

The Geostrategic dimensions of China Pakistan Economic Corridor

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Abstract

China and Pakistan have been great and all weather friends but mostly the relation between both the nations have been active on strategic patterns. Relations of both the nations regarding economic dynamics have been shallow but now as one can see the smooth emergence of China as a super power she is doing all that can help her to assume the position of a super power and in this perspective china is heavily investing in different parts of the world with the futuristic vision of “One Belt One Road” or to turn the old and traditional “silk Road” in to a new “silk Road” aiming the vision to connect it’s all regions with the open world as well as to develop her backward regions as well such as the autonomous region of Xingjian. China Pakistan Economic corridor (CPEC) also comes among such ventures initiated by Chinese

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government. CPEC is such a project which has many strategic, political and economic dimensions that is why it is called the “Game Changer” in the region. It will not only connect Pakistan with China but can integrate the entire region of South Asia and Middle East in the broader perspective. Analytical and quantitative methodology has been used for writing this paper.

Key words: Balochistan, China, Central Asia, Economic Corridor, Pakistan.

Introduction

In world politics geographical location of any country plays a very vital role regarding its foreign policy. It values, benefits and can damage the concerned nation in the terms of economy, political stability, and strategic moves and so on. In terms of strategic location Pakistan is second to none in the world and when we see the map one can easily witness its peculiar strategic location resource rich region of Middle east in general and Iran in particular and two rising economic giants which are China and India and a path way to Central Asian Region.

Among all these regions China and Pakistan are best neighbors and have been enjoying since their inception but what makes their relation more important and significant is that this relation seems more strong, cordial, cooperative and deep in the future as well. In the beginning both the nations had started their relations in terms of trade which benefited both concerning import and exports (Sial 2015). Both the nations started their bilateral trade relations in the year 1963 after signing a trade agreement but this never stopped both the nations to go through with the

normal old pattern trade relation in fact this trade proved so dynamic that in the year 2006 both the nations signed Free Trade Agreement (FTA) which later implemented in 2007 so that to have access to each other markets in a quick and easy way which benefited Pakistan very much that being a developing country this agreement boosted its trade dynamics and brought economic activity. This FTA boosted the confidence both the nations to signed Trade in Service in February 2009 which became functional in October 2009 but the best had yet to come (Ibid).

Economic survey of Pakistan in its statistics provides very positive indicators regarding Pak-China trade relations since 2006 which increased from \$4.1 billion to \$9.2 billion in the year 2012-13 and further swelled to staggering \$16 billion in the last year of 2015-16 which is about 12% increase in one year but 124% increase since 2006 (Pakistan economic survey 2016). In this regard Pakistan has greatly benefited from this agreement like Pakistan's exports to china has increased about 400% which are about \$600 million to \$2.6 billion whereas Chinese exports to Pakistan have increase only about 1%.2006 (Pakistan economic survey 2016)

The geostrategic location of Pakistan is very important to China due to its proximity to important regions of the Asia which are South Asia, resource rich Middle East and future reserve and emerging markets of Central Asian region. As these regions are very important to China due to various economic, political and strategic interests so in this regard China-Pakistan Economic Corridor (CPEC) _which is going to construct with the Chinese investment_ will be able to play a very important project to connect China with the concerned regions. Concerning these interests the Chinese Premier Li Keqiang visited Pakistan and discussed the proposed plane od CPEC with his counterpart in Pakistan to make the dreams come

true for both the nations and regional prosperity. This project will connect Gwadar port in Baluchistan province all the way to the Kashgar region of China via road and train in future to develop the western regions of Xinjiang China so both the backward regions of both the nations will emerge and emancipate towards progress via CPEC because Baluchistan is also economically backward regions of Pakistan. Gwadar became operational in 2007 but in 2013 its control was transformed to Chinese state owned overseas port holdings. No sooner the Gwadar port becomes functional it will earn the status of one of busiest ports in the world as well as will reduce the 12000 km sea distance to 4000 km land distance for China while having trade with Africa and Middle east.

The strategic significance of CPEC

CPEC is very significant and valuable for China as it will connect it with the different regions of the world on cheaper cost and less time which will strengthen its trade and will increase its profit margins. As history witnesses about the Silk Road in ancient time for Chinese trade to central Asia, Europe, and Middle East so in this regard in the year 2013 Chinese president Mr. Xi Jinping announced new Silk Road to connect China with the above mentioned region once again in a modern way which is a trillion Dollar project passing various regions among these CPEC is one of the main trade routes which will pass from Pakistan. Among this land based economic corridor Bangladesh-China-India-Myanmar Corridor is also included which will pass from the concerned countries to connect the Chinese Yunnan province to the sea route These trade routes consist upon both the Land based –silk road economic Belt|| and –Maritime Silk Road|| which will be based on ocean routes.(Sial 2015)

The trade which will be done via Gwadar port will make Pakistan as hub of the trade activities in the south Asian region and will help Pakistan to emerge as a regional economic power in the region. Along this trade routes which includes road and train routes will also encourage industrial economic zones which will create great economic and business opportunities not only for the people of China and Pakistan but will also attract the business community from India and Afghanistan which will certainly bring economic interdependence for the time being and peace and stability in the long run though it is too early to predict, if the CPEC becomes a successful venture than one can for sure prognosticate about the cooperation and integrity of the South Asian region. Gwadar which is considered as the hub of the mega project will connect china with rest of Asian regions and without it this entire will be not be possible and owing to the fact of its proximity to the strait of Hurmuz it will ensure the smooth flow of energy resources i.e. oil and Gas with short distance and time. (Sial 2015)

One of the main reasons of backwardness of South Asian region in general and Pakistan in particular is its no connectivity or less access to its neighboring markets such as central Asian region, or China to have trade on a mega level.

This has been very well explained by a Pakistani Scholar Dr. Rifaat Hussain. As in his famous, *Paper Sino-Pakistan Ties: Trust, Cooperation and Consolidation: says that,*

“South Asia, despite its potential, remains a segmented region and lacks trans-border connectivity. It is significant to note that during his first visit to the region, Chinese Prime Minister Li Keqiang offered a –handshake across Himalayas|| by emphasizing that there is enough space in the world for the development of India

and China,‘ and that both countries view each other as partners for mutual benefit and not as rivals or competitors‘. Speaking to the news media Chinese Premier said: ‘World peace and regional stability cannot be a reality without strategic mutual trust between India and China. And likewise, the development and prosperity of the world cannot be a reality without the cooperation and simultaneous development of China and India,‘ he said. While in Pakistan he offered Chinese help in resolving Pakistan’s energy crisis and in their joint statement both countries committed themselves to ‘tap the potential of trade, logistics‘ and agreed to enhance interconnectivity and jointly develop a long-term plan for China-Pakistan economic corridor¹. (Hussain 2015)

As the current prime minister of Pakistan Mr. Mian Muhammad Nawaz Sharif came in to power and no sooner assuming and sworn into the office he started his bid to sort out the issues face by Pakistan in terms of economy and these problems can only be addressed by bring a large amount of investment in to the country and in this regard Chinese investment in CPEC project seemed as a best opportunity for the bright future of Pakistan. As Mr. Rifaat argues in his paper that,

–With the return to power of PML-N, led by Mian Nawaz Sharif, following May 2013 national elections a new dynamism is being seen in Pak- China economic cooperation. In an effort to build Pakistan-China economic corridor, several agreements have been signed between the two countries to construct road and railway links between Xinjiang and the Gwadar port in Baluchistan¹. (Ibid)

The keen interest of China in to CPEC can be traced in china’s energy thirst and quest for new markets in order to consume her manufactured products and earn profit. In this regard China has heavily invested in three

south Asian countries i.e. Pakistan, Sri Lanka and Bangladesh in their deep sea ports to secure her future transit routes. The port of Gwadar having strait of Hormuz as well as the Persian Gulf just in its backyard which carries one third to 40% of the entire world oil flow via sea, Chittagong in the Bay of Bengal, as well as Hambantota in the Indian ocean which all are key ports of the famous ‘string of Pearl’ policy invested by Chinese government and all the mentioned ports will be constructed to address the ‘Malaccan dilemma’ in the future. China is investing to connect its geographically cut off regions with the world markets via roads and trains to activate and boost up their economies for future generations.

Challenges for CPEC

CPEC will not be a piece of cake for both the nations to ensure progress and prosperity for themselves as there are various challenges waiting for both the nation to face. These challenges range from external to internal and geographically to politically and security which is as follows.

Security Issues

For safe and healthy trade a secure passage is necessary for Pakistan and china. Thus different threats in the shape of militancy, terrorism and other political issues concerning ethnic groups in Pakistan may create problems for the success of China Pakistan Economic Corridor and can become a genuine threat so it is necessary for the Government of Pakistan to deal and satisfy the concerned stake holders as they have genuine concerns and in the situation of conflict they will for sure need and get help from anti Pakistan powers in future and will damage and delay the success of the project and among all these stake holders Baloch nationalists come first. About 870 km long road will pass from

Baluchistan and the most important Gwadar port is in Baluchistan so if demands of Baluchistan are not satisfied and addressed politically via dialogue and participation it will become a great hurdle for CPEC.(Geo 2016)

As the threat perceived seems real so in this regard the Government of Pakistan has planned to create a special security division which will comprise of 12000 young battalion to protect the project from any terrorist attack in future. This will be made up of nine army battalions and six CAF wings (Rangers and Frontier corps) will be commanded and headed by a major General. (Haider 2015)

Geography of the CPEC

The statistics clearly witness that CPEC will be the biggest project in the history of Pakistan in size but in investment as well which starts from Gwadar port of Pakistan via all the way to Kasghar in western China. Which will pass from Baluchistan, Punjab, Sindh and Khyber pakhtunkhwa provinces via road and train connecting entire Pakistan with China.

The two major alignments of CPEC are eloquently described by a renowned Pakistani analyst Mr. Safdar Sial a researcher of Pakistan Institute of Peace studies. He says that

“Eastern alignment: Pakistan and China have decided to initially construct the eastern alignment of the corridor mainly due to two reasons: first, Chinese companies are reportedly willing to undertake the construction of the eastern alignment on a BOT (build-operate transfer) basis, and secondly it is more secure compared to the western alignment planned earlier. The eastern alignment will run through only a few areas of Balochistan and KP

provinces and avoid areas where the security situation is more volatile compared to other parts of the country. (Sial 2015) This change in original planning earned some criticism from parliamentarians in these provinces who thought the new alignment will deprive their respective provinces of development and employment opportunities.

Western alignment: This was the original alignment which the government says it has deferred until the eastern alignment of the corridor is completed. According to the western alignment plan, the economic corridor starts from Gwadar and runs through some southern and eastern districts of Baluchistan, respectively, and some districts in South Punjab to reach D.I. Khan in KP. From D.I. Khan, it further extends to Islamabad and Abbottabad and from there onwards the route merges with eastern alignment. The western alignment will have an additional regional connectivity link to Afghanistan through Chaman and will connect to Iran through Quetta-Kho-e-Taftan link (Ibid)

Economic and Political Challenges

Though Pak-China relation is considered as all-weather friends and is usually quoted with a famous slogan of –Pak-China friendship is higher than Himalaya, deeper than oceans, sweeter than honey and stronger than steell, it has never been an easy friendship from both sides in the course of history, yet there are some solid reasons regarding Pakistan which can affect the long projects and the success of CPEC. So in this regard the following variables may affect the long planned projects of CPEC. 1)

Political stability and firm policy consistency in Pakistan; and 2) present economic situation of Pakistan and its future prospects.

Concerning the first variable the good and encouraging indicator is this that though all political parties have lot of differences with each other and have been and are indulge in conspiracies against each other, they have a collective consensus regarding China to have good relations and cooperation with her as well as respect her interests so regarding CPEC there should is no impediment and disagreements among them. Only some Baloch nationalists have some genuine reservations regarding CPEC which needs government's special attention to address via pacific means. So in this respect Pakistan gravely needs political stability in order to complete the projects because our history has witnessed many such political clashes and disagreements which have kept Pakistan apart to adapt her in the fast changing globalized world by creating impediments in the development of the country.

If we come to the second variable than it is crystal clear that it is directly linked with the political stability of Pakistan because without political stability economic development is nothing but a wishful desire or a dream. If the country kept security issues without concerning the viability of CPEC and other economic development policies the country may decent in to chaos forever which will for sure jeopardize the future plans and the next generations but the worst thing will be this that we will lose our trust among the nations of the world for ever. CPEC will not only bring \$58 billion investment from China in fact it's a door to open more investment from other parts of the world and win the trust of the nations as a peaceful, progressive nation at international arena. Our ruling elite must not forget that the image of Pakistan at international level as a peace loving and progressive country is very controversial so in this regard

unsuccessful of CPEC will lay many things of Pakistan at stake so Pakistan must take this opportunity of CPEC to find a great place among the nations of the world.

Conclusion

Now there is no doubt in this that the coming super power of the world is China who will assume the leadership of the world with new rules. In this regard as usual China is creating and preserving new strategic, political and economic allies which has been role of every emerging super power in the course of history. Among all other ventures and investments in the shape of CPEC or any other thing must be seen in the same context. All the above discussion and research depicts the willingness of China to assume the role of a global leadership in the coming years. So far she is very successful addressing the demands of global power without bothering and damaging the interest of any other nation but the greatest thing among all this is that China is passing this journey toward zenith on its own terms. So Pakistan will play a very key role to not only develop its western regions but also will give her access to the African, Middle East and other major regions of the world and will reduce its cost, time and traffic in the strait of Malacca in the future and off course Pakistan is also not only going to benefit from Chinese investment but will also be the closest ally of the coming super power which can help Pakistan in many domestic, regional and global challenges. This will open gates for more investment in Pakistan will play its role in IPI pipeline, as well. Above all the success of CPEC will lead towards the economic integrity and prosperity and peace of the South Asian region.

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