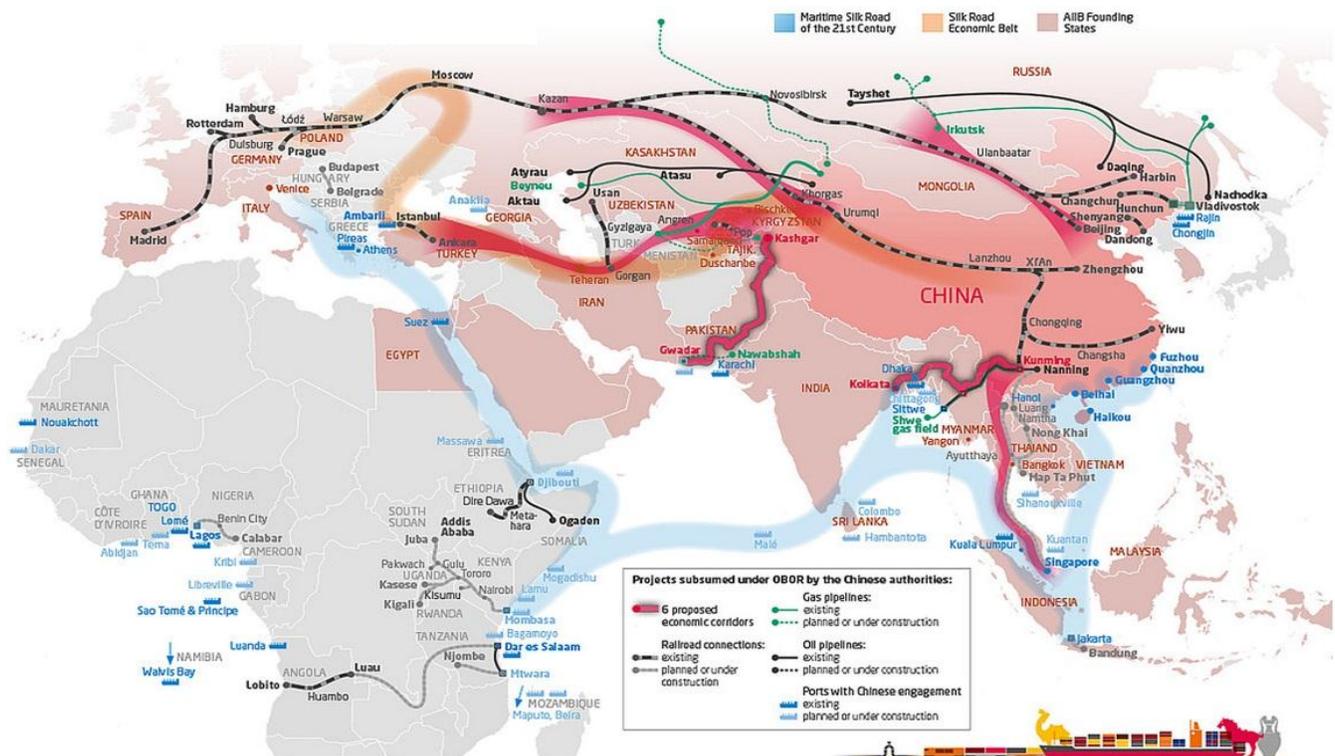


BELT AND ROAD INITIATIVE (BRI)



Center for Global & Strategic Studies, Islamabad

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Abstract

Belt & Road Initiative (BRI) is a massive project which can be termed as a revival of the Ancient Silk Road in order to materialize the Prophecy of Asian Century through the economic expansion and infrastructural build-up by China. The project comprises of two major components that are: 21st Century Maritime Silk Route (MSR) and Silk Road Economic Belt (SREB) which is further distributed in six overland economic corridors where China-Pakistan Economic Corridor (CPEC) is one significant corridor. The project holds massive importance for China in particular and all the other stakeholders in general and will provide enormous opportunity for the socio-economic as well as the infrastructural development of many countries across the globe. The rationale behind China's massive investment in this project is to attain global domination through geopolitical expansions. China's economic activities and investment are directed to the promotion of global trade. Although the commencement of the project met with skeptical views as for few specific countries, it is China's strategic policy to upsurge and enhance its military and economic presence in the World especially in the Indian Ocean and emerge as an economic giant by replacing USA's superpower status. However, the China-Pakistan Economic Corridor (CPEC) being the most important in terms of its strategic location caters the attention of many countries who are willing to become a part of this gigantic project. CPEC will provide China with direct access to the warm waters of Indian Ocean along with the deep sea port in Gwadar. The development of this project will provide Pakistan with an opportunity to overcome its dire need of infrastructural and economic development. Therefore China and Pakistan must try to overcome all the obstacles that are hindering the progress of such an important project which has yielded a win-win solution for both the states.

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Introduction

The movement of human beings from place to place for the purpose of trade and exchange of goods, skills, and ideas is a survival skill adopted since centuries. Even in the past, the Eurasia was crisscrossed with the routes of communication and trade paths.

Belt & Road Initiative (BRI) initiative is a gigantic project that consists of both land and sea routes to expand the global free trade to attain the economic development across the world. The project is the revival of the Ancient Silk Road between China and rest of the world. BRI will connect different regions for trade liberalization and globalization that will not only help China to emerge as a superpower but will also help the participating countries to overcome the economic, social, and political discrepancies that are causing a great deal of disruption in the progress and economic development of these countries.

BRI in its full potential is a promising change in the global dynamics of power that will shift the power equilibrium in China's favor causing a security dilemma for the United States of America (USA) and its allies who are already perceiving threats from the Chinese economic expansion.

This paper has highlighted different aspects of Belt & Road Initiative (BRI) initiative by China through putting a great emphasize on China-Pakistan Economic Corridor, which is one of the six economic corridors under BRI and due to the strategic location of Pakistan this project is of utmost importance for both Pakistan and China.

Ancient Silk Routes

Formally established during the Han Dynasty of China (206 BC–220 AD), Silk Road is one of the oldest trade routes in the world. The Silk Road is closely associated with China and has a long history of political and economic success. It was a network of various trade routes that were a linkage between China and various Asian countries and were used

by the merchants for trade and commercial purposes in the ancient world.

The Silk Road consisted of two trade routes one from Mediterranean to Central Asia and the second was from Central Asia to China. The Silk Road expanded from China through different countries including India, Asia Minor, Britain, Mesopotamia, Rome, Greece, Egypt, and the African continent. Whereas a major proportion of trade carried out through sea trade routes through which many trade goods reached Rome via Mediterranean and the goods from the Central Asia found their way to Japan via the Pacific Ocean.¹



Map of the Silk Road – Land Route in red and Ocean Routes in Blue Source: NASA

Later on, the export of other goods also started through the ancient Silk Road where more than the trade of Silk other goods also started to take up prominent proportion in the total trade which included: Olives, Olive Oil, Spices, as well as human resource which was in high demand to carry out labor work. China used to export things like Jade, Silver, and Iron. However, China was not the only country which attained benefits through this route, other countries such as India and the European states also become a part of this trade route to export things like Ivory, spices and oyster shells.

With the growth of trade via Silk Road the nomadic people of Central Asia attained access to the global economy and international markets.

¹ Mark, J. J. (2014, march 28). *Silk Road*. Retrieved from *Ancient History Encyclopedia* : http://www.ancient.eu/Silk_Road/

Silk is one of the most luxurious fabric and has been exclusively associated with China as Chinese held expertise in processing silk the techniques adopted in culturing the silk worms is unique. China closely guarded these techniques because economic benefits by the Silk production was the lion's share of China's economy. However, in the 7th century, the West succeeded in identifying these techniques. Silk was the most preferred commodity for the merchants in those days especially from the Central Asian region. Therefore, they used horses, hides (animal skin), furs, and luxurious items such as Jade and Ivory in exchange of Silk to China. Other commodities traded through the silk route were Carpets, Jewels, Amber, Metals, Dyes, Drugs, and Glass. The traders also introduced new commodities to the Chinese such as Cucumbers, Figs, Alfalfa, Walnuts, Pomegranates, and Sesame Seeds, apart from that, skills such as the making of wine using grapes were also introduced to the Chinese. Hence, this is how the exchange of trade commodities and skills transferred from one region to another.²

During the time period of Han dynasty, the Central Asian nomadic tribes started attacking the trade caravans which led to the closure of borders. The trade was then resumed during the Tang Dynasty from 618 AD until 760 AD when the Tang Dynasty lost its control over the western part. The trade on the Silk Road reached its zenith during the Yuan Dynasty (1271-1368), at that time China was heavily dependent on its silk trade. During his rule, Genghis Khan unified a large empire of China by conquering all the small states. Slaves, medicines, precious stones and perfumes were exchanged for silk. The routes were ceased when the Ottoman Empire boycotted the trade with the west.³

The Silk Road was not only important for the trade of commercial goods, but it was also significant for the spread of Buddhism and exchange of architecture, culture,

language, art, philosophy, science and technology in fact almost all the component of civilization were exchanged through the Silk route. The trade of paper and gunpowder which were also a Chinese invention had a vital cultural impact on other cultures and empires. Coming on to the negative aspect of this route usually plague and other diseases also traveled through this route, for instance, the Bubonic Plague in 542 AD and Black Death in the years 1346-1353 traveled to Europe through this Silk route. The closure of Silk Road forced merchants to use the sea routes that played an important role in initiating the age of discovery between the years 1453-1660 CE (Common Era) that ultimately led to the beginning of a global community referred to as globalization today.⁴

Chinese Trade Patterns

According to an estimate by the Economic Complexity Index (ECI), China is the largest trade economy in the world and ranked as the 38th most complex economy. In the year 2015, China's exports and imports were \$2.37 Trillion and \$1.27 Trillion respectively, and its Gross Domestic Product (GDP) was \$11 Trillion in the same year. With the advent of technology now the Chinese exports comprise of Computers, Broadcasting Equipment, Telephones, Integrated Circuits and Office machine parts. The bulk of the Chinese trade is directed towards the countries such as Japan, United States of America (USA), Germany, Hong Kong, South Korea and other Asian regions including South and Central Asia.⁵

Belt & Road Initiative (BRI)

Belt & Road Initiative (BRI) initiative is a revival of the ancient Chinese Silk Road in order to materialize the prophecy of the Asian Century. BRI is a string of projects that connects the Baltic Sea with the Pacific Ocean via roads,

² *About the Silk Road.* (n.d.). Retrieved from United Nations Educational Scientific and Cultural Organization (UNESCO): <http://en.unesco.org/silkroad/about-silk-road>

³ <http://www.chinahighlights.com/silkroad/history.htm>

⁴ Mark, J. J. (2014, march 28). *Silk Road.* Retrieved from Ancient History Encyclopedia : http://www.ancient.eu/Silk_Road/

⁵ <http://atlas.media.mit.edu/en/profile/country/chn/>

railway network, and sea lanes for free trade. The “Grand Dream” was unveiled during the visit of the Chinese President to Kazakhstan and Indonesia in the year 2013.

The One Belt One Road is a gigantic project that has catered the interests of many countries across the world, and with the enormous expansion of this venture, it can be speculated that the project will be proficient and beneficial for China and other stakeholders. China is planning to invest its \$3.2 Trillion in Foreign Exchange Reserves to increase its influence over different countries and regions across the world.

The project will cost approximately \$21.1 Trillion. The project will elevate the economic standings of the 65 participating states to the zenith of progress and development that constitutes about 80 percent population of the world.

Being the official policy, BRI is deemed as the part of China’s global economic strategy by the National Development and Reform Commission and the Ministries of Foreign Affairs.

The essence of Chinese involvement through BRI is based on loan financing rather than aid or Foreign Direct Investment (FDI) making it an important factor for, both, creditors and debtors.

The beneficiaries of this Belt & Road Initiative (BRI) initiative includes countries from all continents. African countries such as Tanzania, Zimbabwe, Nigeria, South Africa, Congo, Chad, Mozambique, Malawi, Sudan, and Kenya have accepted to become a part of the BRI. The Eastern and Central European countries such as Albania, Bulgaria, Bosnia and Herzegovina, Belarus, Croatia, Czech Republic, Latvia, Lithuania, Macedonia, Moldova, Montenegro, Romania, Russia, Serbia, Slovakia, Slovenia, Ukraine, Estonia, Poland and Hungary are also the part of

this grand vision of BRI where high-speed railway projects have been initiated. However, a major chunk of the Grand Chinese Dream covers the region of Asia where countries from the Central Asia, Middle Eastern States, and the South-East Asian States have readily accepted the economic development proposals of China. The Asian countries which are a part of BRI includes; Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, Timor-Leste, Vietnam, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, Sri Lanka, Afghanistan, Armenia, Azerbaijan, Georgia, Iran, Kazakhstan, Kyrgyzstan, Mongolia, Tajikistan, Turkmenistan, Uzbekistan, Bahrain, Iraq, Israel, Jordan, Kuwait, Lebanon, Oman, Palestine, Qatar, Saudi Arabia, Syria, Turkey, UAE, Yemen. Furthermore, China and Russia are also collaborating under the BRI initiative by developing the Siberia gas pipeline project.

Recently China is going to launch a high-speed railroad project that will cost approximately \$6 Billion it will connect Vientiane; the capital city of Laos to China. Besides that, another rail project has been finalized in Indonesia.

China is also planning to establish two railway projects in India; the first one is from Mumbai to New Delhi and the second one is from New Delhi to Chennai.⁶

Under the vision of BRI, China is massively investing in Sri Lanka for the development of deep seaport to facilitate trade. The investment will mainly direct towards the infrastructural development to provide China with a formal base to further enhance its naval presence in the Indian Ocean.

Once this BRI initiative fully materializes, it will have a remarkable impact on the economic development of participant countries along its roadmap.

Being home to about 20 percent population of the world, China has successfully managed to become the largest

⁶ Khattak, A. R. (2016, August 24). *BRI and CPEC*. Retrieved from Dawn : <https://www.dawn.com/news/1279479>

economy in the world regarding its purchasing power, surpassing the United States of America. China is still considered to be a developing nation, but through its forward thinking, it has attained great opportunities for the exploration of economic resources globally with the help of a massive working class. Contrary to that, the developed countries such as the US and Western European countries have already seemed to have exploited their human as well as natural resources for progress and development. However, China still has a cushion to maneuver its strategic policy disguised in economic investments across the globe.



China is well aware of its strengths and weaknesses. Therefore, the country has now shifted its focus towards the development of infrastructure for sustainable growth and expansion. The (BRI) project has drawn China to develop infrastructure for new markets and establish good economic and strategic economic relations with the countries of Asia, Europe, Africa, and Latin America to create a mutually beneficial situation. BRI is financed by the Asian Infrastructure Investment Bank (AIIB).⁷

⁷ http://issi.org/wp-content/uploads/2015/12/Shafei_Moiz_and_Tan_and_Sumera_3435_SS_41_20142015.pdf

The BRI contains several important mega-projects and has two major components which are: the 21st Century Maritime

Region	Country
East Asia	China, Mongolia
Southeast Asia	Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, Timor-Leste, Vietnam
Central Asia	Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan
Middle East and North Africa	Bahrain, Egypt, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia, Palestine, Syria, United Arab Emirates, Yemen
South Asia	Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, Sri Lanka
Europe	Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Georgia, Hungary, Latvia, Lithuania, Macedonia, Moldova, Montenegro, Poland, Romania, Russia, Serbia, Slovakia, Slovenia,

Silk Road (MSR) and the Silk Road Economic Belt (SREB); the former is a sea route plan which links different seaports, and the latter is the overland network of rail and roads network.

21st Century Maritime Silk Road (MSR)

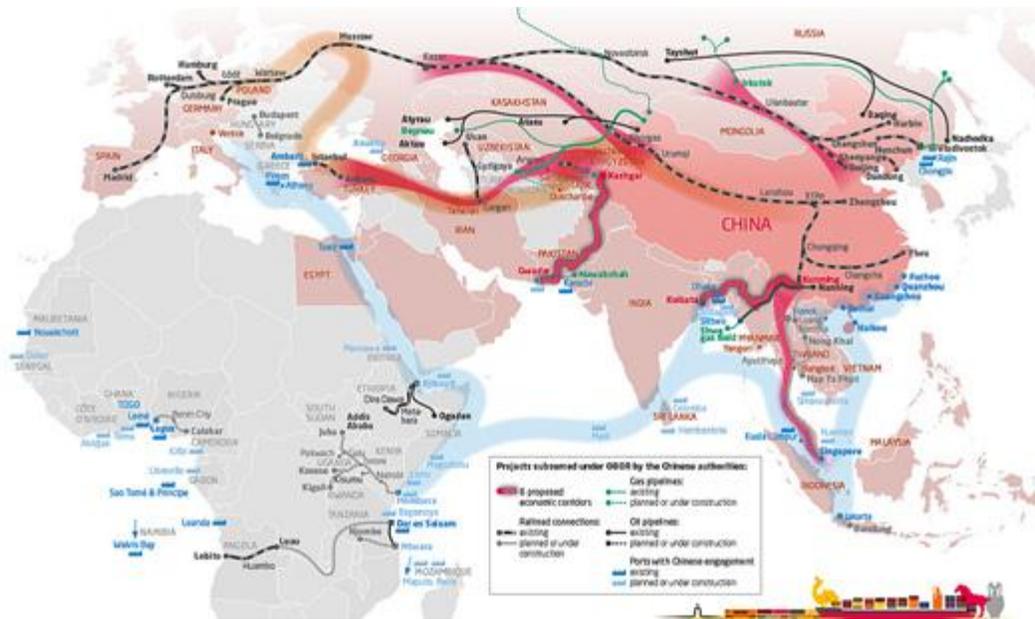
Maritime Silk Road (MSR) is one of the two components of the Belt & Road Initiative (BRI) project. The route will encompass a string of different sea ports hence, making an exclusive maritime route which originates from the Guangxi Zhuang Autonomous Region in South Central China near the border of Vietnam and Yunnan province in southwestern China and will connect various sea ports throughout its route that will start from the South China Sea, and will be passing through the Andaman Sea, the Bay of Bengal, the Arabian Sea, the Persian Gulf and will end at the Baltic Sea.

Route of Silk Road Economic Belt (SREB)

The Silk Road Economic Belt (SREB) is the second component of BRI project that comprises of overland

communication infrastructure which will include a web of connections through roads, highways, and railways routes. It comprises of six corridors which are as follow:

- 1) China - Mongolia - Russia Economic Corridor (CMREC)
- 2) New Eurasian Land Bridge (NELB)
- 3) The China - Central and West Asia Economic Corridor (CCWAEC)
- 4) China - Indo - China Peninsula Economic Corridor (CICPEC)
- 5) The Bangladesh - China - India - Myanmar Economic Corridor (BCIMEC)
- 6) China-Pakistan Economic Corridor (CPEC) ⁸



BRI with both Silk Road Economic Belt and Maritime Silk Road Initiatives⁹

“If you want to be rich, you must build roads” is an old Chinese proverb which explains the entire mindset behind the establishment of such an extensive road and railway

infrastructure and revamping of ports. All of this is actually directed towards the development of a regional economy which China will lead to fulfilling the mantra of “Asian

⁸ <https://www.linkedin.com/pulse/chinas-6-magical-economic-corridors-one-belt-road-silk-syed-gilani>

⁹ <http://investin.pk/index.php/2017/01/17/one-belt-one-road/>

Century.” The funding for the project will be rendered from different sources including Asia Infrastructure and Investment Bank (AIIB), the BRICS New Development Bank, the China- ASEAN Interbank Association, SCO Interbank Association and the Silk Road Fund.

The Belt & Road Initiative (BRI) initiative will have a significant impact on China and other participants of this mega project where China will be at the forefront of the connectivity between different regions of Asia and will put together trade investment mechanisms by keeping the routes viable and through up-gradation of Infrastructure. BRI will be the dawn of Asian Century by triggering a change in global power dynamics through a major policy shift by different countries.

Skeptical Views about BRI

There are many countries who are skeptical about the development and success of BRI. They are of this view that the Chinese benevolence and all economic activities of China are to achieve global dominance. The growing influence and economic presence of China in the shape of investments and loans to various countries especially in the backyard of United States of America (USA) which is Latin America is perceived as a major threat to the West and especially the USA. Therefore, the USA is trying to counter China’s growing influence through a containment policy. Although it is clearly evident that it is not easy to deter China from pursuing its “Grand Dream” as now it has become an economic giant which has support from almost half of the World.

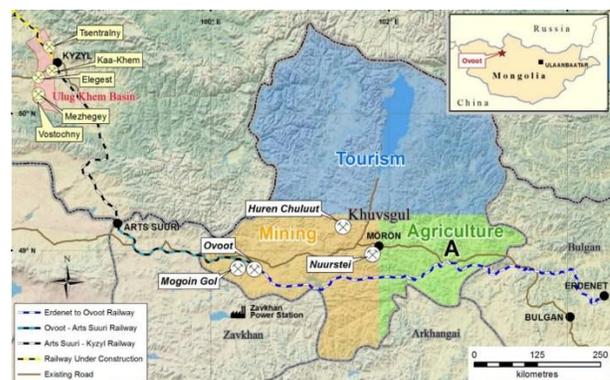
This growing economic and strategic influence of China across the globe is perceived as a threat to the US hegemony and is a matter of concern for the US allies such as India and Japan who are quite skeptic and suspicious about the progress and development of BRI due to the dwelling conflict of interest between China and these countries.

This skeptic behavior and trepidations by these states will not only trigger and bolster the Military and Naval capabilities of China but will also enhance the strategic competencies of its allies.

China - Mongolia - Russia Economic Corridor (CMREC)

China is considering to build a new platform for the economic development between China, Russia, and Mongolia. The trilateral economic corridor is one of the six trade corridors that China is deeming to develop under the BRI initiative.

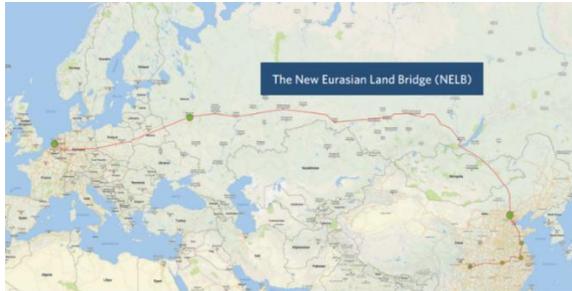
The construction of the China-Mongolia-Russia Economic Corridor would connect China’s Silk Road Economic Belt to Russia’s transcontinental rail plan and Mongolia’s Prairie Road program. The establishment of high-speed rail link is still just an idea. The CMREC will cost \$230 Billion, and a high-speed railway line project will link Beijing and Moscow through the Mongolian capital Ulaanbaatar via a high-speed railway line project. It would reduce 7000-km journey from six days to just two days. The China - Mongolia - Russia Economic Corridor (CMREC) would bring economic benefits to all the participating countries and will serve as a major boost to the economic advancement of Eurasia. It will also boost the cooperation among the participating countries in railways, roads, energy resources, logistics, transportation and agricultural sectors.



The Route of China-Mongolia-Russia Economic Corridor (CMREC)

New Eurasian Land Bridge (NELB)

The New Eurasian Land Bridge (NELB) is also known as the Second Eurasia Land Bridge. The aim of the project is to create an uninterrupted connection between major cities of China, such as Lianyungang, Chongqing, Lanzhou, Xian, Wuhan, and Urumqi to the Western European cities like Rotterdam and Duisburg in Germany. Using the Chinese internal railway system under this corridor, the Chinese goods will reach Xinjiang, and from there the route will cross Kazakhstan, Russia, Belarus, Poland and the Czech Republic ultimately reaching the shore of Atlantic Ocean. The main objective of the NELB is to promote inter-state cooperation by strengthening railway connectivity through high-speed rail technology. The NELB is directed towards establishing a connection between Moscow and Beijing through a high-speed railway line that would be 4350 miles long which will shorten the traveling time from six days to two days only. The project is expected to cost more than \$230 billion.¹⁰ Whereas, in the latest news, a train carrying goods to London reached in 21 days which is the shortest recorded time until now.



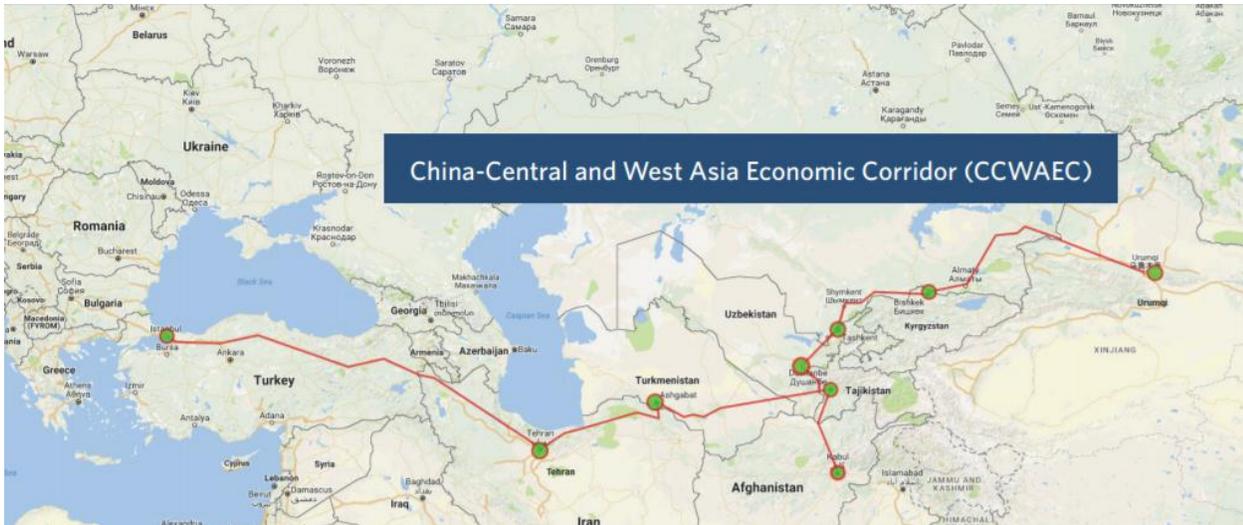
The Route of New Eurasian Land Bridge (NELB)

The China - Central and West Asia Economic Corridor (CCWAEC)

The China-Central and West Asia Economic Corridor (CCWAEC) is considered to be developed under the BRI. The project would run from Xinjiang province of China via Alashankou, on the China-Kazakhstan border, to join the existing railway networks between Central Asia and the Middle East. The corridor will cover the Central Asian Countries of Kyrgyzstan, Kazakhstan, Uzbekistan, Tajikistan, Turkmenistan, and Afghanistan as well as Iran and Turkey. The corridor is in the developmental phase where the different parts of the corridor are under construction, and some had already been constructed based on the individual efforts of the participating countries. For instance, the Kamchiq Tunnel in Central Asia and the Angren-Pap railway line in Uzbekistan have successfully been completed with the assistance from the China Rail Group Limited to enhance the connectivity between China and Central Asia. Furthermore, in September 2016 a railway connection was also inaugurated between China and Afghanistan which will shorten the traveling time. CCWAEC will also help in supplying the Central Asian gas reserves to China through China-Central Asia Gas Pipeline.¹¹

¹⁰ http://www.iags.org/Luft_BRI.pdf

¹¹ http://www.iags.org/Luft_BRI.pdf



The Route of China-Central and West Asia Economic Corridors (CCWAEC)

China - Indo - China Peninsula Economic Corridor (CICPEC)

The China-Indo-China Peninsula Economic Corridor (CICPEC) is also known as Nanning-Singapore Economic Corridor. The project aims at connecting eight major cities which include: Kuala Lumpur, Singapore, Phnom Penh, Bangkok, Ho Chi Minh City, Hanoi, Vientiane, and the

Chinese city of Nanning. From there, additional connectivity nodes would be extended to the major economic hubs of Guangzhou and Hong Kong, thus forming a web connecting ten cities with a cumulative population of over 50 million. The CICPEC reflects China's strategic decision to create an outlet to the South China Sea from its southwestern provinces.¹²

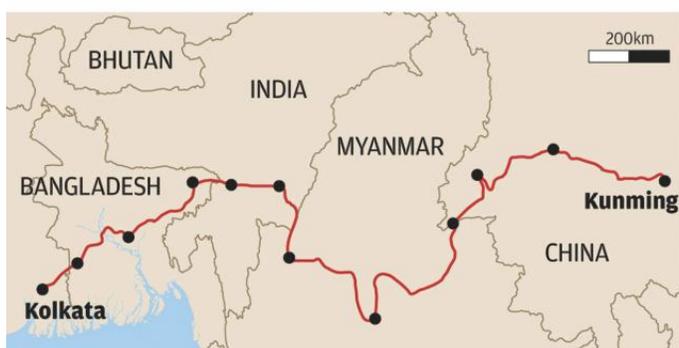


The Route of China-Indochina Peninsula Economic Corridor (CICPEC)

¹² http://www.iags.org/Luft_BRI.pdf

The Bangladesh - China - India - Myanmar Economic Corridor (BCIMEC)

The conceptualization of Bangladesh- China-India-Myanmar Economic Corridor (BCIMEC) is deemed at gaining significant advantages via sub-regional economic cooperation. Being a multi-model corridor the project contains expressway which will be the first of its kind that will join India and China, passing through Bangladesh and Myanmar. The project received the formal endorsement in the year 2013 following the government level visits between the respective countries.



The route of Bangladesh-China-India-Myanmar Economic Corridor (BCIMEC)¹³

The initiation of multi-model transport project is envisaged to accumulate access to the global markets for trade purposes by establishing exclusive economic zones. Other objectives of the project includes: abolition of non-Tariff barriers, infrastructural development, joint exploration and development of mineral, water and other natural resources, facilitation of trade to develop efficient demand and supply chains, attracting the investment from the neighboring BRIC countries, and establishment of cordial relations through people to people contact to attain comparative advantages hence making it a win-win situation for all the participating countries.

Currently, the intra-state trade in India and China covers a distance of 1600 KM and 2000 km respectively. Under the

¹³<http://www.thedailystar.net/bcim-economic-corridor-an-emerging-opportunity-15533>

¹⁴Rahman, M. (2015, March 08). *BCIM-economic Corridor: An emerging opportunity*. Retrieved from The

BCIMEC the traveling distance will reduce to 400-700 KM, hence, reducing the traveling cost and time of the traded goods and will provide a gateway to the landlocked areas of India and China as well.

The project will be a combination of rail and road networks as well as the air and sea ports which will incorporate approximately 440 million inhabitants of the Bangladesh, Myanmar, Yunnan province of China and West Bengal in India. This region produces about one-tenth of the total GDP of the world. After the operationalization of this corridor, BCIMEC will facilitate an interconnected cross-border movement by seamless connectivity and will help to mitigate trade impediments by ensuring smooth access to the intra-regional markets and will enhance multilateral trade.¹⁴

The commencement of this project is specifically in the interest of Bangladesh and Myanmar which have been experiencing a fragile economy along with a huge trade deficit with the neighboring powerhouses China and India.

For instance, in the fiscal year of 2013, the exports and imports of Bangladesh to India were \$564 Million and \$474 Million respectively while with China, the exports accumulated to \$458 Million and imports accumulated to \$6310 Million dollars. It is pertinent to mention the fact that the bilateral trade between China and India in the year 2015 carried an accumulated worth of \$100 Billion.

The BCIMEC will receive investments from Asian Development Bank (ADB), World Bank (WB), Islamic Development Bank (IDB), and Japan, who has lately started showing a keen interest in this multi-pronged project.

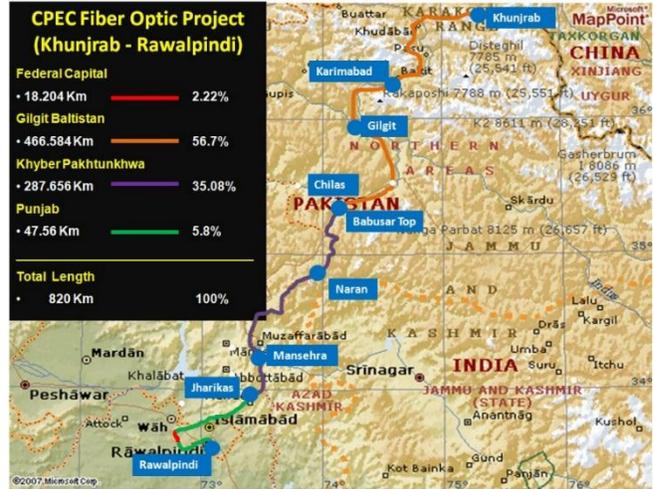
China-Pakistan Economic Corridor (CPEC)

China-Pakistan Economic Corridor (CPEC) is part of the great vision of Belt & Road Initiative (BRI) initiative. BRI targets the Western Asia, Gulf States, the Central Asian Republics and Eastern Europe through CPEC. The

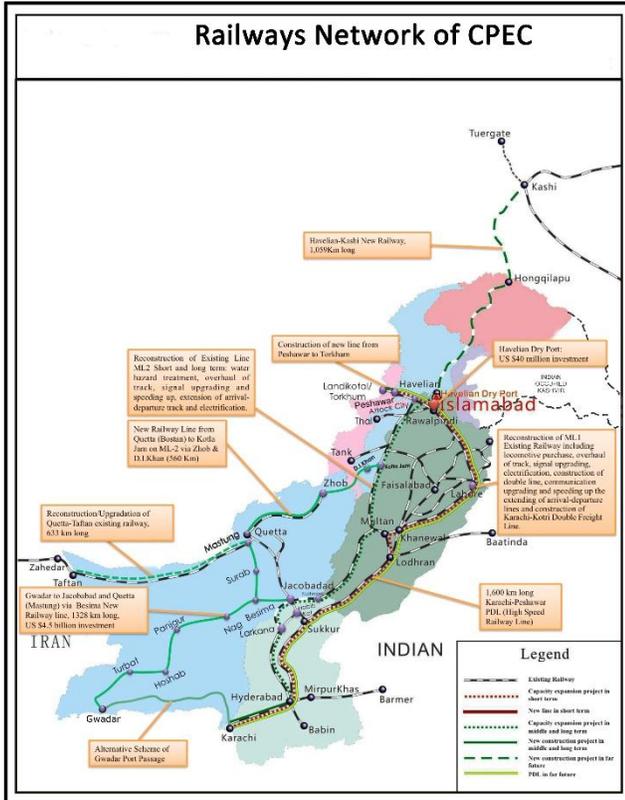
Daily Star : <http://www.thedailystar.net/bcim-economic-corridor-an-emerging-opportunity-15533>

investments under China-Pakistan Economic Corridor (CPEC) will be directed towards the infrastructural build-up of road and railway networks as well as energy projects. Pakistan is an energy hungry country due to the fact that it is experiencing population boom and increased economic development. Following maps, elaborate the road, and railway networks map 1 and map 2 respectively under CPEC. The third map illustrates the CPEC Fiber Optic Project

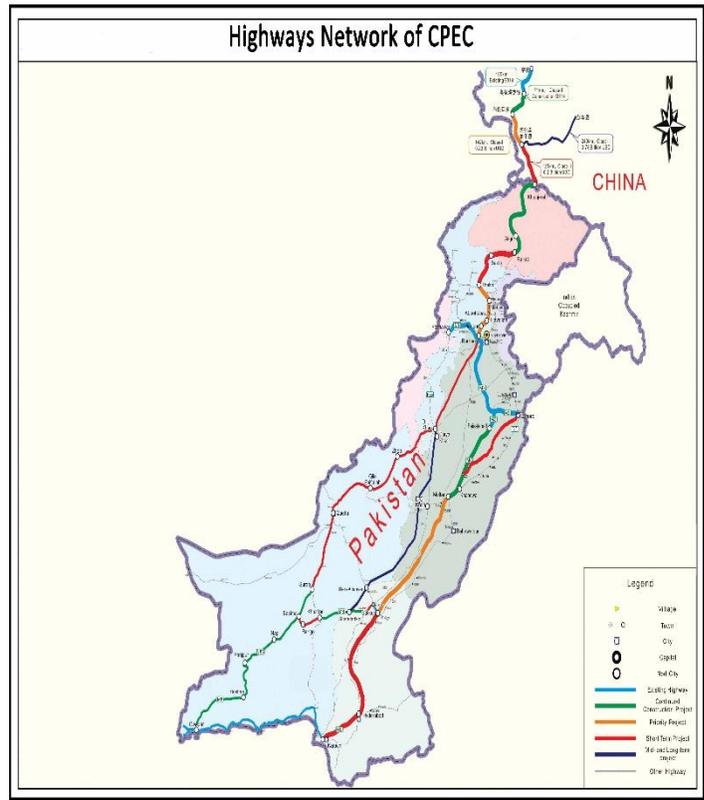
Map 1



Map 2



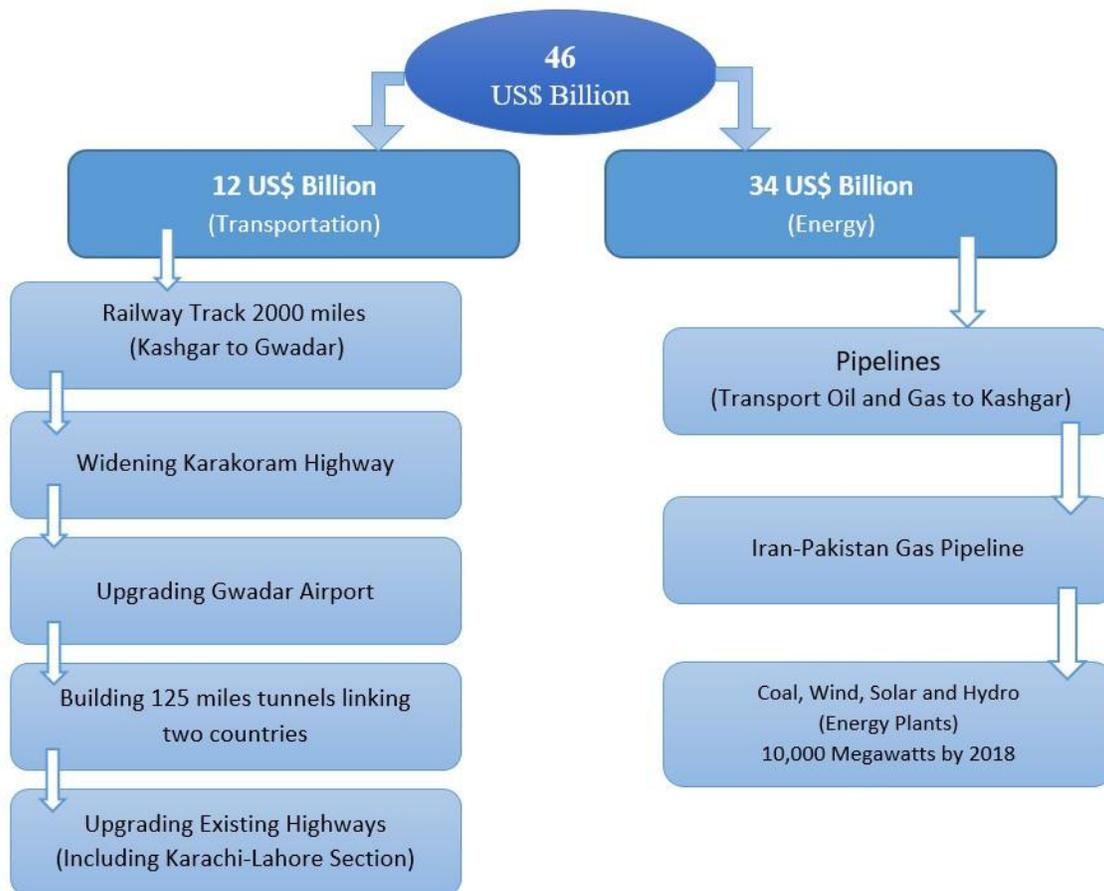
Map 3



The CPEC is a framework for achieving regional connectivity. It will not only benefit Pakistan and China but carries promising ventures for other regional states such as Afghanistan, Iran, and Central Asian Republics (CARs). The project is directed towards the enhancement of geographical linkages through the improvement of rail, road, and marine transportation system. China-Pakistan Economic Corridor is deemed to create mutually beneficial prospects through the economic regionalization. It will not only enhance the

economic integration but will also encourage academic and cultural exchange between different countries.¹⁵

Initially, China pledged to invest \$46 Billion for CPEC in the energy and infrastructural developmental projects in the following manner:



The Investment in different projects under CPEC¹⁶

Pakistan is an important economic as well as military ally of China. The historical cordial relations based on the friendship between China and Pakistan is a mutual geopolitical advantage for both the states. The relations between Pakistan and China are independent of the current

happenings in the international arena, and always sound warm and sweet. China has emerged as the largest trading partner of Pakistan over the last few years and has always supported Pakistan in economic and military issues.

¹⁵ <http://cpec.gov.pk/introduction/1>

¹⁶ http://china-trade-research.hktdc.com/resources/MI_Portal/Article/BRI/2016/04/474089/1460080496674_SSRNid2710352.pdf

China-Pakistan Economic Corridor (CPEC) being a part of Belt & Road Initiative (BRI) initiative is of great strategic importance for China as it will offer direct access to the warm waters of the Indian Ocean and will also provide a geographical proximity to the Oil enriched the Middle Eastern States.

Being a flagship project of China's Belt & Road Initiative (BRI) initiative, China-Pakistan Economic Corridor (CPEC) own special significance due to its strategic location that no other project can match. CPEC is the only corridor that is connected to another corridor and provide the landlocked countries with and an opportunity to access the sea. It also provides China with direct access to the warm waters of Indian Ocean and offers a deep sea port in Gwadar. The corridor has enormous importance for China because it will keep Chinese trade with Africa, Middle East, and other western states unhindered. China is striving to tackle the menace of terrorism in Pakistan through massive investment in the economy and infrastructural development which can be a key disruptor of the whole development process of this mighty project worth billions of dollars.

The China-Pakistan Economic Corridor will pass through the western provinces of Pakistan which are KP and Baluchistan. In KP the construction of KKH and Suki Kinari Hydropower Station under CPEC is in progress. Cross-border Fiber Optical project also passes through KP. In Baluchistan the development of Burhan-D.I. Khan and Quetta-Sorab roads, Gwadar International Airport, Gwadar economic zone, Gwadar coal-fired power plant and HUBCO coal-fired power plant are in progress.¹⁷

No other state have ever invested so massively in Pakistan as China is doing with an investment of 46 billion dollars for the development projects, not even the USA which has been very benevolent regarding providing aid packages to Pakistan cannot match the enormous investments by China. The investment in CPEC will equalize with the cumulative influx of Foreign Direct Investment (FDI) that have come to

Pakistan since 1970. The CPEC will have a compound economic impact on Pakistan which is already in dire need of projects for the infrastructural development.

¹⁷ <http://www.cpecinfo.com/pci-cpec-founder>



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