

---

# China-Pakistan Economic Corridor: Cooperate Investment Development And Economic Modernization Encouragement

---

Sarfraz Hussain<sup>1</sup>, Muhammad Rafiq<sup>2</sup>, Abdul Quddus<sup>3</sup>, Nisar Ahmad<sup>4</sup>, Tien Phat Pham<sup>5</sup>

<sup>1</sup>Azman Hashim International Business School, Universiti Teknologi Malaysia, Kuala Lumpur, Malaysia, Govt. Imamia College Sahiwal, Pakistan, ORCID: 0000-0001-9449-1047

<sup>2</sup>Azman Hashim International Business School, Universiti Teknologi Malaysia, Kuala Lumpur, Malaysia, ORCID ID (0000-0002-1602-4782)

<sup>3</sup>Faculty of Management and Economics, Tomas Bata University in Zlin, The Czech Republic ORCID: 0000-0003-3914-6755

<sup>4</sup>Assistant Professor Hailey College of Commerce, University of the Punjab Lahore, Pakistan, ORCID: 0000-0002-8495-4543

<sup>5</sup>Faculty of Management and Economics, Tomas Bata University in Zlin, The Czech Republic School of Economics, Can Tho University, Vietnam, ORCID: 0000-0001-9472-5878

emails: <sup>1</sup>mianfraz1@gmail.com, <sup>2</sup>rafiq.m@graduate.utm.my, <sup>3</sup>quddus@utb.cz, <sup>4</sup>nisar@hcc.edu.pk, <sup>5</sup>phamphattien@gmail.com

**Abstract:** *Although international business and trade cooperation is regarded as a hallmark of the 21st century, the current liberal consensus on economic globalisation has been challenged by new events in Brexit through President Trump 's approach and pro-Trump-Multilateral business trade. This paper will argue that, on the alternative, the CPEC is China's scenarios and Pakistan's latest effort to lift the young generation of international trade, as the one Belt and one Road was suggested by China's economic corridor as a route to growth, whereas the CPEC would be even more valid of ignorance-bringing isolation. It's a game-changer with Pakistan, as that is a forum for economic integration. The CPEC will also flourish in China and Pakistan, but it will have such a positive effect on Iran, Afghanistan, India, the Central Asian Republic, and the region. Foreign business can be fostered by strengthening regional ties as opposed to anti-localization movements.*

**Key Words:** *CPEC, Trade, Globalization, Economic Growth, Foreign Direct Investment*

## 1. INTRODUCTION

These trends are called the end of globalisation and a reversal of Britain's and American Present Trump's election promises, who, promised to build a wall and support the anti-globalization movement. The reverse can be seen. The Point Of Globalization. Thanks to its seemingly esoteric economic policies, it can be seen as the first wave of globalisation worldwide. This article misrepresents this shift and would point to Pakistan 's apparent economic policy as well as economic convergence between China and Pakistan in the sense of the China-Pakistan Economic Corridor, but with this global expansion in mind. The initial

amount of investment was \$42 (billion), but had subsequently risen to \$62 (thousand) as well as to 55 by 2017 (Goñi, Ramírez, & Vidal, 2020).

The article will discuss such concerns as:

- 1) What is the financial and geo-strategic effect of the China trade agreement in Pakistan?
- 2) How can regional economic integration within the Historical and Economic Zone of Gwadar be established?
- 3) What is the productive capacity of the CPEC, through foreign investment and multilateral trade, to assist in the new phase of globalisation between China, Pakistan and other states, especially between the EU and Central Asia?

This paper will outline the economic growth and trade partnerships between Pakistan and China that produce multilateral trade, provided that bilateral relations between the two countries also affects other countries. Though its outcome of CPEC still has not been obtained, there is fast development to its achievement, and other countries are interesting to become participants in this international economic project.

### **What is the Economic Corridor of China-Pakistan?**

It gave better path to its outward-looking strategy, with strong relations, in pursuance of China 's objectives. By means of the Empire Path, which includes highways, transit networks, and shipping routes, President Li was aggressively convinced of this concept. This also applies to "One Belt One Road." A economic integration project and a financial and economic one was the Silk Route with Pakistan. China is developing its leading economic and political cooperation role in Asia and beyond through 'One Belt One Path' (Das, 2017). Pathways for regional trade partnership have been effectively developed in eastern. China is progressing toward linking the region with the coastal areas to provide investment-led development. One Belt & One Road (OBOR) was introduced by president xi. The China-Pakistan Economic Corridor (CPEC) is an OBOR route for the continued success of an inter-stakeholder (Shafique, & Iftikhar, 2017).

A couple of economic and strategic and economic advantages for Pakistan and China would push CPEC. China and Pakistan's market and trade strategies will also be sought, and Pakistan will power be forceful in pursuing its geo-strategic concerns. In 2017, the CPEC will make Gwadar the busiest port in the world, as announced by the Government of Pakistan, it will be joined by approximately 51 countries , including China, Turkey, Russia and Malaysia. Through the CPEC project, which will boost economic activities throughout the world, all areas of the Pakistan will be linked via road systems (McCartney, 2020).

In the background of the initiative, Chinese officials have imagined the CPEC's OBOR vision. He aims to harness global power by engaging in foreign trade through the convergence of regional differences. The Gwadar railway would minimize China's trading distance to 3,000 km on or after the Indian Sea. Although the port is deliberately positioned at the end of the road route and connected to the world's oil rich countries. It was projected that the airport terminal, petroleum refineries, and large aircraft capacity will make it a strong transport and commercial hub for the area (Ali, 2020).

A variety of contracts between Pakistan and China have also been signed, include 2 significant deep-water port contracts at Gwadar Airport to provide approximately \$333(m) for the route from Xinjiang Province to the Arabian Sea. Another cost of 160 (m) to link Gwadar to Pakistan's national highway is the construction of the shipping port of Havelian in Pakistan.

The CPEC would restructure the current political and economic ties between the states all the way through its connections through Central Asia, the Middle East and African Region. The CPEC project, in large part, has four phases:

- Almost all the energy industry tasks approved in the 2015-2019 preliminary production would add at least 7,000 MW to the electricity national grid in 2019, reducing energy shortfall and power loss that has disrupted both industry and exports simultaneously.
- It encompasses two roads, Gwadar development, fiber optic and hydroelectric power infrastructure, mining operations, and other electric projects of power for short-term up to 2022.
- Medium-sized projects in the railway and manufacturing industry will be launched by 2025.
- Long-term plans up to 2030 have included the development of the industrial center, Agricultural Production and tourism and hospitality (Ministry of Planning and Development).

### An Action Plan of Game Changer is Silk Route

Traditionally, there have been several Silk Route schemes, from the United States Silk Route strategy to the European Silk Route Project and the Turkish Silk Route. Nevertheless, China has eagerly turned to the development of Silk Road to the Silk Road. That step addresses how China could be at the centre of a fresh wave of globalization (Chan, 2020). Through the announcements of a 45 percent import duties on chinese products, the withdrawal of the Paris Climate Agreement, as well as the decision to create an end to the Trans-Pacific Partnership Trade Agreement, US mr. trump 's security strategies, as mentioned above, have taken the country to Type-Out (Duque, 2020). Since Trump is inept in economic and international affairs and his status in world trade is weakening, China will retire in the next step of globalization, for which the multilateral body still has a role to play in shaping globalization. The place to pay is there. And the economy and trade are opening. As seen in the following graph, which predicts that China will be dependent on global GDP, trade, and export sharing by 2030, China is also attempting to play a significant role in global trade ties. As the dominant economic force, it will replace the United States (Lin, & Ge, 2020).

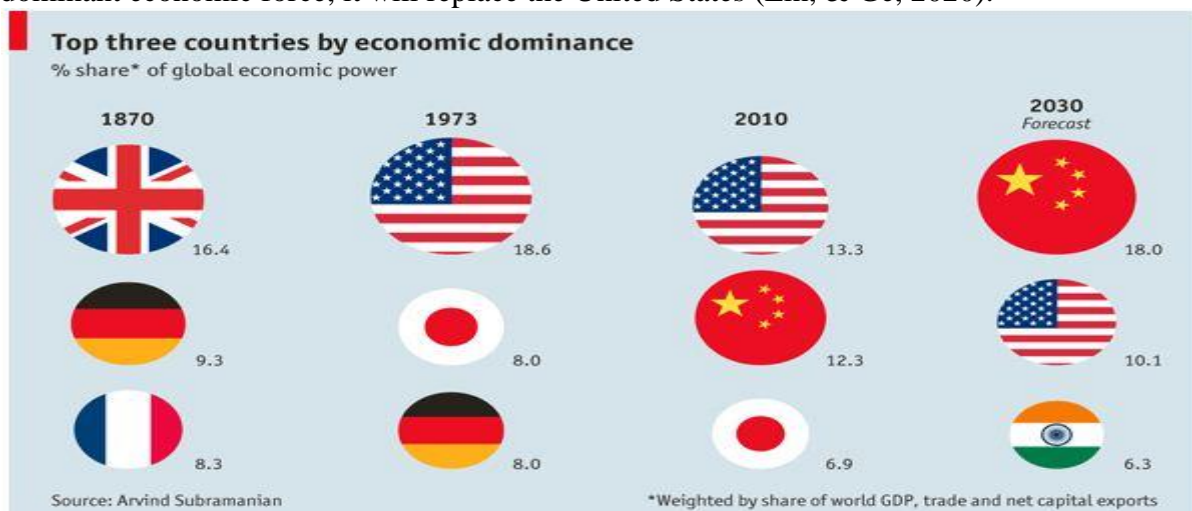


Figure 1: (Linschoten, 2011)

This indicates that China, and through One Road, One Belt and CPEC, is also supporting economic globalization. The economic and trade partner of China will eventually reinforce not only economic coalitions with the countries in Southeast Asia, and joint economic partnerships with New Zealand, Australia, Central Asia South Korea, Japan and ASEAN (Su, Xue, & Xu, 2020).

Across the same time, China is financing the African world thousands of dollars for infrastructure as part of the OBOR. In cities such as Dakar, Djibouti, Dar es Salaam, and

Deepwater ports are also have been developed. Industrialized hubs are likely to develop as they invest in the transport corridors of Pakistan (Yaseen, 2020).

A part of the OBOR, or New Silk Road, is the CPEC. For Pakistan, investing is very considerable, and for non-coastal Central Asia, it is equally as important. It will bring prosperity, economic growth, and development, and even Central Asia, which has remained a closed economy, will now, through the CPEC, be linked to the global economy and thrive. "The" World Village "definition is being extended by the Silk Path (Zhou, 2020).

#### Large developing economies are moving up in global manufacturing

Top 15 manufacturers by share of global nominal manufacturing gross value added

Rank	1980	1990	2000	2010
1	United States	United States	United States	United States
2	Germany	Japan	Japan	China
3	Japan	Germany	Germany	Japan
4	United Kingdom	Italy	China	Germany
5	France	United Kingdom	United Kingdom	Italy
6	Italy	France	Italy	Brazil
7	China	China	France	South Korea
8	Brazil	Brazil	South Korea	France
9	Spain	Spain	Canada	United Kingdom
10	Canada	Canada	Mexico	India
11	Mexico	South Korea <sup>1</sup>	Spain	Russia <sup>2</sup>
12	Australia	Mexico	Brazil	Mexico
13	Netherlands	Turkey	Taiwan	Indonesia <sup>2</sup>
14	Argentina	India	India	Spain
15	India	Taiwan	Turkey	Canada

1 South Korea ranked 25 in 1980.

2 In 2000, Indonesia ranked 20 and Russia ranked 21.

NOTE: Based on IHS Global Insight database sample of 75 economies, of which 28 are developed and 47 are developing. Manufacturing here is calculated top down from the IHS Global Insight aggregate; there might be discrepancy with bottom-up calculations elsewhere.

SOURCE: IHS Global Insight; McKinsey Global Institute analysis

Figure 2: (Linschoten, 2013)

#### In CPEC, International interconnection and intergovernmental Trade

The project, consisting of the One Belt and One Road (OBOR) initiatives, is pushing for economic corridors to be built to connect china with africa and asia and in north, west , and south. Six areas of CPEC development have been identified by the Government of Pakistan, namely economic development , trade and access to markets, agricultural development, the economic sustainability, resources that facilitate, Gawadar City including eradicating poverty. The economic course of the CPEC over the next five years will be decided by these regions. It will be a result of these plans to close the gap between high growth and economic growth. The CPEC would acknowledge, from the Chinese viewpoint, a significant decrease in the routes of trading and oil supply via China's shallow port of Gwadar. For Pakistan, CPEC is estimated to generate 2.5 percent to the average annual overall economic development of the country and generate employment opportunities between 2015 and 2030 (Rauf, M. (2019; Isran, Siddiki, Kumar, & Zaidi, 2019; Khan, Ali, Ullah, Sami, Khan, Mehmood, & Ro, 2020).

Since Pakistan 's trade is usually limited to the americas and europe, in terms of commodities and trading partners, Pakistan 's trade is currently not quite different (Saqib Irshad, & Anwar, 2019). Capital-intensive areas such as Central Asia and East Asia have not pursued the international and economic policies of Pakistan. It is necessary to expand Pakistan's regional trade base, which will boost CPEC 's growth as it has regional trade and trade ties and increase the amount of foreign trade in Pakistani commerce. This will be a major part of the economy's globalization (Khan, Jawaid, & Siddiqui, 2020).

#### CPEC trade and investment Main Pillars

In Pakistan, the four fundamental aspects of the CPEC foreign trade economy are as follows:



### **The incentive to invest in the development of the Gwadar Port and Gwadar Sea Port Economic and strategic Significance**

As a South Asian gatekeeper for South, Central, and East Asia, Gwadar is a natural gateway to China, Pakistan, Afghanistan via the trade route of Central Asia and Pakistan (Hoh, 2019). China would therefore reduce its heavy dependency on checkpoint in the Malacca Strait. The world's changing energy policy has made the port of Gwadar more significant to its strategic approach. China's latest sea route is via the dangerous South China Sea, the Malacca Straits, and Sri Lanka. The port of Gwadar will reduce travel time to 2,500 km to the ocean and 2,800 km of the land of Kashgar, as Kashgar is 4,500 km from its most significant port in China. The gap would be minimised by raising China millions and millions of dollars (Joshua, 2019).

The development of different infrastructures would be connected to these highways, such as communications and economic zones. . Mostly, on one hand, developing countries in the region from Central Africa and South Asia and the Middle East will, but at the other hand, respond to China and Pakistan's notion of economic growth (Hussain & Hussain, 2017). There could have been more than 3 billion people brought together. The outflow of goods and services will be increased by developing the port of Gwadar and facilitating road connectivity and goods. Human resources may therefore be a major source of exploitation because in Pakistan there are 200 million people, the majority of whom are young people. The region of Karachi in Pakistan will become a major port and will earn from connections to the gwadar port, which could bring a lot of money invested and business trends to the people of Karachi in particular (Hussain, 2020). Therefore, as the growth of Gwadar in fisheries and shipping has benefited, and together with industries, it is an economic hub for Karachi's passionate private sector and the business community (Kashmeri, 2019) .

#### **Investment in projects for electricity**

Expected to give Pakistan's geography at the crossing point of South Asia, China, the Middle East and Central Asia, the economic future growth of Pakistan is unbelievable, so that it can function as a gateway for a relevant market with either a rapidly growing population, abundant natural resources, and inexhaustible international trade and investment opportunities. The main barrier is the combination of extremism and energy shortages that have led to industrial losses and low foreign investment. The energy sector's buyers and sellers are 7000 kilowatts, which compensate Pakistan a deficit of 7 % of GDP and is therefore handled by several hours of power outages in different seasons. Because of the heavy load shedding, there was a strong downward impact on manufacturing and industrial growth. Through Pakistan's growing electricity consumption, the CPEC project have assigned a significant proportion of the funding to power plants and power transmission, and to widen the gap between current producers and consumers. Through CPEC, a total of 21 energy technologies have also been approved, trying to generate 16,400 megawatts, which is adequate for Pakistan's current needs and capacity. Some of them are programmes for early harvesting that will keep running in the present year, As usual, the venture is included with the CPEC, this will contribute to economic growth for Pakistan (Hali, Yong, & Kamran, 2017).

#### **Investment in upgrading infrastructure**

Initiatives under the CPEC would spend in railway lines to connection and construct economic zones along its trade route, i.e. Khuzdar-Bisma, Gwadar-Hosab, Highways Karachi-Lahore, and motorway Karakorum. To improve domestic trade and investment, this connectivity is designed and will ensure good access for businesses and customers. Railway tracks should also be expanded via Karachi to Peshawar to boost link and develop transport facilities. In its medium- and long-term investments, nine preferential trade zones are

identified as nine, strengthened development investments are being built, and the hybrid of energy technologies focus on nigeria 's manufacturing development , allowing Pakistan to consolidate its exports to the global markets (Bahoo, Saeed, Iqbal, & Nawaz, 2018). This will promote the growth of industry-related transportation , logistics and value-added export from Pakistan. As a result, the CPEC 's manufacturing and infrastructure development growth aspect is becoming an effective instrument for reducing the national debt of Pakistan and increasing profitability for reimbursement of CPEC debts. competitive opportunity for the Central Asian States to move and sell their goods more competitive environment in the global markets has been generated by the CPEC CInfrastructure development, and then at the same time existing role interconnection. Pakistan intends to reach Central Asia via Afghanistan in order to fulfil its energy needs and transport goods to the region. In addition, CPEC was already identified as a potential to transform the financial and trade order of east asia by fostering a network of trade routes, public involvement and cultural diversity (Idrees, Cheema, & Riaz, 2020).

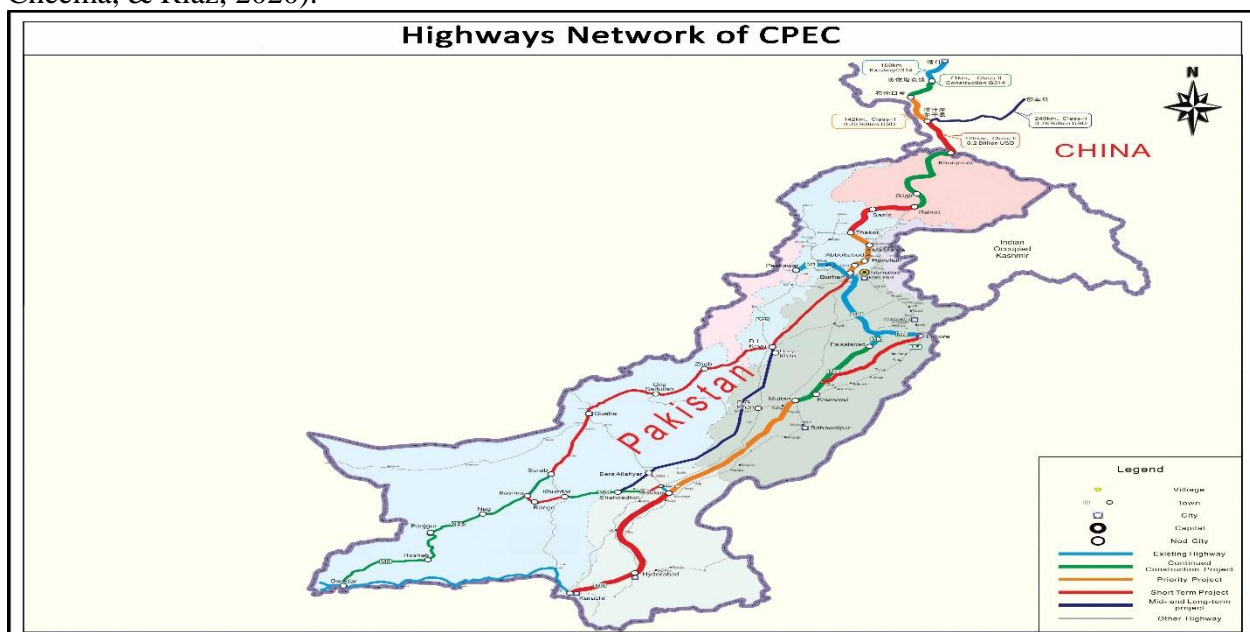


Figure 3: (Secretariat at the Ministry for Planning, 2020)

### Projects for industrial growth and trade development

The trade deficit in Pakistan is a key issue for Pakistan, where cooperation projects under the CPEC are likely to allow the growth of imported alternatives and export leadership. This makes the industrial cooperation aspect of the CPEC a successful means of raising and managing Pakistan's trade surplus and, more importantly, of increasing income for the repayment of CPEC debts and other loans (Kousar, Rehman, Zafar, Ali, & Nasir, 2018). Under the CPEC, via micro-economic zones, the industrial investment would add large groups of industrial units to the economy. They will create job opportunities for Pakistan's qualified youth as the government intends to set up a professional center to take advantage of the opportunities for CPEC services. The pace of the interaction network by road and rail will shift at a rapid rate to advertise opportunities through CPEC investment. The China-Pakistan Economic Corridor (CPEC) mega plan is projected to generate 700,000 new jobs for local people by 2030, according to a study (discussed in the Pakistan Defense Forum). "To date, many CPEC ventures have offered direct employment opportunities to approximately 75,000 people worldwide," according to Chinese embassy documents. Pakistan's Ministry of Planning, Development, and Reforms A recent report by the PEC Center of Excellence

indicates that under the current consensus plan, the CPEC could also indirectly help generate 1.2 million jobs (Kanwal, Pitafi, Ahmad, Khan, Ali, & Surahio, 2020).

### Pakistan's CPEC and Trade Sector Efficiency

CPEC would strengthen the current position of Pakistan by improving its national and international resources, as well as energy, transportation, communications, and monetary sectors. Thus, three years of growth would do a great deal for solid partners, Pakistan and China (Kanwal, Pitafi, Ahmad, Khan, Ali, & Surahio, 2020).

Recently, along with a substantial improvement in foreign trade, Pakistan's trade deficit has also led to a major increase in Pakistani exports. As of 2015, Pakistan's exports were at 25.4(b), that is 9.44 percent of GDP, while trade in ended at US(b), which in the same year was 16.29 percent of GDP (Chaudhry, Gulzar, Ahmad, & ur Rahman, 2017). When we consider at Pakistan's stake of China's trade in during 2015 at US 11.08(b), which is 25,188, this illustrates the substantial difference between billions and billions of imports and exports. Although Pakistan's share of China's exports is US 1.93(b) percent of Pakistan's total imports, that have being 7.56 percent of Pakistan's aggregate trades to the globe during the current year (Khan, 2020). Economic policy plays an important role in improving a nation's trade. The following chart shows the share of trade in Pakistan during the years 1992 to 2015 (Baniya, Rocha, & Ruta, 2019).

Table 1

years	Exports to China	Imports to China	Pak Exports to World	Pak Imports to World	Pak Trade Deficit	Pak Export Partner Share (%)	Pak Import Partner Share (%)
2003	259637.1	1854991	11930076	13048609	-1118533.446	2.176324	14.216
2004	287017.5	2465792	12585424	15420356	-2834932.813	2.280555	15.9905
2005	435681.6	3427662	16050201	25096575	-9046374.573	2.714493	13.65789
2006	506642.2	4239365	16932873	29825754	-12892880.3	2.992063	14.21377
2007	613758.9	5831349	17838407	32593936	-14755529.49	3.44066	17.8909
2008	726711.5	6051066	20279046	42326567	-22047521.29	3.583558	14.29614
2009	49371.73	5515074	17554698	31583718	-14029019.35	0.281245	17.46176
2010	78270.29	6937792	21413103	37537025	-16123922.56	0.365525	18.48253
2011	1678959	8439729	25343769	43578259	-18234490.57	6.624739	19.36683
2012	2619944	9276492	24613676	43813262	-19199586.84	10.64426	21.17279
2013	2652223	11019596	25120883	43775183	-18654299.98	10.55784	25.17316
2014	2252900	13244482	24722182	47544889	-22822706.8	9.11287	27.85679
2015	1934926	16441888	22089018	43989645	-21900626.65	8.759673	37.37672
2016	1590858	17232654	20533793	46998269	-26464476.27	7.747512	36.66657
2017	1508080	18250789	21877787	57440013	-35562225.34	6.8932	31.77365
2018	1818069	16967145	23630893	60162862	-36531969.47	7.693612	28.20202

Data Source: (WITS, 2020), Amounts in (US\$ Thousand)

The retaliation against globalisation and growing financial assimilation through CPEC, on the other hand, is an experience that demonstrates that CPEC can serve as a supporter of export relations, extending the market to different regions, i.e. The East Asia and Pacific regions and, finally, the socio-economic uplift of Pakistan (Friedberg, 2018).

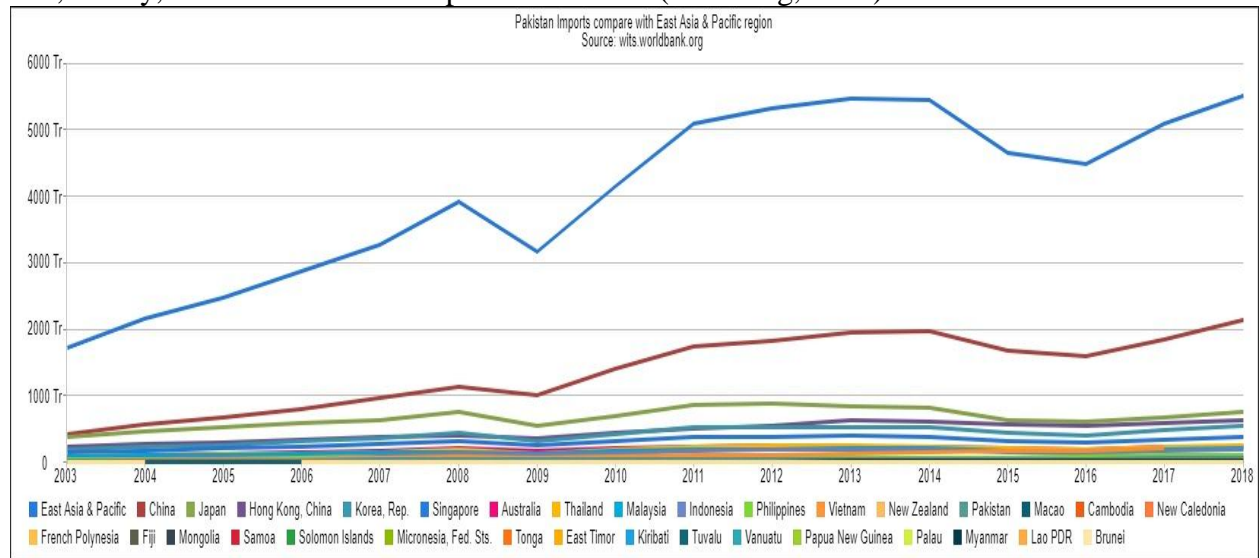


Figure 4 Source: (WITS, 2020)

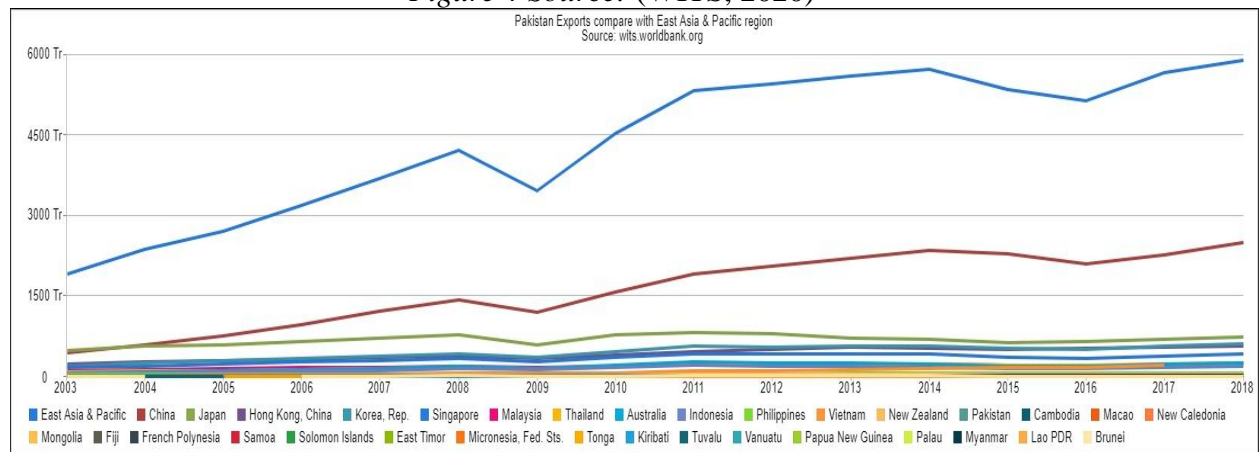


Figure 5 Source: (WITS, 2020)

Through the diversification of trade partners with CPEC and other China Belt and Road Initiatives, Pakistan wants and ensures its benefits from improved mixing and expanding trade channels and railway track. The Special Economic Zone will ensure maximum financial and business opportunities for the business community in Pakistan. However, caution should be exercised that exports can only be increased by certifying added value in Pakistan 's conventional and traditional manufacturing sector. Pakistan and China would eliminate Pakistan 's current trade deficit by reducing trade, tariffs, and non-introduction barriers. Using the CPEC needs friendly, policy-based intervention at the policy level for potential economic stability. The agricultural sector still needs to be considered an important part of the national economy, considering the development of other industries (Rafique, & Rehman, 2017).



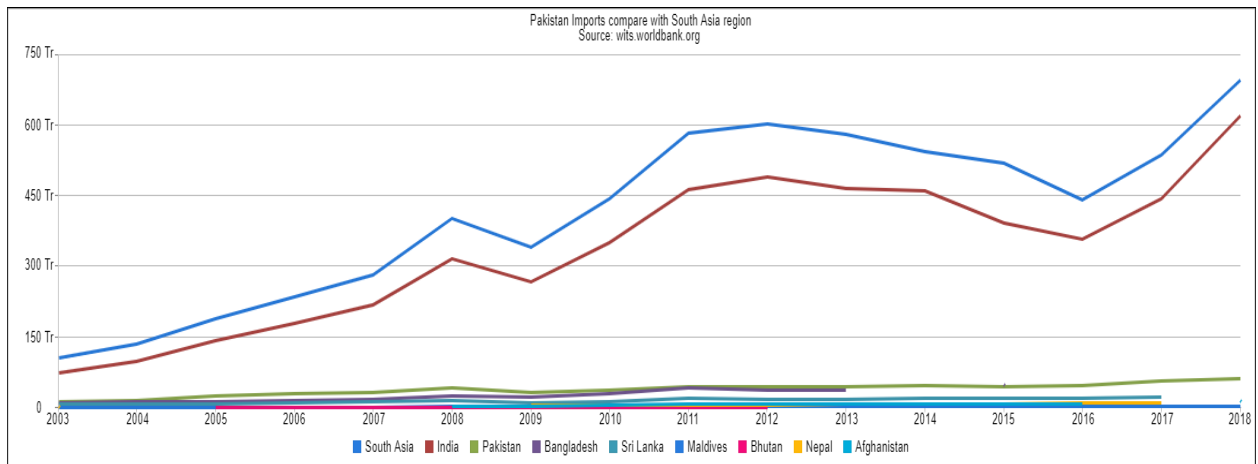


Figure 6 Source: (WITS, 2020)

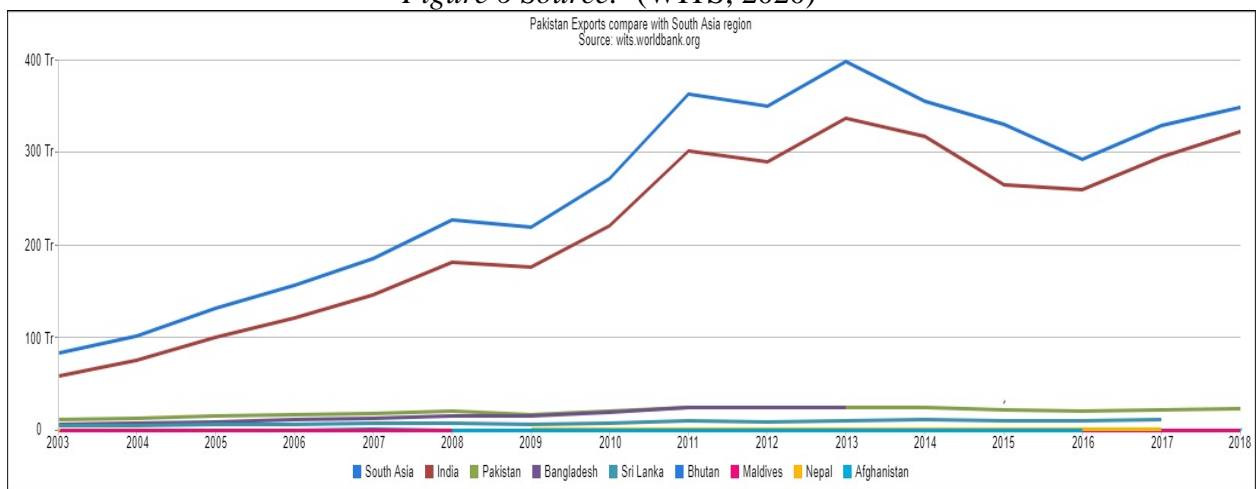


Figure 7 Source: (WITS, 2020)

Ultimately, Pakistan lost 57 foreign trade and payment threats from the Economist Intelligence Unit in Pakistan, i.e. 75 out of total 100 (the maximum possibility) linked to 50 in India and 57 in Bangladesh (Economy Information Division). Based on contrast there is a desperate need for a trade policy that promotes Pakistan's manufacturing investment to become an industrial base and increase exports, as Pakistan's economic growth and exports depend primarily on agricultural products. The following graph demonstrates the importance of importing and exporting Pakistan and Pakistan in general to China to the world. However, an increasing trend in bilateral trade was seen in the first round of the Sino-Pakistani Free Trade Agreement in 2015, and imports in 2006 were up to US ?? 11(B) higher than almost a decade earlier. By targeting its competitors by offering common market benefits, China remained brilliant to generate a win-win situation (Irshad, 2017).

Pakistan Growth at Country Level V/S World Growth Level V/S its GDP Growth

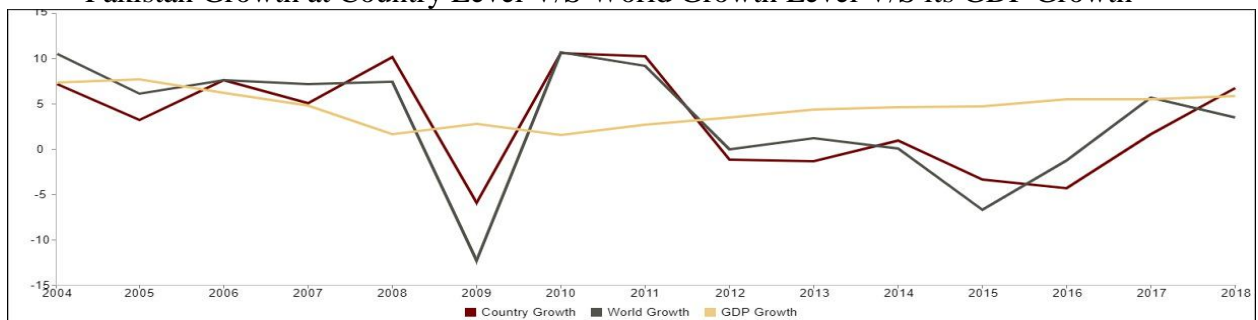


Figure 8 Source: (WITS, 2020)

China Growth at Country Level V/S World Growth Level V/S its GDP Growth

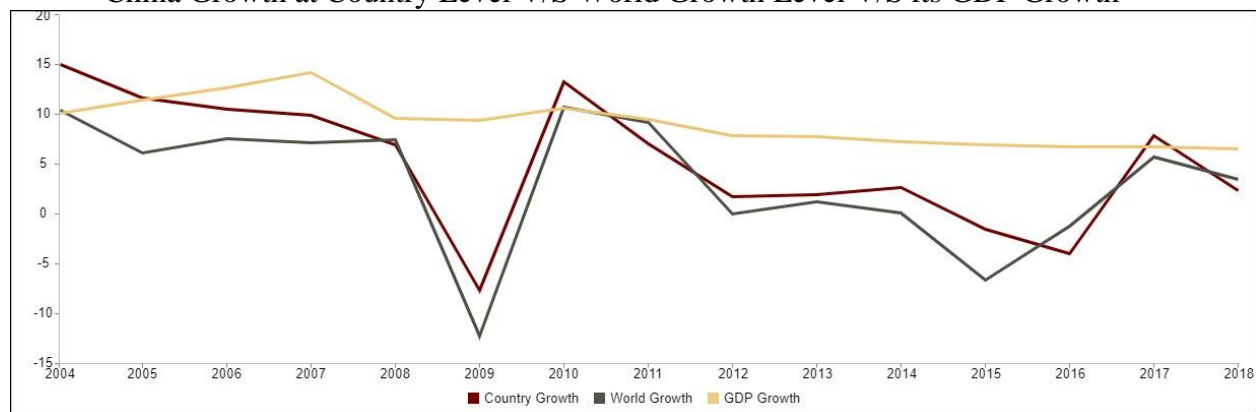


Figure 9 Source: (WITS, 2020)

In today's world, the export market acts as an accelerator for the development of the globalization process. Most of the returns arises from business with Pakistan. Interestingly, the economic part of the CPEC is right now in a different location as soon as the authorities of the two countries decide to trade in a local currency, Pakistan Rupee or Chinese Yuan (Uppal, & Mudakkar, 2020). Market volume has a direct effect on Pakistan's trade deficit, and the experience of trade shows that Pakistan was unable to balance the balance of payments crisis because of the weak economic structure. At US 18.09 (b), the deficit was the largest in the most recent time of 2018 US \$ (b) is the shortfall. The international economic ranking of Pakistan has been seriously affected. Pakistan is one of the closest economies due to the absence of exports, even though Pakistan is about to free up its foreign trade. Trades of commodities and service sector as a ratio of Pakistan's GDP dropped from 12.4 percent in 2017 to 8.2 percent, the lowest in the world (Riaz, Ayyoub, & Yasmin, 2020).

Physical development and decrease of transportation cost must accompany CPEC and Pakistan's export output January 04, 2017 Decrease in manufacturing costs and infrastructure deals concrete barriers to increase the percentage of specific goods in international trade and the analyst also believes the CPEC to have a beneficial affect on foreign investment (Malik, Ghani, & ud Din, 2017). CPEC also has GDP increase of approximately to 6 percent, as shown in a survey, which ultimately results in FDI in the context of CPEC which will be Pakistan's biggest Foreign investment. It is important to keep in mind that Pakistan would have a big trade and investment with China in 2014, 85 trillion US dollars (including imports, 9.6 and exports, 2.25) and the overall trade of Pakistan with the rest of the world is one trillion US dollars.

US \$Billion (Irshad, Xin, Q., & Arshad, H. (2015). The US \$72.26 (47.54 import and 24.772 export). Ultimately, the CPEC will help Pakistan in overcoming the energy crisis, leading to higher exports than trade in is expected in near future. Foreign investment in Pakistan is gradually decreasing as of \$5.2 billion during 2007-08 and an amount of \$2761.1 million during 2016, as described by Pakistan's State Bank. The chronological statistics about Pakistani trade during 2010 to 2016, as shown in Table 1, imitates a decreasing trend due mainly to political uncertainty and the severest defense situation in Pakistan. Providentially, the FDI started at 30 million US \$after the launch of CPEC in 2016 (Bahoo, Saeed, Iqbal, & Nawaz, 2018). CPEC will improve the growth of GDP by up to 6 percent through the projected FDI, according to an evaluation. It will give businesses a chance to succeed. Pakistan must become conscious of the fact that competition is the answer. CPEC would force the private sector to think competitively about creativity and jobs (Kousar, Rehman, Zafar, Ali, & Nasir, 2018).

## 2. CONCLUSION

CPEC is Pakistan and China's collaborative effort. An significant initiative for geographical development and economic growth thru trade networks, railway, and port is being pursued. With all of this development, the citizens of Pakistan feel secure in such a manner that China will have a long and established tradition of successful relations towards Pakistan and thus no move has also been developed against Pakistan 's economic dignity. In addition, the flow-on impact of the CPEC from South Asia to Central Asia , the Middle East and Europe gives a boost to the new globalisation wave and then another power named the foreign aid of Joseph Nye. Especially if CPEC is funded by more than major political actors, including 42 beneficiary countries, such as Pakistan and China, of the OBOR initiative. Iran, Russia, Turkey, Afghanistan, and the states of Middle Asia also would like to utilize CPEC sponsors (Rasool, et al ., 2018). The actor who will seek this week's trade flows for financial influence. Indeed, the facts of the CPEC throughout Pakistan always differs from the perception. If accomplished as expected the performance of the CPEC would be real equal to 17 percentage of the gross domestic production of Pakistan in 2015, and as many as 700,000 jobs would be generated. During the last 5 years, Pakistan's prosperity has dropped sharply, though Pakistan could see economic development at 3.5 percent in terms of the CPEC. Also, a fresh wave of investment opportunities may be available. Local enterprise is also continuing to grow in Pakistan. The China-Pakistan Economic Corridor ( CPEC) is a series of arrangements for various developments across Pakistan, particularly structures being developed in Pakistan. Initially, the performance and operation in Pakistan were US\$ 46(b), but later the spending programs were raised by means government of the Chinese, and as of 2017, the worth of CPEC plans is U'S \$ 62 billion (CPEC, 2017). While most of the CPEC is understood as a Pakistan-China hub, the CPEC is intended to boost ecosystems through its trade routes, infrastructure projects and economic security, thereby furthering the economic globalization of the present millennium. Via CPEC, Pakistan 's business role has translated into economic opportunities and contributed to the constancy of the region. It will shift the dependence of Pakistan on a north-south trade corridor. Pakistan is embracing the Distribution Economics Theory and aims to take an equitable development strategy and distribute CPEC dividends to various countries as investors in the area are transformed into an international economic and political hub.

## 3. REFERENCES

- [1] Ali, S. M. (2020). Case Study 1: The China–Pakistan Economic Corridor. In *China's Belt and Road Vision* (pp. 175-230). Springer, Cham.
- [2] Bahoo, S., Saeed, S., Iqbal, M. J., & Nawaz, S. (2018). Role of China-Pakistan economic corridor in Pakistan's trade, investment, energy, infrastructure, and stock market. *Journal of Independent Studies and Research-Management, Social Sciences and Economics*, 16(1), 63-84.
- [3] Bahoo, S., Saeed, S., Iqbal, M. J., & Nawaz, S. (2018). Role of China-Pakistan economic corridor in Pakistan's trade, investment, energy, infrastructure, and stock market. *Journal of Independent Studies and Research-Management, Social Sciences and Economics*, 16(1), 63-84.
- [4] Baniya, S., Rocha, N., & Ruta, M. (2019). Trade effects of the new silk road.
- [5] Chan, G. (2020). *China's Maritime Silk Road: Advancing Global Development?* Edward Elgar Publishing.
- [6] Chaudhry, I. S., Gulzar, F., Ahmad, H. G., & ur Rahman, S. (2017). Impact of China-Pakistan Economic Corridor (CPEC) on Pakistan's trade: empirical evidence from

- gravity model. *Review of Economics and Development Studies*, 3(1), 29-38.
- [7] Das, K. C. (2017). The making of one belt, one road and dilemmas in South Asia. *China Report*, 53(2), 125-142.
- [8] Duque, D. (2020). A Compromise towards Inter-Regionalism: The Case of the EU-Mercosur Agreement.
- [9] Friedberg, A. L. (2018). Globalisation and Chinese grand strategy. *Survival*, 60(1), 7-40.
- [10] Goñi, N., Ramírez, R., & Vidal, A. STRATEGIC ANALYSIS REPORT/APRIL 2020.
- [11] Hali, S. M., Yong, S. I. D. W., & Kamran, S. M. (2017). Impact of energy sources and the electricity crisis on the economic growth: policy implications for Pakistan. *Journal of Energy Tech. and Policy*, 7(2).
- [12] Hoh, A. (2019). China's Belt and Road Initiative in Central Asia and the Middle East. *Digest of Middle East Studies*, 28(2), 241-276.
- [13] Hussain, F. (2020). Geostrategic Imperatives of Gwadar Port for China. *The Korean Journal of International Studies*, 18(2), 145-167.
- [14] Hussain, F., & Hussain, M. (2017). China-Pak economic corridor (CPEC) and its geopolitical paradigms. *International Journal of Social Sciences, Humanities and Education*, 1(2), 79-95.
- [15] Idrees, R. Q., Cheema, Z. I., & Riaz, J. (2020). Role of Harmonization and Unification in Perspective of China–Pakistan Economic Corridor Physical Infrastructure and Applicable Laws. *Journal of Advanced Research in Law and Economics*, 11(1 (47)), 45-54.
- [16] Irshad, M. S. (2017). SWOT analysis of Pakistan-China free trade agreement: Pros and Cons. *International Journal of Asian Social Science*, 7(1), 45-53.
- [17] Isran, M. A., Siddiki, S. N., Kumar, M., & Zaidi, E. Z. (2019). CPEC: Threat or Opportunity Protecting Local Industry through Infant Industry Theory Framework. *Asian Social Science*, 15(10).
- [18] Joshua, J. (2019). The Projects of the Belt and Road Initiatives. In *The Belt and Road Initiative and the Global Economy* (pp. 135-165). Palgrave Macmillan, Cham.
- [19] Kanwal, S., Pitafi, A. H., Ahmad, M., Khan, N. A., Ali, S. M., & Surahio, M. K. (2020). Cross-border analysis of China–Pakistan Economic Corridor development project and local residence quality of life. *Journal of Public Affairs*, 20(2), e2022.
- [20] Kashmeri, S. A. (2019). China's Grand Strategy: Weaving a New Silk Road to Global Primacy. ABC-CLIO.
- [21] Khan, K. S., Ali, S. M., Ullah, Z., Sami, I., Khan, B., Mehmood, C. A., ... & Ro, J. S. (2020). Statistical Energy Information and Analysis of Pakistan Economic Corridor Based on Strengths, Availabilities, and Future Roadmap. *IEEE Access*, 8, 169701-169739.
- [22] Khan, M. A. (2020). Regional Trade and Economic Development: Options for Pakistan1.
- [23] Khan, W. A., Jawaid, S. T., & Siddiqui, D. A. (2020). CPEC: a route for outflow of illegal wealth from Pakistan. *Journal of Money Laundering Control*.
- [24] Kousar, S., Rehman, A., Zafar, M., Ali, K., & Nasir, N. (2018). China-Pakistan Economic Corridor: a gateway to sustainable economic development. *International Journal of Social Economics*.
- [25] Kousar, S., Rehman, A., Zafar, M., Ali, K., & Nasir, N. (2018). China-Pakistan Economic Corridor: a gateway to sustainable economic development. *International Journal of Social Economics*.
- [26] Lin, B., & Ge, J. (2020). Does institutional freedom matter for global forest carbon



- sinks in the face of economic development disparity?. *China Economic Review*, 101563.
- [27] Linschoten, R. (2011) Top Three Countries By Economic Dominance: History, Present & Future.
- [28] Linschoten, R. (2013) Changing Top Manufacturing Countries (1980-2010).
- [29] Malik, A., Ghani, E., & ud Din, M. (2017). An Assessment of Pakistan's Export Performance and the Way Forward. Pakistan Institute of Development Economics, Islamabad.
- [30] Mc-Cartney, M. (2020). The China-Pakistan Economic Corridor (CPEC): Infrastructure, Social Savings, Spillovers, and Economic Growth in Pakistan. *Eurasian Geography and Economics*, 1-32.
- [31] Rafique, M. M., & Rehman, S. (2017). National energy scenario of Pakistan—Current status, future alternatives, and institutional infrastructure: An overview. *Renewable and Sustainable Energy Reviews*, 69, 156-167.
- [32] Rauf, M. (2019). WILL CHINESE INVESTMENT BOOST PAKISTAN'S ECONOMIC GROWTH? A Case Study of China Pakistan Economic Corridor (CPEC) (Doctoral dissertation, Central European University).
- [33] Riaz, A., Ayyoub, M., & Yasmin, F. (2020). Brexit: An Assessment, Implications, and Strategy for Pakistan. *Research Journal of Social Sciences & Economics Review*, 1(3), 91-100.
- [34] Saqib Irshad, M., & Anwar, S. (2019). The Determinants of Pakistan's Bilateral Trade and Trade Potential with World: A Gravity Model Approach. *European Online Journal of Natural and Social Sciences: Proceedings*, 8(4 (s))
- [35] Secretariat at Ministry for Planning, D. & S. I. (2020) Highways Network Of CPEC.
- [36] Shafique, M., & Iftikhar, G. A. (2017). Regional Dynamics of China Pakistan Economic Corridor (CPEC): The Case of Gilgit Baltistan. *Journal of Historical Studies*, 3, 2-15.
- [37] Su, E., Xue, J., & Xu, Y. (2020). Third-Party Market Cooperation between China and Japan in ASEAN under" the Belt and Road" Initiative: Background, Opportunities and Challenges. *長崎大学経済学部研究年報*, 36, 67-81.
- [38] Uppal, J. Y., & Mudakkar, S. R. (2020). China's Belt and Road Initiative and the Rise of Yuan—Evidence from Pakistan. *The Lahore Journal of Economics*, 25(1), 1-26.
- [39] WITS (2020) World Integrated Trade Solution.
- [40] Yaseen, H. (2020). ONE BELT ONE ROAD (OBOR) AND NEO-EURASIANISM: AN OVERVIEW. *Journal of European Studies* (02589680), 36(2).
- [41] Zhou, J. (2020). A New Multilateralism? A Case Study of the Belt and Road Initiative. *The Chinese Journal of Comparative Law*, 8(2), 384-413.