



CPEC: A geo-economics opportunity and strategic concern for India

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Abstract

CPEC, which stands for the China-Pakistan Economic Corridor, is a transformational endeavour that aims to stimulate economic development, connectivity, and strategic collaboration between China and Pakistan. The building of Gwadar Port and a huge network of roadways and railways is at the heart of this ambition. These will make trading in the area easier and cheaper. CPEC has invested in a variety of power projects and gas pipelines to help Pakistan's long-standing energy shortages. This has improved the availability of electricity and the productivity of industry, while also giving China a safe way to get energy. The goal of creating Special Economic Zones (SEZs) along the corridor is to modernize Pakistan's industrial base, with a concentration on textiles and machinery. These zones will also help with technology transfer and skill development to boost economic diversification and employment growth. All of these things make CPEC a key driver of Pakistan's social and economic change and a vital way for China to achieve its regional goals of trade & commerce and also security issues with India.

Keywords: Geo-economic, industrialization, renewable energy, debt-trap, geo-political, special economic zone, BRI, diversification

Introduction

A network of roads, trains, energy projects, and industrial zones would be used to establish a connection between Gwadar Port in Pakistan and Kashgar in China's Xinjiang region. The China-Pakistan Economic Corridor (CPEC) is the most ambitious project that is part of China's Belt and Road Initiative (BRI). With a planned investment of more than sixty billion dollars, the China-Pakistan Economic Corridor (CPEC) was formally launched in 2013, and it is characterized as both a geoeconomic opportunity and a geopolitical danger in South Asia and beyond. China's flagship Belt and Road Initiative (BRI) is a worldwide infrastructure and connectivity project that was introduced in 2013 by President Xi Jinping. The China-Pakistan Economic Corridor (CPEC) is one of the most ambitious and transformational projects that China has announced as part of the BRI. CPEC is primarily intended to provide a connection between the deep sea port of Gwadar, which is located in the province of Baluchistan in Pakistan and Kashgar, which is located in the Xinjiang (Uyghur Autonomous Region of China), which is landlocked. Over the course of approximately three thousand kilometres, this overland and maritime corridor encompasses a vast network of contemporary highways, railways, energy pipelines, industrial parks, and special economic zones. Its primary objective is to bridge economic disparities, improve regional trade, and strengthen political ties between the two countries.

An integral part of China's Belt and Road Initiative (BRI) strategy, CPEC has been in the works since its official start in April 2015, when dozens of agreements for \$46 billion were signed; this amount subsequently increased to \$60-65 billion due to extensions. Due to its strategic location, Pakistan serves as an entry point for Chinese trade with other regions, including Africa, the Middle East, and beyond. This allows China to bypass the dangerous Strait of

Malacca and its crowded shipping lanes by providing direct access to the Arabian Sea. The project's proponents claim that by rerouting energy imports, particularly oil and gas across land, they can cut the conventional 12,000-kilometre ocean route down to 2,395-kilometre landfall, saving China about \$2 billion yearly in transportation expenses.

An Economic and Geopolitical Opportunity: CPEC-

The China-Pakistan Economic Corridor (CPEC) is a game changing geoeconomic project that gives Pakistan new chances to boost its economy and connect with other countries in the area. CPEC's goal is not just to improve infrastructure, but also to change Pakistan's place in regional and global trade networks. It has an investment framework of more than \$60 billion. The full construction of roads, trains and Gwadar Port has made it much easier for people to go about in Pakistan and between China and the rest of South Asia, Central Asia, and the Middle East. Pakistan is now a bridge between major economies because to its sophisticated transportation infrastructure, which cuts down on travel time and trade expenses. This opens up the possibility of becoming a commerce and transit centre.

One of CPEC's main goals has been to fix Pakistan's long-term energy problems. New power plants, including coal, solar and hydroelectric projects have increased the amount of electricity available. This has stopped blackouts that used to make it hard for businesses and people to be productive. Stable and consistent energy has helped new firms expand, improve manufacturing and brought in private investment all of which have directly led to economic growth and job creation. Also, the creation of Special Economic Zones (SEZs) throughout the corridor is meant to speed up industrialization. These SEZs should help transfer knowledge, generate jobs and make it easier for Pakistani products to be exported.

The China-Pakistan Economic Corridor (CPEC) has made

investments in key infrastructure such as gas pipelines, in addition to traditional power plants. Not only do these innovations make better availability of electricity to its citizens, but they also contribute to the diversification of Pakistan's energy mix, which in turn encourages a gradual move towards renewable energy sources and improves the country's long-term sustainability. The enhanced energy environment immediately translates into higher productivity, the creation of new jobs and increased investor confidence, so it sets the groundwork for long-term economic expansion.

CPEC has drawn foreign direct investment not just because of the physical infrastructure it has built, but also because it has given investors confidence, both from China and from other possible partners who are interested in better logistics and market access. Bilateral cooperation has grown, with joint efforts in vocational training, health care and education. CPEC has helped local communities by creating jobs, making resources easier to get to, and giving people more economic alternatives. This has helped reduce poverty and enhance society. CPEC is a huge geoeconomic opportunity for Pakistan since it will modernize industry, improve people's lives, boost commerce and investment, and radically change the country's role in the regional economy.

CPEC makes Pakistan a centre that connects South, Central, and West Asia. This might bring in commerce and investment from Afghanistan, Iran, Central Asia, and other places. Connecting Gwadar and Kashgar quickly and easily might help China trade more with the Middle East, Africa, and Europe by opening up new markets. CPEC includes projects to improve agriculture, modernize cities and help poor people in undeveloped areas, notably Baluchistan. Plans to enhance city services, the water supply and tourism also promise to help a lot of people.

Via the establishment of Special Economic Zones (SEZs) along the corridor, Pakistan's industrial base will be modernized, with a particular emphasis on textiles, machinery, chemicals, steel, and building materials. This will be accomplished via the process of industrialization and human resource development. The Special Economic Zones (SEZs) facilitate the transfer of technology from Chinese companies and other foreign partners, in addition to providing the necessary physical infrastructure. It is extremely important to note that Pakistan is working to improve its technical skills in the areas of production processes, quality management and innovation. In addition to this technology infusion, there is a significant focus placed on the development of human resources. Pakistani workers are provided with intensive skill development programs as well as vocational training. Not only are these programs intended to increase the employability of the local workers in high-tech businesses but they are also intended to encourage entrepreneurial endeavours.

These initiatives are being undertaken with the long-term goal of diversifying Pakistan's economy, reducing the country's reliance on agriculture and the sale of raw materials and creating long-term job prospects for a growing youthful population. China Pakistan Economic Corridor (CPEC) and Special Economic Zones (SEZs) are set to become engines of structural change and inclusive economic advancement for Pakistan. This is because they will support industrial expansion with systematic human capital development.

Objectives of CPEC

The China-Pakistan Economic Corridor (CPEC) is a key part of the regional development plan that will have a big impact on trade integration, infrastructural modernization, and geopolitical alignment. CPEC's main goal is to completely change Pakistan's transportation and energy networks so that the economy may grow quickly and the country can connect more deeply with its neighbours. The goal of the project is to improve and expand highways, railways, air routes and energy grids all throughout Pakistan with a special emphasis on important commercial hubs and industrial zones. The goal is not only to simply improve physical infrastructure; it's also to encourage industrialization by building new economic corridors that connect less developed areas with important business centers. These changes are expected to boost the economies of provinces along the corridor by cutting down on travel time, making energy more reliable and encouraging investment in manufacturing and logistics.

For China, the corridor is very important from a strategic point of view. CPEC connects Gwadar, a port city in the southwest of Pakistan along the Arabian Sea, with Kashgar, a city in China's remote Xinjiang region. This gives China a much-needed shortcut to global markets. This land-based route skips the usual marine routethrough Strait of Malacca, which is not only lengthier but also more likely to be affected by geopolitical conflicts and naval blockades. A safe corridor sponsored by China that goes directly to the Arabian Sea makes it easier for Beijing to spread its power over South and Central Asia and makes sure that energy imports and exports can travel safely. This partnership with China has given Pakistan more alternatives for foreign investment, technical help and access to global supply chains on good terms. This makes Pakistan a key logistical hub for trade in the area.

CPEC is also a key part of China's larger Belt and Road Initiative (BRI), which is a huge plan to improve infrastructure and economies throughout Asia, Africa, and Europe. China wants to share its economic model and boost commerce across continents by building highways, ports, trains, and energy corridors in partner nations via the BRI. Not only does CPEC help with this big-picture goal, but it also shows that China can lead global infrastructure projects. Because of this, it is a strategic step to project China as a nation which is facilitating weaker economies to develop, assisting in regional diplomacy and better placing China in geopolitical calculation. It takes the China-Pakistan alliance to a new level of strategic cooperation and changes the physical and economic geography of South Asia.

There is growing concern that China has ulterior motive behind CPEC i.e. debts related to CPEC could hurt Pakistan's financial independence, similar to "debt trap" diplomacy. The lack of transparency in contracts, inadequate interaction with local people, and the preponderance of Chinese companies in the bidding process are all topics that have been the subject of several criticisms.

Execution and Current Status of CPEC-

The China-Pakistan Economic Corridor has been delayed and made unequal progress since it started in 2025. Only 38 of the approximately 90 planned projects have been finished, and 23 more are still being built. More than a third of the projects have not yet started, which shows that project execution and management are not working well. A lot of

the corridors progress has stopped because of problems at home and abroad, despite the original promises of change. After getting the go-ahead, major projects have been put on hold, and Pakistani authorities are once again calling for dormant projects to be revived by getting more funding and going over old agreements. But there haven't been many new investments, and most of them have been concentrated on reworking old infrastructure plans like main line railway, instead of starting big new projects.

There is a clear regional mismatch in how investments are spread out throughout Pakistan. Punjab and Sindh, the two provinces have got most of the money and development associated to CPEC. These provinces have got new highways, power plants and industrial sites. Baluchistan has experienced very little financial investment, only approximately \$890 million, despite the fact that Gwadar port is in a very important geopolitical location. There are also ongoing shortages of basic services like water and electricity. These problems make it less likely that Gwadar will become a busy trading centre and it is evident to locals in Baluchistan that growth is unfair.

Pakistan's unstable politics, slow-moving bureaucracy and the military's expanding power over corridor monitoring have all made it harder to oversee CPEC projects as a whole. These things have led to cycles of uncertainty that make Chinese investors less likely to invest and slow down development on the ground. China is now more careful and wants additional protections for its workers and projects. Pakistan's ability and desire to make concerted changes, deal with regional problems and win back the trust of both local stakeholders and Chinese partners will determine the corridor's future success.

Impact of CPEC on the Balochistan Insurgency

The continuing conflict in Baluchistan is closely linked to the fact that many people in the area believe that the China-Pakistan Economic Corridor takes advantage of the province's natural resources without giving the local people anything in return. Baloch separatist parties have said several times that the big infrastructure and mining projects that are part of CPEC mostly benefit outside companies, especially Chinese state-owned businesses, while local people remain poor and underdeveloped. This feeling of being left out and deprivation has alienated people and has become the cause of anger in the locals of Baluchistan ultimately leading to several assaults against CPEC assets and Chinese citizens.

As violence has increased, CPEC projects, particularly those in Baluchistan and other regions, have become attractive targets for Baloch insurgents and other organizations. Notably, actions like as the 2025 train hijacking and blockades of vital roads have interrupted critical economic lines, halted the Gwadar port, wrecked infrastructure and resulted in deaths. These events show that rebel organizations are becoming better at carrying out complex operations that put both economic activity and the safety of foreign assets at risk. For China, these growing security threats have not only raised the cost of doing business (forcing them to spend more on private security and other safety measures) but they have also made them annoyed that Islamabad can't provide stability and safety for Chinese workers and investments.

Reports say that Beijing has even tried to talk directly to certain Baloch separatist groups to protect its own interests,

which shows how worried they are. The ongoing insecurity surrounding CPEC in Balochistan now threatens both the project's economic viability and the larger China-Pakistan strategic partnership. Chinese leaders are starting to wonder if continued investment in the region is sustainable given the rising unrest.

India's Strategic Concerns from CPEC

India's major problem with the China-Pakistan Economic Corridor (CPEC) is that it goes through Gilgit-Baltistan, which India sees as part of its own territory that Pakistan is illegally occupying. India has constantly and officially protested CPEC to both China and other international parties, stressing that the project directly threatens India's territorial integrity and is thus unacceptable. India's administration has said this many time at diplomatic meetings and in global forums.

India sees CPEC as China's big plan to increase its power in the South Asia and Indian Ocean region. Indian experts think that China's "String of Pearls" policy, which aims to surround India with a series of Chinese-supported ports and facilities across South Asia, could threaten India's maritime security and reduce its control over regional sea lanes. The fact that Chinese people, assets and logistical support at these important places make India much more worried about being surrounded in peacetime and the possibility of military deployment in times of crisis.

CPEC and its industrial zones can also help Pakistan strengthen its control over Indian territory under Pakistan control, especially in Pakistan Occupied Kashmir (POK), by bringing together its economy and infrastructure. This strengthening of infrastructure might weaken India's stand and be used to justify the present geographical status quo, making it much harder for India to make its point on the world arena. So, India's concerns to CPEC are not only about current border issues, but also about its future power and position in the area.

Conclusion

The China Pakistan Economic Corridor (CPEC) is a double-edged sword: it promises economic integration, infrastructural development, and potential wealth for Pakistan, China, and the broader region, among other geoeconomic prospects that have the ability to reshape the area. Additionally, it raises worries about economic dependency and sovereignty, as well as security hazards and regional rivalries, which are all factors that contribute to the major strategic challenges that it presents. Policy decisions, security management, regional diplomacy and the capacity of Pakistan and China to guarantee that the benefits of the corridor are spread fairly, politically sustainable and accepted by the locals will play a role in determining the success of the China Pakistan Economic Corridor (CPEC). CPEC has the potential to become a hotspot of war in one of the most volatile areas in the world.

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