Bi-Annual Research Journal "BALOCHISTAN REVIEW" ISSN 1810-2174 Balochistan Study Centre, University of Balochistan, Quetta (Pakistan) Vol. XXXVI No. 1, 2017

# China-Pakistan Economic corridor via Gwadar port

Social Sciences and Humanities

Dr. Mirwais Kasi<sup>1</sup>, Dr. Ghulam Farooq Baloch,<sup>2</sup> Dr. Usman Tobawal<sup>3</sup>& Khudai-Dost Mandokhail<sup>4</sup>

### Abstract

Pakistan-China relations have always been an exceptional example of friendship not only in 20th century but it appeared to be an exceptional phenomenon in 21st century as well. This article explores how Pakistan and China have consented to construct One Belt One Road, which is now known as China-Pakistan Economic Corridor is relied upon to realize both peace and thriving in South Asia. It also focuses how CPEC will consolidate shortest and easiest transport route between Kashgar in north-western China to Pakistan's Gwadar port on the Arabian Sea close to Iran by means of road and railway links and network of pipelines. It also explains how CPEC increased a winwin circumstances for both Pakistan and China. The study is significant as it highlights in what ways CPEC will empower Pakistan to extend its associations with Central Asian nations and Afghanistan as on account of China. It also explains Chinese interest in this financial passage would be a game changer for Pakistan since it could realize a change in the monetary development and prompt to some thriving and capital into Pakistan's coming up short economy. This article also narrates how, despite certain challenges it seems that through CPEC Pakistan and China will maximize advantages for themselves based on equality and friendship despite changing regional and international dynamics.

**Key words:** China-Pakistan economic corridor, framework, Gwadar port, network of roads and railways, relative difference between Gwadar port and Chabahar port.

Assistant Professor, Department of International Relations University of Balochistan Quetta.

<sup>&</sup>lt;sup>2</sup> Assistant Professor, Balochistan, Study Center, University of Balochistan, Quetta.

<sup>&</sup>lt;sup>3</sup>. Director in Pakistan Study Center, University of Balochistan Quetta.

<sup>&</sup>lt;sup>4</sup> M.Phil. Scholar, Pakistan Study Center, University of Balochistan Quetta.

### Introduction

In International politics, everything keeps on changing other than national interests, when national interests match countries become allies but when it clash countries become enemies of each other. Since border agreement between Pakistan and China their national interests match and they emerged as closest allies. Interestingly, Pakistan was one of the main state that extended its recognition to the independence of China. As far back as foundation of discretionary ties amongst Pakistan and China in May 1951, both nations have built up a friendship which depends on brotherhood and equality. balance, fraternity and general participation. Sino-Pakistan relationship is often touted as being "all-weathered" and "time-tested", and, labeled as "higher than the Himalayas" and sweeter than honey" (Siddique,

February 2014: 42)



Source: Asghar, Ali Hammad (n.d). Retrieved October 24,2016, from <a href="http://www.pubfacts.com/author/Asghar+Hammad+Ali">http://www.pubfacts.com/author/Asghar+Hammad+Ali</a>.

Despite changing regional and global fragile global circumstances, the China-Pakistan friendship has stayed solid. Both states diplomatic and strategic partnership remained unaffected because of change of governments and leaderships. Both countries always supported each other throughout thick and thins. On Part of Pakistan for instance it facilitated in improving US-China relations that ultimately helped China in getting membership not only in UN but achieving permanent seat in UNSC as well, on the other hand China on its part, always bolstered Pakistan in its worthwhile motivations and assisted Pakistan in an assortment of ventures together with the Gwadar Port Project and Saindak Copper Project in Balochistan. Prior, Heavy Mechanical

Complex in Taxila was additionally settled with China's offer assistance. (Ali, Dec 5, 2014).

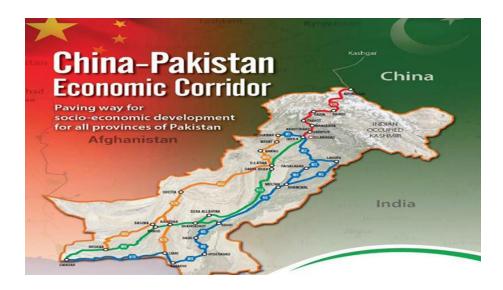
China has augmented full collaboration towards making Pakistan confident by giving mastery and know-how with a view to guaranteeing the territorial integrity and sovereignty of Pakistan. (Ali, Dec 5, 2014).

"China was viewed as a dozing gaint in prior decades. Be that as it may, now, China is assuming a center part in the Asian district as well as in the whole world. Perceiving the way that territorial joining is an inescapable measure to meet the requests of financially globalized world, the idea of Silk Road was reformulated and rethought by China in 2013 under 'one road, one belt' activity i.e., Economic Belt along the Silk Road and the Maritime Silk Road. Pakistan is a huge accomplice for China as it connections China to the Central Asia, Southern Asian area and Middle East and its significant deep ocean port Gwadar offers access to the Indian Ocean. Both nations have been taking a shot at improving their coordination and key correspondence to protect basic interests. China Pakistan Economic Corridor (CPEC) offer another model of Pakistan and China collaboration which will serve against the scenery of mind boggling and changing regional and global circumstances." (Abid and, Ashfaq, 2015: 145-146)

### **China-Pakistan Economic Corridor**

The China-Pakistan Economic Corridor is the game changer project. CPEC is a \$46 billion under-construction project. It is a wide-ranging set of connections of infrastructure, roads, railways, pipelines, extraordinary economic zones, dry ports and other communications projects across Pakistan (China-Pakistan Economic Corridor).

The China-Pakistan Economic Corridor will connect China's Xinjiang region and Pakistan with open world through <u>Gwadar Port</u> of Baluchistan Province. Currently, China imports sixty percent of oil from the Gulf countries and for those Chinese ships have to travel a long distance. With the conclusion of CPEC, the distance for this import will reduce and it would take only ten days instead of the current forty five days. (China-Pakistan Economic Corridor).



Source: Hurmat Ali Shah. (January 04, 2016) • "CPEC: The case for the western route."

#### The Nation •

"The CPEC will be a channel for the Maritime Silk Route that imagines connecting three billion people in Asia, Africa and Europe." (Irshad and Arshad, 2015, 203)

As stated by President Xi Jinping: "The China-Pakistan Economic Corridor is located where the Silk Road Economic Belt and the 21<sup>st</sup> Century Maritime Silk Road meet." (Rizvi, 2015, 10)

### **Routes**

Pakistan and China in order to make their relations stronger encouraged CPEC, for that purpose during April, 2015 the Xi Jinping, the Chinese President visited Pakistan. Both countries accomplished about 51 agreements and MoUs for collaborations in many areas. One of the most vital project has been development of CPEC that aims to connect Gwadar Port with Kashghar. They encouraged the idea of one belt one route, this northeast-southwest strip starts from Kashgar, passes through Taxkorgan, Khunjerab Pass, Islamabad and Lahore, and ends in Sukkur where it is divided into two routes heading to Karachi and Gwadar on the Arabian seacoast.

"One belt will cover a cluster of industries, population and cities. Three passages refer to the east, central and west traffic passages in the core area from Islamabad to Karachi and Gwadar, each of which consists of several trunk railways and highways. The east passage consists of the railway-highway network from Islamabad to Karachi, via Lahore, Faisalabad, Multan, Sukkur and Hyderabad, and is the main traffic artery of the corridor." (Rana, 2015)



Source: "CPEC project successfully moving forward, says Anwar-ul-Haq Kakar." (May 26, 2016) Daily times, Retrieved Nov 2, 2016, from <a href="http://dailytimes.com.pk/pakistan/26-May-16/cpec-project-successfully-moving-forward-says-anwar-ul-haq-kakar">http://dailytimes.com.pk/pakistan/26-May-16/cpec-project-successfully-moving-forward-says-anwar-ul-haq-kakar</a>.

"The central passage starts from Islamabad in the north and reaches Karachi, via Daria Khan, Jacobabad and Khuzdar through N25 highway, or reaches Gwadar through M8 motorway. The construction of this passage has not been entirely completed and some sections are in the planning and construction phase. The west passage starts from Islamabad in the north and reaches Gwadar, via DI Khan, Quetta, Basima and Hoshab." (Rana, 2015)

"Gwadar is strategically located on the western end of Balochistan coast, opposite to the Gulf of Oman which is an important route for oil tankers bound for Japan and Western countries. The route through Gwadar to Central Asia is the most economical, since the outflow of goods from western China and Central Asia will reach Gwadar and pass through this overland trade route, Pakistan could earn millions of dollars a year in terms of port and cargo handling charges and also as freight charges for the import of cargoes and export of material goods." (Gwadar Port and its importance for Pakistan).



Source: "Gwadar Port Authority." Retrieved November 13, 2016, from http://www.gwadarport.gov.pk/.

"The Gwadar port is important not only for Pakistan, but also for China, the Central Asian Republics (CARs) and the entire region as a whole. The port provides China with a powerful strategic foothold in the Arabian Sea and the Indian Ocean also, something which India and the US perceive as threats to their regional interests. It will also place the Pakistan Navy in a very strong position and will help to further strengthen its capabilities. The port will be a corridor for the billions worth of trade to and from its docks. It is expected to generate at least two million jobs for the deprived people of Balochistan." (Gwadar Port and its importance for Pakistan).

Authorities call Gwadar port as the "heart" of the China- Pakistan Economic Corridor, a stupendous forty six-billion-dollar venture, giving China more noteworthy access to the Gulf states, African states and European states through Pakistan. Zhang Baozhong, the chairman of the Chinese public company in charge of the development Gwadar port said that, "on Pakistan's southwest coast, will see roughly one million tonnes of cargo going through it by 2017,". He further added that "We hope a big jump will take place... Our dream is to make Gwadar a regional trading centre." (Gwadar port to be operational by 2017)

The development of the Gwadar port holds out for the regional countries immense economic returns. The Gwadar port will help to generate economic activities through a land route connecting Kashgar with Gwadar, where China

has already established an economic zone. Gwadar port has the potential to become the world's largest deep-sea ports. Gwadar port has increased the significance and relevance of Pakistan-China relations in regional and international politics.

## **Challenges**

One of the serious challenges for the progression of Gwadar Port might appears in shape of assuring security dynamics. Regrettably, certain actors on basis of their vested interests have tried to exaggerate anxiety about the security state of affairs in Gwadar. Consequently, such elements need to be controlled and security of the entire corridor need to be ensured. (Khetran, 84). This goal would be to keep the local population on board in the decision making and implementation process and let the signs of progress be visible to the general population. Without the full-fledged support of the locals, it would be naive to believe that such an extensive project could be implemented successfully. (Khetran, 84)

Another challenge is related to terrorism, and increasing terrorism may disrupt the work because the Tehrik-e-Taliban Pakistan (TTP) is still active despite the Zarb-i-Azb operations. Though it is divided into small groups, terrorists could target military personnel, labours and engineers working in the area. Similarly, "on the Chinese side, the East Turkistan Islamic Movement (ETIM) in Xinjiang may also create problems for the land-route economic activities. However, China has adopted sufficient measures to control the insurgency. Foreign involvement: Another challenge to the economic corridor. The Government of Pakistan has raised this issue with the neighboring countries in order to weed out the insurgency. China and Pakistan have agreed to work together to counter insurgency and terrorism, and have agreed upon a joint security mechanism for the Chinese workers in Pakistan." (Khetran, 85).

Likewise, Iranian Chabahar port is projected by the Indians as a better option through which they may have access to warm water. For making Chabahar port more feasible option India is investing a huge amount of money in Iran. But despite that Gwadar port has edge over Chabahar port on the basis of following reasons.

- Gwadar port is a natural deep-sea port, while Chabahar is not a deep sea port
- The Chinese economic position is better than India, thus in Gwadar Chinese investment is huge and far more pragmatic.

- Iran-India can promote only economic affairs through Chabahar port, while through Gwadar port Pakistan-China will not only promote their economic affairs, but they will also deepen their strategic alignment through which they can transfer the balance of power concept in their favor in Indian Ocean.
- Iran by itself never proclaimed Chabahar as a competitor port to Gwadar port rather on one occasion Iranian representatives dubbed Chabahar and Gwadar port as sister ports. Thus, Indian dream of shattering the significance of Gwadar port through Chabahar seems to face disappointment, as Iran will never compromise its relations with China and Pakistan for favoring strategic targets of India.
- Divergent elements e.g. Indo-Israel close collaborations, Iran-Israel enmity, Indo-US close relations, fragile Iran-US relations, Indo-China strategic completion and Iran-China close collaboration will continue to serve as obstacle in path of success of Chabahar port.
- Success of Chabahar port relies upon peace in Afghanistan, while Central Asian states through Chinese and Pakistani land can enjoy easy and more secure outlet, that again provides Gwadar port an edge over Chabahar port.

### Conclusion

Pakistan-China relations got a new pace since the conclusion of border agreement between them, since than both countries relations never looked back, rather it became stronger with passage of each year and their bilateral relations emerged as time tested and all-weather friendship. In 21<sup>st</sup> century Pakistan-China relations adjusted itself according to the new dynamics of global politics and they continue to maximize their national interests through each other. One of the landmarks of Pakistan-China relations is the development of Gwadar port which has the potential to generate advantages for both states in multi-dimensional shapes. The development of Gwadar port made the idea of CPEC possible in the second decade of 21<sup>st</sup> century, which has been viewed as a game changer in regional and global politics.

The China-Pakistan Economic Corridor is a set of ventures proposed to speedily expand and advance Pakistani infrastructure, as well as deepen and broaden economic links between Pakistan and the China. CPEC is a historic project. "For countries with different social systems and ideologies that want to collaborate with each other, the China-Pakistan relationship has

become a model to follow. It has revived the true sense of friendship, good will and mutual coordination. After the success of "One Belt, One Road" initiative, the CPEC has enlarged bilateral strategic and cooperative partnership to a more comprehensive framework. Both countries hold great love and respect for each other's interests and situations."

The economic corridor will pave a path of economic stability, prosperity and progress for China and Pakistan. The way to turn our economy around is not by making rich people poorer, it's by making poor people richer and CPEC is the best possible option we have. CPEC will bring positive economic and social change in the region. CPEC is a shared destiny of China and Pakistan and its success will guarantee the welfare and prosperity of both countries. Let's hope that this project gets completed soon as to witness Pakistan emerging as an economically stable and prosperous homeland in which Gwadar port will play phenomenal role. Once CPEC fruits come on screen via Gwadar port, than Pakistan and China may project themselves as a land of opportunities rather than threat for regional and international communities.

### References

- Abid, Mussarat and, Ashfaq, Ayesha. "CPEC: Challenges and Opportunities for Pakistan Retrieved October 2016 from, http://pu.edu.pk/images/journal/studies/PDF- FILES/Artical-7\_v16\_2\_2015.pdf.
- Asghar, Ali Hammad Dr. (n.d). Retrieved October 24, 2016, from http://www.pubfacts.com/author/Asghar+Hammad+Ali.
- Chinese Official. (April 12, 2016). "Gwadar port to be operational by 2017." *The Express Tribune*, Retrieved October 21, 2016, from http://tribune.com.pk/story/1083410/gwadar-port-to-be-operational-by-2017- chinese-official/.
- "China-Pakistan Economic Corridor." (n.d). Reterived from, http://www.sheir.org/china-pakistan-economic-corridor.html. October 24, 2016.
- "CPEC project successfully moving forward, says Anwar-ul-Haq Kakar." (May 26, 2016). Daily times, Retrieved Nov 2, 2016, from http://dailytimes.com.pk/pakistan/26-May- 16/cpec-project-successfully-moving-forward-says-anwar-ul-haq-kakar.

- "Gwadar Port and its importance for Pakistan." (n.d). Reterieved October 21, 2016, from http://forpakistan.org/gwadar-port-and-its-importance-for-pakistan/.
- "Gwadar Port and its importance for Pakistan." (n.d) Retrieved October 21, from http://forpakistan.org/gwadar-port-and-its-importance-for-pakistan/.
- "Gwadar Port Authority." Reterieved November 13, 2016, from http://www.gwadarport.gov.pk/.Hammad, Ali Asghar. (n.d). Retrieved October 24, 2016, from http://www.pubfacts.com/author/Asghar+Hammad+Ali
- Irshad, Saqib Muhammad, Xin, Xin and Arshad, Hamza. (2015). "One Belt and One Road: Does China-Pakistan Economic Corridor Benefit for Pakistan's Economy", *Journal of Economics and Sustainable Development*, Vol.6, no. 24.
- Khetran, Mir Shebaz. (n.d). "The Potential and Prospects of Gwadar Port." Retrieved October 22, 2016, from Http://issi.org.pk /wp-content/uploads/2015/12/Sherbaz\_ 3435\_ SS \_41\_20142015.pdf.
- Rana, Shahbaz. (October 24, 2016). "CPEC long-term plan: introduction and challenges- part-I." *The Express Tribune*, Retrieved October 24, 2016, from, http://tribune.com.pk/story/1207553/negotiations-cpeclong-term-plan-introduction- challenges-part/.
- Rizvi, Askari Dr. Hasan Askar. (Winter 2014 and Summer 2015). "The China-Pakistan Economic Corridor: Regional Cooperation and Socio-Economic Development," *Institute of Strategic Studies Islamabad (ISSI) Journal*, Vol. 34 and 35, no. 4 and 1.
- Salman Ali. (December 5, 2014) Daily Times.
- Siddique, Qandeel. (February 2014). "Deeper than the Indian Ocean? An Analysis of Pakistan-China Relations." Oslo: *Center for International and strategic analysis*, Report no. 16.
- Shah,Ali Hurmat. (January 04, 2016). "CPEC: The case for the western route." *The Nation*.