

From Shaheen-II to China-Pakistan Economic Corridor: Pakistan-China Military and Economic Relations (2013-2023) At A Glance

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Abstract

For decades, Pakistan and China enjoyed cordial diplomatic relations, which have now been transformed into a long-standing strategic and economic partnership. The historic silk trade route, development of the Gwadar port, Chashma nuclear power plant, and manufacturing of JF-17 thunder fighter jets were some of the instances of this partnership from the past. In recent years, the China-Pakistan Economic Corridor (CPEC), formally agreed upon in 2013, represents a joint commitment to cooperation and development by both states. Following China's "Belt and Road Initiative" (BRI), this project aims to utilize the Eurasian land bridge to connect Pakistan with Central Asia. Despite enormous challenges and threats to Pakistan-China relations posed by Pakistan's border issues, the CPEC is now partially functional, and both states are working on expanding it. With a particular emphasis on strategic and economic aspects, the current study analytically explores the nature of the Pakistan-China relationship. The qualitative approach is applied to identify the relationship changes between countries during 2013 and 2023. Primary and secondary data types will be relied on and utilized to explore the study's findings.

Keywords: Pakistan-China Relations, Belt & Road Initiative, China-Pakistan Economic Corridor.

Introduction

The history of cordial relations between Pakistan and China dates back to 1951 and has since been strengthened significantly. These countries are involved in a long-standing partnership primarily around military and economic spheres. The cooperation between the two states is unique because of the diversity of their collaboration in fields such as industry, politics, society, technology, education, culture, military, and diplomacy. Recently, the military ties between Pakistan and China witnessed important developments, focusing on counterterrorism collaboration, maritime and space cooperation, and arms trade. Since 2013, both countries have engaged in various joint exercises, training programs, and weapon development projects, solidifying their bilateral defense partnership. During this period, a significant increase has been seen in maritime collaboration, arms imports, and joint military exercises, underscoring the growing importance of this strategic relationship.

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Moreover, the CPEC is a crucial component of China's BRI, aiming to enhance economic collaboration and regional connectivity between Pakistan and China. Since its inception in 2013, this mega project has been transforming the financial landscape of Pakistan, with China investing heavily in various sectors such as energy, infrastructure, and industry. In the case of Pakistan, it may be observed that the current level of China-Pakistan engagement has the potential to stimulate economic growth, create employment opportunities, and promote social development, even though some scholars have expressed concerns about its impact on the economy of Pakistan in terms of debt and environmental sustainability.

Pakistan-China Military Relations

Historical Background

Pakistan relies on China for significant support in manufacturing defense equipment to fulfill its ever-increasing military needs (Wezeman, 2018). In 1963, both countries signed the first defense treaty (Upal, 2006), whereas another treaty of military assistance worth 20 million dollars was signed between the two countries three years later, i.e., in 1966. The military cooperation between both countries further extended when Beijing delivered 25 F-6s to Islamabad in 1981, while the number of planes delivered rose to 300 in 1982 (Ahsen, 1986). In 1989, Pakistan launched the testing of a short-range (300 km) *Hatf* series missile (Pande, 1999). Moving further, Pakistan and China signed a treaty for the transfer of technology and collaboration in defense production in 1990, including the production of T-59 and T85/11 tanks (Rizvi, 1993). In 1992, Pakistan set up a Missile Development Board (MDB) with the support of the Space and Upper Atmosphere Research Commission (SUPARCO), which conducted the test of *the Hatf-3* missile with a capacity of hitting at a distance of 600 km (Pande, 1999). Acknowledging the services and cooperation extended by China's military officials, the government of Pakistan awarded Nishan-i-Imtiaz to the members of China's Central Military Commission and Chief of the General Political Department of People's Liberation Army (PLA), General Yu Yong Bo and Vice Admiral Shi Yunsheng, Commander of PLA (Navy) in 1997 during their visit to Pakistan (Jamshed, 2016).

In 2000, the President of Pakistan and Chief of the Army Staff, General Pervaiz Musharraf, visited Beijing to consult for the signing of the Comprehensive Test Ban Treaty (CTBT) because the major political parties in Pakistan were pressing the government of Pakistan to sign the said treaty which dealt with the ban on all kinds of nuclear tests and surrendering connections with atomic arsenals. Beijing also signed the CTBT on September 24, 1996, and its membership was still under approval at the time of said visit (Azam et al., 2018). The same year, a delegation led by Mr. Li Jian, President of the China State Shipbuilding Corporation (CSSC), visited Karachi Shipyard and Engineering Work (KSEW) to explore new avenues in medium and small-size shipbuilding. They also stressed collaboration between CSSC and KSEW (Karachi Shipyard to Get Boost From Pak Navy Modernization, 2015).

In 2001, a defense delegation from China, under the leadership of Liu Jibin, the Minister of Science, Technology and Industry for National Defense (COSTIND), visited Islamabad and met Air Marshal Zahid Anees to discuss matters related to defense production. In 2002, the Chairman of the Joint Chief of Staff Committee, General Muhammad Aziz Khan, visited Beijing at the invitation of General Fu Guangyou, head of the PLA general staff department. The discussion was related to counterterrorism, regional security, and enhancing the defense collaboration between both countries (Jamshed, 2016). In the very next year, the Prime Minister of Pakistan, Mir Zafar Ullah Khan Jamali, met General Cao Gang Chun, *Vice Chairman of the Central Military Commission and Minister of National Defense* to discuss the military-to-military collaboration for

security and peace (Prime Minister Mir Zafarullah Khan Jamali of the Islamic Republic of Pakistan will pay an official visit to China, 2003).

In 2004, a delegation representing the military forces of China, consisting of 17 members, visited Pakistan to check the continued defense projects and explore new avenues of collaboration. Meanwhile, the government of China announced a 12-million-dollar interest-free debt to Pakistan (The Nation, 2004). During the same year, a delegation led by Rao Sikander Iqbal, Pakistan's senior minister and defense minister, visited China to discuss the ongoing assistance in the defense sector (Syed, 2007). An important development in Pakistan-China military collaboration occurred in 2005 when Pakistan launched the *Abdali (Hatf-2)* missile with military assistance from China (Missile Threat, Center for Strategic and International Studies, 2021).

The defense ministries from China and Pakistan signed a treaty in 2006 in which they agreed not to join any bloc or alliance that would harm the territorial integrity and sovereignty of the other state. They also decided neither state would allow its territory to be used against the other. They further resolved to combat against terrorism, separatism, and extremism jointly (Foreign Affairs Pakistan, 2006). In 2007, an MoU (Memorandum of Understanding) was signed between Pakistan and China, and China agreed to provide military assistance to Pakistan. In 2008, Admiral M. Afzal Tahir, Chief of Naval Staff from Pakistan, visited China and met with Liang Guanglie, Wu Shengli, and other high-ranking officials of the Chinese Naval staff. In the final declaration of the meeting, these officials admired the long-term exchanges maintained by the defense forces of both countries (Jamshed, 2016). They also admitted that their cooperation had expanded in various aspects, including sharing technology, joint production efforts, and regular exchange of the latest expansions in military technologies. For instance, both states had jointly produced JF-17 combat aircraft (Gady, 2018).

In 2012, Pakistan started the production of the first fast attack craft, "*Azmat*," to serve the Pakistan Navy with the support of China Shipbuilding Industry Corporation. It was launched in Tianjin, China (Yousaf, 2011). Until 2016, the Pakistan Navy (PN) had received three *Azmat*-class fast attack crafts from China (Pakistan Navy Launches Third *Azmat*-class Fast Attack Craft, 2016). In 2012, Pakistan also conducted its first test launch of the *Shaheen 1A*, which landed in the Indian Ocean (Missile Threat, Center for Strategic and International Studies, 2021)

Pakistan-China Defense Cooperation (2013-2023)

After a short glimpse of the historical background of Pakistan-China military relations, the current study can somewhat analyze the nature of the said relationship during the last decade, which ended in 2023. Since 2013, the Special Forces of the People's Liberation Army (PLA) and the Special Services Group (SSG) of the Pakistan Army have primarily collaborated in conducting counterterrorism training. These joint exercises, collectively called the "Warrior" series, aimed to share experiences in counterterrorism operations (Faisal, 2020). During this period, maritime cooperation witnessed a notable upswing between the Pakistan Navy and the People's Liberation Army Navy (PLAN) in the wake of the CPEC. 2014, Pakistan and China conducted annual joint naval exercises (Pakistan Observer, 2016). On May 23 of the same year, the Defense Forces of Pakistan successfully tested the *Shaheen 2*. This medium-range solid-fueled ballistic missile could carry both conventional and nuclear warheads. With a maximum range of 1,500 kilometers, the rocket touched down in the Arabian Sea (Dahlgren, 2019).

In 2015, Pakistan signed a treaty with China to acquire eight Yuan-class diesel-electric submarines (Malik, 2015), four of which were to be built in Karachi and four in Beijing (Syed, 2015). China had been a major source of arms imports for Pakistan. In 2016, China's reliance on Chinese

ammunition peaked when almost 83 percent of arms imports from Pakistan were from China (Wezeman, 2018). Another milestone of defense cooperation was achieved by both countries when Pakistan tested an upgraded version of *Nasr (Hatf 9)* in 2017, a short-range ballistic missile covering almost 60–70 kilometers. Initially, the rocket was launched in April 2011 and was described as a "quick response" nuclear delivery device [Nasr (Hatf 9), 2021]. During 2017–2018, Pakistan also concluded agreements with China to build four T054A frigates, which will be delivered in 2021, capable of anti-air and anti-surface warfare missions (Khan, 2018).

Moreover, the Pakistan Army strengthened its air defense capabilities by familiarizing itself with the LY-80 Low-to-Medium Altitude Air Defense System (LMAADS) (www.tribune.com, 2018). In 2018, Pakistan conducted comprehensive tests of the Chinese VT-4 Main Battle Tank to supplement the *Al-Khalid* class of tanks (Cyclops, 2018). Pakistan Aeronautical Complex (PAC) and Chengdu Aircraft Industrial Group (CAIG) finalized a technology transfer agreement in the same year. As per the terms of the agreement, Pakistan acquired 48 armed drones known as Wing Loong II. "Warrior-VI" was also initiated in Pakistan (Faisal, 2020).

In April 2022, Pakistan launched the test of the *Shaheen-III* medium-range ballistic missile with the help of China. In October 2023, Islamabad launched the *Ababeel* medium-range ballistic missile with Chinese support (Levesque, 2023). 2023 Beijing delivered two Type 054A/P frigates to Pakistan (Zhang & Woo, 2023).

Pakistan-China Economic Relations

The Structure of CPEC

The CPEC is a big investment that China has offered Pakistan. These investments are intended for the New Silk Road, which is China's wider economic plan for Eurasia (a land area of Europe and Asia), currently known as the Belt and BRI, moving straight from China to Pakistan. China is investing huge amounts of money in this project to build transportation networks, improve energy facilities, and set up Special Economic Zones (SEZs) to bring commerce and industry. The CPEC is made up of oil and gas pipelines, trains, highways, SEZs, and fiber-optic networks, out of which about 3,000 kilometers of roads and rails networks have been established from Kashgar in China to Gwadar in southern Pakistan (Sial, 2014). It is worth noting here that the CPEC's original budget was \$46 billion. Out of that amount, \$32 billion was reserved for energy, 8% for railways, 13% for road connections, and 4% for the development of Gwadar port (McCartney, 2018).

According to the Long-Term Plan (LTP) about the CPEC, as envisaged by the government of Pakistan, the CPEC would have "one belt, three axes, and multiple routes with a core zone and adjoining radiation zones." The towns of Kashgar, Tunshuq, and Atushi in China, as well as Akto county in the Kizilsu Korghiz Autonomous Region of Xinjiang, are part of the belt on the Chinese side. In contrast, on the Pakistani side, Islamabad, parts of Sindh and Punjab, Khyber Pakhtunkhwa, Azad Kashmir, and Gilgit-Baltistan are all included. It also has three axes that link Quetta and Sukkur, Karachi and Gwadar, and Peshawar and Lahore across the country. The project would help explore minerals like gold, gems, and marble in Pakistan's northwest and western regions. The central zone comprising Punjab and Sindh would be used for the establishment of the Textile industry, cement factories, and manufacturing of home appliances. On the other hand, the southern zone deals with petrochemicals, the coastal area from Gwadar to Karachi, and the area around Gwadar (Shafqat & Shahid, 2018).

Until 2018, many projects related to the energy field had been completed. The 1320 MW coal-fired power plant at Sahiwal was completed in October 2017 (Government of Pakistan, 2018). Whereas another power plant of the same capacity was installed at Port Qasim, Karachi, in 2018

(Power Technology, 2020), another 720 MW Karot hydropower project was completed in June 2022 (720MW Karot Hydropower Project, AJK/Punjab, 2023).

China intended to create a transportation route by linking Xinjiang in western China to Gwadar, a port on the Indian Ocean in southern Balochistan; hence, CPEC was designed to provide Beijing with more opportunities for trade with other countries (Chaziza, 2016). From that perspective, a comprehensive 50-year plan was devised in 2006 to develop and manage Gwadar Port. Following this plan, the port's operations were entrusted to a designated operator by the Port of Singapore Authority (PSAI) in 2007 under a 40-year concession agreement. Later, in 2013, the concession rights were transferred to the China Overseas Port Holding Company (COPHC) (Gwadar Port & CPEC, 2015). An important part of the CPEC plan involved direct imports of oil (Jaffrelot, 2016). A crucial component of the CPEC was the creation of nine SEZs across Pakistan (Esteban, 2016). These zones were intended for manufacturing services related to energy fields, food production, agriculture, livestock, mining, and minerals (Farooq, 2022). These SEZs aimed to help Pakistan's economic development by exerting Chinese investment, technology, and experts, leading to faster industrial growth (Esteban, 2016).

Figure 1: Map showing CPEC-projects details



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The Performance of CPEC

In the past few years, Xinjiang emerged as a significant player in the textile industry. China designed a ten-year textile plan for Xinjiang in 2014, constructing textile industry parks and clothing factories. The power, cotton, and banking sectors benefited from a \$3.2 billion reserve that the government of China approved. In 2014, when Chinese clothing and fabric companies started working in Xinjiang, they invested huge sums of money in constructing factories and establishing other related infrastructure. It was predicted that China's Korla Economic and Technological Development Zone (CKETDZ), established in Xinjiang in 2014, would become the world's largest rayon viscose production base (McCartney, 2018).

In the past few years, Xinjiang emerged as a significant player in the textile industry. China designed a ten-year textile plan for Xinjiang in 2014, constructing textile industry parks and clothing factories. The power, cotton, and banking sectors benefited from a \$3.2 billion reserve that the government of China approved. In 2014, when Chinese clothing and fabric companies started working in Xinjiang, they invested huge sums of money in constructing factories and establishing other related infrastructure. It was predicted that China's Korla Economic and Technological Development Zone (CKETDZ), established in Xinjiang in 2014, would become the world's largest rayon viscose production base (McCartney, 2018).

The efforts of Xinjiang to improve its economy met with huge success. According to 2015 commerce data, 23 million people living in Xinjiang were quickly catching up to Pakistan's 200 million producers in terms of output. In 2016, Xinjiang exported \$15.61 billion worth of goods while imports were valued at only \$2.05 billion, whereas in 2017, total exports were \$18.04 billion, while imports were \$5.67 billion. It is worth noting here that most of Xinjiang's exports related to textile and footwear sectors were sent to the Central Asian States, including Kazakhstan, Kyrgyzstan, and Tajikistan, which bought 68% of Xinjiang's goods in 2016 (Macaes, 2018). In 2017, Pakistan suffered a trade deficit with China in textile goods, whose exports dropped to \$40 million, whereas imports were \$65 million (Pakistan Business Council, 2018). The Government of China believed it could make the most of the Pakistani market, renowned for cheap raw materials, to develop its textile and garment industries. This strategy helped the government absorb a surplus of labor forces in Kashgar, creating the city into an industry cluster area integrating textiles, printing and dyeing, cloth weaving, and garment processing (McCartney, 2018).

In 2017, the Santex Group, a well-known Italian textile and clothing manufacturer, initiated a dialogue entitled "Future Textile Road" to discuss the future of the textile industry. This effort started a conversation between "Xinjiang, China, and Europe" (The Future of The New Textile Industry: A Dialogue between Xinjiang, China and Europe, 2017) aiming to facilitate collaboration, bring important stakeholders together, and increase textile trade. Pakistan was not directly involved in the said initiative. Under CPEC, China aimed to do more than build a bridge between Pakistan and Western China. It planned to make Xinjiang its "largest garment export processing base" and "China's largest cotton textile and apparel market" (Zuberi, 2018). On the Pakistani side, extended agricultural links could benefit it in the long run. About 20% of Pakistan's Gross Domestic Product (GDP) was generated from farmland, which employed more than 40% of the country's population. To meet its ever-growing food needs, China relied increasingly on imports of land-intensive goods, for instance, wheat and rice, due to a shortage of arable land and water on China's mainland (Kaplinsky et al., 2007).

In 2018, most of Xinjiang's textile, footwear, and clothing exports were sent to Kazakhstan, Kyrgyzstan, and Tajikistan, which collectively bought 65% of these goods. As trade and transportation links under the CPEC improved, Xinjiang exporters could focus more on Pakistan,

a significant regional market. China had a crucial plan called BRI to transform Eurasia into a new supercontinent. Under the said Plan, China would run a network of transportation hubs connecting the economies of China, Central Asia, the Middle East, and Europe. Since the plans and related policy incentives were announced, China's outbound Foreign Direct Investment (FDI) has gone up, but it has yet to hit Pakistan. Both state-owned and non-state-owned businesses have been putting more FDI into infrastructure and industry across Eurasia. The Chinese government-initiated connectivity projects that helped align and coordinate the development strategies of the countries along the Belt and Road tapped the region's market potential, encouraged investment and consumption, created demand and job opportunities, and improved cultural and people-to-people exchanges and mutual learning (McCartney, 2018). In July 2018, the State Council of China formulated rules for Chinese companies. To increase trade, the Chinese government pushed companies to "strengthen strategic cooperation, look to Belt and Road countries as new sources of imports, and increase imports of high-quality products that meet the needs of upgraded domestic consumption" (Macaes, 2018).

The construction industry in Pakistan played a significant role in economic expansion, job opportunities, and overall development. This sector contributed 2.28% to the country's GDP, experiencing a growth rate of 8.34% during the fiscal year 2020-2021. Furthermore, it stood as a significant initiative under the CPEC, BRI, which aimed to promote regional connectivity and Pakistan-China relations through extensive implications. CPEC endeavored to establish a comprehensive network comprising fundamental frameworks, commercial projects, and investment opportunities in Asia, Europe, and Africa, as highlighted by research conducted by the Pakistan Bureau of Statistics (PBS) (Saif et al., 2023). According to data from the State Bank of Pakistan, CPEC-related initiatives generated approximately 75,000 jobs from 2015 to 2021, spanning various skill levels and assisting in mitigating unemployment (Zahoor, 2023).

During the first decade of CPEC, which ended in 2023, out of a total of 21 projects related to the energy sector, 14 projects had been completed, 2 were under construction, and 5 were yet to be started. These initiatives contributed 7,280 MW of energy to the national grid, with an additional 4,428 MW in progress. Regarding infrastructure development, six projects spanning 1,656 kilometers had been completed across the country, while work was being carried out on 18 more projects covering a distance of 4,244.6 kilometers. Furthermore, four of the 14 projects aimed at developing the Gwadar port were completed. Theting CPEC would create over 192,000 job opportunities, potentially generating 1.2 million jobs (Shaikh, 2023).

Financial Scheme of CPEC

The Gwadar port's functioning and infrastructure have been greatly improved since China started working on it. It could now host more ships and offer a wider range of services. While Pakistan's economy struggled due to the lack of substantial energy resources and somewhat proportionate foreign investments, the government claimed that the Chinese government was actively supporting Pakistan's growth by investing in CPEC projects. Some of the major countries and global financial institutions raised their concerns regarding China's expansionist economic trends with particular reference to Pakistan under the umbrella of CPEC; nevertheless, the administration in Pakistan termed the criticism of their financial relationship with China as "one-sided, distorted, and negative" (McCartney, 2022). The critics of CPEC believed that excessive loans would adversely impact the growth of Pakistan's economy since the country could not pay back the infrastructure projects, which also lacked foreign cash reverses and a good credit rating. However, it could be admitted that the CPEC would create opportunities for China to access building contracts, farm

goods, more exports, and the chances to move such productions that required a lot of labor on China's mainland (Brautigam, 2010).

The National Development and Reform Commission (NDRC) of China asked the China Development Bank (CDB) to make a long-term plan to continue working with Pakistan. From that perspective, the CDB, the NDRC, the Ministry of Transport, the National Energy Administration, and the China Tourism Planning Institute jointly worked to draft a schedule of events from 2015 to 2030. The proposed work plan was sent to the government of Pakistan in 2015 to take necessary actions, but unfortunately, the authorities in Pakistan could not take timely action.

The details of this process came from the Pakistani media when, in June 2017, one of the leading newspaper of mainstream print media in Pakistan declared that it had "acquired exclusive access to the original document, and for the first time its details are being publicly disclosed here' and further that the plan lays out in detail what Chinese intentions and priorities are in Pakistan for the next decade and a half, details that have not been discussed in public thus far" (McCartney, 2022). On August 3, 2018, sixteen US senators from both the Democrats and Republican political parties sent a message to the US Secretary of State Mike Pompeo and the US Secretary of the Treasury Steven Mnuchin, raising concerns about "what was called China's "predatory" funding of building projects and the potential use of IMF funds to repay those loans." The senators noted that \$1.6 billion was used to save the economy of Sri Lanka in 2016, but that amount was used to pay back the loans already taken from China. The letter said that when the BRI was put into action, China became the biggest economy in the world. Moreover, it is worth noting here that McCartney, in a book entitled "*The Dragon from the Mountains: The CPEC from Kashgar to Gwadar*" had quoted Mr. Jed Babbin, a former US Secretary of Defense, saying in a discussion about the proposed IMF bailout that "China was engaged in *de-facto* colonization of Pakistan through the CPEC, which amounted to debt-trap-diplomacy. There was, he argued, no rationale for IMF dollars to bail out CPEC loans" (McCartney, 2022).

As mentioned above, the total investment of CPEC in 2017 was estimated at \$62 billion, with at least \$33 billion of that amount expected to be invested in energy projects. China must finance roughly 80 percent of that amount (Hurley et al., 2019). The projects related to the energy sector were funded by foreign investment involving sovereign guarantees assuring investors a 17% return in dollars on their investment. The breakup of this investment detailed that \$35 billion, i.e., 70% of the total commitment of \$50 billion, would be transferred to Pakistan in the form of Foreign Direct Investment (FDI) financed by loans from Chinese banks taken out by Chinese companies. Those borrowings would not impose any liability on the Pakistani government (McCartney, 2022). Furthermore, concessional loans (reportedly at 2 percent) from the Chinese government would be provided for infrastructure projects (like roads, railways, and expansion of ports). In contrast, the repayments of these loans would also be kept moderate. Hence, the overall CPEC financing breakup comprised 64% FDI, 24% concessional loans, 6% commercial loans and 1% grants. It would be relevant to note here that Mr. Noor Ahmad, a key bureaucrat in Pakistan while serving as the secretary of the Economic Affairs Division, had mentioned that the CPEC loans from China constituted only 10 percent of Pakistan's foreign borrowing (\$106 billion). In contrast, traditional lenders such as the IMF, World Bank, and some of the Western governments were the providers of the remaining vast bulk (Chinese loans account for 10% to 11% of total foreign debt: Secretary Economic Affairs Division, 2019).

On September 10, 2018, the Daily Financial Times (London) reported that the government of PTI was reviewing the CPEC to renegotiate trade agreements that unfairly benefitted Chinese companies (Choudhry, 2018). In an interview with the said newspaper, Mr. Abdul Razak Dawood,

the advisor for commerce, textiles, industry, and investment (August 20, 2018-August 10, 2022) during the PTI government, criticized the preceding government of PML-N (2013-2018) for non-seriously negotiating over the CPEC with China (ANI, 2022). However, it seemed clear to Mr. Shabir Choudhary that Imran Khan embraced the CPEC under pressure from the establishment of Pakistan (Choudhry, 2018). It is worth noting that by the middle of 2020, Prime Minister Imran Khan was vowing to complete the CPEC at any cost' despite the hindrances created by the coronavirus pandemic (The Print, 2020). During the same year, Pakistan also requested China to extend the repayment of \$30 billion of CPEC loans (The Express Tribune, 2021).

China shifted its investment in Pakistan from coal-based energy projects to renewable energy initiatives in order to promote the environmental sustainability of the CPEC and a "Green" image (Jillani, 2022). In this regard, the Karot Hydropower project is worth noting; in June 2022 started commercial operations, providing affordable and environment-friendly electricity to reduce approximately 3.5 million metric tons of carbon emissions annually (The Express Tribune, 2022). Until the visit of Mr. Shahbaz Shareef, the Prime Minister of Pakistan, in 2022, the Chinese investment in the Pakistan CPEC project rose to \$65 billion (Shahzad, 2022).

The first decade of CPEC was completed on August 1, 2023. To celebrate the achievement of this milestone, the Chinese Vice Premier, Mr. He Lifeng, paid a three-day visit to Pakistan. During his visit, both sides concluded a series of six new agreements, including the agreement on the formulation of the cooperation committee on CPEC, the agreement on the export of dry chilies from Pakistan to China, the agreement on the final report on the feasibility study of KKH-II (Thakot-Raikot), as well as MOUs on industrial workers' exchange program, export exchange mechanism under CPEC. Both countries also acknowledged the findings of the 21st conference of the ML-1 commission (Shaikh, 2023).

In 2023, Beijing allocated \$27.5 billion to implement 36 additional projects under the CPEC. Information from the energy sector revealed that 11 projects from a total of 21, representing a \$12 billion investment, had been completed. In the infrastructure sector, seven projects with a total investment of \$6.7 billion had been completed, while six additional projects, totaling \$0.9 billion, were slated for completion in the coming years, and 12 projects amounting to \$10.4 billion were anticipated to meet their deadlines between 2023 and 2030. In Gwadar, three projects valued at \$200 million had been completed, with two projects totaling \$230 million set to be completed shortly and two more projects worth \$150 million. Furthermore, progress was expected in five SEZs in 2023, with a combined investment of \$1 billion. Four out of nine identified SEZs were scheduled to be completed in the coming years, with a total expenditure of \$500 million.

Additionally, six socioeconomic projects, totaling \$10 million, had been completed, while 11 projects, totaling \$90 million, were scheduled for completion by 2025. Another 10 projects valued at \$900 million were slated for completion by 2030. Overall, 27 projects worth \$19 billion have been completed under the CPEC, with an additional 63 projects involving an investment of \$35.2 billion scheduled for completion in the years ahead (Khan, 2023).

Conclusion

The discussion in the preceding pages reveals that both Pakistan and China have a robust and comprehensive bilateral military engagement primarily focusing on arms exchange and maritime as well as counter-terrorism collaboration. In the recent and far past, both countries have been involved in various joint military bridges and professional and artillery development projects, extending to ballistic missile tests and naval vessel acquisitions. During the past decade ending in 2023, this collaboration has witnessed a significant increase, culminating in recent deliveries of

frigates and missile tests in 2022 and 2023. In the economic sphere, the CPEC is the major project between both countries aimed at connecting China with Pakistan and the rest of the world through a transportation, energy, and commerce infrastructure network. As mentioned above, starting in 2013, 27 projects worth \$19 billion have been completed under its banner until now, and an additional 63 projects worth \$35.2 billion are planned to be completed in the coming years. It could be safely observed that the CPEC has the potential to improve Pakistan's economy by renovating its energy and transportation infrastructure, creating jobs, and empowering the citizens of Pakistan in the financial sphere. There are somewhat real concerns regarding the negative social, economic, and environmental impacts of the said engagement; nevertheless, both countries are committed to addressing these concerns through the extended involvement and cooperation of various stakeholders. Keeping in view the deteriorating situation of the law and order situation in Pakistan and its consequent negative impact on the economy of the country, it is the need of the hour for Pakistan to seriously address the security issues faced by the Chinese workers and investors inside Pakistan so that the volume of Chinese investment can be increased which in turn would bring prosperity to the citizens of Pakistan at large.

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