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# **China Pakistan Economic Corridor (CPEC): Challenges and Prospects**

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**Abstract:** China-Pakistan Economic Corridor (CPEC) is believed to be a game changer for the whole region. Presently, some extra regional powers are also interested in taking benefits from this El-Dorado. In this scenario the phenomenon of this corridor is believed to have some genuine prospects and challenges. Where there some challenges are directly associated with the security of Pakistan there is also leeway of economic and social challenges. In any case, the first question of security is nevertheless related to Indian factor. Can India help Pakistan in making this project pragmatic for the whole region? Can Indian allies/buddies; in special context of War on Terror (WOT); USA and Afghanistan help Pakistan in making the deal prudent? In this contemporary era, security of any object is directly associated with economic affairs, hence the economic aspect of the same is worth discussing. What are the economic benefits of the huge partnership for Pakistan since the economy of Pakistan is still not developed? These are some of the pertinent enquiries which need to be probe into and this study will be throwing light on all these aspects.

**Key Words:** *CPEC, Game changer, Challenges, Security, China, Pakistan, Economic development.*

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## **1. Introduction**

The end of twentieth century has been dominated by landmark events that have had an everlasting impact on the world order and also on the relations among states. Whereas, the US is pursuing Global war on Terror, the Chinese policy makers laid their attention on enhancing their economy, setting new economic goals, searching for new markets and investment opportunities across the globe. A grave enterprise that the People's Republic of China (PRC) has captured in order to reinforce its reflection as a soft power across the globe is the commencement of the

'One Belt One Road'(OBOR) initiative. The China Pakistan Economic Corridor (CPEC) is the lynchpin of OBOR as it connects the project's maritime routes to the mainland nodes.

As a flagship project of the extended OBOR, it would serve the purpose of strengthening relations with an existing ally in the region and also further deepening their friendship. It is believed to be a game changer for the whole region. Presently, some extra regional powers are also interested in taking benefits from this El-Dorado. In this scenario the phenomenon of this corridor is believed to have some genuine challenges and prospects. In order to ensure the success of CPEC, the security of these areas need to be addressed. While some challenges are directly associated with the security of Pakistan, there is also leeway of socio-economic challenges. This paper focuses on five main questions. Why China is investing such huge sum of money on CPEC and OBOR? What mutual benefits China and Pakistan are to derive from CPEC? Can India help Pakistan in making the deal prudent? What are the economic benefits of the huge partnership for Pakistan since the economy of Pakistan is still not developed? What possible strategies can be adopted to overcome these challenges? The study highlights the geostrategic importance of CPEC and examines the mutual benefits driven by it. The study's main focus is on enumerating national dynamics of CPEC as a game changer and understanding its geopolitical impacts. It argues that despite of huge security and economic challenges, the intended Corridor is opening new ventures of cooperation and interdependence for both China and Pakistan. It will eventually contribute to help people recognize the worth of CPEC and would lessen the resentments that people have regarding the interests of China. This qualitative, descriptive and analytical study would demonstrate the stance of China and Pakistan on economic cooperation and interdependence leading to development of the South Asian region as well as generating more opportunities especially for the Pakistan and China to derive maximum benefit from it.

## **2. China Pakistan Economic Corridor: An Overview**

The urge of China becoming a recognized soft power of the world has served as the motivation behind the greater OBOR initiative, a \$900 billion mega-project in the Euro-Asiatic landmass. The project has two strings; first one focuses on the infrastructure development over land "Silk Road Economic Belt" (SREB) while the other foresees the maritime expansion of shipping routes etc. known as "Maritime Silk Road" (MSR) (James, 2015). The Chinese President Xi Jinping during his state visit to Kazakhstan on September 7, 2013 proposed the building of a "Silk Road Economic Belt (SREB)" a Trans Eurasian project linking the Pacific Ocean to the Baltic Sea. Shortly after i.e. October 3,2013 Chinese President Xi Jinping fled to Malaysia where during his conversation with the Malaysian parliament he proposed the development of an extensive network of shipping lines, the Maritime Silk Road (MSR) (Wu, 2015). There are six major projects under SREB including the New Eurasian Land/ Continental Bridge, China-Mongolia-Russia Land Corridor (CMRLC), China-India-Bangladesh-Myanmar Corridor (CIBMC), China Central-Asia and West-Asia Corridor (CCAWAC), Indo-China Corridor (ICC) and China-Pakistan Economic Corridor (CPEC) (Tian, 2016). The second MSR starting from the eastern provinces of China is aimed at connecting various seaports in the South China Sea, Bay of Bengal, Andaman and Arabian Sea and Persian Gulf while providing vast channels of routes from Pacific Ocean to the Baltic Sea (Hali et al. 2015).



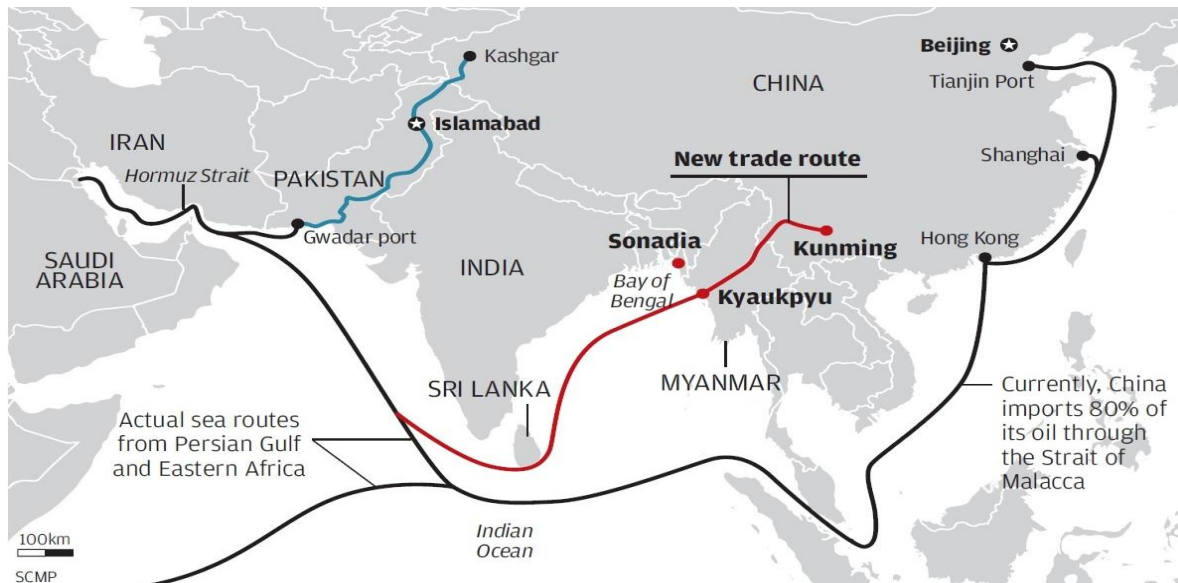
**Source:** McBride (2015, May 25).

While all the corridors of One Belt One Road are equally important, no matter whether located in seas or on land but CPEC has attracted the eyes of everyone due to its strategic location, economic intensification and military significance (Hali et al. 2015). The CPEC is a 15-year plan and will be completed in four phases: 2018 – Early Harvest, 2020 – Short Term, 2025 – Medium Term, 2030 – Long Term. It holds symbolic value as it is a mega project, a game changer and fate changer for Pakistan.

CPEC is now a center of world's attraction for its strategic location, economic intensification and military significance. The project is estimated at about \$46 Billion (which has now reached about \$62 billion) (Siddiqui, 2017) investment in Pakistan by the Chinese in order to provide Pakistan with capitals to overcome its energy short-comings and to overrule its blackouts as well as assisting it in the up gradation of its infrastructure (Andrew, 2016). It is biggest ever foreign investment received by Pakistan in its past history (Ashfaq, 2015). On the other hand, CPEC is aimed at bridging the biggest oil consumer i.e. China to the largest oil producing region of the world i.e. the Persian Gulf. It would not only help Pakistan and China to amplify their relations but also would pave ways for the regional integration and increased investment opportunities in both the states. Besides, this eye-catching project would also help build up a vast network between the oil-rich Gulf States and the biggest oil-consumers i.e. the East Asian belt (including China, Japan, and India followed by South Korea, Indonesia, Thailand, Singapore and Taiwan etc (China, India, Japan use most oil among Asian Countries, 2017).

The rationale behind the Chinese investment is its huge and expanding economy which is highly dependent (about 60%) on the oil reserves in the Middle East and the Gulf region (Butt, 2015).

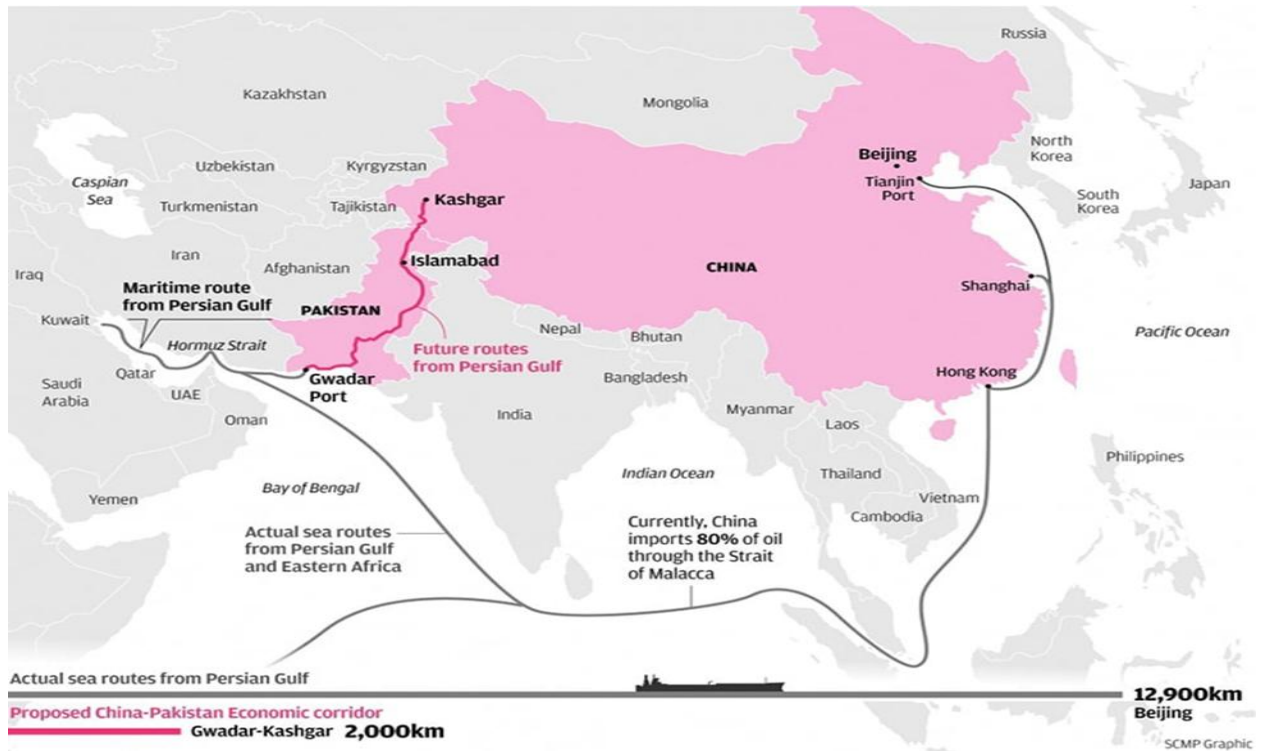
By May 2015, China surpassed the largest oil consumer i.e. USA in importing crude oil from the Middle Eastern region (Johnson, 2015). According to the statistics provided by Reuters, China's consumption of oil reached the peaks of 7.4 million barrels per day in comparison to 7.2 barrels per day of the U.S. in April 2015 (Economic News, 2015). Fulfilling the competing demands of oil resources, China depends on the Middle Eastern region. About 60% of the oil consumed by China is transported from the Middle East and 80% of the imported oil is transported through the Malacca Strait via the disputed South China Sea, Yellow Sea and the East China Sea (Butt, 2015).



Source: Gwadar Real Estate (Farooq, 2016)

In order to strengthen its economy and overcoming the high demands of resources, the Corridor has been set forth as an exemplary development in the today's world by the Chinese mentors. Gwadar Port, the 'Crown Jewel' of CPEC is strategically located in warm waters of the Arabian Sea and surrounded by South Asia, Central Asia and the Middle East. Above all, the port lies at the mouth of the Strait of Hormuz that is gateway for about one third of the oil traded (Ashfaq, 2015). China with its growing energy demands, imports most of its oil from the Middle East via the Malacca Strait which currently takes about 45 days to reach China (Butt, 2015).

The corridor is aimed at providing them with shorten and a quick access to the Gulf region. The route is to be shortened by about 109000 km by the development of the corridor (Ashfaq, 2015). the Corridor would not only provide a cost effective route via Gwadar but will also play an extensive role in enhancing the Chinese economic connections and granting them an easy access to the markets of Central Asia, Africa and the Middle East (Butt, 2015).



Source: (Farooq, 2016)

### 3. CPEC: A Win- Win Game

CPEC is a win-win strategy for both China and Pakistan. CPEC would prove to be a breakthrough in the development of the backward areas of both the states and assisting them in fighting terrorism. There are affirmative emblems that the corridor once successfully completed would assist to both China and Pakistan and would also play a pivotal role in regional integration. The CPEC is attractive enough to catch the eyes of foreign investors in the core areas thus augmenting its reimbursements.

CPEC aims at providing a huge sum of benefits to the developing state of Pakistan. The four major areas in which it would play a key role helping Pakistan include the energy projects, communication infrastructure, Gwadar Port and International airport and the Industrial zones (Ahmer, 2015). CPEC would play a great role in eliminating the energy crisis from Pakistan. Out of the \$46 billion worthy CPEC, a total of \$33 billion is aimed at establishment of energy projects (Mughal, 2016). The energy sector projects are further divided into early harvest projects that are meant to meet the energy shortfalls by 10,400 MW of electricity as soon as of 2018 (West, 2016). These projects include energy generation from Coal, Hydel power plants, and solar power generation plants as well as wind power plants. The main sources of energy generation include coal, wind, solar and Hydel energy.

The Corridor allocates a sum total of about \$10.63 billion in the overhauling and up gradation of the physical corridor comprising of the roads and railways network throughout Pakistan (Ali, 2016). This transportation infrastructure includes three corridors to facilitate the cargo transportation. These are the Eastern Alignment, the Central Alignment and the Western Alignment. The Eastern Alignment of worth \$4.2 billion comprises of two main road projects i.e. Thakot-Havelian part of the Karakoram Highway (KKH-II) costing \$1.3 billion and the Multan-Sukkur portion of the Karachi-Lahore motorway worthy of \$2.9 billion (Farooq, 2016). The

route would incorporate in it Gwadar, Turbat, Panjgur, Khuzdar, Ratodero, Kashmore, Rajanpur, Dera Ghazi Khan, Multan, Faisalabad, Pindi-Bhattian, Rawalpindi and Hassanabdal (Bengali, 2015). The Central alignment of CPEC starts from Hassanabdal while connecting with various major cities including Peshawar, Kohat, Bannu, Dera Ismail Khan, Dera Ghazi Khan, Rajanpur, Kashmore, Ratodero, Khuzdar, Panjgur, and Turbat and finally terminates at Gwadar (Farooq, 2016). The total length of the Central Alignment is 1633 km beginning from Burhan and ending at Gwadar (Desk, 2017). The Western route of the CPEC comprises of a 2463 km long road network starting from Khunjerab pass and connecting with Burhan, Dera Ismail Khan, Zhob, Quetta, Surab, Hoshab and finally terminating at Gwadar (Desk, 2017). Total cost of production estimated in the construction of the Western Alignment is \$1.05 Billion.

The railways network under the CPEC includes the overhaul of Main Line Railway 1 from Karachi to Peshawar with \$8.2 billion as the total cost of production (Case Study: China Pakistan Economic Corridor, 2016). The second railways network included the up gradation of 1254 km long Main Line Railway between Kotri (in Sindh) and Attock (in North Punjab) while the third Main Line Railway i.e. ML-3 includes in it the construction of a 560 km long between Bostan and Kotla Jam (Case Study: China Pakistan Economic Corridor, 2016). The other projects aimed at improvising the infrastructure include \$1.6 billion worthy Orange Line Metro in Lahore and 682 km long Khunjerab Railway connecting Havelian city in Pakistan via Khunjerab pass to Kashgar via the extension of China's Lanxin Railway (Case Study: China Pakistan Economic Corridor, 2016).

While Pakistan has been suffering from the gloomy shadows of "war on terror", the darkness of losing investments, increased poverty and crime rates, China presented it with a spectacular proposal of developing a strategically significant warm waters deep sea port at Gwadar. Gwadar Port makes one of the strategic exceptional points of the Chinese OBOR initiative by becoming the basis of intersection of China's Maritime Silk Road and the Silk Road Economic Belt. This further enhances the strategic importance of the port which is significantly important due to its deep warm waters. Under the Umbrella of CPEC, the Gwadar Port would be up-graded to permit docking of the ships with deadweight up to 70,000 tons (Ali, 2016). Besides, the region would be made a Special Economic Zone i.e. making it a tax free and custom free zone for the next 20-25 years (Ali, 2016).

An 820 km long cross border fiber optic data communication project worthy of \$44 million is also included in the developmental plan executed under the umbrella of CPEC (IANS, 2016). This Optical Fiber Cable will be laid between Khujerab Pass located at the China-Pakistan border and Rawalpindi in Punjab (Khan, 2010). The project would provide both China and Pakistan to exchange a huge junk of their media and also bring about an increased 3G and 4G connectivity in the region and has the potential to make Gilgit-Baltistan as the most advanced region of Pakistan (Desk, 2016).

The CPEC would help in the development of the Baluchistan province at most (Khetran, 2016). The successful implementation of the project would create vast opportunities for the Baloch people by granting them the privilege to play their decisive role in prosperity of their country. CPEC would play a pivotal role in stimulating the economic activity all across Pakistan and linking the country to the regional economic hubs thus ensuring enhanced geo-economic stakes from throughout the globe (Khan, 2016). The most important benefit expected to be received by the Gilgit Baltistan, KPK, and Northern areas of Pakistan is the revival of the tourism. The influx of the Chinese investment via CPEC would play a crucial role in attracting the tourists from within the country as well as from other countries (Buisness, 2016).

The enhanced economic investment in the state of Pakistan especially by setting up the special economic zones would create a huge number of employment opportunities for the locals and aid to eliminate poverty and fight terrorism. It is estimated that the CPEC would create up to 700,000 jobs from 2015 – 2030 (Case Study: China Pakistan Economic Corridor, 2016). This way not only the youth of country would be utilized in an appropriate way but would also be a source of increasing the annual growth rates and bringing prosperity to the country (Arif, 2015). CPEC's importance for China can be reflected by the inclusion of CPEC into the 13<sup>th</sup> Five year Development Plan of China (Case Study: China Pakistan Economic Corridor, 2016). It is doomed to provide shortest possible trade to China by shortening its distance to nearly 12,000 km of sea to only 3000 km through land i.e. from Gwadar in Pakistan to Kashgar in China (Hussain, 2017). It would further help China by reducing its dependence on the straits of Malacca which is responsible for carrying out around 80% of Chinese sea borne trade (Butt, 2015). The Straits of Malacca are policed by Indian Naval troops and also regularly patrolled by the ships holding flags of USA (Hussain, 2017). The pirate-swarmed Straits of Malacca poses a huge degree of disturbance and a continuous threat to the Chinese growing economy named as the "Malacca Dilemma" by the Chinese policy makers. However, China once operating under the route of CPEC would be able to overcome all the pitfalls it may face regarding the current sea routes used for the trade purposes.

The successful implementation of CPEC would enable China to address the grievances of its Western provinces which have far seen negligence from the central government. China is not safe from the hazardous and wild activities of the terrorist groups. One such terrorist organization that has been endangering peace in China is Uighur separatists aided by the East Turkestan Islamic Movement (ETIM). The Western provinces of the country remain underdeveloped due to an uneasy access to the resources that are brought to China via sea routes. These Western regions make up to 68% i.e. 6.57 million km<sup>2</sup> with 357 million people residing the area i.e. making nearly 27% of the Chinese population (Hussain, 2017). Such a huge number of people in the People's Republic of China are deprived and therefore have serious resentments regarding the government of neglecting them. Such grievances have been enough in raising the concern among the authorities regarding the peace of the entire country. The successful implementation of the Corridor is therefore a necessity in order to ensure the development and prosperity in the North Western regions of Pakistan as well as the South Western regions of China leaving no space for these hardliners to reside there (Lan, December 09–10, 2015).

#### **4. Challenges to CPEC**

The successes that the Corridor is aimed to bring to the states of Pakistan and China are one side of the coin which is the idealistic version of CPEC while the other side is representative of the harsh realities and the challenges which these states may face in their way to the execution of the project. The challenges that experts have identified to hinder efficacious accomplishments of CPEC are both internal as well as external. These can further be divided into three broad categories: political challenges, economic challenges, and security challenges.

To some, political discontentment and political turmoil generated by ex Pakistani Prime Minister's dismissal does not augur well for the smooth implementation of CPEC's Early Harvest Projects. Also the CPEC from the starting phases of its development has been a source of controversy between the provinces and the federal government of Pakistan. According to the initial plan of CPEC, the Western Alignment most of which passes through the provinces of KPK and Baluchistan was supposed to be constructed on the priority basis as it provided the



shortest possible route from Gwadar to Kashgar. However, the concerns were raised regarding security that may be faced as most of the route passes through the volatile regions of Khyber Pakhtunkhwa and Baluchistan (Sial, 2014). The Chinese companies have agreed to build the Eastern route of CPEC on BOT (Build operate transfer) basis which is not applicable in case of Western route, thus, making the Eastern route more feasible to be built at a priority (Alam, December 9-10, 2015). The feasibility and benefits are much greater in case the Eastern route is built up on priority basis; however, the political parties dominating the KPK province and Baluchistan have raised their concerns regarding negligence by the federal government. Also some of the very notable leaders of KPK and Baluchistan have condemned that the federal government has deliberately been involved in changing the route as they want to bring prosperity to the capital and are depriving others of the potential benefits of CPEC (Change in Economic Corridor Route Opposed, 2015).

KPK has concerns regarding the unfair distribution of economic projects and a route that is bypassing their land completely, Baluchistan concerns are utterly different (Baloch, 2016). Besides the economic and political reservations, the Baloch people have been raising their concerns regarding the deprivation of the province along with the exploitation of its resources by the federal government and the developed province of Punjab (Shams, 2015) The sidelining of the province from the very beginning gave rise to insurgencies and long held un-addressed grievances of the people has gained momentum as soon as the federal government announced the operational rights of Gwadar Port to China. Also the allocation of only eight projects to Baluchistan and 176 to Punjab out of total 330 projects under the umbrella of CPEC further aggravates the situation and verifies their concerns regarding discrimination (Tanoli, 2016).

As an economic initiative, the biggest challenge to CPEC arises from competitors. The economic corridor would provide special tax incentives and rebates for the Chinese companies which would in return swap the domestic products with the foreign products (Rehman, 2017). Flooding of the Chinese products in the local market would provide robust competition to the domestic industries of Pakistan (Khan, 2016). Business concerns are revolving around the terms of engagement of Chinese investors? If the Pakistani businesses be getting the same treatment as the Chinese are getting? (CPEC Watch, January 2018). Moreover, concerns are also related to the idea how can a small economy engage with world's second-largest economy. There are also questions about repayment of debts and circular debts as most of the packages under CPEC are loan-based.

Soon, after the initiation of the CPEC and the development of the Gwadar Port, India announced establishment of Chabahar Port in Iran on 23<sup>rd</sup> May 2016. India is certain to invest about \$85 million over the establishment of Port (Javaid, 2015). The building of Chabahar Port will provide a direct competition to the Gwadar Port due to its proximity and struggle for the same resources via the same paths between various states of (South) Asian region. The geographical location of ports of Iran and Pakistan provides the shortest possible routes from Arabian Sea to the Middle East and the Caspian region. Just about 100km apart, both the Gwadar Port and Chabahar Port heavily compete with one another while accessing the Central Asian Markets (Kulshrestha, 2015). The Chabahar Port in Iran is a trump card for India to get access to Afghanistan with which it has recently signed a \$500 million trilateral agreement (the third country being Iran) and also to the Central Asian Republican states. Also the Chabahar Port provides India to keep an eye on the activities of China and Pakistan in the Arabian Sea (Kulshrestha, 2015).

The major militant organizations operating across Pak-China Western strip have been a source of continuous trouble for the development of the project. Whilst most of the terrorist groups operate

in Pakistan but the hardliners in Western China such as Uighur militants and ETIM also pose serious threats to the success of CPEC (Sial, 2014). The Xinjiang province is ethnically different from rest of the China. Most of the people residing are Uighurs with Turkic ethnicity and also most of these Uighurs are Muslims, so differing religiously with the rest of China (Chaudhri, 2017). Additionally Xinjiang, shares border with 8 different countries. The region is rich in natural resources like coal and some other mineral resources (Chaudhri, 2017). Therefore, China cannot let Xinjiang slip into chaos. These Uighur and ETIM militants along with some Uzbeks have long been taking shelter in the tribal areas of Pakistan especially the Western belt bordering with Afghanistan (Sial, 2014). For China, an alliance between these hardliners and the militant groups such as Tehrik-i-Taliban Pakistan (TTP) is quite worrisome (Khan, 2015).

CPEC will pass through a lawless, insurgency-prone zone and the presence of foreign and externally supported terrorists and the extremist groups' active in Pakistan. Thus, a major challenge that the state of Pakistan face is to guarantee a safe and secure environment for the development of the corridor (Wolf, September 13, 2016). These rogue elements which are against the grand Project have been involved in various violent activities hindering the successful development of the mega-project. There have been attacks on the Chinese nationals in order to frighten them and also on the work sites along the CPEC. Some of the Baloch insurgents have been involved in attacking the Chinese projects as well as Chinese Workers (Wolf, September 13, 2016) The killing of Chinese nationals in the Pakistani territory such as those in 2008 and 2014 by the Pakistani Taliban were all out of the hatred towards the progressive development of the country (Bhattacharjee, 2015).

India, the long term traditional rival of Pakistan indulged itself in devising all possible destructive activities it could culminate in order to hinder the progress of CPEC. In March 2016, Kulbhoshan Yadhav, a commander ranked officer in the Indian Navy as well as agent of Indian intelligence agency RAW, was arrested from the Baluchistan province (Asad, September 2016). He had been in contact with the separatist groups operating in Baluchistan and also the terrorist groups involved in inducing violence and instability throughout the country (Zafar, 2016). India has always been involved in matters troublesome for the state of Pakistan but in case of CPEC, the Indian involvement is beyond imagination. Gen (Rd.) Alam Khattak, Secretary Defense affirms that Indian intelligence agency RAW has created a special cell to sabotage the activities of CPEC at its headquarters in New Delhi (Haider, 2016). He further added that to execute the plan, India is using Afghanistan's soil to train and arm the Baloch separatists. The presence of RAW and its activities in culmination to the Baloch separatists have been confirmed after the speech of Indian Premier on Independence Day, where he declared the strong ties between Baloch separatists and RAW (Javaid, 2015). Another major development that has recently been taken place is the military support that India is granting to Afghanistan along with training and equipment, making them ready for the 'Proxy War' with Pakistan (Tiefer, 2016). The case with Baluchistan is very sensitive, as the province has long been faced with negligence and ignorance. The government, therefore, needs to create a bulk of activities to address the long-held grievances of Baluchistan and constructively make it a part of CPEC (Asad, September 2016).

The difficult geography of Pakistan that connects it with China is yet another major challenge for CPEC. One such impediment is due to the closure of Karakoram Highway, the highly strategic road network that connects Gilgit Baltistan region of Pakistan to Chinese Xinjiang province, throughout the winter season (Lan, December 09–10, 2015). The Khunjerab pass remains close from November to May due to harsh weather conditions prevailing in the region (Wolf, September 13, 2016). The old fashioned trucks of Pakistan serving the purpose of cargo transport

along with the persistent threat rising from the natural calamities such as earthquakes and landslides are certainly problematic and can hinder the smooth flow of traffic to China via the Khunjerab Pass (Wolf, September 13, 2016).

## **5. Prospects**

From the very beginning, CPEC is going through a bumpy ride and has faced a lot of hurdles in its path. Despite these challenges, both the states of China and Pakistan are keen to play an eager role in order to achieve the prescribed successes through the Economic Corridor. The CPEC would enable both China and Pakistan to develop and advance the backward areas and would serve as a positive turn for both the Western China and underdeveloped areas of Pakistan. So far the progress is satisfactory as the first unit of 1320 megawatt Port Qasim coal-fired power plant was inaugurated in Karachi. According to CPEC Watch monthly report by Pakistan Institute of Parliamentary Studies (PIPS) (CPEC Watch, January 2018), Four out of six CPEC projects have been completed in Baluchistan. The Long Term Plan (LTP) of CPEC has been released by the government that highlighted the seven areas of cooperation in three phases, short, middle and long term by 2030.

Further, the agriculture sector has been included as an area of cooperation in the LTP. The projects are in the offing to provide clean water for residents in Gwadar. To ensure safety of CPEC routes and Chinese workers, deployment of a Special Security Division (SSD), consisting of nine battalions of the Army and six battalions of the civilian forces has already been made.

Political stability is a precondition, but the political instability will not hamper the progress. Increased interaction between Provinces and Chinese companies and officials has been started thus consolidating the overall consensus on CPEC. Additionally International Monetary Fund (IMF) report stated that the enhanced investment under the CPEC has reinforced the credit growth and projected Pakistan's real GDP growth of 5.6 % in 2018. The Government has announced this month that offices of the intelligence agencies are to be established along CPEC Routes. On the geo-strategic front, Pakistan's Foreign Office undermined the chances of the coalition of India, Afghanistan and Iran trading through Chabahar port, as a counter to Pakistan and CPEC. The inauguration of alternative tunnels for dealing with the natural geographical difficulty e.g. 7 km long Attabad tunnel has been inaugurated.

## **6. Conclusion and Recommendations**

The China Pakistan Economic Corridor is serving both the countries equally and to ensure its success both the countries need to put forth equal efforts. The challenges' impeding the pathway of CPEC needs to be addressed and resolved paralleled to the construction of the corridor. Pakistan has been in a continuous state of conflict since its inception; firstly due to the hostile neighbors, then serving as proxy for great powers and finally crumbling down at the hands of global war on terror. In such unfavorable environment, where citizens almost lost their confidence in the authorities, China proposed CPEC, the mega-project with basic infrastructure development projects and energy production units. Such an incentive revitalized the unstable and volatile economy of Pakistan. The Corridor though an opportunity in itself could be made even better by taking policy measures and removing any hurdles impeding its path. Besides, CPEC is not only an economic corridor but also a symbol of the rock hard ties between China and Pakistan, the ever tested friendship and elevated levels of trust that both the states have in each other.

The way forward is to overcome the challenges and to create opportunities making CPEC more beneficial. Some of the recommendations are noteworthy.

- The Baloch insurgents are just mercenaries who are being funded by foreign powers. These foreign powers need to be first recognized and then surfaced by the intelligence agencies.
- Not only this, the impact of these foreign agencies needs to be counteracted through counter intelligence measures and defining laws against any mercenary from within the state supporting these agencies achieving their goals.
- The economic deprivation faced by Baloch community since the inception of Pakistan needs to be met under the CPEC. These grievances can be encountered by giving quota to the Baloch people in jobs and royalties.
- The CPEC should ensure local empowerment on priority basis in order to generate goodwill and popular support guaranteeing success of CPEC.
- The increased economic activity will have to be checked at all levels for transparency of the investments and credibility of investors. The data and statistics relating to the each and every project under the domain of CPEC should be provided publically and easily accessible, so that there would be very little chance of tampering at any level of development.
- There is a need to ensure that the governments may change but the policies should not change or hinder the progress of CPEC and the plans for the CPEC should continue smoothly in every government. CPEC should remain an agenda for every government till its completion.
- The Pakistani policy makers should devise ways to get maximum benefits out of CPEC while ensuring that the country may not get embedded under the loads of the payable loans again.
- Even though Pakistan's main purpose behind the China Pakistan Economic Corridor is the construction of a transit corridor, Pakistan should keep its national interest higher.

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