

**CHINA PAKISTAN ECONOMIC CORRIDOR STRATEGIC SIGNIFICANCE FOR
CHINA AND PAKISTAN**

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Abstract

The China-Pakistan Economic Corridor (CPEC) is the part of the People's Republic of China vision Belt and Road initiative. It is a collection of infrastructure, energy, and technology projects which is currently being constructed throughout in the Islamic Republic of Pakistan and the western Xinjiang region of China. CPEC is considered as a game changer for Pakistan economy. The corridor will connect Kashaghar in Western China with the port of Gwadar in Pakistan on the Arabia Sea, serving as a gateway to the Middle East, Africa, and Central Asia. Being a mega project for both countries it will bring prosperity and economic stability. It will enhance Pakistan infrastructure (roads, railways and telecommunication), overcome energy crises, develop trade, modernize and develop agriculture and manufactured industry and will promote people to people contact which is a very important factor for trade. It will also protect China energy sources and will develop its western region. This paper tends to discuss the strategic impact of CPEC on Islamic Republic of Pakistan and to determine which benefits China hopes to achieve from CPEC. Finally, it examine that how Pakistan and China will maintain the operationalization of CPEC.

Key Words: Belt and Road Initiative (BRI), CPEC, Persian Gulf, Foreign Direct Investment

Introduction

The China Pakistan Economic Corridor is part of the One Road One Belt vision expounded by Chinese president Xi Jinping. Through OBOR, China cherishes of connecting their economy with the rest of the world, particularly, Central Asian and European countries, through a series of railways, highways, and motorways networks. The completions of OBOR would help and will go a long way to China enhancing its strategic position in the world by spreading its tentacles too far off countries. It would also help China gaining major concessions from the countries through which OBOR passes enhancing its economic positions.

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The basis of CPEC started way back in 1990 when Bush administration started a military campaign against Iraq and Afghanistan in response of 9/11 terrorist attack. After the war in Afghanistan, USA left Pakistan alone in war on terror and pushed the Pakistan into many economic problems. Moreover, when Pakistan and China signed a deal for missile and nuclear program in 1990, USA imposed strict restriction on both countries. At that time China revisits its time tested friendship with Pakistan and started thinking new strategies according to the regional and global strategic environment and finally decided to step into new Geo economical and Geo political partnership with Pakistan in form of CPEC.

Officially this project was declared in 2003 after a meeting between President Hu Jintao and President General Pervez Musharraf's at Beijing. In this declaration both countries highlighted core area of cooperation for future. Moreover, this cooperation was fortified in 2006, when free trade agreement was signed during the visit of President Hu Jintao to Islamabad. Free trade agreement expanded trade volume from \$1 billion to \$15.15 billion during the period of 1998-2015. This trade cooperation further laid the foundation of China-Pakistan Economic Corridor (CPEC) and finally this project got popularity in 2013 premier Li Keqiang introduced this project during his visit to Pakistan.

CPEC will link Kashaghar in northwest China's XI JINPING Uygur Sovereign Region and southwest Pakistan's Gwadar Port in its Baluchistan Province. The value of the corridor is currently estimated to be the US \$62 billion. CPEC is the chain of energy and transportation projects, some of which attach China's Uighur independent Region of Xinjiang to Pakistan's Baluchistan province. CPEC is usually described as a \$46 billion package of Chinese assist to invest in Pakistan; however, Pakistani officials declare the sum had reached \$62 billion by April 2017. CPEC is the first significant challenge to reinforce economic ties between Beijing and Islamabad after decades of strong political and military relations. During the 1950s, relationships between two countries were frigid, given Pakistan's alliance with the West during the Cold War and China's clinch of India. During this era, Pakistan becomes the first Muslim country to recognize China.

Statement of the Problem

CPEC is very important project now a day. It is a result of ironic friendship of china and Pakistan and is a pilot project of BRI which is proposed by Chinese president Xi Jinping. The main aim of CPEC is to transform Pakistan economy by modernizing its infrastructure and

energy transportation systems and to connect Pakistani port of Gwadar and Karachi to China Xinjiang province.

The study is important in order to get broad knowledge about the strategic significance of CPEC for both Pakistan and china as it will create win win situation for both countries.

The main focus of this article is on the significance prospect of CPEC for both Pakistan and China and provides policy recommendations for Pakistan to deal with potential impediment in implementation of the project.

Objectives

Some of the main objectives of this dissertation are.

- To describe the historical perspective of China Pakistan relation, including military and economic ties between them.
- To explore the impact of CPEC on Pakistan economy and also to describe opportunities of CPEC for Pakistan people.
- To identify the factors and events for which China made a plane to start the construction of CPEC.
- To provide policy recommendation to deal with hardship in implementation of CPEC.

Literature Review

China and Pakistan are very close friends from the very beginning. Their friendship is resulted into one of the largest projects CPEC. This project done under the visit of China “one Belt One Road” before this project china and Pakistan were trade relation through Silk Road. But now both countries want to increase the trade volume. Pakistan economy is very weak from the very beginning and especially since 2001; the war on terror and bad security situation in Pakistan badly affected the Pakistan economic activities. CPEC is the best project for Pakistan to improve its economy. (Ahmad and Mi. 2017) There is also energy shortage and weak infrastructure so it will give great benefits to Pakistan. Baluchistan which has a lot of natural resources but due to its lack of attention on resources it was the lowest province now it’s called “Golden Bird “of pakistan. It’s also called game changer for Pakistan because its investment is more than other foreign direct investment in Pakistan.

There are also many hardships in the completion of CPEC such as political instability, security issues, and tax and tariff issues, Baluchistan issue in Pakistan. Some political parties in Pakistan also oppose this project by criticizing that it is beneficial only for Punjab. There are also external challenges to CPEC in Pakistan. India and Iran see CPEC to be competition for them so India develops Chabahar port in Iran to counter CPEC.

In short Pakistan must ensure the security of all employees working on CPEC. Without these steps Pakistan would not be able to take social and economic benefits from CPEC.

Significance of the Study

The CPEC is important for both China and Pakistan. As China which is the world's largest oil importer with the bulk of its oil imports from the Gulf States and African states China searching for a new route to provide safeguard to its energy sources. Moreover, through the CPEC, China intends to develop western regions, to help Chinese industries through state and bank lending that will return higher profits and also benefit the Chinese economy.

The CPEC offers an opportunity for Pakistan to address most of its more critical structural issues and to improve the quality of life of its people. Pakistan, despite its geographical significance, has been struggling from the past few decades to recover from economic turbulence. But there is lack of internal security that discourages foreign investment and the energy crisis that has brought economic growth to a halt.

Indeed, Pakistan serious power shortage causes losses of up to 2 percent of gross domestic product annually. Similarly, the poor situation of the transport infrastructure causes a loss of about 4 to 6 percent of GDP per year. The huge investment of \$46 billion in energy and infrastructure projects aims to support communication grid and provide equitable economic development within the country; the amount of investment in the CPEC is equals to the combined gross foreign direct investment into Pakistan since 1970 (Nazir, M.2016).

This article attempt to identify more broadly the strategic perspective of CPEC for both Pakistan and China. The aim is to suggest Pakistan to adopt certain measures to counter potential challenges.

Concept of One Belt One Road

The history of Belt and Road initiatives is about 2000 years old. It is a revivalism of old ancient silk route. In past, south Asian countries brought their goods and commodities

through Silk Road to Central Asia as well as Middle East. When tang dynasty discovered Maritime Silk Road. Its significance goes toward declined.

After that when in China Deng Xiaoping came in power, he introduced a lot of economic reforms with these reforms' China economy reached to the peak and China become world 2nd largest economy. At that time corruption took place in China and it stopped Chinese economic growth. But when President Xi-Jing ping come in power he started different measures for solving this evil.

In 2013, Chinese president Xi-Jingping announced One Belt One Road. Its main purpose is to improve mutual support and coordination, enhancement of trade, improve economic relations, access to other countries easily. BRI consists of three routes which is southern, central and northern route.

1. **Southern routes:** This routes start from China city Guangzhou and moves towards western part of china and connect Kashaghar with Pakistan at kunjrab.
2. **Central route:** This routes starts from shanghai and links China with Tashkent, Tehran and also with Iran port on Persian Gulf.
3. **Northern route:** it starts from Beijing and links China with European cities.

China Pakistan Economic Corridor Strategic Dimensions for Pakistan

1.1 Energy Projects, Overcoming Energy Shortage and Employments

Pakistan is developing country and it needs a continuous supply of clean and cheap energy. It is a very common fear in today' s world that the fossil fuel will be exhausted soon and the cost of energy is increasing day by day. Pakistan remained an energy deficit country over the last two decades, suffering acute power deficiency. Pakistan's energy security situation during these decades has been influenced by the following factor.

- (1) Pakistan's political leadership never developed a comprehensive, integrated energy strategy
- (2) Pakistan has always been an energy importer (especially of fossil fuels).
- (3) Pakistan faces immense electricity shortage.

This serious critical situation offsets economic growth and cut GDP growth. CPEC project which is started between China and Pakistan and now it is under process. The project includes infrastructure and power development project in Pakistan. The CPEC is expected to bring economic prosperity in Pakistan due to its large aims. The CPEC aims at power

generation which will resolve the power shortage issue of Pakistan that is the power shortage which has disturbed its industrial sector widely. By 2030 GDP growth rate of Pakistan is anticipated to increase to 7.5 percent. (Ali, M.2020). The power shortage once balanced then the GDP of the country will be increased and it will also create employment opportunities, as energy is the power engine of economic development and a key factor to ease load shedding and improve the lives of million people.

1.2 Pakistan As Hub Of Trade And Commerce For Region

For the attraction of an economically globalized world, development, integration and modernization of infrastructure are very important.

Pakistan strategic goal of turning the country into a hub of regional transit and trade looks to be realized through operationalization of CPEC. Focus on improving Pakistan manufacturing capacities will enhance the competitiveness of Pakistani exports in the international market and increase its share in global trade. So Pakistani companies will perceive good image in international market and it can also help companies to get access to new technologies. CPEC will bring prosperity and development in the trade sector by decreasing trade cost of both china and Pakistan and will help in the creating provincial strength of Asia also.(Hussain, A. Manzoor, S. and Arafat, Y. 2020).

Initiatives under the CPEC to improve trade and transit will link the main industrial cities with the ports of Karachi, Bin Qasim and GA wader. Once Gwadar Port become operationalize, these new and upgraded ports, railways lines and highways will transport the bulk of international trade and land freight. Because of its strategic position Gwadar port will help all the traders and business firms to interconnect with each other for their business contact through an easy and safe route. After the completion of the work and functioning the port can attract the international community by becoming international trade center. It will provide immense opportunities for importer and exporter and also for local citizens a great employment sector. It will be a key source of income for the government of Pakistan by collecting taxes and charges on imports and exports. Around the port, a free trade zone is also established for manufacturing industries. It is anticipated that Gwadar free trade zone has the capacity to create jobs for around 40,000 people.

Pakistan Providing Connectivity to Region

One of the stated aims of the OBOR concept is to promote greater regional connectivity. CPEC become more important because Pakistan has not been made part of such other

projects aimed at promoting greater regional connectivity such as the Transport Corridor (TC) agreed upon by Iran, Afghanistan, and India. Additionally, the most important thing is SEZs which are an integral component of CPEC, it would allow Pakistan to develop its domestic industries and promote greater exports in the region, which partially mitigates the negative consequences of being excluded from other regional arrangements such as the TC. It is also stated that CPEC includes “crowding in” benefits, as well. It is in investment terminology, “crowding in” occurs when higher increase spending in private sector investment. The crowding in effect occurs because government spending leads to an increase in economic growth and therefore encourages firms to invest more because there are more profitable investment opportunities. If CPEC become successful and the relevant infrastructure is in place with the promotion of SEZs, then Pakistani private sector could gain benefits considerably as a result of increased government spending. Particularly, the investment activity surrounding CPEC could raise demand for domestic goods as well as raise demand for newer output sources and industries. This could improve greater prosperity for the country through increased employment and wealth creation for the local population.

1.3 Source for Foreign Direct Investment

FDI is an investment made by a firm or individual into business interest located in another country.

Pakistan is developing country and there is less FDI than the other countries foreign direct investment has become an important factor in the globalization of the world economy. Pakistan have taken many effective policies and reforms for investment but remained failed. The reason behind low foreign direct investment is political instability, law and order, transparency of regulatory system etc. But now under CPEC Pakistan may be become a “golden bird” for investment. The CPEC is called a “game changer’ and “fate changer” for Pakistan because with CPEC the unparalleled Chinese investment will be completed in coming years and it will directly make Pakistan Asian tiger. The most important aspect of CPEC is that it has enabled Pakistan to achieve the growth target of 6.2% because of the continuity and stability of economic policies. If Pakistan ensures the successful completion of CPEC then it would be goes from developing to developed economies of the world. After 2015 in Pakistan FDI of china is more than other countries it’s because of CPEC project. Most of FDI comes in energy and power sector as it were prioritized projects under CPEC

and now oil and gas exploration sector are also on the stream in term of foreign direct investment. (Rashid, A. Khan, S and Arafat, Y.2018).

1.4 Economic Stability

Pakistan economic growth rate was very slow in 2008–2009 which was only 0.4% and in 2014–2015 was only 4.24%. (Hussain, E and Rao, F 2020).But due to struggles and with Chinese mutual cooperation developments is shown in all major sector of the economy since past few years.

Pakistan which faces many economic and political issues, CPEC can prove to be a wildcard and will provide a great opportunity to strengthen its economy and to develop relation with its neighbors by making Gwadar as trade hub of the region. Pakistan will get a chance under CPEC to strengthen industrial and agriculture production besides improving its connectivity to regional countries.

Pakistan needs a developed industrial zone for its economic recovery and revival and under CPEC the Special Economic Zones are supposed to provide broad opportunities to support industrialization process. Through industrial zone, Pakistan is likely to be favorably positioned in the regional and global market by exporting high quality manufactured goods. Whereas CPEC is expected to support investment and infrastructure in Pakistan and the Western part of China, the construction and improvement of the proposed SEZs are Likely to boost up industrial growth and economic activity not only within Pakistan but also between China and Pakistan.

Chines investment in infrastructure will have positive effects on economic growth and it has great prospects for human development and poverty reduction. There is great deal between infrastructure and economic stability. If in a country better road are available and safe then the business managers and investors become happier because their product sent to markets easily, quickly will save their time and cost and they will get more profit. And in return country gets economic development. It has been researched that poverty reduced 6% per year during 1980s and 2000s. It is fact that gulf financial crises greatly affect Pakistan economy because of over dependence on gulf region. (Anwar, T and Ahmad, I.2020).Thus, Chinese investment now, in form of CPEC, has potential for poverty reduction through its impact on economic growth. People will get some good chances of employment, business, traders will further spread their trade factories managers will further expand their factories which will as a whole bring unexpected positive change in the GDP of the country.

1.5 Special Economic Zones Opportunities

Under CPEC government of Pakistan decided to include 9 SEZs which are Rashakai economic zone, Dhabeji, Bostan industrial zone, Allama Iqbal industrial city, ICT mode industrial zone, industrial park Pakistan steel Mills, Mirpue industrial zone, Mohamand marbel city and Moqpondass SEZ Gilgit-Baltistan. The proposed area for SEZS is 9,400 Acre. These SEZs are expected to create around 1 million (Zia, M and Waqar, S.2018). Each SEZ will target specific goods and services and will strengthened the local industries and discourages imports. This specialization will lead to economy of scale and will increase our exports because of low-cost production. The four special economic zones(SEZs) which are under construction including Rashakai m-1, Dhabeji, Allama iqbal industrial city and Bostan are estimated to create 475,000 direct and 1,000,000 indirect jobs throughout the country.

The following opportunities are expected to come with the establishment of the SEZs.

- The planned SEZs under CPEC are anticipated to make peaceful and strong economic incentives for Pakistan authorities to introduce reforms for improvement of business environment.
- Secondly, the SEZs would provide an opportunity to Pakistani foreigners to utilize their skilled and knowledge in their own country and to make more profit. This will enable Pakistani firms and industries to get benefits from external economies and to make domestic industries more attractive.
- Thirdly, trade activities will further strength and improve bilateral trade relation between both countries. Moreover Chinese companies would learn new business and trade techniques to Pakistan firms.

1.6 Promotion of Tourism Sector

As we know that infrastructure is the main part of CPEC. The successful completion of these roads, Railways and highways will also definitely affect the tourism sector in Pakistan. Pakistan is blessed with full of natural beauty especially Swat Narran, kaghan, Muree are the most attractive region for tourist. Besides this there are Indus valley civilization such as Mohenjo-Daro, Harappa and a lot of historical places in Lahore, Karachi, taxila etc. during 1970s a lot of tourist from America, British, Canada, and Germany even from all over the world toured Pakistan and enjoyed Pakistan culture and landscape. During this era tourism industry contributed a substantial number of revenue generation (Ahtsham, S.2017). As a

result of CPEC progress in Pakistan Tourism is the only sector that will promote mutual co-operation among peoples.

1.7 Improvement of Agriculture Sector

Pakistan is an agricultural country. The GDP of the country is dependent mostly on agricultural sector. So, along with infrastructure Pakistan is giving more focus on this sector. Agriculture is also an important part of CPEC. When infrastructure is improved then growth rate of GDP will be improved. Because if the farmers and cultivators have better roads then they can do trade easily with other countries and it will also help them to bring modern facilitating technologies of the time to reduce labour and increase output. Further, better energy infrastructure will also help them to use latest technologies such as water pump, harvesting machine etc. It will facilitate more. In this scenario CPEC will highly appreciate the cultivators on Gwadar port which will provide them an opportunity to exports their surplus products and can easily import the necessary technology. Besides this china is an advanced country in manufacturing modern technology so it will enable Pakistan to import all the latest technology from china within no hardships. This will also help Pakistan domestic producers, and cultivators to work closely with Chinese experts and learn modern technique of agriculture. This way the agriculture production will be increased which will further help in increasing GDP and also decreasing poverty and unemployment.

China gives more focus on infrastructure as it is very crucial for agriculture development and for poverty alleviation. In this context technical cooperation in fields such as crop seed production, poultry breeding and production equipment, animals and plant disease prevention and control and ICT-enabled agriculture will be strengthened.

1.8 To Spark Pakistan Image at International Level

Pakistan's international image suffers from various negative perceptions. The country is commonly associated with state-sponsored terrorism and religious extremism, bad governance and military rule come again in again, deconstructive and/or hostile relationship with neighbors especially with India, nuclear proliferation, human rights violations, and backward societal structure. Due to these grounds, many researcher claim that Pakistan is an isolated player because it has not any credibility within the international community. Pakistan's external image very badly affects economic development and the flow of foreign direct investments; because of these sectors such as tourism, industries, agriculture (despite high demand) were not able to develop. It is anticipated that close cooperation with China in

general and the implementation of the CPEC in particularly will help to counter Pakistan's 'reputational issue' (Wolf, S.2019).

China Pakistan Economic Corridor Strategic Significance for China

1.9 Introduction

China is an emerging super power in the world and is famous for the world second largest economy. But still many parts of china facing problems such as poverty, health and education etc. china leaders wants to solve these problems and for solving these problems they are taking some steps in which one is CPEC. Let's to find from the following points that how much CPEC is strategically important for china.

1.10 Address Malacca Dilemma

Malacca dilemma is a word which is used by Chines president Hu Jintao in 2003. It is located between Sumatra Island and Malay Peninsula and has Singapore to its east. It connects china with world trade through an expensive 12,000km sea route then to transport their goods to the xingijing region. It is main shipping channel between Indian Ocean and Pacific Ocean. It is one of the most important shipping channels in the world all great powers like USA, India, Japan, and Vietnam use this strait for trading purpose. China has some regional dispute with these countries and about 60% of the world pirates take place in Malacca strait. China imports eighty percent oil from Middle East via Strait of Malacca. In presence of great powers china feel threats that in future any serious conflict with USA, Vietnam and Japan may affect trade and economic supply of china (Mehmood, K.2019).

To overcome these challenges china wants to get access to Middle East through Pakistan. Kashaghar provide a shortest land route to China to reach to the local markets of Pakistan, Afghanistan, Iran, India, Uzbekistan etc. At present energy transportation through Malacca strait takes 45 days which could be easily reduced to less than 10 days if done through Gwadar port.

1.11 Economic Development

OBOR aims to connect sixty countries to ameliorate economic integration between Europe, Asia and Africa, which would bring unparalleled economic results. Once the French dictator Napoleon Bonaparte says that "china is a sleeping lion in Asia, Let her sleep for when she wakes she will shake the world". These words become the fact of today and now the lion has wakened up but in peaceful manner and China is going toward the development. China gave

focus on fastest growing consumer market, industrial development, and technological exchange and on agriculture and telecommunication. China economic growth rate has created a lot of employment opportunities for skilled labour. Under BRI, china will build 56 economic zones in 20 different countries in which one is china Pakistan economic corridor. China will open new industries in other countries. Through CPEC china western most cities will get economic advantages in the form of cheap labour and natural resources.

Through CPEC china will get easily access to CARs which have abundant of natural resources and china need uninterrupted natural resources for economic development. China perceived that central Asia is the gateway for its economic growth.

CPEC will open more ways for trade and cooperation and china is expected to gain the status of more develop country.

4.4 To Counter U.S Hegemony

US is continuously engaged with India in strengthening its economic relation with other World. The U.S is also keen to represent a remarkable collaboration with India, to counter the economic rise of China. The United States policy regarding India, considered as an important strategic ally particularly for US strategic objectives and interests in Indian Ocean and across the sphere. In global markets and trade United States shares same goals with India and for achieving this objective both partners are intense to have control on vital sea lanes throughout the world especially in the Indian Ocean.

. As from the very beginning U.S wants to control its hegemony in Asian countries thus in this perspective CPEC is an important element to prevent the U.S from expanding its influence in Asia.

1.12 Improve Relation with Middle East

As it is reality that Middle East is very rich in natural resources and all south Asian countries are dependent on this region for oil and petroleum requirements. China also exports oil and gas from this region in sufficient amount. Presently these oil and gas are transported to China through sea routes to eastern province it is longest routes. After completion of CPEC china will transport commodities through Gwadar port to china western province. It will be smaller and less expensive route.

CPEC will enable China to transport both military hardware and military personnel to Gwadar. It will allow China to enhance its military capabilities in the Indian Ocean, the

Arabian Sea and the Persian Gulf. This enhancement will have strong impact on China geopolitical relation in the Middle East

CPEC provide an opportunity to China to connect Arab countries with Belt and Road networks and to improve relation with these countries.

Upgrading Chinese Industries:

As we know that industrial policy play very important role in country economy around 40 years ago, China adopted the policies that kept the country economy very weak, centrally controlled and isolated from the global economy. But now China has been going toward the developmental phase and wants to move from labour intensive industries and to capture higher position in global market. The plan for industrial Upgradation and modernization draw its inspiration from “made in china 2025” (Wolf, S.2020). The plane was adapted in May 2015, to move China into one of the most competitive global market. Through this vision China authorities attempt to upgrade industries in a very extensive way in this context CPEC is seen as crucial mechanism for upgrading Chinese industries as the inclusion of Chinese industries in SEZs with CPEC routs provides china a golden chance to outsource its industrial capacity.

With CPEC a lot of technology transferred into Pakistan as Chinese Ambassador to Pakistan, Nong Rong stated that China shifted its equipments, knowledge, skills through the Lahore orange line Metro Train and other mega projects which are completed under CPEC (Hussain, K.2021).

Distance:

Through CPEC china aims to protect and boost its energy sources .it has planned to build an Armco oil refinery project it will be developed on 88,000 acres of land in the Gwadar district of the southwestern Baluchistan province to refine petroleum products which is imported from Persian gulf for local consumption. The oil refinery project will have a capacity of 19 million tonnes of oil per year. It will reduce the distance of transportation of oil from Persian region to the Xinjiang province. The transportation and trade through Gwadar port from eastern Africa and the Persian Gulf to China will reduce the distance by 15000 KM. (Amir, M. 2018). So ultimately it will save cost and precious time of Chinese authorities. It will not only save time and cost but it is also secured than the sea route. In future this port will be an

important trade rout of China with the rest of the world and Pakistan will be become a regional trade hub.

5 Access to Indian Ocean:

. Indian Ocean is a region where the interest of great powers and local states is deeply fused because this region has great diversity and politics, population, economy, and environment. Geographically speaking, the Indian Ocean Region is defined as the Indian Ocean itself, and all other tributary water bodies are transit to and from the sea are mostly oriented towards the Indian Ocean.

One of the very important geopolitical aspect of the Indian Ocean which has served as a milestone for the establishment of the CPEC is the plenty of energy resources because 32.2 million barrel of crude oil and petroleum are transported per day which are more than 50 percent of the world's maritime oil trade are found in the Indian Ocean Region, which itself is believed to be rich with energy reserves (Rehman, Z.2021).

Around 80% of China oil passes through the Indian Ocean. China is highly dependent on Arab Gulf states, Iran and Africa for oil and gas imports, which are carried mainly by tankers over sea lines of communication (SLOCs) and through maritime choke points which are controlled by the US Navy . China is an emerging super power of the world and with its industrial development its energy demand are increasing day by day. As compared to other corridors CPEC is only based on one country Pakistan and it will reduced 13,000 to 2500 km distance for China towards oil rich Middle Eastern countries.

1.13 To Strength International Position through Alliances:

Only strong military capability is not only important for international success, but there is also need of strong partnership and friendship with developing and developed countries. China is now strengthening its international position through a variety of partnerships. Neither the BRI nor the CPEC are purely economic mechanisms but they both also serve different political goals for instance helping to create new alliances. Pakistan is perceived as a strategic ally and Beijing has an established interest in this country's stabilization. Furthermore, the CPEC is a bridge into Pakistan and a 'window' to the wider Islamic world through which China can improve its image among Muslim countries. Both the BRI and the CPEC are instruments serving China's goal of gaining international support for such policies as the One-China policy (Taiwan), the Tibet issue, and many others.

Conclusion

China Pakistan relations have slowly evolved in every field such as economic trade and investment etc. But now in today globalized world the changed regional and global environments compel both China and Pakistan to expand economic ties.

CPEC has the ability to create a new kind of China-Pakistan cooperation with the potential to further strengthen the two countries' political and economic relationship through trade and development. The project has strategic and economic importance for both China and Pakistan. It will create regional stability in South Asia. CPEC has the prospects to bring peace and prosperity.

The projects worth US\$46 billion offer a special opportunity to Pakistan to counter some of the main hurdles to its economic growth, such as the energy crisis, poor communication infrastructure, and narrow foreign investment. CPEC's is expected to bring socioeconomic development and peace and stability to the country in general and specifically to the restive and backward province of Baluchistan by engaging youth in commercial activities, making the province more economically develop and sustainable. The project is expected to increase employment opportunities, reduce poverty through progressive economic uplift of underdeveloped areas, and improve the socioeconomic outlook of the country by increased spending on education, health, and other basic services.

Shortly, the evolving regional dynamics can have an impact on the implementation of the CPEC, both Pakistan and China is determined to make the project a success due to its enormous benefits for the region in general and for both the countries in particular. Pakistan and China should rationally engage with involved actors and persuade them to become equal stakeholders instead of rivals in the project.

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