

A Path to the Sea: China's Pakistan Plan

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When Chinese President Xi Jinping went to Pakistan on an official visit in April 2015, he brought with him a \$46 billion gift that potentially could have very significant benefits for that country, as well as have a major impact on the region. And although there remain a number of unknowns on how this massive Chinese investment package will be implemented over the next 15 years or so, it is certain that it will pull Pakistan even deeper into Beijing's geostrategic orbit. Even though China and Pakistan have had a long and fruitful relationship for well over 50 years, if all the projects associated with this deal are ultimately implemented, it will be a game-changer for the region—equal to all the foreign direct investment inflows into Pakistan since 1970 combined and dwarfing the \$7.5 billion US aid package passed by Congress in 2009.

This \$46 billion deal, known as the China-Pakistan Economic Corridor (CPEC), is essentially a package of major projects that fall into two domains: transportation and energy. On the transport side, there are about \$12 billion in plans to build, among other things, a rail link connecting Gwadar, a Chinese-built deep-sea commercial port on Pakistan's southern coast, to the western Chinese city of Kashgar, some 2,000 miles to the north. Other projects include widening the treacherous Karakoram highway, itself previously built with Chinese help; upgrading Gwadar airport; building a 125-mile tunnel linking the two countries; and upgrading a number of existing highways, including the critical Karachi-Lahore section.

A number of energy projects, about \$34 billion in total, are also on the drawing board, including pipelines to transport oil and gas to Kashgar; the completion of the Iran-Pakistan gas pipeline; and a number of coal, wind, solar, and hydro energy plants that would add some 10,000 megawatts to energy-starved Pakistan by 2018.

But the jewel in the crown for China is the development of Gwadar, which would give Beijing a firm and reliable long-term beachhead in the Indian Ocean and close to the Persian Gulf, effectively making it a two-ocean power.

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