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CPEC Opportunities and Challenges for Pakistan



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Abstract: *CPEC is a massive project that aims to change the geoeconomic dynamics of Pakistani Chinese relations and increase trade between the two countries in the region. Pakistan and China have had a bilateral relationship since 1949, shortly after China gained independence. Pakistan was the first Muslim country outside of the Soviet Union to recognise China as a legitimate state and establish diplomatic ties with it. China's Pakistan Economic Corridor is a meticulously planned initiative. China will gain a very quick route to the Arabian Sea through Pakistan's Gwadar Port as a result of this Corridor. The project's initial value was 46 billion dollars, but it has since increased to 62 billion dollars, making it an unquestionably fantastic project. Pakistan and China have proposed three corridors as part of the CPEC's core focus. CPEC is offering 27 special economic zones across the country as part of its development programmes. China plans to connect Kashgar in northwest China with Gwadar in the Arabian Sea near the Iranian border as part of the China Pakistan Economic Corridor. Gwadar, just outside the Gulf's mouth, would serve as a port for Middle Eastern oil that could then be transported to China through Baluchistan and the Karakorum Mountain.*

Key Words: CPEC, China, Pakistan, Economic, Sino-Pak Relation

Introduction

It is hoped that the China-Pakistan Economic Corridor will alter the geoeconomics dynamics of Pakistani-Chinese ties and increase trade in the surrounding region. "all-weather friends." China and Pakistan have a long history of friendship. Commercial and economic ties and cooperation between the two countries have grown over time. Trade between Pakistan and China has overtaken that between Pakistan and the United States. The first long-term bilateral trade agreement between the two countries was signed in January 1963, establishing trade and economic ties between the two countries. Since then, we've enjoyed a fruitful exchange of goods and services. "One Belt, One Road" includes the China-Pakistan Economic Corridor. During his 2013 visit to Pakistan, Chinese Premier Lia Keqiang first proposed this brilliant idea. This initiative began to take shape after President Xi Jinping visited Pakistan in 2015. China and Pakistan signed 51 Memorandums of Understanding (Mous) during President Xi Jinping's visit to Pakistan, including the China Pakistan Economic Corridor (CPEC) (CPEC). It's a long-term investment for the multibillion-dollar project in Pakistan. There is a wide range of economic benefits, including job creation, energy security, foreign investment, infrastructure development, and tourism marketing. The goal of the CPEC is to increase trade and economic ties between China and Pakistan. People's lives in both countries will be better as a result of this fantastic endeavour. CPEC also promotes economic cooperation, logistics, and people-to-people contact as a means of connecting the region. Agricultural development, transportation and information technology, and poverty alleviation are all part of the plan as well as

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a variety of other components. After the corridor is completed, it will serve as a major gateway for trade between China, Africa, and the Middle East. A "Game Changer" could be applied to this for the entire region.

Historical Overview

Pakistan and China have had a bilateral relationship since 1949, when China was just beginning to emerge. As the first non-communist Muslim country to recognise China as an independent state, Pakistan has maintained a strong diplomatic relationship with China ever since. From the very start Pakistan and China established close and long-standing relation. Foreign Policies of both countries also support each other interest and views in different political and diplomatic issues. China always gave full support to Pakistan on Kashmir issue and Pakistan also stood in moral support of Xinjiang, Tibet and Taiwan issue. So Sino-Pak relation always base on mutual interest and understanding. China and Pakistan both believes on peaceful and non-intervention policy. ([Ishaq, Ping, Ahmad 2017](#))

China is the world fastest growing economy since last a couple of decades. China is making this progress at the speed of 10% over 30 years. China has emerged as the top economic power at regional level and the second most powerful economy all over the world after USA. China has the largest economic reserves and high level of purchasing power with great import and export. So as great political, military, and economic power China is focusing on her soft powers. For maintenance of her economic development its the main objective of China to diplomacy to make this region very peaceful and politically stable, because this is very important not only for the development of China but for the whole region. China is playing her leading role not just for the progress of her own country but also want to maintain her economic and political influence in this region. So, China is investing billions of dollars for this purpose. CPEC is one of the multitude projects which has been initiated by China as "Belt and Road Initiatives". In this project China want to connect more than 60 countries through different projects and Maritime Silk Routes. ([Javeed 2016](#))

The geoeconomic dynamics of Pakistani-Chinese relations will be altered and regional trade will be boosted by the China Pakistan Economic Corridor. Both China and Pakistan enjoy a well-deserved reputation as reliable partners through thick and thin. It has been a long period of time since they first started working together. In terms of both exports and imports, China has overtaken the United States as Pakistan's most important trading partner. After signing their first long-term trade agreement in January 1963, the two countries established commercial and trade ties. China and Pakistan have maintained a strong trading relationship since then because the China-Pakistan Economic Corridor is one of the most important "One Belt, One Road" initiatives (CPEC). In 2013, China's Premier Li Keqiang proposed this brilliant idea during a visit to Pakistan. When Chinese President Xi Jinping paid a visit to Pakistan back in 2015, a new initiative began to take shape. China and Pakistan signed 51 Memorandums of Understanding (Mous) during President Xi Jinping's visit to Pakistan, including the China-Pakistan Economic Corridor (CPEC). Investment in Pakistan's massive multibillion-dollar project is a sound long-term strategy. As a result, it aids in the creation of new jobs, increases in incoming FDI, advances in infrastructure, and attracts more tourists. The CPEC is expected to strengthen commercial and economic ties between China and Pakistan. It is the primary objective of this incredible project to improve the lives of people in both countries. CPEC also promotes economic cooperation, logistics, and human-to-human contact as a means of connecting the region. An integrated transportation and information technology system, along with agricultural development and poverty alleviation are also included in the plan. Once the corridor is completed, China, Africa, and the Middle East will have a major trading hub. Consequently, it has been referred to as "Game Changer" for the entire region.

Vision behind CPEC

With the China Pakistan Economic Corridor, the socioeconomic dynamics of Pakistan-China relations will be altered, and regional trade will be boosted. The two countries have a well-deserved reputation as reliable allies. The two countries' commercial and economic ties deepened over time, and they began working together more frequently. In terms of both exports and imports, China has overtaken the United States as Pakistan's most important trading partner. In January 1963, the two countries signed their first bilateral long-term trade agreement, establishing bilateral trade and commercial ties. As a result, we've always maintained a strong bilateral trading relationship. The China-Pakistan Economic Corridor is one of the "One Belt, One Road" megaprojects (CPEC). During a 2013 visit to Pakistan, China's Premier Li Keqiang first proposed this brilliant idea. The project began to take shape after President Xi Jinping's visit to Pakistan in 2015. During Chinese President Xi Jinping's visit to Pakistan, the two countries signed 51 Memorandums of Understanding (Mous), including the China-Pakistan Economic Corridor (CPEC). This multi-billion-dollar Pakistani project is a fantastic long-term investment opportunity. It encourages, among other things, economic growth, job creation, foreign direct investment, infrastructure development, and tourism promotion. The CPEC is expected to strengthen bilateral trade and economic ties. The main purpose of this wonderful undertaking is to improve the lives of people in both countries. CPEC promotes economic collaboration, logistics, and human-to-human contact as well as regional connectivity. It also includes a comprehensive transportation and information technology infrastructure, as well as communication channels, agricultural development, and poverty alleviation. Once completed, the corridor would serve as a key trade hub for China, Africa, and the Middle East. As a result, the entire region has been termed a "Game Changer."

By establishing the CPEC project it will shorten the distance of 5000km And construction of 2000km long railways track and oil-gas pipelines not only providing the short and easy access to the oil rich middle east but it also give a strategic check post to China in Indian ocean against USA's strategic partner India which is a great threat to both China and USA.(www.cssforum.com) CPEC is actually the reestablishment of the ancient trade "Silk Route" This route was used for trade in the ancient times. So now the CPEC is the revival of that route which was remain the main route for connecting the people of this region. So in the very beginning of the 21century China and Pakistan has been started the construction of China Pakistan Economic Corridor as a part of new Silk road economic belt and new Maritime silk road. CPEC is an extra ordinary project based on the existing trunk highways and railways of China and Pakistan. CPEC is a complete package comprise the connection of Karakoram highways from Kashghar to Gawadar port giving China a direct route to the warm water of Arabian Sea, coal power and hydro power projects and economic projects for textiles and home appliances in other sectors. ([Talwar 2015](#))

Components of CPEC

CPEC is a large and systematic projects CPEC is not only the construction of roads and belts but is also includes different projects. By construction of this project both the countries should be cooperate and consensus on every steps. Both countries should make list of long term and short-term projects, in this short term project should be completed from 2013-2020. (<http://www.cpecinfo.com/10-questions-on-cpec>)

The Corridor's Main Elements

1. Gwadar is a city in the province of Pakistan (including port and city and Gwadar region socioeconomic development)
2. Energy (Coal, Hyde l, Wind, Solar, LNG, Transmission)

3. Transport Infrastructure (Road, Rail, Aviation)
4. Investing and working together in industry (Gwadar Free Zone and other industrial parks to be finalized)
5. Any other mutually agreed-upon topic of interest

Table 1. given below Summarizes the Number of Projects Identified so Far Along with Estimated Cost under CPEC

S. No	Sector	No. of Projects	Estimated Cost (Million \$)
01	Energy	21	33,793
02	Infrastructure for transportation	4	9,784
03	Gawadar	8	792.62

(<http://www.pc.gov.pk/>)

CPEC's Routes

Pakistan and China have made the the proposal of three corridor which the main focus of the CPEC. These routes and maps have a great significance in the projects. Gwadar is connected by three routes. Western route, Central route, and Eastern route.

- The Western Route
- The Central Route
- The Eastern Route

The eastern route has been picked for the development of the first phase.

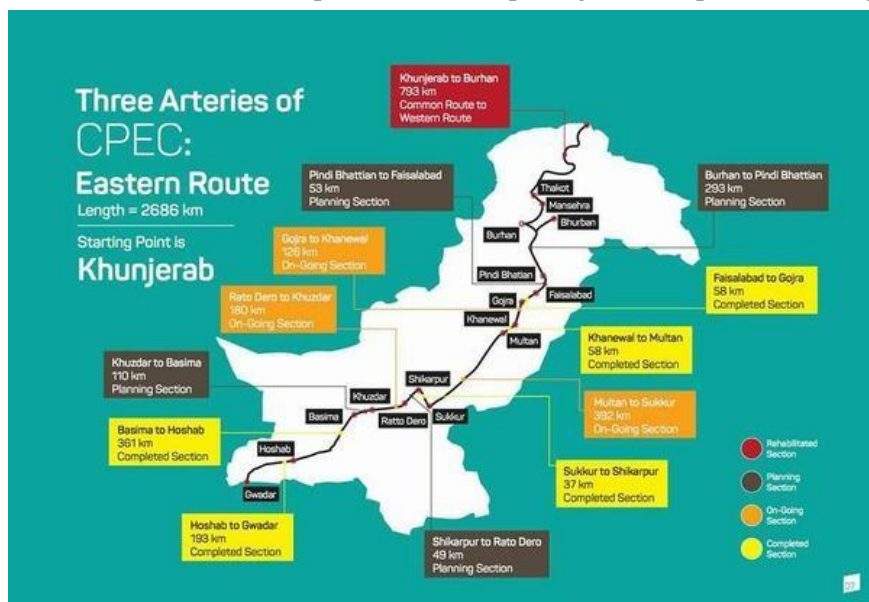


(<http://cpec.gov.pk/maps>)



(<http://cpec.gov.pk/maps>)

The reasons behind choosing the Eastern route is defined in Article 3 of the July 2013 MoU on the CPEC's long-term plan. China's authority decreed that the eastern demand should be the first phase of the project's completion. Because of security concerns along the Western route, which runs through Pakhtoon and Baloch provinces. As a result, it is not possible to build it as a faster speed. It is a more secure path than the Western route. Farooq (2017, Farooq) The CPEC's eastern route runs through Makran's coastal highways, Karachi, Hyderabad, Sukkar, Multan, Lahore, Islamabad, Mansehra, Thakot, and Railot before arriving in Khunjab. The path is longer than the Western route. It consists of 1152 KM Motor highway with 6 lane estimated cost \$ 6.64 billion ([https://cpecbulletin.com/2018/01/05/cpec-route-a-complete-guide-to-cpe c-and-its-significance](https://cpecbulletin.com/2018/01/05/cpec-route-a-complete-guide-to-cpe-c-and-its-significance))



<https://www.quora.com/What-is-the-difference-between-eastern-and-western-route-of-CPEC>

The Western Route

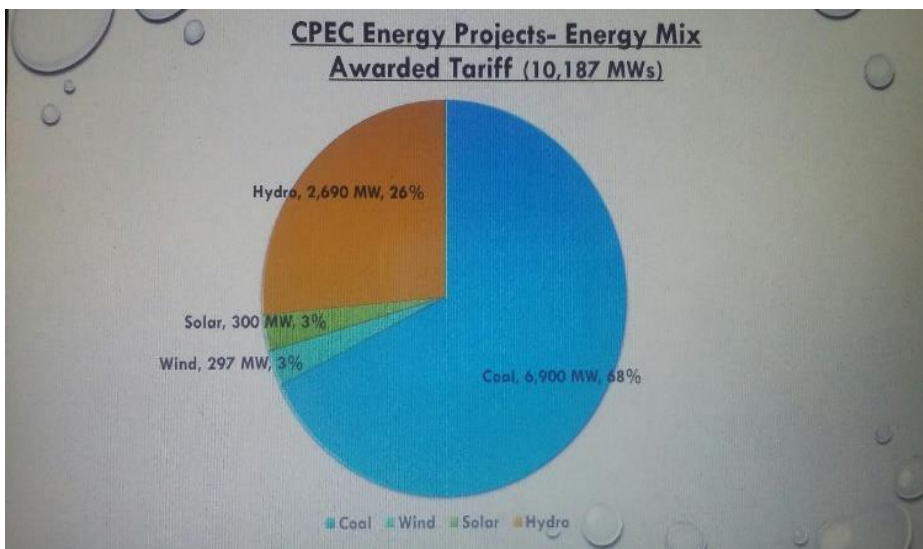
It's the original and shorter route of CPEC. It is 2442 km shorter than eastern route. This route passes through hilly areas of KP and Baluchistan. Because of the security issues, China is not willing to build this route. So, Pakistan is constructing this route on its own government fund. This route includes 50 underpass, 500 bridges, and 438km of railway track. On the other hand, China is not willing to construct its route on the disputed area of Gilgit-Baltistan, which has now been declared as Pakistan's fifth province. Because Pakistan is depending on its basic needs on the Chinese economy.

Central Route

The quickest route in the CPEC project is Central. According to a report by the National Assembly Committee on Planning, Development, and Reforms, the Central route of the China Pakistan Economic Corridor (CPEC) is a priority for the development and uplift of backward and underdeveloped districts of south Punjab. (<https://timesofislamabad.com/15-Mar-2018/cpec-central-route-to-be-prioritised>)

Energy Projects

Hydro, coal, wind, and solar energy projects are among CPEC's energy projects. These energy projects provide more than 17045 megawatts of energy, which not only alleviates Pakistan's energy problem but also generates excess energy for the country's benefit. Majority of the energy projects have been under construction, and many have been completed. (<https://pakobserver.net/over-17000mw-to-be-generated-under-cpec-energy-projects/>)





<https://www.icap.org.pk/cpecconference/pdf/SalmanAminCPEC NEPRA.pdf>

CPEC has 19 energy projects, of which 6 have been completed and generating 3720 megawatt energy and providing cheap, clean and sustainable energy for Pakistan. The Hubco-Gaddani coal project would create 1,980MW of energy, while Thar Oracle would generate 1,320MW and a coal project in Muzaffar Nagar Salt Range would generate 1,620MW.

Chichoki Malian, a wind and gas project in Punjab, would generate 525MW, while a wind project in Thatta will generate 100MW. Multi-sectoral projects will be completed in different phases through bilateral agreements agreed upon by both countries as a win-win situation.

Progress Table

Project Name	Company Name	Status	Progress	Picture Gallery
Prioritized/Early Harvest Projects, 10400 MW				
2x660MW Port Qasim Coal-fired Power Plant	China Resources Ltd.	Under construction	100%	
2x660MW Sahiwal Coal-Fired Power Plant	Huaneng Shandong (Pakistan) Energy (Private) Ltd.	RuyiTwo units Energy inaugurated	100%	
4x330MW Engro Thar Coal-fired	China Machinery	Under construction	60%	

Power Plant and Surface Mine in Block II of Thar Coal Field	Engineering Corporation (CMEC)			
50MW Dawood Wind Farm	Hydrochina International Engineering Co. Ltd.	Commercial Operation achieved	100%	Date
900MW Quaid-e-Azam Solar Park in Bahawalpur	Zonergy Company Ltd.	Energization achieved	100%	
100MW Jhimpir Wind Farm	UEP Power Ltd.	Wind (PVT) Under construction	100%	
50MW Sachal Wind Farm	Hydrochina International Engineering Co. Ltd.	Under construction	100%	


720MW	Karo	China Three Gorges South	Under Construction	70%
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873MW Suki Kinari Hydropower Project	Asia Investment Ltd. China Gezhouba Group Corporation International Ltd. (CGGC)	Under Construction	65%	
50MW Sachal Wind Farm	China Sunec Company	Commercial Operation Date Achieved	100%	
2x660MW Rahimyar Khan Coal Power Plant	TBD	Feasibility stage	15%	
2x660MW Thar Coal Block I and Mine Mouth Power Plant	Shanghai Electric	To be inaugurated	50%	
2 x 660MW Hubco Coal Power Plant	China Power International Holding Ltd.	Implementation Agreement Initiated; Expected financial close by August 2017	50%	

300 MW Gwadar Power Plant	TBD	Feasibility stage	60%	
Matiari-Lahore Transmission Line	China State Grid	Negotiation in Process	15%	
Matiari-Faisalabad Transmission Line	China State Grid	Negotiation in Process	15%	

Actively Promoted Projects, 17045 MW

2x660MW Gaddani Powerplant at District Lasbela, Balochistan	TBD	Feasibility stage	15%	
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1100MW Kohala Hydro-Power Station	China Three South Asia Investment Ltd.	Negotiation in Process	15%	
2x50MW Wind Farm Phase II of Pakistan	China Three South Asia Investment Ltd.	Financial achieved	close 70%	
660MW HUBCO Coal Power Plant	China Power International Holding Ltd.	Negotiation in Process	15%	

300MW Salt Range Mine Mouth Power	China Machinery	-----	15%
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Plant including Mining	Engineering Corporation (CMEC)		
2x660MW Thar Mine Mouth Coal Fired Power Plant by Oracle	TBD	Feasibility stage	15%
2x660MW Muzaffargarh Coal-fire Power Plant	China Engineering Corporation (CMEC)	Feasibility stage	15%
525MW Gas Fired Power Plant	TBD	Feasibility stage	15%

(<http://www.cpecinfo.com/energy-generation>)

Economic Zone and Financial Sector

CPEC is offering 27 special economic zones under its development projects across the country. This huge economic progress is expected to somehow overcome the unemployment. Gwadar is the first model of a special economic zone, with 3000 acres under China's exclusive discretion. The special economic zones are distributed as follows: eight economic zones in Khyber Pakhtunkhwa, seven economic zones in Punjab, and seven economic zones in Baluchistan. Three are in Sindh, one in Gilgit-Baltistan, and one each in Islamabad and Gilgit-Baltistan. (Farooqui, Aftab 2018)

1. Khyber Pakhtunkhwa:
2. Hattar Industrial Estate
3. Mansehra Marble and Granite Industrial Estate (80 acres)
4. Nowshera Industrial Estate (manufacturing) (1,000 acres)
5. Chitral Industrial Estate (food processing) (80 acres)
6. Ghazi Industrial Estate (manufacturing) (90 acres)
7. D. I. Khan Industrial Estate (manufacturing) (188 acres)
8. Bannu Industrial Estate

CPEC is offering 27 special economic zones across the country as part of its development programmes. This massive economic gain is projected to overcome unemployment in some way. Gwadar is the first model of a special economic zone, with 3000 acres under China's exclusive discretion. The following is the allocation of the special economic; Khyber Pakhtunkhwa has eight economic zones, while Punjab and Baluchistan each have seven. Three are in Sindh, one in Gilgit-Baltistan, and one each in Islamabad and Gilgit-Baltistan. (Aftab Farooqui, Aftab Farooqui, Aftab Farooqui, Aftab Farooqui)

1. Karak Oil Refinery (1,00,000-barrel oil per day) Punjab:
2. Pind Daden Khan Industrial City largest SEZ (10,000 acres)
3. Multan Industrial Estate-II (80 acres)
4. Rahim yar Khan Industrial Estate (450 acres)
5. Bhawal Industrial Estate (400 acres)
6. DG Khan Industrial Estate (3,815 acres)
7. Mainwali Industrial Estate (600 acres)
8. Rawalpindi Industrial Estate (200 acres)

(<https://www.pide.org.pk/psde/pdf/AGM32/papers/Special-Economic-Zones-SEZs.pdf>)

Agriculture Sector

One's country's economy relies heavily on agriculture, which is the primary source of income. The CPEC also aims to improve the agricultural sector. Pakistan's agricultural sector has declined over the past decade. CPEC's infrastructure development project will inevitably lead to the growth of agriculture. For farmers, CPEC is a once-in-a-lifetime opportunity that will have a profound impact on their livelihoods and the lives of their neighbours. There will be numerous food processing zones established in Baluchistan, which will be the economic centre of the region. That's why agriculture is going to thrive in Baluchistan in the future. It has been reported that the CPEEC will strengthen the agricultural sector in Pakistan.

Educational and its Sector

CPEC is not only the name of economic and infrastructural development but beside this China is also providing help in the Education, IT sector, Health, and Poverty alleviation. The Chinese ambassador said that we will facilitate the Khyber Pakhtunkhwa, Baluchistan and specially the underdeveloped areas of Pakistan. It maybe in term of building school, infrastructure, health facilities, providing skill developmental fund and more than this great numbers of scholarship to Pakistani students. Every year's hundreds of students go to China and Complete their Educational and Professional Degrees.

Opportunities of CPEC for Pakistan

CPEC projects has brought a great change. This project has a great impact through is plentiful economic benefits and opportunities. The economic benefits of the modern Silk Road. We have very close relationship from since independence of China. In the connection of this close ties of both the countries China is considered as the most reliable friend. (http://www.xinhuanet.com/english/2018-03/02/c_137009_278.htm). Distinction is eroding from China Pakistan Economic Corridor (CPEC). The China-Pakistan Economic Corridor (CPEC) provides Pakistan with an excellent opportunity to enhance its industrial and production capabilities. CPEC has already created 30000 jobs, and we need to prepare our children for the million jobs that this project will bring. Because of the CPC, Pakistan's future looks brighter than ever. The CPEC project offers the prospect of regional collaboration, transit, trade, and energy transformation, among other things.

Economic Growth

First and foremost, the China Pakistan Economic Corridor will be beneficial to Pakistan's economic growth. Due to Pakistan's massive indebtedness, Between 2015 and 2030, the multi-billion dollar project should boost Pakistan's GDP by 7.5%, according to a study published by a South Asian Investor think tank. It is predicted that the China Pakistan Economic Corridor (CPEC) will increase industrial production and development efforts, according to a Moody's International Ratings study. Roads, railways, and pipelines make up the 3218-kilometer corridor of the CPEC project, which will take several years to complete. As it nears completion, the China-Pakistan Economic Corridor will open up a slew of new markets for China, including those in Asia, Europe, and further afield.

CPEC will boost and stable the economy of Pakistan and strengthen it industries and Economic position. CPEC projects will bring a great change in Pakistan but also in the whole region. The CPEC not only strengthen the economy of Pakistan at national level but also at gross root level it will facilitate people. This project will also clear the psychological ambiguity of the foreign investors about the law and order and security situations. which has prevented allot numbers of foreign investors for investing in Pakistan. War phobia can also be overcome through this project. So economic stability directly proportional to political stability. (Abid, Ashfaq, n.d)

Overcoming Energy Shortfall

Energy is regarded as a country's lifeblood. It is the most active instrument of a country's socioeconomic progress. But unfortunately, from the very start we are facing this energy crisis problem. Nearly 140 million people have no access to electricity and other also suffering from 12 hours load shedding daily. Due to efficiency of energy, population growth, increasing demand, political instability, and poor power generation we are having this problem. And still now we have not proper solution of this problem. CPEC is the Ideal projects by which we can get rid of this problem. From this availability we can revive our existing industries and make our full products. And form this we can make 2% increase in our GDP growth. Our current energy crisis is causing a great deal of concern. It is estimated that total installed electricity production capacity is 23,234 MW, with a shortfall of between 5000 MW and 6000 MW, according to data provided by NTDC and KEL. In total, China is spending \$35 billion on 19 energy projects that will produce 12,134 MW of power. It also includes Bahawalpur solar park, Jhimper wind park, Suki kinari hydro power project, and Kohala hydropower projects, which are all part of this investment. "Desk, 2013" (Desk) (www.cssforum.com).

Infrastructure Development

Under the name of CPEC, the China Pakistan Economic Corridor would assist Pakistan in improving its infrastructure. The construction of several infrastructure and development projects has begun. Several power plants and road infrastructures have been started, in addition to several industrial zones. Furthermore, the eleven-hundred-kilometer-long motorway between Karachi and Lahore, the one-hundred-and-sixty-kilometer-long Karachi-Peshawar main railway line, and the Karakoram Highways between Rawalpindi and the Chinese border would be reconstructed, as would pipelines that transport oil and gas, all of which would help to boost the economy and control youth unemployment.

Employment Generation

The CPEC's programmes would help reduce unemployment. CPEC would create jobs for tens of thousands of previously unemployed individuals. CPEC would also deal with the problem of young unemployment. → For the year 2016-17, Pakistan's Associated Press reported that the workforce increased 2%. According to the ILO, CPEC is expected to generate 40,000 new jobs in Pakistan. The Applied Economic Research Center estimates that 700,000 jobs will be created between 2015 and 2030 as a result of this massive project.

Poverty Alleviation

CPEC is a massive project aimed at eradicating poverty in Pakistan. CPEC is a game changer that will help millions of Pakistanis escape poverty and unemployment. These projects include the construction of textile mills, factories, dams, road networks, and nuclear reactors, all of which will undoubtedly provide a large number of jobs, lowering Pakistan's poverty rate gradually. People's quality of life and living standards will increase as a result of a fully furnished and equipped hospital, technical and vocational training institution, and water distribution in Pakistan's underdeveloped areas. ([cssforum.com](http://www.cssforum.com))

Promotion of Tourism

The CPEC plays a significant role in promoting tourism. As a result of the China Pakistan Economic Corridor's investment in Gwadar port and other infrastructure projects, tourism in the country is expected to rise in the next few years. Gilgit-Baltistan is a popular tourist destination thanks to the

CPEC, which is expected to have a positive impact on the local economy. Thus, tourism is expected to bring in a substantial amount of money for Pakistan.

Foreign Direct Investment

CPEC is helping Pakistan project a secure and tranquil image around the world. This is extremely beneficial to Pakistan in terms of international investor interest in the country. These advantages assist not just Pakistan's government, but also the social sector, allowing the country to boost its commercial operations and attract more foreign investors. This project not only attracts Chinese investors, but also local and international investors from the United States and other countries. (Wang,2017)

Regional Connectivity

It is expected that the CPEC project will be a catalyst for regional connectivity. More than 70 percent of China's international trade passes through the South China Sea and the United States, where China imports 80 percent of its energy. In addition, the China-Pakistan Economic Corridor (CPEC) will have a positive impact on the entire region that borders Pakistan and China. In addition, the CPEC will provide China with access to the Arabian Sea through Gwadar, enhancing Chinese trade with countries in the Middle East, Africa, and Europe. The CPEC will also make transit trade between Afghanistan and Central Asia's landlocked countries easier.



(<https://cscr.pk/explore/themes/trade-economics/how-indispensable-cepc-is-for-obor/>)

Balanced Environment in South Asia

The China-Pakistan Economic Corridor (CPEC) is Pakistan's new economic paradigm's crown jewel, providing independence from Western influence, particularly from the United States. The CPEC project provides Pakistan with an opportunity to normalise relations with India, Iran, and Afghanistan, which will improve the socioeconomic status of the region's people and increase the prospects for peace in the region.

Peace and Prosperity in Provinces

Peace and prosperity will be brought to Pakistan's provinces through the multibillion-dollar CPEC project. It's the name of a highway, port, and train system, all of which are under one roof. Gwadar port chairman Dostain Khan Jamadin said the CPEC would benefit all of Pakistan, not just Baluchistan. A major economic shift and an increase in business activity are therefore expected as a result of the project's successful implementation.

Cultural Exchange

Cultural exchange is also the main focus of this project and discourse not only with in the two counties but also promote the historical Silk route. More recently the CPEC cultural caravan announced its two weeklong activities to promote and explore the diversity within two different cultural and appreciate the similarities between the cultural of both the countries.

Challenges of CPEC for Pakistan

In spite of the fact that the China-Pakistan Economic Corridor (CPEC) is unquestionably a miracle and a God-given opportunity for Pakistan, the country is having difficulties putting the project into action. These issues can be identified by examining both external and internal obstacles. China's Central Committee Vice Director for International Policy Research, Dr Luan Jian Zhang, believes that political unrest, security concerns, and administrative issues are the main roadblocks to the corridor's successful completion, according to a press release.

Internal Challenges

Security Concern

The CPEC has been plagued by security concerns, which Pakistan and China have made headway in resolving. As militant groups such as the East Turkestan Islamic Movement (ETIM), Tehreek-e-taliban Pakistan (TTP), Lashkar-e-jhangvi (LeJ), Daesh (ISIS), Balochistan Liberation Army (BLA), and the militant wings of several political parties form an arc of militancy, the region is becoming increasingly unstable. Chinese interests, such as the China-Pakistan Economic Corridor (CPEC), are often targeted by these groups even though they are not anti-Chinese.

After military operations in several parts of Pakistan, terrorist infrastructure remains inside and outside the country's borders, posing a threat. Many Chinese citizens have been kidnapped and killed by Pakistani terrorists despite the country's best efforts to provide the best possible protection. The army has announced the creation of a 10,000-strong special force to guard construction sites. The Special Security Division will include the Rangers and the Frontier Corps as well as nine army battalions and six paramilitary wings. ([Hussain, 2017](#))

Instability in politics

Political instability in Pakistan, which has become a serious problem, is one of the greatest challenges to the CPEC project. The essential essence of economic prosperity is political stability and tranquilly. Pakistan has been ruled by a military government for more than half of its history, dating back to independence. It will continue to be a struggle for the CPEC projects to advance until and until political stability is restored.

Military-Civil Relations

It is also a major obstacle to the project's implementation that the civil-military divide exists. Only a

few countries have been ruled by the military for more than 35 years. As a result, there has been an unbalanced dynamic between Pakistan's militants and civil authorities from the beginning. Since then, CPEC has become a major security issue. In order to ensure a safe environment for the development of the CPEC, the military is increasing its influence. Civil-military relations and civilian authority over the military are threatened as a result of this phenomenon, which affects the democratic process.

CPEC-Related Inter-Provincial Issues

Inter-provincial disputes exist in Pakistan's federal government. Punjab is said to get more money than any other province. The main points of contention are that the federal government wants to build the eastern route first, which passes through central Punjab, despite the fact that the western route was the shortest and first proposed CPEC route, and that the Punjab would benefit more at the expense of the other provinces. As a result, among Pakistan's provinces, this is the most contentious topic.

Factor Balochistan

Baluchistan's unrest is also a key factor in the CPEC's implementation. The continuous conflict in Baluchistan, where Gwadar port is located, poses a huge threat to the CPEC project's success. As a result, if the impact on terrorism can be measured, the CPEC's benefit may be estimated. Baluchistan's issues should no longer be dismissed lightly. In a project as massive as the CPEC, which has the potential to reshape the economies of all provinces, the country cannot afford to fall prey to spoilers.

Hostility between India and China in the CPEC

The past Indian animosity can also be seen in China's grand endeavour. India's deep anxiety about China's massive involvement in Pakistan is indigestible to her. India is also unhappy with China's handling of the Gwadar Port's construction and operations. There have long been allegations that Delhi is fueling unrest in Baluchistan, which is rich in oil and gas, but exploration work has been halted due to poor law and order. Experts believe that the India-UAE axis will try to sabotage the Gwadar Port development project and halt exploration in Baluchistan. Everywhere, India has expressed strong opposition to this project and has made every effort to ensure that it fails. India sees the strategic relationship between China and Pakistan as a threat and has persuaded China to abandon the CPEC project on several occasions. India also has reservations about turning over the Gwadar port to China, and it has sponsored armed groups in Baluchistan, which has huge oil and gas resources.

The Indo-Afghan Connection

The Indo-Afghan nexus is the second external challenge to the CPEC. For Pakistan, Afghanistan's internal unrest remained chaotic. The origins of practically all terrorist-related actions may be traced to Afghanistan. Aside from that, India is establishing military bases in Afghanistan from which it conducts terrorist operations. RAW is sabotaging the CPEC from Afghanistan. Because of the "Duard Lime," a porous border, the Indo-Afghan nexus is producing complications.

Gwadar vs. Iran's Chahbahar Port

Chahbahar port is the third main stumbling block to CPEC implementation. The port of Chahbahar is being developed by Iran and India in collaboration. India is investing billions of dollars in this project to negate the Gwadar port's potential and stifle the CPEC. It's almost done with Gwadar. "Chahbahar

is not in rivalry with the Gwadar port; rather, each will complement one other," President Ruhani remarked.

Big Powers' Involvement

The involvement of major countries is the fourth significant threat to the CPEC. The United States of America and Japan, two great nations, appear to be extremely concerned about the project's success. To restrict China, the United States is pursuing a variety of approaches. The United States sees China's rise as a danger to its worldwide supremacy. As a result, America is erecting barriers for Gwadar port, even though America believes Gwadar port would be used for military purposes in the future. America signed a "strategic and economic alliance" with India as part of its containment policy. That collaboration also includes American backing for India's nuclear supplier group (NSG). Their collaboration is not just a difficulty for China, but it is also a challenge for Pakistan. On the other side, Japan is concerned since the CPEC will cut the distance between China and its trading partners by up to 9000 kilometres, which will have a significant influence on Japan's exports.

Conclusion

Connecting northwest China's Kashgar port to the Arabian Sea port of Gwadar near Iran's border is the game-changing China Pakistan Economic Corridor. As soon as this corridor is completed, oil from the Middle East can be discharged at Gwadar and delivered to China via Baluchistan and the Karakorum Mountains. Pakistan is facing a number of challenges in order to complete this project. It is in Pakistan's best interest that this effort succeeds. Both Pakistan and China will benefit from the CPEC project if it is successful, despite the fact that it faces significant obstacles.

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