



## HISTORICAL BACKGROUND OF CHINA PAKISTAN ECONOMIC CORRIDOR (CPEC)

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### ***Abstract***

*“The China-Pakistan Economic Corridor (CPEC) is one of the greatest Chinese Silk Road Economic Belt as well as the 21<sup>st</sup> Century Maritime Silk Road Vision has initially been referred to by the Chinese XI president Jinping during his visit to South East Asia and Central Asia. As mentioned by Wang, (2011) the papers prepared by the Chinese government in March 2015 present the complete Actions and visions of its “Belt and Road Initiative” (BRI) vision. At the same time, it is considered that CPEC is also the major initiative from the Chinese government under the Built and Road Initiative that involves a vast investment of Chinese public and private sector investment”.*

### **Introduction**

Since the establishment of diplomatic relations in 1951, China and Pakistan have maintained a close and mutually beneficial relationship. China's international isolation in the early 1960s and early 1970s was aided by Pakistan, which was one of the first nations to recognise the People's Republic in 1950. Military, technological and economic aid from China has always been a crucial part of Pakistan's relationship with China. According to some observers, Pakistan's long-term strategic security ally China is forged deeper ties with the Pakistan due to Indian and United States ambitions in the region (China-Pakistan Relations, 2010). Depending on the context, a discussion of Pakistan-China ties draws a variety of responses. To put it another way: The Western worldview sees this relationship as a matter of expediency and geopolitics. Pakistan and China, on the other hand, use terms like "higher than the mountains" and "sweeter than honey" to describe their friendships (Text of President Xi, 2015). Rather than being just rhetorical, these expressions

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are meant to portray the 'substance' of a connection. It is common among sceptics that no relationship between two unequal can last for so long if it is only motivated by rhetoric. It's still a mystery to the majority of observers, therefore historical examples are useful in putting it into perspective

### **Historical background**

Despite the establishment of diplomatic ties between Pakistan and China in 1951, there was little engagement between the two countries during this period. When war broke out in Kashmir and Korea, both states were tasked with rebuilding their countries' militaries. Challenges of their period were their principal concern. Pakistan joined the US-led Western alliance against Communism because it saw its Eastern neighbor as a constant danger. Despite Beijing's doubts, both nations took cautious not to do anything that may be seen as counterproductive to the other's interests. Because Pakistan was the first Muslim nation to recognize "New China," the Chinese government was grateful. Even though the United States urged it to do so, Pakistan opted out of the Korean War and voiced its displeasure at China's absence from the 1951 San Francisco Conference, which was convened to finalise a peace deal with Japan. Furthermore, it was Mao's directive to the foreign ministry as early as 1951 that the two countries establish diplomatic ties. A year later in 1956, while Mao was appointing his second Ambassador, he told him again that Pakistan was "China's southwest gate" (Ying, 2014).

When the two prime ministers met for the first time at the highest levels in Bandung in 1955, it cleared the air. Assuring China that its Southeast Asia Treaty Organization (SEATO) membership was not a hindrance, Pakistan stated a readiness to deepen relations with its neighbour. There was agreement from both sides to begin high-level talks. After Premier Zhou visit to Pakistan in October 1956, Prime Minister Suharwardy became the first leader from Pakistan to visit Beijing. Later, on a 10-day journey, Zhou received a loud greeting in Pakistan. While in India after Pakistan, Zhou denied Prime Minister Jawaharlal Nehru's request to visit Srinagar, despite the two countries' strong ties at the time. As a statement of respect for Pakistan's stance on Kashmir and its intention to establish a meaningful relationship with Pakistan apart from its ties with India. These early gestures laid the groundwork for "mutual trust," the basis upon which their relationship is still built today.

With America's preference for India and its poor assistance for Kashmir, Pakistan became disappointed in the early 1960s, despite being an American ally at the time. After the Dalai Lama escaped Tibet for India in 1959, Sino-Indian hostilities rose as well. China was on the verge of becoming isolated. Pakistan and China were able to reach an agreement on their shared border in 1963, but discussions with India ended in a border skirmish in 1962. Pakistan was even granted 750 square kilometers of China's land. As a result of China's bitter experience with India, it had a greater understanding of Pakistan's security concerns (Khalid, 2021).

There has been a significant improvement in ties between Pakistan and China since the



signing of the 1963 boundary agreement. Later that year, Pakistan became the first non-communist nation to start flying to China. Travelers from China to other countries have relied on Pakistan International Airlines for years. Pakistan also provided China with technical help during its World Bank discussions. Pakistan made a significant step in March 1965 when it rejected the United States' "Two China strategy." China now sees Pakistan as a reliable South Asian partner. Another significant movement in Pakistan's foreign policy was the country's readiness to approach China on an equal footing. Toward the end of the 1960s, their relationship was on the verge of a huge shift (Khalid, 2021).

China's complete backing for Pakistan in the 1965 Indo-Pakistan conflict was a major factor in solidifying these relations. After the war, China's reputation soared, and this had a profound effect on Pakistani society. The United States, on the other hand, lost all of its goodwill in Pakistan by withholding military supplies. That was a major setback for Pakistan's military, which relied heavily on U.S.-made equipment. China was able to close the gap by providing immediate military support.

The decision to create the Friendship or Karakoram Highway in 1966, connecting China's Xinjiang area with Gilgit-Baltistan in Pakistan, was another key building brick in the ties. The China-Pakistan Economic Corridor (CPEC) uses this highway as its primary route. After more than a decade of trust-building, the two nations were ready to enter into a collaboration that would subsequently have global and regional repercussions.

Hence, after the 1965 Indo-Pakistan war, ties between the United States and Pakistan were tense as a result of Pakistan's distance from the West. Additionally, Pakistan sought out to the Soviet Union (USSR) in the late 1960's, which gave the nation its first steel plant and some military equipment. While Pakistan was a member of SEATO and the Central Treaty Organization (CENTO), it exhibited an independent foreign policy posture by forging ties with both China and the Soviet Union at the time. However, relations between the United States and Pakistan began to improve only in 1970-71 (Khalid, 2021).

In the meanwhile, China's connections with the world became stronger. The decision to provide economic assistance to Pakistan was made in response to growing Chinese concern for Pakistan's well-being. China granted Pakistan more than US\$300 million for its development plan and associated projects, notwithstanding China's Cultural Revolution induced turbulence and economic problems. In addition, China's military support to Pakistan was not curtailed. It also aided in the development of Pakistan's heavy industry in the late 1960s in Taxila.

Later, in many ways, 1971 was a remarkable year. In its battle with India in East Pakistan, Pakistan was fought against the Indo-Soviet axis and faced an existential dilemma. In 1971, China offered Pakistan diplomatic and political backing as well as military help. Though some had predicted the disintegration of Pakistan, China could not act militarily to stop it due to its weakened



position and political instability after the death of Marshal Lin, the presumed successor to Chairman Mao. Because of this, China advised Pakistan to seek a peaceful solution to the East Pakistan conflict and warned the country of impending Indian military participation in the province's eastern part as early as April 1971. Despite this, Pakistan's leadership problem was too acute to pay attention to such sensible suggestions.

Meanwhile, when US Secretary of State Henry Kissinger secretly visited China in July 1971, Pakistan played a key role in bringing the two countries together. In February 1972, President Nixon travelled to China for a week-long visit that he dubbed "the week that transformed the world." It was Zhou's hope that Kissinger would remember the "bridge" that brought them together. In the 1971 Indo-Pakistan crisis, the Americans seemed to have taken Zhou's counsel, as shown by their well-known "tilt" towards Pakistan.

As a result of China's admission to the United Nations (UN) in 1971, Pakistan staunchly backed its membership. When the United States first suggested a dual China representation in September 1971, Pakistan vehemently objected. China's Permanent Representative Huang Hua engaged in a series of tense exchanges with his Soviet counterpart in the UN Security Council (UNSC) discussion on the 1971 East Pakistan crisis. In 1972, China used its UNSC veto for the first time in favour of Pakistan when the issue of Bangladesh's accession came up. As a condition of China's participation, the safe repatriation of Pakistani POWs from India was required (Khalid, 2021).

By the middle of the 1960s, Pakistan and China had overcome all of their original suspicions and, by the middle of the 1970s, their relationship had taken on a distinctly substantial meaning. In the 1980s, 1990s, and succeeding years, there was an increase in the number of high-level visits. Efforts were made to build a framework for long-term collaboration between the two nations. A civil nuclear cooperation agreement was struck between Pakistan and China in 1986. The safeguards provided by the International Atomic Energy Agency were in place for the nuclear power reactors built in Pakistan under this agreement. In 1989, as the Soviet Union pulled out of Afghanistan, the United States placed sanctions on Pakistan and France declined to build a nuclear reprocessing facility. The co-production of JF-17 fighter aircraft, which are currently being sold outside, was another historic endeavor that the two nations launched. Additionally, the two nations have begun working together on space technologies.

This friendship's development may best be traced back to the official languages of the two nations' correspondence and papers. "Friendly relations" was first used in the early 1950's, 1960's, and 1970's; "traditional friendship" was used in the 1980's; "comprehensive friendship" was used in the 1990's; "bilateral strategic partnership of good-neighborly friendship" was used in the 2005 Treaty of Friendship, Cooperation, and Good Neighborly Relations; and "all-weather friendship" was used in the 2003 Joint Declaration on the Direction of Bilateral Cooperation. "China-Pakistan all-weather strategic cooperative relationship and establishing a closer Pakistan-China community"



of shared future in the new age" has been raised by 2018. This displays the long-term rising trend in their relationship (Khalid, 2021).

China's diplomacy is complex and requires a great deal of attention to detail when it comes to word choice. Chinese authorities employ the word "all-weather" for Pakistan to emphasise the uniqueness of the country's relationship with China, while they use the terms "strategic," "comprehensive," or "cooperative" to describe their connections with other friendly nations. China's authorities refer to Pakistan as "Iron brother," a metaphor that emphasises their belief in the long-term nature of their countries' relations.

Over the course of the country's history, Pakistani and Chinese officials have made significant investments in the relationship, which is now firmly established at the local level. This partnership is based on a shared vision and ideals. Intellectuals, members of civil society, and members of the media have all contributed significantly to the friendship's growth.

Both nations show a sincere willingness to develop this collaboration as well as a shared set of interests. When it comes to foreign policy, Pakistan sees its relationship with China as a cornerstone while China views it as a top priority. When it comes to national interests, the amount of trust between the two countries is clearly evident. Pakistan has supported China's efforts in Xinjiang, Taiwan, Hong Kong, Tibet, and the South China Sea, as well as in the Human Rights Council, on these and other matters.

China, on the other hand, is the only major state that clearly backs Pakistan's attempts to maintain its independence and sovereignty. In contrast to the ups and downs it has experienced in its relationship with the United States, it is ready to invest in forging a strategic engagement with Pakistan. Pakistan's participation in the Nuclear Suppliers Group (NSG), its inclusion in the Financial Action Task Force (FATF), and penalties on Pakistan by the FATF are all taken seriously by Beijing.

On Kashmir issue, China advocates for a peaceful settlement in accordance with the United Nations Charter, United Nations Security Council Resolutions, and bilateral agreements signed by the Indian and Pakistani governments. When India unilaterally decided to revoke Jammu and Kashmir's unique designation in August 2019, it was met with fierce opposition. UN resolutions on Kashmir and the bilateral Simla Agreement between India and Pakistan were both breached by the Indian decision.

For Pakistan and China, the UN values of non-interference, peaceful cohabitation, multilateralism, fairness and justice in inter-state interactions are more important than geopolitical reasons. A zero-sum approach to international affairs and hegemony are not acceptable to either of them, and they both support developing nations in their quest for a more just and equitable global order.

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## **Military Ties Growing Stronger**

Collaboration in the field of defence between Pakistan and China is a cornerstone of bilateral ties. It includes high-level military exchanges, organised defence and security discussions, joint exercises, training at each other's institutions, joint defence production and exports. Both nations' armies have established three layers of bilateral dialogues to allow for close coordination at all levels of the organisation. For the manufacture of military equipment such as fighter jets, submarines, and tanks, there is a wide spectrum of partnerships, including joint ventures. Pakistan also sends the most military personnel to China for training (Afridi, 2010).

There is a lot racing on the China-Pakistan relationship in Asia's geopolitical landscape, from India's ascent to what Afghanistan would look like post-American rule, from the threat of terrorism to the continent's new map of mines and ports. China is Pakistan's most reliable military ally and its brightest economic prospect. Chinese geostrategic objectives centre on Pakistan, from the country's emergence as a global naval force to its vast plans for a new silk road linking the Middle East's oil reserves and markets with Asia's megacities.

When China first started providing Pakistan with weapons in the 1960s, they helped develop many Pakistani arms facilities and supplied whole military systems. After the United States imposed sanctions on Pakistan in 1990, China took over as Pakistan's primary weapons supplier. Joint military exercises, personnel training, information sharing, and counterterrorism measures are all now part of the collaboration.

China has played an important role in Pakistan's nuclear and missile programmes since the 1970s. Pakistan received highly enriched uranium from China, as well as the ring magnets needed to process the uranium and training for the country's nuclear engineers. Many people think that Pakistan's nuclear weapon was built using Chinese designs. Even more, China supplied Pakistan with nuclear-capable M-11 missiles in 1990 and 1992 that can travel 186 kilometres. The technology to create a missile with a 360-mile range is said to have been transferred by China to Pakistan (Afridi, 2010).

Pakistan's aviation industry has made a significant leap forward after years of cooperation with Chinese counterparts. For the first time among underdeveloped nations, Pakistan can now construct its own Xiaolong fighter aircraft. Although Pakistan has yet to publish information on the number of JF-17 Thunder planes it has shipped, it is well known that the JF-17 is the country's backbone of its weapons exports. The progress is sufficient to show that Pakistan's aviation sector has developed rapidly thanks to Chinese help.

As a country's high-end equipment manufacturing powerless has long been associated with the aviation industry, China-Pakistan collaboration in this field is critical to Pakistan's success in the manufacturing sector. China has also reaped the benefits of Pakistan's strong military



cooperation. As the first foreign client of China's domestically built WS-10B Taihang turbofan engines, Pakistan has purchased the J-10C fighter aircraft from China (Afridi, 2010). That's why purchasers will be confident in purchasing the J-10C fighter jet when the first batch of J-10Cs are exported. Developing a country's manufacturing capacity is directly linked to exporting military equipment, since military equipment production falls into a high-end category. However, if China can maintain its current pace of military equipment production and export, this shows that the country's total industrial strength has reached a new and high level.

### **Bilateral Trade**

Several trade agreements have been signed amongst China and Pakistan. The purpose of these bindings is to strengthen relations among the states. Agreements can be of various kinds and for various purposes. It varies from economy to politics and defense. The purpose and motive, though, always remains the self-interests. The same is true in Pakistan and China case as well. Since the independence both the countries have tried to get close and closer to each other. Both have several mutual trade agreements which are thoroughly implemented. Some of those agreements are in spheres of trade, economy, defense and technology.

The first official trade agreement was signed in 1963 between Pakistan and China (Ghouri, 2015) but their relations were further strengthened during November 2003 with the start of the trade regime after concluding the Preferential Trade Arrangement (Medvedov, 2010). Furthermore, China and Pakistan have also signed an agreement on the Early Harvest Program (EHP) in 2006, the aim of this agreement was the provision of framework in order to conclude the formal and all-encompassing Free Trade Agreement (FTA) between China and Pakistan. Additionally, the Free Trade Agreement (FTA) was initiated, and thus Preferential Trade Agreement (PTA) was abolished, which was known as the Early Harvest Program (Blah, 2018). "Free Trade Agreement (FTA)" was signed between Pakistan and China in July 2007. In addition to this, another agreement was signed between Pakistan and China regarding trade of services in Feb 2009 (Deepak, 2018). At the same time, it was observed that the establishment of comprehensive FTA between Pakistan and China has increased the business opportunities for most of the investors from both sides of the countries (Dutfield, 2017). On the other hands, a study was conducted in 2013 by the "Pakistan Business Council" (Dolzer and Schreuer, 2012) which concluded that in spite of FTA between both the countries, Pakistan has yet remained unsuccessful from getting the potential benefits with China (Du, 2016). At the same times, the business through bilateral trade between Pakistan and China has vastly increased from 6.9 billion US Dollars in 2007 to 16 billion US dollars in 2014 (Hali et al., 2015) with the ratio of 15.3 percent annual growth (Ranjan, 2015).

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The China-Pakistan Economic Corridor (CPEC) is one of the greater Chinese Silk Road Economic Belt as well as the 21<sup>st</sup> Century Maritime Silk Road Vision, if was initially referred by the Chinese president XI Jinping during his visit of South East Asia and Central Asia in 2013 (Rubalcaba, 2012). At the same time, it considered that CPEC is also the major initiative from Chinese government under the Build and Road Initiative (BRI) that contains a vast investment of Chinese public and private sector investment of billions of dollars in Pakistan (Wolf, 2016). According to Jeschke et al., (2011); this multidimensional development plan is mainly based on these five projects, which are:

- i. The process of connecting Pakistani City Gawadar with Chinese Western city Kashghar through building 3000 kilometre road, oil pipeline and railway track including the construction of an airport and deep sea port in Gawadar.
- ii. The Construction of infrastructure related to information network.
- iii. Cooperating with Pakistan in energy sector to meet its energy demands in Pakistan.
- iv. Construction and establishment of industries and industrial parks in Pakistan.
- v. Development in agricultural sector.

China Pakistan Economic Corridor is a long-term plan. During this crucial period many minor and major projects will be initiated, finalized, and implemented. These projects with huge and vast potential will completely transform Pakistan and will make it more digitalized, advanced, end technologically at par with its counterparts (Dvorking, 2019). Additionally, in Pakistan the supply mechanism projects of electricity are outdated. As a result of which huge electric losses are nothing but norm of the day. So, keeping those aspects in mind the China Pakistan economic corridor also extended projects in this regard. As per the reports, three thousand million US dollars has been dedicated in order to improve the existing supply system. So as a result, the transmission lines will be upgraded and it will be before easier to supply with potential many times greater than its old system.

Additionally, another project has been also extended in Pakistan under the august umbrella of China Pakistan Economic Corridor. The railway is also considered an important part of this mega project. As per the reports ML-I line from Karachi to Peshawar has been expanded and upgraded. There are other various railway routes that will receive consideration in the subsequent phases of



project (Naqvi and Masood, 2017).

These projects start with the aim to escalate the cooperative readiness including regional connectivity, infrastructure for the telecommunication, tourism, industrial parks, energy projects, agricultural growth, industrial hubs, and improvement in the health sector and improving people to people communication in the region.

### **China-Pakistan Economic Corridor**

Pakistan and China consider themselves as all-weather friends. Their commitment and intensity are well known to the world community at large. Pakistan economic corridor is an example of this friendship and vision (Aon et al., 2019)

China-Pakistan Economic Corridor is a megaproject signed between Pakistan and China. According to Ishaque et al., (2018) it has been anticipated that CPEC within the OBOR project is likely to intensify the cooperative readiness including regional connectivity, infrastructure for the telecommunication, tourism, industrial parks, energy projects, agricultural growth, industrial hubs, and improvement in the health sector and improving people to people networking in the region (Alam, 2019; Basit et al., 2019).

According to various research and studies the Chinese government has truly supported Pakistan. This is evident from the fact that China has enlisted billions of dollars in foreign direct investment. It has created around 80000 jobs. Several Industries, thermal plants, factories, and mega projects have been installed. And it is rightly to be pointed out that the Chinese investment and support is quite friendly and helpful and is not formally attached with harsh conditions (Thirlwell, 2010). China has supported Pakistan in every thick and thin. Both the countries enjoy the highest of mutual trust. From UNO forum to the G 20-summit China has supported Pakistan at every forum. Due to the strategic significance of Pakistan China cannot afford to lose such a great strategic partner.

Furthermore, Miller (2017) has mentioned that CPEC likely to equal the direct foreign investment made in Pakistan from 1970 to onward. This project could bring an institutional shift in Pakistan and hefty opportunity for Foreign Direct Investment and sustainable growth (Tehsin et al., 2017, Kousar et al., 2018). This project is further anticipated to produce new avenues to enlarge the economic situation of Pakistan and the opportunity to strengthen the economy of China. The CPEC project and its outcomes are viewed differently across Pakistan (Ali and Qazi, 2018). It is highlighted that more engagement and involvement of local people would have resulted in better economic situation for the locals (Beg et al., 2018). Hence, People asked for the transparency in the projects and new job opportunities (Hussain, 2017).

Gawadar Port has brought Pakistan-China too closer to undertake trade and economic



development initiatives in a befitting manner. The hefty amount of 46 Billion US Dollars later raised to 62 Billion US Dollars (Pak-Sang and Michael) are being invested in Pakistan by China to develop a road network to connect two nations sharing a brotherhood under an agreement known as China Pakistan Economic Corridor. CPEC is a milestone that shifted the relations between two countries to the next level of magnificence (Thirlwell, 2010). This esteemed initiative is a mixture of different projects related to power generation, infrastructure and research and development for prosperity and much needed peace in the region (Mustaf and Zafar, 2017).

This project is further anticipated to produce new avenues to enlarge the economic situation of Pakistan and the opportunity to strengthen the economy of China. Before CPEC, China was bearing a hefty amount for trade and after CPEC transport cost for 40-foot container between Kashgar and destination ports in the Middle East squeezed to 1450 US dollar while 1350 US dollar in case of destination port in Europe (Vousinas, 2014). Moreover, travel time and duration shrinks to 21 to 24 days and 21 days for the destination port in the Middle East and Europe respectively. As for as distance is concerned, from Kashgar to Europe and the Middle East lowered to 11000-13000 Kilometres (Alam et al., 2019). CPEC will turn Pakistan a global competitor through significant influence on industrial growth and urban development (Khan et al., 2019). Moreover, Ishaque et al., (2018) found a great possibility of expansion of trade volume across the Asian region through CPEC. The effects of CPEC on Foreign Direct Investment were found highly significant by Rashid et al., (2018). The study summarized that FDI to Pakistan could help the country to encounter domestic savings, investment gaps with more improvement in business and infrastructure development (Thoker, and Singh, 2017). Wei et al., (2018) identified a likelihood of an increase in GDP growth of both China and Pakistan in results of mutual trade under CPEC. Entailing mutual trade, net exports of agricultural items from Pakistan to China will see a rise and non-agricultural items from China to Pakistan will find a hike. This accentuates the mutual benefits of both the nations. It is mentioned by Ahmed et al., (2017) innovation is the key in the process of development and growth. In the same way, innovation is also the most important factor for increasing the development through the Belt and Road Initiative (BRI). Therefore, China and other member states of BRI have been continuously involved in cooperation not only in science but also in technological innovation (Maqsood, 2018; Nabi et al., 2018). The technological innovations have been greatly increased in the world and are still progressing. In the same way, “Belt and Road Initiative (BRI)” is a platform that provided more opportunities for the member states to transform their economy into digital economy through establishing industrial chains at the international level (Goodes, 2016). In this way, the “Belt and Road Initiative (BRI)” is platform for the member countries to not only enhance their growth in industrial sector but also to play their roles in the technological innovation through the harmonized development to respond the challenges in the economy (Farwa & Siddiq, 2017).

The major concern of the CPEC is to bring socio-economic development in the two countries. Ali et al., (2017) found that CPEC was anticipated to tackle energy crisis and generating employment opportunities for people of Pakistan, increase access to health and education,



escalating trade and business potential to strengthen the financial position of local people (Rajagopalan, 2016). CPEC is also likely to stimulate revenue for the countries to rouse economy (Malik, 2018; Makhdoom et al., 2018). Pertinent to fast trade and enormous potential of business the level of income and employment opportunities for the people will be rising with the time (Abbas et al., 2019). CPEC can expedite geographical connectivity and employment opportunities and by 2021 a growth will witness a 7.21% rise (Haq and Farooq, 2016). Ahmad, (2018) declared CPEC a game-changer for Pakistan and Zahra et al., (2018) affirmed that under CPEC growth in Pakistan will be increasing and generating more opportunities for cost-saving and employment opportunities.

Rashid et al., (2018) has found job creation for 80,000 people in Pakistan since 2013 and the number was likely to reach 1.2 million in future as well. Zia and Waqar, (2018) specifically examined 6 projects and found 52000 direct jobs to the people. They categorically rejected the rumors that jobs were given to Chinese men only. In fact, the ratio between China and Pakistan regarding employment was 1:18. Ali, (2018) found that CPEC is likely to reinforce Pakistan to make its economy sustainable through trade and more foreign direct investment (Salik, 2018). Therefore, the project is a pathway to encounter different challenges including infrastructure, energy and socio-economic development. It is helping Pakistan to empower its image and its economy (Makhdoom et al., 2018).

Recently, Pakistan was viewed as an insecure states and global investors refrained themselves from investing in Pakistan (Rafiq, 2019). This dilemma was further strengthened pertinent to external conspiracies made by India while lobbying against Pakistan on global forums and engaging their terrorist in Pakistan for terrorism. That conspiracy halted development process in Pakistan (Hussain, 2012). India attempted to derail the economic position of Pakistan and tried to isolate Pakistan globally. Even, during the meeting of Financial Action Task Force (FATF), India tried to include Pakistan into the blacklist. Political instabilities in Pakistan created chaos and in results, most of the Public turned ambivalent

## **Conclusion**

Pakistan and China are close friends. Their commitment and intensity are well known to the world community at large. Pakistan economic corridor is an example of that friendship and vision. China Pakistan Economic Corridor is not the first of such commitments and goals. However, what makes this China Pakistan economic corridor so special in the eyes of the world is that, for the first time this commitment and friendship has shifted from geo strategic to geo economic front. Although, one thing that is of prime importance is that such project is the win-win situation for both the countries and it's not aimed at one-side.



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