



China Pakistan Economic Corridor (CPEC)

For Prelims: China-Pakistan Economic Corridor (CPEC), One Belt One Road (OBOR), Blue dot Network

For Mains: China-Pakistan Economic Corridor (CPEC) and its implications on India

Why in News?

Recently, Pakistan and China decided to welcome any third country joining the multi-billion dollar [China-Pakistan Economic Corridor \(CPEC\)](#).

- In context to Afghanistan, it had broken new ground in strengthening international and regional connectivity.
- Earlier, Pakistan signed a new agreement with China to begin the **second phase of the USD 60 billion** [China-Pakistan Economic Corridor \(CPEC\)](#).



What is CPEC?

- CPEC is a **3,000-km long route of infrastructure projects connecting China's northwest Xinjiang Uygur Autonomous Region and the Gwadar Port** in the western province of Balochistan in Pakistan.
- It is a **bilateral project between Pakistan and China**, intended to promote connectivity across Pakistan with a network of highways, railways, and pipelines accompanied by energy, industrial,

and other infrastructure development projects.

- It **will pave the way for China to access the Middle East and Africa from Gwadar Port, enabling China to access the Indian Ocean** and in return China will support development projects in Pakistan to overcome the latter's energy crises and stabilising its faltering economy.
- CPEC is a part of the [Belt and Road Initiative](#).
 - The BRI, **launched in 2013**, aims to link Southeast Asia, Central Asia, the Gulf region, Africa and Europe with a network of land and sea routes.

What are CPEC's Implications for India?

- **India's Sovereignty:** India has continuously opposed the project since it passes through the [Pakistan-occupied Kashmir territory of Gilgit-Baltistan](#) – a claim opposed by Pakistan.
 - The corridor is also perceived to be an **alternative economic road link for the Kashmir Valley lying on the Indian side of the border**.
 - Most key players in the Indian state of Jammu and Kashmir, have expressed optimism about the project.
 - There have been calls by local business and political leaders to declare Kashmir on both sides of the [Line of Control \(LoC\)](#) a **'Special Economic Zone'**.
 - However, a well-connected Gilgit-Baltistan that attracts industrial development and foreign investment, **if CPEC proves a success, will further consolidate the region's perception as internationally recognised Pakistani territory**, diminishing India's claim over the 73,000 sq km piece of land which is home to more than 1.8 million people.
- **Chinese Control Over Trade Via Sea:** Major US ports on the East Coast depend on the [Panama Canal](#) to trade with China.
 - Once CPEC becomes fully functional, **China will be in a position to offer a 'shorter and more economical' trade route** (avoiding travel through the entire Western Hemisphere) to most North and Latin American enterprises.
 - This **will give China the power to dictate the terms by which the international movement of goods will take place** between the Atlantic and the Pacific oceans.
- **Chinese String of Pearls:** China has been **increasing its presence in the Indian Ocean with the 'String of Pearls' ambition**: A term coined by the Americans and often used by Indian defence analysts to refer to a Chinese game-plan of encircling India through a network of airfields and ports.
 - With an **existing presence in Chittagong port** (Bangladesh), **Hambantota port** (Sri Lanka), **Port Sudan** (Sudan), Maldives, Somalia and Seychelles, a control of Gwadar port establishes complete dominance of the Indian ocean by the Communist nation.
- **Emergence of Pakistan as an Outsourcing Destination:** It is poised to speed up Pakistan's economic progress.
 - **Pakistani exports**, mainly in the textile and construction material industry, **compete directly with those of India in the US and UAE** – two of the top three trading partners of both countries.
 - With the supply of raw material from China becoming easier, **Pakistan will be suitably placed to become a regional market leader in these sectors** – mainly at the cost of Indian export volumes.
- **Stronger BRI and Chinese Dominance in Trade Leadership:** China's BRI project that focuses on the trade connectivity between China and the rest of Eurasia through a network of ports, roads and railways has been often seen as China's plan to dominate the region politically. **CPEC is one giant step in the same direction.**
 - A China that is more accepted and integrated with the rest of the global economy will have a better say in the [United Nations](#) and with individual nations, which may prove to be bad news for an India aspiring to acquire a permanent seat at the UN Security Council.

What is One Belt One Road (OBOR)?

- **About:**
 - It is a **multi-billion-dollar initiative** launched in 2013.
 - It aims to link Southeast Asia, Central Asia, the Gulf region, Africa and Europe with a network of land and sea routes.
 - It has been **launched to undertake big infrastructure projects** in the world which in

turn would also enhance the global influence of China.

▪ **Structure:**

- They contain the following six economic corridors:
 - **The New Eurasian Land Bridge**, which connects Western China to Western Russia
 - **The China-Mongolia-Russia Corridor**, which connects North China to Eastern Russia via Mongolia
 - **The China-Central Asia-West Asia Corridor**, which connects Western China to Turkey via Central and West Asia
 - **The China-Indochina Peninsula Corridor**, which connects Southern China to Singapore via Indo-China
 - **The China-Pakistan Corridor**, which connects South Western China through Pakistan to Arabia Sea routes
 - **The Bangladesh-China-India-Myanmar Corridor**, which connects Southern China to India via Bangladesh and Myanmar
- Additionally, the maritime Silk Road connects coastal China to the Mediterranean via Singapore-Malaysia, the Indian Ocean, the Arabian Sea, and the Strait of Hormuz.



Way Forward

- **India should leverage its strategic location and further work with like-minded countries to participate in multilateral initiatives like,**
 - The **Asia-Africa Growth Corridor** is an India-Japan economic cooperation agreement, it can provide India great strategic benefits and counter China.
 - **Blue Dot network**, which is being promoted by the USA.
 - It is a **multi-stakeholder initiative** to bring together governments, the private

sector and civil society to promote high-quality, trusted standards for global infrastructure development.

- It is expected to serve as a globally recognized evaluation and certification system for roads, ports and bridges with a **focus on the [Indo-Pacific region](#)**.

UPSC Civil Services Examination Previous Year Question (PYQ)

Prelims

Q. Belt and Road Initiative' is sometimes mentioned in the news in the context of the affairs of (2016)

- (a) African Union
- (b) Brazil
- (c) European Union
- (d) China

Ans: (d)

Exp:

- Proposed in 2013, the 'Belt and Road Initiative (BRI)' is an ambitious programme of China for connecting Asia with Africa and Europe via land and maritime networks.
- The BRI comprises a Silk Road Economic Belt - **a trans-continental passage that links China with Southeast Asia, South Asia, Central Asia, Russia and Europe by land - and a 21st century Maritime Silk Road**, a sea route connecting China's coastal regions with Southeast and South Asia, South Pacific, Middle East and Eastern Africa, all the way to Europe. **Therefore, option (d) is the correct answer.**

Mains

Q. The China-Pakistan Economic Corridor (CPEC) is viewed as a cardinal subset of China's larger 'One Belt One Road' initiative. Give a brief description of CPEC and enumerate the reasons why India has distanced itself from the same. (2018)

Q. China and Pakistan have entered into an agreement for the development of an economic corridor. What threat does this pose for India's security? Critically examine. (2014)

Q. "China is using its economic relations and positive trade surplus as tools to develop potential military power status in Asia". In the light of this statement, discuss its impact on India as her neighbour. (2017)

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