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China Pakistan Economic Corridor (CPEC): Bridging the Gap in Regional Connectivity and Shaping the Geopolitical Landscape of Asia



By Mr. Gohar Ali Iftikhar, Lecturer in History &
Pakistan Studies at Ali Trust College, Islamabad

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The China-Pakistan Economic Corridor (CPEC) is a key project within the broader Belt and Road Initiative (BRI) framework. It is a strategic measure to stimulate the Chinese economy, promoting integration and connectivity. From China's perspective, it represents a geo-economic decision to foster regional integration. This approach follows the precedent set

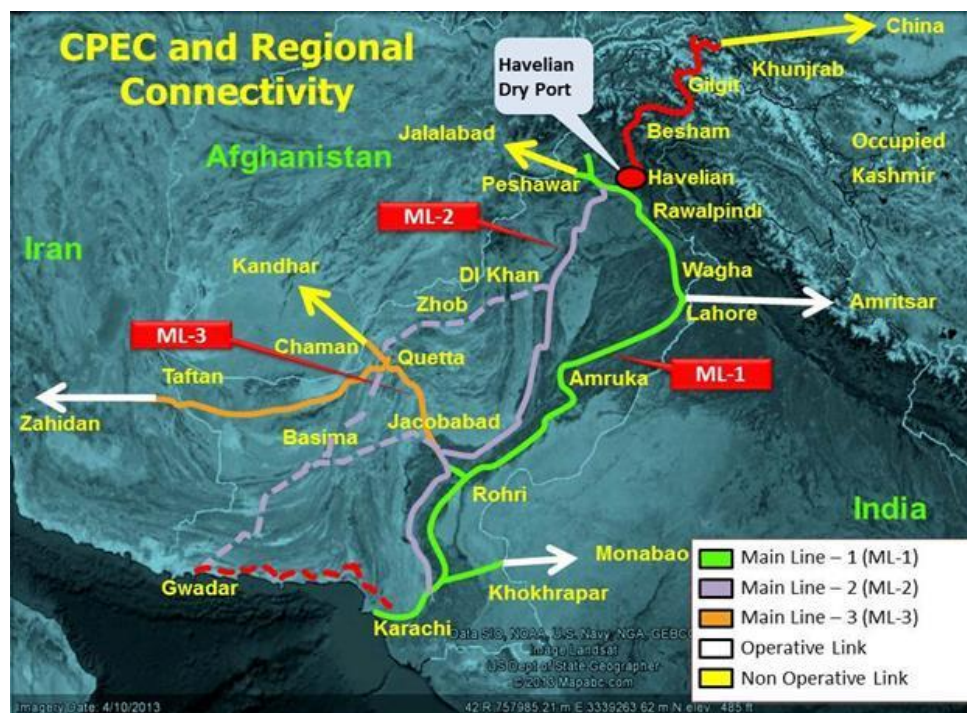


by the successful integration of ASEAN, which has yielded positive outcomes for both China and ASEAN member states. Additionally, CPEC involves trans-border cooperation between China's Xinjiang region and its counterpart in Pakistan. Such cooperation has proven highly effective in various European countries, highlighting its potential for success.

From the perspective of Pakistan, the China-Pakistan Economic Corridor (CPEC) presents a unique opportunity to fulfil the vision outlined in the 7th Pillar of Pakistan's Vision 2025, which focuses on modernizing transportation infrastructure and enhancing regional connectivity. Pakistan's strategic and geographical location, situated between South Asia, China, and Central Asia, positions it as a potential hub for regional integration. By investing in infrastructure development that connects the north to south and the east to west, Pakistan aims to establish itself as a vital link in regional connectivity. In addition to CPEC, Pakistan is actively engaged in the Central Asia Regional Economic Cooperation

(CAREC), which forms another part of its strategy for regional connectivity. CAREC consists of two corridors: the first corridor stretches from Quetta to the west, connecting Afghanistan to Central Asia, while the second corridor runs from Peshawar to the west. Creating an economic block in West Asia aims to foster economic cooperation among China, Central Asian countries, Afghanistan, and Pakistan, with the ultimate objective of establishing connections with South Asia.

The stages of regional connectivity encompass several vital elements. Initially, there is a focus on infrastructure development, similar to how the European Union has successfully integrated and linked Eastern European countries. This involves addressing any existing gaps in infrastructure, as seen in China. The second crucial factor revolves around good governance. A pathway to enhanced economic cooperation can be established by implementing effective governance practices. Building capacity within civilian institutions





to successfully execute large-scale projects is also vital. Once these steps are taken, special economic zones can operate efficiently.

The China-Pakistan Economic Corridor (CPEC) holds immense significance for China and Pakistan for several reasons. Primarily, it has the potential to enhance China's economic growth and expansion greatly. By providing a corridor connecting West, Central, and South Asia, CPEC opens up access to these regions, serving as lucrative markets for Chinese products and trade. The routes established through CPEC will be linked with Xinjiang, a crucial part of Western China. Moreover, China is actively developing road and railway links in Central Asian countries such as Kyrgyzstan, Tajikistan, and Kazakhstan, which are rich in oil resources. This provides China with direct access to these oil-rich markets. Previously, China had to rely on a lengthy maritime route spanning 10,000 km, limiting its connectivity to Eastern China only. Considering the long distance involved, one major challenge was transporting consumer goods to and from Western China. However, with the implementation of CPEC, China can now transport its products from Xinjiang and Kashgar to Central Asian countries at a lower risk and with highly cost-effective measures. It is important to note that this bypasses Afghanistan without any associated risks.

Pakistan benefits from Afghanistan's instability and inefficiency in exporting goods to Central Asia. China's trade relied heavily on the State of Malacca, a narrow stretch of sea between Indonesia and Malaysia, through which all shipments were transported. However, this dependence on Malacca posed significant risks due to the vulnerability of the ports. Even a minor disruption could have devastating effects on trade. This dilemma, known as the Malacca Dilemma, has made China aware of the potential for trade disruptions and

blockades. The China-Pakistan Economic Corridor (CPEC) aims to address this issue by providing an alternative route for China, reducing its reliance on Malacca. Additionally, naval cooperation between India and the US has increased, as both countries share a common interest in containing China's influence in South Asia. In response to containment efforts, China is actively seeking alternative routes to ensure the survival and growth of its economy while expanding its sphere of influence in the region.

Furthermore, this presents an excellent opportunity for the advancement of West China.

This region has long been plagued by economic hardship and the presence of Islamic radicalism. By focusing on the development of this corridor, there is a high potential for progress in these areas.



Additionally, this corridor will serve as a crucial connection point between Eastern China, Pakistan, and the three countries of Central Asia. China firmly believes that promoting economic stability, development, and education is vital in combatting Islamic radicalism. Both India and Pakistan have significant interests in Afghanistan and are unwilling to compromise on these interests.

Consequently, ensuring stability in Afghanistan is a significant challenge, making it almost impossible to establish transit rights from Delhi to Kabul. In response, India has decided to collaborate with Iran to develop the Chabahar port. However, it is worth noting that Iran



also has plans for the Iran-Pakistan gas pipeline projects, indicating its desire for diversification and not relying solely on India.

Considering the potential stability, it can bring to Pakistan, particularly in Baluchistan, the operational Gwadar port is not in India's best interest. Thus, India must carefully navigate its involvement in the region while considering its core interests and the geopolitical dynamics at play. Moreover, the benefits of the China-Pakistan Economic Corridor (CPEC) extend to China, Pakistan and India, whose primary concern is curbing China's increasing influence in the region and its strong ties with Pakistan.

For Pakistan, the operationalization of CPEC presents an opportunity to reduce its reliance on the United States and bolster its economy. Energy issues will also be addressed through CPEC, with positive indications of Iran joining the project. In order to ensure the success of CPEC, all federating units in Pakistan, including Balochistan and Gilgit-Baltistan, must be equal partners. These regions, which have been historically neglected and underdeveloped, play a crucial role in the corridor's implementation. Therefore, it is imperative that steps are taken to prioritize human development, capacity building, and structural reforms, enabling the local population to take ownership of this project. Given its strategic location, CPEC holds immense value as the flagship project of the Belt and Road Initiative (BRI), attracting foreign investment from China and other developed economies in the region. In the wake of the CPEC, it is time for Pakistan to turn its foreign policy from geo-security to geo-economics and regional connectivity.