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SPECIAL EDITION

# PIVOT

Quarterly Magazine of Institute of Strategic Studies Islamabad

# 10 YEARS OF CPEC

*Unlocking Pakistan's Potential and Future Prospects*



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## Chief Editor's Note



The China-Pakistan Economic Corridor (CPEC), flagship project of China's Belt and Road Initiative (BRI), marks its 10th anniversary this year. CPEC has emerged as a transformative force, shaping Pakistan's economic landscape and fostering regional connectivity. Over the past decade, CPEC has propelled Pakistan's infrastructure development. Significant progress has been made in constructing highways, ports, railways,

and energy projects. Moreover, this mega-venture has played a vital role in addressing Pakistan's energy crisis. The successful completion of multiple energy projects, including coal, hydro, solar, and wind power plants, has greatly enhanced the country's energy capacity.

Moreover, strengthening the power transmission and distribution systems will ensure the effective utilization of the energy generated. In the second phase of CPEC, both Pakistan and China aim to promote industrialization in Pakistan by establishing Special Economic Zones (SEZs). These zones offer attractive incentives to local and foreign investors and will facilitate the transfer of technology and skills. Pakistan, therefore, should focus on creating a business-friendly environment, simplifying regulatory procedures, and providing necessary infrastructure within the SEZs. Furthermore, to harness the full potential of CPEC, Pakistan must invest in human resource development. Collaborative efforts should focus on developing skilled labor, vocational training institutes, and research and development centres. Scholarships, exchange programs, and partnerships between Chinese and Pakistani educational institutions can facilitate knowledge transfer and capacity building. Undoubtedly, CPEC has the potential to enhance regional connectivity, trade, and economic integration. Pakistan needs to actively engage neighboring countries, such as Afghanistan and Central Asian Republics, in leveraging CPEC's infrastructure for trade facilitation.

The development of transit routes, customs harmonization, and streamlining of trade regulations will foster a conducive environment for regional economic cooperation and boost Pakistan's trade volume. As Pakistan commemorates a decade of CPEC, it is essential to reflect on the achievements and identify areas for further growth. By focusing on infrastructure development, energy reforms, industrialization, human resource development, agriculture, and regional connectivity, Pakistan can unlock the full potential of CPEC in the coming years. With careful planning, effective governance, and a commitment to inclusive and sustainable development, Pakistan can realize greater economic prosperity and emerge as a regional economic hub.

*Talat*

Dr. Talat Shabbir

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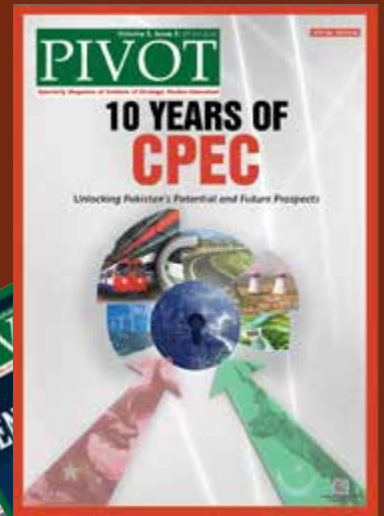
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## This Issue





# A Decade of CPEC:

## Sustaining the Promise of Friendship and Prosperity

By Ambassador Sohail Mahmood

**F**ew partnerships in inter-state relations stand out as prominently as the one between Pakistan and China -- marked as it is by cordiality, mutual respect, strategic trust, and abiding support for each other's core interests. Termed as "iron-clad" by the leadership, the bonds of brotherhood between the two nations transcend generations. Spanning over more than seven decades, the relationship has grown from strength to strength -- unaffected by the vicissitudes of time or changes in the regional and global environment. Today, it is defined as time-tested "All-weather Strategic Cooperative Partnership."

The China-Pakistan Economic Corridor (CPEC) is at the core of the Pakistan-China relationship. This journey commenced with the signing of the Memorandum of Understanding in Beijing in July 2013. Later, on 21 April 2015, President Xi Jinping's historic address to the Joint Session of Pakistan Parliament set the tone for a new era of cooperation between the two countries. President Xi's eloquent words, drawing from the wisdom of millennia-old Chinese culture, underscored the strength and resilience of Pakistan-China ties thus: "Strong wind reveals the strength of grass, and genuine gold stands the test of fire."

**Over the past ten years, CPEC has transformed from a visionary concept into a tangible reality. As a flagship project of China's Belt and Road Initiative (BRI), this transformational venture is contributing to the realization of Pakistan's national development goals and promoting regional connectivity and prosperity. It is also serving as a living example of Pakistan's pivot to geo-economics**

Fast forward to 2023, and we are celebrating the completion of the



'Decade of CPEC.' This milestone is not merely a marker of time, but a testament to the unwavering commitment of both China and Pakistan to a vision of development and shared prosperity.

Over the past ten years, CPEC has transformed from a visionary concept into a tangible reality. As a flagship project of China's Belt and Road Initiative (BRI), this transformational venture is contributing to the realization of Pakistan's national development goals and promoting regional connectivity and prosperity. It is also serving as a living example of Pakistan's pivot to geo-economics.

The conceptual framework of "1+4" – with CPEC at the Center and Gwadar Port, transport infrastructure, energy, and industrial cooperation as the four key areas – has been instrumental in taking the process forward in a systematic manner over the past ten years.

Through the Early Harvest phase of CPEC, Pakistan's infrastructure has been modernised. The crucial energy deficit has been significantly bridged. The country's capacity for transit trade and industrialization in SEZs has been enhanced.

The achievements of the first decade of CPEC are truly impressive. With direct investment of \$25.4 billion, the initiative has created over 200,000 jobs, contributing substantially to Pakistan's economic stability. In terms of infrastructure, 510 kilometres of highways have been completed, and the electricity capacity has been boosted by over 6000 megawatts.

Lauding these achievements, and marking the major milestone of 10 years of CPEC, President Xi Jinping in his felicitations message conveyed to the Pakistani leadership and people in July 2023, said:

*"CPEC is an important pioneering project of the Belt and Road cooperation. Since its launch in 2013, China and Pakistan have been advancing CPEC under the principle of extensive consultation, joint contribution and shared benefits, and have achieved a number of early harvests."*

*"China and Pakistan will continue to improve overall planning and expand and deepen cooperation. No matter how the international landscape may change, China will always stand firmly with Pakistan."*

The second phase of CPEC focuses on agriculture, industry, mining, IT, science & technology, and socio-economic development. Other important areas of cooperation include e-commerce, renewable energy (solar), and health as well as digital and green corridors.

This phase also envisages progress on other mega projects such as Main Line-1 (ML-1) and the Karachi Circular Railway (KCR). There is also particular focus on enhancing commercial viability of Gwadar port and transforming it into a regional logistical energy, trade, and commerce hub.

China and Pakistan have also stressed that CPEC remains an 'open and inclusive platform', and that interested third parties are welcome to benefit from investment opportunities in priority areas such as industry, agriculture, ICT, and science & technology.

The leadership in both countries agrees that CPEC has now entered a "new stage of high quality development." They have reaffirmed the resolve at the highest level to jointly build a growth corridor, a livelihood-

enhancing corridor, an innovation corridor, a green corridor and an open corridor, and continue to build CPEC into an exemplary project of high-quality Belt and Road Cooperation.

Both sides are conscious that, as a result of complex international and regional dynamics, CPEC is at various times targeted by forces inimical to China-Pakistan relations. Both sides remain determined to safeguard this project from such attempts and continue to promote this shared vision.

**CPEC is a testament to the enduring friendship and unflinching resolve of the two nations. It has not only brought economic benefits but also paved the way for enhanced regional cooperation, connectivity and prosperity. As we go forward, CPEC continues to serve as a powerful symbol of Pakistan-China relations and a vital platform to deliver shared prosperity**

To conclude, CPEC is a testament to the enduring friendship and unflinching resolve of the two nations. It has not only brought economic benefits but also paved the way for enhanced regional cooperation, connectivity and prosperity. As we go forward, CPEC continues to serve as a powerful symbol of Pakistan-China relations and a vital platform to deliver shared prosperity.



Ambassador Sohail Mahmood,  
Director General ISSI

# A Decade of CPEC: Landmark of Belt and Road Initiative

By Pang Chunxue



**T**he China-Pakistan Economic Corridor (CPEC) is a landmark project of jointly building Belt and Road Initiative (BRI). This year marks the 10th anniversary of the launch of CPEC. Over the past ten years, under the guidance of the leaders of the two countries, CPEC has made outstanding contributions to Pakistan's economic and social development and has made great achievements that have attracted

worldwide attention. This offers a good opportunity to review the achievements of the past decade and look forward to the future development under CPEC.

10 years of CPEC are blessed with the visionary guidance of the leaders of the two countries. In April 2015, Chinese President Xi Jinping paid a historic visit to Pakistan. Since then, the large-scale construction and development of projects under the China-Pakistan Economic

Corridor has been progressing at a steady pace. Last year, President Xi Jinping had a fruitful meeting with the Prime Minister Shehbaz Sharif in Beijing. The two sides expressed satisfaction at CPEC's contribution to Pakistan's social-economic development, and agreed to expedite CPEC to build it and portray it as a demonstration project of high-quality development of Belt and Road Initiative.

Undoubtedly, 10 Years of CPEC is a testament of fruitful



cooperation. Ten years ago, China and Pakistan set up the initial "1+4" pattern of CPEC, focusing on Gwadar port, energy, infrastructure and industrial cooperation. Infrastructure plays an important role in CPEC. The Karakoram Highway Phase II upgrading project, the Lahore Orange Line metro train, the Peshawar-Karachi motorway and Eastbay Expressway in Gwadar are all running well and have greatly improved the connection and communication of the country.

**Over the past ten years, under the guidance of the leaders of the two countries, CPEC has made outstanding contributions to Pakistan's economic and social development and has made great achievements that have attracted worldwide attention. This offers a good opportunity to review the achievements of the past decade and look forward to the future development of CPEC**

The energy project, which enjoys the largest investment, has laid solid foundation for economic development and brought tangible benefits to society. Power projects that have been put into commercial operation supply nearly 1/3rd of Pakistan's electricity and it has greatly solved the problem of power shortage. The joint

construction of Gwadar Port has made tremendous progress. Gwadar Port has achieved full operational capacity, with booming economic free zone and infrastructure completion. It is now making steady progress towards the goal of a logistics hub and an industrial base. New breakthroughs have also been made in industrial cooperation, as the first phase of the Rashakai Special Economic Zone has been completed.

10 Years of this economic partnership witnessed continuous expansion of cooperation in various fields and improvement of people's livelihood. As CPEC enters the second phase of high-quality development, the cooperation between the two countries has expanded to 11 working groups, including long-term planning, security, international cooperation and coordination, agriculture, science and technology, information technology industry and social-economic development. By the end of 2022, the CPEC related projects have in total created 236,000 jobs.

The 10 years of CPEC has placed Pakistan on the right track for development and prosperity. The new Gwadar International Airport, Gwadar Desalination Plant and Pak-China Friendship Hospital will be completed in almost a year and a half. Both sides agreed to actively promote the strategic ML-1 project, and Gwadar power plant. In the future, CPEC will continue to inject greater vitality and good momentum into Pakistan's economic and social development, and further enhance the connotation of China-Pakistan all-weather strategic cooperative partnership.

This year marks not only the 10th anniversary of CPEC, but also the 10th anniversary of the Belt and Road Initiative (BRI) put forward by President Xi Jinping. Statistics show that 151 countries and 32 international organizations have joined the initiative. It has generated nearly a trillion U.S. dollars in investment, established over 3,000 cooperation projects, created some 420,000 jobs in countries along the routes, and helped lift nearly 40 million people out of poverty. BRI cooperation has made positive contributions to economic development, employment, and improvement of people's livelihood in all countries, and has become a popular international public goods and international cooperation platform.

**In the future, CPEC will continue to inject greater vitality and good momentum into Pakistan's economic and social development, and further enhance the connotation of China-Pakistan all-weather strategic cooperative partnership**

On the occasion of the 10th anniversary of CPEC and BRI, I have full confidence that under the leadership of the two countries, China and Pakistan will continue to work hand-in-hand to improve quality and efficiency of CPEC, and upgrade the all-round strategic cooperation to a new height, building a closer China-Pakistan community with a shared future in the new era.



Pang Chunxue, Deputy Chief of Mission, Embassy of Republic of China to Pakistan

# From Vision to Reality: Celebrating a Decade of CPEC

By Ambassador Masood Khalid

This year marks a decade since the launch of China-Pakistan Economic Corridor (CPEC) projects in Pakistan. The Belt and Road Initiative (BRI), of which CPEC is a pioneering project, was launched by President Xi Jinping in 2013. This massive initiative entails a combination of development and investment oriented projects, connecting China to East Asia and Eurasian region. In the decade since its launch, BRI has expanded to Africa, Latin America and Oceania. According to available figures, cumulative Chinese commitment was about \$963 billion for various projects in partner countries.

In the context of Pakistan, CPEC has transitioned from Phase-1 to Phase-2. The Phase-I revolved around four areas of cooperation: Energy, Transport Infrastructure, Gwadar Port and allied infrastructure and Industrial Cooperation (SEZs). The best performer has been the energy sector. CPEC energy projects have become growth drivers for Pakistan as the country no longer suffers from the acute power shortfall of few years ago. More than 8000 MW have been added in power grid with more capacity being added through setting up of hydro, wind and solar power projects. A \$15 billion worth of investment has been done in fourteen power projects by China. Clean and Green Energy is the principle underpinning National Energy Policy.

Under CPEC, transport infrastructure has also been upgraded. More than

809 kilometres of roads have become part of the national network with another 813 kilometres under construction. It is believed that more than 68% of Pakistan's motorways will be constructed under CPEC. Pakistan is also negotiating the commencement of all important ML-1 railway project connecting North and South of Pakistan, with China. KKH which serves as the main route for CPEC connecting China with Pakistan is intended to be made an all-weather road. Karachi Circular Railway is another important venture under discussion.

**CPEC is not only a new breather in Pakistan's economic life but also marks a paradigm shift in our national discourse from geo-politics to geo-economics**

After a slow start, Gwadar projects are finally receiving priority attention. A new state-of-the-art airport, being built entirely from Chinese grant, will become operational this year. Gwadar East Bay has been completed. A vocational centre has been built by China to impart skills to local youth. Pak-China Friendship Hospital is also being developed. Furthermore, other projects in the pipeline relate to power and water supply and development of industrial free zones.

Industrial cooperation under



CPEC awaits full operationalization of SEZs. The development of four priority zones is at different stages of development. Pakistan's export base will get a boost once foreign investment and technology is introduced in these zones for production of value added items, which can be marketed to neighbouring regions as well as to China. It is imperative that the government gives high priority to SEZs to attract relocation of Chinese industry.

China has invested around \$25 billion in CPEC's first phase which has led to the improvement of Pakistan's infrastructure and energy base, creation of over 100,000 local jobs, development of HR capacity, people-to-people linkages and acceleration of educational and media linkages.

The Phase-II of CPEC is broader in scope as new areas of cooperation i.e. agriculture, industry, education, science & technology, IT, health, tourism and socio-economic livelihood projects have been added. Major projects in various sectors will be launched in the second phase with a projected investment of about \$35-40 billion, generating more local jobs and industrialisation of Pakistan. The country can expect to have a solid foundation for a knowledge based industrial society on the culmination



of CPEC. Gwadar, the crown jewel of CPEC, will play a pivotal role in Balochistan's development by connecting with rest of the country and outside world. Rich mineral resources of Balochistan, like Rekodiq and Saindak, which remain untapped, will be used for the welfare of the province with the infusion of Chinese and western technology.

True to its vision of connectivity, CPEC is being extended to Afghanistan. Under a trilateral arrangement, China, Pakistan and Afghanistan will identify feasible projects to help Afghanistan meet its infrastructure and development deficit. The three partner countries are keen to promote regional connectivity but the key is peace and stability in Afghanistan. An enabling environment will help kick start the much needed development process in Afghanistan.

CPEC has the potential to transform Pakistan into a geo-economic hub and its regional extension will promote integration of regional economies as well as help in curbing terrorism and extremism. China had come forward to undertake CPEC when no country was willing to tap Pakistan's market due to precarious security situation. CPEC is not only a new breather in Pakistan's economic life but also marks a paradigm shift in our national discourse from geo-politics to geo-economics. Every region and province of Pakistan is eager to benefit from CPEC. Pakistan has a rare opportunity to take advantage of the learning curve offered by CPEC and move onto the path of self-reliance, by synergizing its decision-making and policy-making processes. Pakistani experts can study and appropriately apply the best practices of the Chinese model for poverty alleviation, modernisation, industrialisation and carve out

ways of how Human Resource capacity can be enhanced.

As time passes, BRI will face challenges from the headwinds of global politics and geo-political competition between major powers. The signs are already visible as CPEC has been subjected to pressures from multiple quarters using propaganda about its transparency and sustainability. There is a need to proactively disabuse the public opinion of this vilification campaign. It is also important for Pakistan and China to review the progress made so far under CPEC with a view to remove roadblocks in its smooth implementation. Security of Chinese personnel and assets in Pakistan is indispensable for CPEC's success.

**It is important for Pakistan and China to review the progress made so far under CPEC with a view to remove roadblocks in its smooth implementation. Security of Chinese personnel and assets in Pakistan is indispensable for CPEC's success**

CPEC is the fulfilment of the dream of our founding leaders and the people from both sides to promote connectivity between the two countries. It is significant that in early fifties when Pakistan-China relations were in their formative stage, Chinese leader Chairman Mao Tse tung described Pakistan as "a southwest window" for China and urged to develop relations as "China had a history of communicating (with Pakistan) for over a thousand years". As if Chairman Mao wanted to see his dream of connectivity realized in his life time, he broached the subject of constructing a road

from China to Pakistan with President Ayub Khan. KKH took about twelve years of grinding work and loss of precious lives to complete. Today, it is the main artery connecting Pakistan with China and both sides are determined to leverage it for multi-domain connectivity under CPEC.

Pakistan shares the Chinese perspective that connectivity and development are critical to peace, progress and security of the world. Pakistan views BRI as a win-win proposition. Both countries share a similar outlook on regional and global issues. Imperatives of regional peace and security and a congruence of interests drive Pakistan-China relations. In the fast changing complexity of global environment, this relationship is a bright spot and a model in inter-state relationships. In their journey of over 70 years, Pakistan and China have never faltered in standing by each other, in good or bad times. The high point of this relationship has been its resilience and a propensity to grow, as two countries have no conflict as such; only a potential for its further growth. Pakistan-China friendship is not against anyone and nor is CPEC. It is in fact a force multiplier for the common good of Pakistan, China and the region.

As President Xi Jinping stated, "Given that the world is seeing more sources of instability and risk, the two countries should stand together more firmly, promote their all-weather strategic cooperative partnership and build a closer China-Pakistan community of shared future in the new era". CPEC is a living embodiment of both countries aspirations to forge strong connectivity and to work together for the welfare of our two peoples.



Ambassador Masood Khalid,  
Former Ambassador of  
Pakistan to China

# A Decade of CPEC Development

By Ambassador Naghmana Hashmi

**T**raditionally, China and Pakistan have cooperated closely at the strategic and political levels. With CPEC the strategic partners are making efforts to expand their bilateral collaboration in economic domains as well. The construction of the CPEC is a milestone that signifies this shift. CPEC is undoubtedly a “game-changer” not only for Pakistan but the entire region. Connecting Gwadar Port to China’s Xinjiang Uygur Autonomous Region, through a network of highways, railways, pipelines to transport goods, technology, oil and gas and fiber optic cable for flow of knowledge, presents enormous opportunities to people from Gwadar to Kashgar and beyond.

The strategic concept of connectivity between Pakistan and China originated with the decision to build the Karakoram Highway (KKH) to link the two countries through an all-weather highway. Thus the concept has been in the works for decades however, the two sides inched towards translating the concept into concrete reality with another strategic decision in 2001 to construct a deep seaport at Gwadar. The vision and the financial package for linking KKH to Gwadar port with a network of roads and bridges and reviving the energy sector of Pakistan

and project layout of CPEC was agreed during the visit of Chinese Premier Li Keqiang to Pakistan in May 2013.

**CPEC has huge strategic significance for Pakistan and the completion of its first phase has already helped Pakistan lay a strong energy and road infrastructure for subsequent development of industry, agriculture and human resource**

Today CPEC has become the unambiguous symbol of the enduring friendship between Pakistan and China and holds a pivotal position in the development agenda of Pakistan. CPEC has huge strategic significance for Pakistan and the completion of its first phase has already helped Pakistan lay a strong energy and road infrastructure for subsequent development of industry, agriculture and human resource. So far the implementation of the first phase has provided over a hundred thousand jobs to local population. In the future, with the completion and full operationalization of the second

phase involving the setting up of SEZ’s, it is expected to bring prosperity to around 3 billion people of the region, including China, South Asia, Central Asia and Middle East.

Pakistan and China consider these development initiatives a potential source of stability and prosperity for both countries. From a Chinese perspective, cooperation in the areas of security and economics are closely intertwined, and improvements on one side can improve the other. It is almost as though security and economics are two separate wheels on the same vehicle, and both need to be spinning to move things forward. Economic development can strengthen Pakistan’s internal stability, thus reinvigorating the economy through investment in infrastructure projects as well as the construction of oil and gas pipelines. Hopefully this will create a certain level of stability within Pakistan and in turn stabilize China’s western periphery, particularly the province of Xinjiang.

More broadly, the CPEC has to be understood in the context of Pakistan and China’s strategic interests in East Asia and the way the United States has challenged them. Faced with such difficulties, China hopes it can expand its strategic space by heading west and for Pakistan a strategic relationship and connectivity is seen as essential for the socio-



economic development. Pakistan serves as a crucial bridge between China and Central Asia, South Asia, and the Middle East. This is why China is willing to pour vast amounts of resources into the economic corridor—based on the logic of improving security through economic development.

Likewise, Pakistan has realized that no other country places such high strategic importance in its economic relationship with Pakistan as China does. According to Pakistan's development agenda 2025—a blueprint for economic development published in 2014 by Pakistan's Ministry of Planning, Development, and Reform—Pakistan aims to advance from being a lower-middle-income nation to an upper-middle-income nation by 2025-6. To achieve this goal, Pakistan hopes to attract increasing amounts of foreign investment and is working to improve its overall economy and governance system.

China's logic behind this strategy is that fundamentally improving Pakistan's economy will help alleviate the challenges posed by political extremists, radicals, and jihadists. China and Pakistan share a belief that economic development can help stabilize Pakistan and improve its domestic security situation. China and Pakistan regard the CPEC as a new source of potential synergy between their respective national development strategies, which may help the two countries translate their close political cooperation into multi-faceted economic cooperation, attain mutual benefits, and achieve win-win outcomes.

For this economic corridor to reach full potential, however, there are security and political challenges in Pakistan that must be addressed.

**Pakistan serves as a crucial bridge between China and Central Asia, South Asia, and the Middle East. This is why China is willing to pour vast amounts of resources into the economic corridor—based on the logic of improving security through economic development**

With the first phase of CPEC comprising of major infrastructure and energy projects nearing completion, the focus has rightly shifted to the second phase. This includes the development of Special Economic Zones, Sustainable development, poverty alleviation, agriculture, health care and knowledge. Proper establishment and successful running of the SEZs are of critical importance for the second phase of CPEC to take off and contribute to the long awaited socio-economic development of Pakistan.

The benefits of a successful SEZ programme include employment generation, infrastructure development and the development of allied industries through backward linkages, which are not generally covered under Regional Trade Agreements. If the RTA and SEZ policies are synchronized, it can lead to cross-country linkages and the establishment

of regional manufacturing and services networks that use SEZs as hubs. The upcoming SEZs in Pakistan like Rashakai SEZ need to attract investments and relocation of industry in sectors like engineering; pharmaceuticals, IT, manufacturing, food processing, energy, jewelry, leather footwear, textile apparel etc.

For Pakistan developing world-class infrastructure inside SEZs should be a priority. The government needs to take a proactive role to ensure that SEZs are developed to attract the best enterprises from China and foreign countries. Badly developed SEZs will only attract substandard enterprises. Improving the business environment is essential to maintain the attractiveness of SEZs. There is an urgent need to streamline the single-window systems, which would require broader consensus with the state governments and various relevant ministries

SEZs in Pakistan face several challenges that are easily manageable if a central, clear and uniform policy is adopted for SEZs throughout the country. Presently the barriers faced by SEZs include; institutional mechanism and its implications; challenges related to land acquisition; location; sharing of infrastructure and business model; barriers related to fiscal incentives; challenges related to shifting of existing units from DTA to SEZ; challenges related to backward and forward linkages. It is therefore, important to remember that in order to make SEZs a success story, Pakistan must address these impediments on war footing.



Ambassador Naghmana Hashmi,  
Former Ambassador of Pakistan to  
China



modernization, economic prowess, and global influence.

The relationship between China and Pakistan is a good example of relations between countries with different social systems, cultures and histories. China and Pakistan began as 'good neighbors' and 'good friends' and gradually upgraded to an all-weather strategic cooperative partnership of 'good brothers', "good friends", "good partners" and "good neighbors". The relationship between China and Pakistan has been developing since the 1960s, and after half a century of efforts, the China-Pakistan community of 'shared future' has been formed.

**A century of reform and change comes with a lot of risks and challenges associated with it, but at the same time it also offers a lot of opportunities for growth and development. China is ready to work with other countries to move on the right direction of economic globalization and genuine multilateralism, and jointly promote a more developed, secure and civilized world**

## Bridging Nations, Building Futures: **China & Pakistan's** Quest for Modernization

By Dr. Talat Shabbir and  
Mr. Jiang Angyu

In an era marked by rapid globalization and technological advancement, China and Pakistan have emerged as trailblazers on the path to modernization. Their collaborative efforts transcend borders, bringing together two nations with rich histories and a shared commitment to shaping a

brighter future. As economic powerhouses in their own right, these partners have embarked on an extraordinary journey, blending ancient traditions with cutting-edge innovation. The dynamic synergy between China and Pakistan, is exemplary as the two states move forward towards their shared goals of

In the domain of Belt and Road Initiatives (BRI) particularly China Pakistan Economic Corridor (CPEC) high quality development can be ensured by wise reforms and by introducing much needed upgradation. China should build connectivity partnerships with the entire South Asian and



Southeast Asian region in order to achieve high quality regional development. This will help build a community with 'shared goals' of development and prosperity.

A community with a 'shared future' for mankind is an important concept introduced by the Communist Party of China (CPC) to promote peace and development of mankind. It embodies the common values of peace, development, fairness, justice, democracy and freedom of all mankind. A century of reform and change comes with a lot of risks and challenges associated with it, but at the same time it also offers a lot of opportunities for growth and development. China is ready to work with other countries to move on the right direction of economic globalization and genuine multilateralism, and jointly promote a more developed, secure and civilized world. China is committed to building a community with a shared future through dialogue, consultation, shared contributions, win-win cooperation, exchanges and mutual learning, and a green and low-carbon path of action.

China actively promotes the building of a new model of International Relations by making efforts to deepen and expand a global partnership of equality, openness and cooperation, and by creating new opportunities for global development through its own vision for development. The Chinese-style modernization has provided a better alternative for mankind to realize transformation.

The Belt and Road Initiative is an important platform for

building a community with a shared future for mankind. This year marks the 10th anniversary of the Belt and Road Initiative. Over the past decade, the Belt and Road Initiative has achieved remarkable results in policy communication, infrastructure connectivity, unimpeded trade, financial integration and people-to-people ties. By the end of June 2023, China had signed more than 200 cooperation documents on Belt and Road cooperation with 152 countries and 32 international organizations.

In the first half of 2023, China's imports and exports to countries along the "Belt and Road" increased by 9.8% year-on-year, 7.7 % points higher than the overall growth rate. New progress has been made in "hard" as well as "soft" connectivity, and practical cooperation has been deepened and broadened. The Belt and Road cooperation has shown strong vitality and broad prospects.

Peace, development, fairness, justice, democracy and freedom are the common pursuit of people of all countries. There is a need to jointly advocate the importance of cultural inheritance and innovation, fully tap the historical and cultural values of various countries, and promote the creative transformation and innovative development of their fine traditional cultures in the process of modernization. There is also a need to collectively advocate strengthening of international people-to-people exchanges and cooperation, and explore the building of a global network of dialogue and cooperation among civilizations.

The broad partnership between Pakistan and China is mainly driven by the strategic importance of the relationship between the two countries. Facing a balancing act between the great power competition and the growing Sino-US competition, Pakistan is likely to continue to weigh between intimacy, mutual trust, broad cooperation and a relationship that has stood the test of time, and transactional relations. Pakistan is likely to continue to balance its diplomatic ties through diplomatic alliances in multilateral economic partnerships, while seeking opportunities for cooperation in non-security areas.

**The Belt and Road Initiative is an important platform for building a community with a shared future for mankind. This year marks the 10th anniversary of the Belt and Road Initiative. Over the past decade, the Belt and Road Initiative has achieved remarkable results in policy communication, infrastructure connectivity, unimpeded trade, financial integration and people-to-people ties. By the end of June 2023, China had signed more than 200 cooperation documents on Belt and Road cooperation with 152 countries and 32 international organizations**

Over the past few years, thanks to the joint efforts of the Chinese and Pakistani governments, a series of achievements have been made with regards to China-Pakistan Economic Corridor (CPEC). In terms of transport infrastructure, in September 2016, Pakistan's Gwadar Port Free Zone was officially launched. In November of the same year, Gwadar Port operated by China in Pakistan officially opened. At the end of January 2018, Gwadar Port was officially put into commercial operation. In March 2018, the first container liner route from Gwadar Port in Pakistan was launched.

**The partnership between China and Pakistan stands as a testament to the immense potential that can be harnessed through collaboration, vision, and determination. As they walk hand in hand on the road to modernization, the two states are not only transforming their own landscapes but have also set a powerful example for the world. The fusion of China's economic might and Pakistan's strategic location has given rise to a synergy that transcends boundaries and empowers countless lives**

In August 2020, the secondary highway section (Mansehra-Thakot) of the Karakoram Highway Phase II (Havelian-Thakot) project was designed and constructed by China

Communications Construction Group Co., Ltd. and was opened to traffic, marking the completion of the project. In December 2020, the TOC certificate issuing ceremony of Pakistan PKM Highway (Peshawar to Karachi Highway) project (Sukhur-Multan section), the largest transportation infrastructure project of the China-Pakistan Economic Corridor undertaken by China State Construction Group Co., LTD., was held in Multan, marking the official handover of the project and its perfect performance.

In terms of communication infrastructure connectivity, China attaches great importance to research on the industrial and information development of the Belt and Road participating countries, which provides a broad space for promoting international communication and information exchange. At present, China is actively exploring cooperation with Pakistan in the domain of Communications and Digital technology. In terms of finance, China and Pakistan have also carried out in-depth cooperation. China and major countries along the Belt and Road have put forward the strategy of jointly building the "Belt and Road" bank. In 2017, the Ministry of Finance of China and finance ministries of 26 countries, including Pakistan, jointly approved the guiding principles for financing the Belt and Road Initiative. By 2017, China and Pakistan had achieved multi-faceted cooperation in a number of scientific and technological projects, ranging from agriculture and forestry, water conservancy and hydropower, machinery and chemical

industry, textiles, non-ferrous metals, medicine and health, aerospace, biotechnology, energy and environment, geological mapping, peaceful use of atomic energy, information and science to technology policies.

The partnership between China and Pakistan stands as a testament to the immense potential that can be harnessed through collaboration, vision, and determination. As they walk hand in hand on the road to modernization, the two states are not only transforming their own landscapes but have also set a powerful example for the world.

The fusion of China's economic might and Pakistan's strategic location has given rise to a synergy that transcends boundaries and empowers countless lives. From the construction of the China-Pakistan Economic Corridor to advancements in technology, trade, and diplomacy, their journey together is nothing short of remarkable. As the 21st century unfolds, the story of China and Pakistan's modernization partnership reminds us that when nations unite in pursuit of progress, the possibilities are boundless. Together, they illuminate a path towards a more interconnected, prosperous, and harmonious world, where the dreams of yesterday meet the realities of tomorrow.



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# 10-year BRI: turning vision into reality

## Editor's Note:

The Belt and Road Initiative (BRI) was proposed by China in 2013 to build trade and infrastructure networks connecting Asia with Europe and Africa along and beyond the ancient Silk Road trade routes. Since its launch, thanks to the combined efforts of all parties, cooperation under the BRI framework has expanded beyond the borders of China to become an international effort. It has evolved from ideas into actions, from a vision into reality, and from a general framework into concrete projects. China released a white paper, named "The Belt and Road Initiative: A Key Pillar of the Global Community of Shared Future," highlighting BRI's achievements in the past decade in living up to its goal of providing a platform for building a global community with a shared future.

## EXTENSIVE AND IN-DEPTH POLICY COORDINATION



By June 2023, China had signed more than **200** BRI cooperation agreements with more than **150** countries and **30** international organizations.

## UNIMPEDED TRADE, EXPANDING INVESTMENT



- So far, China had signed **21** FTAs with **28** BRI partner countries and regions.
- Value of China's trade with BRI partner countries reached **\$2.9 trillion** in 2022.

• Share of trade with BRI partners in China's total



• The cumulative two-way investment between China and partner countries reached **\$380 billion**.



• Share of trade with BRI partners in China's total



• The cumulative two-way investment between China and partner countries reached **\$380 billion**.



## GROWING CONNECTIVITY OF INFRASTRUCTURE

### Maritime connectivity improving



Silk Road Maritime network by June 2023:

- **117 ports** in **43 countries** reached
- More than **300 shipping and port companies**, think tanks joined
- Port of Piraeus in Greece (**5 million+ TEUs**)
- Hambantota Port in Sri Lanka (**1.21 million tons**)

Annual cargo throughput of BRI port projects

### Notable progress in Air Silk Road

China has signed bilateral air transport agreement with **104 BRI partner countries** and opened direct flights with **57 partner countries**.

### Inter-modality transport developed

China-Europe Railway Express by June 2023:

• Over **200 cities** in **25 European countries** reached



• **\$300 billion+** of goods transported

• **78,000 trips** & **7.4 million TEUs**

Landmark BRI railway projects



## DYNAMICS OF FINANCIAL INTEGRATION

By June 2023, 145 first-tier offices and branches by **13** Chinese-funded banks established in **50** BRI partner countries.



China has signed bilateral currency swap agreements with **20** partner countries and established yuan clearing arrangements in **17** partner countries.

### Financing via BRI channels by June 2023

	Silk Road Fund	AIIB
Number of projects contracted	75	227
Committed investment	\$22 billion	\$43.6 billion

## SOLID FOUNDATIONS FOR PEOPLE-TO-PEOPLE TIES

• Cities from **60+** plus BRI partner countries have formed more than **1,000** pairs of friendly cities with their Chinese counterparts.

By June 2023, China had signed:

cultural and tourism cooperation documents with **144** BRI partner countries

intergovernmental agreements on sci-tech cooperation with more than **80** BRI partner countries

agreements with **45** participating countries on the mutual recognition of higher education degrees

health cooperation agreements with more than **160** countries and international organizations

• By 2030, BRI-related investments could lift **7.6 million** people out of extreme poverty and **32 million** out of moderate poverty, according to World Bank estimates.

Source: State Council Information Office

Graphics: Tang Tangli, Xia Qing, Liu Xidong/GT

Page Editor: chjiny@globaltimes.com.cn

# Addressing Loss & Damage A Framework For Pakistan's CPEC Projects

By Muhammad Abdullah



**L**ong-term changes in temperature patterns, precipitation levels, wind patterns, and other characteristics of the Earth's climate system are referred to as 'Climate Change'. Climate Change is an international phenomenon of climate transformation characterized by changes in the planet's normal climate (temperature, precipitation, and wind) that are mostly driven by human activity. The unbalanced weather on Earth threatens the sustainability of the planet's ecosystems, as well as humanity's future and the global economy's stability.

Social and economic corridors are critical for managers and customers, as well as for socio-economic growth. This year marks 10 years since China and Pakistan launched their mega-project

known as the China-Pakistan Economic Corridor (CPEC). The project has been hailed as a new source of hope for a secure future. It is not a single initiative, but rather a combination of several development projects, aiming to design multiple sectors, including the health sector, educational institutions, industrial sector, economic zones, infrastructure, and employment along the project's course. This project is significant because it connects China to the Middle Eastern countries, which could satisfy 52% of China's oil demands and imports. The discussion over the pros and cons of CPEC is not a national or regional issue, but this mega-multibillion-dollar project is a cause of attention, worry, and concern. If CPEC is described as a "game-changer" for Pakistan to transition from a developing to a middle-income economy, it

is also necessary to visualize and consider how it would affect the country's financial, environmental, and sociological patterns.

While planning and executing any project, Pakistani authorities should pay attention to Environmental Impact Assessment (EIA) to prevent unseen loss and damage that may arise, as it is mandatory in China, where it is essential not just before the commencement but also for any modifications, enlargement, or refurbishment. The relevant authorities can also revoke the approval if any obligatory regulation is broken. This joint venture will have a significant influence on natural habitats, re-location, dislocation, or migration of the local people, and cultural or social concerns that must be addressed before project implementation. It demands that Pakistan complete a legal duty to do proper impact assessments to accomplish the Sustainable Development Goals (SDGs) for which Pakistan is a signatory to the United Nations Framework Convention on Climate Change (UNFCCC).

**While planning and executing any project, Pakistani authorities should pay attention to Environmental Impact Assessment (EIA) to prevent unseen loss and damage that may arise, as it is mandatory in China, where it is essential not just before the commencement but also for any modifications, enlargement, or refurbishment**

While debates about addressing the effects of climate change and supporting vulnerable nations have been going on for decades, the concept of 'Loss and Damage' first appeared in global climate change negotiations in 1991. Loss and damage are relatively



newcomers to the climate change agenda. It has the potential to reinvigorate existing mitigation and adaptation efforts, because when a damage or a loss occurs, it seems natural to ask who is liable for that harm and to demand repair or compensation of the damage or loss but this will ultimately require leadership from developed countries and an enhanced understanding of several key issues, such as limits to adaptation. With the constant agenda fight, the SBI chair of Pakistan urged parties to recognize the urgency of delivering an outcome that paves the way for the ambitious outcomes needed at COP28.

Despite the rigorous benefits, it is more likely to envision a scenario without adverse environmental effects arising from the construction of mega-infrastructure of roads and railway lines, as well as the installation of heavy machinery and fuel burning, including coal, at various energy production units. It is due to the country's poor economic status, as well as energy scarcity and inefficiency, that the government wishes to use its natural resources to satisfy its energy needs. Eventually, it places a greater emphasis on the primary environmental stakeholders in this joint venture, such as government officials or departments, as well as local or international environmental non-governmental organizations (ENGOS), to adopt appropriate concrete measures. These issues should encourage policymakers to recommend concrete solutions for this framework. Pakistan's desire to use coal to satisfy its energy needs is natural and evident. However, investing heavily in coal-based energy projects may eventually result in severe environmental challenges and backlash from the public

in the context of greenwashing infrastructure.

Affected citizens reserve the right to file legal action if they notice any greenwashing (to demonstrate the environment-friendly image of the relevant projects to the public) practice by any party and bring it to the attention of appropriate policymakers to correct the false environmental claims. However, many environmental concerns have been observed in Pakistan, yet there is a lack of knowledge and understanding about these remedies. As a result, the various stakeholders from both nations should examine and implement relevant criminological imagining strategies to contribute to these efforts by re-thinking how new regional integration might diagnose, discourage, and avoid continued environmental damage to local people. It will also contribute to making the CPEC a clean and environmentally sustainable project.

To make CPEC infrastructure development more reliable, Pakistan and China require uniform business regulations and legal collaboration structures. They should adopt the principle of shared responsibilities to make a recognized loss and damage fund and choose environment-friendly power generation methods. Future economic consequences might include infrastructure damage from floods or agricultural loss from drought or intense heat. Non-economic losses might include the destruction of historically or culturally significant locations, the devastation of landscapes, or the extinction of animals. Damage can be restored, but losses cannot. Pakistan would suffer on both accounts due to its primarily agrarian economy, reliance on natural systems, and riches of bio-diversity and cultural legacy. The fact of residual effect and

L&D must be acknowledged at the policy and public discourse levels. Communities and policymakers must be aware of the limitations of adaptation in mitigating the adverse effects of climate change. This is more difficult than it seems since alerting people of the seeming insufficiency of present adaptation investment is political suicide, particularly for career politicians.

**To make CPEC infrastructure development more reliable, Pakistan and China require uniform business regulations and legal collaboration structures. They should adopt the principle of shared responsibilities to make a recognized loss and damage fund and choose environment-friendly power generation methods**

The mega-developments under CPEC would eventually have massive environmental implications on GHGs, Climate Change, and L&Ds, which must be addressed now before it is too late. Pakistan should consider coal just as a short-term solution to its energy issue, and should also adopt procurement steps, including the use of contemporary technology and strict rules, to reduce negative environmental consequences. There is a need for both states to take collaborative as well as comparative environmental measures to make CPEC more successful and environmentally friendly, particularly for this region and the entire world. Thus, a clear and sensitive communication approach for mainstreaming the notion of L&D into public and policy discourse is required.



Muhammad Abdullah  
works at CPSC-ISSI



## A Phenomenal Success Story under BRI Umbrella

By Irfan Shahzad Takalvi

**G**eo-economics, Climate-Change, development and people to people connectivity have become the buzz words in today's interconnected world. The major shift towards 'Geo-economics' is what can be seen among various major countries in the world as economic security lies at the center of everything. Climate sensitivity and creating awareness regarding this global challenge is the most talked about issue at global as well as regional levels. China and Pakistan are also making efforts to preserve the environment and China has been putting in efforts for smooth transition towards clean and green development initiatives in its Belt and Road Initiative (BRI) and its flagship project China Pakistan Economic Corridor (CPEC). One Chinese company alone has planted more than 80 thousand trees in Pakistan. Another one has contributed over 10 billion Pakistani rupees (\$33 million) in taxes and duties. Yet another one has sent hundreds of Pakistanis for training and higher education in China. This was revealed at a briefing of All Pakistan Chinese Enterprises Association (APCEA) held in Islamabad, on August 23.

These are only few examples, a glimpse, of the transformation that the China Pakistan Economic Corridor (CPEC) is rendering to Pakistani economy and society. The world would always remember the 2013 to 2023 period, these past ten years, as the foundational decade of the mega Belt and Road Initiative (BRI).

**The ground reality is that Pakistan and China were the pioneers of rejuvenating the historic Silk Road in contemporary times, as the two countries initiated, built and put into use the iconic Karakoram Highway as early as 1970s, and 1980s**

When we talk about BRI, the fact is that one can hardly find a similar example in the contemporary history. Completing a decade from its inception to implementation this year, BRI finds no rivals as far as its strategic, political, diplomatic, developmental and social spread and scope at global level is concerned.

CPEC is undoubtedly a flagship component and one of the most

successfully implemented and continuously moving forward part of BRI. The contribution of CPEC within the overall BRI scheme of things is well manifested, as explained here. The ground reality is that Pakistan and China were the pioneers of rejuvenating the historic Silk Road in contemporary times, as the two countries initiated, built and put into use the iconic Karakoram Highway as early as 1970s, and 1980s.

Recently, the spokesperson of Pakistan's Ministry of Foreign Affairs announced that CPEC had already created some 2,00,000 jobs in Pakistan. Some 8000 MW of electricity generation capacity has been added into Pakistan's national grid. Hundreds of miles of communications' infrastructure have been built under CPEC. Overall, it is also stated that CPEC has brought around \$ 30 billion of Chinese investments into Pakistan. That is almost half of the \$60 billion portfolio envisaged under the CPEC till around 2030, although overall CPEC investments may cross \$100 billion mark in the longer run.

The numbers alone, however, do not show the entire picture. Positive economic and socio-economic impact of CPEC is visible all across Pakistan, in more ways than one. The people, specially



the corporate sector, is feeling the impact and starting to benefit from it.

More importantly, positive impact of CPEC is not limited to Pakistan alone. It is region-wide. It is actually trans-regional. Through CPEC, China and Pakistan have jointly provided the tri-regional space of South, Central and West Asia with a wonderful connectivity network; and have laid the foundation of a lasting, broad-based regional as well as trans-regional cooperation.

**Through CPEC, China and Pakistan have jointly provided the tri-regional space of South, Central and West Asia with a wonderful connectivity network; and have laid the foundation of a lasting, broad-based regional as well as trans-regional cooperation**

Thus, CPEC promises not only unprecedented dividends for development and progress of the two partner nations, Pakistan and China, but it is geared to be the most effective instrument yet for regional connectivity and integration as well.

What makes CPEC special within BRI?

As is well known, the 'Belt' within BRI is the Silk Road Economic Belt (SREB) which means building road and rail linkages from China, through Central Eurasia, towards Eastern Europe and beyond. The 'Road', on the other hand, denotes the 21st Century Maritime Silk Road (MSR), starting from China's eastern and southern coasts and economic zones and heading towards South Asia, West Asia, Africa and Europe, through South China Sea, the Malacca Strait and

the so-called Indian Ocean.

It is pertinent to highlight here that CPEC connects the 'Belt' in the north and the 'Road' in the south, and thus becomes one of the most important links within the entire chain of BRI.

It would not be wrong to say that the China Pakistan Economic Corridor is practically China-Middle East Corridor; it is Central Asia-South Asia Corridor; and it is the Central Eurasian Corridor. This position is manifested quite evidently.

Importantly, the Gwadar Port built jointly by Pakistan and China as an important component of CPEC is now in operation. Beyond doubt, Gwadar port is all set to serve as the most feasible trans-shipment hub for Afro-Eurasian connectivity and commerce in years ahead. Particularly, it is the most feasible gateway for landlocked Central Asian nations. Cost effective and time saving, the new port means that land-locked-ness is paving the way for land-linked-ness for the countries of the region lacking their own shores and open seas.

Through the infrastructure built under CPEC, Pakistan is now emerging as an important link within Global Supply Chains involving China.

Now the question is what to expect and aim for in the years ahead? Pakistan and China have already agreed to bring large-scale railway cooperation under the umbrella of CPEC. Pakistan's main railway line - north-south from Peshawar to Karachi - is to be upgraded under CPEC. It means further improvement of communications' infrastructure, further cultivating the field for regional connectivity and cooperation.

The second phase of CPEC, now underway, revolves mainly around industrialization, Special Economic

Zones (SEZs), agricultural development, and social sector projects - among others. Pakistan and China have also established a Joint Working Group (JWP) for 'third-party participation' in the CPEC. Many countries of the wider region have already expressed interest and willingness to join. Afghanistan, Iran and Saudi Arabia are particularly poised to become important partners in CPEC, in years to come. Beijing-brokered peace between Riyadh and Tehran has actually opened the vistas of further cooperation between China on one hand and the Middle East on the other - and CPEC built infrastructure is a promising means to move towards that.

Gradually, CPEC is moving towards a broad-based framework of regional and trans-regional cooperation; it is something to celebrate for in BRI. The years ahead would be years of high-quality further development, and more importantly expansion, in CPEC.

**It would not be wrong to say that the China Pakistan Economic Corridor is practically China-Middle East Corridor; it is Central Asia-South Asia Corridor; and it is the Central Eurasian Corridor**

Yet, we are well aware that the overall scenario is not without challenges and controversies. However, Pakistan and China have jointly overcome these challenges in the past, and will jointly tackle these challenges in future as well. Undoubtedly, CPEC is to be a cherished component within BRI.



Irfan Shahzad Takalvi,  
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# Vision of China Pakistan Economic Corridor & International Responses

By Maheen Shafeeq



**2**023 marks ten years since the China-Pakistan Economic Corridor (CPEC) was proposed. In 2013, during the visit of Prime Minister Nawaz Sharif to China, a joint MoU was signed in Beijing that announced a shared dream of economic development delivered under the framework of CPEC. The MoU allowed the two governments to engage in a cooperative dialogue to plan, develop, facilitate and intensify economic activity along the future trade corridor.

**Vision for CPEC:** China's vision for CPEC is to advance and promote economic and social development in Western China. The idea for the next ten years includes accelerating the Belt and Road Initiative (BRI) and utilizing the Chinese capital to increase production capacity, engineering operations, technology and an open economic system.

Pakistan's vision of CPEC is to harness the potential of its geography and demography by creating a new trade route, industrial hubs and free-trade economic zones. Pakistan believes that in the next ten years, CPEC

will promote the socio-economic development of its country and regional peace and stability.

The regional and international vision of CPEC is to develop a global logistics network and a layout of an industrial base dependent on massive transportation infrastructure of rail, road, airports and deep seaports. China and Pakistan trust that CPEC will provide dividends to the region and its people through cooperative economic growth and integration. However, to successfully implement the CPEC's vision for the next ten years, it is essential to analyse the global and regional forces impacting it.

## International Response to CPEC

**USA:** For the past ten years, the international community has given an underwhelming response to the CPEC. The Obama Administration's 'Pivot to Asia' nudged China to search for alternative routes to ensure freedom of trade. This pushed China towards Pakistan and its easy access to warm waters. The Trump administration showed its

reservations about CPEC. The reservations were mainly because China, a strategic competitor and a challenger to global supremacy, led the project. Therefore, the Trump administration adopted a hostile cum containment foreign policy towards China. Although no US official has spoken directly against the CPEC, there were clear echoes of criticism from the Principal Deputy Assistant Secretary of State for South and Central Asia, Ambassador Alice Wells, when she delivered an address at the Wilson Centre. She raised her critique of CPEC and stated that the project was the most expensive and operationalized component of China's Belt and Road Initiative (BRI). Furthermore, she warned that CPEC would burden Pakistan's already struggling economy and embroil Pakistan into a debt trap without offering job opportunities to Pakistanis in return. Such statements were countered by Chinese and Pakistani officials, stating that Pakistan does not have a 'China debt trap' problem about loan financing of CPEC and that CPEC has employed more than 75,000 Pakistani workers and is expected to create as many as 2.3 million jobs by 2023.

**China's vision for CPEC is to advance and promote economic and social development in Western China. The idea for the next ten years includes accelerating the Belt and Road Initiative (BRI) and utilizing the Chinese capital to increase production capacity, engineering operations, technology and an open economic system**

The US' frustration was directed against China and its vision to



develop an economic corridor that offered alternative routes to the global supply chain. As the Obama and Trump administrations had an offensive posture towards China, CPEC became one of the subjects of criticism.

When the Biden administration came into power, it took a conciliatory position towards China. It viewed China as a competitor rather than a rival and had subjects of cooperation with China after the trade wars of the previous administration. The topics of shared collaboration with China, under its Nation Security Strategy 2022, were climate and energy security and terrorism. The US, in this regard, can be a crucial player in CPEC-related projects by offering assistance in sustainable infrastructure development, clean energy projects and countering terrorism.

**India:** India has shown resistance to the CPEC mainly for two reasons. Firstly, India is concerned that the routes opted for the corridor pass through Azad Jammu & Kashmir and Gilgit Baltistan. India asserted that these regions belong to them and should not become part of CPEC. Secondly, CPEC is a concern for India as it is a project of two rival countries, China and Pakistan, with whom India has opened a two-front conflict. While India has continued trade with China despite its hostile relations and border tensions, India does not wish to see a stronger socio-economic relationship between China and Pakistan. Moreover, CPEC would allow Pakistan to become an active economic hub promoting regional peace and stability.

To sabotage projects related to CPEC, India has opted for dirty tactics of galvanising spoilers such as Baloch separatist groups, including Balochistan Liberation Army (BLA) and terrorist groups

such as Tehrik-e-Taliban Pakistan (TTP) and Eastern Turkistan Islamic Movement (ETIM) in China.

CPEC-related projects and workers have often been the target of disruption by these groups. Over the past ten years, there have been several incidents of deadly terrorist attacks on CPEC workers, due to which there have been temporary shutting down of Chinese institutions and businesses. This has disrupted the CPEC progress, due to which the projects have slowed down but have not been dismissed.

### **CPEC-related projects and workers have often been the target of disruption by these groups. Over the past ten years, there have been several incidents of deadly terrorist attacks on CPEC workers, due to which there have been temporary shutting down of Chinese institutions and businesses**

Pakistan has taken strict counter-terrorism measures to address this issue under its National Counter Terrorism Authority (NACTA).

**Afghanistan:** Most recently, Afghanistan has shown a willingness to join the regional connectivity project. In his recent visit to Pakistan, Acting Foreign Minister Muttaqi stressed its government's desire to work towards projects that advanced regional connectivity measures. In this regard, the foreign ministers of the three countries, Pakistan, China and Afghanistan, in their joint statement at the end of the fifth China-Afghanistan-Pakistan Foreign Minister's Dialogue held in Islamabad, highlighted

a consensus reached for deeper economic cooperation.

China and Pakistan raised their concerns regarding safe havens of terrorists in Afghanistan that are a source of nuisance for the security of CPEC. This subject was also addressed in the trilateral dialogue, where for the first time, the Afghan Taliban made an explicit written pledge denouncing terrorism.

Although the interim Afghan government has limited control over its territory, it has pledged not to allow its soil for terrorism. If this pledge actualizes, it can be a significant development towards peace in the region as it would enable the uninterrupted growth of CPEC-related projects. Additionally, this could be a fruitful development for the traders in border cities of Afghanistan to connect with the border world through CPEC's Gwadar port.

### **Conclusion:**

CPEC is a 'game changer' for Pakistan. The vision of this project is to advance an economic infrastructure that alleviates the South Asian people from poverty and allows sustainable growth. CPEC has faced several external hurdles and criticism for quarters unfavourable to the project. Likewise, some internal disorder has become a source of delays and disruptions. Nevertheless, the CPEC infrastructure projects have moved forward inevitably. With recent stability in Afghanistan and its willingness to join regional development projects, CPEC could become a symbol of regional development. It must be projected that as a developing country, infrastructure development is needed, and therefore, Pakistan is invested in this project. In addition to being a geopolitical player in the region, this is a chance for Pakistan to become a champion of geo-economics.



Maheen Shafeeq,  
Research Associate  
at ISSI



# CPEC at 10-Connecting Pakistan to the World

By Mahrukh Khan and Habiba Ali

**T**his year, the China-Pakistan Economic Corridor (CPEC) marks its 10th year, representing a significant milestone for the \$62 billion flagship project of the Belt and Road Initiative (BRI). The Corridor is not just a single route, but a range of cooperative initiatives and projects covering regional connectivity, information network infrastructure, energy cooperation, industrial development, agriculture, poverty reduction, financial cooperation, and social welfare, including education, healthcare, and people-to-people communication.

CPEC is open to diverse stakeholders and has the potential to boost economic growth and trade in the region. As a framework of regional connectivity, CPEC provides a massive opportunity for Pakistan to connect with the international world and vice versa. The fruits of the corridor will not only provide benefits to China and Pakistan but also hold the potential to enhance connectivity and at the same time give benefits to many states in the region such as Iran, Afghanistan, India, the Middle East and Central Asian Republics and beyond.

## Connectivity with Central Asia:

The economic corridor presents a unique opportunity for Pakistan to establish links with the previously inaccessible Central Asian states. The project involves the construction of highways and railways,

including the Karakoram Highway and the Trans-Himalayan Railway, providing a direct link between Pakistan and Central Asia.

This development is particularly significant for the landlocked Central Asian Republics (CARs) of Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan and Turkmenistan, which are rich in natural resources such as petrol, natural gas, coal and iron, but face limitations in realizing their economic potential due to their geographic location. Similarly, under the umbrella of CPEC, Gwadar port in Balochistan provides a gateway of sea routes to Central Asia essential for its international trade, making the corridor all the more important for the CARs.

Making CARs a component of the CPEC could bring various gains for Pakistan:

### ❖ Access to new markets:

The inclusion of CARs in CPEC could provide Pakistan with access to new markets in Central Asia, including countries such as Kazakhstan, Uzbekistan, and Turkmenistan. This could help Pakistan diversify its trade and reduce its dependence on traditional partners like the United States, the European Union, and the Gulf countries.

**CPEC is open to diverse stakeholders and has the potential to boost economic growth and trade in the region. As a framework of regional connectivity, CPEC provides a massive opportunity for Pakistan to connect with the international world and vice versa. The fruits of the corridor will not only provide benefits to China and Pakistan but also hold the potential to enhance connectivity and at the same time give benefits to many states in the region such as Iran, Afghanistan, India, the Middle East and Central Asian Republics and beyond**

### ❖ Energy cooperation:

The CARs have significant energy resources, including oil, natural gas, and hydroelectric power. The inclusion of these countries in CPEC could provide Pakistan with access to new sources of energy.

❖ **Economic development:** The CARs have economies that are heavily reliant on exports of natural resources, and their inclusion in CPEC could provide opportunities for economic diversification and the development of new industries. This could help create new job opportunities and boost economic growth in Pakistan.



## Connectivity with the Middle East:

The CPEC infrastructure makes it an all-encompassing corridor. The Middle East (ME) which sits on the periphery of the Sub-Continent and is connected through multiple sea lanes can benefit from CPEC for the unforeseeable future.

- ❖ CPEC will not only improve Pakistan's connectivity with the Middle East, which is an important market for Pakistan's exports, but it will also provide ME with a route to reach CARs with ease along with other markets.
- ❖ This will significantly reduce transportation time and costs for goods on both sides, providing a more efficient and cost-effective way to access the Pakistani market, Middle East market and other landlocked markets in South Asia and further.
- ❖ CPEC offers a more cost-effective transportation option for goods compared to the current Indian Ocean sea routes.
- ❖ As a result, Gwadar is poised to become a major transit and trans-shipment point for Pakistan's as well as China's trade with the Middle East and Africa. This will create a new channel for the flow of goods and people in both directions between China and the Middle East.
- ❖ The connectivity will strengthen China and Pakistan's position relative to other industrial nations in the Middle East, thereby boosting their economic prospects in the region.
- ❖ Due to their geographical proximity, economic potential, and strategic importance, Pakistan views Chabahar and Gwadar as sister ports. Both ports are located in the southwestern region of Asia and have the potential to work together to enhance trade, transit, and connectivity within the region and beyond.

## Iran:

Tehran has time and again expressed its desire to join the CPEC project. It has engaged in numerous discussions and high-level visits between Pakistan and Iran to explore the potential for Iran's involvement in the project. As part of the CPEC, Iran can significantly enhance the economic potential and strategic importance of the project. It is a resource-rich country that occupies a geostrategic location in the Middle East, bordering both the Caspian Sea and the Persian Gulf.

- ❖ CPEC can provide Iran with an opportunity to connect and pave the way for a larger economic corridor that could connect China and Pakistan to the Middle East and beyond.
- ❖ Incorporating Iran into CPEC could also provide

new opportunities for regional trade and economic cooperation, as Iran has significant trade relations with neighbouring countries such as Iraq, Turkey, and the United Arab Emirates.

## Connectivity within South Asia:

### India:

While China and Pakistan are open to the involvement of third parties from the region in the CPEC, India has opposed the economic corridor and labels it as a threat to its sovereignty. The rise of China has been a source of concern for the US for the past two decades, and the Belt and Road Initiative (BRI) has further complicated their relationship. The US has expressed its dissatisfaction with China's involvement in the China-Pakistan Economic Corridor (CPEC), which has led policymakers to gradually associate Pakistan with China. Consequently, the US has become closer to India, which shares similar concerns about China's growing influence.

**The inclusion of CARs in CPEC could provide Pakistan with access to new markets in Central Asia, including countries such as Kazakhstan, Uzbekistan, and Turkmenistan. This could help Pakistan diversify its trade and reduce its dependence on traditional partners like the United States, the European Union, and the Gulf countries**

The US has accused China of engaging in debt trap diplomacy through its BRI to gain influence over poorer nations. China, however, maintains that the BRI is a win-win initiative, one that promotes free trade, peace, and development and aims to support developing countries in improving their infrastructure.

- ❖ India's inclusion in CPEC would increase economic benefits, regional connectivity, and cooperation, providing a new impetus to regional security.

### Afghanistan:

Due to its location at the intersection of South Asia, Central Asia, and the Middle East, Afghanistan is a crucial centre for trade and regional connectivity. The Wakhan Corridor is a narrow strip of land that touches China to the northeast, Pakistan to the south, and Tajikistan to the north, offering Pakistan the most direct route to Central Asia via Afghanistan. China has expressed its support for extending the CPEC and the China-Central Asia-West Asia Economic Corridor to Afghanistan. The country aims to promote synergy between the BRI and the development strategies of Afghanistan, to help the country better integrate into

the regional economic integration process after years of crisis. While Pakistan and China have previously shown considerable interest in expanding the Corridor to Afghanistan, former Afghan President Ashraf Ghani conditioned Kabul's participation in the CPEC only when it was given access to India through Wagah and Attari.

The Taliban's takeover of Afghanistan in 2021 has raised questions about the future of the project, as the Taliban's relations with China and Pakistan are complex and uncertain. The Taliban have shown their interest in joining CPEC as it can provide an opportunity to reduce their economic isolation. In March 2022, the Chinese Foreign Minister chaired the Foreign Ministers' Meeting between China, Afghanistan, and Pakistan. The extension of the CPEC to Afghanistan and trilateral cooperation was the focus of the meeting followed by multiple news of the extension of CPEC to Afghanistan.

However, due to the ongoing political instability in Afghanistan, progress has been slow. While there have been discussions and talks about extending CPEC to Afghanistan, as of now, Afghanistan is not officially a part of the project.

### Connectivity with Africa:

Africa's significant economic potential, attractive investment prospects, plentiful natural resources, and high youth population have earned it the title of the 'Continent of the Future.' The Ministry of Commerce introduced the "Look Africa Policy Initiative" in August 2017, which is now operational and reflects Pakistan's broader approach towards Africa. To promote this vision, CPEC can provide a massive platform:

- ❖ Pakistan can increase its engagement with African countries by utilizing the Gwadar deep sea port. The extensive use of Gwadar and CPEC by African nations can significantly stimulate the Pakistani economy.
- ❖ Africa has a large market, and integrating it with the CPEC would create new trade opportunities, expand markets, and create new demand for products.
- ❖ CPEC can also facilitate African countries in accessing broader Asian markets with significantly reduced time and economic costs.
- ❖ To provide benefit to the economy and establish sustainable trading channels, Pakistani investors and manufacturers should generate innovative ideas.
- ❖ The integration of Africa into the CPEC could open up investment opportunities in various sectors such as manufacturing, energy, agriculture, and infrastructure.
- ❖ The development of infrastructure and investment

in various sectors could create new job opportunities, which would lead to reduced unemployment and increased economic growth.

- ❖ The CPEC could facilitate the transfer of technology and knowledge between China, Pakistan, and African countries, which could help to spur innovation and technological advancements.

### Road Ahead:

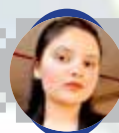
The world is increasingly becoming inter-connected and connectivity is shaping, and reshaping alliances and foreign policy objectives. In the current era, states make friends and foes merely based on economic interests. Keeping this in view, Pakistan needs to review and re-shape its policies toward other international actors. The improved economic ties as a result of CPEC's success can also contribute to resolving political issues. For this reason, Pakistan and other party states need to prioritize their economic interests over political interests. In such a scenario, CPEC can prove to be a game-changer, not only for Pakistan's economy but for international politics as well.

**CPEC will not only improve Pakistan's connectivity with the Middle East, which is an important market for Pakistan's exports, but it will also provide ME with a route to reach CARs with ease along with other markets**

The 10 years of CPEC have been fruitful and have provided Pakistan with an opportunity to connect with the world. However, to ensure its continued success, Pakistan needs to counter and eliminate internal and external threats. It should also address the concerns of local communities, provide them with equal benefits, and ensure that the project benefits all parts of Pakistan. Moreover, Pakistan needs to take steps to improve security, including increasing security along the CPEC route, and developing a comprehensive plan to counter terrorism and separatist movements. CPEC has also contributed to improving Pakistan's image in the eyes of the international community. Once fully executed, CPEC will prove to be a win-win situation for the states involved.



Mahrukh Khan,  
Research Fellow at ISSI



Habiba Ali,  
Works at CSP-ISSI



## INTEGRATED GWADAR SMART PORT CITY MASTER PLAN REPORT (2019 - 2050)

01.

The centre of economic development in Western Pakistan



02.

Western Pakistan's biggest port



03.

Development of key westward sea routes

Trade routes into western China and beyond will be opened up



04.

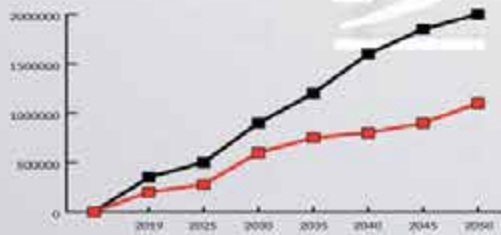
Major infrastructure upgrades

Upgrades planned for transport, communications, electricity, water and more



05.

Rapid population and employment growth

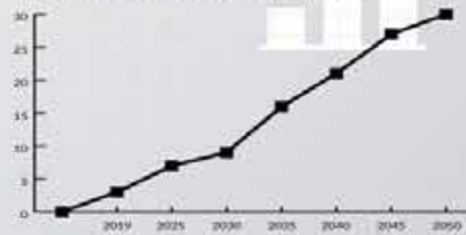


Population expected to grow to 3m by 2050, with over 250,000 households and 1.1m people in employment.

06.

Huge economic growth

The effect of the new Gwadar port will be enormous on the local economy



Economy projected to be \$30B by 2050, driven by the port with over 192m tons throughput and helping to grow the GDP per capita to \$15k.

### GWADAR SMART CITY MASTER PLAN (2019 - 2050)





# The Nexus between Global Development Initiative (GDI) and Sustainable Development Goals:

## Prospects for Cooperation under Belt and Road Initiative (BRI)

By Dr. Fouzia Hadi Ali

**W**hile observing the progress of various countries in achieving SDGs, especially in the context of the Belt and Road Initiative (BRI) region for the last decade, an apprehension exists relating to whether the regional BRI countries would be able to achieve the SDG goals by the year 2030. However, in 2021, when the Global Development Initiative (GDI) was proposed at the 76th session of the UN General Assembly, it reiterated the cause of revitalizing cooperation through resource mobilization to support development, with a specific focus on developing countries.

Although GDI was proposed just a couple of years ago, but the way it has garnered support from a group of trusted associates in such a brief span of time is truly commendable. The reason behind

such overwhelming support can be attributed to the achievements in the priority areas, especially during the health crisis caused by the COVID-19 pandemic. Chinese efforts in providing vaccines, medical supplies, and technical support played a pivotal role in strengthening the determination to support regional cooperation.

If we turn our attention to the Belt and Road Initiative, many criticisms aroused pertaining to the concerns about the debt trap, environmental hazards, governance, transparency, and social and cultural challenges. In this regard, it seems affirmative that GDI is playing and can play a crucial role in refuting the negative propaganda by ensuring a human-centric, environmentally friendly, sustainable, and inclusive community with a shared future for all BRI countries. The best way to mitigate the adverse perception of

this positive initiative lies in the joint efforts of all stakeholders to work as frontline players in developing a shared narrative-building platform. The progress made in this region under the Belt and Road Initiative must be communicated with a sense of social responsibility.

Having said this, several recommendations can be proposed. Considering the geographic significance of the country, Pakistan can serve as a platform for landlocked countries in Central Asia, to access the deep seas and boost bilateral and multilateral trade, the success of the China Pakistan Economic Corridor (CPEC) is pivotal not only for Pakistan but for all the regional countries. Despite its geographic significance, Pakistan has faced numerous challenges, including political turmoil, law and order issues, Climate Change adversities, and poverty. CPEC



seems to present the last hope for Pakistan to uplift itself from these crises, and for this, several sub-projects can assist in reducing poverty and introducing industrial reforms.

**Although GDI was proposed just a couple of years ago, but the way it has garnered support from a group of trusted associates in such a brief span of time is truly commendable. The reason behind such overwhelming support can be attributed to the achievements in the priority areas, especially during the health crisis caused by the COVID-19 pandemic**

Therefore, it can be suggested that all stakeholders related to BRI should join hands and develop consortiums for vocational training, digitalization of the economy, strengthening regional currencies for mutual trade, and engaging in joint action-oriented research projects. For instance, industry-specific vocational training through joint efforts can develop a pool of skilled labor that can be mobilized within the region, thereby preparing skilled labor for employment in establishing industries in the Special Economic Zones (SEZs). This, in turn, can help eradicate poverty and boost regional industries. To achieve this, universities and other training institutions in each country can provide platforms to facilitate training for the local community in cutting-edge industrial practices. Secondly, a paperless economy among the BRI countries can ensure convenience, security, and reduced financial costs, contributing to the development of the entire financial ecosystem.

One of the important aspects pertains to joint action research

teams, which may include researchers from various disciplines such as business, environment, sociology, engineering, medicine, etc., who can collaborate on action-oriented projects and provide valuable recommendations for policy-making. The reason to specifically highlight this aspect is due to the fact that while a researcher conducted a bibliometric analysis of the literature published relating to BRI. Out of the 6392 publications indexed in the world-renowned SCOPUS Database, 2134 articles were directly related to various aspects of BRI. However, when observed through the lens of contributions with respect to each country, 1091, or 51%, were published in China, while the rest were published in countries such as the US, UK, Australia, Singapore, and Hong Kong. At the same time, only 3% were published in Pakistan. This indicates the need for more published literature from the direct stakeholders within the BRI countries. This raises a serious concern, as the lack of local context literature from countries published by local researchers, in Central Asia, Africa, etc., may hinder the positive narrative building about BRI. In view of this, there is a need to create a consortium of think tanks from all BRI countries, and researchers from all regions should participate in publishing literature that reflects the true representation of their own countries rather than the Westernized version of what BRI countries are achieving or working for.

Lastly, let's reiterate the role of women in participation in decision-making and policy-making. Gender inequality is one of the prominent challenges, and more or less, the challenges are similar among many BRI countries. The percentage of the representation

of women in every sphere should be at par with the percentage of females in the population of any country. We must commend the Chinese initiative to encourage female inclusion in the economy. In July 2023, when while visiting several cities in China, we could witness many females running small businesses, thus inspiring other countries to adopt similar measures to encourage female inclusion in the workforce.

**It is important to emphasize the need for people-to-people contact and cooperation on issues like poverty alleviation and Climate Change, both of which are deliverables proposed by GDI and SDGs. We can also refer to the Sustainable Development Index to identify deficient areas among the 17 SDG goals and work together to uplift each other, in line with President Xi Jinping's vision of a community for a shared future**

In conclusion, it is important to emphasize the need for people-to-people contact and cooperation on issues like poverty alleviation and Climate Change, both of which are deliverables proposed by GDI and SDG. We can also refer to the Sustainable Development Index to identify deficient areas among the 17 SDG goals and work together to uplift each other, in line with the President Xi Jinping's vision of a community for a shared future.



Dr. Fouzia Hadi Ali,  
Director Regional Integration  
Centre, University of Punjab

# CPEC at 10

## An Appraisal of Socio-economic Development in Pakistan

By Saher Liaqat

**T**he China-Pakistan Economic Corridor (CPEC) is an indispensable facet of China's Belt and Road Initiative, striving to foster Pakistan's socio-economic growth. Notably, CPEC has strengthened the bilateral ties between Pakistan and China while contributing to broader regional development.

The initiative's comprehensive plan was commenced in 2015 through the signing of 51 agreements and memorandums of understanding between China and Pakistan. CPEC, worth USD 46 billion, aims to modernize Pakistan's road, rail, air, building energy, and communication infrastructure, develop industrial zones, and boost connectivity between the Gwadar and Karachi ports in Pakistan and China's Xinjiang province and beyond.

For Pakistan, CPEC is a turning point presenting an opportunity to revitalize energy and transportation infrastructure, which is critical to Pakistan's economic growth and the Achilles' heel of its GDP ratios. Creating Special Economic Zones (SEZs) and bilateral cooperation in other domains, such as outer space, demonstrate Pakistan's commitment to monitoring this mammoth undertaking.

The China-Pakistan Economic Corridor (CPEC) is a beacon of hope for the underdeveloped regions of Pakistan. Pakistani leadership has repeatedly labeled CPEC as a "game-changer" for Pakistan, a noteworthy initiative for a struggling Pakistani economy, which is experiencing alarming levels of social under-development. This massive project aims to connect Balochistan, an area with the weakest economic development and infrastructure, to South Asia's future business center, with Gwadar's deep-sea port playing a pivotal role.

CPEC, a remarkable joint venture between China and Pakistan, already bore fruit in its first phase. According to reports, one of the CPEC's significant achievements in its initial stage is the substantial improvement in Pakistan's power supply. The CPEC project has addressed the critical water supply issue by funding the construction of numerous dams, such as the Diamer-Bhasha and Dasu dams, resulting in a significant increase in the country's water storage capacity, previously a mere 11 million acre-feet (MAF). This insufficient capacity led to a loss of approximately 1,049 MAF of water between 1980 and 2010, equivalent to a decade of water withdrawal in the country.

The construction of these dams will significantly boost Pakistan's water storage capacity, with far-reaching implications for the economy, agriculture, and households.

Furthermore, the China-Pakistan Economic Corridor has given Pakistan a prime opportunity to harness its untapped hydroelectric potential. Although Pakistan is estimated to possess a staggering hydropower potential of 60,000 MW, only a meagre 9,000 MW has been realized thus far. The construction of dams under the CPEC project will enable Pakistan to unlock this vast potential and address its longstanding energy conundrum. By reducing the country's dependence on expensive fossil fuels, these projects will also promote the adoption of cleaner and renewable energy sources, thereby fostering economic and environmental sustainability.

Regarding energy infrastructure, CPEC's first phase has witnessed the completion of various substantial projects. These include the Engro Thar power plants with a combined capacity of 2x330 MW, the Port Qasim and Sahiwal power plants with identical capacities of 2x660 MW, the Quaid e Azam Solar Park in Bahawalpur with a capacity of 400





MW out of a total of 1,000 MW, and Hydro China Dawood Wind Farm Thatta with a capacity of 50 MW. Altogether, eleven projects with a colossal capacity of over 6370 MW have been accomplished, along with an 880 km HVDC Lahore-Matiari Transmission Line. Furthermore, three additional projects with a combined capacity of approximately 1200 MW are expected to be completed within 2023-24.

Regarding infrastructure projects, CPEC's first phase has yielded numerous noteworthy initiatives, including the Peshawar-Karachi Motorway (Multan-Sukkur Section) and the Karakoram Highway's second phase (Havelian-Thakot Section), the Orange Line Metro Train in Lahore, and the Hakla-D.I. Khan Motorway.

The China-Pakistan Economic Corridor (CPEC) has also played a fundamental role in generating employment opportunities in Pakistan. Developing new infrastructure and power projects has created roughly 70,000 direct jobs, accounting for about two percent of the country's GDP. Additionally, the Gwadar Port has bolstered regional connectivity, creating up to 1,000 jobs.

The CPEC project has considerably impacted regional connectivity, specifically through the development of Special Economic Zones (SEZs) and the Gwadar Port, which have stimulated investments in businesses and industrialization. In conjunction with the SEZs, the

Gwadar Port has been pivotal in advancing regional connectivity. Afghanistan has, for example, begun to import necessary items such as wheat, sugar, and other products through the Gwadar Port, a significant stride towards regional integration. The Gwadar Port started shipping cargo weighing as much as 20,000 tons to Afghanistan in early 2020, further supporting regional trade.

**For Pakistan, CPEC is a turning point presenting an opportunity to revitalize energy and transportation infrastructure, which is critical to Pakistan's economic growth and the Achilles' heel of its GDP ratios. Creating Special Economic Zones (SEZs) and bilateral cooperation in other domains, such as outer space, demonstrate Pakistan's commitment to monitoring this mammoth undertaking**

Furthermore, with a massive investment of \$300 million from China in 2020, the CPEC project has met the basic needs of the populace by injecting \$100 million into the agricultural sector and an equivalent sum into sectors like housing and healthcare. This significant investment clearly demonstrates China's commitment to ameliorating the lives of Pakistanis and the CPEC's potential to uplift the region.

Presently, CPEC's second and third phases are set to create over 1.5 million jobs in Pakistan's Special Economic Zones. The government is planning to conduct short-term courses to train the youth to overcome the lack of skilled labor experienced in the first phase of CPEC. The SEZs

will likely produce jobs in food processing, ceramics, gems, and automobiles. Trained and skilled labor will secure jobs and encourage companies to find skilled professionals locally.

Moreover, CPEC is steered by a Joint Cooperation Committee (JCC) with 11 subordinate Joint Working Groups (JWG), overseeing the progress of projects and future plans. The latest JCC meeting was held on October 27, 2022, where they discussed the progress made by JWGs in various sectors such as energy, transport infrastructure, Gwadar, and socio-economic development. Both sides agreed to start the ML-1 project, expand cooperation in IT and Agriculture, and explore new avenues in the mining sector. The meeting gave a new impetus to the high-quality development of CPEC.

Indisputably, CPEC's progress has been slow and challenging, with only a third of proposed projects completed due to various obstacles, including domestic politics, corruption, terrorism, and the COVID-19 pandemic; however, its potential to revolutionize Pakistan's landscape is considerable. Nonetheless, to ensure its success, Pakistan and China must take proactive measures, such as forming a CPEC planning and execution group composed of political representatives for efficient decision-making, implementing an engagement strategy to counter negative perceptions of the project, and collecting real-time and verifiable data to make recommendations based on facts and the developmental needs of the country.



Saher Liaquat,  
Works at CPSC-ISSI



# How CPEC is becoming a Game Changer for Pakistan

By Dr. Abdul Rauf

**T**he China-Pakistan Economic Corridor (CPEC) is an ambitious infrastructure and energy project that aims to connect Pakistan's Gwadar Port to China via a network of highways, railways, and pipelines. The project, which was launched in 2013, is expected to transform Pakistan's economy by improving its infrastructure, boosting its energy supply, and attracting foreign investment.

Pakistan's strategic location is a major advantage for the country, and CPEC is expected to enhance Pakistan's strategic significance in the region. The development of Gwadar port, which is located at the crossroads of the Middle East, Central Asia, and South Asia, is expected to become a hub of economic activity and a gateway for trade and commerce in the region. The improved regional connectivity and infrastructure will also enhance Pakistan's role in regional affairs. Let us examine

how CPEC projects are supporting different sectors in Pakistan.

## ❖ Infrastructure Development:

Infrastructure development is one of the most significant ways to make CPEC a game changer for Pakistan. The project includes the construction of highways, railways, energy projects, and the development of Gwadar port. The infrastructure projects will not only improve transportation and logistics but also provide new opportunities for trade and commerce. The improved infrastructure is expected to boost economic growth and create new job opportunities in Pakistan.

The infrastructure projects are expected to have a transformative impact on Pakistan's economy, by reducing transportation costs, improving logistics, and boosting trade. The project includes the upgradation and realignment of the 2,700 km-long Karakoram Highway, and the construction of a network of highways and motorways that

will link Pakistan's major cities and ports. The construction of the Gwadar Port, which is the centre-piece of the CPEC project, has been completed and is now operational. The port has the potential to become a gateway for trade between China, Pakistan, and other Central Asian countries.

**Pakistan's strategic location is a major advantage for the country, and CPEC is expected to enhance Pakistan's strategic significance in the region. The development of Gwadar port, which is located at the crossroads of the Middle East, Central Asia, and South Asia, is expected to become a hub of economic activity and a gateway for trade and commerce in the region**

The development of the port has also spurred infrastructure



development in the surrounding areas, including the construction of a new airport, highways, and other facilities.

#### ❖ **Energy Security:**

Furthermore, Pakistan has been facing an energy crisis for several years, with frequent power outages and load shedding that have hurt the country's manufacturing and agricultural sectors. CPEC includes several energy projects that aim to address Pakistan's energy crisis. The project is expected to provide a major boost to the country's energy supply by constructing a number of energy projects, including coal-fired power plants, hydroelectric dams, and wind farms, that will add thousands of megawatts of electricity to our national grid. The energy projects include the construction of coal-fired power plants, hydropower projects, and renewable energy projects. These projects are expected to improve Pakistan's energy security and reduce its reliance on expensive imported oil.

One of the significant energy projects under CPEC is the Sahiwal Coal-fired Power Plant, which is one of the most efficient and environmentally friendly coal-fired power plants in the country. The plant has a capacity of 1,320 MW and is now operational. Another major energy project under CPEC is the Quaid-e-Azam Solar Park, which has a capacity of 1,000 MW and is one of the largest solar parks in the world.

#### ❖ **Job Creation:**

Apart from this, CPEC is also expected to create significant job opportunities in Pakistan. The project includes the construction of infrastructure projects, which will create jobs for construction workers, engineers, and other professionals. The project is

also expected to create new job opportunities in industries such as tourism, manufacturing, and services.

The development of Gwadar Port has also created job opportunities in the shipping and logistics sector. The port has the potential to become a hub for trade and commerce in the region, which will create job opportunities for people in the surrounding areas.

#### ❖ **Regional Connectivity:**

CPEC aims to improve regional connectivity between China, Pakistan, and other countries in the region. The project includes the construction of highways, railways, and the development of Gwadar port, which will improve trade and commerce between China, Pakistan, and other countries. The improved connectivity is expected to boost economic growth and create new job opportunities.

#### ❖ **Technology Transfer:**

CPEC is expected to facilitate technology transfer from China to Pakistan. The infrastructure projects under CPEC will require the use of modern technologies, which will provide an opportunity for Pakistani professionals to learn new skills and technologies from their Chinese counterparts. This will help to improve the technical capacity of Pakistan and enhance its competitiveness in the global market.

#### ❖ **Foreign Investment:**

CPEC has also attracted foreign investment to Pakistan. The project has not only attracted investment from China but also from other countries. The development of Gwadar Port has attracted investment from several countries, including Saudi Arabia and the United Arab Emirates. The improvement in infrastructure and energy security

has also made Pakistan an attractive destination for foreign investment. The country has seen an increase in foreign investments in various sectors, including manufacturing, energy, and infrastructure.

#### ❖ **Economic Growth:**

CPEC is expected to boost economic growth in Pakistan. The infrastructure projects under CPEC are expected to improve transportation and logistics, which will reduce the cost of doing business in Pakistan. The energy projects under CPEC are expected to reduce the cost of electricity, which will make Pakistani industries more competitive.

**The construction of the Gwadar Port, which is the centre-piece of the CPEC project, has been completed and is now operational. The port has the potential to become a gateway for trade between China, Pakistan, and Central Asian countries. The development of the port has also spurred infrastructure development in the surrounding areas, including the construction of a new airport, highways, and other facilities**

The development of Gwadar port is expected to create new opportunities for trade and commerce, which will further boost economic growth in Pakistan. The project is also expected to boost Pakistan's exports, which have been declining in recent years. The improved infrastructure and connectivity under CPEC will make it easier for Pakistani



businesses to export their goods to China and other countries in the region. This will help to reduce Pakistan's trade deficit and improve its balance of payments.

## ❖ **Strengthening of Bilateral Relations:**

CPEC is expected to strengthen the bilateral relations between China and Pakistan. The project has created a new level of economic engagement between the two countries, which will deepen their political and strategic ties. The project has also provided an opportunity for Chinese and Pakistani businesses to collaborate and form new partnerships, which will further strengthen the bilateral relations between the two countries.

## ❖ **Social Development:**

CPEC is not just about infrastructure development and economic growth; it has also brought significant social development to Pakistan. CPEC has improved access to education, healthcare, and clean water in the country. The project has aided in the construction of schools, hospitals, and water treatment plants in the areas surrounding the infrastructure projects. CPEC has also contributed to the education sector in Pakistan. The project has provided scholarships to Pakistani students to study in China. The scholarship programs aim to promote educational exchange between the two countries and to improve the skills of Pakistani students. The project has also

financed several educational projects in Pakistan, including the construction of schools and colleges. CPEC holds the potential to alleviate poverty in Pakistan. The project aims to improve infrastructure, energy, and trade, which will create job opportunities and increase economic activity. The development of infrastructure projects under CPEC has also improved connectivity within Pakistan, which has led to an increase in trade and economic activity. The increase in economic activity will lead to a reduction in poverty in the long run.

**CPEC is expected to facilitate technology transfer from China to Pakistan. The infrastructure projects under CPEC will require the use of modern technologies, which will provide an opportunity for Pakistani professionals to learn new skills and technologies from their Chinese counterparts. This will help to improve the technical capacity of Pakistan and enhance its competitiveness in the global market**

The project has also improved access to technology and communication in the country. CPEC has brought modern telecommunication infrastructure

to Pakistan, which has improved connectivity and access to the ICT services including internet and broadband connectivity through fixed lines including optical fibre and mobile.

In conclusion, it is evident that the China-Pakistan Economic Corridor (CPEC) has the potential to transform the economic landscape of Pakistan by improving infrastructure, energy, trade, commerce and overall economy. The project has also made a significant impact on the economic and social development of Pakistan by creating employment opportunities, improving skills, promoting education, healthcare, poverty alleviation, and other initiatives. It has created new opportunities for Pakistan and has strengthened the bilateral relations between China and Pakistan. With the completion of CPEC, Pakistan is expected to emerge as a major player in the regional and global economy. The challenges and obstacles need to be addressed immediately to ensure that that CPEC project is successfully completed so that the benefits of the project are maximized. However, without any doubt, the overall impact of CPEC on Pakistan is positive and it has the potential to transform the country's economic landscape in the years to come.



Dr. Abdul Rauf,  
Faculty Member at NUST



## ► Fruitful results of CPEC construction

### 3,000-kilometer-long

By September 2021, 22 priority projects in the first phase of the over 3,000-kilometer-long CPEC had basically been completed.

**38,000**

The early harvest projects of the CPEC have created **38,000** jobs, of which more than **75%** are locally sourced workers.



**\$25.4**  
billion



The CPEC has brought Pakistan direct investment totaling **\$25.4 billion** over the last 8 years.

**5.32**

million kw



As of January 2022, energy projects under the CPEC had a total capacity of **5.32 million kw**, freeing Pakistan from power outages.

Source: Media reports  
Graphic: Tang Tengfei/GT

# H.E. Jiang Zaidong

## Ambassador of People's Republic of China to Pakistan

By PIVOT Team



**P**IVOT: China and Pakistan share a time-tested friendship. How do you envision strengthening and deepening this friendship during your tenure as Ambassador?

**JZ:** China and Pakistan are all-weather strategic cooperative partners and ironclad friends. As the Chinese Ambassador to Pakistan, I am deeply humbled by my glorious mission and great responsibility. I am ready to work with friends from all walks of life in China and Pakistan to consolidate, deepen and expand all-weather strategic cooperation between China and Pakistan under the guidance of the important consensus reached by President Xi Jinping and Pakistani leaders, building a high-quality China Pakistan Economic Corridor (CPEC), delivering tangible benefits to the two peoples, and building an even closer China-Pakistan community with a shared future in the new era.

**PIVOT:** As China Pakistan Economic Corridor (CPEC) celebrates its 10th-anniversary, what notable milestones and achievements emerge from the initial decade of CPEC, and how does China assess the progress and development of CPEC?

**JZ:** CPEC is an all-round cooperation project under the framework of the Belt and Road

Initiative (BRI) with the earliest start, the broadest scope and the most obvious benefits. Over the past decade, a large number of cooperation projects have been completed or put into operation. The "1+4" cooperation layout centering on the CPEC and focusing on Gwadar Port, transport infrastructure, energy and industrial cooperation has been transformed from blueprint into reality. The CPEC has brought \$25.4 billion in direct investment to Pakistan, created 236,000 jobs, added 510 kilometers of highways, 8,000 megawatts of electricity and 886 kilometers of national core transmission grid, constantly injecting new impetus into Pakistan's economic and social development and laying a solid foundation for regional connectivity and integration.

**PIVOT:** The Belt and Road Initiative (BRI) is a cornerstone of China's foreign policy. How do you plan to further integrate Pakistan into this initiative and maximize its benefits?

**JZ:** China Pakistan Economic Corridor (CPEC) is an important pilot project of the Belt and Road Initiative (BRI) and has entered a stage of high-quality development. China will work with Pakistan to upgrade the CPEC, jointly build this project to feature growth, livelihood-creation, innovation, green development and inclusiveness,

expand the cooperation to third parties, and make it a high-quality model project for Belt and Road cooperation, bringing more benefit to the people of the two countries and other countries in the region. The Third Belt and Road Forum for international cooperation will be held in Beijing in October. Friends from around the world, including Pakistan are invited to this event and discuss plans to jointly promote international cooperation under the Belt and Road Initiative (BRI) to bring more benefits to people of all countries.

**PIVOT:** Cultural collaboration has played a significant role in enhancing people-to-people connectivity. How will you promote cultural exchanges between China and Pakistan?

**JZ:** China and Pakistan both have long cultural history, offering great potential for cooperation in people-to-people and cultural exchanges. In order to strengthen and deepen the exchanges and mutual learning between civilizations as advocated by President Xi Jinping, and promote bonds between the hearts of two peoples, China and Pakistan have signed cooperation agreements, action plans and MoUs in multiple sectors in recent years. It includes sectors such as culture, tourism, education, cultural relics cooperation, combating cultural relic smuggling, sports, and joint book projects, etc.



Owing to the comprehensive cooperation between the two sides, the Palace Museum successfully held a Gandhara Art Exhibition this year, showing the long history of cultural and artistic exchanges between China and Pakistan. Furthermore, we will put in all efforts to promote the implementation of various exchange and cooperation agreements and memorandums by both sides, continue to deepen exchanges with Pakistan, in order to make cultural cooperation a bridge and bond that promotes people-to-people connectivity. Besides this, we will make more contributions for successful completion of projects on the Phase-II of CPEC under the BRI framework which will help form a closer China-Pakistan community with a shared future in the new era.

I would like to share with you two good news. First, from August 10 to December 31 this year, Pakistani citizens are exempted from fingerprint collection when applying for business, family visit visas at Chinese Embassy and Consulates in Pakistan. Second, from August 30 of this year, Pakistani citizens no longer need to take a COVID-19 nucleic acid or antigen test before entering China. China will continue to optimize its visa policy, create more favorable conditions, to provide more convenience for Pakistani citizens when applying visas.

**PIVOT:** President Xi Jinping has introduced comprehensive initiatives like the Global Development Initiative (GDI). How do you see these initiatives benefitting Pakistan, and what role can you play in their implementation?

**JZ:** Pakistan is China's priority partner in implementing the Global Development Initiative

(GDI), the Global Security Initiative (GSI) and the Global Civilization Initiative (GCI). Taking GDI as an example, China and Pakistan have been at the forefront in terms of implementation, the Pakistani Parliament has set up a special GDI group, creating a global precedent.

**The CPEC has brought \$25.4 billion in direct investment to Pakistan, created 236,000 jobs, added 510 kilometers of highways, 8,000 megawatts of electricity and 886 kilometers of national core transmission grid, constantly injecting new impetus into Pakistan's economic and social development and laying a solid foundation for regional connectivity and integration**

The Global Development Initiative (GDI) focuses on eight key areas, including poverty reduction, food security, anti-epidemic and vaccines, financing for development, climate change and green development, industrialization, digital economy and connectivity. There are many cooperation projects under the GDI initiative, among which Pakistan has three projects concerning poverty reduction and vaccine cooperation.

**PIVOT:** Global Security Initiative

(GSI) is crucial in today's world. What are your priorities in enhancing security cooperation between China and Pakistan, especially in the context of regional stability?

**JZ:** The Global Security Initiative (GSI) is another important international public good provided by China and a vivid demonstration of the vision of a community with a shared future for people in the security field. So far, it has gained the support of more than 100 countries and several international and regional organizations. In February this year, China issued a concept paper on GSI to further clarify the road map. China and Pakistan share a common position in opposing hegemony and power politics, the Cold War mentality and camp confrontation, opposing external interference in internal affairs, and resolutely safeguarding national sovereignty, security, development interests and international fairness and justice. The two sides should work together to deal with traditional and non-traditional security threats, strengthen counter-terrorism cooperation and security capacity building, and provide a reliable security environment for bilateral economic cooperation and common development.

**PIVOT:** President Xi's Global Civilization Initiative (GCI) aims to promote cultural exchanges and understanding. How do you plan to foster global civilization cooperation





between China and Pakistan?

**JZ:** President Xi Jinping proposed Global Civilization Initiative (GCI) and stressed that at a time when the destinies of all countries are closely linked, inclusive co-existence, people-to-people exchanges and mutual learning among different civilizations play an irreplaceable role in promoting the modernization of human society and thriving world civilizations.

**Gandhara was the main road of communication along the ancient Silk Road. After the collision and integration of diverse cultures, Gandhara culture, which was rich and colorful with strong vitality and creativity, entered China through the Silk Road and exerted a great influence on the early Buddhist culture and art in China**

The story of interaction and mutual learning among civilizations has been passed down from generation to generation. Gandhara was the main road of communication along the ancient Silk Road. After the collision and integration of diverse cultures, Gandhara culture, which was rich and colorful with strong vitality

and creativity, entered China through the Silk Road and exerted a great influence on the early Buddhist culture and art in China. As an important country along the Silk Road and a major Muslim country with favorable geographical advantages, Pakistan can play a unique role in promoting regional

connectivity and economic and trade cooperation as well as cultural exchanges and mutual learning among civilizations.

**PIVOT:** Shared futures are a fundamental concept in China-Pakistan relations. What concrete steps will you take to ensure both nations' shared future is prosperous and stable?

**JZ:** I am ready to work with Pakistani side to implement the important consensus reached between President Xi Jinping and the leaders of Pakistan, deepen the synergizing of our development strategies, strengthen the exchange of experience in governance, earnestly coordinate security and development, and jointly create an upgraded version of CPEC, including discussing how to turn resources into funds and assets, increasing investment in Agriculture, Industry, Mining, IT and other fields, and actively carrying out cooperation between the two countries. We will promote projects such as ML-1 and KKH rerouting, effectively improve Pakistan's ability to attract foreign investment and expand exports, help Pakistan in achieving independent and sustainable development, and build a well-integrated China-Pakistan community with a shared future in the new era.

**PIVOT:** Climate change is a global challenge. How do you

plan to collaborate with Pakistan on climate-related initiatives and contribute to a sustainable future?

**JZ:** China appreciates Pakistan's remarkable achievements in climate diplomacy and supports Pakistan's active role in safeguarding the interests of developing countries. At the International Conference on "Climate Resilience in Pakistan" in January, 2023 China proposed to provide an additional \$100 million through bilateral channels in addition to the previous 1.125 billion assistances in yuan. Energy cooperation under CPEC has always followed the principle of green development. Karot Hydropower Project, Jhimpir Wind Farm, Hydro China Dawood Wind Farm, Three Gorges Second and Third Wind Power Project, Quaid-e-Azam Solar Park have been built, and several coal-fired power stations are also clean coal-fired power stations using advanced technology. China is working with Pakistan to jointly build the China-Pakistan Earth Science Research Center, the "Belt and Road" China-Pakistan Joint Laboratory for Smart Disaster Prevention of Major Infrastructure, and the "Belt and Road" China-Pakistan Joint Laboratory for small hydropower technology to jointly address the challenges posed by climate change.

**PIVOT:** The China-Pakistan relationship has seen dynamic shifts. How will you adapt to evolving geopolitical situation to maintain and enhance bilateral cooperation?

**JZ:** Over the past 72 years since the establishment of diplomatic ties, no matter how the international situation has changed, China and Pakistan have always stood together through thick and thin. We have understood and supported each other on issues concerning our respective core interests and forged an ironclad friendship.



As the world faces increasing risks and challenges, China-Pakistan friendship is of great significance to regional peace and stability. China will continue to view its relations with Pakistan from a strategic and long-term perspective, make Pakistan a priority in its neighborhood diplomacy, deepen political mutual trust, firmly support each other, carry out cooperation at a higher level and in a wider scope, promote the early implementation of Global Development Initiative (GDI), Global Security Initiative (GSI) and Global Civilization Initiative (GCI) in Pakistan, actively promote the reform of the global governance system, and firmly uphold international equity and justice.

**PIVOT:** The digital economy is rapidly evolving. What role do you see for China in helping Pakistan harness the benefits of digitalization and technological advancement?

**JZ:** Pakistan is rich in IT talent resources and has broad prospects for IT industry. In recent years, China and Pakistan have carried out fruitful cooperation in this field: in terms of infrastructure and services, the Pakistan-China optic fiber cable (OFC) project has not only built a digital bridge between China and Pakistan, but also provided services for data transmission among China, Pakistan and other regions such as Europe. China Mobile Pakistan (ZONG) has provided high-quality 4G network, high-speed data products and services to Pakistan. Huawei and other Chinese technology companies are actively providing technical products and services to Pakistan to help the country's digital transformation. In terms of capacity building, the Chinese government helps Pakistani technical experts and youth to

study in China through programs such as Outstanding Youth Working in China, science and technology training courses and government scholarships. The two countries have set up a joint working group on IT industry under the framework of CPEC and signed a MOU on e-commerce cooperation. In the future, the two sides will gradually deepen cooperation in ICT infrastructure construction, ICT application innovation, cyber security and human resources development.

**Since Chinese institutions began to lead the operation, Gwadar Port has transformed from a small fishing village into a transportation hub during the past decade, establishing the region's port logistics channel from scratch. It has witnessed significant increase in cargo throughput, and integrated with Pakistan's national highway network**

**PIVOT:** China and Pakistan have collaborated on infrastructure projects. How do you plan to further this cooperation, ensuring efficient implementation and sustainability?

**JZ:** The cooperation between China and Pakistan in infrastructure projects, especially in the field of connectivity, has been fruitful. The Karakoram Highway (KKH)

phase II project and the Peshawar-Karachi Expressway (Sukkur-Multan Section, PKM) have added new arteries for North-South transportation in Pakistan. The driving time from Sukkur to Multan has been reduced from 11 hours to less than 4 hours. The Lahore Orange Line is Pakistan's first metro line, marking Pakistan's entry into the "metro way era". The commuting time between both ends of the line has been shortened from 2.5 hours to 45 minutes. Thanks to the project, 104 million passengers have gained access to green traveling since the opening of the line.

Since Chinese institutions began to lead the operation, Gwadar Port has transformed from a small fishing village into a transportation hub during the past decade, establishing the region's port logistics channel from scratch. It has witnessed significant increase in cargo throughput, and integrated with Pakistan's national highway network. The first phase of the China-Pakistan cross-border optical cable project has effectively promoted regional information sharing cooperation. Next, China will work closely with Pakistan to actively promote the upgrading and reconstruction of the ML-1 railway, the rerouting of the Thakot-Raikot section of the Karakoram Highway Phase II, and complete the construction and handover of the new international airport of Gwadar, to inject new impetus into the construction of the CPEC through facility connectivity.



# H.E. Moin ul Haq

## Pakistan's Ambassador to the People's Republic of China

By PIVOT Team



**PIVOT:** Can you reflect on the significance of the China Pakistan Economic Corridor (CPEC) as it marks a decade since its inception? How has it shaped the bilateral relationship between Pakistan and China?

**MUH:** CPEC has often being described, and very rightly, as a “game changer” and a “transformative” project. In 2023, as we celebrate the decade of CPEC, it is all the more important to look back at its achievements and contributions.

Undoubtedly, CPEC marks a significant phase in China-Pakistan economic relationship. With its comprehensive development agenda and a vast range of infrastructure and energy projects, it has laid the basic foundation for economic growth, prosperity and enhanced connectivity.

Let us not forget that when Pakistan was facing economic difficulties and chronic power shortages about a decade ago, there was hardly any Foreign Direct Investment (FDI) coming to our country. It was China that

stood by us and launched the US\$ 60 billion CPEC project, bringing the much-needed investments at that critical time.

**As CPEC evolves, there is a commitment of the two countries to ensure its sustainable and high-quality development so that its economic and social benefits are enjoyed by the people of our two countries leaving a lasting legacy of progress and prosperity for many generations to come**

So far around 50 projects worth around US\$ 25 billion have been completed generating over 200,000 jobs. CPEC energy projects have injected more than 8,000 MW of electricity into the national grid, plus a new 878-KM Lahore-Matiari transmission line was also constructed. Motorways and highways of more than 880-KM length have also been built, especially the key sections of Peshawar-Karachi Motorway. A 800-KM long cross border optical fibre cable has strengthened our digital connectivity. Lahore Orange

Line Metro was Pakistan's first mass transit rail project, which recently achieved 100 million passenger mark.

Importantly, the development of the Gwadar Port has been central to CPEC. Strategically located, the port is now functional and regularly handling cargo ships including trans-shipment trade for Afghanistan. A Free Economic Zone is in place offering lucrative incentives for locals, Chinese and other international investors. Soon a new international airport will be opened bringing the port closer to its vision of serving as the hub of regional trade and connectivity.

**PIVOT:** CPEC has been criticized by some for its potential debt implications. How has Pakistan navigated the balance between economic growth and managing any associated risks?

**MUH:** Yes, there have been many detractors of BRI and as well as CPEC. Many misleading stories have been written as part of a disinformation campaign.

It needed to be understood that China provided the much-needed capital, when no one was willing to invest in our country. CPEC financing is based on grants, soft loans and concessional loans with low interest rates and long maturity periods. This investment has led to transforming of the economic landscape of Pakistan, creating jobs, generating wealth and upgrading skillset. Overall, it has helped in promoting inclusive development to reduce poverty and inequality, improve people's ability to pay taxes and support the government in retiring the national debt. We therefore should not



consider CPEC financing as “a debt burden” rather an essential tool for a comprehensive and inclusive development of country.

**PIVOT:** AS CPEC has progressed, what strategies have been employed to ensure the equitable distribution of benefits among various regions within Pakistan?

**MUH:** CPEC was envisaged for bringing equitable economic dividends and opportunities for all the regions of Pakistan based on the concept of shared prosperity. Under the CPEC blueprint, infrastructure, energy and other important livelihood projects were launched in all the provinces and regions of Pakistan.

From Gwadar Port in Balochistan to Rashakai SEZ in Khyber Pakhtunkhwa, from Orange Line Metro Train in Punjab to Thar Coal and Jhimpir Wind Farm in Sindh, CPEC projects helped in the emergence of new urban centres in these areas and also provided job opportunities to the local youth. In GB, the legendary Karakoram highway which saw essential upgrades as part of CPEC, is now serving as a major connectivity and trade route between China and Pakistan and the broader region.

**PIVOT:** What role does sustainability and environmental protection play in the ongoing and future projects under CPEC?

**MUH:** Despite having a negligible carbon footprint, Pakistan is one of the most climate-vulnerable countries in the world. We are therefore mindful to frame policies and take necessary measures for sustainable development and to

reduce carbon footprint, including through inclusion of renewables in our energy mix. CPEC projects like Neelum-Jhelum HPP, Karot HPP, Quaid-i-Azam Solar Park and Jhimpir Wind Project are few examples of our focus on clean and renewable energy projects. During the construction of Karot HPP, a special biodiversity plan was developed to protect the aquatic and wildlife in the area. The project, which received award for its innovative engineering design, is expected to reduce CO<sub>2</sub> emissions by 3.5 million tons.

**Cultural cooperation and people-to-people exchanges form an important element of China-Pakistan bilateral relations. Our special and unique ties are not just based on political support and strategic trust but are also rooted in the hearts of our two people**

In Gwadar, green development of the city is underway as part of the Master Plan. As a special gift, China provided thousands of solar home systems for people of Gwadar. Our two countries have also launched China-Pakistan Green Corridor focusing on agriculture modernization,

food security, rural revitalization, biodiversity and environment protection.

**PIVOT:** Geopolitical dynamics in the region have evolved over the past decade. How has CPEC adapted to these changes and continued to be a stabilizing force?

**MUH:** It is unfortunate that visionary projects like BRI and its flagship project CPEC were looked only from a geopolitical angle. However, over the last decade, CPEC through its projects and contributions to economic development, has silenced many critics and is truly becoming a corridor of hope and opportunities.

It is a project which is a shining example of mutual trust, strategic partnership and practical cooperation between China and Pakistan. It is promoting peace, stability, integration and connectivity at the regional level as well.

As CPEC evolves, there is a commitment of the two countries to ensure its sustainable and high-quality development so that its economic and social benefits are enjoyed by the people of our two countries leaving a lasting legacy of progress and prosperity for many generations to come.

**PIVOT:** Could you elaborate





on the steps taken to ensure transparency, accountability and inclusivity in the planning and implementation of CPEC projects?

**MUH:** CPEC is an open and inclusive project. A Joint Coordination Committee (JCC) co-chaired by the Ministry of Planning of Pakistan and National Development Reform Commission (NDRC) of China are responsible for steering the CPEC process through their sectoral-themed working groups which meet annually to discuss and approve various projects.

The two countries have now also invited third-party participation in CPEC including for investments in Gwadar Port. We have also decided to extend CPEC to Afghanistan and then subsequently to other countries in Central Asia as well.

**PIVOT:** Beyond infrastructure and energy projects, how has CPEC fostered people-to-people exchanges and cultural ties between Pakistan and China?

**MUH:** Cultural cooperation and people-to-people exchanges form an important element of China-Pakistan bilateral relations. Our special and unique ties are not just based on political support and strategic trust but are also rooted in the hearts of our two people.

The Cultural Exchange Programme was signed back in the 60s, which is renewed every five years with a Joint Action Plan with host of activities in the fields of art, music, literature and sports.

**In the second phase of CPEC, industry, agriculture and IT have been identified as key areas of cooperation. Last year, we signed a CPEC Framework Agreement on Industrial Cooperation and now are working together for its practical implementation. Special Economic Zones (SEZs) and Industrial Parks are being set up in the country where Chinese enterprises are being invited to set up their manufacturing units**

We also have CPEC Consortium of Universities with participation of over 100 universities from both countries, which meet annually to discuss student and faculty exchanges, academic cooperation and research projects. The 25,000 plus Pakistani students in China also serve as a bridge to strengthen our iron brotherhood.

This year is being celebrated as

the Year of Tourism Exchanges between our two countries. An opportunity for the people to discover our respective countries, their rich history, natural landscapes and cultural heritage. Surely this would foster a better understanding while further strengthening our special bonds of friendship.

**PIVOT:** The digital economy and technology are rapidly advancing. How does CPEC incorporate technological innovation and the digital landscape to further enhance economic connectivity?

**MUH:** In today's digital age, technology and innovation hold the key for economic growth and development. Realizing its importance, Science & Technology and IT cooperation has been central to CPEC. Two dedicated Joint Working Groups on Science & Technology and IT had been established in this regard. We have also launched China-Pakistan Digital Corridor to harness the potential of emerging and cutting-edge technologies for our national development.

Projects like the 800-KM long optical fibre cable, China-Pakistan Joint Research Centre on Earth Sciences at Quaid-i-Azam University, Islamabad, China-Pakistan Science and Technology Centre in Beijing are some examples of our digital cooperation. We are also planning to establish technology and industrial parks in Pakistan in collaboration with Special Technology Zones Authority (STZA) and Chinese organizations/enterprises for supporting startups, R&D and manufacturing.

**PIVOT:** As we look ahead to the next decade of CPEC, what sectors or areas of collaboration are most promising for deeper cooperation



between Pakistan and China?

**MUH:** In the second phase of CPEC, industry, agriculture and IT have been identified as key areas of cooperation. Last year, we signed a CPEC Framework Agreement on Industrial Cooperation and now are working together for its practical implementation. Special Economic Zones (SEZs) and Industrial Parks are being set up in the country where Chinese enterprises are being invited to set up their manufacturing units.

Cooperation in the agriculture sector is also being expanded. The focus is on modernization of our agriculture sector through corporate and mechanized farming, new irrigation techniques, developing new seeds to enhance yields and introducing new technologies and processes. CPEC Working Group on Agriculture has developed a Plan of Action with various projects in this regard.

As mentioned earlier, there is an enhanced focus on new and emerging technologies and to benefit from Chinese expertise and experience in AI, 5G, robotics, biotechnology, EV, Big Data and e-commerce.

**PIVOT:** How does CPEC factor into Pakistan's long-term development goals and vision for the future, considering the changing global economic landscape?

**MUH:** CPEC remains critical to Pakistan's long-term development goals. It aligns with our own socio-economic agenda which focuses on geo-economics and developing Pakistan as a regional hub of trade and industry.

The new industrial sector is

being strengthened under the CPEC framework, with the aim to augment our capacities for more export surplus and thus reduce the trade deficit.

**Given the strategic importance of CPEC, the governments and leadership of the two countries have continued to reaffirm their strong commitment for its high-quality development. We now need to stay the course, maintain the steady momentum, and ensure timely completion of all CPEC projects. With a long-term vision and adopting "whole of the government" and "whole of the nation" approach, we can surely achieve its stated goals of bringing peace, stability and prosperity for the peoples of our two nations**

With agricultural modernization, we would ensure food security,

and as well as empower our farmers to improve their skills and livelihoods, revitalize rural areas and be able to produce at a scale that not only helps us to meet our local demands, but also allow us to export our popular agricultural products to the large Chinese and other key markets in the region.

The development of Gwadar Port would usher a new era of prosperity for the people of Balochistan. It would also serve as a very important trading hub providing the shortest and cheapest route for meeting the needs of Pakistan, China and other countries in the region.

Given the strategic importance of CPEC, the governments and leadership of the two countries have continued to reaffirm their strong commitment for its high-quality development. We now need to stay the course, maintain the steady momentum, and ensure timely completion of all CPEC projects. With a long-term vision and adopting "whole of the government" and "whole of the nation" approach, we can surely achieve its stated goals of bringing peace, stability and prosperity for the peoples of our two nations.



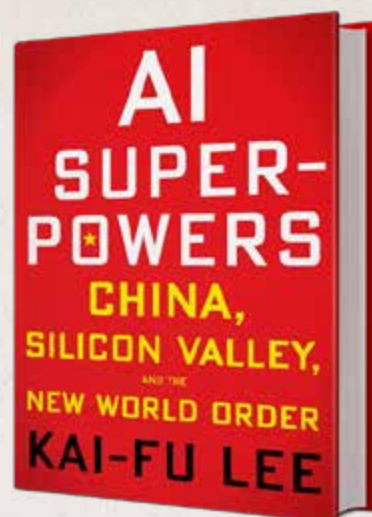
# AI Superpowers: China, Silicon Valley, and the New World Order

By Fatima Pasha Mughal

**D**r. Kai-Fu Lee, a highly influential AI expert in his book 'AI Superpowers: China, Silicon Valley, and the New World Order', compellingly argues that due to the groundbreaking advancements in Artificial Intelligence, significant transformations will occur much sooner than anticipated by many. With the US-China AI competition intensifying, Lee urges both the United States and China to acknowledge and embrace the substantial responsibilities that accompany significant technological power.

Drawing upon his extensive knowledge of technology and his diverse experience at Google China, Microsoft, and Apple, Lee brings together his expertise to shed light on the escalating battle for AI supremacy between the United States and China. With his unique perspective firmly rooted in both domains, Lee serves as an adept guide, offering a narration that highlights his deep comprehension of the cultural, technological, and business disparities that set these two AI powerhouses apart and helps in re-shaping their identities.

Dr. Kai-Fu Lee offers an insightful voyage into the realm of Artificial Intelligence (AI). With a remarkable narrative that spans across historical, current, and future perspectives of AI, the book provides a compelling exploration from both Eastern and Western viewpoints. The book is divided into two sections: Part One explores the AI journey so far, and Part Two delves into what the future holds. Lee provides a historical overview of AI in the Section-I, outlining the development of machine learning and deep learning algorithms, their importance, and their potential to change the course of human history. This retrospective analysis is neither uninteresting nor very technical;



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instead, it is packed with interesting anecdotes, understandable explanations, and real-world examples that enables even the people with little understanding of technology to understand the development of AI technologies.

As the narrative progresses, Lee makes an intriguing comparison between the AI development processes in Silicon Valley and China. He introduces the idea of "Copycats in the Coliseum," outlining how Chinese tech firms initially copied Silicon Valley but later developed into innovative powerhouses as a result of fierce local competition, support from the government, and an unrelenting drive for success. The discussion is advanced by this perspective, which goes beyond the standard East-versus-West conflict to shed light on the complex ecosystem that supports the growth of AI. Lee provides a remarkably clear explanation of how AI has rapidly transformed into the formidable force it is today in less than two decades. Moreover, he highlights China's rapid ascent as the global leader in AI. China possesses a unique combination of essential elements that contribute to its status as an AI superpower: an unwavering entrepreneurial drive, productive government policies, highly skilled AI researchers, and an unparalleled abundance of data compared to any other nation. The lead previously held by Silicon Valley is diminishing



rapidly, as China enjoys access to significantly greater data, human resources, and capital, while also surpassing the Western world in areas such as internet usage, online payments, and digital infrastructure. The integration of online and offline realms in China gives rise to remarkable opportunities and services that may appear as either utopian or dystopian science fiction situations from a Western perspective.

The book calls for cooperation and co-existence, not just between the US and China, but amongst all nations. This need for unity reflects Lee's belief that the challenges of AI are global, leaving an impact on all of humanity. Solutions, therefore, must come from a collective global consciousness, and Lee strongly advocates for an international AI treaty, underscoring the importance of ethical guidelines for AI development and deployment.

In the second half of the book, the impact of AI on job markets, economies, and societies is discussed by Lee where he envisions a future that may be both exciting and unsettling. While many experts already acknowledge the detrimental effect of AI on blue-collar jobs, Lee goes a step further by predicting a significant impact on white-collar jobs by both Chinese and American AI. The 'Four Waves of AI,' a concept that describes the phases of AI implementation as Internet AI, Business AI, Perception AI, and Autonomous AI, is particularly fascinating. Each wave ushers in a period of profound change and disruption, a time when jobs based on rote and repetitive tasks run the risk of being automated. However, Lee confidently asserts that the future may see a "renaissance of human jobs" rather than letting the story veer into a dystopian forecast. In his future world, roles that emphasize empathy, creativity, and social interaction—areas where AI falls short—will be valued more. Lee emphasizes that, despite the stark reality of job displacement brought on by AI, such disruption may pave the way for putting "humanity at the center of our economy."

Throughout the book, Lee discusses his own battle with cancer, bringing a personal touch to his business-and technology-related discussions. These individual stories act as emotional reminders of the fundamentally human components at the core of our technological future—components that AI, despite its sophistication, may never be able to duplicate.

The book concludes on a philosophical note, stating that AI will enable us to "focus on what truly makes us human: loving and being loved." This is not a "love always wins" realization inspired by new age. Instead, it represents a profound existential contemplation, acknowledging that love is a fundamental aspect of human experience that cannot be efficiently substituted by efficient AI algorithms. The absence of love in a society where AI is pervasive will render people useless, which is a beautiful vision of a society, which prioritizes love as its core value.

A nuanced and detailed exploration of the global AI landscape is provided in this book as Dr. Kai-Fu Le skillfully combines personal anecdotes, clear explanations, and insightful predictions to create a narrative that is both informative and captivating. This book offers a glimpse into a world where AI goes beyond mere buzzwords and becomes a transformative force shaping our societies and economies. It is a reader-friendly publication, comprehensible to anyone seeking to grasp the fundamental principles of AI. It effectively conveys why AI holds immense power and why it is crucial for us to be cognizant of its implications. It motivates readers to actively participate in understanding and preparing for this brave new world.



Fatima Pasha Mughal,  
Works at CPSC-ISSI



# The Decade of CPEC

By Muhammad Ali Baig  
and Shaheer Ahmed

establishing various road networks coupled with Special Economic Zones (SEZs), having the potential to attract investments. The project has created a total of 100,000 opportunities, six thousand megawatts of electricity, and roads to create urban-rural constructive interaction fostering regional connectivity in a broader picture. It is also estimated that by 2030, the CPEC is likely to create a total of 500,000 to 800,000 jobs.

**T**he world is witnessing a rapid shift in the geo-political tectonic plates. In this dynamic environment, Pakistan is constantly reassessing its geo-economic framework and is steadfast in the context of the China-Pakistan Economic Corridor (CPEC), crucial to its economic security. The year 2023 marks the 10th Anniversary of CPEC when Pakistan is confronted with complex economic crises, high youth unemployment, political instability, climate change and rapidly draining resources, and security challenges in aftermath of the United States (U.S.) withdrawal from the neighbouring

Afghanistan. Consequently, the overall objective of high-quality development is greatly undermined by such challenges. Despite all the challenges, the trade between China and Pakistan has increased in the domains of Agri-based products and seafood. Inclusively, it is a welcome development that the bilateral trade between China and Pakistan has grown by more than 100 percent from 2013-2021. According to the Observatory of Economic Complexity (OEC), in 2013, the Pak-China bilateral trade was around 13 billion USD and in 2021 it grew to 26.75 billion USD.

It is noteworthy that the CPEC has fostered connectivity by

**It is noteworthy that the CPEC has fostered connectivity by establishing various road networks coupled with Special Economic Zones (SEZs), having the potential to attract investments. The project has created a total of 100,000 opportunities, six thousand megawatts of electricity, and roads to create urban-rural constructive interaction and fostering regional connectivity in a broader picture**



The CPEC is divided across the lines of energy and infrastructural development. Since the announcement of CPEC, a meta-analysis research quantified that it has generated 80,000 jobs in the commenced projects since 2013 and has the potential to create 1.2 million more jobs. According to the future job estimation of the Gilgit Baltistan and Azad Jammu and Kashmir Government, the project has the potential to create 40,000 to 50,000 jobs through its hydroelectric power projects. The project has also paid attention to solar energy. In this regard, the Quaid-e-Azam Solar Power plant retains an immense potential of offering 7,000 direct and 20,000 indirect jobs. Similarly, the wind energy project has the potential to offer 66,000 jobs per annum.

**Apart from the connectivity goals, the CPEC is centered around improving the agricultural sector. There are also provisions of improving the socio-economic development and enhancing the quality of Research and Development. The Chinese Foreign Direct Investment and industrial support is crucial in aiding Pakistan to run be on the path of economic stability**

Moreover, Pakistan also has a chance to enhance its blue economy through Gwadar Port with the rest of the world through Gwadar International Airport, scheduled to be finished this year. Furthermore, the optical fibres and transmission lines related projects

will help Pakistan to achieve its targets of sustainable economic growth.

Apart from the connectivity goals, the CPEC is centered around improving the agricultural sector. There are also provisions of improving the socio-economic development and enhancing the quality of Research and Development. The Chinese Foreign Direct Investment and industrial support is crucial in aiding Pakistan to run be on the path of economic stability. The industrial development will later pave the way for future employment and help in economic and political stability.

Although the expectations from CPEC are relatively high and both brotherly countries are relentlessly working to realise such expectations. However, since its inception in 2013, the CPEC has remained constantly in the crosshairs of hostile intelligence agencies and has been subjected to highly calculated false narratives. Arguably, it is to highlight and to celebrate that Pakistan's national security apparatus has been largely successful in suppressing such activities and ensuring the safety and security of Chinese nationals while remaining within limited resources. Pakistan is committed to turning the CEPC into a tangible reality and to achieve the development goals. In this regard, Pakistan is focusing on domestic stability and political steadiness.

The "Decade of CPEC" is a success story at large where Pakistan remains a steadfast nation to honour its commitments with China. This ten-year long journey presents a resilient picture where both brotherly nations remained together, most importantly even during the

turbulence caused by hostile and unfriendly actors. This is the right time for both China and Pakistan to celebrate their achievements, especially made under the CPEC and to plan for the next two to three decades of CPEC. It is noteworthy that Pakistan as well as China will be celebrating their respective centenaries in 2047 and 2049.

**The "Decade of CPEC" is a success story at large where Pakistan remains a steadfast nation to honour its commitments with China. This ten-year long journey presents a resilient picture where both brotherly nations remained together, most importantly even during the turbulence caused by hostile and unfriendly actors**

For such dreams to be realized, political prudence is required to engage top Chinese officials and business-people to minimize the capital flight and create favourable conditions for the foreign investors. Targeted reforms are needed to improve the conditions favourable for business investments, removing bottlenecks, addressing challenges, and bridging the information gaps to realize the potential of the project. Likewise, the long-term investment opportunities should be searched and explored to enhance the economic stability of Pakistan.



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# The Fascinating Soft Power of China

By Dost Muhammad Barrech



**H**ard power in international politics has caused enduring wars, devastation, and economic woes. Soft power, on the other hand, is cheaper than hard power, winning the hearts and minds of the people, in a prevailing era of science and technology proves to be more instrumental in the construction of a soft image of the country. Joseph Nye, who coined the term soft power, argues that, "It is the ability to get what you want through attraction rather than coercion or payments".

Nye is believed to have replicated the soft power idea from China's sixth century BC strategist Sun Tzu who in his renowned book "Art of War" emphasizes on the value of soft power saying that, "The supreme art of war is to subdue the enemy without a war." "The best

tactic is to take by strategy," and "those who win people's hearts can win the world." Sun Tzu's doctrine appears to be the key component in the manufacturing of China's soft power.

For rising China's to dominate the 21st century soft power remains as important as hard power. China's fascination with soft power has constantly been increasing. Unlike the U.S., China believes it would be a benign power, crafting consent rather than coercion in its foreign policy. Joshua Kurlantzick while sharing his empirical observation regarding the U.S. image in the post-9/11 period asserted that people in Australia and Thailand have a better image of China than that of the U.S. against the backdrop of the Bush Administration's foreign policy in

the post-9/11 world. China's non-interference in the internal politics of other states invariably cements its soft image across the globe. Martin Jacques prognosticates that China's culture will dominate Western cultural norms, gaining ascendancy and superiority over others as each "civilization-state perceives the world order and international relations with its own history and culture".

Globalization enables Beijing to circulate its ideas and culture to reshape the world order. David Schambaugh states that China has made remarkable headway in economic development, using the robust economy as a soft power granting \$50 billion for the Asian Infrastructure Investment Bank (AIIB), \$41 billion for the New Development Bank, \$40 billion for the Silk Road Economic Belt and



last but not the least \$25 billion for the Maritime Silk Road. Beijing is committed to investing \$4.8 trillion in the Belt and Road Initiative (BRI).

China's spending on BRI alone surpasses the combined global spending of the U.S. and the Soviet Union during the Cold War era. The book titled "Soft Power and the U.S. Foreign Policy Theoretical, Historical and Contemporary Perspective" written by Inderjeet Parmar and Michael Cox, in a very interesting chapter titled "The Future of Soft Power in U.S. Foreign Policy" written by Joseph S. Nye, argues that in the last decade, the U.S. has considerably lost its soft power. Public opinion poll demonstrates a rapid decline in the U.S. attractiveness in the Muslim world, Europe and Latin America.

**For rising China, to dominate the 21st century soft power remains as important as hard power. China's fascination with soft power has constantly been increasing. Unlike the U.S., China believes itself to be a benign power, crafting consent rather than coercion in its foreign policy**

In the war on terror, the U.S. remained engaged in attacking Iraq, and Afghanistan, while China impressed the world with its exhilarating economic progress and eschewed interference in the domestic affairs of other states that culminated in the rise of the

latter's soft power and witnessed a rapid decline in the former's. China's statecraft follow various means in the projection of soft power including self-restraint over controversial issues, reassuring China's political discourse, and promoting trade assistance and its culture. Joshua Kurlantzick in his book, "Charm Offensive: How China's Soft Power is Transforming the World" articulates that China's charm offensive as soft power began in 2000 believing in desired stability and harmony with all its fourteen neighboring states. China's charm offensive revolves around safeguarding peace, promoting development and enhancing cooperation, which is the common desire of all people and it represents the irresistible historical trend.

It is pertinent to mention here the peaceful rise of China is deliberately crafted in its political discourse as a soft power means. Scholars of China successfully developed the term "Heping Jueqi" or Peaceful Rise. The term "Jueqi" or Peaceful Rise was first used by Zheng Bijian a renowned and senior adviser to the Chinese leadership. The term soon materialized in Chinese leaders' speeches. China's phenomenal success in poverty reduction, exponential headway in artificial intelligence (AI), research and development, and non-interference in other states' internal politics resulted in buttressing of its soft power.

While, at the moment, the Western world still dominates in terms of soft power, the gap between it and China is narrowing over time. The Western world is losing ground for a variety of reasons, including inconsistencies between what they proclaim and

what they actually do in practice. For example, the US promotes democratic values, but the recent assault on democracy within their own country and incidents of racial oppression and discrimination undermine their claims. The US also claims to advocate for peace and human rights, yet their actions in Iraq, Libya, Syria, and Afghanistan suggest otherwise, causing a significant gap between their assertions and their actions. As a result, the US's soft power is losing its appeal and becoming less effective.

**The peaceful rise of China is deliberately crafted in its political discourse as a soft power means. Scholars of China successfully developed the term "Heping Jueqi" or Peaceful Rise**

China, ostensibly, has a bad image in the West. The U.S. and Western countries in the foreseeable future would go to any extent for maligning China's soft image by rubbing its political system, calling out projects under BRI as debt trap, calling out China for human rights violations, and laborers' exploitation making it an endless cycle of accusations. Therefore, without any doubt, the US-China soft power competition is on the cards. Both powers will strive for soft power ascendancy in the 21st century to perpetuate hegemony across the globe.



Dost Muhammad Barrech, lecturer, IR Department University of Balochistan, (UOB) Quetta



# Celebrating Ten Years of the **China-Pakistan** Economic Corridor

By Amir Jahangir

**T**he Belt and Road Initiative (BRI), is one of the world's foremost, most massive infrastructure and investment initiatives launched by China in 2013 to promote connectivity and economic development across Asia, Europe, and Africa. The initiative involves the construction of transportation networks, energy pipelines, and tele-communications infrastructure to facilitate trade and investment between China and other countries.

BRI has given the world a new perspective on cooperation and connectivity by re-defining globalization. It has been viewed by some, as a new model of globalization that prioritizes cooperation, connectivity, and shared prosperity, rather than the competition and zero-sum approach of traditional globalization.

The BRI promotes cooperation by encouraging countries to work together on infrastructure projects

that will connect them to China and other participating countries, creating a network of economic and trade relationships that will benefit every state involved. It seeks to create a shared vision of the future that is based on mutual trust, respect, and understanding.

In 2013, the governments of China and Pakistan embarked on an ambitious and transformative journey to strengthen their economic ties and create new opportunities for both countries. The two nations are reaping the benefits of cooperation, growth, and prosperity through the China-Pakistan Economic Corridor (CPEC).

The China-Pakistan Economic Corridor (CPEC) is the flagship project within China's Belt and Road Initiative (BRI) and holds significant importance for both China and Pakistan. The CPEC is a collection of infrastructure projects, including highways,

railways, industrial zones, pipelines, and power plants, which aims at improving connectivity and economic integration between the two countries and even further.

**BRI has given the world a new perspective on cooperation and connectivity by re-defining globalization. It has been viewed by some, as a new model of globalization that prioritizes cooperation, connectivity, and shared prosperity, rather than the competition and zero-sum approach of traditional globalization**

The estimated investment for CPEC projects is around \$62 billion. The significance of the CPEC in the BRI can be understood by the fact that CPEC provides China with a direct and shorter route to the Arabian Sea



and the Indian Ocean via the Gwadar Port in Pakistan. This alternative route bypasses the Strait of Malacca, which is a potential chokepoint for China's energy imports and trade. The strategic location of the CPEC enhances China's energy security and reduces its vulnerability to potential maritime disruptions.

The inclusion of CPEC on the BRI map highlights the critical role Pakistan has to play as a partner country in connecting the Silk Road Economic Belt of the BRI. This trans-continental passage links China with South-East Asia, South Asia, Central Asia, Russia, and Europe by land, as well as the 21st-century Maritime Silk Road, a sea route that connects China's coastal regions with South-East and South Asia, the South Pacific, the Middle East, and Eastern Africa, extending all the way to Europe. Thus, Pakistan, through CPEC, assumes a central and pivotal role in the BRI network, where it actually connects the belt with the road network.

CPEC is the flagship project of the Belt and Road Initiative (BRI), an ambitious global development strategy launched by China to connect Asia, Europe, and Africa through a network of roads, railways, ports, and other infrastructure projects. The CPEC aims to bolster Pakistan's economy by improving its infrastructure and energy sector, with a total investment of over \$62 billion. CPEC is expected to contribute around 2-2.5% to Pakistan's annual GDP growth. Investments in infrastructure, energy, and other sectors could lead to higher economic output and increased productivity.

Over the past decade, CPEC has seen the completion of several vital transportation projects

that has greatly improved the way people and goods move between China and Pakistan. The crown-jewel is the 1,300 km long upgraded Karakoram Highway (KKH), which connects China's Xinjiang region to Pakistan's Gilgit-Baltistan and serves as the primary transportation artery between the two countries.

**Undoubtedly, the China-Pakistan Economic Corridor (CPEC) has the potential to create a substantial number of jobs for both China and Pakistan over the years. While it is difficult to provide an exact number of jobs that will be created, estimates suggested that CPEC could potentially generate around 2.3 million direct and indirect jobs between 2015 and 2030**

Additionally, under CPEC several new highways, motorways, and railways have been constructed that have significantly reduced travel times, boosted trade, and improved connectivity within Pakistan. Among them, the Multan-Sukkur Motorway, the Lahore Orange Line Metro Train, and the Havelian Dry Port stand out as notable examples of infrastructure development. Before the actualization of CPEC, Pakistan faced an acute energy crisis, with regular power outages severely impacting industries and everyday life. CPEC's energy projects have made great strides in addressing this issue by adding more than 10,000 MW of power to Pakistan's national grid. Major power projects include coal-fired power plants like the Sahiwal and Port Qasim plants,

hydropower projects like the Karot and Suki Kinari hydropower stations, and renewable energy initiatives like the Quaid-e-Azam Solar Park and Dawood Wind Power Project. The energy crisis has been largely mitigated because of the construction of these power projects and it has led in , revitalizing industries and improving the quality of life for millions of Pakistanis.

CPEC also focuses on the establishment of Special Economic Zones (SEZs) which aim at promoting industrial growth, attracting foreign investment, and generating employment opportunities. Nine SEZs have been planned under CPEC, among which Rashakai Dhabeji, Allama Iqbal Industrial City, and Bostan Special Economic Zone - are under construction.

Special Economic Zones (SEZs) offer various incentives to investors, such as tax holidays, one-window operations, and reduced customs duties, to stimulate industrial growth and create thousands of jobs. The development of the SEZs is expected to spur further economic growth in Pakistan and pave the way for a brighter future.

Moreover, the Gwadar Port, located in Pakistan's Balochistan province, has emerged as a vital strategic asset under CPEC, serving as a gateway for trade between China, Pakistan, and the rest of the world. The port has seen massive expansion and infrastructure development, including the construction of a new international airport, a free trade zone, and a network of roads connecting it to other parts of Pakistan.

The Gwadar Port will not only bolster Pakistan's maritime trade but will also play a pivotal role

in diversifying its economy and opening up new avenues of growth. Moreover, the port has become a symbol of China-Pakistan friendship, showcasing the power of regional cooperation and mutual development. There are 14 new projects planned under the CPEC Gwadar Development Plan.

The impact of CPEC goes beyond mere numbers and statistics; it has significantly improved the lives of millions of people in both China and Pakistan. The construction of new roads, railways, and other infrastructure has created thousands of jobs, while the growth in trade has led to increased economic opportunities for businesses and individuals alike. In addition, the alleviation of Pakistan's energy crisis has enabled industries to operate more efficiently, fueling economic growth and leading to a higher standard of living. Furthermore, the development of SEZs and Gwadar Port has generated numerous indirect benefits for local communities, such as better access to education, healthcare, and other essential services.

While the past ten years have witnessed fairly good progress, CPEC has not been without its challenges. Security concerns, bureaucratic hurdles, and regional geopolitics have occasionally slowed down the pace of development. However, the unwavering commitment of both China and Pakistan to CPEC's success has ensured that the project remains on track.

Without a doubt, the China-

Pakistan Economic Corridor (CPEC) has the potential to create a substantial number of jobs for both China and Pakistan over the years. While it is difficult to provide an exact number of jobs that will be created, estimates suggested that CPEC could potentially generate around 2.3 million direct and indirect jobs between 2015 and 2030. This job creation potential stems from the various infrastructure projects, energy initiatives, and Special Economic Zones (SEZs) developed under CPEC. Construction and maintenance of transportation networks, power plants, and other infrastructure projects require a large workforce. Additionally, the SEZs are designed to promote industrial growth and attract foreign investment, which would result in more job opportunities.

**The China-Pakistan Economic Corridor has come a long way since its inception ten years ago. Through visionary planning, relentless execution, and strong bilateral cooperation, CPEC has transformed the economic landscape of both countries and positively impacted millions of lives. As we celebrate this remarkable milestone, let us reflect on the progress achieved and look forward to a brighter, more prosperous future for China, Pakistan, and the world**

Moreover, the development of Gwadar Port and its associated projects, such as the Gwadar Free Trade Zone and Gwadar International Airport, is expected to create numerous employment opportunities in the maritime and logistics sectors.

It is essential to note that these estimates are based on the successful implementation of CPEC projects and the ability of both China and Pakistan to overcome challenges such as security concerns, bureaucratic hurdles, and regional geopolitics. If CPEC continues to progress and achieve its goals, it has the potential to contribute significantly to job creation and economic growth in the region.

As we look to the future, CPEC has laid the groundwork for sustainable growth and development in both countries. With continued cooperation and determination, there is no doubt that CPEC will continue to be a beacon of hope and prosperity for China, Pakistan, and the entire region.

The China-Pakistan Economic Corridor has come a long way since its inception ten years ago. Through visionary planning, relentless execution, and strong bilateral cooperation, CPEC has transformed the economic landscape of both countries and positively impacted millions of lives. As we celebrate this remarkable milestone, let us reflect on the progress achieved and look forward to a brighter, more prosperous future for China, Pakistan, and the world ■



Amir Jahangir,  
Founder of Mishal Pakistan





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Gwadar port, Pakistan

## 10 Years of CPEC

### Fruitful achievements

The year 2023 marks the 10th anniversary of the Belt and Road Initiative (BRI), as well as its flagship project China-Pakistan Economic Corridor (CPEC). Through joint efforts between China and Pakistan, the CPEC has witnessed significant progress, growing into a model for cooperation under the BRI.

Over the 10 years, China and Pakistan have adhered to the principle of extensive consultation, joint contribution and shared benefits, achieving fruitful results. The two sides have formed a cooperation framework based on CPEC construction, focusing on Gwadar port construction, energy, infrastructure and industrial cooperation.



• By the end of 2022  
(preliminary estimation)

number of jobs directly created by  
the CPEC

**236,000**

number of local employees

**155,000**

### 1. Infrastructure projects play crucial role

Projects such as the Karakoram Highway Phase Two project, the Orange Line Metro Train in Lahore and the Peshawar-Karachi Motorway have been operating smoothly and received wide acclaim locally.

### 2. Energy projects see significant progress

Nearly one-third of Pakistan's electricity is supplied by CPEC projects that are currently in commercial operation. These projects have effectively addressed the issue of power shortage in Pakistan.

### 3. Major achievements in joint construction of Gwadar port

Gwadar port has achieved full operational capability and is steadily growing into a logistics hub and an industrial base.

### 4. Constant breakthroughs in industrial cooperation

With construction of the first phase of Rashakai special economic zone (SEZ) completed, investment promotion of the SEZ has yielded positive results.



Karot hydropower station, Pakistan

### Overseas voices

- The implementation of a number of multi-billion-dollar development projects under the CPEC has brought socio-economic benefits to Pakistan and helped the country progress in the region and beyond.

— Shahbaz Sharif, Pakistani Prime Minister

- Thanks to the CPEC, Pakistan is now slowly moving from imported fuels to local fuel for power generation and from outdated technology to new Chinese technology. This shift is happening and Chinese companies are much more visible now. They are bringing their technology, their management to Pakistan, and they are teaching Pakistani engineers and workers.

— Khurram Dastgir Khan,  
Pakistan's Minister for Power

- Cultural exchanges have flourished remarkably between Pakistan and China over the past 70 years, particularly after the inception of CPEC, a flagship project of the China-proposed BRI.

— Masood Khalid,  
former Pakistani ambassador to China

- For me, the visit to Pakistan was very special. People there said the friendship is higher than the Himalayas and sweeter than honey. I think it does reflect the sentiments of Pakistani people from (not only) high-level government ministers and leading entrepreneurs, but also the waiters in hotels or ordinary workers on projects. The CPEC projects rest on this deep friendship.

— Keith Bennett, long-term China specialist and  
vice chair of Britain's 48 Group Club

- The beauty of CPEC is that through it not only Pakistan's road and infrastructure was upgraded, but the bond between the two nations also got stronger due to increased cultural exchanges.

— Raja Tahir Qayyum, staff with CPEC's Karot  
Hydropower project



Orange Line Metro Train in Lahore, Pakistan

(Materials sourced from the National Development and Reform Commission, People's Daily, Xinhua News Agency, CCTV News, Guangming Daily, China News Service and other public sources)



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# CPEC on a Ten-Point Scale A Case for Gender Mainstreaming

By Maria Mansab

**T**he China-Pakistan Economic Corridor (CPEC) has been a game-changer since its completion in 2023. The CPEC is a long-term project between China and Pakistan to serve as a “gateway of prosperity” for both nations and the region as a whole. It seeks to open a variety of doors to prosperity, including those for trade and marketing, industrial growth and global value chains, socio-economic development, and poverty alleviation, agriculture modernization and marketing, Gwadar Oil City and the blue economy, regional connectivity, and third-party participation. The China-Pakistan Economic Corridor (CPEC) has reached its 10th anniversary this year, at a time when nations are struggling to recover from the effects of climate change, a high rate of youth unemployment, dwindling resources for effectively addressing security challenges, and a disinformation campaign like the one being waged against the CPEC. A rise in fatal terrorist attacks and rising political instability at the start of the year have also presented significant obstacles to overall progress.

Amid all this confusion, gender mainstreaming is also a main concern for CPEC. China is the first country to advocate for this idea, and it may be the best place to start as a country that has acknowledged that women citizens are equal agents of economic change. For any nation to thrive, women must participate. It has demonstrated that despite political



or other instabilities, gender mainstreaming and women’s economic empowerment have remained top priorities of China. Where Pakistan is located today, was formerly pre-industrialized China. Although there were many differences, the similarities were immediately apparent. China had a sizable population to contend with, in addition to the oppression of women under old laws and strongly ingrained traditional beliefs. China, like Pakistan, lacked the technical and educational institutions as well as the equipment and capital investments required for long-term progress.

**If the CPEC is to promote equitable opportunities, the structural hurdles that make women labor force participation the lowest in South Asia must be eliminated. Through the CPEC, we hope to create an open, inclusive, and equitable economic and logistical system that will benefit both men and women equally**

The governing class did, however, had a keen awareness of the most

important component of economic change—its people. It was obvious that economic progress could not be achieved merely with men at the center of the Chinese revolutionary theory. For the country to experience economic progress, a fundamental reform of Chinese society was required. This included the abolition of traditions and organizations that oppress women, such as religious superstitions, landholding structures, criteria for admittance to schools, workplace prejudice, and familial norms. It was widely acknowledged that for true change to occur, reforms of the conventional family system, marriage, and divorce, as well as addressing issues of child and forced marriages, women’s confinement to the home, housework, and female suicide, were necessary.

If the CPEC is to promote equitable opportunities, the structural hurdles that make women’s labor force participation the lowest in South Asia must be eliminated. Through the CPEC, we hope to create an open, inclusive, and equitable economic and logistical system that will benefit both men and women equally. Industries like transportation and energy,



encouraging employment through gender quotas, and putting more of an emphasis on establishing jobs with appropriate working conditions, such as the prevention of sexual harassment should be emphasized. The creation of a gender unit in CPEC, and the development of a framework for involving women, and minorities will also contribute to the project's success. The lives of Pakistani women are changing rapidly, so creating an environment where women have access to sufficient economic possibilities is crucial for the development of Pakistan.

Gender mainstreaming, however, is also Pakistan's biggest challenge because misunderstood cultural practices and beliefs confine women to traditional roles and worsen already depressing statistics regarding girls' education, the absence of women's decision-making in family planning, and women's economic and social dependence. An excellent place to start, would be for the planning commission and other relevant parties to acknowledge the underlying causes and the need to cure them. Keeping China's example in mind, Pakistanis must be at the forefront of supporting and ensuring the success of CPEC. To believe that CPEC's sustainability and long-term success can be achieved without directly involving Pakistanis, especially women, would be a misguided notion. Gender mainstreaming is logical, crucial

for true economic progress and sustainable development.

Financially secure women are more likely to make better financial choices for their families and communities, invest in their children's health and education, and invest in their communities, protecting and improving chances for future generations. Businesses that employ a diverse and inclusive workforce do better than their male-dominated counterparts on a variety of metrics, including innovation and competitiveness, and economically engaged women are the driving force behind the success of their organizations and nations.

**Local women are participating in the Thar Block-1 Integrated Coal Mine Power Project, a significant component of the China-Pakistan Economic Corridor (CPEC). It is a success story to be proud of, but CPEC projects for integration of women need to be expanded further**

For thousands of Pakistani women, such a realization through the framework of CPEC would bring some very positive changes in our society. The support of activists and women's rights groups may prove to be the

most important factor in tipping the scales in Pakistani women's favor in this area. Local women are participating in the Thar



Block-1 Integrated Coal Mine Power Project, a significant component of the China-Pakistan Economic Corridor (CPEC). It is a success story to be proud of, but CPEC projects for women's integration need to be expanded further. The peculiar history of female labor in China is the one titillating feature which can bring forth many lessons for us. The idea that all people, regardless of gender, could contribute to the economy was one of the founding principles of post-revolutionary China. Due to the perception that certain ancient cultural laws prevented women from participating in the economy—many of which are similar to those in contemporary Pakistan—they were abolished. Currently, two-thirds of Chinese women are working. How much of this ideology the Chinese government incorporates into its international economic investments will be the crucial question. Given the current situation, it appears that the economic opportunities brought about by CPEC may ignore the female workforce and that gender may continue to be a barrier to thousands of women's access to decent employment chances in the nation. There is a pressing need to engage and integrate Pakistani women more and more in socio-economic domains and CPEC could be the best initiative to start with.



Maria Mansab, MPhil Scholar, IR, Quaid e Azam University

# Decennium of Science and Technology under CPEC

By Huma Arshad

**A**s Pakistan and China celebrate 10 years of China Pakistan Economic Corridor, both countries acknowledge the importance of their joint contribution to the development of several CPEC projects in different sectors including infrastructure development, industrialization science and technology agriculture, human resource development, energy, culture, connectivity etc.

In the past ten years, Pakistan and China placed science and technology development projects on top of the list by initiating various development projects, including industrial and information technology parks under CPEC. This all has been done to give more liberty to firms to re-think and locate their economic activities, which in turn creates greater competition among industries with regards to infrastructure, labor, capital, and other resource markets. It has been observed that social interaction in corporations has been advanced by means of the advanced use of conversation technology. Technological development inevitably is creating more independence, liberty, efficiency and innovation in the current generation and in the generations to come. In this respect, China and Pakistan have signed a monetary and Technical Cooperation agreement as well as pledged to "China-Pakistan Joint Cotton Bio-Tech Laboratory" as a part of CPEC.

Both countries also pledged to establish the "China-Pakistan Joint Marine studies Centre" with the country's Oceanic Management and Pakistan's Ministry of Information Technology & Telecommunication. As part of the CPEC agreement, Pakistan and China have agreed to cooperate in the subject of area studies. In February 2016, the two nations shook hands to establish the "Pak-China science, era, commerce and Logistic Park" near Islamabad at an envisioned value folks \$1.5 billion. The entire area of the Park is 5 hundred hectares.

In the previous ten years, China's government is continuously striving to build an environment for the open economic system and logistics system under the CPEC. It is considered the corridor of peace, prosperity, and development holding the potential for a promising future for Pakistan.

Pakistan-China Optical Fiber Cable (OFC) Project is the OFC linkage between Pakistan and China under which 820 km long OFC laying between Rawalpindi and Khunjerab Pass was completed in a short span of two years and was



inaugurated in July 2018. The total cost of this project was 44 million US\$. The project was conceived and completed under China-Pakistan Economic Corridor (CPEC) framework. At present, the fiber link is fully functional, acting as an information super-highway between Pakistan and China. The project is managed by Special Communications Organizations (SCO), Pakistan.

**Pakistan-China Optical Fiber Cable (OFC) Project is the OFC linkage between Pakistan and China under which 820 km long OFC laying between Rawalpindi and Khunjerab Pass was completed in a short span of two years and was inaugurated in July 2018. The total cost of this project was 44 million US\$. The project was conceived and completed under China-Pakistan Economic Corridor (CPEC) framework**

CPEC's other big venture is the National Science & Technology Park under CPEC in Islamabad near NUST which is worth US \$1.5 billion and aims to uplift Pakistan's economy through immense investment in various sectors such as industrial, agricultural, and technological. Such development will be transforming the standard of living of Pakistani people and will bring a lot of positive changes by giving a boost to technological transformation in the country. Before CPEC, Pakistan was facing severe economic issues and technological advancement was happening at snail pace. However, as of today, a technological turnaround can be witnessed in Pakistan. Moreover, in the near future the establishment of more IT parks and industrial zones will reduce tariffs encouraging firms to invest which will create positive competition in the entire region. As a result, the country will make progress swiftly in technology further.

Under CPEC, four provincial Special Economic Zones (SEZs) will be established. The global experience suggests that SEZs are an important source for diversification of the economy, reduction



in regional disparities, clustering of economic activities for complementarity generation with local industries, skill development of local labor force, transfer of technology, and dissemination of know-how, promotion of ancillary industrial activities, development of local entrepreneurship and for the creation of competition. SEZs therefore offer incentives and facilities to attract both local and foreign investment in the IT sector. Pakistan's focus on SEZs, under CPEC, has enhanced firms' productivity, integrated Pakistan with global value chains, and will help to revive its manufacturing industry to a great extent. When it comes to technology integration in the sector of agriculture to enhance productivity and yield, modern agricultural zones are established to improve crop yield and overall efficiency. Furthermore, in the energy sector, several energy projects are in the pipeline, including the construction of new power plants and transmission lines. These projects are aimed at providing reliable and affordable electricity to businesses and households, which can help to support the growth of the technology sector.

CPEC also includes several initiatives to support education and research in Pakistan in the domains of science and technology. For example, Chinese universities are partnering with Pakistani universities to establish joint research programs and exchange programs for students and faculty. Overall, the CPEC initiative has the potential to contribute significantly to the development of science and technology in Pakistan. By such projects and initiatives in key sectors, CPEC can help to create a more favorable environment for innovation and technological development in the country.

If one takes a look at China, we see that it has made impressive strides in Artificial Intelligence, Telecommunications, Robotics, electric cars and Renewable Energy. There are many lessons Pakistan can learn from China in these areas and Pakistan appears to be quite interested in learning from China's technological advancement. In today's world, with ever-increasing globalization, the competition and cooperation among countries and regions in energy, resources, science and technology, economy, etc. are being constantly strengthened. The establishment of the China-Pakistan Joint Research Centre on Earth Sciences (hereafter called "CPJRC") plays a critical role in promoting academic and scientific exchange and collaboration between Pakistan and China, which is jointly sponsored by the Chinese Academy of Sciences and the Higher Education Commission of Pakistan.

The goal behind it is to join efforts of both Chinese and Pakistani scientists to carry out scientific research on natural disasters, environment, geology, ecology, climate change, and sustainable development in

Pakistan, especially along the China-Pakistan Economic Corridor route. The CPJRC 1st International Training Workshop was held in Islamabad in 2019 at the Department of Earth Sciences of Quaid-i-Azam University. In this regard, with this insight and to celebrate the 70th anniversary of the diplomatic relationship between China and Pakistan, CPJRC launched the China-Pakistan High-Level Webinar on Earth Sciences Cooperation with the theme of Sustainable Development of CPEC, Vision for China-Pakistan Science and Technology Cooperation in Earth Sciences in March 2021. CPJRC is playing an important role in supporting CPEC which has entered the stage of quality development. The event brought the scientists of both countries to a consensus on the most important scientific issues and key challenges to be faced in the course of CPEC construction. China-Pakistan Joint Research Centre on Earth Sciences acts as a model of international scientific and technological cooperation and had an important mandate of protecting the investment of CPEC and its uninterrupted connectivity through focused research in ecology, geosciences, and natural hazards. It is determined to open new pathways for applied research in solving CPEC-related problems.

**CPEC also includes several initiatives to support education and research in Pakistan in the domains of science and technology. For example, Chinese universities are partnering with Pakistani universities to establish joint research programs and exchange programs for students and faculty**

With every coming year, Pakistan and China are moving forward to strengthen cooperation on multi-lateral fora. In the previous whole decade, China always stood by the side of Pakistan whether it was COVID-19 or floods of 2022. China has been there to extend financial support to Pakistan always.

This year marks a decade of CPEC which definitely calls for celebration but at the same time deep introspection is more important. Although various projects have been completed and a moderate level of success and development can be seen. There's a lot which needs to be done in order to fully realize the potential of CPEC. In order to make CPEC truly a game changer for Pakistan, there is a need to have consistency in policies, effective management, correct advocacy and internal intra state issues and grievances should be addressed on immediate basis. CPEC is a geo-economics dream for Pakistan but for this dream to become a reality synergy, hard work and stability is a must.



Huma Arshad,  
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# Building the Future: How AI is Reshaping China's Construction Industry

By Fouzia Noreen



**C**hina's revolution in construction accuracy and advancement has been made possible by the use of advanced technologies and innovative construction techniques. In recent years, China has been investing heavily in the development of new construction machines and mechanisms that have helped to improve the accuracy, efficiency, and safety of construction projects. Furthermore, China's revolution in construction advancement with AI is closely related to China-Pakistan Economic Corridor (CPEC), the flagship project of BRI, that aims to connect Gwadar Port in southwestern Pakistan to China's northwestern region of Xinjiang via a network of highways, railways, and pipelines. The use of AI and other advanced technologies in construction has enabled China to complete large-scale infrastructure projects quickly and efficiently. This expertise can be applied to the CPEC project, which involves the construction of several highways,

railways, and other infrastructure projects in Pakistan.

**The use of AI can help in the planning, design, and construction phases of the CPEC project, making it more accurate, efficient, and cost-effective. For example, AI can be used to analyze data and optimize the design of highways and railways, reducing the need for costly revisions and delays**

The use of AI can help in the planning, design, and construction phases of the CPEC project, making it more accurate, efficient, and cost-effective. For example, AI can be used to analyze data and optimize the design of highways and railways, reducing the need for costly revisions and delays. Another innovative construction technique that has been developed in China is the use of virtual and augmented reality in construction. One of the most significant advancements in construction machinery is the use of 3D printing technology. 3D printing

technology allows for the creation of complex and intricate structures with a high degree of accuracy and precision. These technologies allow for the visualization of construction projects in 3D and enable designers and builders to identify potential issues and make changes before construction begins. This technology has been used in the construction of buildings, bridges, and even entire houses. In China, the world's largest 3D-printed building was constructed in just 45 days using this technology which seems impossible by using the conventional construction methods.

A new construction machine that has been developed in China is the intelligent construction robot. These robots are designed to perform tasks such as bricklaying, painting, and welding with a high degree of accuracy and efficiency. They can work around the clock, without the need for breaks, and can perform tasks that would be dangerous or difficult for human workers as we have witnessed the risks associated



with various road's and bridge's construction processes.

One of the most impressive examples of China's revolution in construction accuracy and advancement is the construction of the Daocheng Yading Airport. Located in the Sichuan province, Daocheng Yading Airport stands at an altitude of 4,411 meters above sea level, making it the highest civilian airport in the world. The airport was built to serve the remote and mountainous region of western Sichuan, which was previously inaccessible by air. The construction of Daocheng Yading Airport was a major engineering feat that required the use of innovative construction techniques and advanced technologies. The airport was built using a combination of traditional construction methods and modern technologies such as 3D modeling, virtual reality, and drone mapping. The construction team also had to deal with the challenges of working in a remote and mountainous region with limited transportation and communication infrastructure.

The major challenge in building the highest airport in the world was the altitude. At such high altitudes, the air is thin, making it difficult for workers to breathe and for machines to operate. To overcome this challenge, the construction team had to use specialized equipment and techniques that could operate at high altitudes. They also had to provide oxygen to workers and use special materials that could withstand the extreme conditions.

Another challenge was, the region experiences extreme weather conditions, including heavy snowfall, strong winds, and low temperatures. To ensure the safety of workers and the quality of construction, the team had to use weather-resistant materials and employ strict safety protocols. They also had to work around the weather patterns, taking advantage of the few months of the year when

the weather was favorable for construction.

Despite the challenges, the construction of Daocheng Yading Airport was completed in just four years, which is a remarkable feat given the complexity and scale of the project. The airport has since become a major transportation hub for the region, connecting remote communities with the rest of the country and the world. It has also helped to boost tourism in the region, which is known for its stunning natural beauty and cultural heritage.

**Overall, China's expertise in construction accuracy and advancement with AI can also be leveraged to make the CPEC project a success, benefiting both China and Pakistan in terms of economic development and regional connectivity**

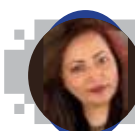
China has also been investing in the development of new construction materials that are stronger, lighter, and more sustainable. For example, the use of bamboo as a construction material has become increasingly popular in China. Bamboo is a fast-growing and renewable resource that is strong, lightweight, and flexible. It is also resistant to earthquakes and has a low carbon footprint, making it an ideal material for sustainable construction.

In addition to the development of new construction machines and materials, China has been using innovative construction techniques to improve the accuracy and efficiency of construction projects. One such technique is the use of modular construction. Modular construction involves the prefabrication of building components in a factory and their assembly on-site. This technique allows for faster construction times, reduced waste, and improved quality control.

The use of drones in construction has also become increasingly popular in China. Drones can be used for site surveys, mapping, and inspection of hard-to-reach areas. They can also be used for the delivery of materials and equipment, reducing the need for human workers to carry heavy loads.

China has left everyone amazed with its capacity for advancement in construction industry, inventing new building materials, hard work in research and strengthening the economy through all the possible ways. We have yet to wait and see what next is to come.

In conclusion, China's revolution in construction accuracy and advancement has been made possible by the use of advanced technologies and innovative construction techniques. The development of new construction machines and materials, such as 3D printing technology, intelligent construction robots, and bamboo, has helped to improve the accuracy, efficiency, and sustainability of construction projects. The use of innovative construction techniques, such as modular construction and virtual reality and augmented reality, has also improved the quality and safety of construction projects. Overall, China's expertise in construction accuracy and advancement with AI can also be leveraged to make the CPEC project a success, benefiting both China and Pakistan in terms of economic development and regional connectivity. With continued investment in research and development, China is poised to become a global leader in construction accuracy and advancement.



Fouzia Noreen,  
President Eurasian TECT  
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# 10 years of CPEC:

## Assessing Pakistan's Transformation and the Far-Reaching Impacts

By Diya Choudry  
and Ilham Dastgeer

This year marks the 10th anniversary of China-Pakistan Economic Corridor (CPEC). Throughout the world, it is a difficult time, nations are struggling with numerous pressing challenges like Climate Change, major-powers rivalries, regional conflicts, food insecurity, debt crises, high rate of youth unemployment, scanty resources, and disinformation campaigns, to name a few. Currently, Pakistan too faces turbulent times, however despite the challenges at hand, China-Pakistan mutual relationship stands firm and rock solid. Trade between China and Pakistan has increased as new markets are explored, particularly in agricultural products, where sesame seed exports increased by 50% year on year in 2022, seafood exports increased by 40%, and Pakistan's rice exports to China surpassed the historic threshold of one million tonnes. Between 2013 and 2021, Pakistan's exports to China surged by more than 35%.

**China has maintained its commitment to promoting regional prosperity through investment and technology. At the 14th National People's Congress (NPC) sessions, China set new development and investment targets with an improved mechanism through the BRI, GDI, and the new Global Security Initiative (GSI)**

Numerous road networks have been built as part of the China-Pakistan Economic Corridor (CPEC), creating rural-urban synergy. SEZs located along these road links are now employing new techniques to attract investors, particularly in the post-COVID-19 setting. In Pakistan, this mega project has provided more than 100,000 job opportunities, 6000 MW of energy, and more than 510 kilometers of road, fostering synergy between rural and urban areas and regional connections, similar to how globalization, led by China, has assisted in lifting more than a billion people out of poverty. Additionally, it has helped Pakistan expand its blue economy through the Gwadar port, its link with the interior via the western route, and the





future Gwadar airport, is being built with a Chinese donation of \$230 million. Transmission lines and Optical Fibre links are also supporting Pakistan in meeting its development goals of having a system for sustainable economic growth.

**Pakistan must also quicken targeted reforms based on economic justification to enhance the business climate through the ongoing regulatory reform initiative and address increased competition, for which the Board of Investment's mandate and role are crucial to increase awareness of current investment opportunities, remove bottlenecks, dispel misconceptions, and close information gaps while also concentrating on existing issues**

The CPEC projects were initially focused on infrastructure and energy to help create favorable conditions for development; however, the second phase focuses on agriculture sector development, socio-economic projects, and forging an academic partnership for improved Research & Development Cooperation. Pakistan aims to strengthen economic ties with China in multiple domains and looks to Chinese FDI and industrial help for a path to stability. Generally, BRI and CPEC are significant projects through which Pakistan wishes to revive its economy.

Future aspirations for CPEC are high, but the development goal continues to be threatened by escalating terrorist occurrences, particularly at a time when the economic environment is unbalanced. Despite these challenges, China has maintained its commitment to promoting regional prosperity through investment and technology. At the 14th National People's Congress (NPC) sessions, China set new development and investment targets with an improved mechanism through the BRI, GDI, and the new Global Security Initiative (GDI). The Chinese government's 5% GDP growth target and other economic development objectives guarantee sufficient economic activity and stability through the continuation of programs, of which BRI is a key part. The recent peace agreement between Iran and Saudi Arabia is a symbol of China's growing relevance in the rapidly

shifting global climate that is being led by the Chinese.

To take advantage of all of this, Pakistan must be well-prepared because traditional thinking may not apply and innovative ideas driven by technology may address these issues and draw in investment flow. Chinese investors will still explore business opportunities in Pakistan despite the country's unsteady economic and security environment, provided the expected return on investment is sufficient and the risks, such as the possibility of sudden and arbitrary policy changes, are managed.

In order to mitigate the political, economic, and social risks, and create a positive narrative for the new investors, there is a need to have more thoughtful approach while having high-level engagements with Chinese political and business leadership. In all conditions, particularly those involving financial and security risks, the foundations of attracting investment remains true. Any investment must eventually yield a basic economic return, and Pakistan must do its share to foster an environment that encourages additional partnership-based investment.

Pakistan must also quicken targeted reforms based on economic justification to enhance the business climate through the ongoing regulatory reform initiative and address increased competition, for which the Board of Investment's mandate and role are crucial to increase awareness of current investment opportunities, remove bottlenecks, dispel misconceptions, and close information gaps while also concentrating on existing issues.

The CPEC long-term plan offers opportunities to support Pakistan's economic stability, but first we must understand the requirements for investment, which include a strong rule of law to more effectively address major systemic disparities. The absence of any of these crucial components can impede investment and is frequently the reason why overall development efforts fail, so we must strengthen institutions and increase their capacity to provide Ease of Doing Business (EoDB) based on the ideals of absolute harmony and good governance.



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# 10 years of CPEC

## A Social and Cultural Driver

By Yusra Azam



together to foster cross-cultural dialogue. People can better understand and appreciate one another by communicating with one another and learning about one another's cultures, traditions, and beliefs by physical interactions and exchanges. For example, Chinese engineers and laborers have worked with local Pakistani contractors to build the Karakoram Highway, which connects China and Pakistan through the Khunjerab Pass and are jointly working on several hydropower projects, which is creating a space for cultural exchange.

Furthermore, construction of the new Gwadar International Airport in Pakistan, by a Chinese company, will make it easier for tourists from China and other states to travel to Pakistan. This will also result in the sharing of knowledge and insights and will help build sound cultural understanding regarding the civilization, politics, norms etc. of both nations among common people from both sides.

**In numerous aspects, CPEC has the potential to increase cultural interaction and people to people contact between China and Pakistan. People from both countries have been able to engage and learn from one another because of exchanges, which took place due to this project**

**T**he China-Pakistan Economic Corridor (CPEC) is a significant infrastructure development initiative involving highways, railroads and pipelines to connect China's Xinjiang region with Pakistan particularly Gwadar Port. It is a flagship project of China's Belt and Road Initiative (BRI), which aims to strengthen trade ties, enhance transport, and increase employment opportunities for the people of both nations. Therefore, CPEC has the potential to bring significant economic benefits to both countries.

The project is seen as a game-changer for Pakistan, since it can completely transform the nation's economic landscape by enhancing infrastructure, fostering trade, and generating employment. Through this, China would have a more direct and secure route to the Arabian Sea. This year marks 10 years since this mega-project started back in 2013.

### CPEC and Cultural Exchanges

In numerous aspects, CPEC has the potential to increase cultural interaction and people-to-people contact between China and Pakistan. People from both countries have been able to engage and learn from one another because of exchanges, which took place due to this project. On various CPEC initiatives, workers from China and Pakistan have been working

Apart from this, through CPEC advocacy, social media platforms have also significantly promoted cultural engagement between China and Pakistan. The Chinese embassy in Pakistan and the Pakistani Ministry of Information, Broadcasting and National Heritage collaborated in 2017 and launched 'CPEC Cultural Caravan'. The caravan visited several areas of Pakistan where Chinese and Pakistani culture was showcased through music, dance and other similar events. The event was widely picked by the media and through social media sites it reached a large audience and was lauded by governments and people of both countries. Moreover, Pakistan-China Institute, a non-governmental organization based in Islamabad, has also been stressing on the need to have more frequent cultural interactions between the two nations. The caravan has a significant social media following and frequently broadcasts updates about CPEC-related cultural events and activities on various social media platforms. This has aided in promoting cultural exchange programs and has inspired individuals



to take part in them. Along with this, universities in China and Pakistan have also been working together to provide Student Exchange Programs under the framework of CPEC. This has made it possible for students from both sides to gain knowledge about one another's cultures, traditions, and way of life. Recently, 37 Pakistani students, most of whom were from Gilgit Baltistan, completed their 3-years of education in China and received diplomas from Suzhou Vocational University.

Furthermore, thanks to CPEC, the number of language learning opportunities has increased. Several language and linguistic schools have started Chinese language programs to meet the demand for Chinese, which has become quite popular in Pakistan. It has also helped people to have a more clear understanding of Chinese culture and customs and is helping to develop strong language skills.

◆ Without any doubt, the creation of such educational initiatives played a key role in fostering cross-cultural interactions. China-Pakistan Joint Research Centre on Earth Sciences is a prime example of such educational collaboration. This centre has been formed for collaboration and sharing of ideas between Chinese and Pakistani scientists and experts.

CPEC has also created such job opportunities for Pakistani locals through which the lower class can work and live a fairly better life. This in the long run will help reduce poverty.

Under the domain of social reforms, the construction of infrastructure such as roads, railways, airports and ports is one of the key components of CPEC. From workers and engineers to architects and project managers, the construction industry is expected to create a significant number of jobs due to the infrastructure development.

◆ In addition, CPEC is anticipated to generate employment opportunities in the transportation industry as well. It is expected that demand for truck drivers, train operators, and other transportation specialists would rise when new highways and railroads will be built. Moreover, through CPEC, the construction of new ports will lead to the employment of dockworkers, ship captains, and other maritime professionals. Besides, the project will have positive effects on logistics companies because of enhanced connectivity and improved infrastructure. The need for logistics companies to ship goods across Pakistan and to neighborhood states like China and Afghanistan will increase as new ports and motorways will be constructed.

◆ Apart from this, CPEC has opened up employment opportunities not only in these industries but also in

other industries such as manufacturing, energy and tourism. Jobs in the hospitality and tourism sector are expected to be created soon. The development of new tourist attractions and the renovation of current tourist sites will give a boost to Pakistan's tourism industry.

**This year marks a decade since this project first started, if this project is completed smoothly despite various internal and external challenges it faces, then this mega-project would certainly become a game changer for Pakistan and will be able to turnaround the economic landscape of Pakistan completely. Pakistan and China must put in their best efforts for the successful completion of Phase 2 of CPEC so that the common man could feel the trickle down effect in true sense**

◆ Furthermore, employment in the energy sector has increased due to the construction of new energy projects such as solar power plants and hydroelectric power plants. Employment in the manufacturing sector has significantly increased due to the development of new manufacturing facilities such as textile factories and industrial parks. By providing employment opportunities to the locals through the construction of new manufacturing facilities under CPEC, poverty can be significantly reduced in Pakistan.

### Conclusion:

Undoubtedly, CPEC is a significant infrastructure development initiative, which is seen as a game changer for Pakistan. The project provides many opportunities to both Pakistan and China to enhance cultural exchange through different domains such as education, art, language, exchange programs, language programs, and tourism. This is also a good approach to promote peace among Chinese and Pakistanis. This mega-venture has also provided a very good opportunity for Pakistani locals to make a living by working on projects under CPEC in the present as well as in the future. This year marks a decade since this project first started, if it is smoothly completed despite various internal and external factors challenges it faces, then it would certainly become a game-changer for Pakistan and will be able to turnaround the economic landscape of Pakistan completely. Pakistan and China must put in their best efforts for the successful completion of Phase-II of CPEC so that the common man could feel the trickle down effect in true sense.



Yusra Azam,  
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# Beyond Infrastructure: How CPEC is transforming Gwadar

By Sadia Basharat Wasti

**T**he China - Pakistan Economic corridor (CPEC) is a \$62 billion project which was launched in 2013, with the aim of improving Pakistan's transportation and energy infrastructure and connectivity stretching from western Chinese city of Kashgar to Pakistan's Arabian sea port of Gwadar, located near Iran and Persian Gulf city lanes.

CPEC has been a game changer for Pakistan's infrastructure development. Under this mega project, numerous road networks

have been established creating rural-urban cooperation and the Special Economic Zone (SEZs) planned on these road links will help to attract more capital. The approach of globalization led by China has been a significant driver of poverty reduction, which helped in creating numerous job opportunities in various sectors and provided much needed employment opportunities for Pakistani workforce. Through the energy projects around 6000 MW of electricity is helping to transform Pakistan's energy landscape, reducing the country's reliance on expensive and environmentally

harmful fuel sources and providing a more sustainable and reliable energy supply, and over 510 KMs roads have been constructed which are helping to create rural-urban cooperation and regional connectivity. Furthermore, this mega-venture is helping Pakistan to develop its Blue Economy through Gwadar port. Moreover, the connectivity through Optical Fiber Cable (OFC) and through transmission lines has greatly improved and is also helping Pakistan achieve the development targets for having an endogenous mechanism for sustainable economic growth. The next phase



of CPEC, focuses on agriculture, socio-economic projects and academic partnerships etc. which represents a critical step forward for Pakistan as it seeks to address its many challenges and will help in its transition towards greater stability and prosperity.

**The next phase of CPEC, focuses on agriculture, socio-economic projects and academic partnerships etc. which represents a critical step forward for Pakistan as it seeks to address its many challenges and will help in its transition towards greater stability and prosperity. As a country in transition, Pakistan is looking to deepen its economic ties with China and attract Chinese investment and industrial support to strengthen its path towards stability**

As a country in transition, Pakistan is looking to deepen its economic ties with China and attract Chinese investment and industrial support to strengthen its path towards stability.

In addition, many development projects have been completed under the framework of CPEC so far that include Gwadar port, Gwadar free zone south phase (I), Eastbay Expressway, Pakistan-China Technical and Vocational Institute, Plant-Tissue Culture Lab & Green house, Women-led garment factory, Gwadar University & GDA-Indus hospital. On the back of these success, more than twenty new projects

are expected to be completed in 2023 and onwards as per their scheduled timeframes.

Due to its geo-strategic significance, city of Gwadar, coupled with its deep-sea port and modern infrastructure, makes it a hub for trade, transportation, and investment. As a result, Gwadar is expected to attract a significant amount of foreign investment in the coming years, emerging as a major contributor to Pakistan's economic growth.

The 1.2 Million Gallon Per Day (MGD) de-salination facility in Gwadar, which is anticipated to be completely operational soon, is one of the most major of these projects. The citizens of Gwadar, who have for a long time struggled with water scarcity and poor water quality, will have a dependable source of clean drinking water thanks to this plant. The Gwadar Port Authority and China Harbour Engineering Company worked together for the completion of this project.

Moreover, a five-member delegation from the Chinese company "East Sea Group Limited (ESGL)" paid a visit to Gwadar to advance the \$4.5 billion oil refinery project there. In the beginning, ESGL will build a 5 million tonne oil refinery in Gwadar. Later, ESGL will upgrade it with an 8 million tonnes per year of oil processing capacity at Gwadar.

A 4.5-billion-dollar oil refinery, the scouring of Gwadar port to accommodate huge boats, and a shipyard project to advance the shipbuilding sector are a few significant projects. There are numerous others projects in the pipeline for the development of Gwadar. Gwadar is experiencing a dramatic transition from 2013 to 2023, with a variety

of new facilities, services, and infrastructure in place to support the city's growth on an economic and social level. With the completion of all projects, Gwadar will be positioned as a significant economic hub in the region, offering access to the Arabian sea and the global markets.

**Gwadar is experiencing a dramatic transition from 2013 to 2023, with a variety of new facilities, services, and infrastructure in place to support the city's growth at an economic and social level. With the completion of all projects, Gwadar will be positioned as a significant economic hub in the region, offering access to the Arabian sea and the global markets. The growth of Gwadar shipping industry is a key part of this transformation, with the potential to create new jobs and economic opportunities for the local population**

The growth of Gwadar shipping industry is a major part of this transformation, with the potential to create new jobs and economic opportunities for the local population. As Gwadar continues to develop, it will be important to ensure that growth is sustainable and equitable with a focus on improving the lives of all residents and building a brighter future for the city and the region as a whole.



Sadia Basharat Wasti, Business Development Manager in RUPA media (Russia Pakistan Media)



# Energy Security of Pakistan and Karot Hydropower Project

By Saadia Saif Niazi

**T**he prosperity of common people is a shared belief between China and Pakistan. Under the terms of the China Pakistan Economic Corridor (CPEC) the Karot Hydropower Project (HPP) and other such numerous projects have been launched with this goal in mind. On April 20, 2015, President Xi Jinping and the former Prime Minister of Pakistan attended the opening ceremony of Karot hydropower plant. The Karot HPP, which is situated on the Jhelum River in Pakistan's eastern province, is one of the major energy cooperation projects between Beijing and Islamabad, leaving a positive socio-economic impact on Pakistani society. China Three Gorges South Asia Investment Ltd. (CSAIL) funded this project.

Since 2007, Pakistan has been dealing with a severe energy crisis. This crisis had an adverse effect on both the general populace and, of course, industries. The Karot hydropower plant produced a significant amount of clean energy that is excellent for both

commercial and industrial uses. Last year, this plant had increased production in each sector and produces 720 MW. For instance, this year the Karot hydropower plant investment and its anticipated output of 800 MW will increase output in the heavy manufacturing industry by 0.8514 percent, in the light manufacturing sector by 0.4362 percent, in the extraction sector by 0.5362 percent, and so on. For Pakistan's economy, it is undoubtedly very good.

The productive growth of economies depends on both labor and capital. Pakistan, a developing nation, relies heavily on its labor sector and produces a majority of goods that are labor-oriented. Due to its substantial investment, Karot HPP has had a positive effect on real labor wages. For instance, the real factor price of land has increased. The real wages of farm workers have increased by 0.2155 percent, followed by medium farmers by 0.2023 percent, small farmers, high-skilled labor, and then low-skilled labor. Large and

medium-sized parcels of land both saw price increases of 0.1840 percent. Additionally, the capital's price return also increased. GDP has also increased from a side perspective. An investment of US \$1.7 million in the hydropower project would boost total exports by US \$61.2 million and real GDP by \$141 million.

Numerous clean energy projects, including wind and hydropower ones, are being built by CSAIL. Over 100 million Kwh are produced annually on average, which is a long-term average. It is crucial to note that CSAIL uses clean energy, which would immensely contribute to tackle Pakistan's climate related challenges. Around 1.74 billion US dollars have been invested.

In Pakistan, CSAIL is currently employing 60 people, 16 of whom are women, 26.7% of the total. In terms of technical education and skill development, which are important for Pakistan, it is very beneficial for Pakistani citizens. The Karot hydropower project created 5000 direct jobs for Pakistani citizens. By the end of 2021, CSAIL



had also given approximately 6000 jobs to Pakistani citizens, which undoubtedly left positive impact on Pakistan's economic and social development.

Moreover, dealing with climate change is the CSAIL's top priority. In this regard, CSAIL is generating clean energy by lowering atmospheric carbon emissions. Currently, Pakistan produces enough electricity annually from clean energy sources to replace between 250,000 and 300,000 tons of standard coal, cutting the country's annual carbon dioxide emissions by between 100,000 and 120,000 tons. The emission reduction equivalent will rise to 2.5-3 million tons of carbon dioxide once the Karot hydropower project is operational, making a significant contribution to Pakistan's environmental protection.

Similar to this, the Karot hydropower project has strengthened environmental management, and some wastewater treatment facilities and land filling in the slag yards have helped to reduce pollutants to the lowest level. To lessen the amount of sewage produced by the locals, relevant authorities in Kohala plan to erect a wastewater treatment facility in Muzaffarabad.

For the Karot HPP, the project company has also established 8 conservation committees in the valleys, which is another way through which CSAIL is preserving Pakistan's bio-diversity. Its aim is to protect the flora and fauna. The priceless trees and plants from the past 100 years were also preserved in their natural environments. Additionally, in this regard, eight nature clubs have been established in the nearby schools. It benefits the neighborhood because it

encourages schoolchildren to get involved in bio-diversity conservation. Additionally, this raises public awareness of the need to protect the environment.

**Projects like Karot Hydro-Power can immensely contribute to Pakistan's economy. Pakistan continues to struggle with the transition to sustainable energy sources. China is fully assisting Pakistan in achieving its goal of sustainable energy. Pakistan will need an increased amount of energy resources to support its economy because no country can advance toward development without having sustainable energy resources**

Pakistan is a country which is being constantly affected by flood. In the monsoon season of 2020 the Karot HPP was severely affected. So CSAIL took precautionary measures to be prepared for future floods seasons that might leave an impact on the project.

There is a pressing need to educate people about what Karot HPP is. Due to the lack of some basic infrastructure and internet connectivity issues in mountainous terrain, education of children in such localities becomes a huge challenge. However, CSAIL has also made investments in this area in order to facilitate the locals. For instance, through the project a large sum was paid for the Girls

and Boys Junior High Schools in Hollar Village. In 2020, these schools were formally inaugurated. There are enough classrooms in the schools to accommodate 400 students. Additionally, school supplies such as stationery and office equipment were also donated.

Pakistan received the hydropower project resettlement management information system from Karot Hydro power plant, which is used in China. It is based on the original system, and the technical team has also upgraded and developed it. This system offers new ideas and paradigms for enhancing the effectiveness and level of management of Pakistan's resettlement program. In terms of management, this will prove to be very beneficial for Pakistan.

Projects like Karot Hydro-Power can immensely contribute to Pakistan's economy. Pakistan continues to struggle with the transition to sustainable energy sources. China is fully assisting Pakistan in achieving its goal of sustainable energy. Pakistan will need an increased amount of energy resources to support its economy because no country can advance toward development without having sustainable energy resources. Through joint development initiatives and shared energy projects both China and Pakistan are moving toward a shared future of progress and prosperity. Karot Hydropower plant is an ambitious project which will greatly improve the socio-economic development of Pakistan.



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# Driving Agricultural Growth: Revitalizing Pakistan's Soybean Industry through the Belt and Road Initiative

By Ijlal Ahmed Awan

**C**hina's Belt and Road Initiative (BRI) has significantly increased China's political influence by connecting with the world and expanding its access to larger markets.

The BRI is a multi-faceted initiative which spans across Asia, Europe, Africa, and other continents, fostering inter-regional connectivity and economic cooperation. Launched in 2013, the BRI aims to promote infrastructure development, trade facilitation, and human connections while bolstering China's geopolitical influence through supporting and implementing various infrastructure projects.

BRI is often referred to as New Silk Route and in the historical context, the original Silk Road emerged during the expansion of China's Han Dynasty, connecting regions such as Central Asia, India, and Pakistan with China, facilitating trade and cultural

exchange. However, factors such as the Crusades and Mongol advancements disrupted trade, leading to economic isolation among the Central Asian countries and a heavy reliance on Russia for remittances.

Within the context of the BRI, China and Pakistan place significant value on the China-Pakistan Economic Corridor (CPEC), a flagship project that aims to enhance regional connectivity and provide benefits to not only China and Pakistan but also the neighboring countries. CPEC includes the development of infrastructure, improved transportation systems, and increased people-to-people exchanges, fostering economic growth and addressing Pakistan's infrastructure needs. The construction of Gwadar Port is a significant aspect of the project, positioning Pakistan as a vital economic hub connecting South Asia, Central Asia, and the Middle East.



Exploiting the potential export market of China, Pakistan can completely revive its soybean sector. China is the world's largest importer of soybeans, and with the enhanced connectivity provided by CPEC, Pakistan has an opportunity to tap into this market. However, to fully leverage this opportunity, Pakistan needs to address challenges in the soybean sector. Historically, soybean cultivation in Pakistan faced hurdles such as low profitability and limited processing industries for value-added byproducts.

**Within the context of the BRI, China and Pakistan place significant value on the China-Pakistan Economic Corridor (CPEC), a flagship project that aims to enhance regional connectivity and provide benefits to not only China and Pakistan but also the neighboring countries**

To overcome these challenges, Pakistan should invest in research and development to develop high-yielding and disease-resistant soybean varieties, establish processing industries for soybean byproducts, and promote knowledge sharing and collaboration between research institutions, agricultural universities, and farmers.

By capitalizing on the potential of the Chinese market and implementing necessary measures, Pakistan can revitalize its soybean sector, contributing to agricultural growth, economic development, and the overall success of the CPEC initiative.

Additionally, Pakistan can benefit from strategic measures to enhance the competitiveness of its soybean sector. This includes improving access to quality inputs such as fertilizers and pesticides specifically formulated for soybean crops. By addressing this issue, farmers can achieve higher yields and better crop quality, making soybean cultivation more financially viable.

Furthermore, providing specialized knowledge and technical support to soybean farmers is crucial. This can be done through capacity-building programs, training workshops, and agricultural extension services. By equipping farmers with the necessary skills and knowledge, they can effectively manage soybean cultivation, optimize productivity, and overcome challenges.

To fully exploit the potential export market of China, Pakistan should also focus on establishing

strong linkages with Chinese buyers and traders. This involves promoting trade fairs, business matchmaking events, and bilateral trade agreements that facilitate the smooth export of soybeans and soybean products to China. Building strong trade relationships and ensuring compliance with quality standards will instill confidence in Chinese buyers and open doors for long-term export opportunities.

Moreover, Pakistan should emphasize value addition in the soybean sector. By investing in processing industries, such as soybean oil extraction facilities and soy-based food production units, Pakistan can generate higher value-added products. This not only increases the profitability of soybean cultivation but also creates employment opportunities and promotes economic diversification.

Lastly, continuous research and development efforts are crucial for the long-term growth and sustainability of the soybean sector. This involves conducting studies on crop improvement, disease management, and agronomic practices specific to Pakistan's agro-climatic conditions. Collaborative research projects between universities, research institutions, and industry stakeholders can drive innovation, lead to the development of superior soybean varieties, and provide farmers with access to advanced farming techniques.

**Pakistan can benefit from strategic measures to enhance the competitiveness of its soybean sector. This includes improving access to quality inputs such as fertilizers and pesticides specifically formulated for soybean crops. By addressing this issue, farmers can achieve higher yields and better crop quality, making soybean cultivation more financially viable**

In summary, Pakistan has the potential to revive its soybean sector and tap into the vast export market offered by China through the Belt and Road Initiative. By addressing challenges, such as low profitability, limited processing infrastructure, and access to quality inputs, Pakistan can establish a thriving soybean industry. With a focus on value addition, trade promotion, and research and development, Pakistan can exploit the opportunities presented by the Chinese market and contribute to the overall success of the Belt and Road Initiative.



Ijlal Ahmed Awan,  
Works at CPSC-ISSI

# CPEC: Transforming Pakistan's Economy through Connectivity and Collaboration

By Mujeeb ur Rehman

**T**he China-Pakistan Economic Corridor (CPEC) is a network of construction and infrastructure initiatives that aim to link Pakistan's port of Gwadar on the Arabian Sea with China's Xinjiang region in the country's north-west. CPEC is a significant project that has strategic and economic momentous for both China and Pakistan.

The CPEC is anticipated to improve Pakistan's infrastructure, foster employment opportunities, and accelerate economic growth. The project involves the construction of roads, railways, and energy projects, all of which will help Pakistan to address its energy crisis and improve its connectivity with neighboring nations. Additionally, by granting Pakistan with access to China's sizable market, the project is expected to draw foreign investment and enhance Pakistan's export capabilities.

**CPEC became one of the key sources of Foreign Direct investment (FDI), trained employees, advanced technology transfer, modern development projects, and services. Through this project, China demonstrates its trust in Pakistan, investing a huge amount of financial capital and continuing to invest more by supporting new development projects under its framework**

In 2014, China and Pakistan signed an economic agreement for US\$ 46 billion, which was ultimately raised to US\$ 62 billion. The Pakistani government, which was elected in general elections in 2013, took substantial steps toward completing the China Pakistan Economic Corridor. This is a joint project between two friendly and adjacent states. It includes infrastructure improvement, route networking, energy projects, railway projects, construction of ports, improved local transport systems, technology transfer, and many other things. In 2013, the Pakistani government decided to declare an emergency in energy sector and signed numerous energy



agreements with China under the guidance of CPEC.

At the moment, China is contributing US \$19 billion to the energy projects in Pakistan. China has constructed numerous energy projects, including hydroelectricity projects worth US\$ 3.5 billion, coal power projects worth US\$ 13.6 billion, solar power projects worth US\$ 1.3 billion, and wind power projects worth US\$ 1.3 billion and wind energy projects worth \$725 million. Although, some of the projects are still in the pipeline, numerous power projects have been completed, and are already supplying the national grid with electricity at a rate of roughly 11,000 megawatts. Completion of various projects under the framework of CPEC has also given boost to job creation and 21,450 Pakistani nationals have been awarded employment opportunities.

Since its inception, Pakistan has been all weather partner of U.S. However, in 2013, Pakistan shifted the focus of its foreign policy to China.

When visiting Pakistan in 2013, Chinese Prime Minister Mr. Li Keqiang was the one who first gave the idea of CPEC. Politically, the periodic exchange of delegations between Pakistan and China further strengthen the relationship. CPEC allows China to skip the long,



risky, and costly trade route that moves through India. According to statistics from 2016, 64% of Chinese annual trade went through the South China sea, demonstrating China's reliance on this particular water route. Pakistan's yearly growth rate (GDP) was around 3.5% in 2012, but after 2013 it has improved to 4.4% as a result of consistent genuine government policies particularly with regards to China Pakistan Economic Corridor. CPEC became one of the key sources of Foreign Direct Investment (FDI), trained employees, advanced technology transfer, modern development projects, and services. Through this project, China demonstrated its trust in Pakistan, investing a huge amount of financial capital and continuing to invest more by supporting new development projects under its framework.

In its truest sense, CPEC has the power to unify all the states in the region under the banner of regional integration, which is essential for both prosperity and economic growth. According to the main architects of this project, the primary goal is to improve regional connections, trade, and economic activity in both China, Pakistan and beyond. Both Pakistan and China firmly believe that working together to combat social issues will help to stabilize their economies, moreover the economic growth it brings will also help in achieving internal security and stability.

It is widely considered that China is stepping up to take on a powerful and active role in the strengthening and improvement of economic ties among all South Asian regional states. This will truly boost the economy of South Asia. China and Pakistan are determined that other regional states must join CPEC in some capacity for it to be effective, and it is for this reason that they have invited regional states to submit their new economic plans that can promote regional integration. This undertaking is like a train, and China wants citizens to get on it.

However, with every opportunity there are challenges too. One of the major problem for the success of CPEC is the political unrest in Pakistan. Foreign investors are holding back due to the uncertainties arising because of unstable political scenario in Pakistan. There is ambiguity over both the continuation and removal of political government in Pakistan. The terrorism, separatism, and extremism-induced security environment makes it difficult for the CPEC projects to be fully operationalized.

Apart from the internal challenges which CPEC faces, there are a few external challenges as well. Several states like US and India have raised their reservations regarding this project. Some have called it a 'debt trap' while others like India have said that realization of all

projects under CPEC will be a direct violation of their territorial sovereignty as some of the projects under it are planned in Azad Jammu and Kashmir and in Gilgit Baltistan which are disputed territories. Therefore, a lot of propaganda campaigns and falsely constructed narratives regarding CPEC have widely been circulated by some of the critics of CPEC. However, both Pakistan and China have made efforts to come up with strong and concrete counter-narratives to overcome the false propaganda.

**In principle, CPEC provides equal access to all regional states. Currently, all regional states for exports, transports of goods etc. rely on expensive and extended routes; but, by joining CPEC, they will have access through shorter routes which will in turn cut their cost of exports and imports**

CPEC is a game changer not only for Pakistan but also for China. CPEC has the capacity to influence the current global political environment. It has made all states aware that geo-economic linkages are as important as geo-strategic partnerships. China has now opted to get more involved in international issues. To keep its industry alive and compete in the dynamics of global politics, China requires an unrestricted, safe, and inexpensive oil supply. Following that, China requires a secure supply route and a customer market for its manufactured goods. Pakistan is also looking for a dependable strategic partner who can give financial and technical help. Therefore, both Pakistan and China have a lot to offer to each other and other regions as well such as Central Asia, Afghanistan and Middle East. In principle, CPEC provides equal access to all regional states. Currently, all regional states for exports, transports of goods etc. rely on expensive and extended routes; but, by joining CPEC, they will have access through shorter routes which will in turn cut their cost of exports and imports. Various states have huge reservations regarding CPEC and might in future raise more objections regarding CPEC. Pakistan and China therefore, must be more cautious because CPEC can be a true game-changer for Pakistan and for China. The success of this project will be another significant step in firming its economic footprint regionally as well as globally.



Mujeeb ur Rehman,  
Oil Field Engineer

## SCO Foreign Minister's meeting | Economic cooperation, national currency payments on agenda



Stepping up economic cooperation, including discussing national currency payments for mutual trade will be on the agenda for Shanghai Cooperation Organisation (SCO) Foreign Ministers meeting in Baulim on May 5, 2023. The proposal, which comes in the wake of the Ukraine war and sanctions imposed on Russia, which is one of the founder members of the organisation, came from Central Asian members, said sources, indicating that "initial discussions" had begun between the 8-member group comprising Russia, China, India, Pakistan, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan.

Stepping up economic cooperation, including discussing national currency payments for mutual trade will be on the agenda for Shanghai Cooperation Organisation (SCO) Foreign Ministers meeting in Baulim on May 4-5, 2023. The issues were discussed on May 4, 2023 morning by External Affairs Minister S. Jaishankar and the SCO Secretary General Zhang Ming.

THE HINDU, May 4, 2023

## China, Pakistan and Afghanistan FMs hold talks in Islamabad

China, Afghanistan and Pakistan have pledged to further strengthen trilateral cooperation on security and counterterrorism at a meeting of the three nations' foreign ministers in Islamabad.

The ministers agreed on May 6, 2023 to uphold good relations, deepen political mutual trust, respect each other's sovereignty and territorial integrity, and properly address differences and disputes through equal consultation.

The Pakistan foreign ministry said in a statement that China and Pakistan had "underscored the need for the international community to provide continued assistance and support to Afghanistan, including through unfreezing of Afghanistan's overseas financial assets". The statement also said they had agreed to continue their humanitarian and economic assistance for the Afghan people and enhance development cooperation in Afghanistan, including through the extension of CPEC to Afghanistan.

AL-JAZEERA, May 7, 2023



## China-Central Asia Summit: Neighbouring countries eye peace, stability, development and prosperity



As the inaugural China-Central Asia Summit drew to a close in Xi'an in northwest China's Shaanxi Province on May 19th, 2023, overseas media and individuals hailed the gathering as a milestone in developing deeper cooperation in the region, as well as a major action towards building a closer community of shared future between China and Central Asia.

Chaired by China's President Xi Jinping, the two-day summit held in the historic Silk Road city of Xi'an was attended by the leaders of Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan. They expressed confidence

and determination to boost cooperation with China, and voiced their support for the China-proposed initiatives on global development, security and civilization.

CGTN, May 20, 2023

## China and Saudi Arabia boycott G20 meeting held by India in Kashmir

India's presidency of the G20 group of leading nations has become mired in controversy after China and Saudi Arabia boycotted a meeting staged in Kashmir, the first such gathering since India uni-laterally brought Kashmir under direct control in August 2019. The meeting, a tourism working group attended by about 60 delegates from most G20 countries taking place from 22nd to 24th of May, required a large show of security at Srinagar international airport.

In 2019 the Indian government stripped the disputed Muslim-majority region of semi-autonomy and split it into two federal territories in an attempt to integrate it fully into India. China has said it will not attend, citing its firm opposition "to holding any kind of G20 meetings in disputed territory". The former Jammu and Kashmir chief minister Mehbooba Mufti claimed India had turned the region into the equivalent of the Guantánamo Bay prison simply to hold a meeting on tourism.

The Guardian, May 22, 2023





#### Editor's Note:

Chinese Vice Premier He Lifeng, the special representative of Chinese President Xi Jinping, said on Monday that the construction of the China-Pakistan Economic Corridor (CPEC) has adhered to the Silk Road spirit and yielded fruitful, mutually beneficial and win-win results, creating a successful practice of jointly building the Belt and Road, while further calling to create an upgraded version of the CPEC when reading President Xi's congratulatory letter and delivering a speech at the Decade of CPEC celebration event. The CPEC, a demonstration project under China-proposed Belt and Road Initiative (BRI), has significantly improved the economic and social development in Pakistan as a vital role, and will also inspire more countries to join the BRI.



### ► CONTRIBUTION TO IMPROVE PAKISTAN'S ECONOMY

#### Major highlights

By the end of 2022

Brought **\$25.4** billion in direct investment.

more than **20** projects nearly completed;

created **236,000** jobs, with **155,000** Pakistani employees

2013

The CPEC was launched and expected to implement projects worth over **\$46** billion.

2015

The construction was accelerated after bilateral relations upgraded to all-weather strategic partnership with **51** MOUs signed.

2018

Pakistan's real GDP growth rate per fiscal year increased to **6.10** percent from **4.05** percent in 2013.

2023

China and Pakistan signed **six** agreements on bilateral cooperation.

2030 (expected)

A further **63** projects will be completed.

### ► THRIVING GWADAR PORT

China assumed responsibility of the port's development and operation.

The port officially opened with the first group of Chinese merchant ships sailing from the port.

2013

2015

2016

2021

The construction of the port was further highlighted as a major focus under the CPEC along with energy and transportation infrastructure.

Gwadar Free Zone North started construction.

### ► UPGRADED INFRASTRUCTURE COOPERATION

Energy

Energy projects currently in operation supply nearly **one third** of Pakistan's electricity, which has changed Pakistan's power shortage situation.

Pakistan generated **8,000** megawatts of electricity and built **886** kilometers of its core transmission grid under the CPEC.

2021

The commercial operation of the Matiari-Lahore transmission project began in September.

2022

The Karot Hydropower Project - the first hydropower investment project under the CPEC started commercial operation.

2023

China officially delivered the Karachi Nuclear Power Plant to Pakistan.

2019

Transportation

The Havelian - Mansehra section of the **120**-kilometer Karakoram Highway Phase Two inaugurated.

Oct 2020

The Orange Line Metro Train entered operation, making it Pakistan's first-ever mass rapid urban transit train service.

Dec 2020

Peshawar-Karachi Motorway (Sukkur-Multan Section) was handed over to Pakistan.

2022

China and Pakistan vowed to create conditions for the early implementation of the upgradation of the Main Line-1 and the Karachi Circular Railway project in November.

### ► CPEC NOT 'DEBT TRAP'

Chinese debt comprises only 10 percent of Pakistan's general debt (domestic and foreign) and 26 percent of its external debt, according to Asad Umar. So the 74 percent of the loan Pakistan took from the rest of the world — mostly from the West and multilateral agencies — somewhat doesn't endanger Pakistan but it faces a threat from this 26 percent?

"It is incorrect to claim that Pakistan is in China's debt trap."

**Bilawal Bhutto Zardari**,  
Pakistani Foreign Minister

**Yasir Habib Khan**,  
President of the Institute of International Relations and Media Research in Pakistan

Sources: official data, media reports  
Graphics: Chen He, Yang Tengfei, Xia Qing/GT  
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CPEC booms  
in decade

GLOBAL  
TIMES



# 10 YEARS

## CHINA-PAKISTAN ECONOMIC CORRIDOR

# CPEC

### ABOUT CPEC

A flagship and pilot project of Belt and Road Initiative

SPANNING  
3,000 kilometers

KASHI, CHINA

GWADAR PORT, PAKISTAN

### TIMELINE

- 2013 The CPEC was launched to promote connectivity.
- 2015 China and Pakistan agreed to form a "1+4" cooperation structure with the CPEC at the center and the Gwadar Port, energy, transportation infrastructure, and industrial cooperation being the four key areas.

### MAJOR ACHIEVEMENTS

Direct investment in Pakistan

US\$25.4 billion

Revenue

US\$17.55 billion

Tax

US\$2.12 billion

Jobs created

236,000

Electricity capacity increase

6,000 megawatts

New expressways

510 kilometers

New national core transmission lines

886 kilometers

### "1+4" COOPERATION STRUCTURE

GWADAR PORT

CPEC flagship project

Became fully functional in November 2016

Boasts a multi-purpose terminal with three 20,000-metric-ton berths and a 140,000-square-meter storage yard

Aiming to become a logistics hub and an industrial base

### ENERGY

Providing nearly one third of Pakistan's electricity



### SAHIWAL COAL-FIRED POWER PLANT

- One of the largest eco-friendly coal power plants in Pakistan
- Completed in June 2017
- 2 fully functional 660-MW coal-fired supercritical units
- Annual power output: 9 billion kilowatt-hours

### KAROT HYDROPOWER PROJECT

CPEC's first hydropower project  
Completed in June 2022  
Installed capacity: 720MW

### SUKKUR-MULTAN MOTORWAY

CPEC's largest transportation infrastructure project

Completed in November 2019

- Length 392 km
- Designed speed 120 kph
- Total investment US\$2.89

### INDUSTRIAL COOPERATION

#### RASHAKAI SPECIAL ECONOMIC ZONE

Groundbreaking  
May 2021

CPEC's first industrial park

Planned area 406.7 hectares

To bring in industries:

- Mechanical equipment
- Home appliances
- Food processing

To create 200,000 jobs

Sources: National Reform and Development Commission, Chinese Embassy in Pakistan, Xinhua News Agency

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CHINA  
SCO