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Lieutenant Colonel Infantry **AMMAR KARIM**, Pakistan Army

**CHINA PAKISTAN ECONOMIC CORRIDOR:  
IMPLICATIONS ON PAKISTAN'S ECONOMY AND SECURITY CONCERNS**



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Lieutenant Colonel Infantry **AMMAR KARIM**, Pakistan Army

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Supervisor: Colonel Infantry QEMA **RENATO VAZ**

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1. CORREDOR ECONÔMICO CHINA-PAQUISTÃO (CPEC). 2. FUNDO HISTÓRICO. 3. CPEC E ECONOMIA DO PAQUISTÃO. 4. ZONAS ECONÔMICAS ESPECIAIS. 5. DESENVOLVIMENTO DO PORTO DE GWADAR. 6. OPORTUNIDADES DE EMPREGO. 7. AMEAÇA À SEGURANÇA REGIONAL. I. Título.

## RESUMO

O CPEC (Corredor Econômico do Paquistão da China) tem uma importância única nos futuros pontos econômicos do Paquistão. É um desideratum vital da Iniciativa Cinturão e Estrada da China. O objetivo é melhorar a infraestrutura necessária do Paquistão e fortalecer sua economia com a construção de redes de transporte modernas, vários projetos de energia e zonas econômicas especiais. No geral, é um grande projeto de conectividade regional. O CPEC não só beneficiará a China e o Paquistão, mas terá impacto positivo no Irã, Afeganistão, República da Ásia Central e região. O projeto é a base do futuro progresso econômico do Paquistão, que certamente trará muitas mudanças positivas no desenvolvimento do país. Sob os auspícios do CPEC, uma série de estradas, energia, zonas econômicas especiais e novas ferrovias serão construídas, juntamente com o desenvolvimento do porto marítimo Gawadar, que detém uma importância vital e estratégica para o Paquistão e a China. No entanto, dado o fato de que os EUA têm se oposto abertamente ao CPEC sob sua política de conter a China, um número de atores regionais, especialmente a Índia, tem como objetivo desde o início interromper o projeto. Há algumas preocupações de segurança para o projeto alguns dos quais são indígenas e a maioria são patrocinados externamente. O Paquistão está em uma encruzilhada vital em relação ao seu futuro e progresso econômico. A necessidade do momento é lidar com essas ameaças à segurança, a fim de garantir o bom funcionamento da mega iniciativa.

Palavras-chave: Corredor Econômico China-Paquistão (CPEC), Fundo Histórico, CPEC e Economia do Paquistão, Zonas Econômicas Especiais, Desenvolvimento do Porto de Gwadar, Oportunidades de Emprego, Ameaça à Segurança Regional.

**ABSTRACT**

CPEC (China Pakistan Economic Corridor) holds a unique importance in Pakistan's economic future pursuits. It is a vital desideratum of China's Belt and Road Initiative. It aims at upgrading Pakistan's required infrastructure and strengthen its economy by the construction of modern transportation networks, various energy projects, and special economic zones. Overall, it's a huge project of regional connectivity. CPEC will not only benefit China and Pakistan but will have positive impact on Iran, Afghanistan, Central Asian Republic, and the region. The project is the bedrock of Pakistan's future economic progress which is sure to bring lot of positive changes in the country's development. Under the auspices of CPEC, a number of roads, energy, special economic zones and new railway tracks will be constructed along with development of Gawadar seaport which holds a vital and strategic importance for both Pakistan and China. However, given the fact that USA has been openly opposing the CPEC under it's contain China policy, a number of regional players specially India has aimed from the beginning to disrupt the project. There are some security concerns to the project some of which are indigenous and most are externally sponsored. Pakistan is at a vital crossroads with respect to it's future and economic progress. The need of the hour is to deal with these security threats in order to ensure the smooth running of the mega initiative.

Keywords: China-Pakistan Economic Corridor (CPEC), Historical Background, CPEC and Pakistan's Economy, Special Economic Zones, Development of Gwadar Port, Employment Opportunities, Regional Security Threat.

**1. Introduction**

- a. The China Pakistan Economic Corridor (CPEC) is being regarded as the game changer not only in Pakistan but amongst most of the countries in the region. Given the situation, CPEC is considered as a stroke of perfection<sup>1</sup> in major projects required by Pakistan and duly embraced by China. The passageway centres around a 2,000-kilometer road and rail interface between Western China and Pakistan. It associates Kashgar to Gwadar port in the Arabian Sea. CPEC goes under the umbrella of a bigger Chinese OBOR "One Belt One Road" drive that incorporates a populace of multiple billion and a monetary yield of US\$ 21 trillion<sup>2</sup> in Eurasia. Evidently, the Sino-Pakistan relationship will essentially develop with CPEC (according to a financial security perspective) and can modify the geo-economic, geo-political and legislative issues of South Asia.
- b. Envisaged in mid-2013 and initiated in April 2015, the China-Pakistan Economic Corridor (CPEC), denotes another period of financial ties in mutual relationship which is generally characterized by security participation. Pakistan's economy plainly needs a change and numerous authorities say CPEC will help in such manner.
- c. CPEC, which involves credits, speculations, and awards that could develop to around \$60 billion, voyages a 2,700 km course. It begins at the Pakistani Arabian Sea port of Gwadar, in Baluchistan area, moves along the Karakoram highway through the Khunjerab pass in Gilgit-Baltistan, prior to intersection with the Kashgar in China's Xinjiang district. Inside Pakistan's domain, the monetary and improvement projects focus on transport foundation, modern turn of events, energy and Baluchistan's Gwadar port. CPEC was at first assessed at 50 Bn USDs

which was additionally expanded to 62 Bn USDs<sup>3</sup> and assessed to go past 100 Bn USDs by 2030. In this specific circumstance, OBOR is the impression of provincial political incorporation, refining financial turn of events, exchange, up-degree of putting resources into transportation and energy areas. By associating China with Asia, Europe, Africa, and the Middle East, OBOR plans to reshape trade. CPEC is likely open ways to trade and economic upgrade for Pakistan and China as well as for Iran, Afghanistan, and Central Asian Republics.

## 2. **Historical Background**

- a. CPEC is a branch of OBOR (One Belt One Road) drive whose roots can be followed back to the old silk course. Silk Road, likewise called Silk Route, an old shipping lane, connecting China with the West, that transported merchandise and thoughts between the two incredible developments of Rome and China. China got Nestorian Christianity and Buddhism (from India) through the Silk Road.
- b. In 138 B.C<sup>4</sup>, an audacious explorer, Chang Chien was shipped off the West by Han Emperor Wu-Ti, who confronted colossal badgering from China's conventional adversaries (Hsing-Nu, Huns of Turkic Stock) from 476-201 B.C. The extraordinary mass of China in 221 B.C was underlying a similar setting. The motivation behind the endeavour was to search for new partners in the West against the Chinese power. A sum of 100 people was sent on the endeavour through bone-dry / tricky landscape of Taklamakan desert in South West China. Just 2 x people came back after 13 years having effectively connected with Asia which and brought forth the Silk course.
- c. The Silk Road stayed in use until 1453 A. D<sup>5</sup>, when the Ottoman Empire boycotted<sup>6</sup> all types of trade with China. Despite being stopped for a longer period

of time, it's been long since the Silk Road has been utilized for global trade, the non-utilized courses have seriously affected trade, culture and history that reverberates even today.



The Main Routes of the Old Silk Road

Map taken from the book <sup>7</sup>

3. **CPEC and Pakistan Economy**. It should be remembered that the arranging of CPEC follows four phases<sup>8</sup> which are:

- a. Early Harvest (2015-2019). Most of the ventures are energy oriented and are almost finished adding roughly 7000 MW power to the public power sector facilitating the energy deficiencies and load shedding.



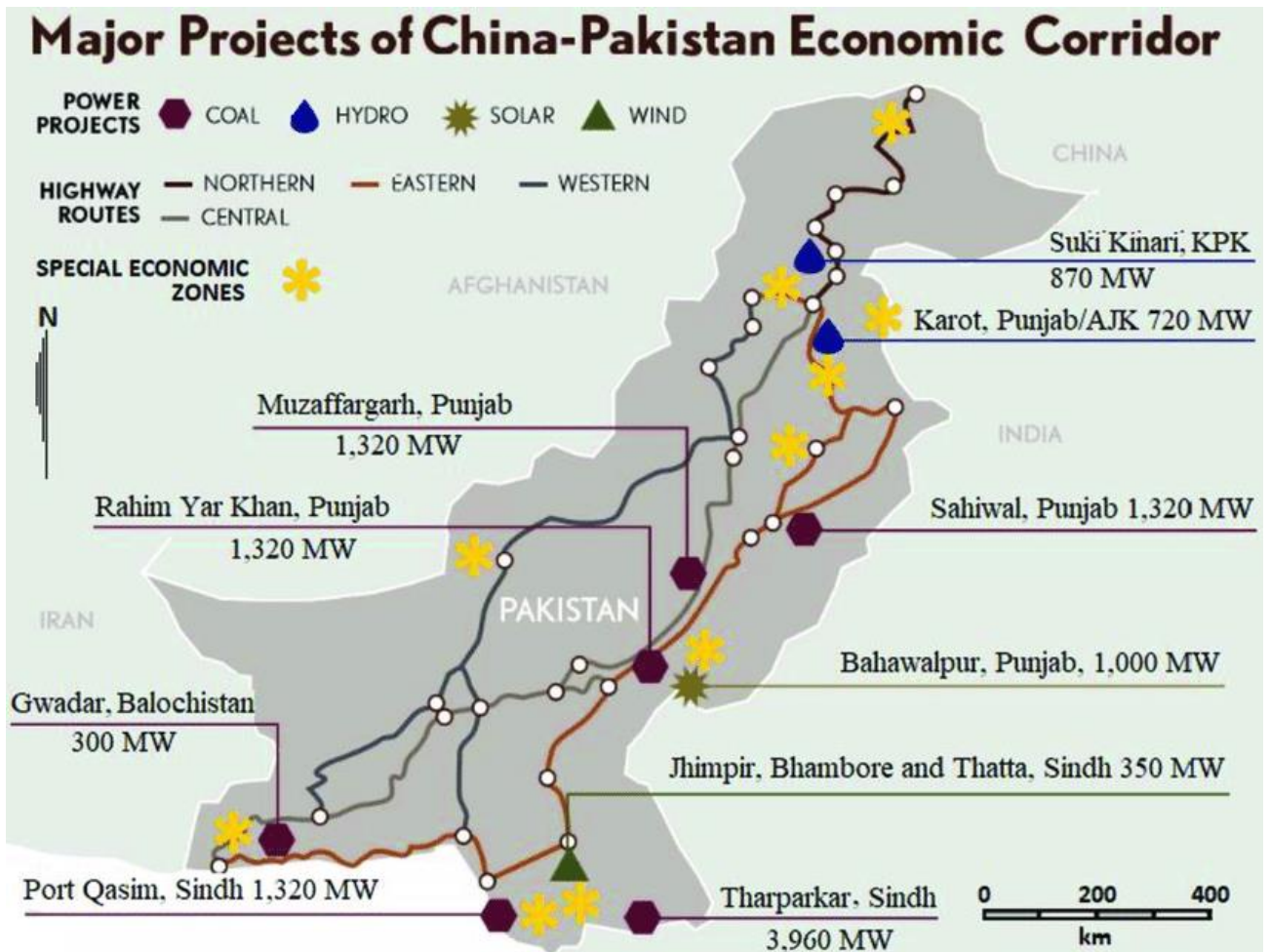
- b. Short term projects (up to 2022). Primarily roads, Gwadar City Development, Optic fiber organization and the Hydel + coal mining projects.
- c. Medium projects (up to 2025) include Railway's upgradation and Industrial zones.
- d. Long term projects (up to 2030) include the completion of Industrial zones, Agriculture, Tourism and so on.

4. **Power Sector**

- a. Pakistan was undergoing power shortages in the recent past. More than 140 million Pakistanis either were exposed to load shedding and power shortages experiencing more than 12 hours of load shedding every day. The normal shortfall in the energy area was around 4,000 MWs. The shortfall had the potential to rise to 7,000 MW or 32% of the complete power grid<sup>9</sup>. The energy shortage costed almost 14 billion PKR (7 % of GDP) to Pakistan just last year. Under these conditions Pakistan industry seriously shrank. Ventures were compelled to utilize diesel generators to meet their requirements. More than 500,000 families were affected by joblessness.
- b. Under CPEC, 13,000 Mega Watts of additionally generated electricity was to be added to the power grid, out of which projects worth 10,000 Mega Watts are already completed (by 2018). Remaining projects are likely to be completed by 2022. Ventures under CPEC are given as per Annex A to this paper.
- c. Energy is defined as the life line of the economy of any country. It is the most dynamic instrument of financial advancement of a country. Because of population surge and industrial expansion, there have been extreme energy emergencies in Pakistan. The significant explanation for Pakistan's power shortage is the political insecurity and the dramatic absence of productivity. No answer for the issue has

yet been found and it keeps on torturing the residents. Power shortages and load shedding (purposeful power outages) are normal in each sphere in Pakistan but they are particularly significant in the urban areas.

- d. CPEC will assist in freeing the nation from the energy emergencies. Energy accessibility will restore existing ventures, and is likely to add 2 percent to Pakistani GDP. China is already stretching out incredible monetary collaboration with Pakistan and is putting forth genuine attempt for settling the energy shortage. CPEC structure will cover four significant regions and energy is one of them. In energy, project totalling 10,400 megawatts have already been finished (by 2018). Chinese firms will set up \$35 to \$37 Bn in the IPP sector with the strategy that of accessing Energy projects with financial backers. These projects would be based on wind, sun, coal and hydropower age with an estimated outcome of 16,400 MWs and would be situated in all the regions including Azad Kashmir. China would set up 10 projects of 6,600MW<sup>10</sup> in Thar Desert that is likely to change this remote district into Pakistan's energy capital and open up monetary freedom for the inhabitants.



## 5. Infrastructure<sup>11</sup>

- (1) **Roads.** For Pakistan, the China Pakistan Economic Corridor (CPEC) is an adequate model associating China to Central Asia, West Asia and portions of South Asia. The transportation projects are set forward to make the projects working under CPEC for more than US\$ 45 billion, from which 30% (US\$ 13.58 billion) is credited towards the development of foundation. At present, 6 street framework projects are under development through various areas of Pakistan. These incorporate the KKH Phase II (Thakot-Havelian Section) situated in Gilgit Baltistan and KPK, Peshawar-Karachi Motorway, the Multan-Sukkur and Lahore-Multan area, in the Punjab and Sindh, upgradation of D.I Khan (Yarik) – Zhob, N-

50 Phase – I among Peshawar and Baluchistan, E-35 Expressway and lastly the M-4 among Faisalabad and Multan in Punjab. The road infrastructure being developed under the rubrics of CPEC, will help transform the Pakistan's economy by not only ensuring the transportation of goods but by also giving a huge boost to country's tourism industry which has a great potential. Significant framework projects under the CPEC project are specified underneath: -

- (a) **KKH Phase II (Thakot -Havelian Section)**. Covering the length of around 440kms (expenditure of US\$1,366 million), the KKH Phase II connects the districts of Gilgit Baltistan and KPK with the capital of Pakistan. With the completion of this project, trade between Pakistan and China would gain new heights as present road from Gilgit to KPK is in depleted shape. Gilgit Baltistan are in the north of Pakistan and home to some highest mountains in the world. The area has tremendous amount of tourism potential and the project can help boost this potential.
- (b) **Peshawar-Karachi Motorway (Multan-Sukkur and Lahore-Multan Section)**. This part of the motorway interfaces Punjab to Sindh covering 392km with an assessed financial plan of US\$ 2,980 million. It conceives the development of a 6-lane highway also for a length of 1,100Km. This motorway begins from the motorway of Karachi through M-9 up to Hyderabad (136Km). From Hyderabad this motorway stretches out towards Sukkur finishing the length of 345Km.
- (c) **Up gradation of D.I Khan (Yarik-Hakla), Phase I to V**. The upgradation of D.I Khan motorway centres around the western portion of infrastructural development. It focuses on the construction of highway between Peshawar

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and Baluchistan through Hakla (close to Fatah Jang). The assessed cost to finish this venture is around US\$ 120 million covering a length of 290Kms.

- (d) **Faisalabad-Multan Motorway (M4), Package II and III**. The motorway developed under this venture is financed by ADB Bank, and is partitioned into 2 primary areas from Gojra to Khanewal. The main segment covers the distance of 61 Kms while the other segment covers a distance of 65 kms. The project is under development and was completed by 2018.
- (e) **E-35 Expressway**. This project is important as it begins from Burhan on M-1 (Peshawar-Islamabad Motorway) and closures at Havlian. This 59.1 Kms, 6-lane highway will be finished in three stages. The main stage begins from Burhan to Jhari Kas (20Km), second stage from Jhari Kas to Sarai Saleh (19Kms) and the third stage from Sarai Saleh to Havelian (18 Kms).

Detail outline of the infrastructural projects are given as per Annex B to this document<sup>12</sup>.

(2) **Railway**<sup>13</sup>

- (a) The Chinese government is contributing US\$ 6.8 Billion in ML-1 tasks which includes the up-gradation and dualization of rail line track. This 1872-kilometer-long track from Peshawar to Karachi is relied upon to make 24,000 locations and would ensure a train speed upto 160 kilometres per hour. Railway line would be upgraded from Karachi to Peshawar and from Taxila to Havelian. This uber project is a glaring illustration of Pak-China kinship.

- (b) As per official data, the limit of the railway line will likewise be expanded from 34 trains each day to 170 trains each day and speed of the cargo trains will be expanded upto 120 km/h. Pakistan Railways is a state institution but it has not been a benefit making element. Seeing its significance, the public authority has supported the tasks through Executive Committee of the National Economic Council (ECNEC) which is valued at \$ 6.8 billion. The initial tasks involve development of 527-km long rail-track associating Peshawar, Rawalpindi and Lahore (to be finished by 2024), second and third projects are generally aimed to overhaul 251-km long track among Lahore and Hyderabad and 740-kms railway line between Rawalpindi-Peshawar and Hyderabad-Multan separately.
- (c) Pakistan will link China with West Asia and Africa through its Gwadar Port. All delivered products to and from China will be shipped alongside Pakistan's own merchandise. Ideal consummation of ML-I is in the best financial interests of Pakistan as much as it is for China. It is normal that railroad will give direct link to Chinese and East Asian products to Pakistani seaports at Karachi and Gwadar by 2030.

Details are given as per Annex B<sup>14</sup>.

6. **Special Economic Zones**

a. **Proposed SEZs**<sup>15</sup>

- (1) China and Pakistan marked the Memorandum of Understanding (MoU) in 2013 that filled in as the foundation of the China–Pakistan Economic Corridor. The 2015 visit of Pakistan by the Chinese President Xi Jinping formalized CPEC for the distribution of 46 billion US\$. By the end of

2017, the aggregate of credits and speculation under CPEC has already crossed 60 billion US\$. Altogether, the initial activities under CPEC have effectively been operationalized and scores of projects in port, energy, railroads, streets, and so forth, are already in progress.

- (2) To unite CPEC and improve reciprocal trade, the Chinese and Pakistani governments finished up, in the 6th Joint Cooperation Committee (JCC) held in December 2016, to set up Special Economic Zones. The number of such SEZs changed from more than hundred to forty-six. However, the Ministry of Planning, Development and Reform and the Board of Investment (that works under the Prime Minister Secretariat) proposed the development of nine modern zones in various sectors of Pakistan. Its framework is given in Annex C.
- (3) The Special Economic Zones are viewed as the fundamental mainstays of China–Pakistan Economic Corridor. To accelerate the development of the proposed SEZs, four zones under CPEC were short-listed: ICT Model Industrial Zone (Islamabad), Allama Iqbal Industrial City (Punjab), Rashakai Economic Zone (KP) and Dhabeji (Sindh). Pakistan's Prime Minister Imran Khan has consented to different arrangements with his Chinese partners. Critically, one of the arrangements was identified with the development of Rashakai Economic Zone as a highest need. The work on additional SEZs is in also progress as per the second period of CPEC. The proposed SEZs offer various freedoms to both the Chinese and Pakistani government, firms and individuals.

b. **Opportunities Offered**<sup>16</sup>

- (1) Pakistan requires to establish a strong framework for its financial recuperation and recovery; the Special Economic Zones would give a wide scope of freedom to support improved industrialization. Pakistan is probably going to be well situated in the provincial and worldwide market because of these special economic zones. Though CPEC is relied upon to upgrade various parts in Pakistan and the western part of China, the development and streamlining of the proposed SEZs are probably going to help up industrial development inside Pakistan as well as in China.
- (2) Proposed Special Economic Zones are expected to function as a solid financial impetus for Pakistani specialists to acquaint changes all together with enhance home-grown business climate, administering conduct, useful limit, send out base and improve business appeal for additional unfamiliar speculations. Moreover, industrialization with another face is probably going to make occupations for the country's enormous yet underemployed populace. The planned modern movement under SEZs overall and CPEC specifically would expectedly create work for the developing labour force.
- (3) Secondly, the SEZs offer a chance to draw in Pakistani diaspora with their abilities and information alongside their gathered capital for more beneficial possibilities in the country. The SEZs can empower firms to agglomerate and get advantages of outer economies and will in this way give freedom to put homegrown businesses on a higher way of the expectation to absorb information.
- (4) Thirdly, trade openings are probably going to force both the states to improve and reinforce reciprocal trade system. Also, inside SEZs,



Pakistani organizations either contending or supplementing Chinese organizations would learn business and trade methods. Likewise, the international firms that are predominantly sorting out their creation and exchange progressively in search for the most un-exorbitant areas—Special Economic Zones can give a stage to receive the rewards of such freedoms that are in a real sense disregarded by the Pakistani specialists.

- (5) Fourthly, the SEZs offer a chance to reinforce innovation and collaboration among Chinese and Pakistani organizations.
- (6) Additionally, the SEZs give freedom to oversee work pooling, in this way reducing search expense and decreasing joblessness of talented work. Furthermore, while working inside a SEZ, there could be a solid chance of sustaining creative thoughts that can be dispersed across organizations and companies.
- (7) In conclusion, the proposed SEZs, which would be operationalized in the second period of China–Pakistan Economic Corridor (2020–2025), convey the possibility to establish linkages with the gigantic Chinese market; and the Chinese SEZs.

7. **Development of Gwadar Port**<sup>17</sup>. Gwadar port has been called as the "Gateway city" to CPEC and as "door to Asia." Gwadar Port is situated in the close vicinity of the Strait of Hormuz (20% of the worldwide oil supplies). Its development was finished in 2016 and as of October 2016, exchange freights from Kashgar have started to enter Pakistan, coming securely to Gwadar port. With respect to OBOR, Gwadar will assume a greater importance in the improvement of landlocked Central Asian countries. It is surveyed that on completion of Gwadar port, Pakistan will be the linchpin for the entire region. Thirty organizations have effectively put

resources into free trade zone with an estimate of 474 million USDs. Total of 792.62 million USD fund has been assigned to the advancement of Gwadar with the following undertakings: -

- a. Development of Gwadar University.
- b. Forty different organizations would be in Gwadar trade free zone focussing primarily on Stainless Steel and Petrochemical businesses.
- c. Special ventures will be initiated for the advancement of fisheries and foundation of boat making industry.
- d. For the upgrade of training, abilities and improvement of wellbeing, the professional and specialized organizations, clinics, primary and new water supply and its dissemination will be set up.
- e. Construction of additional terminals, East-Bay turnpike (to interface Gwadar with Makran seaside roadway) and Gwadar International Airport are the significant projects.

8. **Employment Opportunities.** CPEC will give the necessary lift to Pakistan's economy. As per reports, a gradual increment of 3.6 units in speculation prompts the development of GDP by one unit. CPEC will prompt an expansion in GDP development rate at 1.5%.

9. **Regional Security Threats to Pakistan**

- a. CPEC is a multi-billion venture focused on infrastructural network, further developing Pakistan's economy and transforming Gwadar into a regional economic hub. Different nations have shown interests in receiving its rewards. But, the project faces gigantic security challenges. The changing environment of South Asia is especially unsettling for the security of CPEC. The region is seeing

the dawn of Islamic State in Afghanistan, Baloch uprising and India's aggression towards Pakistan in general and CPEC in particular.

- b. It is important to comprehend that stability situation of Afghanistan would have an overflow impact in Pakistan. Baluchistan is a crucial part of CPEC and has its boundary with Afghanistan also. Henceforth any insurrection in Afghanistan can (without much of a stretch) overwhelm Baluchistan and put the whole project in risk. Allow us to look at the basic security circumstances of South Asian and its likely effects on the China Pakistan Economic Corridor.
- c. Given its trade war with China, USA has shown its disapproval to the CPEC right from its inception. USA has been very candid in its criticism of the mega project and has been putting diplomatic pressure on Pakistan to abandon the same. Pakistan however has maintained that it would at no cost step back from the project owing to its huge benefits for country's economy. In recent past, the relation between both the countries have not been ideal owing to the same reason.
- d. **Security Situation in Afghanistan (Before Recent Taliban Take Over)**
  - (1) The security climate of Afghanistan is one of the significant dangers to the CPEC because of Pakistan's close proximity and susceptibility to it. The dire test to the CPEC is the precariousness in Afghanistan<sup>18</sup>. The achievement of CPEC and OBOR extraordinarily relies upon harmony in Pakistan, Afghanistan, and Western China. Islamabad and Beijing have worked with endeavours to carry Taliban to the arranging table by holding talks between the Taliban and US to stop the Afghan conflict. The security circumstance in Afghanistan is turning out to be more regrettable continuously as U.S. troops are likely to withdraw. The Afghan Taliban's

are out of their hibernation and are currently administering the war-torn country. In addition, the possible influx of Afghan refugees has the possibility to compromise China-Pakistan Economic Corridor (CPEC). Since the declaration of CPEC in 2015, Beijing has been hoping to extend CPEC to Pakistan's adjoining nations, including Afghanistan. To prepare for it, Beijing has been pushing Pakistan to open its borders and increase bilateral relations with Afghanistan to expand CPEC. Because of Chinese and Pakistani efforts, Pakistan declared plans to build up to 12-line markets with Afghanistan, versus only six-line markets with Iran.

- (2) Another threat to CPEC has emerged with the Baloch separatists tried to destabilize security situation inside Pakistan. They have already carried out assaults in Baluchistan against CPEC projects and the Chinese work force in location. Growing number of militants in TTP in Afghanistan with their underlying relationship with Baloch separatists is directly proportional to the increased Indian presence in Afghanistan. As of 2013, US described terrorist leader, Latif Mahsud (Pakistan Taliban Commander) was seized in Eastern Afghanistan<sup>19</sup>. As per US troops investigation, Latif Mehsud was returning from a meeting with Afghan intelligence officers to discuss the possibility of attacking various segments in Pakistan as per the requirements of NDS (Afghanistan Security Agency). Latif Mahsud was a close confidante of the Pakistani Taliban leader, Hakimullah Mehsud, whose group was killed thousands in its conflict with the Pakistani government. Similar shady relationship between the Afghan NDS and TTP

has been found during the terrorist attack carried out on APS Peshawar which resulted in the shahadat of hundreds of children.

- (3) The achievement of CPEC, and likewise, the whole BRI, presently relies upon a stable Afghanistan.

e. **Rise of ISIS.**

- (1) In the midst of the peace talks, one more group has ascended in Afghanistan, Islamic State Khorasan Province (ISKP). Its presence isn't just a danger to the Taliban and the united powers, but it also poses threat to all the neighbours. Pakistan and China welcomed Afghanistan to join CPEC, since its consideration would be useful not only for the entire region but particularly for Afghanistan. Notwithstanding, the demolished security situation in Afghanistan is a significant obstacle in way of Afghanistan's addition into CPEC. Pakistan has grave worries about the connection between the ISKP and Pakistani Taliban.
- (2) In 2015, the ISIS representative officially declared the group's effort to use Afghanistan as a major landmark of the Islamic Khorasan territory that fuses into Pakistan and Central Asia also. Taliban rushed to denounce the group and brutal conflicts between the two have been incessant. Various Taliban fighters<sup>20</sup> and officers absconded to the ISKP because of inner divisions (Khan, 2019). Both rivals fought against each other in Kunar, Farah, Nangarhar, Helmand, and Kunduz from 2014 till the spring of 2015 and the two sides experienced substantial losses. These occurrences make it apparent that ISKP is presently another power in the Afghan conflict.

f. **India's Hegemonic Design against CPEC**

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- (1) Since the beginning of CPEC, Indians have stayed unfriendly to the thought and have fought on the basis of CPEC course passing through Gilgit-Baltistan. Kashmir is a region occupied by the Indians and one of the parts of Kashmir is Gilgit Baltistan. India claims it as its own which has been occupied by Paksitan. India's true stand spins around the declaration that CPEC is an infringement of its regional respectability. India is taking all customary and non-conventional actions to disturb the project.
- (2) The capture of Indian covert agent Kulbushan Yadhav (serving Indian Navy official) in the Pakistani province of Baluchistan on the charges of terrorism and spying for Indian Intelligence agency, RAW. The Indian naval officer has admitted to his involvement to subversive activities in Pakistan. The agent has testified for working closely for RAW and his contact with Baloch Separatists and militants to field sectarian violence in the province and the country. His admittance to channel in financial support to militants in Baluchistan and Karachi indicates the nefarious Indian designs to destabilize Pakistan at any cost. The alleged Indian terrorist had been travelling with a fake name of "Mubarak Hussain Patel" with an official Indian passport duly vetted by concerned Indian authorities. India admits that Kulbushan was an Indian citizens however deny the fact that he was involved in any terrorist activities and maintain that he had travelled to Iran from where he went missing. The Indian claim stands no firm grounds given the fact that he held a valid Indian document with a fake name.

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- (3) Moreover, India is also worried about China's maritime admittance to Indian Ocean. This load of realities demonstrates towards India developing hatred for CPEC. Even after such endeavours, various nations have communicated their desire to join the venture including Iran, Saudi Arabia and Central Asian Republics. This has limited India to utilize Baloch revolt as its intermediary to weaken the region and eventually damage CPEC.
- (4) In the latest Indian Attempts to pitch obstacles, nine Chinese nationals were killed in a van transport blast in Pakistan's Khyber Pakhtunkhwa area on July 14 while heading to the China-contributed Dasu hydropower project. As per investigation by Pakistan, connections between the terrorists and India's Research and Analysis Wing (RAW) and Afghanistan's National Directorate of Security (NDS) were established in the terrorist attack<sup>21</sup>.
- (5) In December 2019, a well reputed investigative agency, European Union Disinformation Lab, busted a well organised Indian operation, "Indian chronicles" aimed at targeting Pakistan with fake news with a view to influence international institutions. The network was active in Brussels and Geneva producing content to undermine the interests of Pakistan.

- g. **Terrorism and Religious Extremism.** Psychological warfare, hostility and extremism also pose genuine difficulties to CPEC. In excess of 63,000 security forces and regular people have been killed in Pakistan since 9/11 attack. At the point when religious extremism was at its full swing, China offered \$ 46 billion CPEC bundle, which has extraordinarily improved the environment in Pakistan. All things considered, the ever-existing Indian rivalry towards Pakistan's

development has ensured continuance of religious extremism and religious terrorism in some northern districts presenting enduring dangers to CPEC.

10. **Conclusion**

- a. The smoothness execution / completion of CPEC projects in the stipulated time span relies on the timely mitigation of complex dangers of internal and external nature. Both Pakistan and China ought to offer the regional and international players to join in the mega project instead of opposing it. On the security front, notwithstanding affirmations by the Pakistani government and military, there are many difficulties ahead. Given the vastness of the project and Islamabad's pained relations with India, flimsiness in Afghanistan, and tense Iran - the project's speed might deteriorate given the host of customary and non-conventional security concerns. As the project advances, desirous neighbours and external obstructions are probably going to increase- - in this way aggregately intensifying the security measurement. Henceforth, if multipronged measures are not rigidly executed, challenges presented by radicalism and psychological oppression in Pakistan can't be whisked away. CPEC is seen as a vehicle to encourage financial turn of events. In nutshell, political, social, and security challenges confronting CPEC and its execution can't be left unaddressed:

- (1) Foremost dangers are of psychological oppression, which has since long sabotaged Pakistan's security and dependability.
- (2) Second, a stable political framework is important for the achievement of CPEC. Pakistan has consistently battled for political solidness. Henceforth, Pakistan needs to guarantee steadiness at its homegrown front.



- (3) Third, different social practices can prompt errors, and this can sabotage the execution of CPEC projects. For Chinese organizations to be fruitful in Pakistan, they should comprehend Pakistani culture and standards.
- b. Getting CPEC away from sectarianism and extremism is the hardest test which is further accentuated by the China-Pakistan participation in the backdrop of growing strains among Pakistan and India. Nonetheless, Pakistan stays unflinching and at any point prepared in its determination to battle all types of sectarian and extremist dangers. Pakistan properly perceives the significance of its relations with China and CPEC is a worthwhile endeavour as far as financial improvements are concerned.
- c. Thus, by mutually cooperating, the two nations can overcome these hindrances, given that they due care and consideration is given as expected of them. By proceeding to put stock in its common vision of territorial harmony and success, a hearty reaction to CPEC's current security challenges can extraordinarily lessen the potential security dangers as time goes on. This would fill in as immediate proof of how the battling of more non-customary dangers to territorial security can achieve a particular change within the global security structure.
- d. In aggregate, the development of the "China-Pakistan Economic Corridor" is an imperative piece of China's "One Belt One Road" vision. It is of incredible importance for understanding China's trade outline, shielding public financial security, advancing the fast improvement of West China, keeping up with the dependability of all regions / neighbours, and setting up a land-based safe channel. Pakistan trusts CPEC will bring economic quality, infrastructural improvement, work openings, finishing the underestimation of distant, and more territorial,

public, and sub-public availability. That is, CPEC is a chance not without challenges!

**Annex A****CPEC-ENERGY PRIORITY PROJECTS**

| #  | Project Name   | MW         |
|----|--|------------|
| 1  | Sahiwal 2x660MW Coal-fired Power Plant, Punjab                             | 1320       |
| 2  | 2x660MW Coal-fired Power Plants at Port Qasim Karachi                      | 1320       |
| 3  | HUBCO Coal Power Project, Hub Baluchistan                                  | 1320       |
| 4  | Engro 2x330MW Thar Coal Power Project                                      | 660        |
|    | Surface mine in block II of Thar Coal field, 3.8 million tons/year         |            |
| 5  | Quaid-e-Azam 1000MW Solar Park (Bahawalpur) Quaid-e-Azam                   | 400<br>600 |
| 6  | Hydro China Dawood Wind Farm (Gharo, Thatta)                               | 49.5       |
| 7  | UEP Wind Farm (Jhimpir, Thatta)  | 99         |
| 8  | Sachal Wind Farm (Jhimpir, Thatta)   | 49.5       |
| 9  | Three Gorges Second and Third Wind Power Project                           | 100        |
| 10 | SSRL Thar Coal Block-I 6.8 mtpa & Power Plant(2x660MW) (Shanghai Electric) | 1320       |

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| #  | Project Name   | MW   |
|----|--|------|
| 11 | HUBCO Thar Coal Power Project (Thar Energy)                  | 330  |
| 12 | Thal Nova Thar Coal Power Project                            | 330  |
| 13 | Karot Hydropower Station                                     | 720  |
| 14 | Suki Kinari Hydropower Station, Naran, Khyber Pakhtunkhwa    | 870  |
| 15 | Matiari to Lahore $\pm$ 660kV HVDC Transmission Line Project |      |
| 16 | 300MW Imported Coal Based Power Project at Gwadar            | 300  |
| 17 | Thar Mine Mouth Oracle Power Plant (1320MW) & surface mine   | 1320 |

**CPEC-ENERGY ACTIVELY PROMOTED PROJECTS**

| #  | Project Name                                       | MW   |
|----|--|------|
| 18 | Kohala Hydel Project, AJK                          | 1100 |
| 19 | Cacho 50MW Wind Power Project                      | 50   |
| 20 | Western Energy (Pvt.) Ltd. 50MW Wind Power Project | 50   |

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| #  | Project Name                   | MW  |
|----|--------------------------------|-----|
| 21 | Azad Pattan Hydel Project, AJK | 701 |

**CPEC-POTENTIAL ENERGY PROJECTS**

| #  | Project Name               | MW  |
|----|----------------------------|-----|
| 22 | Phandar Hydropower Station | 80  |
| 23 | Gilgit KIU Hydropower      | 100 |

**Annex B****CPEC INFRASTRUCTURE PROJECTS**

| # | Project Name                                      | Length (KM) |
|---|---|-------------|
| 1 | KKH Phase II (Thakot -Havelian Section)           | 118         |
| 2 | Peshawar-Karachi Motorway (Multan-Sukkur Section) | 392         |
| 3 | Khuzdar-Basima Road N-30 (110 km)                 | 110         |

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| # | Project Name   | Length (KM) |
|---|--|-------------|
| 4 | Upgradation of D.I. Khan (Yarik) - Zhob, N-50 Phase-I (210 km) | 210         |
| 5 | KKH Thakot-Raikot N35 remaining portion (136 Km)               | 136         |

**CPEC RAILWAY SECTOR PROJECTS**

|   |   |       |
|---|---|-------|
| 6 | Expansion and reconstruction of existing Line ML-1      | 1,830 |
| 7 | Havelian Dry port (450 M. Twenty-Foot Equivalent Units) |       |

**Annex C****PROPOSED SEZS UNDER CPEC**

| <b>No.</b> | <b>Type</b>                                  | <b>Location</b>                   |
|------------|--|-----------------------------------|
| 1          | Rashakai Economic Zone                       | Nowshera (KP)                     |
| 2          | China Special Economic Zone                  | Dhabeji (Sindh)                   |
| 3          | Bostan Industrial Zone                       | Quetta (Baluchistan)              |
| 4          | Allama Iqbal Industrial City                 | Faisalabad (Punjab)               |
| 5          | ICT Model Industrial Zone                    | Islamabad                         |
| 6          | Industrial Park on Pakistan Steel Mills Land | Port Qasim (Federal Government)   |
| 7          | Special Economic Zone                        | Mirpur (Azad Kashmir)             |
| 8          | Mohmand Marble City                          | Mohmand Agency (ex-FATA)          |
| 9          | Moqpondass Special Economic Zone             | Gilgit-Baltistan (Northern Areas) |

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