
**TEN YEARS OF CHINA-PAKISTAN ECONOMIC CORRIDOR (2013-2023):
ACHIEVEMENTS, CHALLENGES AND IMPACT ON PAK-CHINA
BILATERAL RELATIONS**

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ABSTRACT

The China-Pakistan Economic Corridor (CPEC) represents a milestone in the annals of bilateral economic cooperation between Pakistan and China and embodies modernity and progress. A significant cash investment from China, estimated at \$46 billion, has been allocated to support infrastructure and energy projects in Pakistan. The corridor is widely regarded as a transformative force within Pakistan and is poised to revolutionize regional connectivity. Stretching from Kashgar in western China to the port of Gawadar on the Arabian Sea, CPEC is a key link facilitating access to Central Asia, the Middle East and Africa. Considered under China's OBOR (One Belt One Road) initiative, CPEC is of paramount importance in maintaining and improving the security and economic vitality of China, Pakistan and neighboring countries. The aim of this research is to examine the contribution of CPEC in alleviating unemployment and poverty by providing opportunities and focuses on assessing security-related challenges faced by CPEC by using qualitative methods to derive relevant insights. The findings highlight the strategic importance of CPEC, particularly for Pakistan, in alleviating prevailing social, energy and economic demands.

Keywords: CPEC Achievements, Employment Opportunities, Security, Internal/External Challenges

INTRODUCTION

In the past seven decades, China and Pakistan have consistently adhered to the five principles of peaceful coexistence, namely mutual respect, good faith, mutual benefit, solidarity in adversity, and mutual support. Despite facing various challenges on the international level, the enduring friendship between China and Pakistan has remained steadfast and deeply ingrained in the collective consciousness of their peoples. The continuous attention and commitment of both nations have led to significant achievements in their bilateral relationship over the past seven decades.

Presently, China finds itself at a pivotal juncture in its quest to realize comprehensive societal prosperity. The aspiration to construct a prosperous, resilient, democratic, culturally enriched, and harmonious modern socialist state, thereby fulfilling the Chinese dream of national rejuvenation, necessitates sustained and robust economic growth, alongside structural transformation. Achieving these goals mandates the unleashing of reform dividends and a deepening of engagement with the global community. Strategically, China's pivot towards western development assumes supreme importance. In this context, the imperative for China and Pakistan lies in deepening comprehensive strategic cooperation, fostering pragmatic collaboration across diverse sectors, and crafting a cohesive long-term plan for the CPEC project (Mengsheng, 2015). The future partnership extends beyond bilateral realms, aiming to boost connectivity between South and East Asia, enhance regional socio-economic welfare, and serve as a model for state-to-state cooperation. Hence, the imperative for China and Pakistan lies in fortifying all-encompassing strategic collaboration, with a particular emphasis on amplifying economic cooperation to ameliorate the living standards of their populace.

Along with this, China stands out as the singular nation making substantial investments in Pakistan. The delay in the implementation of the CPEC poses significant concerns for Pakistan, a country grappling with financial constraints and a multitude of challenges, some stemming from its own policy decisions. Since its inception in 2015, CPEC has encountered skepticism within Pakistan, exacerbated by the lack of substantial progress in recent years. Various media outlets have even speculated about the imminent demise of CPEC within the country. Both Chinese and Pakistani authorities are

cognizant of the obstacles encountered by previous Pakistani administrations. In response to these challenges, Pakistan's establishment of a dedicated CPEC authority at the behest of China aims to enhance oversight and coordination of CPEC projects, involving stakeholders from both nations (Basharat Rehman, 2022).

Chinese Premier Li Keqiang's visit to Pakistan in May 2013 was a significant landmark for development of consensus regarding the initiation of the CPEC. Both China and Pakistan collaboratively put forth the vision to construct the CPEC, a shared aspiration for both nations and a strategic imperative in their pursuit of peaceful development, bolstered by the support of their respective populations. The CPEC represents a crucial joint initiative between Pakistan and China, symbol of the shifting global power dynamics from West to East.

This review aims to explore the potential benefits, challenges, and perspectives surrounding CPEC, offering solutions to address potential obstacles. It emphasizes the transformative potential of CPEC in promotion regional connectivity and economic cooperation while acknowledging geopolitical complexities. CPEC has encountered skepticism within Pakistan, exacerbated by the lack of substantial progress in recent years. Various media outlets have even speculated about the imminent demise of CPEC within the country. Both Chinese and Pakistani authorities are cognizant of the obstacles encountered by previous Pakistani administrations. This paper aims to assess the key achievements of CPEC though the first phase of CPEC delayed and could not be executed in the given time frame. Instead of the delayed, many projects have been completed particularly those of infrastructure projects in Pakistan. Paper further explores what are the major challenges to CPEC and what are potential impact on CPEC on Pakistan China bilateral Relations.

LITERATURE REVIEW

Hamid, Khan, Khaliq, & Ajmal (2017) examined that the CPEC signifies a strategic collaboration aimed at fostering mutual cooperation between China and Pakistan, enhancing diplomatic ties, and addressing economic challenges. This review highlights the multifaceted analysis required to comprehend CPEC's historical, economic, cultural, and political dimensions. It emphasizes the

enduring friendship between the two nations since 1951 and the strategic alignment of interests, particularly in countering regional dominance and nurturing economic growth. Furthermore, it highlights the pivotal role of CPEC in bolstering regional connectivity, facilitating economic development, and mitigating security-related threats, although with inherent constraints and challenges.

Butt and Butt (2015) in their article ‘ Impact of CPEC on Regional and Extra Regional Actors’ argued that the CPEC is a pivotal development initiative aimed at development economic and strategic connectivity between the two nations and potentially integrating broader Asian sub-regions. Scholars emphasize its potential to revolutionize Pakistan's economy and foster regional stability. However, challenges such as security concerns and opposition from neighboring countries pose obstacles to its implementation. Despite this, both China and Pakistan remain committed to realizing the transformative potential of CPEC. Through transparent and inclusive decision-making, CPEC has the capacity to elevate Pakistan's socioeconomic condition and promote regional cooperation (Nazir, 2017).

Despite its potential benefits, CPEC faces criticism from certain regional and extra-regional actors due to perceived threats to their interests. However, if effectively implemented, CPEC promises substantial long-term benefits for participating countries. In response to these challenges, Pakistan's establishment of a dedicated CPEC authority at the behest of China aims to enhance oversight and coordination of CPEC projects, involving stakeholders from both nations (Rehman, Ahmed and Siddiqui. 2022).

Internal challenges within Pakistan have contributed to hurdles in the planning and execution of the CPEC, alongside external factors. Insufficient introspection regarding the deceleration of CPEC progress within Pakistan's political landscape, characterized by a dysfunctional democracy, has been evident. In 2015, the Pakistani government, driven by political motives, portrayed CPEC as a boon bestowed by China, withholding crucial details from the public. This cloudiness engendered mistrust regarding the project and its associated costs. In reality, a significant portion of the funding comprised concessional loans from Chinese commercial banks, highlighting the nuanced nature of the partnership wherein both parties shared responsibilities.

The inherent duality in the implementation strategies of CPEC led to conflicting approaches, preventing Pakistan from managing the initiative effectively within its proper context. The inadequacies in the political presentation of the project by the preceding administration bear direct responsibility for subsequent issues.

Khursheed, Haider, Mustafa and Akhtar (2019) concluded in their research that the CPEC will foster strong political and strategic ties between China and Pakistan. Additionally, they argued that the project holds the potential to bolster Pakistan's economy by addressing border-related security issues and addressing social objectives such as education and environmental conservation. Infrastructure development under the CPEC agreement, including schools, colleges, universities, and transportation systems, is envisioned to significantly enhance the educational standards and socio-economic conditions of local Pakistani citizens.

RESEARCH METHODOLOGY

This research is based on qualitative data collected from both primary and secondary sources i.e. official statements, books, research articles and official documents. The major source of data for this paper have been secondary sources. As more than ten years has been completed of this project, hence a lot of literature is available for analytical review of potential achievement of CPEC, challenges to it as well as its long-term impact on bilateral relations and beyond. As systematic review approach has been adopted so that the major contributions in the domain field can be included. Since the launching of CPEC to the start of second phase in 2023 data were included for systematic review.

DISCUSSION AND ANALYSIS

Achievements under CPEC: The CPEC is often touted as a transformative force for Pakistan's economic and geopolitical positioning. Expected benefits for Pakistan include significant progress in energy, agriculture, development infrastructure and local employment opportunities, depending on the successful implementation of this economic corridor. Moreover, the positive outcome of CPEC is expected to bolster Pakistan's regional and global standing, potentially reshaping the geopolitics of South Asia. This

projected firming of the enduring Sino-Pak relations may provoke apprehensions from India. Additionally, concerns arise from the possibility of Gwadar Port, under Chinese control, evolving into a perpetual Chinese maritime facility, unsettling Pakistan's less amicable neighbors.

The power sector grapples with an average shortfall of 4,000 MW, resulting in chronic power shortages (Hassan, 2019). The energy deficit and its associated ramifications impose a substantial economic burden on Pakistan, amounting to approximately 18 billion dollars, equivalent to around 6.5 percent of the GDP. The early harvest projects under the CPEC have contributed significantly to augmenting electricity production, to the extent that with effective management, the curse of electricity load shedding is poised to be eradicated in the coming years. The Chinese have demonstrated a commitment to ameliorating Pakistan's energy situation through substantial investments. Leveraging their global leadership in renewable energy, particularly wind and solar power, they have pledged \$35 billion towards numerous power production and transmission projects. These investments are delineated across 17 power production initiatives and one HVDC transmission project as part of the CPEC energy agreements. Chinese enterprises, operating within the framework of CPEC, are scheduled to undertake several projects, including four wind power projects with a cumulative capacity of 300 MW, a solar power project generating 900 MW, three hydro power projects with a combined capacity of 2,714 MW, five coal projects in Tharparkar Sindh totaling 3,960 MW, and four imported coal projects with a collective capacity of 4,260 MW. Additionally, a ± 660 kV HVDC transmission line linking Sindh and Punjab is planned as part of these endeavors (Zahid, 2018).

The CPEC energy projects in Pakistan represent a pivotal component of Pakistan's CPEC agenda, formulated in collaboration with Chinese stakeholders. Addressing the pressing issue of energy scarcity, China has played a significant role in the establishment of the Chashma 1 and Chashma 2 power plants, which are currently operational and contributing to electricity generation.

Former Chinese ambassador to Pakistan, Lu Shuling, asserts that the CPEC offers substantial fiscal assistances, as well as significant employment opportunities, which are poised to mitigate Pakistan's

domestic challenges. Lu Shuling contends that addressing the root cause of terrorism, namely poverty, is paramount, stating, "The best medicine to address the terrorism problem is through tackling the incubator of terrorism, namely poverty (Cai, 2017).

The CPEC has garnered widespread approval among Pakistanis, as evidenced by a recent Pew survey indicating that 78 percent of Pakistanis hold a favorable view of China, contrasting starkly with the 14 percent who hold a positive perception of the United States. The significant infrastructure development facilitated by the CPEC presents an ideal opportunity for Pakistan to sustainably accommodate its escalating population of unemployed and unskilled youth.

Through engagement with CPEC projects, Pakistani youth have the potential to acquire and refine Chinese craftsmanship skills, thereby enhancing their employability prospects. China's involvement in the CPEC extends beyond workforce training to include steering Pakistan towards technological progress. As reported by Defence PK (November 2018), Alibaba's acquisition of Pakistan's major e-commerce platform, Daraz.pk, and Ant Financial Services' purchase of a 45% stake in Telenor Microfinance Bank highlight China's efforts in this regard. Irfan Wahab, CEO of Telenor Pakistan, lauded the latter deal as a "game changer," while Eric Jing, CEO of Ant Financial, emphasized its potential to provide "inclusive financial services" to Pakistan's largely unbanked population. Such investments capitalize on Pakistan's significant demographic dividend, targeting its youthful and under banked populace while fostering digital entrepreneurship.

It is reported that approximately 7,500 jobs have been created in various projects under CEPC so far, whereas it is expected that number will reached to 1.2 million by the end of 2023. Surely, improved socio-economic conditions will anticipate a positive upshot for both countries. CPEC has provided both China and Pakistan with access to other regions such as Central Asia, Middle East, Europe, and North Africa, which have further enhanced socio-cultural and educational opportunities. Now more than 60 nations are linked with BRI and CPEC and this huge trade bloc holds the potential to wield substantial political influence on the global stage (Butt, 2017).

The CPEC presents a significant opportunity to leverage Pakistan's sizable youth demographic, which currently constitutes approximately 60% of the population, by offering enhanced prospects

for higher education and vocational training. Collaborative efforts between the Higher Education Commission of Pakistan and China Association of Higher Education (CAHE) have already been initiated to facilitate this objective. China's commitment to providing 21,000 scholarships to Pakistan over the next three years further underscores the potential for improving employment prospects among Pakistani youth, thereby fostering socio-economic advancement (Muhammad and Ali, 2019).

Infrastructure developments under CPEC involves the expansion of existing road networks to establish a 1,100 km motorway linking Lahore and Karachi, modernization of the Karakorum Highway connecting Rawalpindi to China, enhancement of the Karachi-Peshawar railway to accommodate high-speed trains, and extension of railway networks to establish connectivity between Pakistan and the Xinjiang Railway in Kashgar. Additionally, CPEC entails the construction of oil and natural gas pipelines, including a pipeline linking Gwadar to Nawabshah in Iran (Ahmar, 2019).

Gwadar serves as a pivotal nexus for a significant portion of the CPEC initiatives. Its strategic significance stems from its position as one of the world's major deep-water ports, strategically positioned to connect South Asia, Central Asia, and the Middle East, and hosting nearly two-thirds of the globe's oil reserves. Situated at the mouth of the Persian Gulf, Gwadar port emerges as a strategic gateway for the initial phase of CPEC undertakings. Development endeavors aim to render Gwadar Port fully operational by the culmination of 2017, with the remaining projects anticipated to be functional by 2020 (Afzal, 2015).

Challenges for CPEC: CPEC faces many challenges and governance is one of the foremost challenges. Governance is a multifaceted concept subject to political, legal, and academic scrutiny. Within academia, governance is often intertwined with cultural values, societal networks, and normative legal frameworks, posing challenges for objective measurement (Huntington, 1968). Mitra's (2007) seminal work, "The Puzzle of India's Governance", offers an empirical exploration of measurability, transcending simplistic dichotomies of "good" and "bad" governance commonly employed by global financial institutions like the World Bank. Mitra's comparative approach to governance integrates contextual factors and rational decision-making,

considering variables such as crime rates and social unrest within specific cultural contexts. Hussain further applies Mitra's governance theory, particularly in evaluating law and order dynamics before and after significant political events, such as a coup d'état in Pakistan, thereby enriching the discourse on governance assessment (Hussain 2013).

The nascent nature of CPEC as a subject of academic inquiry, coupled with its dispersed geographical presence across numerous provinces and areas of Pakistan, posed methodological challenges for researchers seeking empirical data on incidents such as murder and riots in areas like Gilgit-Baltistan and Gwadar. Accessing detailed information from relevant authorities proved difficult, as officials often hesitated to discuss security matters due to the sensitive nature of the CPEC. Moreover, the literature review revealed systemic deficiencies and administrative dis-coordination among different provinces/regions, as well as between these subnational entities and the central government. This emphasized a distinct aspect of governance within the CPEC context, highlighting the need for enhanced institutional capacity and intergovernmental cooperation.

In essence, to mitigate security threats to the CPEC, it is imperative to establish a robust legal and institutional framework that facilitates conflict resolution at various levels, including local, provincial, regional, and national tiers. Since its commencement, the Federal Government of Pakistan has directed the implementation of the Corridor, engaging with provincial administrations through entities such as the Ministry of Planning, Development & Reform to negotiate pertinent features of the project. However, the absence of a mutually agreed-upon legal and institutional framework has led to concerns among provinces, particularly Khyber Pakhtunkhwa and Balochistan, regarding control and oversight of CPEC projects falling within their jurisdiction. This issue stems from the enhanced administrative and legislative authority granted to provinces following the Eighteenth Constitutional Amendment. Consequently, the dynamics of center-province relations in Pakistan are characterized by contestation, complexity, governance and security challenges.

One of the primary governance challenges confronting the CPEC revolves around the decision-making process and delineation of geographical space for CPEC infrastructure, including roads, railways,

fiber lines, and industrial zones. Particularly contentious has been the establishment of industrial zones, which has sparked intense debate among local, regional, and provincial stakeholders. Initial discussions failed to yield harmony on the number of Special Economic Zones (SEZs), with varying perspectives and exaggerated claims from provincial governments, regional and provincial political parties, and other shareholders regarding suitable locations. For instance, Gilgit-Baltistan advocated for its natural attributes as a prime site for an industrial zone, although economic feasibility may not align with this assertion (Hussain, 2018).

Furthermore, access to finance emerges as a significant impediment to the comprehensive development of the CPEC. There remains a question regarding the extent of interest exhibited by federal and provincial governments in instituting legal and administrative frameworks for taxation, revenue collection, and investment allocation in CPEC initiatives. Equally uncertain is the concept of distributive justice concerning the provision of CPEC profits among local, regional, and provincial administrations.

Moreover, additional facet of CPEC governance pertains to trade and financial clashes that may arise, such as those between various Pakistani enterprises or between Chinese and Pakistani industries. A lack of dispute resolution mechanisms capable of providing relief to the involved parties at the regional, provincial, and federal levels exacerbates this issue. Additionally, both China and Pakistan are grappling with achieving consensus on a transactional mechanism to enhance trade under CPEC. Recently, Pakistan disregarded the Chinese suggestion for full currency substitution, as Pakistan already has partial currency substitution in place along with a low rate of inflation.

Additionally, certainly, Pakistan contends with security threats stemming from both internal and external sources. The emergence of modern terrorism in Pakistan post-9/11 has inflicted significant damage. Pakistan's involvement in the US-led War on Terror, particularly under the Musharraf regime (1999-2007), prompted retaliatory attacks from groups like the Taliban and Al-Qaeda, resulting in numerous casualties among security personnel, civilians, and strategic installations. Despite a decrease in overall casualties since 2014 as a result of legislative and executive measures, the

menace of terrorism, including suicide attacks, persists. Terrorist organizations like Tehreek Taliban Pakistan (TTP) remain capable of targeting security forces and minority groups within the country (Shah, 2017).

The reality emphasizes the significant loss of life among ordinary Pakistani citizens due to terrorist attacks, with occasional fatalities among foreigners as well. For instance, a Chinese couple was abducted and subsequently killed in Quetta in 2017 by a terrorist organization, while another Chinese national was fatally shot in Karachi in early 2018. Notably, on December 8, 2017, the Chinese embassy in Islamabad issued a press release expressing concerns about the security of Chinese institutions and personnel in Pakistan. The embassy emphasized Pakistan's status as a friendly nation to China and appreciated the efforts made by Pakistan to ensure the security of Chinese citizens and institutions (Siddiqui, 2017). This highlights China's increasing apprehensions regarding the safety of its citizens involved in CPEC projects. With the number of non-CPEC related Chinese citizens in Pakistan, such as journalists, exceeding fifteen thousand, ensuring the physical security of Chinese individuals working and residing in Pakistan has become a pertinent policy consideration for Pakistani authorities.

Despite the resilience shown thus far, the CPEC has managed to withstand major terrorist attacks on its infrastructure, machinery, and workforce. However, this resilience should not diminish the importance of enhancing security measures on the part of Pakistan. Rather, it underscores the need for proactive responses to impending security threats. However, implementing such measures presents challenges related to the legal, institutional, and administrative frameworks of various governmental departments and state institutions. For instance, determining which level of government local, provincial, regional, or federal is responsible for providing security to SEZs at different stages of construction raises questions. In cases of joint ventures between provincial and federal governments, identifying the competent authority with oversight and implementation powers becomes crucial.

Moreover, delineating the fiscal and logistical burden of security provision and assessing the logistical and institutional capacity of provincial governments are essential considerations. Equally important

is ensuring the satisfaction of Chinese companies and personnel with the security provisions provided by the Pakistani side. These represent significant security challenges that Pakistani authorities must address for the successful implementation of the CPEC, recognized by both China and Pakistan as a pivotal aspect of their contemporary bilateral relationships.

Additionally, there persists a separatist insurgency in Baluchistan, alongside instances of religious and ethnic violence prevalent in Punjab and Karachi, Sindh. The proliferation of militant groups and the prevailing climate of insecurity pose significant impediments to the successful implementation of the CPEC, thereby undermining its developmental prospects (Sail, 2014).

The second challenge lies in the proliferation of religious extremism and terrorism, presenting a substantial threat to the stability of the CPEC and the broader fabric of Pakistani society. The aftermath of the 9/11 incident has witnessed a staggering toll, with over 30,000 civilians and numerous security personnel falling victim to terrorist attacks. In response, Pakistan has undertaken significant measures to combat terrorism and address its underlying causes, particularly the phenomenon of religious radicalism (Hussain, 2016).

Pakistan encounters another significant challenge in the form of Indian involvement, perceived by several nations as a strategic threat to their military and economic interests, with potentially far-reaching implications for regional stability. India vehemently opposes the CPEC, viewing it as a tool that strengthens Pakistan's geostrategic position, particularly along the Arabian Sea. Moreover, credible evidence suggests the existence of a dedicated cell within India's Research and Analysis Wing (RAW) tasked with sabotaging CPEC projects within Pakistan.

A significant hindrance to the successful execution of the CPEC stems from internal political conflicts and opposition by various ethnic factions (Ahmad and Mi, 2017). These conflicts are deeply rooted in the political economy, where historical patterns of resource distribution have often led to societal unrest (Ali, 2015). Mirza, Azeem, Waheed and Zehra, (2017) noted that writers and scholars influenced by Baloch nationalist sentiments oppose CPEC, fearing that the province of Punjab will disproportionately benefit at the expense of Balochistan. Similarly, Hamid Khan contends that what was initially

conceived as a purely economic endeavor, CPEC, has been politicized by various interest groups within political parties and the media. These factions, both within ruling parties and the opposition, consistently raise objections against CPEC projects. Ahmad and Hong suggest that this ethnic discord contributes to delays in the implementation of CPEC initiatives (Hadi, Batool & Mustafa, 2018).

The issue of corruption has plagued the national economy of Pakistan since its inception in 1947 (Javaid, 2016). This phenomenon traces its origins back to the pre-partition era under British colonial rule, during which lands and titles were allocated selectively to individuals who demonstrated loyalty to the British authorities.

Impact of the CPEC on Pak-China Relations and Regional Connectivity: CPEC as the regional connectivity and mega development project certainly holds substantial geo-political repercussions not only at regional level but also at broader international level. In that last decade span of CPEC has witnessed many developments in terms of economic as well geo-political groupings. This section analyses the geo-political ramifications of CPEC by analyzing its impact on Asia-Pacific relations, regional power dynamics, and the responses of neighbouring countries and key global stakeholders.

No doubt, this mega project faces power dynamics implications at both regional and global level as western world perceives this project as part of BRI amplifies China's strategic footprint in South Asia and the Asia Pacific region. It is also argued that CPEC have influenced power politics dynamic in Asia Pacific region. The corridor's expansion and Pakistan's heightened involvement have reverberations across the entire Indo-Pacific region, including key players like India and the US. In such scenario New Delhi, the US and their allies perceive CPEC as a strategic alliances rather than a merely development project (Bhattacharya, 2020). This developed perception has strained relations between India and Pakistan, complicating broader India-China relations. Consequently, CPEC has emerged as a strategic focal point for major stakeholders in the Asia-Pacific region. Many countries of various regions have welcomed and showed interest to be part of this mega project such as Iran and central Asian countries, whereas the United States, India and other western countries have showed their have voiced apprehensions regarding the

regional security implications of CPEC and China's expanding influence across the globe. India, in particular, has actively been trying to have an alternative connectivity initiatives like the International North-South Transport Corridor in efforts to counterbalance the influence of CPEC (Ahmed, 2021).

Pakistan serves as a focal point of Great Power politics because of its strategic position. Its geographical location offers significant opportunities, particularly facilitating access to the Gwadar port for the Central Asian Republics (CARs). Gwadar port, located in the southwest of Pakistan, presents an economically advantageous and shorter route spanning 2600 km, in contrast to Iran's Chabahar port, which entails a distance of 4500 km and is situated in the southeast on the Gulf of Oman. Moreover, being a landlocked nation, Afghanistan stands to benefit from the utilization of Gwadar port, given its deep-water capabilities, thus attracting interest from various regional countries. Furthermore, the CPEC represents a groundbreaking initiative, offering new avenues for achievement. The substantial progress achieved through CPEC holds the potential to solidify Pakistan-China relations, thereby serving as a significant incentive for both nations (Iqbal, 2017).

Indeed, Pakistan is compelled to pivot towards enhancing trade with the global community as an alternative to relying on foreign loans and credits for fostering economic development. In this context, the CPEC has played a pivotal role, enabling Pakistan to attain a growth target of 6.2 percent, largely attributed to the sustained continuity of economic policies and stability. There exists a plausible trajectory wherein Pakistan, by perpetuating its current trajectory of growth, could potentially integrate itself into the ranks of the world's foremost and advanced economies.

Historically, China has been intricately connected to various regions and the global community through the Ancient Silk Road. The CPEC not only strengthens China's connectivity with regions beyond its borders but also extends to the Arabian Sea, South and Southwest Asia, and Central Asia. The envisaged rail linkage between China and Pakistan underlines the multi-dimensional economic nature of the project, with the progress of the Gwadar port standing out as a promising development set to benefit numerous regions (Conrad, 2017). Consequently, the expansive developmental agenda contributes

significantly to the progress of neighboring countries while nurturing regional integration. Thus, the CPEC emerges as a catalyst for development regional cooperation and collaboration.

CONCLUSION

The historical trajectory of China-Pakistan relations reflects gradual development in various areas, major among them trade and investment. However, the current landscape characterized by increasing globalization has forced both nations to expand their economic engagement and align it with the needs of global and regional interdependence in trade and investment. Consequently, economic relations have acquired corresponding importance alongside political and defense dimensions. The CPEC embodies a novel paradigm of cooperation between the two nations and is poised to strengthen their political and economic cooperation through trade and development initiatives. In particular, CPEC has strategic and economic implications for both China and Pakistan and could potentially accelerate the consolidation of regional stability in South Asia.

As the leading project of the OBOR initiative, CPEC is poised to inspire emulation among other regional actors, including those in the CARs, thereby fostering a climate conducive to improved regional trade and economic development. Integration is conducive.

The allocation of US\$46 billion to Pakistan through various projects represents a unique opportunity for the country to address key obstacles to its economic progress, particularly the energy crisis, inadequate communications infrastructure and limited foreign investment. Envisioned as a catalyst for socio-economic progress, the CPEC holds the potential to bring peace and stability across the country, particularly in the historically marginalized province of Balochistan. By engaging the region's youth in commercial ventures, CPEC aims to improve Balochistan's economic viability and sustainability. In addition, the project aims to create employment opportunities, alleviate poverty through targeted development efforts in disadvantaged areas and improve the overall socio-economic scene by increasing investments in education, healthcare and basic services. The CPEC faces a number of internal and external challenges, which necessitate careful attention and strategic mitigation strategies.

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