

The impact of China-Pakistan Economic Corridor on Pakistan economy under the background of “One Belt And One Road”

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ABSTRACT: *Since the launch of the One Belt And One Road project in China, the CPEC has become the flagship project of One Belt And One Road, which will set up a strategic framework for practical cooperation between the two countries. At the same time, the construction of the China-Pakistan Economic Corridor will vigorously promote economic development in South Asia, West Asia and Central Asia and bring peace to the whole region. Since the launch of the One Belt And One Road project in China, the CPEC has become the flagship project of One Belt And One Road, which will set up a strategic framework for practical cooperation between the two countries. At the same time, the construction of the China-Pakistan Economic Corridor will vigorously promote economic development in South Asia, West Asia and Central Asia and bring peace to the whole region.*

KEY WORDS: *CPEC; One Belt And One Road; China; Pakistan*

I. Introduction

In May 2013, the Chinese government proposed to the Pakistani government to build an economic corridor from Kashgar in the north to Gwadar Port in Pakistan in the south. Following the start of the One Belt And One Road programme in March 2015, the cpec is an intersecting area of east, south, central and Middle East connecting southwest China across Pakistan. Its terminus gwadar port is located at the mouth of the Strait of Hormuz, known as the "world oil valve". It is an important outlet to the Persian Gulf and the Indian Ocean, and also an important transit port for the sea route between the Asia-Pacific region and Europe and Africa. It can be seen from this that the CPEC, which is connected with the Silk Road Economic Belt in the north and the 21st Century Maritime Silk Road in the south, is a key hub connecting the silk Road in the south and the North.

II. The economic impact of exports on Pakistan

In my opinion, Pakistan will export a lot of resources such as oil, gas and so on. If exports increase, aggregate demand increases and the economy grows. According to the World Energy Statistics Report (2018). We can know oil production, gas

reserves of 560 billion cubic meters, the U.S. energy information administration estimates that Pakistan has 586 trillion cubic feet of natural gas 105 trillion cubic feet of recoverable technology, in addition to natural gas, the U.S. energy information administration estimates that 227 billion barrels of oil reserves, Pakistan 9.1 billion barrels can be extracted. ExxonMobil, the US oil giant, has discovered huge oil reserves in Pakistan, near the Iranian border, that could even exceed those of Kuwait. Kuwait had total proven oil reserves of 101.5 billion barrels at the end of 2017, which means Pakistan has a very large oil reserves. Based on the distance of transportation and a variety of factors, China is likely to become a huge exporter of Pakistan, because China's oil reserves is missing in the Middle East, and because China is the world's most populous country, the domestic market demand for oil is very huge, the CPEC will play a large role at this moment. We know that the CPEC ends at Gwadar port, about 600 km from Karachi, a port city near the border between Pakistan and Iran, on the Arabian Sea and near the Strait of Hormuz, a chokepoint of the Indian Ocean. China now imports 44.1 percent of its oil from Pakistan. And there is an Iran-Pakistan gas pipeline near Gwadar, which is a very important gas pipeline, which can carry 1 billion cubic meters of gas per day, 21.5 million cubic meters of gas to Gwadar. But now the pipeline has been cut because of international sanctions against Iran. To this end, the Pakistani government has approved a new liquefied natural gas pipeline to import gas from Qatar through Gwadar Port. Gwadar is now expected to serve as the starting point for a pipeline that would carry oil from the Middle East to China, shortening the traditional route through the Arabian Sea and the Strait of Malacca and ending in Kashgar in China's Xinjiang province.

III. Impact of CPEC on unemployment rate

In addition, the construction of the cpec has brought a lot of local jobs as the government needs to build a lot of infrastructure to ensure the basic operation of the One Belt And One Road economic corridor. But if there is a lot of construction, a lot of labor is needed, so that the local employment problem can be solved. From 2010 to 2014, Pakistan's labor force aged 15 and above increased from 57,62.58 (10,000) to 63,32.57 (10,000), with an average annual growth rate of 2.95 percent. In 2015, due to the full launch of CPEC, the average annual growth rate was as high as 4.5%. After that, the CPEC entered a stable period with an employment rate of around 2.0%. , Pakistan is currently the country's population of 180 million, and over the age of 25 teenagers under the age of more than 100 million people, nearly 56% of the total population, after Chinese companies invest in Pakistan Pakistan can not only promote the growth of GDP, demographic dividend advantage also make Chinese investment enterprises can enjoy preferential policies in Pakistan and relatively cheap labor, is an example of a win-win situation.

IV. The impact of investment on the local economy

If the development of CPEC can attract a large number of investors from overseas, then the money can be used to build more places. At the same time, we can also develop tourism and solve environmental problems, which will enhance our international influence. Large investment \$115 million of 50 mw wind power projects, investment \$252 million joint energy Jim & Poor's 100 megawatts of wind power phase 1 project, investment of \$134 million, 50 million varsa, wind power projects, the investment of \$460 million, 300 - megawatt Punjab Puzhongxing solar energy projects, investment of \$2.085 billion, 1320 megawatts port qasim coal-fired power station project, the investment of \$1.8 billion, 1.32 billion varsa anwar coal-fired power station project, the investment of \$1.698 billion, 720 mw card lott hydropower project, The us \$1.995 billion 660 mw Hubu coal power station project, us \$224 million 100 MW Three Gorges wind power Phase II and III projects, US \$1.802 billion Sukiknari hydropower station project, and US \$2 billion Thar Coalfield Area Ii Pithole project were invested. The 11 energy projects, together with the Gwadar Port operation and free zone construction projects, are planned to total about \$12.8 billion. China Economic Net. (2019, January 9) Electronic preference formats recommended by the China Economic Net. Retrieved September 16, 2020. From these data we can know the China-Pakistan economic corridor, China not only invest more money and a lot of projects, which means these massive investment can promote the development of these energy project in Pakistan, make the Pakistani government to have enough money to develop these projects at the same time to obtain more resources to sell to other countries to get more money, this allows the China and Pakistan can benefit.

V. The low completion rate has slowed down the development of CPEC

The issue that needs to be addressed now is the rapid implementation and implementation of the projects that have been identified. China and Pakistan have reached a series of cooperation agreements on Gwadar port, energy, road, railway, infrastructure and livelihood improvement projects, and the main task now is to turn these ambitious goals into reality. Of 122 announced projects, a quarter (32 projects) have been completed, or roughly \$20 billion of the estimated \$87 billion in funding. While this is a significant amount of activity, particularly in the transport and energy sectors, it also highlights a gap between projects announced and completed. Hillman E. Jonathan & McCalpin Maesea & Brock Kendra. (2020, April). The China-Pakistan Economic Corridor at Five. It can be seen from these figures that although many projects have been customized for the CPEC, only about a quarter of the projects have actually been completed. The implementation of CPEC is so weak that these projects are not completed.

VI. The problems of the local people have also affected the development of the CPEC

The other issue that the construction of economic corridor should shift from high-level incentives to private incentives. Zhang Yuan (2016) has claimed that the CPEC will bring new opportunities to Pakistan's economic development and, in the final analysis, bring benefits to the Pakistani people. It is an important objective of the CPEC to extend economic policies to the private sector and make the Pakistani people feel keenly the changes in their livelihood brought about by the economic cooperation between the two countries. In the face of this problem, we should first of all pay attention to the balance of economic policies between the eastern and western regions of Pakistan, pay attention to and take care of the less developed areas of Baluchistan and Khyber-Pakhtunkhwa province in the allocation of resources, and avoid widening the gap between the rich and the poor. The second is to guide and coordinate enterprises to participate in non-economic cooperation. Instead of engaging in closed projects, local personnel should be employed to bind the corridor construction with local interests. Third, we should pay attention to the practical demands of the Pakistani people. At present, people are more concerned about the reasonability of land acquisition, access to clean water in arid areas and impact on local employment caused by the influx of foreign workers. We need to properly solve these problems.

VII. Conclusion

The results of this paper are that CPEC has played a certain role in Pakistan's economic growth under the background of the Belt and Road Initiative, and some reasons have hindered Pakistan's development. The unsolved problem is how to solve the political and cultural factors that make the CPEC projects not more efficient or difficult to complete. All the data in this paper are some more reasonable data compared with the analysis of various data and little data collection. The drawback of this paper is that the data are basically the data of last year, without the latest data. I will definitely collect some latest data in the future.

References

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