

Maktab Competitive Exams Services

Current Affairs Workshop for CSS 2025

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Uncertain Future of CPEC amid Unstable Security Landscape of Pakistan

Historic Overview of CPEC

1. Inaugurated in 2015
2. Will be completed in 2030

A Glance at CPEC 1.0

Energy Projects:

1. 1320MW Sahiwal Coal-fired Power Plant
2. 1320MW Coal-fired Power Plant at Port Qasim Karachi
3. 1320MW China Hub Coal Power Project, Hub Balochistan
4. 660MW Engro Thar Coal Power Project
5. 1000MW Quaid-e-Azam Solar Park (Bahawalpur)
6. 50 MW Hydro China Dawood Wind Farm, Gharo, Thatta
7. 100MW UEP Wind Farm, Jhimpir, Thatta
8. 50MW Sachal Wind Farm, Jhimpir, Thatta
9. 100MW Three Gorges Second and Third Wind Power Project
10. Matiari to Lahore ± 660 KV HVDC Transmission Line Project
11. 720MW Karot Hydropower Project, AJK/Punjab
12. 884MW Suki Kinari Hydropower Project, KP

Infrastructure Development:

1. KKH Phase II (Havelian - Thakot Section)
2. Peshawar-Karachi Motorway (Multan-Sukkur Section)
3. Orange Line Metro Train – Lahore
4. Cross Border Optical Fiber Cable (Khunjrab - Rawalpindi)
5. Hakla - D.I Khan Motorway

Gwadar Port Development

1. Development of Port and Free Zone
2. Gwadar Smart Port City Master Plan
3. Pak-China Technical and Vocational Institute at Gwadar
4. Gwadar Eastbay Expressway
5. Pak-China Friendship Hospital
6. New Gwadar International Airport

Special Economic Zones

1. Rashakai SEZ
2. Allama Iqbal Industrial City
3. Dhabezi SEZ
4. Bostan SEZ

Factors Contributing to Uncertain Future of CPEC:

1. Unstable Security Landscape:

Karachi University attack by a female suicide bomber of BLA in 2022, Attack on PNS Siddique Naval Air Base, Turbat in March 2024, Karachi Airport Bombing, October 6, 2024, BLA Research and Intelligence Wing Zirab – Underwater – BLA Became fastest Growing Terrorist group in the world (CPEC Protection Force)

2. Grievance of Locals against Chinese incursions:

Economic Marginalization, Restrictions on Livelihood (Local fishermen face challenges due to the presence of illegal Chinese fishing trawlers and restrictions imposed by authorities (Check posts), which hinder their traditional means of earning a living) Haq DO Tehreek

3. Role of IMF Bailout Packages:

IMF asks to reduce borrowings that directly hamper the progress of CPEC projects

IMF asks Pakistan to remove sovereign guarantees in energy sector

Elimination of subsidies and tax reliefs in existing SEZs and no more new SEZ would be built

4. Environmental Impact and Lack of Compliance with International Standards

CBAM, DPP, and CS3D

5. Interprovincial Tensions:

Punjab has received a significant share of CPEC's infrastructure investments. Major highways, such as the Lahore-Islamabad Motorway and the Multan-Sukkur Motorway, and projects like the Orange Line Metro in Lahore, are seen as disproportionately benefiting Punjab. In contrast, Balochistan and Khyber Pakhtunkhwa (KP), despite being strategically located along the CPEC route, have raised concerns about their lack of comparable investments in infrastructure and development projects.

A glance at CPEC 2.0

Aims at transforming Pakistan's Economy to 1 trillion dollar by 2035 and 3 trillion dollars by 2047.

The mentioned Corridors complement Pakistan's 5 Es framework: Exports, E-Pakistan, Environment and Climate Change, Energy and Infrastructure, Equity and Empowerment

Growth Corridor:

Enhancing Pakistan's **economic growth** through targeted **infrastructure projects** and **industrialization**. ICT Model Industrial Zone (Low Carbon Industries). 3200 Acres industrial park on Pak Steel Mills land in Karachi, Up-gradation and Dualization of ML-1 and establishment of Dry Port near Havelian

Livelihood Enhancing Corridor

1. Gwadar Livelihood Project (Upgradation and development of fishing, boat making and maintenance services to protect and promote livelihoods of local population).
2. China Overseas Ports Holding Company Limited (COPHCL) is taking effective measures for social sector development
3. China is going to establish Agricultural Technology Parks that focus on research and development of new agricultural technologies. These parks aim to create an ecosystem for **agriculture innovation, training, and knowledge-sharing** between the two countries.
4. Under the umbrella of CPEC, China is working on introducing **farming automation**, including **smart tractors** and **drones for precision agriculture**, to improve the efficiency of farm operations in Pakistan.
5. CPEC is promoting the development of **food processing industries** in Pakistan, particularly in **Punjab**, with Chinese investment.

Innovation Corridor:

Karachi IT Park, National Incubation Centres with the help of China, Presidential Initiative for Artificial Intelligence and Computing, Collaboration of 5G technology, Tech Defence

Green Corridor

Projects like solar parks, wind farms, and electric vehicle manufacturing initiatives are integral to CPEC 2.0, and they are expected to drive green innovation and reduce Pakistan's carbon footprint. BYD manufacturing plant in 2026, 1124MW Kohala Hydropower Project, AJK, 50MW Cacho Wind Power Project, 700.7MW Azad Pattan Hydropower Project, AJK/Punjab

Opening Up Corridor

Trade Facilitation Infrastructure: Developing modernized ports, customs procedures, and transport corridors to expedite international trade. Cooperation in Integrated Transit Trade Management System ITTMS, CPEC Export Zones (Special focus on the creation of **export processing zones** at **Gwadar**, **Khunjerab**, and **Sost** to boost exports and **regional integration**.)

What need to be Done for Successful Implementation of CPEC 2.0?

1. Establish **dedicated security zones** around key infrastructure like Gwadar Port, roads, and energy plants.
2. Engage with local communities in areas like **Balochistan** to address grievances and reduce hostility towards CPEC.

3. Establish **cross-party committees** to ensure CPEC's continuity regardless of political transitions.
4. Shift to **equity-based financing** for future projects, reducing the burden of loan repayment.
5. Ensure the federal government supports local authorities with financial and technical assistance, ensuring projects are executed efficiently.
6. Encourage the use of **green technologies** and **renewable energy sources** in CPEC projects to minimize environmental degradation.
7. Pakistan should **diversify its energy mix** to include **solar, wind, hydropower, and nuclear** to meet growing demands sustainably.

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