

## China-Pakistan Economic Corridor and Its Social Implication on Pakistan: How Will CPEC Boost Pakistan's Infrastructures and Overcome the Challenges?

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### Abstract

This paper discusses the China-Pakistan Economic Corridor (CPEC) long-term infrastructural project as a major part of the One Belt One Road (OBOR) the major global initiative by the Chinese government, scheduled to complete by 2030. CPEC is a joint project that Beijing and Islamabad agreed to finance through Chinese investments utilizing investment loans largely by Chinese financial institutions; nevertheless, Pakistan will also be responsible for investing approximately 15 billion dollars on its own in the process. While the project has been welcomed by Greater Eurasia (including Russia, Iran, and Central Asia) besides the United Kingdom and Western European countries, albeit vehement opposition by India. Paper elaborates upon the positive and negative elements that will likely impact the project progress, from internal political, economic dynamics of Pakistan and consequent security challenges to the related transit tariff issues, quality labor force supplies, just as well the inter-provincial competition between Baluchistan and KPK (Khyber Puktoon Khwa) besides the reaction of some South Asian countries, namely, India and Bangladesh. It highlights the opportunities, challenges and the impact that this mega project will likely have to the existing socioeconomic infrastructure, job opportunities, poverty level index, and regional peace and security.

**Keywords:** CPEC/OBOR; Challenges and opportunities; Infrastructure development; Labour force; Socioeconomic; Regional peace and security

### Introduction

Pakistan is developing country; the CPEC is a great opportunity to enhance Pakistan economy. China-Pakistan Economic Corridor (CPEC) is the major part of the One Belt One Road (OBOR) the pet globalization project of President Xi Jinping with roots in the great ancient and medieval Silk Roads [1], however, in the modern day 21st Century context. Besides the land routes between the Gwadar deep-sea port of Gwadar, Pakistan to Kashgar in Western China (farther through China constructed rail-road infrastructure connecting with Central Asia and Russia) it also includes a major chapter of sea-based Maritime Silk Route that will be easily and cost-effectively connecting China through Gwadar to the broader Indian Ocean, the Gulf states and East Africa, all the way to Mediterranean via Red Sea, thus with north Africa and Europe [2]. It firstly announced by the Chinese President Xi Jinping when he visited Asia and South Asia in 2013 [3]. The new transit and trade facilities will not only upgrade and expand the existing Pakistani infrastructure, but it will also provide China win an alternate transit and trade route in a cost-effective manner to broader global regions. Rapidly as well as the infrastructure of People's Republic of China [4]. The ambitious 21st century Silk Road initiative is in fact an extension of the ancient Silk Roads known at least since 100 AD when the Tang China in cooperation with the Kushan rulers of the Sindhu (Indus as Greeks called it) Valley traded through the sea port of Barbarikon (ruins located 40 kilometers near Karachi locally called Bhambhore) all the way to Rome [5].

### Historical perspective of CPEC

Around 1983 amid the so-called Afghan Mujahdeen movement, the United States during her engagement in Afghanistan wanted to develop the Gwadar deep sea port but dropped the idea once the then Soviet troops left Afghanistan and the idea became dormant. With the dismantling of the USSR and emergence of the newly independent Central Asian states, ideas to revise the old Silk routes came in fashion and for the first time the Central Asia-Caucasus Institute and Silk Road Studies Program at SAIS, Johns Hopkins University first proposed the new Silk routes under the Greater Central Asia Partnership doctrine connecting Central and South Asia [6]. During the government of President Pervaiz Musharraf in Pakistan, for the first time the idea of an economic corridor was discussed and the Chinese government expressed great interest. By that time the Department of State in the United States has almost given up on the plans of new Sink roads originating in Starr's ideas. This was the moment, the government of China picked up under the rubric of New Silk Roads [2]. This idea, which speculated for many years, gained power in May 2013 when Chinese Premier Li Keqiang discussed the construction of CPEC with Gwadar its core when he visited Pakistan and signed the milestone CPEC agreement at that time. The same year Pakistan's Prime Minister visited China and signed eight agreements worth \$18 billion that included building around 200 kilometers tunnels for the CPEC. The following year President of Pakistan visited China in February 2014 to clarify the Corridor plan. At that time, the Chinese banks and companies promised over \$45.6 billion for energy and infrastructure projects along the corridor.

In April 2015, Chinese President Xi Jinping visited Pakistan. This was the second visit of a Chinese leader in Pakistan since the beginning

of 21st century after Hu Jintao's visit to Pakistan in 2006. Xi also wanted to visit Pakistan in 2014 during his South Asia trip to Maldives, Sri Lanka, and India; however, the trip was postponed due to some political problems in Pakistan. During his visit, a total of 51 agreements were signed between China and Pakistan having a total worth of \$46 billion which also included the development of China-Pakistan Economic Corridor. By this time the Chinese government under President Xi Jinping extended the previous CPEC project to the broader OBOR initiative globalizing CPEC as a major part of the broader project. The originally intended \$46 billion investment that China intends to invest in Pakistan under the CPEC has now been expanded to approximately 55 billion dollars. The amount exceeds all foreign direct investment Pakistan has received over the last several years and is considerably more than all the aid Pakistan has received from the US since 9/11 [7].

### China endowing Pakistan

The aim of the project is to connect China's north-western region of Xinjiang to Gwadar port of Baluchistan. If this project becomes reality, Pakistan will be having a massive new network of roads, highways, railways, and pipelines. The road will be approximately 2700 kilometers distance from Gwadar to Kashgar. The motorway is also a part of this project, which will be about 1100 kilometers long stretching from Lahore to Karachi, in addition to the Karakorum highway from Kashgar via Khunjrab Pass to Islamabad.

A train track between Peshawar and Karachi will also be built; the Karakorum highways between Rawalpindi and Chinese border shall also be extended and constructed. The network of pipelines shall also be constructed which will be used to transport liquefied natural gas and oil from Iran and the Gulf countries. The CPEC is not only about the infrastructure of (trains roads, and pipeline) it will also connect Europe and Central Asian countries with the region providing a higher level of development, as well as cultural exchanges between China and Pakistan.

The work on the project has already begun, but some problems associated with the route have caused to stop the project for a while related to the sensitivities of the other provinces in Pakistan (Baluchistan, KPK, Gilgit-Baltistan and Sindh). The Chinese Premier Xi Jin-Ping emphasized the construction on an urgent basis, as Pakistani Prime minister Nawaz Sharif has also shown a keen interest in the project to start work on the urgent basis. This Corridor will also likely improve the relations between India and Pakistan. A series of work is going on to develop a consensus between Delhi and Islamabad, Beijing, and Washington DC – depending upon the policy choices of the nationalist government in India – on how to seek peace and settlement in Pakistan for the smooth running of the project and take benefit mutually. Federal Minister Mr. Ahsan Iqbal has also emphasized that CPEC will produce the equal opportunities for all region of Pakistan; he further mentioned that the CPEC is not only one road project but multi-sectoral projects such as energy, infrastructure, Gawadar and industrial sector in the country. For the smooth functioning of the project, Pakistan Army is playing its part in the formation of a separate division that will contain 70,000 personal security which will provide full peace and safety to people's and this project. The CPEC will restore Pakistan's economic growth of the early 1960s which led economists at the time to predict that the country would be one of the futures leading economic powers in Asia [8].

### CPEC and its importance

CPEC has a high value for both countries China and Pakistan, due to CPEC the connectivity will open up west China to the south and contribute to "One Belt One Road" initiative policy. The establishment of communication from Kashgar (China) to Gawadar –Baluchistan (Pakistan) has been agreed to be completed by 2030. Chinese Government is trying to utilize the entire necessary supporting role to enabling the environment for the open economic system and logistic system in the regional vision of CPEC. The CPEC not only for the China and Pakistan but will also benefit the surrounding countries. Pakistan will increase its economic growth through this project, and it is the right initiative for both countries China and Pakistan. The CPEC has great importance for the both countries. CPEC is envisioned as a corridor of peace, prosperity, and development. Although the CPEC will face a lot of challenges has significant potentials of promising future. The peoples of Pakistan were adversely affected in the past due to inadequate opportunities and lack of right decision. The CPEC will have a transformational impact on the state and the prosperity of the peoples of Pakistan. The visit of President Xi in April 2015 and Chinese commitment of \$46 billion plus for various projects of CPEC, sketched the world attention to the new development and growth of the economy, and this will be the real prosperity for the both countries and will promise future for the region/the world. The Prime Minister of Pakistan held a meeting of the political leadership; all parties of conference supported the CPEC project as well as they warmly welcome to the Chinese investment [9]. The China-Pakistan Economic Corridor (CPEC) will improve Pakistan's current economy as well as the lives of nearly three billion people across the region. It is seemed to be a breakthrough for Pakistan's development and successful completion of the CPEC may generate three to four times more profit than their investment. The corridor will boost up economic development and create new business and job opportunities which will help in the alleviation of poverty. The project will help in Pakistan rebalancing between the geopolitical and geo-economic will improve the infrastructure, the energy requirements, workforce development and economic progress. CPEC is viewed as a game changer for both China-Pakistan and the entire region; economic development and regional integration will be enhanced through connectivity and partnership [10]. It will have a positive impact on the living standard of the common people in the region by providing the numerous opportunities of cooperation and development. It will address the grievances, sense of deprivation, discrimination and poor management of resources, of a different segment of the society of Pakistan. It will boost the trade and investment, exploration of mineral resources and increase the strategic and economic location of Pakistan [11]. On the other hand, the project is important for China's perspective as "flagship project", it will provide the shortest route to the Middle East, Africa, and Europe will further boost up the economy. The accomplishment of the CPEC will help China to counter the US dominance and will also get the chance to develop its north-western province Xinjiang, which is an underdeveloped area. In Xinjiang separatist movement has started by Uyghur's Muslims. Thus, China wants to develop the socio-economic framework of that region. Only in this way, China can curtail aggressive sentiments against its central government.

### Integrating Asia: The History of the One Road and One Belt

China has trying to pursue an economic diplomacy with neighboring countries. China has been shifting its focus from trading

to investment and development partner to share a destiny with others continents, Africa, Europe. The modern Silk Road is a land and maritime initiative involving south and east to construct huge roads, railways, and communications infrastructures, China's Government policy is very friendly and does not want to dominate or influence its neighbors and the whole region. Several aspects of economic integration to plans about free trade, customs union, common markets, reduction of the tariffs, removing border barriers, relaxation in rules and regulations, etc. are among the several projects. The Chinese Government also emphasized to provide free and relax visa regimes members and secure stay among their citizens. Therefore, all the economic effects will come under the economic integration theory.

The history of the "One Belt and One Road" initiative is vital to see how the Chinese leadership floated the idea and moved to give concrete shape to the very idea over a short span of two years from 2013-2016. The Silk Road is a Eurasian ancient concept of land connectivity between China and other parts of the world including Asia, Africa, and the Europe. The modern Silk Road idea, termed by President Xi Jinping, as the "One Belt and One Road" initiative is a strategic economic vision to create a balanced development across Asia. The idea was revealed when Premier Li Keqiang undertook an official visit to Pakistan in May 2013. In his speech to the Parliament delivered on 23 May 2014 he said:

"Our two countries need to develop a closer relationship and enhance cooperation to jointly meet international uncertainties and challenges in Asia. The both sides should deepen China-Pakistan comprehensive strategic cooperation, boost pragmatic cooperation in all areas and develop a long-term plan for the China-Pakistan Economic Corridor, so as to strengthen the connectivity between South Asia and East Asia, promote economic development and livelihood improvement in the neighbourhood and provide an exemplary model for cooperation between regional countries".

In September 2013 President Xi delivered an address to University of Nazarbayev at Astana in Kazakhstan where he emphasizes that China and Central Asia should join hands to build a Silk Road Economic Belt to boost cooperation. He also recalled the peoples that China and Central Asia glorious bounds of friendship from early time (ancient time) post-independence of Central Asian states. The Shanghai Cooperation Organization (SCO) promotes the Shaanxi the hometown of President Xi the starting point of the ancient Silk Road. Many central states like Kazakhstan were an important point of the Silk Road which links China to Central Asia and further to Europe. President Xi said:

"... We need to improve road connections. The SCO is working on an agreement on transport facilitation. It's early signing, and implementation will open up a major route connecting the Pacific and the Baltic. On this basis, we can actively discuss the best way to improve cross-border transport infrastructure and work towards a transport network connecting East Asia, West Asia, and South Asia to facilitate economic development and travel in the region".

As per President Xi's point of view it will improve trade in the area and promote people to people's relations, the primary purpose of the Silk Road was to open the strategic regional thoroughfare from the Pacific Ocean to the Baltic Sea, and further a network of transportation that will connect and close eastern, western and southern Asia, and this will improve trade as well as will benefit of over three billion peoples, half of humanity across China and South Asia alone.

The SCO are all duty-bound to carry forward the Silk Road spirit and open multi facilities like transport and logistics routes.

The fourth part of Xi's speech, which he addressed to the peoples of a representative of Indonesia on 3 October 2013 where he emphasized to build a closely-knit China-ASEAN community for constructing a 21st century Maritime Silk Road to promote cooperation. In another seminar held in China on 24 October 2013, President Xi stressed the need to establish a Silk Road Economic Belt and Maritime Road.

President Xi's also asked Arab countries:

*"Let us work shoulder to shoulder to promote the Silk Road spirit, strengthen China-Arab cooperation, and realize the Chinese dream and Arab revitalization, and strive for the lofty cause of peace and development for humankind"*

After the first discussion of the idea of the OBOR with Pakistan, China then conducted a series of floating this idea and taking into confidence, Kazakhstan, SCO, ASEAN, and the Arab countries to join the Asian Infrastructure Investment Bank (AIIB) as founding members.

In November 2014, President Xi announced that China would accelerate the construction of the "Belt and Road" and strengthen cooperation with the countries involved. During presiding over the eight meeting of the Central Leading Group on Financial and Economic Affairs in Beijing, he also announced that China would contribute \$40 billion to set up the Silk Road Fund, similarly the APEC summit, he announced that the fund will be used for investment and financing support to carry out infrastructure, resources, industrial, cooperation, and other projects related to connectivity for countries along the "Belt and Road".

The members of AIIB exceeded 56 when 50 countries signed the Articles of Association (AoA) on 29th of June 2015 in Beijing President Xi also invited Saudi Arabia, Egypt, and Iran to join the OBOR. Thus, the OBOR idea and its implementation have gone through a move it from 2013-2016 the OBOR will also join some others countries like United States, Canada, Japan, Philippines, and Malaysia is a comprehensive win-win initiative [12].

### Conference appraisal

A roundtable discussion of National University of Science and Technology (NUST), Global Think Tank Network (GTTN) and National Institute of Strategic Communication, and Peking University China has been organised on 14th of January 2016, on the significance of CPEC as the key node of One Belt and One Road to promote and highlight the platform of diplomacy under the chair of Engineer Muhammad Asghar, Rector, NUST Pakistan.

The participants discussed and highlighted the multi-dimensional opportunities, multi-sectorial needs and very challenges that were associated with the CPEC and were inherent in the successful development of CPEC within the broader Context of China's land-based Silk Road Economic Belt (One Belt) and the 21st Century Maritime Silk Road (One Road).

The think-tankers also focused that the CPEC is a truly national project that involved the whole of Pakistan for the benefit of all the peoples without exception and it would also sustain the development of China. Dr. Mangli Cheng said that the people's Republic of China is ready to working side by side to ensure the CPEC objectives and that benefits were mutually achieved and shared.

That development related to CPEC were particular interest in China as China was committed to building the community of shared destiny with Pakistan under the One Belt and One Road initiative and that is the neutral construction of CPEC.

In the end, Rector NUST called for complete and continuous stock-taking of challenges facing CPEC in economic, financial, political, logistical, and human resource development domains of CPEC. He also stressed there were a lot of gaps in knowledge and skills in Pakistan relates to CPEC. And the universities of Pakistan pointed out the challenges and tried to rectify on immediate basis for the smooth functioning of CPEC. Both countries should keep various challenges and constraints under consideration. Administrative issues, political instability, military problems and resentment in the domestic labor force in Pakistan are some of the major challenges, which could impede the proper execution of CPEC. All of these issues need to be addressed for smooth implementation of the project [13].

## Challenges and Opportunities

In the last three decades, China has achieved tremendous economic growth and it is the fastest growing economies in the world. On the other hand, Pakistan is with low economic growth and is politically unstable country. The cooperation of China and Pakistan based upon to maintain the economic growth of China and strategic importance of the Pakistan. CPEC was initiated by both countries to attain the mutual interest at the regional level. In a very near time, Pakistan-China has been making concerted efforts to revive the historic Silk Road which is also called the oldest trade route in the world and it will provide a route for trade from Kashgar (China) to Gwadar (Pakistan). CPEC plan will help to become Pakistan one of the most strategically important countries in the region. It will also provide an opportunity to China to build a naval base on Gwadar port that will boost the influence of China in the area and counter US influence in the Asia-Pacific region. China increasing economic engagement with Pakistan should be seen in the context of Beijing's "efforts to counter the US efforts to deepen alliances around the Asia-Pacific region" [14].

The "One Belt One Road" concept has international strategic importance. The OBOR initiative covers countries and regions with a total population of 4.4 billion and a total economic volume of \$21 trillion, 63% and 29% respectively of the total world [15].

The corridor plan is involved in improving economic growth, trade change, transportation, mining, and energy sectors and creating political flexibility; this is also a vision with world-changing Asia, Europe, Africa, Oceania, and the Middle East are very close together with new infrastructure and free trade zones [16].

The "One Belt one Road" project consists of three routes, southern, central, and northern routes:

The southern corridor begins from Guangzhou which is the third largest city in south-central China. This route moves to western parts of China and connects Kashgar Kunj Arab Pakistan, from where the Chinese also want to link to Gwadar port in the Arabian Sea. This is the shortest and very feasible choice for China.

The second Chinese option is the central corridor that starts from Shanghai and links the country Tashkent, Tehran and onward to Bandar Imam Khomeini Port of Iran on the Persian Gulf, (this is the largest route but have an option [17].

## Layout of CPEC in Pakistan

The project will start from Pakistan through Gwadar Balochistan and end in Kashgar in the western part of China while passing through the parts of Punjab, Sindh, Balochistan, Khyber Pakhtunkhwa provinces and Gilgit-Baltistan in Northern Pakistan to reach Khujrab Pass and beyond to China.

Pakistan proposed and discussed with Chinese authorities three corridors:

The Eastern alignment of the corridor initiate from Gwadar, travel parallel to Makran Coastal Highway eastwards (towards Karachi) and then passing through interior Sindh, and southern, central and northern region of Punjab, it reaches Islamabad, then Haripur, Abbottabad, and Mansehra districts to Hazara division of Khyber Pukhtoonkwa (KPK), In this project the corridor will also run through Muzaffarabad, (the capital of Jammu and Kashmir) and reaches Khunjab after passing through Diamer and Gilgit areas in northern Pakistan. The corridor will also touch the Pamir Plateau and Karakoram mountains. A link from Taxila through Peshawar and Torkhum will connect the eastern part alignment of the corridor to Jalalabad (Afghanistan). Regional connectivity with India through the eastern part designed to be provided through the Hyderabad-Mirpurkhas-Khokhrapr Zero point link to the Wagha border, Lahore (Pakistan).

The Western alignment plan, the CPEC (highway and railway) starts from Gawadar and runs some southern and eastern districts of Balochistan, like Khuzdar, and Dera Bugti respectively, and some districts of the south Punjab, like D.I. Khan, in KPK, it further extends to Islamabad and Abbottabad and from there onwards, the route is the same eastern alignment and the western alignment will have an additional regional connectivity link to Afghanistan through Chaman and will connect to Iran through Quetta-koh-e-Taftan link [18]. The work of central alignment will be completed later whereas the construction of some parts of Gawadar-Dera Ismail Khan via Quetta route. Certain regions of the country are deprived of the corridor in short-term but will be beneficial in long-term [19].

## Challenges and Threats for Pakistan

Pakistan faces a lot of difficulties in the implementation of the CPEC project: The challenges and threats are internal as well as external:

### Political and economic challenges strategies

CPEC pose the greatest threat to at least one neighboring country in the region, i.e. India. The United Arab Emirates is also concerned about Gwadar competing with the established Dubai. Although India and Iran have also initiated the new Iranian port of Chabahar project to counter the Gawadar port, Iran is considerably relaxed and has suggested that both Chahbahar and Gwadar will be complementing each other. India invested the Chahbahar port heavily, albeit remains still uncertain with only two berths at Chahbahar, while Iran has already invited China and Pakistan to participate as well. Chahbahar also aims to provide easy access to the landlocked Afghanistan and Central Asia for energy imports coming from the Gulf region as well as a passageway to broader region. Pakistan political stability is pivotal to the success of the CPEC. Political unrest is the main obstacle to the completion of the CPEC. Pakistan has always faced political instability due to the various issues like military intervention and tug of war between the different political parties. The recent sit in 2014 for the

election rigging has been presented as backlash for the CPEC. The numerous small political nationalist parties always play blame game and malign the sovereignty of the country. The ultimate objective of all these blames game and a negative statement from inside and outside is to leave the CPEC unsuccessful. Anyway, there is a consensus realization among all the political parties to cultivate the friendly relationship with China and pledge to successful of CPEC.

### **Security issues**

The most daunting task for the successful completion of the CPEC is the security threat at internal and external level. Both these countries have internal securities, and especially Pakistan is facing the brunt of the extremism and terrorism. From Xinjiang to Gwadar consisting a group of East Turkestan Islamic Movement (ETIM), Tehreek-e-Taliban (TTP), Lashkar-e-Tayyiba, Lashkar-e-Jhangvi, (LeJ), Daesh (ISIS), Balochistan Liberation Front (BLF) and the militant wings of some political parties. All these parties are trying to stop the mega project of CPEC. The international forces also in the region are active against the CPEC. These forces continuously were assisting the militant groups and sub-nationalist in all provinces to use the terrorist elements in the whole country to threaten the CPEC project. They are involved in the kidnapping and carried out attack on the installation of Chinese companies associated with CPEC and killed many Chinese workers. To ensure the security of the worker, Pakistan army has created a special force for the CPEC security. The newly launched force, like Special Security Division, will consist of nine army battalion and six wings of parliamentary forces, the Rangers, and the Frontiers Force (FC) Corps. The major security threats are also coming from Kunar and Nuristan provinces of Afganistan, where a lot of terrorist groups including Al Qaeda, the self-styled Islamic State, Tehreek-e-Taliban, the movement of Islamic Uzbekistan and the Turkmenistan Islamic party, etc. are also concentrated [20].

### **Tax and power tariff issues**

China is displeased to the concerns over issue of tax, power tariff and electricity price with Pakistan along with the implementation process of CPEC energy project in Pakistan. China has expressed serious reservations over the hurdles and delaying tactics purportedly being employed by the Federal Board of Revenue (FBR). According to the agreements, under the CPEC, the imported equipment would be exempt from sales tax and withholding tax. However, the approval procedure from FBR is proving time-consuming, which is negatively impacting on construction project timelines in Pakistan. The Chinese authorities also point out that the decrease in tariff for renewable energy will negatively impact of CPEC project, and they feel displeased with the situations. The Pakistani authorities reply that the energy bill will not remain the same in future and will decrease the range of which is related to the project [21].

### **Lack of quality of labor force**

The adequate quality labor force is also challenged to maintain a high degree of excellence and on time completion of the CPEC. The quality of labor force can play a key role, which depends on training, education, physique, and health, labor quality must be a count Pakistan is the 10th largest country labor force wise but lacks the proper development of the labor force. The United States of America, Japan, France, Germany, and many other developed countries are substantially investing in workers training; good education and labor force are given credit for much of the growth in per-capita income and

economic productivity. In the end, author focus on the labor force training, education, and other related skills will increase the guaranty quality for the corridor [22].

## **Provincial Concerns**

### **Balochistan issues**

Balochistan is the largest province of Pakistan according to its area and the smallest in terms of population. When measured against socio-economic standings of other provinces, Balochistan is the least developed. Its society is still plagued with tribal structures. The province is rich in resources, but the small and unskilled population due to the negligence of authorities is a hindrance in utilizing those resources to the maximum. The failure of provincial governments to enhance the capacities of the population and its institutions has also significantly contributed to under development of the province. PILDAT Working Paper (2012) highlighted that Balochistan's literacy rate stands at 51.5% and requires serious attention. A thin rate of urbanization and a high unemployment index of 20% have also caused a low annual growth rate. Data suggests that Balochistan has had a flimsy growth performance over the past decade and its GDP per capita is also the lowest when compared to other provinces.

The militancy driven province of Balochistan poses a potential threat to get the benefits from the CPEC project. Baluchistan is a conduit to connect the deep water port of Gwadar with the city of Kashgar. The dissent Balochs consider the CPEC project injustice to the people of Baluchistan and deprivation to the local Balochs. The separatists carried out attacks on gas pipelines, trains, and Chinese engineers were killed to spread the terror to damage the project success. Their mission is to keep Baloch nations deprived of the mega opportunities of CPEC. In the article of Muhammad Ali Talpur, he said that CPEC project is only for the China, he further explained that for the Baloch whose lives it would destroy in the name of development.

Other nationalist leaders of Balochistan province are opposing the CPEC, Brahamdagh Bugti, and the leader of the outlawed Balochs Republican Party (BRP), strongly opposed the CPEC and Gawadar port and demanded a referendum decide the future of Balochistan under the auspicious of UN. These miscreants involved in the kidnapping and killings of the Chinese worker's tankers carrying fuel to Chinese company working on the mining project. They are trying to target the management of a Chinese state-owned company [23].

### **Khyber pukhtoonkhwa issues**

Some political leaders of Khyber Pukhtoonkhwa (KPK) also opposed to CPEC which is a significant challenge for the mega multi-billion dollars project. The main problem of the opposition is changing being made in the original plan of this corridor by the federal government which will divert most of the economic benefit to Punjab only. The original route which is western route would be followed by building a road from Khunjerab to Gwadar via Mianwali, Dera Ismail Khan, Dera Ghazi Khan, Khuzdar, and Turbat.

The KPK government and the political government are against changing the original Gawadar-Kashgar route and demanded that government should stop modifying the project, and also said that the changes would divide on the issue [24].

The Sikandar Sherpao (Qaumi Watan Party Parliamentary Leader) discussed the issue of change in the original plan of the project and

says it will be injustice for the peoples of KPK who have already been affected due to the high rate of terrorism [25].

He also considers that the original route will connect the underdeveloped areas of KPK, like Fata to the corridor and will generate economic activities in the entire region but with an adaptation of new alignment, these areas would remain ignored [26-28].

Some sub-nationalist parties in the provinces are also claiming there is a change in the original routes by federal government plan and facilitates the western parts and deprives the east of the mega project of CPEC. Since all these allegations fail to meet the fact and the government of Pakistan as well as Chinese government tried to allay the fears, by interacting with the political parties that are making the allegations [20].

## International Concerns

### India

India is against with the development project, the government of India trying to fail the project. India is worried about the huge investment of China in Pakistan CPEC as well as Chinese help for Pakistan in producing plutonium at the Chinese-built Kyushu reactor; as well as the eight submarines sold by China to Pakistan worth approximately \$5 billion, which give a significant jump to Pak Navy's sea capability. After the completion of CPEC Pakistan will be the trade hub in the region after Gwadar port starts functioning fully, and duty-free economic zones are set up. India considers the strategic partnership between the China and Pakistan as a threat and on many occasion convinced China to drop the CPEC idea. However, China has firm believed to stand with Pakistan and complete the CPEC. India had also reservation on the handing over the Gwadar port to China and financed the militant group to create the chaos in Baluchistan which is rich in oil and gas resources. The Gwadar port has been already in function, and there is no need of connection between these two parts. Iran has a stake in the CPEC through a proposal to link Iran-Pakistan gas pipeline with China as for a mutual interest between the three countries [29].

### Bangladesh

In the article of Javed on the of August 2016, he mentioned the concern of Bangla leader, Minister of Information Hassan Ul Haq Anwar given entirely vote to Indian Government Mr. Modi the interference of RAW in Baluchistan and he further given interview to an Indian newspaper that they condemn the Baluch tribe ignorance in the CPEC and support the Modi that the Bangladesh government will soon announce the Balcoh policy.

## Benefits and Opportunities for Pakistan

Pakistan strategic location gives an immense importance in the region and after completion of the CPEC, the importance will be enhanced manifold in the field of the economic, commercial and geostrategic. It will help in reducing the poverty, unemployment, and grievances of inequities of the under developed province. It is viewed as the game changer and a win-win situation in the whole region by generating massive trade and economic activity and will open new vistas of progress and prosperity for the peoples of both countries [30].

According to Sun Weidong the Ambassador of China in Pakistan, while he is talking about the CPEC, the CPEC getting up of the energy, transport, infrastructure and industrial projects under China-Pakistan and it will be beneficial all the provinces of Pakistan. He further asserted that CPEC is not limited to just a road, but it will connect with numbers of motorways and infrastructure projects included Gwadar port, the 2nd phase of the upgrading project of Karakoram highway, motorway project between Lahore and Karachi, Thakot-Havelian motorway, Gwadar port expressway, it will improve the situation of energy, finance, commerce, banking, industry, and education [21]. Corridor has certain advantages which will take after the successful completion of CPEC.

The project will help in mitigating the chronic energy crisis which has a negative impact on the economy of Pakistan. The energy shortage hampered the industrial production in the country, and business is closing down, shifting to other countries. Pakistan industry needs an uninterrupted energy supply for smooth economic growth. CPEC is the central and ideal project which will help get the free country of the energy crises while WAPDA and KESC have failed to tackle the problems of the system of the state [31]. Chief Minister of Punjab (Pakistan) Mr, Shahbaz Sharif said that China is extending the great economic cooperation to Pakistan for resolving the energy crises, and some projects with Chinese assistance would start producing electricity [27].

The projects based on the wind, solar, coal and hydro power generation of 16,400 MW, as well as the transmission system and would be located in the, varies provinces of Azad Kashmir, He further said China would be setting up 10 projects of 6,600 MW in the Thar Desert that would transform this remote and underdeveloped region into Pakistan's energy capital and open up economic opportunities and prosperity for the people [32,33].

## Infrastructure development

The road, ports, and highways is another great achievement of CPEC. The project will improve the Pakistan's infrastructure connection with all sub-regions in Asia, between Europe Asia and Africa step by step and will finish all investment and trade barriers for the creation of a sound business environment within the region and in all related countries [34]. After the complementation of the project, Pakistan will become modernized and will spread out the markets for the manufactured product. The economic and employment growth rate will expand automatically [33].

The CPEC and the construction period from 2014 to 2030 have integrated relationship with the Chinese One Belt One Road, and an extension of Chinese proposed 21st century Silk Road initiative. The CPEC projects have been divided into three phases: the Short-term project is estimated to be completed till 2017; a Mid-term project by 2025; Long term project 2030 [35].

## Gawadar port

Development and handing over the management of Gawadar Port to China and the announcement of the China-Pakistan Economic Corridor (CPEC) are the major and significant reflection and exposition of the strengthened bilateral economic ties between China and Pakistan as well as potential and opportunities for Pakistan by the Chinese Economic progress. Gawadar Port and the China-Pakistan Economic Corridor establish the strategic scaffold for mutual realistic teamwork among both countries. Gawadar is the tail of the Silk Belt

which will connect Kashgar through different and varies communication networks. Gawadar is the leading place in the project of CPEC. Without Gawadar port fully functional, it would be tough to the anticipated corridor as an energy corridor that appears as one of its main objective behind the construction of CPEC. Located near the Strait of Hormuz, which channels about one-third of the world's oil trade, Gawadar could play a key role in ensuring China's energy security as it provides a much shorter route than the current 12,900 km route from the Persian Gulf through the Strait of Malacca to China's eastern seaboard. The Gawadar port will also put China and Pakistan in a strategically beneficial position along with the Arabia Sea which is the present Indian concerns that stem from "China's involvement in nearby ports such as Hambantota in Srilanka, Sittwe in Myanmar and Chittagong in Bangladesh [36].

The Gwadar port as well as a storage and transshipment hub for the Middle East and Central Asia oil and gas suppliers through a well-defined corridor passing through Pakistan. The Gawadar port is paramount for the operational control of the port which will enable China's access to the Indian Ocean, which is strategically important for China as it expands its influence across the region. Gawadar port will be connected with China's western province of Xinjiang through rail and road links; it will reduce the distance to eastern seaboard are 3,500 km away from the city of Kashgar in western China while the distance for Kashgar to Gwadar port is only 1500 km.

### **Economic development**

CPEC will help Pakistan in all aspects as well as in economic development; it will expand the Pakistan's foreign relations with the neighboring countries. Finance Minister of Pakistan, Ishaq Dar said war phobia could also be defeated through the economic corridor and development. The Corridor is the prosperity for the peoples of Pakistan [32].

### **CPEC and poverty**

CPEC is the game changer project which eliminates and removes the poverty in the entire region, the project is based on construction of textile garment, industrial part project, dams and installation of nuclear reactors and creating a network of roads, railway line which will automatically generate employment and people's will also take ownership of these projects, the projects will also facilitate the education side, technical side, vocational training institutes, water supply and distribution in undeveloped areas of Pakistan and will improve the quality life of peoples [37].

### **CPEC, Peace, and Prosperity in provinces**

CPEC is a mega project of billion dollars covering a multi aspect of the economy and will have a positive impact and bring the stability and prosperity in all region of Pakistan. The Chairman of Gwadar port Dostain Khan Jamaladini said that the CPEC would not only improve the economic situation of Balochistan, but this project is for all provinces of Pakistan, Also Dr. Shahid Hassan said about the CPEC project it would bring more prosperity to the whole country and will reduce the unemployment ratio of Pakistan [28,38].

### **Conclusion**

China-Pakistan Economic Corridor is the 54 billion US dollars under long-term plan till 2030, which is also called the game-changer

project. It will improve the socio-economic and foreign policy situation in Pakistan.

The CPEC has a lot of challenges and grievances of Baloch and KPK provinces, which is the most terrible aspect of the CPEC project, which party is the main who will seek out the complaints when and how? Because the project must be completed before 2030 as mentioned in MoU.

The CPEC project can be handed over under the supervision of Pakistan Army because a lot of international nationalists tried to block the corridor and raised the issue of Baloch grievances like India, Bangladesh if the project is handed over to Pakistan Army, In my opinion, no international issues can be raised as Pakistan Army is considered one of the top army of the world.

The Pakistan Tehreek-e-Insaf party (PTI) and Pakistan Muslim League-Nawaz party PML (N) is also the opposition parties in the current situations they must think positive about what is best this time for Pakistan.

The CPEC project must be go through the provincial government as they the concerned Chief Minister better knows to control the challenges and highlight the issues.

Special security force can be inducted in the name of CPEC FORCE; their duty will be the protection of CPEC and associated workers of Pakistan as well as China. The funded must be awarded from the CPEC project on contract basis.

The CPEC project is a mega project and must be introduced to all common peoples through social media, local television, local newspapers for awareness their benefits.

For the project must provide latest technology.

Implementation of agreements should be addressed.

Pakistan should implement policies up to the mark.

Utilization of raw material and value added process should be done in Pakistan.

Security Issues, law and order system are main obstacles in the way of Pak-China economic Corridor.

Pakistan should develop the training centers and Chinese language centers in order to make effective communication.

Tank-tank should collaborate by the both countries.

Pak-China relationship holds great importance in the world as per the official message of both Presidents.

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