

A BRIEF HISTORY OF PAK-CHINA POLITICAL AND ECONOMIC RELATIONS

Akash Khan* & Farkhanda Ilmas**

Abstract

This research paper delves into the intricate history of Pakistan and China's political and economic relations, spanning over seven decades. Beginning with early diplomatic engagements in the 1950s, it traces the evolution of this alliance from initial agreements to a comprehensive strategic partnership. It examines the era of security and strategic alignments during the 1970s and 1980s, influenced by Cold War dynamics and geopolitical shifts. The paper also provides an overview of present-day Pak-China relations, highlighting key 21st-century developments such as the China-Pakistan Economic Corridor (CPEC), shared security interests, and cultural exchanges. Analyzing the driving factors behind this enduring partnership, the study emphasizes shared interests, trust, mutual respect, and the mutual economic and strategic benefits. This research provides insights into the trajectory and dynamics of Pak-China relations, offering a deeper appreciation of its role in shaping the contemporary geopolitical landscape. The enduring nature of this alliance stands as a testament to the possibilities of cooperation and shared objectives in international diplomacy.

Keywords: Pakistan, China, Political Relations, Economic Relations, CPEC

1. Introduction

The lasting and special relationship between Pakistan and China, often referred to as "all-weather" and "iron brothers," reflects their deep friendship and unwavering commitment to working together strategically over many decades.¹ This paper aims to provide a concise yet complete historical

* Ph.D. Candidate, School of International Economics and International Relations, Liaoning University, Liaoning, 110000, China. E-mail address: akashkhanndu@gmail.com

** Ph.D. Scholar, School of Economics and International Relations, Liaoning University, Liaoning, 110000, China. Email address: faree_chaudary@yahoo.com (Corresponding Author)

¹H. Lu, U. A. Command, and G. S. College, "The China-Pakistan Economic Corridor and its Effects on Bilateral Cooperation," 2021

account of their complex political and economic relations. It seeks to highlight important moments and driving forces that have not only defined but also strengthened their remarkable partnership.

This enduring bond is captured by vivid comparisons like "higher than the mountains, deeper than the oceans, stronger than steel, and sweeter than honey," which show the deep connection and emotional importance of their relationship.²The historical journey of their political and economic ties shows the trust that has grown over time. This trust, based on shared interests and respect, has provided a strong foundation for their many-sided partnership, showing how diplomacy can become a lasting and mutually beneficial relationship beyond regular alliances.

This paper will go through history, starting with their early diplomatic engagements in the 1950s, moving to the security and strategic alignments of the 1970s and 1980s, and continuing into the present day. It will emphasize important moments that have shaped the Pak-China partnership and explore the complexities of their political and economic interactions. This exploration will help us understand how shared goals and changing global dynamics have affected their relationship.

From a historical perspective, the research uncovers the factors that have brought these nations together, encompassing political alliances, economic cooperation, security interests, and cultural exchanges. Their journey represents a compelling story of how a diplomatic connection transforms into an unbreakable bond, capable of withstanding the challenges of international relations and setting an example of cooperation on the world stage.

As this exploration of the Pak-China relationship unfolds, it aims to provide insights into the strength and significance of this alliance, striving to understand what makes it enduring and inspiring for diplomacy in our ever-changing global landscape.

2. Historical Foundations of Diplomacy

The historical foundations of the Pak-China diplomatic relationship are deeply rooted in the early 1950s when Pakistan took a momentous step by formally recognizing the People's Republic of China (PRC). This diplomatic gesture, made during a pivotal period in global politics, carried immense significance. At the heart of this recognition was a strategic response to the

²ed, 2023China-Pakistan friendship "higher than mountains and deeper than oceans".

rapidly evolving global political landscape, which was profoundly influenced by the dynamics of the Cold War.³

During the early 1950s, as the Cold War tensions escalated between the United States and the Soviet Union, the world was witnessing a complex and intricate geopolitical chessboard.⁴ In this context, Pakistan's decision to recognize the PRC marked a strategic reorientation of its foreign policy. Notably, this shift departed from Pakistan's prior stance, which had favored the recognition of Taiwan as the legitimate government of China. The transformation in Pakistan's foreign policy highlighted the nation's astute diplomatic maneuvering, which was largely guided by the seismic shifts characteristic of the Cold War era.⁵

This diplomatic alignment with the People's Republic of China laid the very cornerstone upon which the enduring Pak-China partnership was built. The decision not only signified Pakistan's recognition of China's sovereignty but also set the stage for a profound diplomatic connection that would shape the course of history over the ensuing decades. This foundational recognition marked the beginning of a relationship that would evolve and deepen, transcending diplomatic ties to become a comprehensive strategic partnership.

In essence, the diplomatic interactions between Pakistan and China during the 1950s and 1960s laid the groundwork for a consequential and enduring bilateral relationship.⁶ This recalibration of Pakistan's foreign policy was a calculated response to the evolving global milieu, as both nations recognized the mutual advantages of their alignment in the context of the Cold War dynamics.

3. Treaty of Friendship (1963) and Strategic Alignment

A pivotal moment that played a crucial role in solidifying the budding diplomatic relationship between Pakistan and China transpired in 1963 with

³Y. Xuyang, "State Policy of China and Pakistan on Economic and Trade Relation from 1958 to 1969," *Journal of Development and Social Sciences*, vol. 3, no. 3, pp. 139-149, 2022.

⁴S. Schindler, J. DiCarlo, and D. Paudel, "The new cold war and the rise of the 21st-century infrastructure state," *Transactions of the institute of British geographers*, vol. 47, no. 2, pp. 331-346, 2022.

⁵U. Javaid and A. Jahangir, "Pakistan-China strategic relationship: A glorious journey of 55 years," *Journal of the Research Society of Pakistan*, vol. 52, no. 1, 2015.

⁶I. Hussain, I. Hussain, and I. H. Qambari, "History of Pakistan-China relations: the complex interdependence theory," *The Chinese Historical Review*, vol. 27, no. 2, pp. 146-164, 2020.

the historic signing of the Treaty of Friendship.⁷ This landmark accord marked the initiation of a remarkably robust and multifaceted bilateral partnership that would go on to shape the geopolitics of the region. The Treaty of Friendship served as a tangible manifestation of the growing trust and shared strategic interests between the two nations.

One of the most salient aspects of this treaty was Pakistan's formal acknowledgment of China's sovereignty over Tibet.⁸ This act of recognition underscored Pakistan's unwavering commitment to its Chinese counterpart and demonstrated a deep level of diplomatic solidarity. By acknowledging China's territorial claims over Tibet, Pakistan not only affirmed its support for the "One China" policy but also solidified the foundation of trust and mutual respect upon which the Pak-China relationship was built.

The Treaty of Friendship, beyond its symbolic significance, paved the way for substantive cooperation in various spheres. It laid out a framework for economic, military, and political collaboration, positioning Pakistan and China as strategic partners in a rapidly changing global landscape. This treaty, therefore, can be viewed as a pivotal turning point that elevated their partnership to a new level of strategic significance, setting the stage for even deeper cooperation in the years to come.

4. The Sino-Indian War of 1962: Cementing the Alliance

The Sino-Indian War of 1962 stands out as a pivotal moment in the trajectory of Pak-China relations, leaving an indelible mark on their diplomatic ties.⁹ During this critical conflict, Pakistan strategically aligned itself with China, forging a path that extended far beyond political rhetoric. Pakistan's unwavering political support and diplomatic backing for China during this crisis played a significant role in bolstering their strategic partnership.

This alignment not only signified Pakistan's solidarity with its Chinese counterpart but also laid the foundation for subsequent military cooperation between the two nations[7].¹⁰ This act of support in a time of regional turmoil set the tone for a deeper and more enduring partnership, one that transcended mere political convenience. The military dimension of their relationship would later become a cornerstone of their strategic alliance, as

⁷A. Small, *The China Pakistan axis: Asia's new geopolitics*. Random House India, 2015.

⁸H. V. Pant, "The Pakistan Thorn in China-India-US Relations," *The Washington Quarterly*, 35(1), 83-95, 2012.

⁹S. I. Sardar, "India: The Changing Security Environment And Regional Stability," *Institute Of Regional Studies Islamabad*, 39(1), pp. 34-50, 2021.

¹⁰A. Small, *The China Pakistan axis: Asia's new geopolitics*. Random House India, 2015

both nations recognized the mutual advantages of their alignment in a rapidly changing global security landscape.

5. The Geopolitical Transformations of the 1970s

The 1970s ushered in a substantial transformation in the geopolitical landscape of South Asia, characterized by a complex interplay of regional and global dynamics. Notably, the improvement in relations between the United States and China, along with the Soviet Union's military intervention in Afghanistan, presented Pakistan with a unique set of challenges and opportunities.

Faced with these evolving dynamics, Pakistan looked towards China as a reliable partner and sought closer relations. China, understanding the significance of a stable and friendly Pakistan, played a crucial role by extending both diplomatic support and military assistance.¹¹ This period marked a convergence of security interests between Pakistan and China, further cementing their strategic partnership.

In essence, the Sino-Indian War of 1962 served as a pivotal turning point in the history of Pak-China relations, strengthening their alignment and setting the stage for deeper collaboration.¹² Subsequently, during the 1970s and 1980s, the region witnessed a series of significant geopolitical shifts, most notably the dynamics between superpowers.¹³ As the global landscape evolved, Pakistan recognized the strategic significance of its partnership with China and took steps to deepen these ties.

During this period, China's diplomatic and military support played a pivotal role in solidifying their strategic partnership. This support was not just symbolic but reflected shared security interests and a commitment to regional stability. The strategic alignment between Pakistan and China during these decades would have far-reaching implications, not only for their own nations but for the broader regional context, ultimately shaping the geopolitical landscape of South Asia and beyond.

6. Fostering Economic Cooperation (1960s-1970s)

The roots of economic collaboration between Pakistan and China can be traced back to the 1960s, a period when both nations recognized the

¹¹I. Hussain, I. Hussain, and I. H. Qamari, "History of Pakistan–China relations: the complex interdependence theory," *The Chinese Historical Review*, 27(2), pp. 146-164, 2020.

¹²Y. Xuyang, "State Policy of China and Pakistan on Economic and Trade Relation from 1958 to 1969," *Journal of Development and Social Sciences*, 3(3), 2022,139-149

¹³P. Hirsch, "The shifting regional geopolitics of Mekong dams," *Political Geography* 51, 2016, 63-74, 2016

potential for mutual growth through joint initiatives. During this era, China actively engaged with Pakistan's economic development through financial aid and technical assistance for various infrastructure projects. These early efforts laid the foundation for a robust economic partnership.

One of the most emblematic endeavors of this collaborative journey was the construction of the Karakoram Highway (KKH). This highway, often described as a symbol of friendship and connectivity, represented a significant milestone in their economic cooperation. Beyond its physical impact in facilitating trade and travel between the two countries, the KKH carried a deeper meaning.¹⁴ It symbolized their joint commitment to fostering economic development not only within their own borders but also in the broader region. This project stood as a testament to the possibilities that emerged when nations with shared objectives joined forces.

As the 1970s unfolded, Pakistan and China embarked on a journey that extended their collaborative efforts into the domain of nuclear technology. China, a key player in this endeavor, played a pivotal role by offering significant support to Pakistan's nuclear program. This cooperation was not merely a technical exchange but a reflection of their deepening strategic alignment. The partnership between Pakistan and China in the field of nuclear technology did not go unnoticed on the international stage.¹⁵ It drew significant attention and scrutiny, as it signaled the depth and significance of their strategic partnership. The international community closely monitored this association, recognizing its strategic implications and the potential to alter the regional balance of power.

The Pakistan-China relationship carries substantial geopolitical implications. Both nations share common interests, particularly in addressing terrorism, especially along their shared border. This collaborative approach serves as a vital means of countering security threats and contributes significantly to regional stability. Furthermore, their partnership challenges the influence of India and the United States in the South Asian and broader Asian region. This evolving dynamic can potentially reshape the regional power equilibrium, thereby influencing the broader geopolitical landscape. During this period, the strategic partnership between Pakistan and China entered a new dimension, marked by joint endeavors in the field of nuclear technology. This collaboration was characterized by substantial assistance from China to Pakistan's nuclear program. The pivotal role played by China in enhancing Pakistan's nuclear capabilities highlighted not only their

¹⁴R. M. Khan, "Pakistan-China Relations: An Overview," *Pakistan Horizon*, 64(4), 2011, 11-28

¹⁵J. R. Kataria and A. Riaz, "Pakistan-China social and economic relations," *South Asian Studies*, 29(2), 2020.

strategic alignment but also their shared commitment to safeguarding their interests in a rapidly changing world.¹⁶

The 1970s marked a significant phase in the expansion of Pakistan-China cooperation, with nuclear technology becoming a key component of their multifaceted partnership. This dimension would go on to play a crucial role in shaping the geopolitical landscape of the region, with both nations standing together as pillars of mutual support and collaboration.

7. CPEC: A 21st Century Strategic Landmark

In the 21st century, the Pakistan-China relationship experienced a surge in strategic significance, fueled by transformative developments that would reshape the dynamics of their partnership. At the heart of this transformation lay the inception of the CPEC in 2013.¹⁷ CPEC emerged as a seminal milestone, heralding a new era of collaboration and economic integration between the two nations. CPEC is not just a standalone project; it is intricately woven into China's broader Belt and Road Initiative (BRI), underlining its prominence in regional and global contexts.¹⁸ This initiative seeks to establish vital connectivity, both physical and economic, between Gwadar Port in Pakistan and China's western region. Its primary focus is to facilitate the seamless flow of trade and energy resources, unlocking immense economic potential in the process.

The magnitude and scope of CPEC are nothing short of monumental. This ambitious undertaking has the potential to catalyze a transformative shift in the economic landscape of the region. By fostering enhanced connectivity, facilitating trade, and promoting economic growth, CPEC addresses some of Pakistan's most pressing developmental needs. Furthermore, it promises to promote regional stability and cooperation by bolstering connectivity among South Asian, Central Asian, and Middle Eastern nations.¹⁹ It consists of various major projects across multiple sectors. Some of the key projects under CPEC include:

The Peshawar-Karachi Motorway (Multan-Sukkur Section) is Pakistan's second road project that is sponsored by the CPEC. It stretches

¹⁶M. Malik, "The China factor in the India-Pakistan conflict," *The US Army War College Quarterly: Parameters*, 33(1), 2003, 8

¹⁷D. Landry, "A torrent or a trickle? The local economic impacts of the China-Pakistan Economic Corridor," *Oxford Development Studies*, 51(2), 2023, 145-162.

¹⁸A. R. Shah, "Revisiting China threat: the US' securitization of the 'Belt and Road Initiative'," *Chinese Political Science Review*, 8(1), 2023, 84-104

¹⁹A. Kuszewska and A. Nitza-Makowska, "Multifaceted Aspects of Economic Corridors in the Context of Regional Security: The China-Pakistan Economic Corridor as a Stabilising and Destabilising Factor," *Journal of Asian Security and International Affairs*, 8(2), 2021, 218-248

out to around 392 kilometers. It travels all the way to Sukkhar after leaving Multan. As a direct consequence of this, the Multan-Sukkur Section was created. The length of the motorway, which is roughly 1,110 kilometres and stretches from Peshawar to Karachi, consists of six lanes and is regulated by access. The highway is a toll road, and the overall project has been divided into individual components. The M-9 highway, for instance, would be about 136 kilometres long and stretch from Karachi to Hyderabad.

The construction of the Orange Line of the Lahore Metro Train will take place in the province of Punjab's capital city of Lahore. The establishment of a mass transit corridor for use by the public transportation system is the primary objective of the project. There is a cut-and-cover section that is 1.72 kilometres long, and the elevated portion of the line is 25.4 kilometres long. The entire length of the line is roughly 27.12 kilometres. The orange line has a total of 26 stations; 24 of these stations are elevated, while the other two are located underground.

The rolling stock is comprised of a total of 27 trains, each of which has a carriage complement of five cars. The operational control system and a facility for repairing trains are both placed at the Dera Gujran depot, which is also the location of the depot itself. In addition, a learning centre as well as a parking lot have been established in the Dera Gujran distribution centre. In addition, there is now a Stabling Yard Park in Ali Town, which provides parking in addition to other amenities such as basic repairs and washing. It is expected that the project will cost a total of \$1626 million. The work on the project is now complete, and the grand opening is scheduled for October 25, 2020.²⁰

The Pakistan-China Fiber Optic Project is an optical fibre network that stretches for 820 kilometres between Rawalpindi and the Khunjerab Pass, which is located on the border between Pakistan and China. As a component of the CPEC, its construction incurred a cost of 44 million dollars. A ceremony to mark the beginning of construction on the project was conducted in Gilgit on May 19th, 2016. The idea for the line was originally put up in 2009, and Pakistan and China did not officially commit to its construction until 2013.

However, for the project to become a reality, it first had to be included in the CPEC. The cable is scheduled to be deployed over the course of two years, at which point it will make the Gilgit-Baltistan region accessible through 3G and 4G networks. There would be 466.54 kilometres of road in Gilgit-Baltistan, while there would be 287.66 kilometres in Khyber Pakhtunkhwa, 47.56 kilometres in Punjab, and 18.2 kilometres in the Islamabad Capital Territory. This will be extended to encompass Gwadar

²⁰S. Naseer, "Orange Line Metro Train Project," Lahore, The Peoples Map, 2021.

soon. The Chinese Exim Bank is providing financing for the project at a concessionary interest rate of 2%, which is much lower than the average interest rate of 1.66% for CPEC infrastructure projects. In July of 2018, the project was successfully completed and put into operation.²¹

The first project that would develop a western route that would link to CPEC is the Hakla-D.I. Khan Motorway, which is being constructed as part of PSDP. The Hakla-Dera Ismail Khan Motorway is reportedly one of the most important projects that the National Highway Authority (NHA) is working on for the western route, as stated by a representative for the NHA. The route from Hakla to Dera Ismail Khan would shorten the distance between Islamabad and Dera Ismail Khan and contribute to the development of the less developed regions in the provinces of Punjab and Khyber Pakhtunkhwa. From Hakla, which is located at the Fateh Jang junction on the Peshawar-Islamabad Motorway, to Yarik, which is in Dera Ismail Khan, it is a four-lane highway that travels in a north-south direction and covers 285 kilometers.

The Zhob-Quetta (Kuchlak) (N-50) project is the third one that will be carried out as part of PSDP to construct a western route that would link to CPEC. On an existing alignment, where a future motorway will be constructed, this will be carried out (N-50). It is going to follow an existing alignment that is 305 kilometres long. The two lanes that are there now are in great condition, and the national highway is going to be expanded to four lanes. This indicates that the project consists mostly of improving the geometry of an existing two-lane road as part of the upgrade. On the other hand, in the not-too-distant future, a right-of-way that is 100 metres wide will be obtained to bring the total number of lanes up to six. It is advised that geometric improvements be made to reach the required speed. It is predicted that it will cost 66,833 million Pakistani rupees to create the national highway and acquire the land necessary for its construction.

The Ministry of Communications has made a recommendation for the project agency based on the duties involved in the project. On the other side, the National Highway Authority is the organisation responsible for seeing that the project is carried out. The oversight of the project would fall within the purview of the Ministry of Communications within the Pakistani government. The project is currently in the planning stages, and ECNEC granted PC-I authorization for the project on March 29, 2019. As a result of the PC-I being given the all-clear, land acquisition along the roadside is now under process, and on March 29, 2019, the Prime Minister of Pakistan

²¹S. Ibold, "BRI Factsheet Series – Pakistan-China Optical Fibre Cable Project," *Belt and Road Initiative*, BRI Projects, 2018.

officially started construction on the project. As a consequence of this, it is anticipated that the project will be finished very soon.²²

D.I. Khan (Yarik)-Zhob, N-50, is being upgraded. The Phase-I road project is Pakistan's fourth road project to be financed by the CPEC. It stretches out to around 210 kilometers. It travels all the way to Zhob after leaving Dera Ismail Khan. As a consequence of this, people refer to it as D.I.Khan (Yarik)-Zhob. The N-50 is a two-lane highway that needs construction and improvement. As a direct consequence of this, the scope of this project is restricted to the addition of geometric improvements to an existing alignment. This suggests that the road already exists and that the purpose of the project is to enhance it in some way. It will be reconstructed from two lanes to four lanes and be roughly 210 kilometres in length.

In the future, however, the project will be enlarged to six lanes if a right-of-way that is about 100 metres wide is purchased. Dera Ismail is found in the province of KPK, whereas Zhob is in the province of Balochistan. The Ministry of Communications has made a recommendation for the project agency based on the duties involved in the project. On the other side, the National Highway Authority is the organisation responsible for seeing that the project is carried out. The oversight of the project would fall within the purview of the Ministry of Communications within the Pakistani government. This suggests that the project is being monitored by two large municipal administrations at the same time. It is estimated that the project will cost around 76 billion dollars. The PC-I and feasibility studies for the project have both been completed. On April 12th, 2017, the ECNEC gave its authorization for the project's PC-I. The site was acquired with the intention of constructing new buildings on it. In addition, it is the project with the highest priority for the 9th Joint Crisis Committee. As a consequence of this, and as a direct result of the great significance of the project, it is anticipated that it will be completed very soon.²³

The Ministry of Communications has made a recommendation for the project agency based on the duties involved in the project. On the other side, the National Highway Authority is the organisation responsible for seeing that the project is carried out. The oversight of the project would fall within the purview of the Ministry of Communications within the Pakistani government. This suggests that the project is being monitored by two large municipal administrations at the same time. The project's anticipated cost will not be known until more investigation is conducted. The feasibility

²²C. Authority, "*Zhob - Quetta (Kuchlak) (N-50)*," CPEC Authority, ministry of planning and development, 2021.

²³C. Info, "*Upgradation Of D.I.Khan (Yarik) – Zhob, N-50 Phase-I (210 Km)*," CPEC, 2021.

assessment for the purported project is now being compiled, with primary attention being paid to the repositioning of the existing path.²⁴

The sixth project in the CPEC initiative is a rail project rather than a road project. It involves upgrading and dualizing ML-1 as well as creating a dry port in the area near Havelian. This project is intended to repair and improve the ML-1 railway line, which runs from Karachi to Lahore and Peshawar. It stretches out to around 1,872 kilometers. This indicates that the project will be carried out throughout three of the most populous provinces in the nation. A dual track will be constructed all the way from Karachi to Peshawar if everything goes according to plan.

In terms of the obligations that come along with projects, the Ministry of Railways has proposed a project agency. On the other side, Pakistan Railways is responsible for seeing the project through to completion. The oversight of the project would fall within the purview of the Ministry of Communications within the Pakistani government. This suggests that the project is being monitored by two large municipal administrations at the same time. The total cost of the project is expected to be \$6,808,000,000. The money for the project will come from a concessional loan offered by the Chinese government (GCL). It is proposed that the project be awarded in accordance with the guidelines established by the PPRA as well as the regulations established by the EPC.²⁵

One of the seven most important new road and rail initiatives is the Havelian Dry Port. Havelian will have a dry port because of the project that is being developed. In addition to that, work on the cargo handling facilities will start as soon as possible as part of the project. Havelian is a neighbourhood of Haripur, which is in the province of Pakistan's KPK. Some people consider this project to be a sub-project of the large freight railway that is connected to the CPEC. Havelian is going to have its own dry port so that it can manage the containers that are transported by trains. Pakistan Railways will be the entity responsible for developing the dry port on their own land. In addition to the construction of high-capacity stock, the project also involves the building of railhead facilities.

On the other side, Pakistan Railways is responsible for seeing the project through to completion. The oversight of the project would fall within the purview of the Ministry of Communications within the Pakistani government. This suggests that the project is being monitored by two large municipal administrations at the same time. It is estimated that the project

²⁴C. Info, "*KKH Thakot-Raikot N35 Remaining Portion (136 Km)*," China-Pakistan Economic Corridor, 2021.

²⁵M. K. S. Khokhar, *Geo-Political and Geo-Economic Significance of Cpec for Pakistan (2013-2020)*, Lahore: University of the Punjab, 2021.

will cost around \$65 million. The money for the project will come from a concessional loan offered by the Chinese government (GCL). It has been proposed that the contract for the project be handed out in a manner that is compliant with the PPRA principles and the EPC requirements. Since 2017, work has been continuing the project.²⁶

The establishment of a mass transit corridor for use by the public transportation system is the primary objective of the project. The work on the project has already started. The Joint Cooperation Committee has given its approval for CPEC to include projects involving public transportation. Because of this, it has been recommended that the relevant working groups on transportation work on feasibility studies, further research, and consultation. As a direct consequence of this, a feasibility assessment for the project is now under development.²⁷

The M-8 is an important motorway in Pakistan that connects Sukkur with Gwadar. It travels in an east–west direction. The highway is presently being constructed in sections, with the inauguration of the 193-kilometer segment that runs between Gwadar and Hoshab taking place in February of 2016. There has been no attempt made to determine a timeframe for the completion of the roadway due to the difficult terrain that it is being constructed on. The National Highway Authority of Pakistan is responsible for the construction of the M8. On October 15, 2004, construction on the M8 got under way.

The Chitral–Shandur Road is a provincial highway in Pakistan that extends for 153 kilometres and links the cities of Chitral in Khyber Pakhtunkhwa and Shandur in Gilgit-Baltistan. It is also known as Khyber Pakhtunkhwa Route S-2. The Pakhtunkhwa Highways Authority combined several separate highways into a single, uninterrupted corridor. It is anticipated that the project will cost 16 billion rupees.²⁸

D.I. Khan (Yarik)-Zhob, N-50, is being upgraded. The construction of a western route that will link to CPEC is the second project that will be undertaken as part of PSDP. On an existing alignment, where a future national highway will be constructed, this will be carried out (N-50). It will travel along an existing alignment that is 235 kilometres long. It will expand

²⁶M. K. S. Khokhar, *Geo-Political And Geo-Economic Significance Of Cpec For Pakistan (2013-2020)*. Lahore: University of the Punjab, 2021

²⁷Tputmtdkp. "Transport Planning & Traffic Engineering Unit TPU TMTD KP.

²⁸S. S. Shahid, "Construction work on 153 km Chitral-Shandur road begins after 40 years," *About Pakistan*. [Online]. Available: <https://www.aboutpakistan.com/news/construction-work-on-153-km-chitral-shandur-road-begins-after-40-years/>

to become a four-lane national highway from its current configuration of two lanes. This suggests that most of the work being done on the project will include upgrading and improving an existing two-lane road.

The Chitral CPEC link road, which would connect Gilgit, Shandor, and Chitral to Chakdara, is the third project that falls under the category of CPEC-related provincial projects. This project's objective is to construct a link road that will provide connectivity between Gilgit, Shandor, Chitral, and Chakdara. The location of the project is in a region that spans both the GB and KPK provinces. Based on the project's progress, it has been determined that additional project studies and consultations have been conducted up to this point. In addition, the proposal will be reviewed by the JWG's after being sent their way. On the other side, PC-I from Chitral to Shandor has been completed, while PC-I from Shandor to Gilgit is now being prepared and will be finished in the near future.²⁹

The proposed Peshawar–Dera Ismail Khan motorway is a route that would stretch for a total of 360 kilometres and link the city of Peshawar with the southern districts of KPK. Peshawar, the capital of the province, will be in the north, while Dera Ismail Khan, in the south, will be the destination of this route. It will do so by travelling through the three major divisions of the brand-new highway will be a whopping 360 kilometres in length, with six lanes and 19 interchanges. The project consists of building two tunnels that are each 7 kilometres long. It is anticipated that the process will take four years to finish. The project's Phase 1 (PC-1) was given the go-ahead in August 2021. In September of 2021, the Executive Committee of the National Council gave its approval for the project, which was estimated to cost 300 billion rupees.³⁰

In the category of CPEC-related provincial projects, the Mirpur—Muzaffarabad—Mansehra Road is the fourth project on the list. The construction of a highway that links Mirpur, Muzaffarabad, and Mansehra is the objective of this project. The location of the project is divided into two halves, known as KPK and AJK. Based on the project's progress, it has been determined that additional project studies and consultations have been conducted up to this point. In addition, the proposal will be reviewed by the JWG's after being sent their way. Despite this, the PC-I for the project is now being reviewed for possible approval. As a consequence of this, it is

²⁹T. Ali, "Chitral, the shortest route between China, Afghanistan and beyond," *Gwadar Pro*. [Online]. Available at: <https://www.gwadarpro.pk/1453285273945698306/chitral-the-shortest-route-between-china-afghanistan-and-beyond>

³⁰B. report, "Approval to Peshawar-DI Khan, Dir motorways granted," *The News*.

anticipated that the project will start both its physical and its civil construction in the near future.³¹

In May 2017, the federal government approved a restoration plan for the KCR, estimated at 27.9 billion rupees (equivalent to \$170 million USD). However, due to delays and disagreements with the Sindh provincial government, the funding was canceled. The restoration of the KCR was scheduled to commence in August 2020, with an approved restoration scheme costing 10.5 billion rupees (equivalent to \$66.5 million USD). Ameer Muhammad Daudpota suggests that these funds would only cover phases one and two of the KCR restoration project, similar to the rehabilitation of the Karachi-Peshawar Railway Line.³²

The Gwadar-Turbat-Hoshab Road (M-8), a vital component of the CPEC, was officially inaugurated by Pakistan's former Prime Minister, Nawaz Sharif. This significant infrastructure development establishes a crucial link between the Gwadar Port and the western, central, and eastern sectors of the CPEC through a 193-kilometer-long motorway.

This initiative represents the sixth project within the PSDP, designed to create a western route that connects seamlessly with the CPEC. Situated in the province of Balochistan, Pakistan, the planned length of the N-85 road is 449 kilometers, with an estimated project cost of approximately 13 billion Pakistani rupees. Notably, the project is now considered complete and fully operational.³³

The roads between Zhob and Quetta (N-50) have already been constructed, and work has already begun on the 431-kilometer portion of the N-25 that runs between Khuzdar and Chaman, Quetta, and Khuzdar. This is the fourth project that will be undertaken as part of PSDP to construct a western route that will link to CPEC. On an existing alignment, where a future national highway will be constructed, this will be carried out (N-25). It will be on an existing alignment with two lanes, which is already in place. It will expand to become a four-lane national highway from its current configuration of two lanes. This indicates that the project consists mostly of improving the geometry of an existing two-lane road as part of the upgrade.

The project's anticipated cost will not be known until more investigation is conducted. This project covers the construction of the part of the CPEC that extends from Sorab-Kalat to Quetta. On the other hand, the comprehensive design of the project and the feasibility study are still in the

³¹Propk. "NHA Recommends Construction of Muzaffarabad-Mansehra CPEC Link."

³²T. Siddiqui. "*Dream of Karachi Circular Railway revival inching towards reality.*"

³³M. Zafar. "PM inaugurates Gwadar-Hoshab (M-8) portion of CPEC."

process of being developed. It is anticipated that the design and the feasibility study will be done in the near future.³⁴

Quetta Mass Transit is the third project in a series of CPEC rail-based mass transit projects. This project will be hosted in Quetta, which is in the province of Balochistan. The establishment of a mass transit corridor for use by the public transportation system is the primary objective of the project. The work on the project has already started. The Joint Cooperation Committee has given its approval for CPEC to include projects involving public transportation. Because of this, it has been recommended that the relevant working groups on transportation work on feasibility studies, further research, and consultation. As a consequence of this, a feasibility study for the project is now being drafted, and its completion is anticipated to occur very soon.³⁵

In addition, the proposal will be reviewed by the JWGs after being sent their way. In the same vein as Port Qasim and the Port of Karachi, the Ketu Bunder Sea Port Project is a commercial port on the coast of the Arabian Sea that is in the process of being developed. This project was developed with the intention of assisting medium- and small-sized businesses in establishing themselves by providing incentives to firms that use energy-saving technologies. There is no reason why Ketu Bunder shouldn't develop into a sophisticated port. Jhimpir, which is in the Thatta area, is around 140 kilometres away from the national railway network. The distance between Karachi and its largest international market is just 170 kilometres, while the distance between Karachi and the nearest national highway is only 86 kilometres. Now, 90 percent of Pakistan's total commerce is processed via its two most important ports, Karachi Port and Port Qasim. Both ports are operating at their maximum capacity, and any expansion will be difficult to achieve owing to several different restrictions. To facilitate the projected development of the country's economy, new port infrastructure is required to support its global commerce.

Some estimates suggest that the Ketu Bunder Port will be able to accept vessels that are noticeably bigger than those that can now be accommodated at any of the other ports. When compared to Gwadar, which is located more than 600 kilometres away from Karachi, the port would save more than 24 hours in mainstreaming the offloaded goods due to its proximity to the city and access to the railway and transportation networks. Gwadar is located in the southwestern region of Pakistan.³⁶

³⁴N. Desk. "CPEC Western alignment to be completed in three years."

³⁵S. Rana. "Balochistan govt puts Quetta Mass Transit project on hold."

³⁶N. Memon. "Revival of Ketu Bunder Port."

In terms of the CPEC's western corridor, the Surab-Hoshab (N-85) route is an essential component. It is a major highway that connects the southern regions of the Baluchistan province, spanning 449 kilometres and costing 22 billion rupees to construct. It begins in Surab in the Kalat District and ends in Hoshab in the Baluchistan Province of Pakistan. Along the route, it passes via Panjgur, Nag, and Basima before connecting to the Rattodero-Gwadar Motorway (M-8). With the Gwadar Port, it will be possible to provide the shortest access to Afghanistan and the other nations in Central Asia.

The completion of this project has also resulted in the establishment of an important road connection from north to south. The construction of a western route that would link to CPEC is the sixth project to be undertaken as part of PSDP. The location of the project is in the province of Balochistan in Pakistan.³⁷

8. Gwadar Port Development Projects

The city of Shanghai is a financial powerhouse on a global scale and is home to one of the wealthiest and biggest international marine ports. Shanghai's strategic location at the intersection of several different transportation networks confers a significant national advantage on its marine ports. Shanghai's strategic location at the intersection of several different transportation networks confers a significant advantage. i.e., river and sea transportation, in addition to north-south coastal shipping, and therefore, it became not only the most important port in central China but also the largest port in Asia.

In addition to this, Shanghai has become the world's busiest trade hub, with 22% of all traffic coming from outside the country.³⁸ After a significant amount of port growth, Shanghai was elevated to the status of a metropolitan metropolis. Shanghai is often ranked as one of the cities with the quickest growth rates in the world. The economies of its ports are now growing at double-digit rates. As a direct consequence of the expansion of its port, Shanghai was given the distinction of being one of the most important metropolitan economic, commerce, technological, financial, cultural, information, and marine centres in China. In addition to this, Shanghai is responsible for up to 5 percent of China's total gross domestic product. The

³⁷B. Editor. "CPEC Western alignment to be completed in three years."

³⁸M. Ahmed and S. Bashir, "Socio-Economic Impact of Gwadar Deep Sea Port on Natives," *Balochistan Review*, pp. 142-158, 2021

inner metropolis of Shanghai has a population of 9.1 million people and is known for its high population density.³⁹

Qatar is seeing extraordinary expansion in a variety of its industrial and infrastructure sectors. His Majesty the Emperor is now working to improve Doha and Qatar from a strategic standpoint. It is necessary for there to be a substantial rise in the quantity of goods and raw resources that are brought into the nation for this goal to be accomplished.

The oil and gas industry are principally served by the ports of Mesaieed and Ras Laffan, while the commercial and corporate sectors receive their primary support from the port of Doha. By delivering a port facility of world-class standard, the development of a new commercial port located outside of the city boundaries of Qatar will make a significant contribution to the future social and economic development of the nation. The port will make it possible to relocate all of the current port operations and will also give extra capacity as well as direction for future expansion.⁴⁰

Ports are essential to the economic well-being of a nation because they provide the connection between sea and land transportation. Ports, in addition to fostering economic growth, play an important role in the facilitation of social activities. When compared to other forms of transportation, travelling by ship is both one of the most cost-effective and one of the most time-effective options. Eventually, the development of ports contributes to the economic success of a country, which ultimately results in an extension of commercial activities. Seaports are thought to play a crucial part in this era of globalisation, which is now underway.

The growth of global trade is closely connected with the expansion of economic development and the building of infrastructure, which are all necessary for the growing countries of the subcontinent to progress. Because of the increased use of water to connect various countries, seaports have become more important. The successful functioning of a seaport is essential to international commerce since a seaport serves as the hub from which a nation's exports and imports are conducted.

Additionally, seaports provide a site for the provision of additional services that add value to the items that are transported and, as a result, seek to increase trade demand. The ability of countries that have weaker

³⁹M. Ahmed and S. Bashir, "Socio-Economic Impact of Gwadar Deep Sea Port on Natives," *Balochistan Review*, 2021, 142-158

⁴⁰A. M. Al-Noaimi, "The New Doha Port Project," *LEADERS Magazine*, 2008. 178-180

manufacturing capabilities to import products and services is made possible by the existence of more ports, which add value to international commerce.⁴¹

Gwadar Port, Muhammad Bin Qasim Port, and Karachi Port are the three major seaports in Pakistan. Pakistan also possesses the Gwadar Port. One of the busiest and biggest ports in the world is in Karachi and goes by the name Muhammad Bin Qasim. Reports indicate that this port is responsible for around 60 percent of the total freight.⁴² This indicates that Karachi is home to two of Pakistan's ports, both of which are responsible for the bulk of the country's commercial activity.

Nevertheless, this is not where the story comes to an end. The newly built Gwadar Port gives people access to the nation's significant marine resources. The province of Balochistan, in which Gwadar Port is situated, is one of the least developed in Pakistan. The maritime route that is used for the trade of oil between countries in the Middle East and Pakistan comes relatively near the territory of Pakistan. As a result, it is straightforward for Pakistan to exercise authority over this oil commerce route that extends from the Middle East to the rest of the globe.

Gwadar, the capital of South Balochistan, is a port city located on the southwestern coast of Balochistan, Pakistan. The name Gwadar is derived from the Balochi terms Gwat (air) and Darr (door), which together signify "The Air Gate".⁴³ The deep-sea port of Gwadar may be found in the Pakistani province of Baluchistan, at the head of the city of Gwadar, which is located on the Arabian Sea's shore. The city is situated around 120 kilometres from the Iranian border and 533 kilometres from Karachi, the financial and commercial centre of Pakistan. In addition, the port is just 380 kilometres away from the state of Oman and is located in close proximity to key oil trade routes and channels in the Persian Gulf.⁴⁴

The surrounding regions of the port contain around two-thirds of the world's confirmed oil reserves. These deposits may be found in many types of oil. Gwadar is also the warm-water port that is the nearest to Afghanistan, which is landlocked but rich in natural resources. Furthermore, Gwadar is the closest warm-water port to the Central Asian States. The rocky topography of the Arabian Sea creates a hammerhead-shaped peninsula that extends from Pakistan's coastline, and the deep-sea port is located on this

⁴¹J. Koner and A. Purandare, "Economic Growth and Container Port Development in India: - An Empirical Assessment," 2015, 1-10

⁴²R. Shibasaki and S. Tanabe "Could Gwadar Port in Pakistan Be a New Gateway? A Network Simulation Approach in the Context of the Belt and Road Initiative," *Sustainability*, pp. 1-28, 2019.

⁴³H. Vieira, "Gwadar Balochistan, Pakistan," ed, 2018.

⁴⁴G. Port, "Global Energy Monitor," ed, 2021.

terrain. This rocky peninsula, which is also known as the Gwadar promontory, has a width of 2.5 miles and a height of 560 feet. This location is linked to the coast of Pakistan by a sandy neck of land that is about 12 kilometres in length. This isthmus divides the Padi Zirr bay to the west from the Demi Zirrharbour to the east.⁴⁵

The port is an essential element of the ongoing megaproject known as CPEC, and within the context of CPEC, it is regarded as the primary connection between MSR projects and the BRI. In terms of its physical location, the port can be found in the province of Sistan and Baluchistan, 170 kilometres to the east of Iran's Chabahar Port, and 120 kilometres to the southwest of the city of Turbat in Pakistani Baluchistan. In 1954, when the Omanis were still in control of the region, it was determined for the first time that the port of Gwadar held significant strategic importance due to its location. Following the completion of a shoreline study that it carried out with the assistance of the United States Geological Survey, Pakistan expressed interest in the area (USGS). Following the assessment, the USGS determined that the area would be suitable for a seaport, which prompted Islamabad to start talking with Oman about the possibility.⁴⁶ Following a four-year period of negotiation, Pakistan finally purchased the Gwadar enclave from Oman in 1958 for the sum of three million dollars. After almost two centuries of being a part of Oman, the port was officially annexed by Pakistan on December 8, 1958. Prior to that, it had been a part of Pakistan. In 1992, construction began on a modest section of Gwadar, and the following year, in 1993, a formal plan to build the entire port was presented.⁴⁷

Although the federal government gave its approval for this deep-sea port to be built and constructed, the project was never completed, primarily because there wasn't enough money to finish it. In 1997, a task committee that had been established by the federal government decided that one of the priority development regions should be the Gwadar port area. The concept and the project were never able to be implemented due to the international economic sanctions that were imposed on Pakistan because of the nuclear tests that took place in 1998. After former military ruler General Pervez Musharraf signed the building deal in 2001 during Chinese Premier Zhi Rohn's visit to Pakistan, the first phase of the port's development did not get underway until the following year, in 2002. The first commercial cargo vessel was able to moor at the Gwadar deep-sea port in 2007, one year after

⁴⁵T. A. Yousaf, *Is Gwadar Port an Economic Haven for Balochistan and Pakistan?* LUND University, 2012.

⁴⁶V. Pourtajrishi and E. Shirvani. "Pakistani Gwadar Port, a double-edged sword for Iran."

⁴⁷Z. A. Khan, "China's Gwadar and India's Chabahar," *Strategic Studies*, pp. 79-101, 2013.

the completion of phase I of the project. The "Pos Glory" brought in a total of 70,000 metric tonnes of wheat to the port in 2008.⁴⁸

Following the launch of CPEC in 2015, it was announced that the port would undergo expansion as part of the megaproject at a cost of \$1.62 billion. The establishment of a connection between western China, northern Pakistan, and the Indian Ocean was the major motivation for the building of this deep-sea port. Also, it was said that a floating liquefied natural gas plant will be built in Gwadar as part of the larger Gwadar-Nawab Shah phase of the Iran-Pakistan Gas Pipeline.⁴⁹ The construction of the facility was anticipated to cost \$2.5 billion.

In addition, construction of the SEZ of the Gwadar port started in 2016 on a block of land next to the port that is 2200 acres in size. In 2015, the Pakistani government officially leased the port to China for a period of time running until 2059 [53]⁵⁰. On November 14, 2016, while Nawaz Sharif was still serving as prime minister, the deep-sea port was officially opened to the public, marking the beginning of its operational phase. The first convoy was inspected by General Raheel Sharif, who had previously served as chief of the military. In the year 2020, Pakistan made use of the port for Afghan transit trade in order to provide food, medicine, and other goods to Afghanistan's landlocked neighbour in an attempt to provide assistance to Afghanistan in the midst of the COVID-19 outbreak.⁵¹

Gwadar Port is now run by the government-run Gwadar Port Authority, which works with China Overseas Port Holding Enterprise (COPHC), another organisation run by the Chinese government. Before the new government in Singapore was put in place, the port was run by the Singapore Port Authority [55].⁵² After Phase I of the port's construction was finished, the Pakistani government and the Port of Singapore Authority came to an agreement for the port's continued construction and development, which would last for forty years. In addition to this, the SPA was contracted to complete the building of a 584-acre special economic zone in the vicinity of the port. After its principal rival, an international logistics company known as DP World, decided not to participate in the auction, SPA emerged victorious as the highest bidder. As part of the agreement reached with Islamabad, the Singapore Authority was eligible for a broad range of tax breaks, one of which was a reduction in the corporate tax rate.

⁴⁸S. Raza. "Gwadar Port."

⁴⁹C. M. Meena, "Geo-Strategic Importance of China Pakistan Economic Corridor, Threat to India: An Analysis," *International Journal of Research and Analytical Reviews*, 2017, 121-135

⁵⁰S. Saeed. "China's plans to rule the seas hit trouble in Pakistan."

⁵¹A. Latif. "Pakistan reopens 2 routes for trade with Afghanistan."

⁵²Z. T. Ebrahim. "What's happening at Pakistan's Gwadar port?"

Additionally, the authority was given duty-free imports, the ability to acquire property for the Economic Zone, duty-free shipping, and bunker oil for the next forty years, and duty-free imports of material for port construction. Additionally, in Baluchistan, taxes levied at the province and district levels were not applied to the SPA. According to the terms of the agreement, Pakistan was to get 9% of the money made from maritime and cargo services and 15% of the money made from the SEZs.⁵³

The Wall Street Journal reported in 2011 that the deep-sea port of Gwadar was underutilised in relation to its potential economic value, and Islamabad had urged that Beijing take over operations at the port. In the meanwhile, after the Pakistan Navy's failure to provide land for the planned free trade zone, SPA made an offer to withdraw from the transaction and sell its share of the property to a Chinese company. In addition, because of the unstable political climate in Pakistan, notably in Baluchistan, SPA was unable to invest the estimated \$550 million on the development of the port between the years of 2007 and 2013. This setback occurred specifically in Baluchistan.⁵⁴ In addition, Islamabad was unable to pay for the essential infrastructure development projects that were required. In response to a petition from the public, the Supreme Court of Pakistan has agreed to put a hold on the process through which the government would award property to the Singapore Port Authority.

As a direct result of these occurrences, on February 18, 2013, the Pakistani government chose China Overseas Port Holding Company as the recipient of the contract. Under the terms of the new deal, the port will be in Pakistan, but COPHC will oversee managing the associated infrastructure. In the presence of the then-President of Pakistan, Asif Ali Zardari, and the Chinese ambassador, Liu Jian, the agreement was signed in Islamabad. Also present at the signing were government officials and many members of parliament. Additionally, this event signaled the transfer of tax benefits to a firm based in China [56]. The deal stated that Pakistan would get 9% of the profits generated by the port, while COPHC would be entitled to receive the remaining 91%. In addition, the company received the same exemptions that SPA received.⁵⁵

The significant undertaking comprises COPHC gaining full control of all activities at the port as well as increasing the scope of the facility's capabilities. The company has been contracted to build nine new multifunctional births on the seashore, which will be expanded to be located

⁵³S. I. Ali. "China given contract to operate Gwadar port."

⁵⁴A. Rafiq, "The China-Pakistan Economic Corridor Barriers And Impact," The Asia Center at the United States Institute of Peace (USIP), Washington, DC, 2017.

⁵⁵H. Zhang. "Gwadar Port and Free Zone."

3.2 kilometres to the east of the existing operational berths.⁵⁶ In addition, the corporation plans to construct a sizable freight station on property that is located twelve kilometres to the north and northwest of the port, as well as along the beaches of Demi Zirr Bay. As a result of the deal, port expansion contracts with a total value of \$1.02 billion were awarded to a Chinese company.⁵⁷

In addition to the building of a freight terminal and the nine new berths, various additional development projects are now being planned, all of which will get financial backing from Chinese state-owned institutions. To accommodate vessels with draughts of between 11 and 14 metres, the approach channels to the port of Gwadar are going to be widened and improved as part of the dredging project. The port can presently only take ships with a maximum deadweight of 20,000 tonnes, but with this development, it will be able to accommodate ships with a dead weight of up to 70,000 tonnes, making it possible for bigger ships to land there. The depth of the dredged channel will be raised to twenty metres soon so that bigger boats can dock at the port more quickly. Under the terms of the agreement, the Chinese company would also be responsible for developing the port's infrastructure at a cost of 130 million dollars.⁵⁸

The agreement also highlighted that the CPEC project would include other infrastructure and development projects as auxiliary components. The most recent news indicates that a desalination plant with a price tag of 114 million dollars will be constructed to provide the locals with clean water. In addition, Islamabad will invest 35 million dollars toward the development of special economic zones inside the port. In addition, it was decided to construct a municipal airport in Gwadar as well as a road that would stretch for 19 kilometres and be known as the East Bay Expressway. This road would link the deep-sea port to the Makran Coastal Highway.⁵⁹

In addition, the government of Pakistan established a Pak-China Technical and Vocational Institute in the city's port to educate people, aid them in obtaining employment, and train them to operate port equipment [62].⁶⁰ Additionally, the two countries came to an agreement that the port

⁵⁶S. C. M. Post. "China's super link to Gwadar Port — A visual explainer."

⁵⁷Kenneth, "The Gwadar port in Pakistan project timeline," *Construction Review Online*. Available at: <https://constructionreviewonline.com/biggest-projects/the-gwadar-port-in-pakistan-project-timeline/>

⁵⁸L. Styles. "Pakistan Gwadar Port."

⁵⁹Kenneth, "The Gwadar port in Pakistan project timeline," *Construction Review Online*. Available at: <https://constructionreviewonline.com/biggest-projects/the-gwadar-port-in-pakistan-project-timeline/>

⁶⁰B. Lintner, *The Costliest Pearl - China's Struggle for India's Ocean*. A Hurst Publication, 2019.

would be allowed to store more than one million tonnes of cargo from moored ships until the year 2017. The vast bulk of this item consisted of construction supplies that were intended for use in other CPEC projects. In accordance with the terms of the arrangement, the capacity of the port of Gwadar will ultimately be raised to 400 million metric tonnes of cargo each year. Up until the year 2045, the port in the deep sea will have 100 operational births.⁶¹

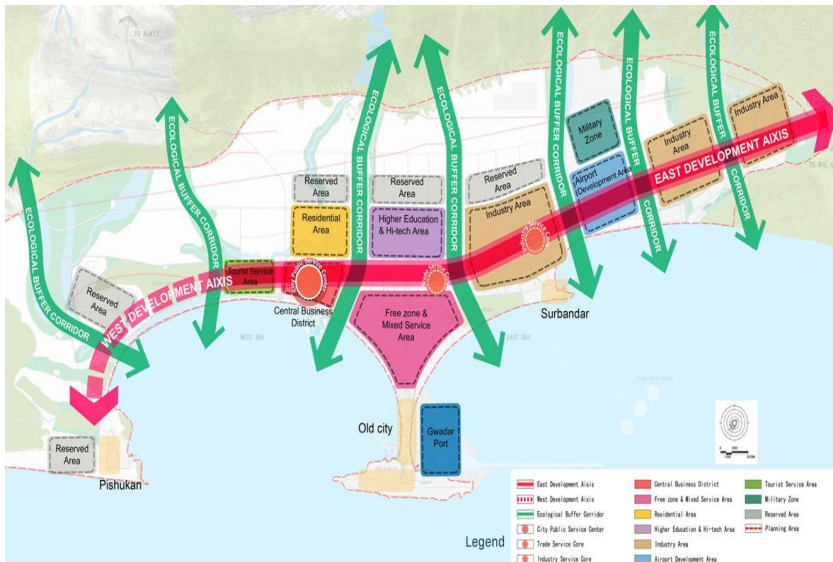


Figure 2: Structure of Gwadar port and zone planning.

The construction and expansion of the deep-sea port took place in two stages, with the first stage consisting of the construction of berths and terminals for the port's operations. The first phase of the building of the Gwadar port lasted from 2002 through 2006, and President General Pervez Musharraf officially opened it in 2007. During this phase of construction, three multipurpose berths with a combined length of 602 metres were constructed. In addition, a 4.5-kilometer approach canal and a 12.5-meter-deep dredge channel that have a capacity of 30,000 deadweight tonnes and container vessels that weigh 25,000 deadweight tonnes have been completed.

In addition, a turning basin with a diameter of 450 metres and a service berth with a length of 100 metres were constructed, in addition to the port's infrastructure and handling equipment, which included tugboats,

⁶¹Ebrahim, "Pakistan's key CPEC port a long way from trade hub vision," *The Third Pole*. Available at: <https://www.thirdpole.net/en/regional-cooperation/pakistan-gwadar-port-long-way-from-trade-hub-vision/>

survey vessels, and pilot boats. The first phase of construction cost a total of \$432 million, which was split between Pakistan and the Singapore Port Authority [64].⁶² The second phase of the building of the Gwadar port was finished under the auspices of CPEC, and work on ancillary projects in the area is now being carried out. It is anticipated that the second phase would cost a total of \$1.02 billion, with the bulk of that sum going to China. Work is now being done on an approach tunnel, which will have a maximum draught channel and will be dredged to a depth of 14.5 meters.

In addition, work is being done on a six-lane East Bay Expressway, which will link the port to the Makran Coastal Highway. Additionally, a brand new international airport that can accommodate both Chinese engineers and freight coming from other countries will be created [60]. Among the further projects that are planned for the port are a four-container berth on the port's coastline, one bulk cargo terminal, one Ro-Ro terminal (to convey wheeled freight), one grain terminal, and two oil terminals. Additionally, the port will have a berth for two oil tankers. Additionally, a floating liquefied natural gas plant will be constructed in the vicinity, and it will be connected to the special economic zone that the port has created on 2,283 acres.⁶³

⁶²F. u. Rahman, "Prospects Of Pakistan Becoming A Trade And Energy Corridor For China," *Institute of Strategic Studies Islamabad*, 2007, 52-89.

⁶³M. o. Ports, "*Gwadar Port & CPEC*," Ministry of Ports & Shipping Gwadar Port Authority, 2015.



Figure Error! No text of specified style in document.: Gwadar master plan.

The special economic zone is a 2,283-acre plot of land near Gwadar port that is modelled after China's economic zone. Pakistan handed up the site to the Chinese Overseas Port Authority on a 43-year lease in 2015, with the zone's construction beginning in June 2016.⁶⁴ This SEZ has been meticulously planned to provide livelihoods and employment opportunities for over 40,000 individuals concurrently, with plans for future expansion. Within the boundaries of this SEZ, comprehensive infrastructure will encompass logistic hubs, exhibition centers, industrial zones, and storage facilities.

Businesses established within this designated zone will enjoy significant incentives, including exemption from sales taxes, federal income taxes, excise taxes, and state and local sales taxes for a period spanning 23 years. This advantageous tax regime makes it an appealing investment destination for both domestic and international entrepreneurs and investors. Furthermore, contractors and subcontractors affiliated with the COPH undertaking within this SEZ will benefit from a 20-year exemption from the taxes.

In addition to tax benefits, imports of machinery, plants, appliances, equipment, and accessories will also receive favorable treatment for a duration of 40 years, provided these items are used exclusively in the development and construction of the deep-sea port. This exemption is conditional upon the goods in question being utilized specifically for the advancement of the deep-sea port infrastructure.

This SEZ will be broken up into three separate zones, the first of which will be completed in the year 2025. Both countries believe that by that time, new processing and manufacturing technologies will have been developed and that the facility will have been enlarged even further. The chairman of China Overseas Port Holding Business, Zhang Baozhong, gave an interview to the Washington Post in 2016 and stated that the company intends to spend 4.5 billion dollars on various projects within the SEZ. These projects will include power plants, hotels, roads, and other forms of infrastructure.

These major projects under CPEC reflect the multifaceted nature of the initiative, which encompasses infrastructure development, energy generation, industrial growth, and social development. CPEC is expected to have a transformative impact on both China and Pakistan, as well as the broader region, by promoting economic integration and cooperation. The overarching goal is to improve connectivity, stimulate trade, and foster economic growth, addressing Pakistan's pressing development needs.

⁶⁴G. Vincenti, *The Dragon's grip: Chinese presence in ports along the Belt and Road-The case of the port of Trieste*. Universita Ca Foscari Venezia, 2020

CPEC's Strategic Significance

CPEC transcends its purely economic significance, carrying profound strategic weight for both Pakistan and China. For Pakistan, it represents more than just economic rejuvenation; it's a path to infrastructure development and stability. The robust investment and development of infrastructure promised by CPEC are poised to uplift Pakistan's economic prospects, creating job opportunities, and bolstering the nation's overall stability.⁶⁵ From China's perspective, CPEC serves as a strategic trade route that bypasses the Malacca Strait, thereby ensuring energy security and trade diversification. This alternative route mitigates the risks associated with the Malacca Strait's potential disruptions and reinforces China's position as a global economic powerhouse.⁶⁶

CPEC's impact resonates far beyond the borders of Pakistan and China. It strengthens connectivity among South Asian, Central Asian, and Middle Eastern nations, establishing a vital conduit for trade and cooperation. As a result, it has the potential to reshape regional geopolitical dynamics by fostering collaboration and promoting economic interdependence among neighboring nations. Nevertheless, CPEC faces its own set of challenges. Security concerns, governance issues, and environmental considerations necessitate adept management for its success. Striking a balance between economic development and environmental sustainability remains a central challenge that must be addressed to ensure the long-term viability of the project.⁶⁷

While the enduring Pakistan-China relationship is characterized by its historical significance, it confronts certain impending challenges. Concerns related to security, particularly in the Baluchistan region of Pakistan, have raised questions about the safety of Chinese investments within the CPEC[70].⁶⁸ Additionally, evolving regional dynamics, including India's assertiveness and the U.S. withdrawal from Afghanistan, introduce new complexities that require careful consideration.⁶⁹ Nonetheless, the prospects

⁶⁵Y. Ul Hassan, "China-pakistan economic corridor (CPEC) and questions on Pakistan's economic stability," *Strategic Analysis*, 44(2), 2020, 137-152

⁶⁶A. Gholizadeh, S. Madani, and S. Saneinia, "A geoeconomic and geopolitical review of Gwadar Port on belt and road initiative," *Maritime Business Review*, 5(4), 2020, 335-349

⁶⁷A. Mukhtar, Y. Zhu, Y.-i. Lee, M. Bambacas, and S. T. Cavusgil, "Challenges confronting the 'One Belt One Road' initiative: social networks and cross-cultural adjustment in CPEC projects," *International Business Review*, 31(1), 2022, 101902

⁶⁸M. Ali, "China-Pakistan economic corridor: prospects and challenges," *Contemporary South Asia*, 28 (1), 2020, 100-112

⁶⁹M. Ismail and S. M. Husnain, "Recalibrating impact of regional actors on security of China-Pakistan Economic Corridor (CPEC)," *Fudan Journal of the Humanities and Social Sciences*, 15(3), 2022, 437-462

of Pakistan-China relations exhibit resilience. Both nations have a vested interest in preserving their strategic partnership, and the economic advantages associated with CPEC continue to incentivize cooperative efforts. Given China's expanding global influence, Pakistan remains a pivotal ally within the South Asian context.

The Pakistan-China relationship extends its impact across multiple dimensions, encompassing economic development, fortified security cooperation, and diplomatic support on international platforms. As CPEC undergoes further evolution, it holds the potential to invigorate Pakistan's economy, generate employment opportunities, and enhance infrastructure, reinforcing its importance. Looking ahead, the outlook for the future of Pakistan-China relations is promising, with opportunities for expanded collaboration in domains such as trade, technology, and cultural exchange. Both nations, assuming substantial roles on the global stage, retain their mutual significance in sustaining regional stability and fostering prosperity.

Conclusion

In nutshell, the history of Pakistan and China's political and economic relations, explored in this research paper spanning over seven decades, reveals an extraordinary journey of diplomacy, trust, and mutual benefit. This enduring alliance, often described as "all-weather" and "iron brothers," has evolved from early diplomatic engagements in the 1950s to the comprehensive strategic partnership witnessed today. Throughout this history, key moments such as Pakistan's recognition of the People's Republic of China in the 1950s, the Treaty of Friendship in 1963, and the alignment during the Sino-Indian War of 1962 solidified the foundations of a robust partnership.

Economically, their collaboration, initiated in the 1960s with projects like the Karakoram Highway, reached its zenith with the CPEC in the 21st century. CPEC, part of China's BRI, not only fosters economic growth but also holds profound strategic significance for both nations and the broader region. Geopolitically, this partnership influences the regional balance of power and addresses shared security concerns.

While facing challenges like security issues and evolving regional dynamics, the resilience of Pakistan-China relations is evident. The outlook remains promising, with opportunities for further collaboration in various domains. Ultimately, this enduring alliance serves as a testament to the possibilities of cooperation, shared objectives, and the lasting impact of diplomatic friendships in an ever-changing global landscape.

References

- Ahmed, M. and Bashir, S. "Socio-Economic Impact of Gwadar Deep Sea Port on Natives," *Balochistan Review*, 2021
- Ali, M. "China–Pakistan economic corridor: prospects and challenges," *Contemporary South Asia*, 28 (1), 2020
- Ali, T. "Chitral, the shortest route between China, Afghanistan and beyond," *Gwadar Pro.* Available at: <https://www.gwadarpro.pk/1453285273945698306/chitral-the-shortest-route-between-china-afghanistan-and-beyond>
- Authority, C. "Zhob - Quetta (Kuchlak) (N-50)," CPEC Authority, ministry of planning and development, 2021
- Ebrahim, "Pakistan's key CPEC port a long way from trade hub vision," *The Third Pole*. Available at: <https://www.thethirdpole.net/en/regional-cooperation/pakistan-gwadar-port-long-way-from-trade-hub-vision/>
- G. Vincenti, *The Dragon's grip: Chinese presence in ports along the Belt and Road-The case of the port of Trieste*. Universita Ca Foscari Venezia, 2020
- Gholizadeh, A., Madani, S. and Saneinia, S. "A geoeconomic and geopolitical review of Gwadar Port on belt and road initiative," *Maritime Business Review*, 5 (4), 2020
- Hassan, Y. Ul. "China-pakistan economic corridor (CPEC) and questions on Pakistan's economic stability," *Strategic Analysis*, 44(2), 2020
- Hirsch, P. "The shifting regional geopolitics of Mekong dams," *Political Geography* 51, 2016
- Hussain, I. and I. H. Qamari, "History of Pakistan–China relations: the complex interdependence theory," *The Chinese Historical Review*, 27(2), 2020.
- Ibold, S. "*BRI Factsheet Series – Pakistan-China Optical Fibre Cable Project*," *Belt and Road Initiative*, BRI Projects, 2018.
- Info, C. "*KKH Thakot-Raikot N35 Remaining Portion (136 Km)*," China-Pakistan Economic Corridor, 2021.
- Info, C. "*Upgradation Of D.I.Khan (Yarik) – Zhob, N-50 Phase-I (210 Km)*," CPEC, 2021
- Ismail, M. and Husnain, S. M. "Recalibrating impact of regional actors on security of China–Pakistan Economic Corridor (CPEC)," *Fudan Journal of the Humanities and Social Sciences*, 15(3), 2022
- Javaid, U. and Jahangir, A. "Pakistan-China strategic relationship: A glorious journey of 55 years," *Journal of the Research Society of Pakistan*, 52(1), 2015.
- Kataria, J. R. and Riaz, A. "Pakistan-China social and economic relations," *South Asian Studies*, 29(2), 2020.
- Kenneth, "The Gwadar port in Pakistan project timeline," *Construction Review Online*. Available at:

<https://constructionreviewonline.com/biggest-projects/the-gwadar-port-in-pakistan-project-timeline/>

- Khan, R. M. "Pakistan-China Relations: An Overview," *Pakistan Horizon*, 64(4), 2011
- Khan, Z. A. "China's Gwadar and India's Chahbahar," *Strategic Studies*, 2013.
- Khokhar, M. K. S. *Geo-Political and Geo-Economic Significance of CPEC for Pakistan (2013-2020)*. Lahore: University of the Punjab, 2021.
- Koner, J. and Purandare, A. "Economic Growth and Container Port Development in India: - An Empirical Assessment," 2015
- Kuszevska, A. and A. Nitza-Makowska, "Multifaceted Aspects of Economic Corridors in the Context of Regional Security: The China-Pakistan Economic Corridor as a Stabilising and Destabilising Factor." *Journal of Asian Security and International Affairs*, 8(2), 2021
- Landry, D. "A torrent or a trickle? The local economic impacts of the China-Pakistan Economic Corridor." *Oxford Development Studies*, 51(2), 2023
- Lintner, B. *The Costliest Pearl - China's Struggle for India's Ocean*. A Hurst Publication, 2019.
- Lu, H. U. A. Command, and G. S. College, "The China-Pakistan Economic Corridor and its Effects on Bilateral Cooperation," 2021
- Malik, M. "The China factor in the India-Pakistan Conflict." *The US Army War College Quarterly: Parameters*, 33(1), 2003
- Meena, C. M. "Geo-Strategic Importance of China Pakistan Economic Corridor, Threat to India: An Analysis." *International Journal of Research and Analytical Reviews*, 2017
- Mukhtar, A. Y. Zhu, Y.-i. Lee, M. Bambacas, and S. T. Cavusgil, "Challenges confronting the 'One Belt One Road' initiative: social networks and cross-cultural adjustment in CPEC projects." *International Business Review*, 31(1), 2022
- Naseer, S. "Orange Line Metro Train Project." Lahore, The Peoples Map, 2021.
- Noaimi, Al- A. M. "The New Doha Port Project." *LEADERS Magazine*, 2008
- Pant, H. V. "The Pakistan Thorn in China-India-US Relations." *The Washington Quarterly*, 35(1), 2012.
- Port, G. "Global Energy Monitor," ed, 2021.
- Ports, M.O. "Gwadar Port & CPEC." Ministry of Ports & Shipping Gwadar Port Authority, 2015.
- Pourtajrishi, V. and Shirvani, E. "Pakistani Gwadar Port, a double-edged sword for Iran."
- Rafiq, A. "The China-Pakistan Economic Corridor Barriers and Impact." The Asia Center at the United States Institute of Peace (USIP), Washington, DC, 2017.

-
- Rahman, F. U. "Prospects of Pakistan Becoming A Trade And Energy Corridor For China." *Institute of Strategic Studies Islamabad*, 2007
- Saeed, S. "*China's plans to rule the seas hit trouble in Pakistan.*"
- Sardar, S. I. "India: The Changing Security Environment And Regional Stability." *Institute Of Regional Studies Islamabad*, 39(1), 2021
- Schindler, S., DiCarlo, J. and Paudel, D. "The new cold war and the rise of the 21st-century infrastructure state." *Transactions of the institute of British geographer* 47 (2), 2022
- Shah, A. R. "Revisiting China threat: the US' securitization of the 'Belt and Road Initiative'." *Chinese Political Science Review*, 8(1), 2023
- Shahid, S. S. "Construction work on 153 km Chitral-Shandur road begins after 40 years," *About Pakistan*. Available: <https://www.aboutpakistan.com/news/construction-work-on-153-km-chitral-shandur-road-begins-after-40-years/>
- Shibasaki, R. and Tanabe, S. "Could Gwadar Port in Pakistan Be a New Gateway? A Network Simulation Approach in the Context of the Belt and Road Initiative," *Sustainability*, 2019
- Small, A. *The China Pakistan axis: Asia's new geopolitics*. Random House India, 2015
- Xuyang, Y. "State Policy of China and Pakistan on Economic and Trade Relation from 1958 to 1969." *Journal of Development and Social Sciences*, 3(3), 2022
- Yousaf, T. A. *Is Gwadar Port an Economic Haven for Balochistan and Pakistan?* LUND University, 2012.