
**CHINA PAKISTAN ECONOMIC CORRIDOR (CPEC)
CHALLENGES FOR TRANSPORT SECTOR**

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ABSTRACT

This article discusses the Pakistan China economic corridor transportation problems in the region. Pakistan not only offers the shortest trade route, but also the most economical and strategic connection between resource-rich and energy-poor regions. In a changed political and strategic geographical environment, opportunities arise on our doorstep. The transport trade of both our neighbors and distant neighbors will increase significantly. However, the current Pakistani transportation system is insufficient to meet the demand of the local and international transportation trade. The current Pakistani transport system barely meets the current transport demand of the national, regional and, international transport trade, mainly from the ports of Karachi. Hence, it is necessary to study the efficiency of the Pakistani transport system in order to resolve problems of transport trade across geographical borders efficiently. This paper also recommends some solutions of the problems.

Keywords: CPEC, Gawadar Port, Transportation, Geographical, Trade

INTRODUCTION

CPEC is seen as one of the most important determinants of trade promotion and industrial growth. The two governments (China and Pakistan) consider CPEC as a trailblazer and 27 economic zones in both countries that will contribute to industrialization, economic growth and, the development of the energy sector. Mainly for macro-level goals; however, there was little interest in the community during the concept phase of the project. While very few studies have recently attempted to examine the importance of CPEC development to the community, the benefits of these projects to the community in terms of employment, education, and investment opportunities need to be understood. The benefits to the community are prioritized. Many Pakistani citizens recognize the positive results of the development of CPEC.

CPEC will have a significant impact on community development. The project is beneficial for people. Governments should make the community aware of the pros and cons of CPEC projects and involve local stakeholders in the decision-making process to ensure acceptance and ownership. On socio-economic interests, the government argued that the CPEC is seen as a "game changer" in the community and that sharing it with the community will help further strengthen the project and complete it on time (Clarete, 2002).

A variety of highways and rail networks are being built across Pakistan under the auspices of CPEC. The government estimates that the inefficiency caused by Pakistan's most devastated transport network results in a loss of 3.5% of annual gross domestic product. A modern transport network, built in accordance with CPEC, connects the ports of Gwadar and Karachi in northern Pakistan and connects western China with other locations in northern central Asia. The Pakistani rail network is also expanding, eventually connecting to Xinjiang (south of China) in Kashgar. The transportation network of around 11 billion US dollars required for the modernization is financed through subsidized concession loans (ECO, 2006).

A private consortium builds energy infrastructure of more than 33 billion US dollars, which steadily reduce the chronic energy deficit of Pakistan of over 4,500 MW and is expected to reduce the annual gross domestic product (GDP) of Pakistan to 2: 2. 5%. By the end of 2018, more than 10,400 MW of electricity generation capacity is to be put into operation. Most of it was developed for early harvest under the CPEC project. The electricity for the project is mainly generated from fossil fuels, but also includes hydro and wind projects. One of the world's largest solar parks is under construction. (Edited)Restore original (Egger, 2004).

Landlocked Afghanistan is currently in the reconstruction phase and is moving through Pakistan. In addition, the deep water port of Gwadar, which is connected to major urban centers by coastal roads, offers relatively exceptional opportunities for countries such as China, Afghanistan and, the Central African Republic via a planned road / rail network, construction work is in progress (Helpman, *et al.*, 2004).

GEO STRATEGIC CONSTRUCT-SIGNIFICANCE OF PAKISTAN

Since the beginning of the 21st century, the geographic economy has dominated the direction of political strategy. The preservation of

economic interests forced the political orientation of the past to change. A good example is the economic interdependence between the US and China despite competing geopolitical interests. As the most economically dynamic region in the world, the prospects for global peace and prosperity are set for whole of the South Asian region. The marked improvement in relations with China, Russia's "hub to Asia", and the continuation of friendly relations with countries in the region such as Pakistan will have a significant impact on the region (Saeed, 2005).

The current Pakistani transport system barely meets the current transport demand of the national, regional and, international transport trade, mainly from the ports of Karachi to Afghanistan. When peace returns to the region, our neighbors and distant neighbors' transport trade will increase dramatically and put pressure on the transport chain (World Bank, 2005).

SIGNIFICANCE OF THE STUDY

Transportation system is very important Pak-China Economic Corridor and for the development of the region. The deep-sea port of Gwadar offers two-way points of sale for the east / west and north / south markets. For China and Pakistan, this is a convergence of core interests that are superfluous in terms of long-term mutual economic development, regional economic integration, the development of mutually beneficial infrastructure, and concerted efforts to combat common threats / enemies. In global ocean photography, Gwadar is an alternative to Dubai (a bottleneck outside the Strait of Hormuz).

OBJECTIVES OF STUDY

The specific objectives of the study were to:

- Explore China-Pakistan economic corridor challenges in transport sector
- Explore the challenges and prospects of Pakistan and China trade.

RESEARCH METHODOLOGY

Secondary sources of data have been used to study the transport problems associated with CPEC project. This work analyze the challenges and opportunities that CPEC offers to Pakistan.

LITERATURE REVIEW

The construction of the CPEC, which will result in the creation of numerous industrial and economic zones including railways and roads between the two, is expected to make Pakistan a center of trade and commerce in the region (Deardoff, 2005). It is important that Pakistani policymakers manage to realize pre-planned opportunities with skillful precision by converting the capabilities of the Pak China Corridor into sustainable and substantial economic development. The CPEC becomes Pakistan's destiny and enabler for their respective economic and regional connectivity and promotes mutual development. It is the most optimistic and welcome project launched to bring economic prosperity to Pakistan (Roberta, 2006).

PROJECTS OF TRANSPORTATION IN GWADAR CITY

China will provide Pakistan with US \$ 230 million to build a new international airport in Gwadar, which will be operational through December 2017. The provincial government of Balochistan has created 4,000 hectares of land for the construction of the international airport, for Gwadar worth \$ 230 million. The construction costs are fully covered by subsidies from the Chinese government, which Pakistan is not obliged to repay (Soloaga, 2009).

The city of Gwadar is still under development with the construction of a 300 MW coal power plant, a desalination plant and a new hospital with 300 beds. The construction of the East Bay Expressway is also planned for the city of Gwadar, a 19 km long controlled access road that connects the port of Gwadar with the coastal road of Makran. The cost of these additional projects is estimated at USD 800 million and funded by the expanded China Export-Import Bank in Pakistan at an interest rate of 0% (Hussain, 2002).

ROADWAY PROJECT

CPEC project envisages extensive modernization and overhaul of the Pakistani transport infrastructure. As part of CPEC project, China has so far announced the financing of a transportation infrastructure worth USD 10.63 billion. The construction of the "Early Harvest" road project allocated US \$ 6.1 billion at an interest rate of 1.6%. The remaining funds will be available to Pakistani government

when they sign the contract to build a stretch of road that is still at the planning stage (Frankel, 2006).

TASK ROUTE NETWORK

1. Bad quality / insufficient road transport.
2. Half of the rural road networks are weak.
3. Bad track record in road safety.
4. Highly fragmented freight transport sector.

AVIATION CHALLENGE

- Increasing competition in the aviation industry.
- Fleet restrictions have worsened due to operational management issues.
- The number of passengers is 1/10 for rail and 1/100 for road transport.
- Lack of financial headroom slows PIA's growth.

CHALLENGE PORT AND DELIVERY

The port's handling capacity continues to decline due to policy neglect. Challenges faced by the ocean freight / port freight operation in Pakistan include:

- Non-competitive shipping costs. Always higher than international standards.
- Establishment of an automated Pakistani customs system.

SOME COMMON CHALLENGES FOR THE TRANSPORTATION INDUSTRY

- Long waiting and travel times.
- Always high travel costs.
- Increased management costs.
- Decrease in the competitiveness of the country's exports.
- Medicines reduce / slow down Pakistan's ability to integrate global supply chains. Timely delivery is required.

THE CORRIDOR OF HOPE

China-Pakistani Economic Corridor is designed to facilitate the transportation of gas and oil by connecting the port of Gwadar in Balochistan Province to Xinjiang Province in northwest China via

railways, highways and, pipelines. The modernization of the port of Gwadar is also aimed at solving our country's energy problems.

UPGRADING THE RAILWAY NETWORK

Improving rail connections is essential for Balochistan to achieve greater economic benefits. Indeed, the economic return on investment in physical transportation infrastructure will depend on advances in transportation and trade promotion. The failure of the 1965 trade agreement between Pakistan and Afghanistan to provide the capacity to transport Afghan goods to the port of Karachi via Torkhum and Shaman¹⁹ by land shows a fundamental problem with the poor infrastructure that still exists.. Due to failure of various trade agreements because of lack of facilities, delayed projects, missing wagons and, high transport costs Afghan traders opted for Iranian port of Bandar Abbas despite the great distance. There was none. The current system is of poor quality and cannot support the volume of new cargoes. The Pakistani rail network consists of the ML-1, which ends in Peshawar (1,681 km) along the Karachi route. Here is the ML-2 that follows the route that starts in Kotri and ends in Attock (1243 km).

In the current situation, there is an urgent need to restructure the underdeveloped rail network. China-Pakistan Economic Corridor provides a carefully coordinated and orderly network in which rail network improvement helps promote trade. Gwadar under the China-Pakistani economic corridor - new line from Basima to Jacobabad (1050 km), new line from Gwadar to Karachi (700 km), Jacobabad to Havelian (959 km to renovate existing lines) and new line to Havelian to Khunjerab (682 km) km) km) 23 the rail network is becoming increasingly coherent. China-Pakistani Economic Corridor Railway Project also includes a modernization of the Karachi-Lahore-Peshawar (ML-1) Railway (1,736 km), which started and completed in July 2015.

The importance of these rail links is to provide better connections to different parts of Pakistan, to facilitate exchanges with the rest of the country. Shortcut, not only do these connections provide connections within the country, but the new rail links from Haveli to Xinjiang also provide long-distance connections to China and enable local people to improve their business opportunities.

Transit times to and from overseas. Liquid and dry cargo can be transported from Gwadar all over the world in a short period. The

reduction in transit time has a direct effect on import costs and thus on the creation of jobs around the world economy and generate income. The China-Pakistani economic project will modernize the port of Gwadar to increase efficiency.

GWADAR'S UP-GRADATION

Improved Gwadar: As part of China-Pakistani Economic Corridor, the Pakistani government has several plans in place, including the purchase of land for the Gwadar Free Trade Zone. The port project in Gwadar mainly comprises the east highway, Gwadar international airport, breakwater construction, mooring and dredging of waterways. As the rail project strengthens interregional links, the modernization of the port of Gwadar will benefit world trade links.

FUTURE CHALLENGES

The problem of the uprising is urgent and hinders the security situation in Baluchistan. For the economic corridor to be successful, security issues must be dealt with comprehensively in order to avoid future risks. The assessment of the problem of the aggravated situation seems to be caused by the doctor, Shazia rape case in 2005. During this period of mounting regional tension, a parliamentary committee met opposition members with Bugti tribe leader Nawab Akbar Bugti. Then Musha Heid Hussein and Muslim League (Q) leader Shujat Hussein surrendered to relieve tension and reach a fair compromise.

Unfortunately, these problems persist and the underdevelopment of the province has contributed to Baluch's complaints. In addition, the problems with religious and sectarian groups have exacerbated the situation, which is becoming very unstable and posing challenges for local development.

As a result, many experts from different areas of Balochistan migrated to other parts of Pakistan, with even more detrimental consequences. Many teachers have left Balochistan, according to the Human Rights Watch report 92. In addition, the critical problems of the missing have sparked serious protests by family members and human rights defenders, who have overridden general complaints from people who have been trampled. Security threat led to it that officials from other states and federal governments are unwilling to serve there. The instability is having a negative impact on the governing bodies of local government.

CONCLUSION

This paper aims to explore China's public transport and trade in the Pakistani Economic Corridor a regional hub / economic corridor between China and transport issues and to provide political guidance at different levels and different modes of transport. If peace is restored in the region, the transport trade of both our neighbors and these distant neighbors will increase significantly. Paper concludes that, the current Pakistani transport system is insufficient to meet the demand of the local / international transport trade.

China-Pakistani Economic Corridor is strategically considered important for Pakistan. The energy crisis has had a major impact on the Pakistani economy. The crisis is due to an imbalance between a weak supply and a strong demand for energy. This CPEC will emerge as a main source of energy production.

RECOMMENDATIONS

Following recommendations can be considered in order to facilitate transport in the China- Pakistan economic corridor:

- Governments must ensure that their rights of local residents are not compromised and that local residents get meaningful employment.
- Delayed projects increase development and infrastructure costs and thus CPEC projects must be completed on time.
- For making comprehensive business plan for Gwadar, must related marketing plans and traffic forecasts, must be considered.
- Increase in sea transport and the handling of goods is necessary to balance the port authorities.
- Long-term planning over a period of 10 to 15 years or more must be ensured.
- Investments, funds may be capacity building land development of new transport infrastructures.
- Transport projects must be critically analyzed and prioritized with regard to the economic viability / urgency of the financial area. They are often prone to miscalculations. An early completion of CPEC was guaranteed. In order to ensure the continuity of politics, these mega-initiatives must receive legal support through parliamentary measures.

- The capacity building of the transport sector / transport services to manage the potential transport trade from China and other neighboring countries is guaranteed. If only 10% of Europe's trade with China comes from Pakistan, the expected annual potential is around 70,000 to 100,000 containers. The development of intermodal transport systems on modern routes and the gradual transition from an increasingly fragmented logistics sector to a modern, efficient and fully integrated logistics system; fill the gaps and make connections in different modes of transport. You can conclude contracts with well-known international companies. Public-private partnerships should be the solution to the budget gap.
- By lowering trade costs by reducing travel costs, the country's exports will become more competitive in the international market.
- Improving accessibility; Road and warehouse from farm to market
- Cold storage prevents losses in the agricultural sector: perishable food / vegetables / fruit.

ROAD NETWORK

- Improvement of the state of the national road network through priority and phase programs according to the priority set in the National Trade Corridor / CPEC.
- Restructuring of the freight transport sector in a modern guise
- Through public-private partnerships; large logistics companies that offer integrated / integrated transport services take time.
- Start a slow replacement program for old trucks.

RAILWAY NETWORK

- Improving the quantity / quality of locomotives to meet the needs of passenger and freight transport.
- Take measures to remove obsolete infrastructure and vehicles and replace them.
- The policy of cross-subsidizing freight and passenger transport must be abolished in order to make road tariffs competitive. PR must take significant initiatives to manage freight services commercially.

AIR TRANSPORT

- PIAs must be privatized to be competitive in the aviation market or can operate on commercial routes with minimal government control. In addition to covering operating costs, you can build and improve your fleet instead of becoming a public sector manager.
- PIA management needs to be scaled back to reduce operational losses.

PORT AND SHIPPING

Modern technology improves the loading capacity of Gawader Port Transport. Others, like the Port of Karachi and Port Qasim, are making room by removing significant numbers of containers that are waiting more than 100 days to be scrapped.

PORT OF GWADAR

- Unlock the full potential with rapid operations and national connections to the port of Gwadar
- Development for the offshore industry: view of an exclusive industrial complex
- Started with the opening of a refinery in Gwadar.
- Work to promote other energy pipeline projects.

MISCELLANEOUS RECOMMENDATIONS

- Concerted efforts at all levels to defeat battles and improve homeland security through capacity building for law enforcement agencies. An environment that is conducive to regional connectivity and economic integration is inevitable.
- Beginning of the progressive stages of recovery.
- Pakistani regions such as FATA and Balochistan, including fossil fuel exploration; these economic activities will lead to prosperity and stability in this sector.
- Strict financial management and severe penalties.
- The fight against corruption guarantees transparency. This attracts foreign direct investment and encourages international companies / Pakistani Diaspora to invest in Pakistan.
- Take advantage of the political awakening and rise of the youth of the bourgeoisie.

- Resist bumper sticker projects that are designed for an incredible / high cost. Consensus building through leadership discussions.

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