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The China–Pakistan Economic Corridor (CPEC): A Game Changer for Pakistan's Economy

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Abstract

The China–Pakistan Economic Corridor (CPEC) is yet another important corridor along the BRI where China has promised to invest US\$57 billion dollars, of which 14 billion has been already invested in 30 early-harvest projects. Moving away from the geopolitics of the corridor, the chapter focuses on the economic fundamentals of the CPEC. It argues that, being the pilot and flagship of the BRI, the corridor would be a model for bilateral and multilateral cooperation. It is projected that the CPEC will bring about a miracle on the Indus similar to the miracles in post-war Japan, Korea, and ASEAN in the 1980s.

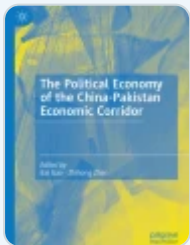


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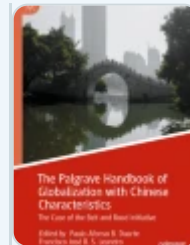
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Appendices

Appendix 1 The On-Going CPEC Projects

| | |
|---|-------------------------------------|
| 1 | KKH II (Thakot–Havilian) |
| 2 | Multan–Sukkar |
| 3 | Railway Projects |
| 4 | Quaid-e-Azam Solar Plant |
| 5 | Haier Ruba Industrial Park Phase I: |
| 6 | Port Qasim Coal-Fired Power Project |
| 7 | Gwadar East Bay expressway, |

| | |
|----|---|
| 8 | Gwadar Port Capacity Recovery of Phase |
| 9 | Maintenance Dredging |
| 10 | Expansion of Stock Yard and New Bulk Cargo Handling Equipment |
| 11 | Restoration of Structures, Facilities and Site |
| 12 | Purchase of a 5000-HP Tugboat and Certain Transportation Vehicles |
| 13 | Production and Living Facilities Improvement and Security |
| 14 | Multipurpose wharf Zone |
| 15 | Breakwater |
| 16 | Gwadar International Airport |
| 17 | Gwadar East Bay expressway |
| 18 | Gwadar Smart Port City Master Plan |
| 19 | Gwadar Power Plan |
| 20 | Desalination Plant |
| 21 | Sewage Plant |
| 22 | Gwadar Faqueer Primary School |
| 23 | Gwadar Hospital Up Gradation |
| 24 | Gwadar Vocational Technical Institute |
| 25 | Scholarship Programs for Gwadar |

| | |
|----|---|
| 26 | Expansion of Existing Multipurpose Terminal of Gwadar Port |
| 27 | Phase-II of East Bay Expressway from Makran Coastal Highway to New Gwadar International Airport |
| 28 | Fresh Water Supply, distribution |
| 29 | Wastewater Treatment Project for Gwadar City |
| 30 | Khuzdar–Besima Highway |
| 31 | KKH Up Gradation Phase III (Raikotto Thakot) |
| 32 | D.I Khan–Quetta, Up Grading to Four Lanes |
| 33 | Haveliandry Port |
| 34 | Lahore–Multan Motorway |
| 35 | Multan–Hyderabad Motorway |
| 36 | Kemari–Hyderabad Motorway |
| 37 | Dawood 50-mW Wind Farm, Sindh |
| 38 | Uep 100-mW Wind Farm, Sindh |
| 39 | Sachal 50-mW Wind Farm, Sindh |
| 40 | Zonergy 300-mW Quaid-E-Azamsolar Park, Punjab |
| 41 | Port Qasim 2 × 660-mW Coal-Fired Power Plant |
| 42 | Sahiwal 2 × 660-mW Coal-Fired Power Plant, Sindh |

| | |
|----|--|
| 43 | Karot Hydropower 720-mW Plant, Punjab |
| 44 | Thar Mine Mouth Coal-Fired Power Plant, Sindh |
| 45 | Suki Kinari Hydropower Station, 873 mW, KP |
| 46 | Mine Mouth Coal Fired Power Plant at Thar Block II, 2 × 330 mW |
| 47 | Matiari (Port Qasim)–Lahore Transmission Line |
| 48 | HUBCO Coal Power Plant 660 mW |
| 49 | Matiari (Port Qasim)–Lahore Transmission Line |
| 50 | Matiari (Port Qasim)–Faisalabad Transmission Line |
| 51 | China-Sunec Wind Farm, 50 mW |
| 52 | Mine Mouth Coal Fired Power Plant at Thar Block I, Sindh, 2 × 660 mW |
| 53 | Rahimyar Khan 2 × 660-mW Coal-Fired Power Project |
| 54 | Gwadar Coal-Fired Power Plant |
| 55 | Wind Farm Phase II at China Three Gorges |
| 56 | Kohala Hydro Power Station |
| 57 | Gadani Electricity Park |
| 58 | Hubco Coal Power Plant II |
| 59 | Salt Ranges Mine Mouth Coal Power Plant |

| | |
|----|---|
| 60 | Thar Mine Mouth Coal Power Plant |
| 61 | Muzaffargarh Coal Power Plant |
| 62 | Gas Power Project |
| 63 | Gwadar Free Zone Development |
| 64 | Haier Industrial Park Phase II |
| 65 | Gwadar–NawabShah Gas Pipeline and Gwadar LNG Terminal |
| 66 | Orange Line Train, Lahore |
| 67 | Gwadar—NawabShah Gas Pipeline and Gwadar LNG Terminal |
| 68 | China-Pak Cross Border Optical Fiber |

Source: Embassy of the People’s Republic of China, Islamabad

Appendix 2 CPEC Proposed Mineral and Industrial Zones

Mineral Zones

Thar (coal), Larkana (coal), Salt Range (antimony), Chiniot (iron ore), Dargai (chromite), North Waziristan (chromite), Kurram (antimony), Waziristan, (copper), Chitral (antimony), Besham (iron ore, lead), Nizampur (iron ore) Mohmand (marble), Khuzdar (chromite, antimony), Chaghi (chromite), Qila Saifullah (antimony, chromite), Saindak (gold, silver), RekoDiq (gold), Kalat (iron ore), Lasbela (manganese), Gwadar (oil refinery), Muslim Bagh (chromite)

Source: *The News International* (Rawalpindi), 26 July 2015.

Industrial Zones

Sukkur, Larkana, Karachi, Bin Qasim, Korangi Creek, Khairpur, Hattar, Gadoon Ghazi, D I Khan, Jalozai, Nowshera, Bannu, Chitral, Risalpur, Quetta, Dostan, Gwadar, Khuzdar, Uthal, Hub, Dera Murad Jamali

Source: *The News International* (Rawalpindi), 26 July 2015.

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