



CPEC

Description

CPEC stands for 'China Pakistan Economic Corridor'. It is a very vital part of China's Belt and Road Initiative. For Pakistan, it is a huge developmental boost. Apart from trade benefits, China can maintain its presence in Central Asia as it wants to be a global superpower. One of its ends is in the Xinjiang province of China and then it passes through the whole of Pakistan and ends at the Gwadar port.

In 2015, China and Pakistan signed a \$46 billion deal (it has now gone to \$62 billion) for the commencements of the CPEC Projects.

Types of CPEC Projects:

- Infrastructure Development: Development of highways and rail infrastructure in Pakistan to enhance the connectivity. Pipelines will be laid out for transporting LNG. Security infrastructure will also be taken into account to protect these massive developments.
- Energy Priority Projects: These include setting up of hydro, thermal and wind powerplants in Pakistan. The energy produced from these plants will be used by China and Pakistan both. Pakistan will have to buy a certain amount of electricity from these plants every year. The energy projects will shift the power-producing plants using coal out of China's national boundary.
- Gwadar: Apart from the development of the Gwadar port, the whole of Gwadar city will be turned to a smart port city. Developments like Gwadar International Airport, highways, clean water supply, Pakistan-China Friendship Hospital, Housing Projects, creation of university will be undertaken.
- Other Projects: These include cross border optical fibre cable, metrological developments etc.

Impact on China:

- The impact of this project on China can easily be understood by the fact that the CPEC was

included in its 13th Five Year Development plan. CPEC will provide China with an alternate and a much smaller route for its energy supplies. China is the largest importer of oil in the world, and the sea route passes through Strait of Malacca (where the US Navy patrols timely), the disputed South China Sea, the Indian Ocean. The sea route is 12000 km long and in adversaries can be blocked by China's enemies. Through CPEC the distance to be covered is just 6000 km and is much more secure.

- The CPEC is in sync with China's Western Development plan. With the better connectivity and facilities under the CPEC program in the Xinjiang province, public and private investments will rise. This also includes the areas of Tibet and Qinghai.
- Chinese imports and exports to Africa, Europe, the Middle East will increase and shipment time and distances will decrease.
- Strong presence in Central Asia and the Indian Ocean.

Impact on Pakistan:

- It will have a mixed impact on Pakistan. On the one hand, it will bring immense development, improved connectivity, creation of jobs etc. in Pakistan. But on the other hand, it will burden Pakistan with an enormous debt of around \$10 billion. It will be very difficult for Pakistan to bail itself out of it and may end up compromising its sovereignty like Sri Lanka.

Challenges:

- Providing security to all the infrastructure in terrorism influenced country like Pakistan.
- Opposition by the people living in Gwadar, as they feel that the project won't be as fruitful for them as promised.
- Baloch nationalists have also opposed such large-scale development fearing that it will exploit the resource-rich region.

Indian Concern:

India's only concern is that the CPEC passes through the POK, which undermines India's sovereignty.

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