



CHINA PAKISTAN ECONOMIC CORRIDOR: A VOYAGE TO SHARED DESTINY

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Abstract:

The development of numerous ventures which includes organizational structures, growths, and services, has been documented for the period of a long time as an essential part of the politics of the globe. It is quite evident that the centre of financial power is transforming from West to East. Belt and Road Initiative (BRI) has provided Pakistan and its surrounded countries with prominent opportunities through establishing and participating in the platform for masses in Central, West, South Asia, Middle East, and Africa. China Pakistan Economic Corridor (CPEC) is a flagship project that is part of BRI. CPEC is the typical appearance of the conjunction of geo-strategic and geo-economic benefits of the two neighbouring countries. Whereas the contemporary financial prudence would fulfill the financial benefits of Pakistan and China to enhance the development through mutual benefit in organizational structures & would correspond the efforts to secure common adversaries in forthcoming.

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CPEC is the significant initiative to establish energy, highway, port infrastructure & to expand financial networks among both countries. As this initiative has been acknowledged in Pakistan and China but there are various problems which equal partners must deal with cooperation, devotion, hard work, and with use of magnificent skills. The paper focuses on the development of China Pakistan Economic Corridor and the benefits that are accomplished by both sides. It also shed light on the geostrategic importance of Pakistan. The economic corridor is highly valued by Pakistan, and it has been signified in the terms of mutual benefit of economic and political growth.

Keywords: Pakistan, China, Development, Benefits, Economy

1. Introduction:

There is more population in China compared to other countries of the globe, the financial superpower of the present century has very magnificent bilateral relations and ties of financial bonding with our homeland since 1949. The bilateral trade and industrial connectivity through the official correspondence of the strategic partners has been established in January 1963. Pakistan has been supported in every area by China which includes defence, trade, economic agriculture, and industry. Numerous projects have been accomplished with the support of the government of China. (Shahzad, K, 2017). In 2013 the Chinese Premier Li Keqiang in his visit to Pakistan anticipated CPEC. The deliberated development of connecting Kashgar in China's Western region with Port of Gwadar seashore on the Arabian Sea in Balochistan has been approved

on July 5, 2013, during the official visit of the Prime Minister of Pakistan to Beijing. In the year 2015, the President of China Xi Jinping visited Pakistan during which the concluding treaties valued at over \$62 billion has been signed for the establishment of CPEC. (Alam et al., 2019)

China Pakistan Economic Corridor is the leading plan under the BRI. The concluding of CPEC is planned until 2030 in four stages. (Khan, H, U, 2017). The friendship of Pakistan and China will help in national transformation and prosperity towards the contribution of both partners with the wide-range strategy to support in China Pakistan Economic Corridor project through various fields. It will assist the effectiveness of government in all areas of the economic corridors, which includes villages and tribal areas of the economic corridor area through various plans and their implementation. The CPEC starts through the area of Kashgar in China, which ends at the Gwadar port and covers "Silk Road Economic Belt" in its north and "21st Century Maritime Silk Road" in its south, the Silk Road is the north-south key point with the total length of distance 3000 kilometres. (Ministry of Planning, 2021)

CPEC is the composition of various plans in our homeland which would be concluded in a diverse duration of time. Both countries would be benefited from CPEC. It would have an effective impact on Pakistan and China in various sectors. The interests of both countries are shared in the project of CPEC, and it would bring both countries closer with one another. As it is estimated, the Belt and Road Initiative would launch connections of close land and maritime between 60-plus nations through Asia and Europe. As China is the focal point of the instrument to the West

and Pakistan is the central point of the instrument to the Central, West, and South Asia troubles to the area and powers of the globe as China is aspiring as the global leader. And the financial stability of Pakistan is not acceptable to the competitors of the regional domain nor the emergence of China as the power of the globe is tolerable to various states. (Rokhila, A, 2019).

2. How CPEC is lucrative for Pakistan?

CPEC is the mega venture of the Chinese leadership in a predominant project of Belt and Road Initiative and predicts connectivity to Kashgar with Gwadar Sea Port via highways, railways, and pipelines. The China Pakistan Economic Corridor passage is the exclusive point, which manages the dynamic connectivity between routes of the land of Eurasia and maritime silk routes has foreseen in the project of BRI. Hence, our homeland has served as an International Interchange, which enables countless tactical benefits to be the centre for global trade and incorporation of the economies for the countries that are based in Africa, Asia, and Europe. The geo-strategic benefit demands to be connected on the foundation of mutual interests to transform into gains of the geo-economy. ("Advantages Of CPEC For Pakistan and China - Pakistan Observer", 2019). From a greater standpoint, the surroundings of Central and South Asia are the reducing Indian ocean window, China Pakistan Gwadar financial corridor will have a "land and sea one" pattern, and thus encourage the development of larger arrangements of regional interconnection. (Ministry of Planning, 2021).

Alongside a major trade partner of Pakistan, China is also the giant stakeholder in various sectors in Pakistan. China is also investing in telecommunications, energy, seaports, and in infrastructure development. Furthermore, to encourage trade of mutual interests, the government of China and sectors of the private department have established US\$20 billion investment in the sector of energy and \$30 billion in the other leading sectors in the shape of foreign direct investment (FDI) in Pakistan. (Khursheed, Haider, Mustafa & Akhtar, 2019). Through development in infrastructure under the investment of CPEC, which would increase the trade of inside and outside routes. After the concluding of Gwadar port, the trade center for the South Asia would be Pakistan.

Besides the investment of CPEC, the 2025 Vision has aimed at growing exports to \$150 billion and exports have been increased to GDP ratio of 16–19%. The 2030 Vision objective at growing trade to GDP ratio from 30 % to 60% in the year 2030. This could be plausible only after foreign direct investment invasions in the shape of CPEC into our homeland. So, if the trade to GDP ratio is folded in 2030 to the equal of the year 2013, then the yearly growth rate would be 5.88% and 4.94% underdeveloped and reasonable conditions simultaneously. (Mirza, Fatima & Ullah, 2019).

The geostrategic location of Pakistan has always been debated as it provides numerous opportunities to Pakistan in the region and after concluding the CPEC, the importance would be greater diversity in the area of the financial, profitable, and geostrategic. (Ahmad & Mi, 2017). The CPEC is not the only way to the gigantic network. It would outgrowth the development of the manufacturing area reinforced by plants of the

energy sector, connecting Kashgar in China to Gwadar. All capitals would assist as fundamental nodules for the CPEC, through which the corridor would be established. Balochistan should be the main recipient of the project. The other provinces especially conflict exhausted Khyber Pakhtunkhwa, would also benefit from this project of his level. (Falak, 2017)

China with the help of CPEC gives a path to our home for the Industrial zone to upgrade their competence and to become more consistent and reasonable. The SEZs are considered as a key factor in assisting peace and success in any area. The Formation of Special Economic Zones (SEZs) in Pakistan is one of the significant aspects of China Pakistan Economic Corridor. Alongside the corridor of Trade, the SEZs are also prospective to assist an opportunity to ambition financial activity in our country. Under the project of Billions of dollars of CPEC, many SEZs are scheduled at diverse sites. As under the SEZs, the various projects are under construction whereas some of them are in their concluding phases. SEZs aim to bring improvement in trade, attract FDI, and develop productivity. For the companies of Pakistan, it is the best option to work with the company of China for the growth and advancement industries manufacturing products, which are exported- in SEZs under CPEC.

Under CPEC the formation of free trade regions is also one of the major areas of economic collaboration and it is measured as a responsible approach to be adopted for financial growth and having employment in the financial department. As nine major economic zones are categorized by

detailed goods or facilities, which would be recognized in all provinces of Pakistan through the economic corridor. (Mirza, Fatima & Ullah, 2019).

CPEC would assist Pakistan in all areas and also in financial growth; it will enhance the overseas relations of Pakistan with its neighbours. (Ahmad & Mi, 2017). The great flood of investments would work as a strong financial motivation for the administration of Pakistan and societal links to better the atmosphere of the business sector and improvement in commercial attraction for increasing overseas reserves, which would not only help Chinese investors involved in CPEC but would also advantage to all overseas stakeholders in our country, which also includes the US. The development in our homeland would also assist to generate career opportunities for the larger perspective of the country, a population facing unemployment, revolving societal and financial problems into a financial and progressive driver. The financial growth would help out to sustain local steadiness and develop security in our homeland for the duration of a long phase. (Wang, 2017).

3. How CPEC is Lucrative for China?

CPEC has to be analyzed in the perception of the tactical advantage of China in East Asia and it has been faced by the United States. As it has been confronted with such problems, expectations can develop its tactical space by forwarding towards the west. Pakistan can be a major player to connect China, Central Asia, South Asia, and the Middle East. The safety and steadiness in our homeland would make it conceivable for China to execute a bigger impact in these areas and to safeguard safety in her

country. This is the reason that China is eager to invest a huge quantity of sources into the financial passage created on the reasoning of enhancing safety through economic growth. (Zhiqin & Yang, 2016).

On the other hand, CPEC will reduce the dependence of China on the South China Sea trade route. Consequently, it would assist China to take well-founded actions while following its strategic aims in Asia-Pacific. Beijing has been evolving powerful forces proficient in preventing and overcoming violence of any state, which includes the United States, in the South China Sea. It has been witnessed that since 2015, China has been assigned that in the South China Sea, they would not admit the intervention of external actors. It looks strongminded to display the navigational operations in the South China Sea and remain in developing bases on its Islands in the Sea. India is the neighbouring country to Pakistan and China. (Rokhila, A., 2019). China is importing massive natural gas and crud oil from the Middle East countries. Presently, these sources are transference majorly through routes of the sea to eastern China, where major manufacturing accomplishments are located. Once through the China Pakistan Economic Corridor railways and pipelines are established, it will benefit China in goods, oil and natural gas supplies, through the Gwadar port to the China western parts.(Habibi, N. & Zhu, H.Y, 2020).

As CPEC is projected not merely to make feasible for China, which is the less distance route of energy source from Africa and the Middle East, but it is also a source to expand trade and collaboration, thus reinventing Pakistan as an energy pathway between South Asia, China, and Central

Asia. China Pakistan Economic Corridor would also become an engine of financial growth for less developed western provinces of China, which includes Xinjiang, by giving access to their markets to the competition of the globe and assisting them to come at par with other advanced coastal cities and provinces. (Falak, 2017).

"China is looking to use OBOR as a way to ship its own domestic overproduction offshore," as commented by Nick Marro, an expert with the Economist Intelligence Unit (EIU).

This development would also introduce novel venues for products of China, increasing the financial growth of the country against any plausible strike in request from Europe or the US, as commented by Jin-Yong Cai, the last chief of the International Finance Corporation.

"(China is) leveraging their own capital to get involved in helping (other) countries to get wealthier so they can become customers of Chinese products," he commented. (Griffiths, J. 2017).

As the peaceable rise of China as a status of power of globe drives through modification of her energy and trade venues. "Malacca dilemma" has constantly forced the global desires of China. The major customer of global energy, the industrialized progress of China depends mainly on imports of crude oil through sea routes from distant regions like eastern Africa, western Africa, and the Middle East. (Iqbal, 2017). China presently vehicles 80% of its demands of oil and energy over the Malacca Strait and it is sensed development that its economic and energy safety interest regionally is under grave danger due to the escalation of stress

among China and the area and other international partners in South and the East China Sea. This is the cause that China is in search of alternative feasible shipment venues both financially and on the perimeters of safety. As CPEC is the finest option for China linking it nonstop to the Indian Ocean via Gwadar Port. In the view of the US strategy of rebalancing Asia, the area of Asia-Pacific has an extraordinary tactical position for the rule of Obama and the presently contracted Trans-Pacific Treaty among the US and its allies supports it. This rebalancing policy of the US in the area of Asia-Pacific includes army, economic and strategic emphasis to the countries of Southeast Asia, which includes India in determining its rebalancing of the area containing the South China Sea and the Indian Ocean initiating uneasiness for China vis-à-vis its financial benefits in the region. (Ali, 2016).

Consequently, the ability of China to use the network of CPEC and Gwadar for armed goals would expand the naval skills of China in the Indian Ocean and the Arabian Sea. This increased capability would have a lasting influence on the tactical and geopolitical associations of China in the Middle East. China has preserved the strategy of non-intervention and impartiality regarding various conflicts among its Middle East trade associates until now. It includes the decades-old conflict between Iran-Saudi Arabia and the hard period among Qatar and Saudi Arabia since last 5 years. Regardless of its full reliance on the oil of the Middle East, China has not confronted the U.S. armed supremacy and its superior part as the major exterior authority, which delivers stability and naval safety in the Persian Gulf. (Habibi, N. & Zhu, H.Y, 2020).

The Gwadar port is situated in Balochistan province of Pakistan on the Arabian sea. In association with Belt and Road Initiative, Gwadar would perform a major part in the progress of the non-coastal Central Asian area. (Mirza, Fatima & Ullah, 2019). Between various China Pakistan Economic Corridor infrastructure plans, China seems utmostly dedicated to the Gwadar seaport. This high pledge has been proved by the decision of China in 2015 to transfer a \$230 million finance for the progress of Gwadar airport into a grant. Other \$140 million finance for the progress of a 19 km expressway linking Gwadar to the coastal highway of our country has also transformed into an interest-free loan. This kind of generosity is not presented by other plans of CPEC. If progress gave the China Pakistan Economic Corridor a longstanding project, Gwadar would appear as a key trade centre for the economic relations of China with the Middle East and North Africa.

Given forty-year rent, China is interested in various plans to enhance Gwadar into a contemporary commercial harbour and superior financial region. These plans include an airport of international standard, an industrial zone, a water purification plan, an oil terminal and petrochemical complex, a coal power generation plant, and other supporting facilities, all of them are presently in the process. The harmonized China-Pakistan leading development for Gwadar depends majorly on public-private partnership (PPP) for the interest of private and international assets for industrialized and commercial accomplishments in Gwadar. (Habibi, N. & Zhu, H.Y, 2020).

Extra plans include infrastructure for the Gwadar Free Zone, which is being established within the boundary of the port area and would be home to export-oriented industries. The free zone offers foreign investors 100 percent ownership, a twenty-three-year tax holiday, and an exception on duties of custom for material used in the structure and operation of the port. (Rafiq A. 2017).

CPEC would also assist to revive the initial trade route called the Silk Route, which remained as one of the archaeological and oldest trade paths pre-existing the Han Dynasty of China, linking China via the Indian subcontinent, Asia Minor, Africa, Greece, Rome, and Britain. Except for profitable products, the maximum value of the Silk Route depends on the exchange of culture, technology, science, and architecture. Having the sight of restriction and patriotism in contemporary civilizations, such benefits may perform as a symbol of an increase of harmony and recognition to create a bond among common man. (Alam et al., 2019)

It is agreed by most experts that the rhetoric about trade and progress, BRI is mainly a plan of political beliefs. It has been linked to the Marshall Plan the vast renovation inventiveness commenced through the US to reconstruct Western Europe in the awaken of World War II, next which it appeared as a world power globally via media of China of state has determinedly excluded this analogy.

Tom Miller has mentioned, writer of "China's Asian Dream: Empire Building Along the New Silk Road," OBOR share of a project by China attentive on "restoring its historical status as Asia's dominant power."

"China's new 'empire' will be an informal and largely economic one, posited on cash and held together by hard infrastructure," Miller notes.

Balding commented that the plan is "more like a diplomatic effort for China to win friends and influence people," relatively than a firmly financial package. (Griffiths, J. 2017)

China is expected to endure its strategy of impartiality and evade direct armed interference in the Middle East, the progress of the China Pakistan Economic Corridor would increase its ability to project army and maritime power in the area, but it depends on the circumstance. This boosted ability would be taken into consideration through countries of the Middle East and external powers that are presently demonstrating supremacy in the area. Regardless of various encounters and dangers to both partners appearing devoted to China Pakistan Economic Corridor and as the second and third stages of this enterprise to be operative in the coming 10 years, major Middle Eastern nations are expected to contribute and have the benefit of its transport linkage. (Habibi, N. & Zhu, H.Y, 2020).

Conclusion:

The CPEC possibly will end up being a key response to support Chinese trade. The sectors present huge fiscal opportunities for China, in the same way as Pakistan. It would allow China to develop its western zones by taking the most constrained and affordable route through Pakistan. While Pakistan will not simply have the choice to frame the Gawadar port into the largest remote seaport yet to gather rail and lane frameworks, essentiality adventures will bring the constructive outcome of economic

improvement, social upsurge, business movement, and destitution in Pakistan. The establishment of Special Economic Zones (SEZs) will enable Chinese and other industrialists to move their amassing units to Pakistan to use moderately more affordable Pakistani works and advance Chinese travel through Pakistan, subsequently lighting up the financial improvement of the in Pakistan and converting it into a nearby trading point on the North, South, East, and West routes. The CPEC will not only galvanize the Pakistan economy and infrastructure, but it will assist China to deal with the US and their Allies in the future. It will also improve China to keep on her soft strategy and will be capable to influence the central Asia, South Asia, and West Asia. Thus, it will not only allow China to expand its control beyond its border but will also help Pakistan to accomplish its objectives. China Pakistan Economic Corridor is the journey towards economic regionalization in the globalized world. It is based on peace, development, and a win-win model for all. The economy of Pakistan immensely desires reformation to serve its people in a decent method and it has been commented by various officials that CPEC would help in this regard. China is a rising economic power in the world. China's development cannot be separated from the world, and the worlds need China's expertise and skill in many ways. Thus, Pakistan and China can move forward under the umbrella of the CPEC project and can achieve its goal of a friendly environment, prosperity, peace, development, and community with a shared future.

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