

## The CPEC conflict

Aakash Santorai  
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*Some forces are not willing to let China enter Pakistan with such a huge investment. Therefore, most China-invested projects have been made controversial*

It was August of 2011. Nine fellow journalists and I were on a study tour of the US under its International Visitors' Leadership Programme, sponsored by the state government. The theme of our exchange study tour programme was economic journalism. During this tour we met the head of the Bank of America. He informed us about the then current economic position of the US. During question hour he told us, "The US dollar is threatened by the Chinese yen, not from the euro." I think this sentence explores, elaborates and portrays the real picture of the world's whole economic situation and its future prospects.

Nowadays, the China-Pakistan Economic Corridor (CPEC) is under intense debate in and out of the country as three Pakistani provinces have declared their worries and uncertainties regarding its route and other features. Analysts are comparing the CPEC with the Kalabagh dam project, which is also in the doldrums as three provinces are against the domestic mega project. All provinces besides Punjab have their reservations. Recently, the Chief Minister (CM) of Khyber Pakhtunkhwa (KP) said, "Punjab is trampling on the rights of smaller provinces and everything has been manipulated to benefit the country's largest province." He also warned that his government would not allow the CPEC to pass through the province if the Centre denied due share in its route to KP.

On the other hand, Balochistan and Sindh also have the same reservations. The federal government is also not being very forthcoming about the actual agreement of the CPEC. The reality in this regard is very murky and this mega investment project is going to remain controversial. Nobody is going to look towards its future economic benefits for the country but will only see their own political interests. I applaud the point of view of Bilawal Bhutto Zardari, the chairman of the Pakistan People's Party (PPP), on how his party will not allow the important project of the CPEC to go adrift or be made controversial. He said that he would make sure that the rights of all other federating units would be protected under every circumstance.

There is no doubt that China and India are the world's largest and most lucrative economic and business markets, and luckily they both are neighbouring countries of Pakistan. The region has always remained a route for the business needs of India and China. When trade was carried on by only sea routes, the Silk Route was the earliest linkage between the trade routes of the Asian continent, connecting the west and east from China and India to the Mediterranean Sea. Recently, China held a conference to revive this ancient trade route. Geographically, Pakistan is located on highly favourable routes for trade, and therefore it is now the most important country for future economic and business ties between Asia and other regions. That is why China wants to hold hands with Pakistan to go ahead with new economic paths. China is growing as the new global hub of the global economy and trade.

Here, I again mention the statement by the head of the Bank of America on how the US dollar is threatened by the Chinese yen and not the euro. This means the Chinese yen is going to replace the US

dollar. The whole tale of Pak-China economic ties and the created conflict is circulating around this point. Some forces are not willing to let China enter Pakistan with such a huge investment. Therefore, most China-invested projects have been made controversial. We have now to reassess our priorities regarding politics as the world is moving towards economic changes, so the countries that have a strong vision for their economic growth and development will be the only ones to survive. We mostly respond to the potential of every development project by exploring its political benefits, not economic ones. The conflict over the CPEC is also part of this practice. I recall here the very visionary plan of the previous PPP-led Sindh government, which announced in 2011 the mandatory teaching of the Chinese language as a compulsory subject from class six in all government schools from the year 2013 onwards. However, this still has not been implemented. The way the world is going, it seems that after two or three decades, the Chinese language will replace English. Why should we not start everything early?

Different countries have developed themselves with huge foreign investments like Malaysia, Brazil, Thailand and the UAE. Different countries have launched lucrative packages for foreign investors, even in low-level investment for their local trade and businesses. It is time to seek business markets but here is a different story: markets are available with our neighbour but we are looking in the opposite direction.

I think the CPEC is the key to opening many doors, not only for other foreign investors but to also revive domestic infrastructure and development. Our country is already chained by the IMF and other international financial institutions as it bears high interest rates for issuing new loans. The total debt liabilities of the country stand at Rs 19,299.2 billion and every Pakistani now owes a debt of about Rs 101,338. We have paid \$ 76.54 million as interest on loans during 2013-2014 to the IMF and World Bank. The country is facing a chronic and huge economic crisis. The country's financial managers are disguising the actual state of the economy in front of the people as the government is trying to just complete its tenure and not to sustain or ease the real disease or crisis. In the meantime, the \$ 46 billion CPEC is like a lifejacket to save the country's economy from drowning. The Chinese bank Exim is ready to give us a loan on a very low 1.6 percent interest rate when we are paying more than 10 percent interest rate for IMF and other loans. How can we get rid of this huge economic crisis? We need the CPEC and we have to think and act positively regarding the CPEC issue.

*The writer is a freelance development journalist and IVLP (USA) Media Fellow on Economic Journalism*

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