

# Significance and Security of CPEC: A Pakistani Perspective

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*Khuram Iqbal*

China's economic expansion has generated a sense of optimism throughout South Asia. It's a region beset with armed conflicts, impoverishment and massive unemployment. The Belt and Road Initiative (BRI), originally known as One Belt One Road, opens new vistas for Afghanistan to maximize her economic potential as a transit state connecting South and Central Asia. Bangladesh welcomes the shift in global center of economic gravity from west towards east and sees this as an opportunity to restore her historic connectivity with China.<sup>1</sup> The Sri Lankan polity, initially divided over the role of China, has come to recognize that the BRI fits well with Colombo's goals of rebuilding a war-torn economy through enhanced connectivity that facilitates increased trade.<sup>2</sup> Nepal is also prepared to develop cross-border road and railway connectivity with China. With anti-Indian sentiments running unprecedentedly high in Nepal, the landlocked nation wants to reduce its dependence on India. Maldives perceives China as a counter-weight to the "Western colonial powers" bent upon altering the Islamic identity of the small island nation.<sup>3</sup>

Most importantly for Pakistan, the Chinese-financed mega developmental

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1 Historically China was connected with the Indian sub-continent through three Silk Roads and the southern route linked the Middle Kingdom with the East Bengal (now areas comprising modern-day Bangladesh).

2 Debasish Roy Chowdhury, "Exclusive: How China-Sri Lanka Relations Are Getting New Wings," *South China Morning Post*, December 3, 2016, <http://www.scmp.com/week-asia/geopolitics/article/2051323/exclusive-how-china-sri-lanka-relations-are-getting-new-wings>.

3 "China-Maldives Friendship Bridge' Project Launched," *Maldives Independent*, December 31, 2015, <http://maldivesindependent.com/business/china-maldives-friendship-bridge-project-launched-121081>.

project, China Pakistan Economic Corridor (CPEC), is seen as Beijing's version of Marshall Plan for her all-weather iron friend. The Marshall Plan witnessed the United States intervene in continental Europe to deliver prosperity from the ruins of the World Wars, while China today attempts to provide Pakistan with a similar opportunity to shed the debilitating scars of war, establish sustainable peace within the fractured self, and extend it beyond to temper regional perspectives. Since the Marshall Plan was accompanied by the formation of NATO's transatlantic security pact, it is often seen as a tool of American imperialism; therefore, Chinese policy-makers avoid referring to the CPEC as such. From a Pakistani perspective, however, loans and investment under the CPEC may not be termed as China offering "imperialistic aid" to one of her allies, but the potential of this initiative to help recover Pakistan from the scars of decades-long war on terror makes it equivalent to the Marshall Plan. Any other parallels between the CPEC and Marshall Plan could be misleading.

The CPEC has raised Pakistan's global profile. From "the world's most dangerous country"<sup>4</sup> in 2007, Pakistan came to be seen in 2015 as the next economic success story.<sup>5</sup> Economic and financial indicators published by The Economist in January 2017 highlighted Pakistan to be the world's fastest-growing Muslim economy in 2017 ahead of Indonesia, Malaysia, Turkey and Egypt.<sup>6</sup> The Economist's forecast is not alone in its predictions about Pakistan's economic outlook. A Bloomberg article by Tyler Cowan picked Pakistan as the most underrated economies of the world for the year 2017. These and other predictions are based on hard facts: poverty rate has fallen by half since 2002 - a staggering fall - according to the World Bank;

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4 David Blair, "Pakistan: the World's Most Dangerous Country," *The Telegraph*, November 6, 2007, <http://www.telegraph.co.uk/news/worldnews/1568535/Pakistan-the-worlds-most-dangerous-country.html>; Ron Moreau, "Pakistan: The Most Dangerous?" *Newsweek*, October 20, 2007, <http://europe.newsweek.com/pakistan-most-dangerous-102955?rm=eu>.

5 Daniel Runde, "Pakistan: The Next Colombia Success Story?" *Forbes*, August 3, 2015, <https://www.forbes.com/sites/danielrunde/2015/08/03/pakistan-the-next-colombia-success-story/#13d498b330da>.

6 Wali Zahid, "Pakistan Predicted to Be World's Fastest-Growing Muslim Economy In 2017," *The Express Tribune*, January 10, 2017, <https://tribune.com.pk/story/1290084/pakistan-predicted-worlds-fastest-growing-muslim-economy-2017>.

the middle class has swollen to 38 percent while a further 4 percent is upper class — roughly equivalent to the entire populations of Germany or Turkey; the Karachi stock market rose 46 percent last year and continues to soar on the back of the MSCI's decision to upgrade Pakistan to EM status and the GDP growth is reaching 5 percent, enough to put the economy on the right path. On the macro side, inflation is not a problem, the country has staved off a foreign exchange crisis, and it is rebuilding its reserves. The debt-to-GDP ratio is high at more than 60 percent, but the country has graduated from its adjustment program with the International Monetary Fund and appears to be in a stable fiscal state. This data reinforced a Harvard University study which predicted Pakistan to grow by more than 5 percent in the next decade.<sup>7</sup>

New Delhi is opposed to the CPEC because it fears that Pakistan may convert her newly acquired wealth into military muscle and obstruct India's rise as a global power.<sup>8</sup> In opposition to the CPEC, India has invoked the disputed nature of territory in Gilgit-Baltistan region from where the Pakistani section of the CPEC commence. India considers the CPEC detrimental to its security interests. It fears that increased Chinese economic stakes in the area has the potential to internationalize the Kashmir dispute. As the regional environment becomes ever more conducive for Chinese economic activity, the Indian strategic community is growing apprehensive that the CPEC initiative may challenge New Delhi's role as a net security provider to island states of the Indian Ocean.

India's opposition to the CPEC has further complicated the South Asian geopolitics. Violent extremist organizations such as the Baloch Republican Army, the Jamaat-ul-Ahrar and Tehrik-i-Taliban Pakistan, which hitherto operated purely as ideological entities, are now keen on seeking New Delhi's patronage to fight a common enemy, i.e. Pakistan. It seems, with the inception of the CPEC and subsequent Indian opposition, that the era of

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7 Hidalgo Hausmann, et al., *The Atlas of Economic Complexity*, Harvard University Center for International Development, 2014.

8 "CPEC 'unacceptable' to India, Modi tells China," *Geo News*, June 2, 2015, <https://www.geo.tv/latest/3473-cpec-unacceptable-to-india-modi-tells-china>.

ideological terrorism driven by political Islam and sense of vengeance against the West has ended and is replaced by Cold War-era “proxyism,” where different states are increasingly relying on non-state and sub-state actors to pursue their strategic and commercial interests. Besides external threats, internal political dynamics of Pakistan can also hinder the CPEC’s timely and smooth implementation.

This paper aims to outline the significance of the CPEC, internal and external risks to its implementation, Islamabad’s counter-measures and their likely outcomes. The first section highlights the economic and strategic significance of the CPEC for both Pakistan and China, followed by an overview of Indian response to the project. The subsequent discussion elaborates the implications of power competition on regional terrorism landscape, as to how some terrorist organizations are seeking convergences with some state actors to challenge the CPEC. An overview of security and strategic measures by China and Pakistan is also provided to evaluate their effectiveness for smooth implementation and utilization of the project.

## Understanding the CPEC

In 2013, Chinese President Xi Jinping unveiled one of the most important infrastructure construction projects of the human history, which was first termed as One Belt One Road and then the Belt and Road Initiative. As one of the six pillars of the BRI,<sup>9</sup> the CPEC is the paw of both China and Pakistan in reconfiguring geo-economic cum political realities. The peculiar attribute of the CEPC is its intersection between the 21st Century Maritime Silk Road and the land-based Silk Road Economic Belt. Its total length is approximately 3000 km spanning from Pakistan’s Gwadar port to Kashghar in northwestern China’s Xinjiang Uygur autonomous region. The \$55 billion<sup>10</sup> planned investments range from a deep-sea port at Gwadar to high-speed railways,

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9 The initiative is fluid, hence the implementation cost is likely to fluctuate.

10 “CPEC Investment Soars to \$55bn after New Chinese Loan” *The Nation*, November 23, 2016, <http://nation.com.pk/business/23-Nov-2016/pakistan-secures-extra-8-5bn-chinese-investments-in-rail-energy>.

energy infrastructure and urban mass transit systems.

### **Significance for Pakistan**

In the global war on terror, Pakistan has contributed a lot but also suffered much. The country has experienced huge monetary, political, social, and human losses under active engagement in regional conflicts. The US-led intervention in Afghanistan further compounded historical fault lines, and the subsequent global war against the Taliban immersed Pakistan as a direct participant in the war on terror. This also served to nurture extremism which in turn retarded economic development within the state.

The CPEC offered Pakistan a window of opportunity to recover from the losses incurred. It will not only help Pakistan overcome the economic opportunities missed due to involvement in the war on terror, but will also transform the country into an economic hub, resurrecting her path to development. The CPEC is unparalleled in its scope, vision and the amount of money involved. The project promises to elevate Islamabad's strategic significance in a rapidly transforming world order, which may be more beneficial than the client-patron relations with the United States. While a number of countries may be wary of the rise of the dragon, Pakistan sees increased Chinese investment and stature as an opportunity to balance her complicated relationship with Washington and her regional allies and partners such as India. Further, in view of increasing anti-American sentiments in the society, Pakistani policy-makers find it difficult to justify overtures towards Washington, whereas "all-weather friendship with China" is easy to sell domestically.

The Economic Corridor located in the hub of the BRI is the cornerstone of the 21st Century Maritime Silk Road. It is intended for the promotion of systematic opening of financially viable investments, complete with the allocation and distribution of vital resources and deep assimilation of the markets.<sup>11</sup> The South Asian region is marred by instability, economic

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11 "The Silk Road Economic Belt and the 21st Century Maritime Silk Road," May 2015, Flung Business Intelligence Centre, <https://www.fbicgroup.com/sites/default/files/The%20Silk%20Road%20Economic%20Belt%20and%2021st%20Century%20Maritime%20Silk%20Road%20MAY%202015.pdf>.



The construction site of the Peshawar-Karachi Motorway (Multan-Sukkur Section) on April 21, 2017. The motorway, contracted to China State Construction Engineering Corporation, is currently the largest transport infrastructure project of the CPEC.

under-development and conflict. Regional stability and development can be strengthened by forging mutual avenues of cooperation. Towards this end 51 MOUs were signed during Chinese President Xi Jinping's visit to Pakistan in April 2015.<sup>12</sup>

The idea of developing a China-Pakistan economic corridor was articulated by Chinese Premier Li Keqiang during his visit in May 2013. Subsequently a legal framework was developed to concretize the idea. The economic corridor connect the southwestern China, via Xinjiang, with Pakistan's emerging port city Gwadar, interlinked via a network of roads and railways providing energy-starved Pakistan with much-needed economic infrastructure.

The Corridor is anticipated to bolster trade and commerce between

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12 Mateen Haider and Irfan Haider, "Economic Corridor in Focus as Pakistan-China Sign 51 MoUs," *Dawn*, April 20, 2015, <http://www.dawn.com/news/1177109>.

the two nations. The support and enthusiasm of the Chinese and Pakistan leadership for the project will ensure rapid development of Gwadar into a fully operational, noteworthy deep-sea port in the region. It was transferred to China Overseas Ports Holdings, a Chinese state-owned enterprise, in February 2013. Since then, Gwadar has been expanding into a full-fledged deep-water commercial port. The corridor is envisaged to serve as a primary gateway connecting China, the Middle East and Africa. The corridor is also expected to cut the distance that the Middle East oil supplies take to reach Chinese ports by approximately 12,400 km. Any and all transit trade stemming from the corridor will naturally benefit Pakistan.

Pakistan's energy sector is the primary focus of the Corridor. Approximately 61 percent of the total investment are specifically targeted at energy infrastructure development, enhancing capacity, distribution and transmission networks. The energy sector projects are being built by independent power producers (IPP) with the investment from Exim Bank of China at an interest rate of 5-6 percent. In a later phase, the Pakistani government is committed to purchasing electricity from these projects at pre-negotiated prices. Traditionally energy shortages have been a major hurdle in Pakistan's quest for development. The projects under the CPEC are estimated to add 17,045 MW of energy to Pakistan's national grid by 2020. These projects are likely to make Pakistan self-sufficient in the energy sector.

Additionally, development in the infrastructure of communication sector, centered upon road and rail networks, most essentially along the Gwadar port, will not only provide an opportunity for Pakistan to generate massive foreign direct investment, but will also transmute the country into a prized investment destination for global markets. Positioned as an economic powerhouse, the post-CPEC Pakistan may inspire all immediate neighbors and regional states to use the transit route under the Corridor to diversify their economic ventures across Europe and Africa via the Middle Eastern states.

### **Significance for China**

China's peaceful rise to the status of global power goes through

diversification of her energy and trade routes. The “Malacca dilemma” has always constrained China’s global ambitions. The largest consumer of the world energy, China’s industrial growth depends mostly on crude oil imports via sea routes from far flung regions like eastern Africa, western Africa and the Middle East. Currently, more than 80 percent of the imports pass through the Malacca Strait.

The principle of diversification is of paramount importance in the policy making process not only of China but of the entire international community. The diversification of trade routes has emerged as the main element in global power transformation. To mitigate the Malacca dilemma and ensure its energy security, China has diversified both its energy sources and the supply routes. The Chinese investment in Iraq, Iran, Nigeria, Angola, Russia and many more countries is just to diversify its sources of energy procurement. It is also diversifying its access routes to far-flung energy sources to ensure smooth flow of oil in the event of a crisis. Oil pipelines in Myanmar, the Gwadar port, oil and gas pipelines as well as rail and land routes to Central Asia and the Middle East are all alternative to sea lanes passing through the Malacca Strait.

For China, the CPEC is a game changer in both strategic and economic senses. First, in any crisis at Andaman and Nicobar Islands, the Malacca Strait and the South China Sea, Gwadar provides safe and smooth access of China to the Arabian Sea. The CPEC gives China’s trade cargo direct access to the Indian Ocean region circumventing Malacca that almost reduces the 12,000-kilometer distance to 3000 kilometers. The first pilot cargo was dispatched from Gwadar on November 13, 2016.<sup>13</sup>

Strategic aspects are brighter and more pivotal for China in reconfiguration of global power structure. Owing to a 9,000-mile temperate coastline with many good natural harbors, China is both a land power and a sea power.<sup>14</sup> Gwadar is bolstering China’s geo-strategic leverage both in

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13 Muhammad Zafar, “First Chinese Trade Convoy Arrives in Gwadar through CPEC,” *The Express Tribune*, November 12, 2016, <https://tribune.com.pk/story/1228780/first-chinese-trade-convoy-arrives-gwadar-cpec>.

14 Robert D. Kaplan, “The Geography of Chinese Power,” *Foreign Affairs*, May/June 2010, <https://www.foreignaffairs.com/articles/china/2010-05-01/geography-chinese-power>.



Pacific and Indian Ocean regions. It can be a launching pad for China's naval expeditions and serves as China's Asian Djibouti. Where Djibouti effectively controls the Red Sea, Gwadar performs similar functions for the Arabian Sea. Gwadar enables China to protect her supplies at the Strait of Hormuz, one of the important choking points in the region, whereas Djibouti offers unparalleled access to the Gulf of Aden and sits astride the strategic Mandeb Strait, a key global maritime energy transport artery that moved 3.8 million barrels per day of crude oil in 2013, according to the US Energy Information Administration (EIA), making it the world's 4th busiest maritime energy chokepoint.<sup>15</sup> Djibouti and Gwadar are two important wings of the Chinese Dragon in the Indian Ocean region.

## Political Risks to CPEC

The announcement of the CPEC and the route designated under the Corridor triggered debate and controversy. The major contention is with regard to the distribution of economic, development, and infrastructure projects within the provinces. It was alleged that the route of the Corridor was manipulated to serve the interests of existing and established industrial zones in Punjab, which ultimately benefitted the ruling party, Pakistan Muslim League (Nawaz). Originally, the federal government had approved only the Central Route. However, with the eruption of controversy on the electronic media, the Eastern and the Western Routes came into reckoning. Under the Eastern Route, cities along the eastern half of Pakistan are highlighted. After the media debates, a third route, known as the Western Route that catered to the often neglected northeastern Balochistan, also came into prominence.

The controversy surrounding the routes was fueled initially by the government's silence and subsequent contradictory statements issued to provide justification for their decision. The federal government's initial

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15 Gabe Collins and Andrew Erickson, "Djibouti Likely to Become China's First Indian Ocean Outpost," *China Sign Post*, July 11, 2015, <http://www.chinasignpost.com/2015/07/11/djibouti-likely-to-become-chinas-first-indian-ocean-outpost>.

position was that “no changes” were made to the original route, but the statement failed to specify what the original route in question was. Later, the federal government took the position that three routes existed, and all would be built. The government statement was criticized, “as the resources to build all three routes are not available and China would certainly not allocate resources to pander to political disagreements in Pakistan.”<sup>16</sup> The federal government’s latest stand acknowledges that it is prioritizing the Eastern Route because it is cheaper and faster to route the Corridor through areas with pre-existing road connections. This implies that the Corridor will be routed through areas of the country that are relatively well developed.

Pakistan is located at geographic crossroads of ancient empires and civilizations, and thus inherits a myriad mix of inter-provincial conflicts spanning generations of active conflict and ancient rivalries. The CPEC route controversy, particularly the government’s preference for the Eastern Route, has made the inter-provincial rivalries to re-appear under a new political garb. The Eastern Route, which predominantly passes through Punjab, is under severe criticism by politicians from other provinces. Imran Khan, the Chairman of Pakistan Tehreek-e-Insaf, has warned that any preferential treatment shown by the government will give birth to enmity between provinces.<sup>17</sup>

One of the key reasons for prioritizing the Eastern Route is that it is relatively more secure in comparison to other routes. The second motive for favoring the Eastern Route is to boost the existing industry in the east. The government claimed that it changed the route to ensure better security for workers and convoys once they were deployed. On the other hand, the advocates of Western Route first hold that the development of this route would have been better for both Balochistan and Khyber Pakhtunkhwa, the two less developed provinces which are more prone to violence as they share

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16 Chief Minister’s Policy Reform Unit of the Government of Balochistan, “China-Pakistan Economic Corridor: The Route Controversy,” p.3, <http://cmpru.gob.pk/reports/CPEC.pdf>.

17 Web Desk, “Eastern Route for CPEC May Foster Enmity between Provinces, Warns Imran,” *The Express Tribune*, September 30, 2015, <http://tribune.com.pk/story/965041/eastern-route-for-cpec-may-foster-enmity-between-provinces-warns-imran>.

borders with active conflict zones in Afghanistan. Whereas the law and order situation is much improved under recent military operations, positive peace can be established only through competitive trade and commerce, where the populace of these marginalized provinces is integrated into the national mainstream. Furthermore, the Western Route is 700 kilometers shorter than the Eastern Route and therefore more suited for economic corridor designs.

According to studies conducted by the provincial government of Balochistan, the Eastern Route is costlier than the Central or Western Routes. The acquisition of land itself is lower in either case, compared to the Eastern Route which was designed to pass through highly populated areas. The Eastern Route is likely to incur enormous costs in terms of compensation payments to the population at the risk of dislocation due to widening and relaying of the existing roads to accommodate much higher volume and load of traffic after the CPEC becomes operational. Additionally, there is a fear that political diversity may compromise the stability of Eastern route in the future. If selection of the Eastern Route is made on grounds that the Western and Central Routes carry security risks, then security considerations today will be traded for interprovincial discord and political instability in the future. Security considerations are important, of course; however, bombardment of disaffected areas with jobs is a better option than bombardment with drones.<sup>18</sup>

## Security Risks to CPEC

The biggest concern for the Chinese is growing menace of terrorism inside Pakistan, her most trusted ally.<sup>19</sup> Such perspectives are often viewed in Pakistan as a “conspiracy” to discourage China from investing in the country. However, the ground situation supports the arguments that highlight the threat posed by terrorism. A day prior to the Belt and Road Forum for International Cooperation held in Beijing in May 2017, two major terrorist

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18 Aarish U. Khan, “Pak-China Economic Corridor: The Hopes and Reality,” *Regional Studies* XXXIII, No.1 (2014).

19 Andrew Small, *The China Pakistan Axis: Asia's New Geopolitics*, Oxford University Press, 2015.

attacks struck Balochistan, one claimed by ISIS and the second ascribed to Baloch nationalist militants. Many in Pakistan see the twin attacks as a well-orchestrated plan by the Indian intelligence agency to malign Pakistan at the Belt and Road Forum.<sup>20</sup> Ideological terrorism driven by misinterpretation of Islam and ethno-nationalism in Pakistan is undoubtedly a reality. The CPEC, however, transformed the threat landscape of the country, and added proxyism to a complex set of driving factors behind terrorism.

Islamabad has repeatedly accused India and other opponents of the CPEC of fomenting attacks with an ulterior goal in mind. During the Iranian President Hassan Rouhani's state visit to Pakistan on March 25, 2016, Pakistani law enforcement agencies disclosed the arrest of Kulbhushan Yadav, a serving officer of the Research and Analysis Wing (RAW), the premier intelligence agency of India. Pakistani authorities claimed Yadav entered Pakistan from Iran and was arrested on March 3, 2016. The Indian government admitted that Yadav was a former naval officer, but categorically denied any involvement with the captured man, whereas the Pakistani government maintained he was an "Indian spy" assigned to sabotage the CPEC-related activities in Balochistan, especially around the Gwadar port. Pakistan asserts that India is bent on sabotaging the CPEC by funding and training anti-state elements in Balochistan. The claim is supported by India's official concern over the CPEC and a potential Chinese naval base in Gwadar to ensure Chinese maritime presence in the Indian Ocean. During India's Independence Day celebrations, the comments made by Prime Minister Narendra Modi added fuel to the fire.<sup>21</sup> In his address to the nation, Modi endorsed separatists in Balochistan and accused Pakistan of human rights violations in the province.<sup>22</sup> Pakistan has subsequently termed these remarks as a proof of Indian involvement in her internal affairs and territory.

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20 "KhAsif blames India for Gwadar incident" *Pakistan Today*, May 15, 2017, <https://www.pakistantoday.com.pk/2017/05/14/kh-asif-blames-india-for-gwadar-incident>.

21 Chaarvi Modi, "Highlights: Narendra Modi's Speech on India's 70th Independence Day," August 15, 2016, [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=2824943](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2824943).

22 Usman Shahid, "Balochistan: The Troubled Heart of the CPEC," *The Diplomat*, August 23, 2016, <http://thediplomat.com/2016/08/balochistan-the-troubled-heart-of-the-cpec>.

Cold-shouldered response of India to Pakistan's offer to join the CPEC<sup>23</sup> and her absence from the Belt and Road Forum reinforced the concerns in both Islamabad and Beijing that New Delhi would go to any extent to sabotage the CPEC.

Another creeping danger in Balochistan was the growing footprints of ISIS. Although ISIS had succeeded in acquiring the support of hundreds of domestic militants, its overall strategic objective for Pakistan was marred due to two major reasons: first, the swift and efficient response<sup>24</sup> from Pakistani law enforcement agencies, resulting in country-wide raids and the arrest of approximately 118 ISIS supporters; and second, internal differences between ISIS militants of Afghan and Pakistani origin, with each accusing the other of being American or Pakistani agents. The ISIS ideology failed to unite individuals belonging to different nationalities and ethnicities and this could prove detrimental in the future.

Besides violent extremism and terrorism, Baloch and Sindhi ethno-nationalist groups are another daunting challenge for the economic corridor. On May 30, 2016, a Chinese engineer was targeted by the Sindhudesh Revolutionary Party. Fortunately, the Chinese engineer was safe and the driver sustained minor injuries, but the terrorists left a pamphlet that denounced "foreign control over Sindh's natural resources."<sup>25</sup> Another Chinese engineer escaped when a bomb planted on a bike exploded in Rohri area of Sukkur district.<sup>26</sup> On September 30, 2016, the head of the Balochistan Liberation Front (BLF) Allah Nazar Baloch pledged that he would orchestrate further

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23 "Lt Gen Aamir Invites India to Join CPEC," *Express Tribune*, December 21, 2016, <https://tribune.com.pk/story/1269691/olive-branch-lt-gen-aamir-invites-india-join-cpec>.

24 From December 2014 till June 2016, the Pakistan Army and civilian law enforcement agencies carried out approximately 19,347 intelligence-based operations in different parts of the country, which killed 213 terrorists and led to the arrests of thousands of sleeper cells of terrorist organizations including Daesh. For more details see "Gains in Operations but NAP Needs Govt Action: Army," *Dawn*, June 16, 2016, <http://www.dawn.com/news/1265185>.

25 Jon Boone, "Chinese Engineer and Driver Injured in Karachi Separatist Bombing," *The Guardian*, May 30, 2016, <https://www.theguardian.com/world/2016/may/30/chinese-worker-driver-injured-karachi-bombing-claimed-separatists>.

26 "Pakistan: Chinese Engineer Survives Roadside Bombing in Sindh," *The Indian Express*, December 14, 2016. <http://indianexpress.com/article/world/pakistan-chinese-engineer-survives-roadside-bombing-in-sindh-4427239>.

attacks on the CPEC.<sup>27</sup> He also welcomed Indian help against Pakistan. In September 2016 the Switzerland-based Baloch separatist Brahamdagh Bugti, president of the outlawed Baloch Republican Party and grandson of Baloch nationalist leader Nawab Akbar Khan Bugti, sought asylum in India.<sup>28</sup>

Following the terrorist attacks on Chinese workers in Federally Administered Tribal Areas (FATA) and Balochistan, Chinese ambassador to Pakistan Sun Weidong called for security of its workers in Pakistan. To ensure foolproof security, both China and Pakistan agreed on a four-layer security plan to cover the over 3000-kilometer-long trade route from Xinjiang to the Gwadar port. An estimated 32,000 security personnel force consisting of Frontier Corps, police and Levies<sup>29</sup> would guard over 14,321 Chinese workers in Pakistan.<sup>30</sup> A separate security division under the title of Special Security Division (SSD), comprising nine composite infantry battalions (9,000 personnel) and six civilian armed forces (CAFs) wings (6,000 personnel) to be headed by a serving major general of the Pakistan Army, was raised in April 2015 to protect the economic corridor.<sup>31</sup> In a visit to the newly established SSD headquarters on February 19, 2016, then Chief of Army Staff General Raheel Sharif said, “We are totally aware of all campaigns against the corridor and I vow that the security forces are ready to pay any price to turn this long cherished dream into reality.”<sup>32</sup> The government has spent Rs. 23 billion on the SSD to ensure the security of the CPEC.<sup>33</sup>

The next level of security operates in the maritime domain. Gwadar

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27 Asad Hashim, “Pakistan: BLF Chief Baloch Says Indian Help ‘welcome’,” *Al Jazeera*, September 30, 2016, <http://www.aljazeera.com/news/2016/09/pakistan-blf-chief-baloch-indian-160929153641899.html>.

28 “Brahamdagh Bugti to Seek Asylum in India – Pakistan,” *Dawn*, September 20, 2016, <https://www.dawn.com/news/1284917>.

29 Levies is a paramilitary force of Balochistan. Political agents of the federal government of Pakistan and district coordination officers act as commandants of Levies forces within their respective jurisdictions.

30 Zahid Gishkori, “Economic Corridor: Pakistan, China Agree on Four-Layer Security,” *The Express Tribune*, November 1, 2015, <https://tribune.com.pk/story/983033/economic-corridor-pakistan-china-agree-on-four-layer-security>.

31 Mehtab Haider, “17,177 Soldiers Deployed for Security of Chinese Workers of CPEC,” *The News*, December 15, 2015, <https://www.thenews.com.pk/print/82009-17177-soldiers-deployed-for-security-of-Chinese-workers-of-CPEC>.

32 “Press Release: No PR-60/2016-ISPR,” Inter Services Public Relations (ISPR), February 19, 2016, [https://www.ispr.gov.pk/front/main.asp?o=t-press\\_release&id=3207](https://www.ispr.gov.pk/front/main.asp?o=t-press_release&id=3207).

33 Zahid Gishkori, “Pakistan Raises Special Security Division Successfully,” *The News*, February 3, 2016.

has immense geo-strategic importance in the Arabian Sea. In September 2014, an attempt was made to hijack PNS *Zulfiqar*, Pakistan's naval frigate.<sup>34</sup> Another important reason is shifting trends from land to naval warfare and supremacy to keep safe and open Sea Lines of Communication (SLOC) for trade. On December 13, 2016, the Pakistan Navy raised a task force to protect the CPEC and the Gwadar port against traditional and non-traditional threats.<sup>35</sup> The newly assembled force would comprise of ships, fast attack craft, aircraft, drones and surveillance assets.<sup>36</sup> Commodore Muhammad Waris will serve as first commander of this task force TF-88.

China also handed over two maritime patrol ships equipped with state-of-the-art guns. The ships, named after two rivers Hingol and Basol near Gwadar, were received by Commander of the Pakistan Navy Vice-Admiral Arifullah Hussaini. China is expected to provide two more ships *Dasht* and *Zhob* to the Pakistan navy.<sup>37</sup> According to *IHS Jane's Navy International*, "Armament to be fitted onboard includes either a 37 mm or a 30 mm gun as a primary weapon, in addition to mountings for two 12.7 mm machine guns. An artist's illustration of the MPV (Maritime Patrol Vessel), shown at the ceremony, suggests that the Pakistan Maritime Security Agency (PMSA) has opted for an automatic stabilized naval gun system as the platform's main weapon."<sup>38</sup>

## Conclusion

China's growing trade and defense relationships with South Asia have created fears of encirclement in India and hardened her attitude towards

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34 Naziha S. Ali, "Dockyard Attackers Planned to Hijack Navy Frigate." *Dawn*, September 13, 2014, <https://www.dawn.com/news/1131654>.

35 "Press Release Navy: No PR-PN479/2016-ISPR," Inter Services Public Relations (ISPR), December 13, 2016. [https://www.ispr.gov.pk/front/main.asp?o=t-press\\_release&id=3629&cat=navy](https://www.ispr.gov.pk/front/main.asp?o=t-press_release&id=3629&cat=navy).

36 "Special Force Set up to Guard Gwadar Port's Sea Lanes," *Dawn*, December 12, 2016, <https://www.dawn.com/news/1301970>.

37 "China Gives Pakistan Two Ships for Security of CPEC," *Times of India*, January 15, 2017, <http://timesofindia.indiatimes.com/world/pakistan/china-gives-pakistan-two-ships-for-security-of-cpec-sea-route/articleshow/56558924.cms>.

38 Ridzwan Rahmat, "KSEW Cuts Steel on Pakistan's First MPV," *IHS Jane's* 360, May 4, 2016.

Beijing, Islamabad and their joint economic ventures, which are seen entirely through strategic lens in New Delhi. Pakistan's policy of "peaceful neighborhood" intended to woo India to share the dividends of the CPEC seems not to be paying off as India has not responded positively to Pakistan's offer to join the CPEC. Against this backdrop, New Delhi could seek alliances and cooperation from state and non-state actors to undermine the CPEC.

The CPEC aspires to put Pakistan on a new trajectory of high growth through infrastructure development and subsequently transfer part of its labor-intensive industries to other countries. Success of this project is, however, highly dependent upon Pakistan's internal security situation and how it manages its relations with India. It is of paramount importance that the Pakistani political leadership resolve their internal differences over the route controversy and distribution of benefits under the CPEC in order to maximize Pakistan's output from this mega project. The current state of Pakistan's economy is in dire straits, severely relying on loans from international monetary institutions and lending bodies, in order to cover large deficits in fiscal budgets. Further stress is exerted under the rampant proliferation of extremist and terrorist ideologies. Resultantly, economic opportunities have rapidly shrunk, causing additional strain on the social fabric of the nation. Within this reality, projects inaugurated under the Corridor have sparked a wave of rapid development in Pakistan, bringing with it the opportunities anew of increased and sustained economic growth, driven by the Chinese juggernaut which will not only benefit Pakistan but will directly benefit the people of multiple countries. In a globalized world, nation states focus on progress and development through cooperation. The mantra of globalization that guides the CPEC project and the direct collaboration between Pakistan and China is mutually beneficial. The benefits are likely to amplify and spread throughout the region. 