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China-Pakistan Economic Corridor (CPEC)



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The China-Pakistan Economic Corridor (CPEC) was established between China and Pakistan on 22nd May 2013 i.e. 11 years ago. The CPEC is the lead initiative of Chinese President Xi Jinping's '**One Belt, One Road**' project which seeks a trade

route in international waters with Europe, the Middle East, and the Asian giant. This trade will help Pakistan to develop good trading businesses with other nations and better ties. On the other hand, China gains



rapid access to new markets for manufacturing. This initiative visions regional connectivity which will help benefit not only Pakistan and China but also the neighboring countries i.e. Iran, Afghanistan, India, and the Central Asian Republics in the region.

The CPEC holds a more significant position among all other BRI's because it is considered as the shortest route of all the BRI routes. It has a distance of 2442km whereas others are considered to be much longer. This gives CPEC a very momentous site to carry out trade. The initiative has a very strategic significance because this can help Pakistan boost its economy, better infrastructure, and modern transportation. This will also help as many energy projects are also in the process of helping both Pakistan and China rise to glory by creating new job opportunities and providing shared skills and knowledge. The package is very beneficial for Pakistan. The naval fleet of

Pakistan is less powerful and inexperienced than other major naval nations in the world (Nurmuhammedov 2017).

Pakistan is expected to protect the seaports in Gwadar and this can help train the combats to provide a more efficient way to counter. There has been a severe energy

crisis in Pakistan because of its rise in population, lack of efficiency, and increasing demand. CPEC can help



Pakistan counter this problem as it can revive the existing industries such as Textiles which constitute about 2% of the total GDP of Pakistan. Under the umbrella, we can see how Pakistan is working on projects in order to generate hydropower on the northern side. China is also expected to set up 10 projects of 6600MW in the Thar Desert to create job opportunities and reform the underdeveloped area into economic betterment (Abid *al* Ashfaq 2015).

China sees this BRI project as a very beneficial situation because this can help China show its economic power within the region. This can help China stay connected with Pakistan to develop its Eastern region through the economic corridor. Terrorism is linked to poverty and China believes in overcoming it through trade and economic prosperity (Nurmuhammedov 2017).

There are a total of 8 projects that are linked to transport infrastructure (railway and road) out of which 1 is complete and functional whereas the Karachi-Lahore motorway is under completion with 30% of work left. This investment of China in

Pakistan will help boost the latter's economic prosperity through trade and ventures.

This efficient transport infrastructure game changer can help reduce internal



transportation costs and time by helping Pakistan compete in the international market.

In 2016, exclusive economic zones i.e. certain distance areas of a country's coastline where it can have economic activities and rights were presented that included about 37 zones out of which 9 proposed to be the priorities. Pakistan has a limited sea face which is about 1050 kilometers along the Makaran coast claiming over 240,000 square kilometers as the Exclusive Economic Zone (EEZ). This provided Pakistan an opportunity to exploit the living and non-living resources for economic prospects. Pakistan has its sea towards the South enhancing its marine borders. This coastal sector of Pakistan can work as a backbone for the economy.

The main 9 priority zones are mentioned below:

- 1) Rashakai Special Economic Zone.**
- 2) Dhabeji Special Economic Zone.**
- 3) Allama Iqbal Industrial City.**

- 4) Bostan Special Economic Zone.
- 5) ICT Model Industrial Zone.
- 6) Industrial Park on Pakistan Steel Mill Land.
- 7) Mirpur Industrial Zone.
- 8) Mohmand Marble City.
- 9) Moqpondass Special Economic Zone.

China and Pakistan are also strengthening their bilateral relations with another initiative within the Railway line known as ML-I which may be launched earlier than expected. The aim is to reconstruct the Peshawar-Karachi railway track. This can help provide an incentive to carry goods and services and to reduce the traveling time between both cities that are opposite in direction to one another. The project is of utmost importance as it is the biggest project concerning infrastructure and can help boom economies of the respective countries with a deeper bilateral connection.



Effects of the CPEC project

There are available 40,000 jobs available for Pakistanis and 80,000 jobs available for Chinese. This will rapidly enhance the infrastructure that is required in Pakistan and

make the economy strong by constructing modern transport routes and energy projects. As a result of an improvement in living, enhancing the standard of living will also benefit from it. As we have discussed almost all optimistic approaches of CPEC then we can move towards challenges that can surface with relation to neighboring countries such as India and Iran being a significant element. India has been in opposition regarding the CPEC plan as it is evident how China and India do not base on very strong bilateral relations in comparison to Pakistan and China. India believes this CPEC will create only problems as this (when completed) will make Pakistan a trade hub where all other nations would be willing to take an interest. This can lower the influence of India in the region which is unacceptable for them. It is believed that the India-UAE Nexus will try to halt CPEC to maintain their exploration activities in Baluchistan (Abid, Ashfaq 2015).

CPEC can help Iran boost its economy and have good bilateral relations with Pakistan rather than pose problems. Iran at first was definitely resistant but later realized the importance and now has a role in the project. With Iran being on good terms with Pakistan can help maintain peace in Afghanistan (Jaleel, Talha, Shah 2019). The Western world has questioned the viability of CPEC and believes that this will only create a vulnerable situation for Pakistan with increased loans



and debts. Although other BRIs are a big part of Western countries as it is a global



endeavor now with sub-Saharan Africa, 34 countries from Europe and Central Asia, 25 in East Asia, 18 in Latin America, 17 in the Middle East, and 6 in South Asia.

CPEC as being an economic boom for countries but can also face hindrances on various factors. The main factor I would like to discuss here is the province of Baluchistan, Pakistan. The province is the least developed, least educated, and plagued comprising about 6% of the total population but a bigger land area. The residents are halted from fishing in the seaports by the government which is unacceptable for the Baloch. They believe that there is a lack of drinking water, lack of electricity in the province so how will it equate to becoming the next trade hub like Dubai, Hong Kong, and Singapore. A recent example is the attack on the University of Karachi by the Baloch Liberation on Chinese officials two days back i.e. 27th April 2022. This can create a hindrance between both countries and can have a major impact on the CPEC projects.

Conclusion

To conclude, CPEC is a win-win situation for both countries i.e. China and Pakistan. CPEC and the Pakistan Navy have played a vital role in the economy's growth as the trade will take route from the ports, boosting the economy of Pakistan and making pathways for international and regional ties for trade. The energy projects that are under process will function as a key for China and Pakistan to strengthen their bilateral ties. As there are many benefits so are hurdles that Pakistan and China can overcome together and move towards economic prosperity.



Gwadar Port has not yet been provided with the promises that were made to it as there are job creations, and better infrastructure but not for the local people that reside there according to a Gwadar-based journalist. The people of Gwadar are not against economic prosperity but are against the development that leaves them behind and does not let them be a part of it.

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