



**STRENGTHENING PAKISTAN AND CHINA RELATIONS
THROUGH CHINA PAKISTAN ECONOMIC CORRIDOR**

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Abstract:

The friendship of China and Pakistan is as old as they came into being. They maintained a very cordial, friendly and strong bond since its inception. In 1951 after the formal establishment of diplomatic relations, the People's Republic of China and the Islamic Republic of Pakistan have seen their relationship ever consolidating and progressing. Throughout different historical periods and despite changes with the times, Chinese and Pakistani governments and people have been working hard to enrich the friendship and have set a model for friendly bilateral ties between different cultures, social systems, and ideologies. In 2015 Chinese President Xi Jinping and Pakistani president Nawaz Sharif properly announced the project China Pakistan Economic Corridor (CPEC). Both the government of China and Pakistan have deeply realized the importance of developing the CPEC, starting from Kashgar in Xinjiang, China, and reaching Karachi and Gwadar, southern coastal cities in Pakistan via the Khunjerab Pass and several other nodal areas, for cementing China Pakistan economic relations, promoting friendly cooperation and establishing people to people contact between the two countries. CPEC is an economic and development project for the benefit of the people of the region. It will connect Pakistan to Central Asia via the Eurasian Land-Bridge planned under China's "Belt and Road" initiative. This project is going to be completed in four major phases. Despite all the significance, it faces some challenges from the hostile neighbour of Pakistan: India. Yet, its significance is manifold which covers these challenges.

Keywords: China Pakistan Economic Corridor (CPEC), Pakistan and China relations, Gwadar, Stability, Security and Challenges

Introduction:

Pakistan China has always been friendly and cordial towards each other irrespective of several international issues. There had been trading links since the very prehistoric era through the silk route where the Chinese monks and traders would come to this region. Pakistan was the first Muslim country to give recognition to the People's Republic of China in 1950. Properly, they established diplomatic relations in 1951. After which there were many developments in the region as well as in their relationship. In 2015 Chinese president Xi Jinping and Pakistani president Nawaz Sharif properly announced the project of China Pakistan Economic Corridor (CPEC). This is a benchmark and a very important project ever signed between countries. It is a developmental project which will have everlasting effects on both countries. This project helped in making their relationships further friendly. There are many opportunities on both sides in terms of economics, trade, infrastructure, and developmental projects etc. All these projects hold importance because of Pakistan's geostrategic location specifically Gwadar. It holds a lot of significance for the Chinese. There are four phases of this project in which such a massive economic corridor is going to be fulfilled. This initiation is going to make Pakistan's economy towards progress which is currently deteriorating. It is also providing a link to other countries specifically China to warm waters for trade. It is not only beneficial for the economy of both the countries but for their relationship as well. People to people contact have been

increased. It is also beneficial for the whole region including Afghanistan and China who also wish to join CPEC and invest. Apart from its importance, it is facing some challenges coming from insurgent groups in Balochistan and India which is quite hostile to Pakistan since its inception. Still, its significance is far more than its challenges which are not a hindrance in making their bond further strong.

1. History of Pak-China relations

The beginning of their relationship:

The People's Republic of China came into being on 1st October 1949. The chairman of the communist party, Mao Zedong, announced that "The People's Republic of China is ready to develop diplomatic relations with any foreign government that is willing to observe the principle of equality, mutual benefit and mutual respect for sovereignty and territorial integrity." Pakistan expanded its diplomatic hand towards China in 1951 and appointed its first ambassador, Ahmed Ali, to China. Their formal relations began from here. (Mahdi, 1986)

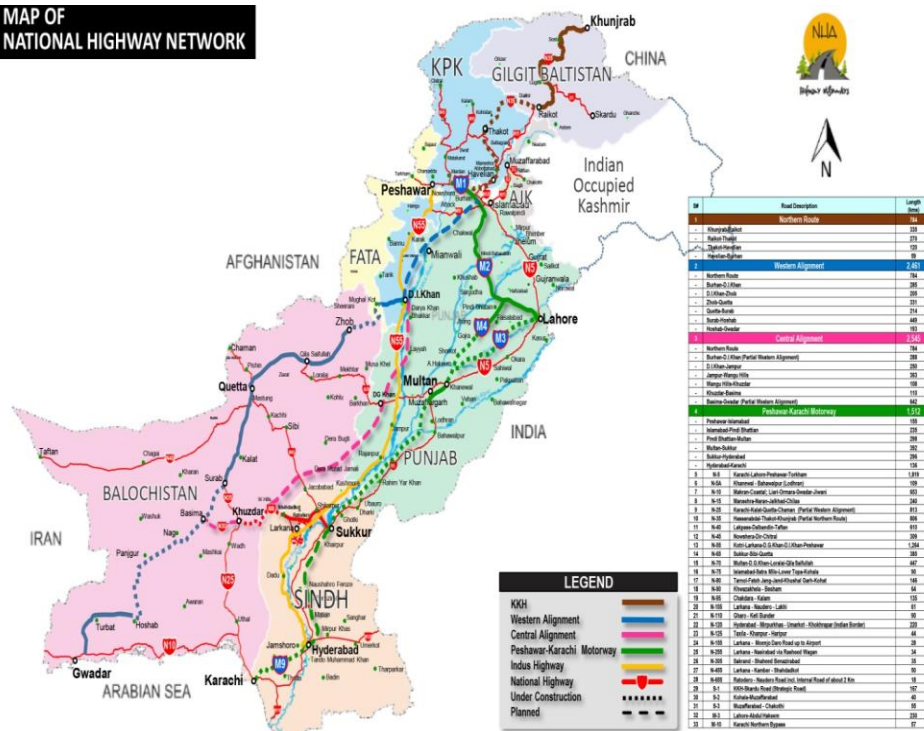
From 1951 onwards:

Pakistan and China have also faced some strains in their relationship but that never turned into a conflict like that of with India or Afghanistan. Pakistan and China have different ideologies, yet, maintained a very friendly and cooperative relation. For instance, Pakistan joined the capitalist bloc Central Treaty Organization (CENTO) and the South East Asian Treaty Organization (SEATO) in 1954 and 1955 simultaneously. Even this didn't prove to be a hinder to their relationship. Although China

was not happy with the step but Pakistan was already under threat from a hegemonic India. Later in 1955, at the Afro Asian summit in Bandung, both the leaders got a chance to interact with each other. From Pakistan Prime Minister Muhammad Ali Bogra went and the Chinese premier was Zhou En Lai. M.A. Bogra convinced the Chinese premier that Pakistan's intention was not against china but to contain India which is why they joined these capitalist blocs. This meeting proved very fruitful in a way that it eliminated any kind of distrust among them and both the countries leaders exchanged high-level visits the next year. There were also some ups and downs like there were some minor skirmishes on the Hunza border area. However, their relationship got more strength when the United States came to the support of India in the Sino-Indo war while Pakistan supported China. Later in 1962 both Pakistan and China agreed on border demarcation. Since then they had fruitful relations. (Rizwan, 2012)

2. An introduction to CPEC and its route

MAP OF NATIONAL HIGHWAY NETWORK



Source: <https://nha.gov.pk/en/maps/>

The idea of China Pakistan Economic Corridor (CPEC) dates back to the time of Pervaiz Musharraf who discussed the idea of an economic corridor for the first time and he discussed it with the Chinese government. This idea of an economic corridor came into practical shape in 2013 when Chinese Prime Minister Li Keqiang visited Pakistan, and on his visit to Gwadar, he signed the milestone CPEC agreement. In the same year, 2013, Pakistan’s Prime Minister, Nawaz Sharif, visited China and signed 8 agreements of 18 billion dollars which included building 200 km tunnels for CPEC. The next year Chinese bank and companies agreed to invest 45 billion dollars in energy and infrastructure projects. Officially in 2015

both the countries signed for the project worth the US \$46 billion. (Riaz Ahmad, 2017)

Routes of CPEC:

CPEC is a vast project whose aim is to enhance economic relations between these two central Asian countries. There are two routes of CPEC: western and eastern. The western route follows this direction: Gwadar-Turbat-Bismah-Surab-Qalat-Quetta-Zhob-Dera Ismail Khan-Bannu-Kohat-Peshawar and Islamabad. While the eastern route follows this way: Karachi-Hyderabad-Sukkur-Multan-Lahore-Islamabad-Mansehra-Thakot-Raikot to Khunjarab as shown in the above map. The project of CPEC is called a game-changer for Pakistan because it will improve and enhance the road, railway, transport, pipelines and energy sector. The major aim of these routes is to make trade easier and quicker. Through this way, transportation of goods will take less time than it took through the traditional sea routes. (Furqan, 2018).

3. Geo strategic importance of Gwadar port:

About the strategic importance of Gwadar port, Pervez Musharraf said on 22nd March 2002 that “If we see this whole region, it is like a funnel. The top of the funnel is the wide area of Central Asia and also China’s western region and this funnel gets narrowed on through Afghanistan and Pakistan and the end of this funnel is Gwadar port. So, this funnel, futuristically, is the economic funnel of this whole region.” (News, 2019) This port holds very importance strategically and economically for Pakistan. Pakistan has basically three major ports named as: Karachi port, Qasim port and

Gwadar port. Among these Gwadar is of most importance as it is the deepest of them all and most of the trade is through this port. It connects three regions together, Central Asia, South Asia and the Middle East. (Malik H. Y., 2012)

Historical background:

In the local language ‘Gwadar’ means ‘The Gate of Air’. In 1954, the United States sent Worth Condrick for a survey of the Balochistan coast. There Pakistan found the importance of Gwadar port and paid the US \$3 million in September 1958 to Oman Sultanate. Which then ended the rule of the Sultanate of Oman on Gwadar port who were ruling it for more than 200 years. Pakistan identified it as a port in 1964 although official constructions and development on that area started in 2001 when China agreed to participate in the construction of a deep seaport. (Anwar, 2011)

Geo strategic importance of Gwadar port for China:

Most of the world trade is through the sea; even 95 percent of Pakistan’s trade take place through the sea. It is the geostrategic importance of the Gwadar port that China has become the largest investor in Pakistan. It holds much importance for China for trade. China lacks access to warm waters for trade. It has to travel additional kilometres through the Strait of Malacca and Strait of Hormuz where there are security issues. China transports oil and gas shipment through this region and is concerned about those interruptions by pirates or some terrorist in those straits. That is why China is looking for alternative routes, for which Gwadar is the best option. The establishment of an oil processing plant at Gwadar port for oil

and gas trade from Gwadar to Xinjiang province of China would supply oil from the Persian Gulf and Africa to the western region of China by reducing the distance of thousands of kilometres. The estimated and proposed length from Gwadar to Xinjiang is 2500 km. (Hussain, 2020)

4. Major components of CPEC

There are 4 major components of CPEC.

i. Energy projects:

The first component is the energy projects. This is the most important one as it needs more investment for infrastructure and energy production. Both China and Pakistan have planned on making wind, thermal, water and solar generation projects (all are renewable energy resources based projects) which will result in 16,520 megawatts of electricity. The cost of this will be around US \$33 billion. As Pakistan is facing an energy crisis issue so this will solve that up to a greater extent. They both are planning to complete these projects in 3 years among which more emphasis is on solar projects.

ii. Road and railway projects:

The second chief component of CPEC is road and railway networks. There are basically major 3 railway networks based in Karachi, Lahore and Peshawar of approximately 1872 kilometres. The cost of them is almost US \$8172 million.

iii. Expansion of Gwadar port:

The 3rd important component is the expansion and development of the Gwadar port. Gwadar port is being given to China for lease for 40 years after which Pakistan will get it back. China is planning to make Gwadar a major developed city having all the comforts of life and international businesses. It is making an international airport and container handling facilities.

iv. Special Economic Zones:

The last key component is the establishment of Special Economic Zones (SEZs). These SEZs will help China in shifting its industries to Pakistan which will help to increase the number of exports to Europe and other countries around the world.

5. Phases of CPEC:

CPEC is likely to be completed in four phases.

i. First phase:

The first phase was completed in December 2017. This was the ‘Early Harvest’ era of the project. It focused on energy, infrastructure, roads, and the chief aim was to address the issue of Pakistan’s energy crisis.

ii. Second phase:

The second phase is to be complete till 2020. The major focus in this phase will be in making and improving the optical fibre network system between both the neighbouring countries. Apart from the optical fibre network, other major projects included the construction of Islamabad

airport, Eastbay expressway, hospitals, technical training institutions and export processing zones.

iii. Third phase

The third phase is to be completed in 2025. This phase includes the railways' system. 70% of Pakistan railway traffic is between the Karachi to Peshawar railway. So this focuses on upgrading it and expanding it further. It is also planning to make additional railway lines to these cities.

iv. Fourth phase

The last phase is to be completed in 2030. This phase planned to complete a rail link to Khunjerab Pass. It's a 682 kilometres long railway line. This will link Havelian (Pakistan city) to Kashgar (China city). This rail line costs US \$12 billion. (Muhammad Zahid Ullah Khan, 2019)

6. Opened gateway to warm waters for trade

The location of Pakistan and then the Gwadar port increases its importance manifold. Major exports of China are done through the sea route. It faces security issues in the Strait of Malacca. If that is ever blocked by the United States, then Gwadar will serve as an alternate route for China. Most of the Central Asian Republics also prefer this port for trade rather than to adopt longer routes. China's trade transportation follows this route: South China Sea, Strait of Malacca and Sri Lanka. Through this route, the Chinese cruise has to travel 10,000 kilometres while through Gwadar this distance will come to 2,500 km only. It is an

alternative for China if it is denied access to Asia, Europe or Africa through the Strait of Malacca from any foreign forces. (Malik, 2012)

7. Socio-cultural impact of CPEC on the local population:

CPEC has not just economic cooperation between China and Pakistan but it has also socio-cultural impacts. Socio-cultural relationship builds up when there is a cooperation between states. China and Pakistan's sustained and prolonged relationship is because of their mutual understanding of one another's culture, language and traditions. (Muhammad Ibrar, 2016)

Pakistan is among the developing nations where the quality of life is below average. The government is trying to improve it in many ways. Among those steps, the project of CPEC is the biggest developmental project. It has many fold significances for the social life of citizens. Like for instance, it will provide jobs, easy and quick access to major portions and areas of the region. It will also create schools, roads, transport projects. It can improve the quality of life of local people and it will help in generating revenue by offering the people education, employment and business opportunities. Balochistan is the most neglected and backward province of Pakistan with a major chunk of the population living there. This CPEC will provide many opportunities for the people of Balochistan because it is very rich in mineral resources. (Yunpeng Sun, 2020) The overall impact of CPEC on the social life of Pakistani people can be divided into three dimensions: education, health and housing. Education covers 3.85%, health covers 4.74% while housing comprised 8.6%. It shows social growth. (Rashida Haq, 2016)

8. Impact of CPEC on Pakistan economy

Pakistan's former minister of planning and reform, Ahsan Iqbal, said that CPEC is not just a route rather it is a whole package of cooperative initiatives and projects. He further said that CPEC holds many advantages on the economic front of Pakistan, as well as China and it can help in strengthening their relationship even furthermore. Through information network, infrastructures, energy cooperation, industry, agricultural development, poverty alleviation, financial cooperation, municipal infrastructure, education, public health and people to people contact will help in the creation of thousands of more projects and jobs in Pakistan. Dr Ahmad Rashid Malik calls it a "corridor of success." There are multiple projects under the rubric of CPEC, apart from those Chinese banks and companies that have further decided to invest 45.6 billion dollars in energy and infrastructure projects. For Gwadar port 622 million dollars is being invested in the following major transport infrastructure:

- Karakorum Highway
- Karachi-Lahore Motorway
- East Bay Expressway Project
- Gwadar International Airport

Apart from that, several other gas and oil pipelines, road and rail projects are also a part of this project. All these projects are a golden opportunity for Pakistan to improve its economy. (Muhammad Zahid Ullah Khan, 2019). Overall CPEC can provide 196,827 jobs opportunities in its major projects like energy, infrastructure (roads and railways, optical fibre) and

Gwadar. This massive economic corridor is planned to eliminate Pakistan's energy deficit, improve the economy, reduce energy costs, raise business productivity, and improve trade opportunities. All this will help Pakistan in increasing its exports which will ultimately benefit the economy. (Husain, 2018)

9. Ensure stability and security in the region

CPEC is a multi-billion project that is not only beneficial for Pakistan but the neighbouring countries too. Afghanistan is being very eager to join CPEC. Its ambassador to Pakistan, Dr Omer Zakhilwal, pointed out their interest in this developmental project and ensured that it is not only beneficial for Pakistan and Afghanistan only but the whole region.

Afghanistan is rich in natural resources but due to instability and security issues there, countries were reluctant to cooperate or join hands with them in developmental projects. But after 2014, the security situation is under control now. Also, the ongoing US-Afghan peace deal with the collaboration of Pakistan has helped in making Afghanistan a more secure nation. China has its interests in Afghanistan due to its richness in natural resources. Like in 2008, China signed a 30-year agreement with Afghanistan to give access to Mes Aynak, copper deposit, worth 3 billion dollars but was unfortunately halted by the attacks and security issues. It has increased its military and security cooperation to combat militancy. This will open the door for China to invest more and more in Afghanistan.

Benefits for Pakistan:

Pakistan and Afghanistan relation has always been topsy-turvy. Extending CPEC to Afghanistan will benefit Pakistan in many ways. It will help in easing the refugee tension. Pakistan has hosted millions of Afghan refugees after the operations and war in their homeland. It had spent over 200 billion dollars on hosting them in Pakistan. So this will help in easing this issue and the economic burden on them. Apart from this, it will ensure cooperation between them and will help in opening doors of trade towards Central Asia. This will further ensure peaceful relations at the border. (Chandran, 2017)

It will improve relations with neighbours

CPEC is a great opportunity to improve and strengthen relationships among the neighbouring countries which will ensure regional prosperity. Iran has also shown its interest in joining CPEC and wants to contribute to it. Iran faced many sanctions from the United States of America. Irrespective of those sanctions China is the biggest trading partner to Iran. All these three countries: China, Pakistan and Iran share mutual interests among which the Indian factor is at the top. Especially when India came near to the USA it became a threat to their regional security. (Raza, 2019)

China-Iran deal and its impacts in Pakistan:

China and Iran have been in a strategic partnership according to the New York Times leaked document which shows a 400 billion dollars deal between China and Iran. This deal is in the energy, infrastructure and telecommunications sectors. This deal comes under the larger project of Belt and Road Initiative (BRI) flagship CPEC. The aim is to connect

Central Asia and Afghanistan with Europe via CPEC. Previously, many times, Iran has shown its interest to join CPEC in one way or another. This deal will also improve trade with Pakistan because it is a major shareholder of CPEC and most of the trade will be through Gwadar port. (Siddiq, 2020). There is no doubt that CPEC is a big opportunity for both China and Pakistan. It will further strengthen their relationship based on mutual trust and now they will be trading partners. But, every big achievement costs something big. Similarly, apart from the opportunities this project and the government on both sides are facing some challenges both from external and internal as well.

Conclusion:

China Pakistan friendship is as old as they came into being. They maintained a very friendly and strong bond since its inception. Both share military, defence and economic assistance. The major initiative that has ever taken between them is the China Pakistan Economic Corridor (CPEC). Which was initiated formally by Nawaz Sharif and Xi Jinping in 2015. It has two routes one goes via the sea while the other via land. CPEC has to be completed in four phases in which two are completed while the other half is remaining. These four phases have different projects defined. It will connect China with all the region, and it will help in boosting trade. It will open many corridors as the name suggest. Pakistan is a major shareholder in CPEC, which is a project of the larger Belt and Road Initiative (BRI), seeing its geostrategic importance and that of Gwadar. It will open trade routes and through this route, thousands of kilometres and months distance will now be shrinking to a fair few days.

This has a huge impact on the people, economy and their relations. Scholarships are being given to students who can exchange semesters so that to be familiar with their fellow beings and culture. The Chinese language is being taught in some schools in Pakistan now. It has opened many ways of economic opportunities for Pakistani people. Although, all these benefits come with challenges. Pakistan is facing many challenges internally and externally being a neighbour with a hostile India that leaves no chance of damaging Pakistan image internationally. Another challenge is that India's harbouring terrorists and insurgents within Pakistan to sabotage the project. Yet, CPEC is progressing, and it will open many economic corridors to the people of Pakistan and China. It will further strengthen their relationship.

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