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China-Pakistan Economic Corridor: A Road to Development and its Challenges

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2²⁵ ABSTRACT

On the world map, Pakistan and China being the neighboring states are inclined to develop and strengthen their relations with each other. These two states can be called as the good neighbors who can assist each other during the time of crisis. Both countries have had always a welcoming attitude towards each other in different situations due to which right from their independence till today in the 21st century, they are cooperative, supportive, encouraging, and friendly states among the other states of the world. This article is based on the fact that apart from the diplomatic, cultural relations, Pakistan and China are making great attempts and efforts for building viable economic relations with each other. It is also to see that how much these two would be beneficial in their economic interests by making the Gawadar project in their journey of making progress in economic capabilities what challenges are being faced by these states in terms of the economic corridor.

It is assumed that However, through this macro-level economic project both Pakistan and China would lead up to reach their destinations along with the attainment of their national interests.

Key Words: Pakistan, China, Economic relations, Economic Corridor, Gawadar Port, trade, Challenges.

Introduction

In International relations, the national interests of the multiple states that might be economic, military, political or diplomatic, interest's engrossment is the most substantial. States make relations with other states for different purposes. Pakistan and China relations are said to be as friendly and they are economic and political partners also. Pakistan and China being the two prominent states in terms of geostrategic location and due to their economic power capabilities respectively both are attempting their performance from the different scenarios however that is either in terms of trade, economic fields or by means of the political, cultural, social, military as well as diplomatic level concerns. By means of international bounding line, where Pakistan shares its marches with tetra neighboring countries namely Afghanistan towards the north-western side, Iran to the west portion, on the northern part lies China and India is located towards the east.

On the other hand, China bounds in the eastern part by the East China Sea. Pakistan contemplates China as all-time, in every season, the most benevolent and encouraging, friendly strategic state. In

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actual, **Pakistan** and China proceed with in terms to develop more closed alliance in order to parry and ward off the role of other powers mainly United States of America, Russia and India. The walk-on part of Gawadar port, which is situated at the seaboard of the Arabian Sea, in the western zone of Baluchistan, is advantageous for both the actors co-partnership. However, by viewing that over the past so many years considering the inception of diplomatic or ambassadorial relations, the contribution of the Chinese leaders Mao Zedong, Zhou Enlai and Pakistani politician Zulfikar Ali Bhutto and other premiers greatly contributed in building the closer connections between both the actors.

On the part of **Pakistan**, first Muslim state is said to be at the top and the first state to identify and recognized the People's Republic of China. In contrasting the relationship between **Pakistan** and China from the very initial era up till in the twenty-first century, both has had good, friendly and quite worthy relations to say that both states relationship is titled as the eccentric or distinctive coalition. Both these states are the nuclear power. As according to International Monetary Fund (IMF), USA lost the title of largest economy whereas China is the largest economy in the world.(Carter,2014: 1)In the coming years, China seems to be appeared to have embryonic as superior power on the global stage. China is the individual major power that has the capability to bolster potentiality, security and peace in Asia. As such the American role is quite influential in Asian region.

The economic and military ascend of China and powerbroker with extending political smack is a great challenging as well as onerous situation in terms of

American dominance. The relationship between USA and India are getting much stronger day by day and they also made certain deals which fulfilled their concerns in their foreign policy making, which has become a challenging matter for South Asian land. In the present scenario, it is considered by of the several states of the world that, China would come to play a dynamic and high-powered role for the improvement and enhancement of the economic ties of other states residing in South Asia.

At some or the other side, it is vital to note that although China has an active role in South Asian region but it has some limitations due to the fact of **Pakistan-India** conflict, secondly in terms of the global powers there are some past and present struggle specially with USA and Russia, inadequacy and insufficiency of fostering regionalism in South Asia and unwillingness showed by India for China to become a member of South Asian Association for Regional Cooperation (SAARC).The foreign policy of China in Asia involves quadrilateral strategy focused at increasing its role at the regional and international level. Interestingly, China has some basic concerns in South Asian region such as China wishes to have bilateral relationship individually with all the South Asian states namely, **Pakistan**, India, Bangladesh, Nepal, Bhutan, Sri Lanka, and Maldives. On the other hand, China is interested in systematized China-South Asia criss-cross.

Also China wants to have dealings with cooperative measures in terms of infrastructure as well as in energy areas. China is a country which follows the principal of non-interference in other state's inter-regional matters, mutual trust, understanding and respect for the jurisdic-

tion of independent states. **Pakistan** is said to be the most supportive country for China in every field. China never interferes in **Pakistan's** internal matters and more crucial is that she never showed and used violent and hegemonic attitudes towards **Pakistan**. Both the states always showed serious attempts to preserve each other's security, peace, regional stability and progressive actions for further development in different circumstances. For the elimination of terrorism which has now become a global issue is being determined to fight against it, also to remove the separatism and extremism from the region is a great concern of China in the region.

China-**Pakistan** Economic Relations

Pakistan and China not only enjoy strategic, military, cultural and diplomatic bilateral relations but also have strong economic ties. **Pakistan** is the first Muslim country and the third non-communist country to recognize China in 1950. In 1951 **Pakistan** and China were engaged in diplomatic relations. "The relationship is deeper than the oceans and higher than the mountains. Viewing **Pakistan**-China relations since the initial settings till in the twenty-first century, both the states cooperate with each other in order to attain their objectives and China played a vital role in the development of **Pakistan** from different perspectives **Pakistan's** role is also effective in assisting and supporting China from various dimensions.

Both of the countries are striving together for promoting peace, stability and economic prosperity in Asia"(Kayani,2013: 454)The economic ties between both the countries began to strength in 2007 after the culmination of Free Trade Agreement (FTA).In order to

observe some says that there is no doubt that with the arrival of the Nawaz government, China has been making running head in more regularly than before. Some analysts believed that Nawaz's business interpretation combined with China's dynamic role in the economic perspective has the capacity to turn over **Pakistan's** depressing economic condition to a progressive and emerging economy. Energy is defined as the jugular vein of the economic sector of any state.

There is no significant solution to the issue that has not yet been seen and it is continuously used to torture the citizens as power supply is the essential requirement in the modern phase of technology. Power electricity and load shedding is common in every city of **Pakistan**. Wapda and KESC have failed to handle the problem that reveals the failure of the system of the country. China-**Pakistan** Economic Corridor is the ideal project that would assist in getting rid of the energy crisis. The availability of the energy in the country would bring back existing industries like textile to full production and approximately two percent to Gross Domestic Growth to **Pakistan**.

Shahbaz Sharif, the current Chief Minister Punjab of **Pakistan** believes that China is strengthening great economic cooperation to **Pakistan** and that the government is making serious attempts in order to resolve the issue of energy crisis and a several number of projects with China's cooperation that would initiate creating electricity. It is also observed that CPEC project would cover energy zone. In terms of the energy area, project sum of 10,400 megawatts had been included in the first option plan, which can be accomplished by 2018. Overall, China's organizations would provide \$35 to \$37bn by means of the foreign direct in-

vestment for the purpose of independent power production under the umbrella of investment strategy that was perhaps accessible for all the financiers.(AbidandAshfaq,2015: 161).

Interesting fact is that this project is based on multiple sectors such as solar system, coal, wind, hydropower generation of 16,400 megawatts inclusive to that of the transmission system and would be discovered in all the provinces and Azad Kashmir. However, China would buildup 10 projects of 6,600 megawatts in the Thar Desert which would alter this far and underdeveloped region into **Pakistan's** energy capital and permit economic facilities for the citizenry.(Abidand Ashfaq,2015: 161) Moreover, from the looking glass of the economic development, China **Pakistan** Economic Corridor would lend a helping hand in order to construct a strong and stable economy in **Pakistan** and would inaugurate a vital chance for **Pakistan** to bring round its industry and proceeds its economic engrossment. It would also encourage in getting control of the psychological obstacles to circulate of foreign investment from other means.

Apart from the antagonistic economic authorities over 150 private fair-play funds, foreign as well as domestic are quite energetic in India. Only few funds are given to put money into government, with the contribution of the private sector in order to support foreign direct investment in **Pakistan** vitally. As according to the Finance Minister of **Pakistan** Ishaq Dar, "war phobia can also be defeated through economic development. Peace and prosperity can be achieved with economic advancement." (Ashfaqand Abid,2015: 163) It is assessed that if this project would move ahead

with proper systematic ways, it would go above the regional extension in order to bring about big changes not only from the perspectives of national economies of the advantageous states but also to the economics of the population at the working class level.

China-**Pakistan** Economic Corridor (CPEC)

There is no other corridor between the states like the China-**Pakistan** economic corridor that brings a source of more viable not only economic cooperation but also cultural affection, among the two nations. As according to Xi Jinping, the current President of People Republic of China, "The China-**Pakistan** Economic Corridor is located where the Silk Road Economic Belt and the 21st Century Maritime Silk Road meet. It is, therefore, a major project of the "Belt and Road" initiative. We need to form a "1+4" cooperation structure with the Economic Corridor at the centre and the Gwadar Port, energy, infrastructure and industrial cooperation being the four key areas to drive development across **Pakistan** and deliver tangible benefits to its people."(Panda, 2015: 1) The so called One Belt One Road project, whereby **Pakistan** and China have agreed to build this, most commonly called as China-**Pakistan** Economic Corridor is anticipated to conduct both peace and prosperity in South Asia.

This corridor would engulf 2,000 kilometer transport or ship connection between Kashgar in northwestern China to **Pakistan's** Gwadar port on the Arabian Sea closer to the border with Iran through roads, railways and also pipelines. Perhaps it is a game changer project that would alter luck of **Pakistan** in terms of encouraging **Pakistan** to

modernize. Also this would bring positive changes in economic sector and trade, strengthen regional connectivity, get the better of energy crisis, establish infrastructure and develop people to people contacts in both the states. As the analyst Andrew Small, invent a term "Cooperation in Shadows" in order to describe the relation. For long years, both the states established strong relation of trust. As it is quite obvious that the element of trust is the most crucial in terms of developing strong ties.

Based on the past, the foreign policy of China gives a great attention to **Pakistan** in future struggle of China, here comes the best example of China-**Pakistan** Economic Corridor.

The China-**Pakistan** Economic Corridor is a logical and well-made concept and project in order to set free or unchain the procedure of purposeful cooperation among the two near border states and for the well-being of China and West as well as South Asia. Based on the conception of win-win situation, the strategic notion of **Pakistan**-China economic corridor or arcade that basically described and examined from four stance i.e. historical, economic, cultural and geopolitical. Although the notion of a corridor or passageway, that has been a source of enormous establishment in multiple areas of the globe, would flourished in **Pakistan** with the construction of a network of roads, railways, highways and also power generation plants all the way from Khunjerab, the border of **Pakistan** and China, towards the Gawadar, one of the largest port of **Pakistan**.

In order to understand the concept of "One Belt One Road" which has a strategic importance, and this origina-

tion covers states and regions with a population of 4.4 billion and a complete economic volume of US\$ 21 trillion, 63 percent and 29 percent respectively of the globe's total. (Abidand Ashfaq, 2015: 144) The China-**Pakistan** Economic Corridor is planned in order to lay the foundation for the regional cooperation, for betterment of economic growth, for contributing trade multifariousness, spending in transportation, extracting and energy sectors as well as constructing political cooperation. It is a perception with globe-changing implications, an open out project which would criss-cross a large part of Asia, Europe, Africa, Oceanic and the Middle Eastern side much more nearly along with a mixed bag of diplomacy, new infrastructure and free trade zones. However, to see the geographical location this economic project which basically consists of three routes southern, central and northern route.

The southern corridor initiates from Guangzhou, that is the third biggest city of China in South Central China. This pathway moves towards the western portion of China that links Kashgar with **Pakistan** at Kunjarab, a place from where China is keenly interested to make connection with Gawadar port in the Arabian Sea. It is considered as the most possible shortest option for China. Second choice for China is the Central Corridor that begins from Shanghai and connects the country towards Tashkent, Tehran and ahead to Bandar Imam Khomeini Port of Iran specifically on the Persian Gulf. Also one of its arm makes connection towards Europe. This is perhaps a longer path but could be a choice in case if **Pakistan** does not carry on the agenda of completing its road web in order to become a donor or receiver in terms of the New Silk

Road Economic Belt. The third choice for China is the Northern Corridor that begins from Beijing, makes one's way via Russia and connects it to European cities.

In fact China **Pakistan** Economic Corridor identify the reality that regional integration is an unavoidable estimated to meet up with the demands of economically universal world, the idea of Silk Road was developed again and put another way in 2013 under one road one belt inventiveness i.e. Economic Belt along the Silk Road as well as the Maritime Silk Road.

On the part of **Pakistan** which an main essential partner for China as it makes connection to the Central Asia, Southern Asian region and also Middle East and its major deep-sea port Gawadar that put forward direct reach to the Indian Ocean and beyond. Both the states have been making efforts in order to strengthen their coordination and strategic communication to protect the common interests. China **Pakistan** Economic Corridor (CPEC) represents a new model of **Pakistan** and China cooperation that would work in opposition to the backdrop of complicated and changing regional and international circumstances. **Pakistan** and China have established quite strong bilateral trade and economic connection and cooperation from many years. As such China has moderately appeared as one of the major trading partner of **Pakistan** from the both perspectives exports and imports.

In 1963 when **Pakistan** and China both signed the first bilateral long-term trade accord, bilateral trade along with commercial network were developed. Also both the states agreed on Free Trade Agreement (FTA) that was signed on 24

November, 2006 and put into practice from 1st July 2007. Afterwards, both signed the FTA in terms of Trade in Services on 21 February, 2009 that became viable from 10th October the same year. (Abid and Ashfaq, 2015: 146) CPEC is in a process of construction of mega-project that would achieve both the political and economic goals via trade and development and would extend the economic and trade building between the two states. In South Asia, this corridor would also be a supporting factor in building regional stability. Once this project is completed, it will operate as a main source or as a main gateway for trade between China and Africa as well as Middle East.

It is also anticipated that this corridor would assist cut the 12,00 km path that Middle East oil supplies should must now take to reach the ports of China. It is observed by the analysts that the perception for the economic pathway between Pakistan and China extended as far behind as the Pervaiz Musharraf era. This plan surmise for many years, acquired grip in 2013, when Li Keqiang the Chinese Premier focused on the building of the CPEC while his visit to Pakistan. He signed leading light CPEC accord at that time. In the same year, also Pakistan's Prime Minister Nawaz Sharif visited Beijing and signed eight accords that somehow costing \$18 billion inclusive building around 200 km underpasses or tunnels for the CPEC.

However, in 2014, Pakistan's current President Mamnoon Hussain made an official visit to China in order to make progressive discussion of the economic corridor. Same year Nawaz Sharif made another visit to China and signed 19 agreements with China. That was the phase when Chinese banks and organi-

zations were pledged over US\$ 45.6 billion in terms of energy and infrastructure projects with the corridor. The accords gave a clear evidence of a deepening strategic connection between the two states. Similarly in 2015, Chinese President Xi Jinping made a visit to Pakistan. This was in fact the second visit of Chinese leader in Pakistan in the 21st century after the visit of Hu Jintao to Pakistan in 2006. When Xi Jinping's visit to Pakistan, total 51 accords were signed between Pakistan and China having worth of \$46 billion inclusive to the establishment of China Pakistan Economic Corridor. Since 9/11 era, Pakistan has received a large mass of aid from US.

Moreover, by means of the infrastructure of CPEC, the construction era that is from 2014 to 2030, has unified connections with the Chinese One Belt, One Road as well as the augmentation of China's proposed 21st century Silk Route dynamism. The performance of the project under the CPEC basically divided into three phases, i.e. the short-term projects are somehow estimated to be completed by 2017, mid-term by 2025 whereas the long-term somehow by 2030. In fact the total construction costs are roughly evaluated at \$46 billion. It is the web of railways, highways and pipelines to transfer oil and gas. In terms of the first phase that consists of the establishment at Gawadar port and the building of the international airport. It would be completed in 2017. (Abid and Ashfaq, 2015: 147-148)

With the Karakoram Highway linking the two states would also be broadened whereas the rail connection between Peshawar in the north and Karachi in the southern Pakistan would be raised. In terms of the fiber-optic communication network, the two states have plan to

make progressive efforts. "During his meeting with President Xi Jinping, President Mamnoon Hussain said the China Pakistan economic Corridor would prove to be a game-changer in the whole region by generating massive trade and economic activity and opening new vistas of progress and prosperity for the people of the two countries and about three billion people of the region." (Ashfaq and Abid, 2015: 159)

Gwadar Port

Gawadar deep sea port is considered as the jugular vein between Pakistan and China for enhancing their trade and economic activities, and to have an international prestige on world political stage. Gawadar port is said to be the main central point of making socio-economic development between Pakistan and the international relations.

"Gwadar is located ideally in the Arabian Sea near the entrance of the Persian Gulf through the Straits of Hormuz. It has great economic as well as security potential for the future of Pakistan." (Khan, 2014: 1) In fact, Gawadar port is the appendage of silk belt, that would linked Kashgar via multiple communication networks. Gawadar hold the main central area in the project of China-Pakistan Economic Corridor due the fact that without building the Gawadar port completely practical and serviceable it would be quite tough to see the predictable corridor as an energy corridor that emerged as one of its main aim behind the fabrication or creation of the CPEC.

However, it is interesting to know that closer to the Strait of Hormus, that channels about somehow one third of the world's oil trade, Gawadar could play a

major role in protecting China's energy security as it come up with much shorter route than the current route of 12,900 km from the Persian Gulf via Strait of Malacca towards China's eastern seaboard. It is being observed that Gawadar would also place China and Pakistan in a strategically beneficial status along with the Arabian Sea amalgamating the existing Indian interests that twig from China's participation in neighboring ports like Hambantota in Sri Lanka, Chittagong in Bangladesh and Sittwe in Myanmar. Perhaps, as far as India is concerned, she is also being considered as the energy hungry it stepped forward to establishing Chabahar Port in southeastern Iran.

Moreover, the port has the capability to serve as a secure channel and storage along with trans-shipment pivot for Central Asia and Middle East oil and gas suppliers be means of the well-defined and distinct corridor passing via Pakistan. The functional control of the port would enabled China's access towards Indian Ocean, that is strategically vital for China as it strengthen its impact across the region. Gawadar port would be connected with China's western province Xinjiang by means of the rail and road connections.

The eastern seaboard of China are somehow 3,500 km at distance from the city of Kashgar in western China whereas the interspace from Kashgar to the port of Gwadar is only 1500 km.(Abidand Ashfaq,2015: 149)"The potential of Gwadar port on the strategic, economic and military perspective would bring Sino-Pakistan in the active maritime cooperation which includes all activities related to shipping, freedom of navigation, the enforcement of international law of sea and coastal defence. It

also encompasses resource-based interests such as exploitation of offshore resources within the Exclusive Economic Zone (EEZ)." (Kalim,2016: 218)

Challenges in China-Pakistan Economic Corridor

There are many internal and external challenges for Pakistan and China government in order to implement this multi-dollars project. Pakistan faces many challenges in the performance of the China-Pakistan Economic Corridor (CPEC). Political unrest situation, security concerns, and administrative issues are considered as the basic issues in the implementation of the successful completion of the corridor. The building of the corridor has been described as the strategic time that Pakistan has presumed the status of the economic hub for the region as a whole. This pattern of shifting in circumstances is the reason of great tension for the adversary of Pakistan internally as well as externally. As such India, USA and Israel are not happy with it. On the part of India, CPEC is a prickle on its foot. They with the united heads have made efforts in order to block ways in terms of the new policies and strategies of the project to move ahead.

In Delhi, RAW has initiated a particular office and has been allocated \$300 million to disarrange CPEC.(Abidand Ashfaq,2015: 151) Also in Pakistan some political souls made issues like Awami National Party, Baloch nationalists and some others raised quite serious protestation to the CPEC project. There are some challenges for Pakistan and China in terms of the CPEC, which are as follows.

- One of the major issue is that of the

Baluchistan factor, it is one of the most important areas of Pakistan, a viable location where analysts believed that it would be the world's largest trade pathway, connecting the deepest port of Gawadar along with the city of Kashgar. However, Baloch's insurgents who are against Balochistan specifically the establishment of Gawadar destroyed several pipelines and trains also attacked engineers of China. They are against that Baluchistan should not develop as an economic and trade pivot unless it is raised as an independent status. They are afraid that if Baluchistan establishes Gawadar port it appeared as a growing port, then the external forces would come in. Another crucial reason of insurgency in Baluchistan is ethno-sectarian, which has made Baluchistan quite tense, disagreement over China Pakistan Economic Corridor project that has added more energy to the firestorm.

It is observed that China Pakistan Economic Corridor is the main interest for China, Pakistan and also the world, as they all percept it in terms of the economic and strategic benefits and disadvantages, but whatever significance it has for others, most important is for the lives of Baloch, that would create destruction in the name of its establishment. Also several Balochi separatists are also against the development of the CPEC project. As a large number of power projects are working under the CPEC in Punjab, that would have a vital effect on raising the socio-economic conditions of targeted areas and population, vitally that of the central and northern Punjab.

No such project has been started in Balochistan, and coal-powered projects delegated under the CPEC have already been put to one side, apparently because

of the lack of interest by Chinese organizations. (Baloch,2016: 3)Balochistan is not giving their proper rights being the rich resource province of Pakistan, they want an equality as other provinces are getting benefit from this economic corridor. They want the logical ways in order to get benefit from this CPEC not only the statements by the government. The people of Balochistan want progress and development from this economic gallery. "The projects included the foundation stone laying of the Free Zone Port"(Zuberi,20161) "The entire provincial government has no convincing data to prove what the CPEC has for Balochistan.

We need to be honest with ourselves - that China needed Gwadar and in return we got a multibillion dollar infrastructure, metro line, eastern route and motorways and energy projects that will be focused in particular part of Pakistan."(Baloch,2016: 2)

- Another challenge that Pakistan and China both face in this project is due to the security concerns. There are curve of military extension from Xinjiang to Gawadar that contains groups like the East Turkestan Islamic Movement (ETIM), Lshkar-e-Jhngyi (LeJ),Daeish (ISIS), Tehreek-e-Taliban Pakistan (TTP), Balochistan Liberation Army, Balochistan Liberation Front (BLF) as well the military related political parties. Many of these groups might not have any adversary with China itself but they have intention to create destruction for the interests of China like the CPEC as a way in order to deal with the Pakistani state. The security of the whole corridor and Gawadar is a true concern for China and Pakistan. Due to the military operation in several areas of Pakistan, the terrorist infrastructure that uptill now ex-

ists inside and outside of the borders that would continue to produce threat.

- In terms of the economic perspective, for the CPEC the major challenge appears from the competitors. Here comes the most vital Chabahar port of Iran. India has intention to invest \$85 million in the establishment of Chabahar, that is at a short distances from Gawadar and India want to have an access to landlocked Afghanistan and Central Asia, while passing opponent Pakistan.(Abidand Ashfaq,2015: 156)Although Chabahar plan is not yet originated due to the ongoing discussion on the nuclear issue of Iran, on the other hand Gawadar deep sea port is already been operational. Iran has a great interest to take part in CPEC due to the fact that makes linkage between Iran-Pakistan gas pipeline with China, which is narrated as the common interests among the three states. On the other hand, India's involvement in Chabahar is connected to Pakistan's rejection to allow Indian reach of transport to and from Afghanistan, that is why India views Iran as the next best choice.

Pakistan must improve her relations with Iran in order to counter Indian interests. Recently, Iranian President Hassan Rouhani while meeting with Pakistan PM Nawaz Sharif where he desired to become a part of the CPEC, and both leaders showed a positive response in terms of the Pakistan-Iran ties. As Iran considers Pakistan's economic development as its own development, also both the states discussed opportunities in terms of the bilateral cooperation in different matters like energy, oil, gas and electricity. It was observed that the progressive attitude in terms of the Iran-Pakistan gas pipeline and electricity import from Iran would assist Pakistan in order to overcome its energy

shortages in the future perspective. Iranian President also focused on the security perspective that Pakistan's security is the security of Iran. (Abbas,2016: 1) On the other hand PM Nawaz Sharif informed Iranian President Rouhani about the Indian cruelty and barbarity in Kashmir.

It was also highlighted by Pakistan that there was a great need to build a unity and cohesion platform within the Muslim world, specifically at the time of conflicting situation. All such things if to be practically implemented between both the Muslim nations that would counter the Indian interests in the region. If Pakistan has good relations with Iran then many of our domestic issues would be resolved.

- Tax and Power Tariff are said to be the main issues in the process of the China Pakistan Economic Corridor. As far as China is concerned she has raised serious concern over the issues of tax, power tariff as well as electricity price with Pakistan also with the implementation procedure of the CPEC energy projects in Pakistan. The authoritative parties of China have noticed that the decrease in tariff for sustainable energy would adversely affect the cost-effectiveness of the project performance, reduce investment eagerness and affect the tasks execution that is based on China-Pakistan Intergovernmental Agreement. However, Pakistan presented the view that renewable energy tariff would not be the same in the future scenario and the tariff lowering range is nearly linked to the cost of the task at the moment of application for tariff.

As such the cost of the renewable energy is decreasing in the global market place, apart from National Electric Power Reg-

ulatory Authority (NEPRA) regulates tariff which is independent of the **Pakistan** government.

- The bones of network filled by China have made India not sure and perplex. Also India is concerned about China's large amount of investment in **Pakistan**, specifically its latest commitment to fund for CPEC. China is also assisting **Pakistan** in terms of manufacturing plutonium at the China's constructed Kyushu reactor and would also sell eight submarines worth \$5 billion, that would give a sum leap to **Pakistan's** Naval sea potentiality.(Abid and Ashfaq, 2015: 158)Afterwards, once the CPEC gets completed, **Pakistan** might become a trade pivot in the region after Gawadar Port initiates working completely and duty-free economic sectors are set up.However, most of the Central Asian states also showed great interests in becoming part of this economic corridor.

India is upset due to the strategic partnership between **Pakistan** and China, that loudly showed its opposition and even the current Prime Minister Narendra Modi declared the president of China while his visit to Beijing in order to let fall the plan of establishing the corridor. But China did not come into the pressure and affirmed to move ahead with efforts and viable attempts on the project. "India is also not happy with the handing over of Gwadar Port development and its operations to China. There have long been reports that Delhi is fuelling insurgency in Balochistan, which is rich in oil and gas resources, but poor law and order conditions have halted work on exploration activities there." (Ashfaq and Abid, 2015: 159)

- Due to the growing development of fundamental or innate issues as well as

social matters in China are widely misunderstood in **Pakistan**, where as China is considered as a vitally a communist state at some or the other level of progression. In Western part also even in China perhaps the system is recognized as improved model of capitalism i.e. a combination of communism and capitalists images. Interpreting this is quite all important for operating bilateral relations ahead. However, strategic ties are in series but trade relations fall behind, and are not commensurate to other parts of the relationship.

- Lack of conviction and certainty specifically in terms of Chinese goods or manufactured items in **Pakistan** is one of the major issues in this aspect, whereas many raised questions about the quality of the Chinese products. This is also one of the hurdles in **Pakistan**-China trade relations.

- Execution apparatus or mechanisms are also one of the challenges. Although there are 358 Joint consensus, on various matters like economic, cultural, diplomatic concerns. Memorandum of Understandings, Joint announcements and ordering that covers almost every part of civil society, distrust of political contribution and due to the failed implementations there is no proper outcomes.(Hussain,2014: 7)

- Another challenge is the security situation in **Pakistan** which is a main obstacle in trade relations between the two countries. However this is specifically taken in the ambience of the **Pakistan**-China Economic Corridor, Baluchistan and Gilgit-Baltistan are the two major areas due to swear security problems.

- There are structural problems between the two countries particularly in the way

of agreed national preferences. Also lack of communication between several compartments which results in uncertainty and put a stop to efficacious and well-timed performance.

- Bounded and insubstantial people to people contact, apart from this due to the restricted Chinese art and literature are having the relationship a bit one sided.

- By means of the economic gem which is perceived by some analysts that **Pakistan** want economic well-being from the markets of China, nevertheless this aspect is ignored by the Chinese reach in terms of the relationship. However, in case if international relations proceed to be directed by actual and existent politics and not economics, then the strategic ties must be given much more priority.

- From the perspective of **Pakistan's** near edge towards China must be a bit more remote in that context the national interest of **Pakistan** should come at first site and be forecast and predicted as such. This is in fact no way to be contentious in terms of the influence of **Pakistan**-China relations.

- Baluchistan and KPK provinces are not happy with the route/passage given to them for CPEC communication, political parties of **Pakistan** are also not truly supportive. Balochistan being the essential part of **Pakistan**, and the rich-resource province of **Pakistan** and some of the regional and authoritative powers tried to strengthen their hold in the region in order to get control of minerals and economic resources. The fact that cannot be denied that Balochistan was neglected in the British Raj, also by some of the governmental bodies of **Pakistan** since 1947, that shows that this rich-resource province lacks technolog-

ical powers as well as economic resources to utilize its untapped reserves. Due to this context, Pakistan seeks China's support in establishing Gawadar port into global port in terms of the future project that links it with Kashgar (China).

Balochistan and KPK has some reservations on this CPEC, and they are against this project from its neighbor India, that has objection to this corridor as it would pass via Pakistan occupied Kashmir, a territory with destroyed status as this is said to be groundless allegation as India would be frightened by the building-up of Gawadar port. Thus it is quite clear that various states and India specifically is not happy with CPEC, that has the power to transform Pakistan into an essential country of the region, reason being that India desires to be the only regional hegemonic state in South Asia and she leaves no chance to weaken the region. No doubt, the Gawadar port has great capability to boost Pakistan's economic sector, along with the mineral resources of Baluchistan that could come up with progress not only to the citizens of Baluchistan but also for the population of other provinces of Pakistan.

The citizens of Baluchistan are suffering from poverty, illiteracy, lawlessness, sectarianism, separatist insurgency as well as military interventions." Notwithstanding, today the hope and happiness of the indigenous local Pashtun and Baluch are losing its strength due to the antagonistic and bias attitudes of the central government. Furthermore, the inept Pashtun and Baluch nationalist leadership have completely failed to secure their basic rights from the "Holy Punjabi Empire". Because some of the Pashtun nationalist and religious leaders justified the Prime Minister's claim over

corridor's conceivable connection to Pakistan's prosperity with the help of Quranic verses. The Pashtun nationalist leader Mehmood Khan Achakzai, has stated that the people should not make the China Punjab Economic Corridor controversial." (Kakar, 2016: 1)

Hence it is necessary that all the political parties should present a great supportive attitude in terms of the implementation of the China Pakistan Economic Corridor. The political parties must have the unity in order to resolve their political matters and act in terms of their correlative benefits. The government along with the provinces should work together for the purpose of commercial, economic and cultural development also for the amicable environment in the country. It must also be taken into consideration by the government to share all the details of CPEC project with all the political members of all the provinces of Pakistan.

Inauguration of CPEC: A Milestone for Development

The inauguration of CPEC on 12th November, 2016, was done by Prime Minister Nawaz Sharif where the China Pakistan Economic Corridor has become a reality with the initiation of the foremost shipment of trade cargo from the Gawadar port towards the international landing place.

Prime Minister, Nawaz Sharif was of the view that this project has emerged as a dawn of huge trade and commerce facilities for the whole region. It has been declared by the Prime minister that Pakistan is getting benefit in terms of the unique geo-strategic location, standing at the crossroads of South Asia, China as well as Central Asia and the changing

destiny of three billion people of the region and in future scenario would serve as an economic hub by means of the trade zone.

On 11th November, 2016 the first trade marketing carrying goods for export via western route of China Pakistan Economic Corridor as well as Chinese ship arrived at Gawadar sea port. That convoy consisting 60 containers, initiated its journey towards Pakistan from Kashgar via western route and arrived in Quetta in the first phase and then later moved for Gawadar. Similarly the second convoy comprises over 100 containers arrived in Gawadar on 12th November, 2016. (Zafar, 2016: 1) However, from the security perspective, Pakistan's military is showing a cooperative attitude and is trying to secure corridor from Pakistan to China. On 26th November, 2016, the PM of Pakistan presented the view that CPEC which is a multiple infrastructure project, also peace and development are inter-linked that creates the regional peace stability between the two nations.

Conclusion

From the above discussion, it is come up with the concluding remarks that as in the 21st century, the most prominent economic corridor i.e. China Pakistan Economic Corridor, by which the two amicable states are trying their best attempts to fulfill their economic activities at larger scale. This economic corridor or the economic gallery between the two states is said to be another way of moving ahead in trade and macro-level economic development. The trained human resources from the country to safeguard China's plan and workers might be an effective way to the issues specifically from the Gawadar to the CPEC. One of

the hurdles in terms of **Pakistan**-China relation is that of the extended bureaucratic authority. However, **Pakistan** has been playing a dominant role in South Asian region. Once this economic project is completed, economic, strategic and commercial atmosphere would improve and bring positive changes in **Pakistan**.

It would assist **Pakistan** in dealing with the issues of unemployment, poverty and injustice of undeveloped provinces. By every means, CPEC is said to be appeared as a game changer and would make a true stakeholder in terms of the stability and security concerns regarding **Pakistan**. This project is analyzed as a win-win situation for both **Pakistan** and China. It would also on the larger scale extend the range for the viable and well-constructed development of the economic growth of China. China's backing and funding would assist **Pakistan** in getting rid of the so long yearly labels as main center of terrorism, most threatening state, and a failing country. As it is quite clear that if the economic sector of any country at the global stage is highly raised or it is on the road to progressive measures, it would not only lead that country more dominant and influential in order to emerged as a competitor state but also to win the race from the economic strategy.

Also the Gawadar port is the hub of the future economic prosperity of both the states. In short, **Pakistan** and China being the neighboring states and by proper implementation of this economic corridor hoping that both would run a much more stronger and viable states, reaching their goals amicably and make their economy and trade more stable and potential.

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