multiple trading, economic and social opportunities in Pakistan.

1. Massive opportunities of trade and energy ties:

This deal represents massive opportunities of trade and energy ties. as Iran a nuclear developing region which is conducive for the energy development projects of Pakistan. Pakistan can also benefit from increased economic cooperation with both states. Neighboring Iran has always been a cross border trading and now if Saudi is in the deal then Pakistan get benefit of Saudi. As large diaspora of Pakistan is working in Kingdom, which is a major source of remittance.

B. Development Projects with Saudi like BRI Project :

Pakistan and Iran are already trading Partner and partners in BRI^o Project of china, with this negotiation Saudi^o could also be entered in the Project like BRI and CPEC. Similarly, there are prospects of food and energy security with both of the countries through participationⁱⁿ of china - Pakistan Economic corridors, energy and infra-structure projects.

C. Trilateral counter-terrorism cooperation :

Furthermore, Pakistan has prospects of a trilateral cooperation between Iran - Pakistan - Saudi to counter exacerbating terrorism. Sharing of intelligence information among three countries can result in increasing collaboration to counter terrorist threats, targeting outfits of Al-Qaeda and ISIS.

D. People-to-people easy contact.

As Pakistan, Iran and Saudi Arabia are all Islamic countries. Saudis and Iran have sacred places where muslim communities go, for example shiite community go to Iran for their sect practices and people go to Saudi Arabia for Hajj and umrah purposes. Through this trilateral cooperation, Pakistan can make economical deals with both countries to promote people-to-people easy contact to increase cultural, social and regional growth.

E. Sectarian tensions to be lessen because of Deal:

Pakistan ^{could} also use this negotiation deal to normalize its own internal issues because Saudi Arabia and Iran both have potentials to lessen sectarian tensions and foster greater harmony.

F. ^{to} lessen US-influence in Area & diplomatic relations with Gulf:

If Pakistan make bilateral and

trilateral relation with its muslim
brother, it could help it to minimize
threats of US, India and other
west powers. As long as Pakistan
has gulf countries, if they make
healthy relationships with Pakistan,
it does not have to be reliant on
other countries, out of Asia.

Conclusion

In the broader context, the reconciliation
facilitated by China has a potential
shift in the power dynamics of region. It
is also evident that China has growing
interest in middle east partly its BRI
Project. Accordingly, Pakistan can also
reinforce efforts to bridge gaps between
Iran and Saudi Arabia. It is vital
for Pakistan to continue this supportive
role and contribute for a peaceful
middle East region and, meanwhile streng-
thening its position as a regional friendly
player.