

International Conference on the China Pakistan Economic Corridor*

On 9 April 2018, the Centre for Strategic and Contemporary Research held a conference in collaboration with the Faculty of Contemporary Studies, National Defence University (NDU). The purpose of the conference was to discuss the prospects of the China Pakistan Economic Corridor (CPEC) and the relevant policy issues for Pakistan. Reproduced in this document is the transcript of the views of each of the panel discussants.

Air Vice Marshal Faheem Ullah Malik - Deputy President, National Defence University

His Excellency Mr. Zhao Lijian, the Deputy Chief of Mission of the People's Republic of China to Pakistan, Dean Faculty of Contemporary Studies (FCS) Dr. Pervaiz Iqbal Cheema, Senator Anwaar ul Haq, Senator Kahuda Babar, Lieutenant General (Retd.) Naeem Khalid Lodhi, distinguished guests, faculty members and dear students.

It is a matter of great satisfaction for me to know that the Department of International Relations, in collaboration with the Centre for Strategic and Contemporary Research (CSCR) has taken this initiative of organising a joint conference on a significant contemporary issue. I render my compliments to the guests, speakers and organizers for the successful convention of this event.

Ladies and gentlemen, Pakistan has enjoyed friendly relations with China since the start of the official diplomatic exchange between the two countries in May 1951. Over the years this partnership has blossomed into an all-weather strategic relationship. China holds a special place in the heart of the Pakistani nation; a place reflected in the exemplary partnership between the two countries, which has gained momentum over the last few decades. The sustenance of this relationship is a national priority for Pakistan which is why it has endured the test of time. As it stands today, it is an exemplary model in the development of an intra state relationship. The bilateral ties between these two countries are characterised by mutual trust, respect and goodwill towards each other. Both Pakistan and China are trusted political and economic partners and enjoy a companionship which few nations experience in such a short time. President

*The panel discussants in an alphabetical order were Anas Abdullah, Anwaar UI Haq Kakar, Faheem Ullah Malik, Hassan Jalil Shah, Kahuda Babar, Muhammad Samrez Salik, Pervaiz Iqbal Cheema, Raza Muhammad, Shaheen Akhtar, Waseem Ishaque, and Zhao Lijian.

Hu Jintao described the relationship as one that is higher than the Himalayas, deeper than the Indian Ocean and sweeter than honey. Similar sentiments echo through out every segment of the Pakistani society. In a similar vein, the development goals of both countries are aligned considerably in addition to having equally parallel perspectives on the conduct of their respective domestic policies. To date, both countries have channelled a pragmatic approach to foreign policy, helping to foster a long-term relationship based on shared values.

Pakistan is thankful to China for facilitating infrastructure development and helping expand the defence industry through the production and provision of military hardware. On the economic front, China is one of Pakistan's largest trading partners and brings in major investments into the energy sector. Owing to the official launch of the China Pakistan Economic Corridor (CPEC), the economic partnership between the two states has improved significantly. The CPEC, part of the Belt and Road Initiative (BRI), is effectively underway covering multiple development ventures extending from Kashgar to Gwadar, which are further strengthening the existent bond between China and Pakistan. The multi-billion dollar investment is also expected to improve infrastructure, enhancing the connectivity between the two nations.

Several projects implemented under the CPEC are operating in diverse areas including the improvement of infrastructure, generation of energy and the development of the Gwadar port. These projects, when operational will not only enhance regional connectivity but will also prove to be a game changer for the region given their potential of tapping into multiple trade avenues, ensuring well-structured transportation networks, creation of industrial hubs and an overall decline in unemployment.

I am confident that the agenda for this intellectually stimulating programme today will take into account all major aspects of the CPEC and will most meaningfully add to the discourse on the subject. Additionally, I believe that the said discourse generated today in the light of the scholarly presentations that follow will serve as an effective tool for steering the course(s) of our national interests in the rightful direction.

Once again, I am thankful to the guests who have spared their time and invaluable insight for the conference. I would also extend my compliments to

the CSCR and the International Relations Department NDU for this enterprising effort of bringing together such an enlightened audience to discuss and more so, to develop a deeper understanding on an issue of national relevance and significance. Thank you all very much.

Mr. Anas Abdullah - President, Centre for Strategic and Contemporary Research

Respected guests, distinguished panelists and dear students, on behalf of the CSCR it is a profound pleasure to welcome you all to the international conference on the CPEC at the NDU. I would also like to express my gratitude to the International Relations Department at NDU, our co-organiser for this event, for having brought us together to discuss how to leverage the CPEC for the mutual benefit of China, Pakistan and the rest of the world.

I would like to begin by stressing, rather by appreciating the Chinese initiation of the BRI in a bid to increase economic activity. Of this remarkable initiative, Pakistan is indeed privileged to be a major party to the CPEC. Immense potential in terms of growth and development in sectors encompassing energy, transport and infrastructure, are expected out of this exemplary economic partnership. The project has not only enhanced the strategic outlook of Islamabad in the eyes of Beijing, but has also made it easier for Chinese goods to pass through to European and African markets. Looking at the bigger picture here, the CPEC also adds to the prospects of enhanced Chinese presence in the South Asian region as Beijing looks towards countering India's regional supremacy.

Today's conference, ladies and gentlemen is not just dedicated to looking into Pakistan's strategic partnership with China and its benefits to the province of Balochistan but also endeavours to take into account dimensions such as regional connectivity in light of the challenges and opportunities facing CPEC.

I am sure that each one of you will relate to the topic, based on the subject of your interest and will benefit from this fruitful and enriching discussion. I look forward to exchanging perspectives with the honourable participants. I thank you once again for your absolutely invaluable participation.

Zhao Lijian - Deputy Chief of Mission of the People's Republic of China to Pakistan

Deputy President of NDU, Senator Kahuda Babar, Senator Anwaar ul Haq Kakar, Dr. Pervaiz Iqbal Cheema, ladies and gentleman, I am very happy to return to this beautiful campus. I received this invitation from the NDU and was very happy to accept it.

Today, I will be talking about the CPEC and China's relationship with Pakistan in general. The Deputy President delivered his address regarding the CPEC and Pak-China friendship. I would love to add a lot of information about the historical friendship that our two countries have shared, evolving into a brilliant economic engagement in the form of the CPEC. First of all, I would like to say that the CPEC is a declaration, a model, and metaphorically, also a sewing machine. I say that it is a declaration because it declared to the world that Pak-China friendship extends beyond a political alliance. The relationship bore fruit in the form of the CPEC which is also a partnership in economy, trade, business, science, agriculture and technology.

Last year, we signed a long-term plan for the CPEC, from 2017 to 2030. This long-term plan has been pointed out as the next step in the development stage of the CPEC. Now, it covers four sectors including energy, infrastructure, industrial production and the Gwadar port. During this time (i.e. 2017-2030), China like Pakistan, will undergo several changes in government. Just last March in China, several Ministers were replaced, though the Prime Minister and President continue to hold office. Leading into 2030, we expect several additional changes in the government of both countries. In this context, it is worth reiterating that China intends to commit to the development in Pakistan through the CPEC. As the Vice President pointed out, the CPEC is a flagship project under the BRI or the One Belt One Road (OBOR). I concur that it is a major project. It is in Pakistan usually referred to as a game changer because it is the first time in history that Pakistan and China have signed a project of such a broad scale.

Implementing a project of this scale is a painstakingly long and tedious process. A lot of obstacles have been overcome in its implementation so far. The materialisation of projects as we see it today have followed a long road, starting from the production of a feasibility report, followed by the design, a commercial

contract, prospects for financial growth and eventually the formal inauguration of the project. It is not uncommon to see your Prime Minister flying to various places for the inauguration of different projects, proving all the more that this has been a very long process.

In the development of our relationship, there have been some key principles that the two countries have always adhered to. The first is equal treatment, mutual trust, assistance and respect for each other's independence, sovereignty and integrity. The second is decision making based on consensus, collective benefit and a win-win approach to jointly pursue common development and progress. The third is close cooperation and coordination in major international and regional issues to actively safeguard the common interests of the two countries as well as other developing countries. We are proud to say that the China-Pakistan relationship is a model for bilateral relations aimed at peaceful coexistence and cooperation between countries with different cultures and social systems.

The Chinese Foreign Minister Wang Yi once said that, 'If OBOR is like a symphony involving and benefiting every country, then the construction of the CPEC is the sweet melody of the symphony's first movement'. Both sides have toiled hard to implement projects within the CPEC. We have decided on a list of 43, because of the early harvest projects, 20 of them have either been completed or are under construction. Another 20 are in the pipeline. Among the completed projects is the Sahiwal Power Plant which was built in 22 months. This is a record, even in China. Then, there is the Gwadar port. I visited Gwadar and was surprised to come across a very good hotel and Expo Centre that had been set up in five and a half months. It is a miracle; one that could not have been achieved even in Islamabad. Projects included in the early harvest phase will be completed by the end of 2019. Additionally, major projects are being completed in the energy, infrastructure and transport sectors. I believe, such major products are laying the foundation for the development of Pakistan's economy.

If you recall, five years ago experts and officials of these two countries sat together to discuss plans for the coming five years. At that point, officials and experts identified major issues because Pakistan's economy was facing an

energy crisis. At the time, even Islamabad was facing up to eight hours of load shedding; more so in the rural areas. Thus, the energy sector was deemed to be a priority. The second priority addressed the lack of infrastructure including roads and motorways. So as to address the issues within the energy sector, 19 energy related projects of around 11,000 Megawatts (MW) including coal mine power stations, wind power stations and hydro power stations were made a part of Pakistan's national grid. Some of these projects are under construction and some are near completion.

The construction of the Lahore-Abdul Hakeem section has added to the connectivity between the three major cities i.e. Lahore, Karachi and Multan. In addition, transportation will be boosted by bullet trains which are part of the CPEC. Therefore, the CPEC is not only a single entity but is a series of development oriented projects. In terms of healthcare, emergency hospitals have been built in Gwadar in addition to the operations of The Red Cross Society to establish a better facility for the public.

Ladies and gentlemen, the fact that I have cited these projects in progress or near completion is for every one of us to realise the far-fetched view of development that China seeks to achieve in and for Pakistan. We intend to make the CPEC a historical instance of economic engagement which transcends the traditional boundaries of growth and development. With this I would conclude my talk, in the hope that both countries can reap the benefits of this megaproject.

Professor Dr. Pervaiz Iqbal Cheema - Dean Faculty of Contemporary Studies,
National Defence University

Thank you so much Mr. Anas Abdullah and Mr. Zhao Lijian. It is my pleasure to welcome Senator Anwaar Ul Haq Kakar and Senator Kahuda Babar. It is noteworthy that over the previous years, after the CPEC was signed, much of the discourse has been limited to basic details of the projects, indifferent to the fact that the CPEC is not a new phenomenon. It is a subset of the greater Pak-China friendship which goes back a long way.

If we take a look back through history before the creation of modern China, interaction between the two great civilizations on either side of the Silk Route has not been recorded in its entirety. Hence, a complete account of the

relationship between these two civilizations still has to be written. The process in doing so however has begun. Keeping in context my statement on the CPEC not being a new phenomenon, it is important to mention new developments, most notably that of the rise of China and the supplementary decline of the West. The transformation in the distribution of power has given birth to a new geostrategic dynamic wherein old relationships and alliances have been revised. India is no longer associated with Russia, and Pakistan is not an American ally in the traditional geopolitical context. In light of this new backdrop, the CPEC has acquired new significance and a lot of its success hinges on Balochistan which the Air Vice Marshal Faheem Ullah Khan spoke about. If we embark on the various projects included in the CPEC, the fruits we bear will be positive, but if we do not take advantage of the proposed ventures, there will be dire consequences for both Pakistan and China.

Of the various dimensions of the CPEC that my learned fellow panelists have explained, I look forward to the role of Balochistan being uncovered alongside the prospects that it shall reap from this development centric model. It is indeed of great value that we have among our panelists, Senators from the resource rich province itself. Now I will yield the floor to the Senators to let them reflect on new prospects for Balochistan and also the challenges that confront these prospects.

Anwaar Ul Haq Kakar - Senator

Respected guests, distinguished panelists and dear students, I would like to begin by telling the audience how I enjoyed my first interaction with the honourable Mr. Zhao Lijian in Gwadar as a Chief Guest at a seminar on the CPEC and its implications. I was the Spokesperson of the Balochistan Government at the time of the seminar which was attended by the national leadership including civilian and military officials. I found His Excellency to be actively engaged not just on Twitter but on other platforms also.

It gives me great pleasure to see academicians like honourable Dr. Cheema and Air Vice Marshal Faheem Ullah Khan highlighting the critical role and significance of Balochistan for the CPEC. We are from Balochistan and how we view the CPEC is important. It is important not just for us, but for the country and also for the entire region. There are a lot of benefits expected out of the

CPEC. I can recall a time when the road travel from Gwadar to Quetta used to take approximately 30 hours. However, in the last couple of years, the travel time has significantly decreased down to eight and a half hours, speaking from personal experience. The construction of new and better roads has transformed the region but an evaluation into its adequacy is in process. Such initiatives in the area are not enough.

It must be remembered that the BRI has helped the Chinese economy to become one of the leading economies across the globe. Regardless of variation in perspectives, it is destined to be one of the strongest. As strategic partners, what advantages can we draw from one of the strongest economies in the world? Additionally, what can we offer to our partners? It brings me immense pleasure to note that 22,000 Pakistani students are enrolled in Chinese institutions but have we thought of how many Chinese students are willing to reciprocate by coming to Pakistan? What does Pakistan have to offer? There ought to be incentives in place to encourage travel to Pakistan. Saudi Arabia generates revenue from the annual pilgrimage, a model that Pakistan should take note of in context of its tourism industry. Given basic details, have we planned such a narrative on a national level?

Balochistan has a huge land mass, without which Pakistan is not complete. The province has become the central nervous system of the country. We, as locals have a part to play in deciding the relevant course of action. Do we concentrate our energies on identity politics or politics focused on development, or possibly a mix of both? When I speak of identity politics, I refer to rabble rousing in the pretext of nationalism and subnationalism, effectively rallying the masses through misinformed promises and assurances. There ought to be a more reformed model of governance that is transparent and can be held accountable to, by the masses. I understand the importance of identity as a core concept to the creation and sustenance of Pakistan and do not intend to undermine it at all. However, it needs to be acted upon through a more liberal approach, diffused into more developmental approaches to politics. As locals of the province, it is upon us to answer these questions, for ourselves and for the rest of the country. It should not be left to the rest of the world to address this question.

The answer is that we are proud citizens of this great country and we

contribute to the social, economic and structural well-being of this nation state. Both, politics of identity and development have a role to play for they appeal to the intellectual and individual capacities of people variably. Hence, there needs to be a carefully drawn balance between social and political development of the state.

Kahuda Babar - Senator

Honourable Mr. Zhao Lijian, Lieutenant General (Retd.) Naeem Khalid Lodhi, my colleague Senator Anwaar Ul Haq Kakar, faculty members and students of the NDU. First of all, let me express a profound token of gratitude to the organisers of this wonderful gathering. Since the discussion is on the road to Balochistan I would like to mention that I come from Gwadar and though originally, I wished to deliver just a speech, I have decided now to follow it with a presentation, to better enlighten the audience of the current scenario within and around Balochistan.

I will start off with some facts relating to Gwadar following which I will discuss why the CPEC actually came into being and what is the importance of Gwadar for the project. Gwadar is a Balochi word. The composition of the word can be broken to *Gwa* and *Dar*. In Balochi, it refers to a door wing. Mir Naseer Khan Noori was from the offspring of the Khan of Kalat, the ruler of Balochistan. He captured Gwadar in the 18th century. In 1783, Mir Naseer Khan Noori handed over Gwadar to Syed Sultan, one of the Princes from Oman who never returned Gwadar. It was believed that he would return the land after regaining his throne. He regained his throne in 1797 but never returned Gwadar. Following that we purchased Gwadar enclave from Oman priced at Dollars 8.4 million in 1958. This is a brief history of Gwadar.

Secondly, I present to you an old picture of when Gwadar was a part of Oman. It is handmade and retrieved from the armed forces museum in Muscat. It is quite a rare sight but I shall share it with the NDU who shall provide you access to it. It is of the area we purchased from Oman in 1958.

The city's population is around 138,000. NESPAK and many other researchers have estimated that the population will exceed five million in 2030, reaching 18 million by 2050. The rise in the population will accompany many

challenges which I shall discuss later.

Now we ought to consider the area of Gwadar in view of the operations being conducted there. Majority of the people working there are mostly fishermen. Fishing is part of the livestock sector. However, there needs to be an evaluation into what measures have been taken for the sector's reformation.

The master plan, currently being pursued in Gwadar was designed in collaboration with NESPAK in 2004. The designs developed by China in collaboration with local authorities are in their production phase. The master plan is part of the CPEC project which is being designed to develop Gwadar as a properly planned city, second only to Islamabad. The city is devised in such a way that zones catering to different sectors will not hamper planned progress; industrial sectors will not host any commercial activities and vice versa. A lot of work has already been done and progress has been made including the construction of roads. Inter city connectivity has been rendered a lot more convenient because of these roads, constructed under the auspices of the Chief Minister Balochistan. Currently, work is being done on fisheries to facilitate fishermen.

Other states have also offered notable contributions which I shall discuss further. Authorities in Pakistan are providing the Chinese authorities with relevant information including the social and political ground realities as well as offering solutions to various issues in the process. The master plan in use earlier did not take accurate account of the land whereas the current one being developed, in addition to referring to sociopolitical realities, provides accurate measures of land and resources to the Chinese authorities.

Gwadar is rich in mineral resources, particularly oil. The city and its potential resonate with General Musharraf's referral to Gwadar as an energy corridor. However, for this city of oil to live up to its potential, it requires effective management of human resource. Concerned personnel need to be present at their respective allocated sites at all times. It is part, inherently of an export processing zone which is integral for industrialisation to thrive. Development of these industrial zones is being done by the Government of Balochistan.

Likewise, a new airport has been proposed for construction. It is being

developed using a grant from China, which we are very thankful for. Due to time constraints, I will not be able to delve in much detail about the current scenario in Gwadar.

The city's sustenance is the responsibility of every Pakistani. It is a city with a rich history and an important geostrategic location; one that has seen wars for land acquisition fought over several centuries. The Dubai, Oman and Chabahar ports also connect to Gwadar. If you take a look at the map, all ports mentioned are landlocked with no road connections unlike Gwadar, which is blessed with several road connections. Even more so, Gwadar's significance for the region has heightened considering the role that it can play in accessing the landlocked countries including China, Russia, the Central Asian Republics (CAR), leading all the way to Europe.

Approximately 30 per cent oil was traded through the area pointed out on the map, despite it being the most ineffective chokepoint in terms of the high insurance costs that shippers have to pay. Gwadar will help reduce insurance costs for passage, a step towards realising its potential as an energy corridor. In addition, Gwadar can help Pakistan tap into the 15 gallons of oil transported from the Strait of Malacca to China via the CPEC network. The Chinese are currently extracting gold from Saindak which is transported through Karachi on its course to China. Upon reaching China it is then transported to the global market. The development of Gwadar will provide a direct route for Pakistan to transport its resources across borders without significant rerouting.

Similarly, owing to increased interconnectivity, Pakistan will also be able to tap into the Turkmenistan pipeline, extending the port's arm to include mineral exports, increasing its regional and global influence. Likewise, the railway network has been designed to benefit Gwadar's people.

Dr. Hassan Jalil Shah - Registrar, National Defence University

I welcome you all to the second session of this seminar which will focus on the CPEC and regional connectivity. I will quickly go through the six corridors which expand throughout Asia; the New Eurasia Land Bridge Economic Corridor, the China-Mongolia-Russia Economic Corridor, the China-Central Asia-West Asia Economic Corridor, the China-Indochina Peninsula Economic Corridor, the

Bangladesh-China-India-Myanmar Economic Corridor and the last one namely the CPEC. It is quite evident as to how these corridors will serve to connect China and consequently Pakistan with the rest of the world.

The CPEC is considered to be the linchpin of the BRI. It is indeed a great cooperative venture between China and Pakistan in the context of regional connectivity. Given its advantages for Pakistan, it is also important to look into how the CPEC is going to benefit China. The most significant advantage of the CPEC to China is that it helps it in bypassing the Strait of Malacca which is a chokepoint for trade. It can effectively serve as an alternate trade route to the Strait of Malacca because of time and cost effectiveness. The CPEC opens up Central Asian, Middle Eastern and African markets for China to tap into as well.

In addition, the distance between Western China and Eurasia will be reduced by 50 per cent and the cost by 55 per cent. The distance between Western China and the Middle East will be reduced by 80 per cent, simultaneously reducing the cost of transportation by 75 per cent.

Major General Muhammad Samrez Salik - Director General Institute for Strategic Studies, Research and Analysis (ISSRA)

Respected guests, faculty members and dear students of the NDU, I feel privileged to be a part of this great academic gathering and to give a review on the CPEC, which in my point of view is beyond just a bundle of opportunities that has come our way. I shall try to explain how to make the best of this opportunity. Nature has endowed us with opportunities, more notably so the Gwadar port, leaving it to us to make full use of them. The BRI is a very important project but has left security challenges in its wake. I had an opportunity to interact with the Indian Defence Minister's Attaché previously, and to impress upon him our narrative of the CPEC and its positive implications in the region.

Pakistan has lived its 70 years in a challenging environment. We have been embroiled in war for the past 30 years, either our own or of an external actor's making. These wars have distracted us from our national priorities and hampered the generation of a conducive environment for development.

It is owing to the strategic location of Pakistan because of which, in my point of view, we are going to play the role of a frontline state for the third

time. This time however, we constructively engage with China in lieu of the more traditional vicissitudes that are a part of our relationship with the United States (US). This shift in geopolitical dynamics has made Pakistan a significant player and a major stakeholder in the region. The country has faced continuous challenges on both external and internal fronts. We were on the frontlines of the conflict during the Cold War and the ensuing war on terrorism, working in tandem with America. However, in both these conflicts, we underwent significant losses to the economy and damages to the infrastructure. In spite of the incurred losses, Pakistan managed to hold on to its territory. Currently, the country is still recovering from the shocks it suffered from the conflicts mentioned. However, now the country is rife with internal conflict, diffused among the following aspects.

First, political challenges have infused mass confusion in civil proceedings and secondly our economy has worsened, marginalising the poor. Finally, terrorist attacks from the last couple of years have not made the situation any better. Despite being in the eye of the storm, Pakistan has survived with resilience. Most importantly, Pakistan has controlled the menace of terrorism and is now on the path of economic development.

As per the strategic context of the BRI, it is worth mentioning that the BRI is a counter to the US' Asia strategy. Through the BRI, China is redefining international relations of the past. It focuses on the integration of civilisations rather than the clash of civilisations. International powers divide people in a bid to rule. As common as this norm is across the globe, China is focused on the integration of civilisations. The BRI propagates a multi-pronged connectivity among states. It seeks the integration of civilisations through mutual benefits.

In conclusion, I would like to add that the economic and political exposure of the BRI, rests on the rise of China as a major economic power. Emanating from this project is an opportunity to foster cooperation between states in an area typically rife with political conflict. In this regard the BRI will enhance connectivity and integration through the development of the CPEC. The BRI envisions CPEC as a linchpin of global growth that expands to more than 60 economies of the world. The regional economic integration through the CPEC could be at the heart of political resolution in the region. Trade between South,

Central and East Asia needs to be enhanced more to help usher the 21st century into an Asian century. With that, I would like to say thank you and that we are very confident in making the most of this opportunity.

Major General (Retd.) Raza Mohammad - PhD. Scholar, Department of International Relations, National Defence University

Respected guests, faculty members and dear students of the NDU, I will try to focus on why Afghanistan should join the CPEC. Afghanistan is situated at the intersection of Asia, East Asia, Russia, China, and Pakistan which is an indication of its importance to the region and the project. More important are prospective reasons for joining the CPEC. Owing to interdependence, socio-economic development in the region ought to be complementary. Initially Afghanistan was very keen on joining the CPEC. I can recall a meeting with the Afghan Ambassador to Pakistan Omar Zakhiwal who deemed it a great product. He further went on to say that anything that passes through Pakistan is to pass through Afghanistan.

However, the tables turned when President Ashraf Ghani visited India in October 2017. It was there that he said that access for Pakistan to Central Asia would be conditional to provision of access by Pakistan to India into Afghanistan. This statement was made despite the fact that Pakistan has hosted approximately three million Afghan refugees, as second generation Afghans are now part of the Pakistani society. In a turn of events now, Pakistan is not looked upon favourably in Afghanistan; a sentiment shared with the Americans in Afghanistan. However, the CPEC is a ray of hope. We must try to involve them in the development of the megaproject for mutual benefits.

Pakistan was lucky to have bought Gwadar from Oman. It is a 20 metres deep natural port. When it is completed it will be included among the biggest ports with 20 berths. This is how we envision Gwadar to be; that which will benefit all involved. I cannot stress enough on the fact that benefits of the CPEC would rise to unprecedented levels if the entire trajectory of the CPEC is given an access route to Afghanistan as well. The said move shall have a greater impact than the economic benefits have, on the relationship that we currently share with Afghanistan.

Dr. Shaheen Akhtar - Professor, Department of International Relations, National Defence University

It is an advantage to be a part of the last session on opportunities and challenges, since a lot on the subject has already been said. However, given the vast nature of the CPEC, there are always some dimensions that are left out and are open to debate. In this vein, I will try to delve into evaluating the ongoing pace of the project given the internal and external challenges that it has been facing and that it might face in future. In order to do so, it is of primary importance to first contextualise it within the larger sphere of the BRI project that China has initiated. Apart from understanding China's reasons behind initiating this project, it is also important to take into account the dynamics of the international setting. It is further significant to note the varying perspective(s) emerging on the efficacy of the BRI in order to gauge its influence on the CPEC which is the Pakistan chapter of the project.

Theoretically, there are three aspects that relate with the situation apart from those that have been discussed before. First aspect can be explained using the power transition theory which basically focuses on the shift of power from the West to the East, but under the tradition of complex interdependence. However, the traditional balance of power or the geopolitical competition that we witnessed in the 20th century, probably might not exist as it used to. This is primarily due to the overpowering role of the US as a super power in our times and also the rise of China with its evident potential to dislodge the US from its current status.

The second aspect is that with a rising China what you see is the emergence of an Asian super complex, which originally started with the integration of North East Asia and South East Asia. What we have come to lately discover is that within South Asia in the larger security complex perspective, India is making considerable efforts to make itself relevant again. With this, it is indeed very interesting to note that South Asia continues to stand as the region where the Cold War has not ended, where there is minimum cooperation, making it the most fractured region at present. In the said perspective, whilst Pakistan and China are moving closer to each other, so are the US and India. This realignment in the region constitutes the second fundamentally important aspect of the

discourse on the CPEC.

The third aspect is the nature and the level of emergent and potential threats to the CPEC; both internal and external. An additional component of this aspect is the course that the Governments of Pakistan and China must take to address these threats. If you contextualise the said dimension, it reveals a strategic aspect when it comes to the framing of debate on the CPEC. This is primarily in terms of the expansive ties between the West and India. The said expansion greatly adds to the transition in geopolitical relations. The fact of the matter is that we at present face this strategic framing and we need to come up with means to attend to it. While we choose to do so, I must add, we shall be confronted by substantial constraints to the successful culmination of this ongoing project.

When these tenets of theoretical perspective on the CPEC are put together, you will find the re-emergence of multi-polarity and within that a renewed competition for economic convergences and strategic supremacy. There might never be an outright confrontation given the security dynamics of the 21st century but the repercussions might result in a state of absolute decline in the US power. If you look at the scholarly discourse on China and the Asian countries, you shall find out how the entire focus of the debate is and has been shifting towards Asia, with the region becoming the hub of commercial activity, economic engagement and influence. China's influence in this regard is increasing in the Asia Pacific region; an influence that America will probably never enjoy in the region. The rising economic, political and strategic Chinese influence is hence very concerning for the West, particularly the US. In addition, given the bitter history between China and India, India is also drawn towards the US in extending its cooperation in all dimensions.

The economic shift in the power dynamics is very evident. References have been made to the BRI, its influence on the Gross Domestic Product (GDP) and the constant evolution in the state of growth and development. The magnificent development on all fronts is a product of Chinese expertise in infrastructure building. As to address the questions raised previously as to why the BRI, I believe that the BRI signifies China's shift in its own model of economy. It has moved to more investment based ventures. Chinese efforts in

improving the means of transport in land based and maritime based travels are indeed commendable. The six corridors that are part of the BRI are immensely important. They aim at enhancing east-west connectivity and the north-south connectivity, as is relevant in our case. On this front, India has not shown much interest in becoming a part of this connectivity framework.

The core element of this corridor has been an attention to naval connectivity. In Pakistan's case, we see this evident in the overpowering significance attached to the Gwadar port. Of all the discussions there have been on Gwadar, it has been projected as a commercial project by us and the Chinese. But it has been projected as a part of the String of Pearls by the West to raise apprehensions about its potential to turn into a naval base. Although there are no chances of such a base to materialise in Gwadar, but had it happened, China might have invited a whole new era of geostrategic competition. As to answer the question of why China chose this region in particular, I believe it is so because it liberates China from the Malacca dilemma in both ways. It helps China at the economic front, allowing it a smooth flow of 80 per cent of its trade and energy resources from the said passage. The reduced distance from 14,000 kilometres to 2015 kilometres is going to greatly advantage China. Most of the development within China took place in its western part through a 20 year project.

Of the project designed for Pakistan, energy and transport were accorded massive significance, given their central role in facilitating industrialisation. Infrastructure was given equal importance for not only providing a transit to the Chinese for a smooth flow of their own goods but also to benefit Pakistan in the greater scheme of trade. Under the short-term, medium-term and long-term projects to be completed by 2030, energy sector projects rank the highest with a 60 per cent share. The discussions regarding formation of industrial zones are still under way.

As of right now, both Afghanistan and Iran have shown interest to become a part of the CPEC. Afghanistan is a landlocked country and it has been dependent on Pakistan for its trade and transit but the instability in Afghanistan at the moment is a huge challenge. When it comes to Iran, despite the ties they have with New Delhi, there are positive chances of it in terms of joining the

CPEC. As far as my understanding takes me, we will have to wait much longer for Indian consent to join the venture. India and China intend to form a separate corridor of their own.

As for internal security challenges, there has been a growing realisation in Pakistan regarding the significance of the CPEC and the projections that have been associated with it. The said projections emanating from various sources have resulted in an array of internal and regional threats. The internal security challenges apart from the issues of political instability are rooted in the ongoing stream of militancy, repeated incidents of terrorism in Khyber Pakhtunkhwa (KP) and the tribal areas coupled with the unrest in Balochistan and the ethno-political violence in Karachi. The political security of the infrastructure alongside the human security of the workers working on the projects, both CPEC and non-CPEC, is yet another point of concern. There appears to be a sense of fear and vulnerability among the said class which has taken its toll in the view of the apprehensions raised by the superpowers beyond Pakistan. It is still interesting to note how the workers apart from the Chinese work force have found the CPEC to serve as an employment opportunity. Alongside this, there has been a surge in the number of Chinese visiting Pakistan. In 2016, in fact, the number of Chinese who visited Pakistan was 71,000. This number signifies the interest of the Chinese Government and its people in working towards the successful completion of the CPEC.

Coming to the Indian approach, the most that India can do to right now is to impede the pace of progress of the CPEC by means of continuing with its subversive activities or supporting militancy in Pakistan. There is also a chance of India resorting to the aggressive launch of fifth generation warfare i.e. the information warfare. In fact, the current framing of the CPEC, raising apprehensions for Pakistan to turn into a Chinese colony are a manifestation of this kind of threatening warfare. There have in fact been evidences of Indian involvement in supporting militant movements in KP and Afghanistan; three areas that are of immense significance when considering the western route of development. Pakistan has tried to address this concern and is working with China to eliminate this threat. The recent Kulbhushan Jadhav episode also reflected Indian activity in the region, particularly Balochistan. The US also

seems active, working towards the parallel rise of India in the region. India is also increasing its presence in Afghanistan. It has extended its relations with Iran and has been actively supporting the development of Chabahar port. It is actively engaged towards the development of an International Transit and Transport Corridor as an alternate to the CPEC. A lot of expectations are associated with it. The US reservation too, speaks volumes about its competition with China in the Asia Pacific region, in terms of the larger power transition that is taking place in the region. It is important to mention at this point that the National Security Document that just came out discusses the Chinese infrastructure investment and trade strategy as an extension of its geopolitical policy. The US framing of the CPEC as an advancement of the String of Pearls makes India all the more relevant.

Instability in Afghanistan is yet another factor and since much has been said about it, I shall not go into much detail. I would however, like to add that Afghanistan is indirectly becoming a part of the BRI. In September 2016, the first cargo train arrived from China to Afghanistan. This points to Afghan interest in Chinese ventures.

What measures can Pakistan take in this situation? Both Pakistan and China are mindful of the threats facing the CPEC projects. Pakistan has set up a Special Security Division (SSD) to provide physical security to the infrastructure, in particular to the Gwadar port. Pakistan has also set up a special naval force to guard the sea coast. Zarb-e-Azb has also played a significant role in countering terrorism. China has been very appreciative of the role that Pakistan has played in countering terrorism.

To conclude, I would say that this realignment of forces is not in fact recent. Prior to the CPEC, the Karakoram Highway was testament to the said realignment of forces. It is probably because external forces feel that the investment in Gilgit Baltistan is going to legitimize Pakistan's sovereignty in that part, that the CPEC has gained traction. National Counter Terrorism Authority (NACTA) can play a very important role in coordinating counter terrorism activities between the two sides. In terms of Afghanistan's role, I believe that if some kind of an economic zone is established, it is going to help us a lot in stabilizing the relations on both sides.

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Ladies and gentlemen, the topic that I am going to speak on is the CPEC: Benefits for Pakistan and China. The perspective of my speech shall be very benign. The centre of gravity of the world economy is leaning towards Asia with the rise of China as an economic giant on the international stage. From a Chinese perspective, this peaceful development of China aims at better service to humanity and inclusive development of the world through a win-win cooperation. China's practical steps in line with these objectives make it clear that a good neighbour approach to diplomacy encompassed in its harmonious world concept has become a blueprint in its international strategy.

The vision of this harmonious world starts from the ancient Chinese culture and symbolises Chinese desire and practice of advocating peace, acting in good faith, cultivating friendship with neighbours and living in harmony with all others, far and near. National rejuvenation and peace for development are at the core of policy planning which is summarised as a comprehensive concept in the Chinese dream. President Xi Jinping states 'Our development will not only benefit the Chinese people but also the rest of the world'. It can therefore be concluded that China's peaceful development is not China specific but caters for the Chinese nations' aspirations of positive contribution towards humanity and peaceful coexistence, as well as common development for the rest of the world. To realise the vision of common development and prosperity of the countries and the region, President Xi Jinping's vision of OBOR is indeed a manifestation of the great Chinese dream of regional connectivity and enhanced economic integration. Such practices were prevalent in the past, in the shape of the ancient Silk Route and had to be revitalised by the mutual benefit of countries, region and the world at large. Due to special significance of Pakistan-China relations, Pakistan became a part of this esteemed project titled OBOR through the CPEC.

The corridor strategy can be traced back to November 2006 when President Musharraf during his visit to Beijing initiated the vision of a trade corridor between China and Pakistan, later linked with Gwadar via the Karakoram Highway. The cornerstone of the project remains Gwadar and trans-Pakistan pipelines. Pakistan's political instability following Musharraf distracted

the government and little progress could be made. The Chinese Premier on his visit to Pakistan on 22nd and 23rd May 2013, outlined the strategic vision of the CPEC. The Pakistani media and think tanks expressed full support for the project with a lot of enthusiasm shown towards China for entrusting Pakistan with such a significant investment. The vision was immediately followed by all relevant Ministries in Pakistan and China and since then, efforts have been made in actualising the concept. During the visit of the Pakistani President Mamnoon Hussain to China in February 2014, both the countries re-emphasised their plans for the proposed economic corridors. President Mamnoon Hussain stated in Beijing that, 'The project is going to be the monument of the century. It will benefit not only Pakistan and China but also the whole region with millions of people'.

I will now touch upon certain significant aspects of the CPEC which will eventually provide the basic information about the project and how it is creating benefits for both China and Pakistan. The CPEC has actually been divided into three components. First is Gilgit Baltistan, second is Gwadar and third is mainland Pakistan. I shall cover each sector briefly, one by one. First, the Gilgit Baltistan sector which is the northern point of the CPEC and is of heightened significance to both Pakistan and China in context of the 1984 Indian occupation of Siachin glacier which injected a militarised aspect. The proximity of Gilgit Baltistan to Afghanistan, Tajikistan and India in addition to Tibet, highlights the significance of this region. Enhanced road connectivity with China via the Karakoram Highway has enabled Pakistan to access Gilgit Baltistan. These structures are maintained and upgraded by the Frontier Works Organization (FWO), China Production and Construction Corps and telecommunication companies like Huawei, Zong in addition to Pakistan's special communication organizations which are providing uninterrupted coverage to Gilgit Baltistan.

The upgradation plan will convert the Karakoram Highway into a 90 feet wide expressway which will add threefold to its existing capacity. The corridor construction plan includes the construction of 19 tunnels which will be dug out on the road between Hunza and Khunjerab. One major tunnel called the Friendship Tunnel will also be dug under the Khunjerab Pass and will provide all-weather access to revolutionise interregional travel and freight carriage.

Furthermore, a 1,100 metre long rail link will also be laid cutting the distance between Islamabad and Kashgar. In addition to that, oil and gas pipelines will also be run along, linking China with Central Asia, providing them access to refineries in Pakistan. A power optic communication link will also be established in the second phase of the project while the formalisation of the said project is underway.

Second is the Gwadar sector. Enough has been said about Gwadar so I will just briefly highlight the basic things. Gwadar is assumed to be the fulcrum of the CPEC and when operational at full capacity will not only benefit Balochistan in particular and Pakistan in general, but also China and the entire region due to its exceptional qualities and potential.

Lastly, in terms of mainland Pakistan, more than Dollars 35 billion of investment is dedicated for the energy sector alone. This was also highlighted by the Chinese Deputy that the energy sector constitutes top priority for China and has equally performed well with a considerable decline in load shedding, particularly in Islamabad. This also includes construction of several roads and motorways as well as linking Gwadar with other parts of Pakistan.

I will now switch over to the benefits of the CPEC for both China and Pakistan. The CPEC is a manifestation of an ever flourishing relationship between China and Pakistan where President Xi Jinping's vision of OBOR separately caters for development and connectivity in Pakistan. However, the CPEC will also enhance China's security. China's economic, political and security interests are interlinked. Without a short and safe connection to a port, China will find its security interest compromised since it lacks blue water naval capacity. With almost half of its oil imports passing through the Strait of Hormuz, China constantly seeks to enhance its political and economic influence in the region. Linking Gwadar port to overland western routes is significant in this context. Additionally, maintaining control over the Khunjerab Pass will also help China in controlling Sikkim which otherwise may create chokepoints along the ancient civilisation route and threaten Chinese control of Xinxiang.

At the same time, access to Iran and Afghanistan from Pakistan will help reduce threat perceptions arising from the Indian and American presence in the Gulf as has been highlighted by previous speakers. By approaching Afghanistan

through Gilgit Baltistan rather than Central Asia, China will benefit by avoiding competition with Russia in terms of its strategic depth doctrine.

The CPEC is aimed to integrate the economies of both the countries. Several economic zones have also been planned to generate economic activities, alleviate poverty and produce economic incentives for the people of adjoining areas. Apart from mutual benefits, the CPEC will also transform the future of the entire region driven by economic activities and energy supplies through construction and development of ports, pipelines, railways, infrastructure and roads. Therefore, the CPEC has the potential to turn Pakistan into a hub for regional cooperation if the opportunity is pragmatically availed by Pakistan. The CPEC as an economic game changer for Pakistan has also been highlighted by the Deputy Chief of Mission. We believe that the CPEC is investment of Dollars 60 billion that has been promised, with most of it already having reached Pakistan. The CPEC is therefore of huge significance for Pakistan's ailing economy, resolution of energy crisis and the strengthening of the Federation of Pakistan through development and building of infrastructure.

Coming over to the last point, both China and Pakistan can gain immensely from the CPEC which contains massive potential in several spheres. President Islamabad Council of World Affairs Mr. Khalid Masood opines that the CPEC will bring development and prosperity for both China and Pakistan. It will also help China connect with the Gulf region, Africa, Europe and other parts of the world conveniently in a shorter time. Meanwhile, for Pakistan there will be more business centric activities in the region. Pakistan will also become the centre of energy transmission from the Gulf region. It is widely appreciated that a successful completion of the CPEC will open new vistas of commerce, trade, transportation and energy supplies. Ladies and gentlemen, it is beyond doubt that the CPEC is a unique bond of friendship and common development for both China and Pakistan. I thank you all for your patience.