**CPEC: a decade of transformation**

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A momentous milestone is being commemorated this month as Pakistan and China celebrate a remarkable decade of the China-Pakistan Economic Corridor (CPEC) – the flagship project of China’s Belt and Road Initiative (BRI).

Undoubtedly, this decade has witnessed an unprecedented surge in China’s unwavering commitment to bolstering Pakistan’s economic prospects, strengthening an unbreakable bond between the two nations. The significance of this enduring partnership cannot be overstated as China has emerged as the foremost benefactor, extending its generous hand in the form of substantial investments, loans and grants to fuel Pakistan’s growth.

The genesis of the remarkable CPEC can be traced back to the day of July 5, 2013, when the first Memorandum of Understanding (MoU) for the long-term plan for the corridor was inked. However, it was not until the historic visit of Chinese President Xi Jinping to Pakistan in April 2015 that CPEC truly sprang to life, igniting a transformative journey of progress and cooperation between the two nations.

CPEC heralded the beginning of a grand vision, uniting Pakistan and China in a resolute pursuit of shared prosperity, connectivity and enduring friendship. Under the project, China committed to inject a staggering $58 billion investment into Pakistan’s infrastructure, energy and production sectors. This pledge arrived precisely when traditional international donors were quite hesitant and Pakistan’s economy was teetering on the brink.

CPEC’s transformative potential for Pakistan draws comparisons to the Marshall Plan in post-war Europe. With the initial forecast of creating over 2.3 million jobs from 2015 to 2030 and an impressive 2.0 to 2.5 percentage points added to Pakistan’s annual economic growth, the corridor was considered to be a catalyst for transformative impact on Pakistan’s economy.

So far, in the last ten years $25.4 billion in direct Chinese investment has flown into diverse sectors – such as transport, energy, and infrastructure – all part of the transformative connectivity and investment corridor project within the ambitious Belt and Road Initiative, spearheaded by Beijing. In what can be seen as a display of solidarity, China has also provided invaluable support to Pakistan’s economic stability by dispensing a considerable 30 billion Chinese yuan in loans and establishing a currency swap arrangement.

This invaluable assistance has acted as a robust shield, safeguarding Islamabad’s financial health, reinforcing its capacity to manage debts and alleviating the pressure on its debt repayment obligations. This strategic partnership has also enabled Pakistan to diversify its trade dealings, reducing reliance on the dollar and bolstering its foreign exchange reserves.

Through its vast network of roadways, CPEC has deftly intertwined rural and urban landscapes, fostering a harmonious synergy that resonates with the power of progress. The strategic placement of nine special economic zones (SEZs) along these arterial road links has proven to be a masterstroke, with huge potential to lure hefty investment towards Pakistan. In the aftermath of the Covid-19 scourge, the charm of these SEZs has become even more potent, promising economic rejuvenation.

Four out of the nine SEZs designated under CPEC are about to take-off. With the completion of the first phase of CPEC, these initial SEZs sprouting along the network of motorways are expected to start operations by 2025 while the remaining five SEZs are likely to become fully operational by 2030.

Gauging the impact on Pakistan, CPEC has emerged as a formidable catalyst for change, unfurling a panorama of opportunities for Pakistan. Chinese Foreign Ministry spokesman Wang Wenbin says “the projects are creating 192,000 jobs, generating 6,000MW of power, building 510 km (316 miles) of highways, and expanding the national transmission network by 886 km (550 miles).”

Of particular significance is CPEC’s role in nurturing Pakistan’s blue economy. The Gwadar Port, a central player in this ambitious initiative, has undergone a remarkable metamorphosis, evolving into a fully operational maritime juncture, linking Pakistan to the world and bolstering trade and commerce in the region. As the Gwadar sea port reaches full operational capacity, it will bring tangible improvements to the growth of the economies of both countries.

The imminent completion of the Gwadar international airport promises to amplify its strategic significance, expanding the scope of opportunities in the days ahead. The upgrade of Pakistan Railways’ ML-1 (Main Line 1, Peshawar to Karachi) has been agreed, paving the way for industrialization and export-oriented connectivity. Originally conceived as a visionary endeavour to connect the Gwadar Port in the southwest of Pakistan to China’s northwestern region of Xinjiang, CPEC’s objectives have evolved into a multifaceted mission encompassing energy, infrastructure development, industrial cooperation and the promotion of Gwadar as a pivotal trade hub.

CPEC’s impact spans borders, fostering regional integration and trade. As a BRI linchpin, it bolsters connectivity between China, Pakistan and neighboring nations. Improved transport infrastructure, such as the Karakoram Highway and the Peshawar-Karachi Motorway has greatly helped in accelerating travel and facilitating efficient movement of goods and people.

With the progress on nine SEZs surging forward, particularly in the thriving Gwadar Free Economic Zone, CPEC is increasingly emerging as one of the most attractive “investment destinations” in the region. Chinese companies are eagerly joining the fray, registering in significant numbers to establish production facilities. Already, close to 50 Chinese firms have set their sights on Gwadar economic zone, while a promising 200 more are in the queue.

Stepping into the second phase of CPEC, China has generously pledged a $1 billion grant to propel Pakistan’s social-sector development, reaffirming the bonds of partnership and shared prosperity. A testament to the deepening connections between the nations, people-to-people interactions flourish, with over 30,000 Pakistani students studying in China.

According to media reports, the second phase of CPEC is set to witness the completion of 63 additional projects valued at an estimated $35 billion by 2030. This encouraging development highlights the unwavering commitment of both China and Pakistan in materializing the corridor’s vision, which not only bolsters regional connectivity but also opens pathways to Afghanistan and other countries of Central Asia. The future of CPEC appears promising, underscoring the potential for transformative economic integration and cooperation on a grand scale.

CPEC also has its fair share of obstacles and challenges, including security threats and a persistent wave of negative propaganda orchestrated by those seeking to undermine the Pakistan-China partnership. Also, doubts fuelled by external forces led some to view the project through the lens of a potential debt trap. But with time, many of the controversies surrounding this monumental transport and infrastructure initiative have gradually dissipated.

It is reassuring that both countries have effectively addressed and largely overcome these challenges. While acknowledging these challenges and controversies, it is essential to recognize the resilience and determination demonstrated by both Pakistan and China in navigating these obstacles. The enduring commitment to the CPEC vision has allowed for progress and cooperation to thrive, ultimately propelling the initiative towards its transformative potential.

In the age of tectonic shifts in geopolitics, CPEC emerges not merely as a conduit of connectivity but as a paradigm of partnership, unlocking the vast potential of shared prosperity and progress. As CPEC forges ahead in the second phase, Pakistan’s economic revival stands at a crossroads, poised to seize the opportunities that lie on the horizon, hand in hand with its Chinese partners.

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