

## CHINA-PAKISTAN ECONOMIC CORRIDOR AND INTEREST OF PAKISTAN'S NEIGHBORING COUNTRIES

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### ABSTRACT

The whole research is based on the importance of economic corridor, geo-strategic importance of Pakistan for corridor and routes which are suggested for corridor. Pakistan's relation with its neighboring countries has been briefly discussed in the paper. The whole project initially cost \$45.6 billion and their details about the initial projects are given in this research paper. Briefly, discuss the interest of Pakistan in the economic corridor and which type of benefits Pakistan will achieve in future. The interests of the neighboring countries associated with Economic Corridor and the benefits they will get through the accomplishment of economic corridor and China is playing key role among all these countries on the agenda of economic corridor. China is a country, who proposed economic corridor and convince all neighboring countries to join economic corridor for mutual benefit. What is China's actual interest behind all these efforts? The investment of China may open new ways of trade and business in the world. It may be possible that this economic corridor works as a bridge between Pakistan and its neighboring countries and these countries started enjoy better relations with each other.

**Keywords:** CPEC, OBOR, Gwadar Port, South Asia, Economic Corridor, China, Pakistan

### INTRODUCTION

Economic corridor works as a bridge for the third world countries lies in the region of central Asia (CA), East Asia (EA), Middle East Asia (MEA) and south Asia (SA) (Tajikistan, Kyrgyzstan, Turkmenistan, Azerbaijan, Myanmar, Philippine, UAE, Pakistan, India, Iran, and Afghanistan). Apparently, it is assumed that the corridor will indeed be the beneficial for the economic stability of the concerned region. China's aim behind this corridor is to get shortest route from Gwadar to Kashgar and this route will help china to develop it is under develop regions through this corridor. This corridor also lessens the vulnerable threats which China faces through the Strait of Malacca and also shortens the time period of shipment. This corridor routes also connects the India, Afghanistan and Iran through Pakistan, China is doing investment in all

these countries and Pakistan is the most suitable for the economic corridor because Pakistan is land lock with India, china, Afghanistan, Iran and from south it connects through Arabian Sea. It is expected that once this corridor completes will bring economic stability in the region. The whole project will initially cost \$46 billion dollar which includes all trade routes, infrastructure, railway linkages, power stations and gas pipelines networks through Pakistan to china and respective countries which have border shared with Pakistan.

The questions have been discussed in the paper. Which type relations Pakistan having with its neighboring countries? Why Pakistan itself interested in the economic corridor? What are interests of Pakistan's neighboring in the Economic Corridor? Why China is interested in Pakistan for

economic corridor? Which state enjoys more benefits with the completion of economic corridor?

### GEO-STRATEGIC LOCATION OF PAKISTAN

The geographical importance has always been very significant in the International Politics. Pakistan has got great importance in its geographical location around the globe. It is connected with the world's most emerging economic states like China, India; and having rich resources like Iran and Afghanistan. The border line of Pakistan with these countries is 910 km, 1600km, 595 km and 2252 km respectively. The coastline of Pakistan is measure as the 47 km. Meanwhile, there lies the warm water which has access to the Persian Gulf. Hence, Pakistan possible has the reach of world trade through such geographical importance. The landlocked countries also get the help through Pakistan for the trade purposes. Pakistan is also known as the Centre of Muslim countries throughout the chain of Muslim countries connected to it. Pakistan has a small corridor, which is called Wakhan corridor in its northwest tip, which connects Pakistan with Tajikistan and to other central countries. So far there are also other many corridors which connect Pakistan with its neighboring countries. Pakistan has always been seeking good relations with its neighboring countries. China and Pakistan's connection is unwaveringly visible to the outside world. Pak-India relations have always been at its helm from the very beginning of the independence of the both countries. Seemingly, the relations between both countries are assumed to be exceptionally better in the near future. Afghanistan is extrapolated as the most backward country of this region and somehow under the umbrella of International Politics. The relations between both two countries have not so well from the start. Iran and Pakistan all the time tries to have good relations between, due to the nature of Muslim states but usually failed to do so.



Figure 1. Source: Google maps

### IMPORTANCE OF CORRIDOR

Pakistan is the only country which has deep water sea in the whole region, lies in Baluchistan at Gwadar port. There are only two main components of corridor one is 21<sup>st</sup> century Maritime Silk Route (MSR) and the second one is Silk roadway belt (SRB). The aim of MSR is to connect the land mass of EA, central and SA, the MEA and the parts of Europe.<sup>1</sup> SRB is distributed across the Eurasian region via a vast network of fiber optic transport routes, lines, airports and cables.<sup>2</sup> SRB originates from Kashgar and is connected to Gwadar port only by a single corridor and roadway. It was planned to connect the route of economic activity through the OBOR (One Belt One Road) with the BCIM-EC (Bangladesh-China-India-Myanmar Economic Corridor), which will enable the future of regional development assistance, financial sustainability.

The routes are defined in the map, which is given below. The red line describes the national highways (NH) of the economic corridor project and blue describes the motorways of the economic corridor.

The former Permanent Representative of Pakistan to the United Nations, Masood Khan (Director of the Institute of Strategic Studies, Islamabad), stated about the CPEC: "It is not one road or one correlation. Instead, a network is being developed that will lead to the development of industrial zones connecting Kashgar and Gwadar"<sup>3</sup> "CPEC will

<sup>1</sup> Alok Rajan, "The China-Pakistan Economic Corridor: India's Option" *Delhi: Institute of Chinese Studies*, May 2015), p.2.

<sup>2</sup> Ibid.

<sup>3</sup> Peerzada Salman, "Baluchistan will be main beneficiary of China Pakistan economic corridor" *Dawn*, May 14, 2015.

provide Pakistan with its last opportunity to break out of the vicious cycle of low enlargement and improve the quality of life for its citizens," states Ijaz Mumtaz, former president of the LCCI (Lahore Chamber of Commerce and Industry)<sup>4</sup>.

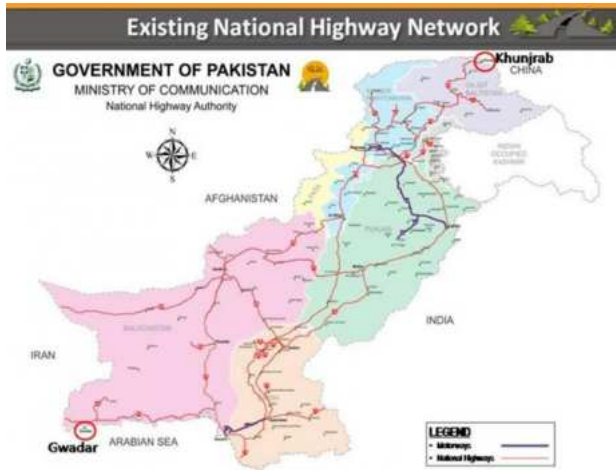
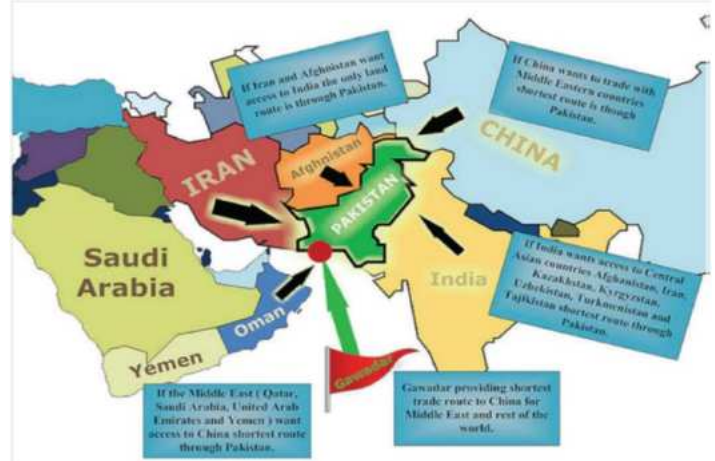


Figure 2.

### IMPORTANCE OF GWADAR

Gwadar has its own importance because of its deep water which entire region does not have because of the Hormuz strait which is only forty kilometers in width due to this Arabian ports and Iranian ports don't have much depth of the ports but they have hot waters which the European countries don't have once Gwadar port start working properly then it will be beneficial for the whole world and become the centre of the trade hub due to its strategic location in the world. Although India, Iran and Middle Eastern countries also has ports near the Gwadar port but these ports are not easy enough to use in the whole region.



Even Pakistan has Bin Qasim port but don't have enough space to accommodate the ships in the off season. Gwadar port has not enough space as compared to the rest of the ports of Persian gulf because the those ports don't have deep water which Gwadar have, that's why Gwadar port get more importance than those of the other ports

### FINANCERS OF ECONOMIC CORRIDOR

The initial amount of the CPEC will be estimated US\$45.6 billion for the different projects of infrastructure and energy completed over next six years. The amount of corporate loans will be approximately \$10 billion. However, other financial institutions also offer export reports and non-refundable assistance. Several financial institutions were contacted, including China Development Bank, Export-Import Bank, and Industrial and Commercial Bank of China Ltd. It has been announced that some Chinese companies (such as Three Gorges Corporation and China Power International Development Company) plan to invest in Pakistan.

### DOMESTIC INVESTORS

Economic corridor does not only sponsor by Chinese investor but it becomes a center of attention for the domestic investor and foreign investors and they are ready to invest in this Economic corridor. It is anticipated that the work on the CPEC projects will move forward at a faster pace in the months to come, and some major business groups have begun investing in increasing their production levels of cement, steel, electric cables, and glass<sup>5</sup>

<sup>4</sup> Nasir Jamal, "CPEC-triggered investment" Dawn, January 11, 2016.

According to Abdul Basit, chairman of the Punjab Board of Commerce and Industries: “The CPEC is attracting not just local businesses but also global ones.”<sup>6</sup>

It is for this reason that the Nishat Group and Lucky Cement are planning to construct cement plants in Baluchistan and Punjab respectively. Similarly, the Younus Brothers, the owners of Lucky Cement, are building a coal-fired power plant in Karachi. The economic corridor attracts investors towards it. Even though this economic corridor is not a center of attention for domestic investors, foreign investors are eager to invest in Pakistan's regional projects. Some entrepreneurs, such as Mian Mohammad Mansha, believe the CPEC project will establish Pakistan as a global economic hub.<sup>7</sup>

**CHINA-PAKISTAN ECONOMIC CORRIDOR ROUTES**

Explaining, mentioned three routes within the CPEC

**Route one:**

Starts from Kashgar passed through Khunjerab and connects to with Peshawar then Dera Ismail Khan to Zhob from Zhob to Qilla Saifullah which passes to Quetta connects with Gwadar.

**Route Two:**

It begins from Kashgar, passes through Khunjerab, Peshawar, Kohat, Dera Ismail Khan, DI Khan, Sukkur, and Ratodero, and finishes in Gwadar.

<sup>5</sup> Nasir Jamal, “CPEC-triggered investment” *Dawn*, January 11, 2016.

<sup>6</sup> Ibid.

<sup>7</sup> Ibid.

These routes are also called as central route, western route and the eastern route, which is going to connect with the

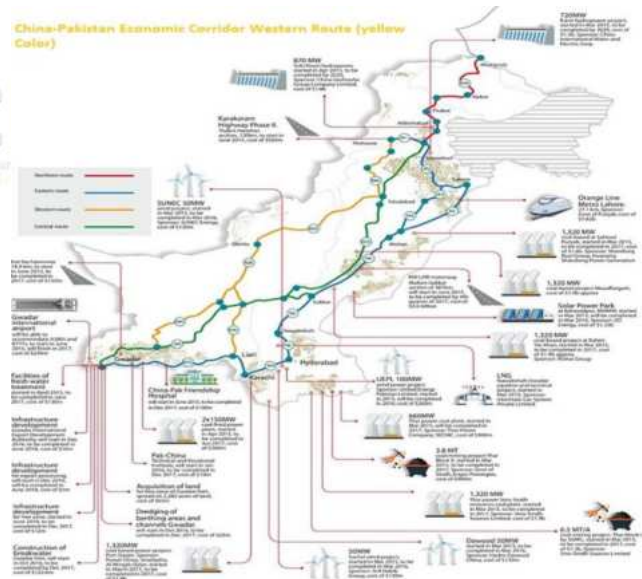
**Route Three:**

Starts from Kashgar and passed through Khunjerab then Islamabad to Lahore and from Multan to Sukkur and to Hyderabad from Karachi to Gwadar.

northern route, these routes starts from Gwadar (Baluchistan) and ends in the Kashgar (China) explained in the map given below.

There are few early harvest projects starts with signatory of the CPEC between china and Pakistan. The report is given by the Prime Minister’s office in 2015. There is the list of the projects which starts with the signatory. The details of these projects are briefly described in the map which is given below.

- Power projects
- Industrial park
- Up-gradation of the KKH
- Orange Line Metro project
- Railway track
- Karachi-Multan-Lahore Motorway
- Gwadar International Airport
- LNG Terminal and Pipeline Project
- Fiber optics
- Cotton Bio-Tech Laboratory
- NUML and ICE



**Figure 3.** These initiative projects cost around about US\$45 billion in which energy related projects cost US\$ 35 billion and infrastructure based projects cost round about US\$ 12 billion. This is the initial estimate of the CPEC infrastructure and development<sup>8</sup>.

### **RAILWAY LINKS**

The railway route suggested from Kashgar to Gwadar which passed through the (Kashgar-Hotan-Gilgit-Abotabad-Havelian-Rawalpindi-Gujrawalan-Lahore-Sahiwal-Multan-Bahawalpur-Rohri-Spezand-Mastung-Kalat-Hoshab-Turba Gwadar)

Currently, there is a railway connection between Kashgar and Hotan that is operational. The service for container transport was made available in 2010, followed by rail user traffic in 2011.

### **GAS PIPELINE**

This pipeline will connect the Middle East to China's western regions via Gwadar, in a similar manner to the construction of the expressway and rail link that connected the Western regions to China. This pipeline will be extended to western China as a result of the deliberative economic corridor, which includes the Iran-Pakistan (IP) gas pipeline. This pipeline was also included in the deliberative economic corridor.

### **PAKISTAN AND CHINA RELATIONS**

Pakistan and China always enjoy healthy relations with each other since the independence of China. Pakistan was the only first country who recognise China as a separate entity in the world. Pak-China relation starts officially in 1950, after that both countries signed many agreements regarding trade, defence, political and the diplomatic ties.

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<sup>8</sup> Jungibaaaz, "Pak-China Economic corridor, details and implications" Pakistan Defence, April 25, 2015.

<sup>9</sup> Talat Masood, "Pakistan's Unique Relation with China" *The Express Tribune*, February 11, 2015. China established significant industrial companies in the 1970s and 1980s, including the Heavy Mechanical Complex and the Heavy Forge Factory, contributing to Pakistan's unique technical and industrial development. These ties deepen with the passage of time and reaches on the new heights. Both states depend on each other on the need of time and always help one another. Both states find each other a suitable to counter

Indian hegemony from the region. After the signatory of Economic Corridor between these states shapes the relation of these two countries, which be beneficial for both of them and these bi-lateral agreements lay down more dependancy on eachother. The China-Pakistan relationship, founded on mutual interests, appears to be poised for growth<sup>9</sup>.

### **PAKISTAN AND INDIA RELATIONS**

The rift between India and Pakistan relation starts since partition in August 1947. The main dispute between them was Kashmir and still both countries are experiencing same issue over years. The both countries fought first war on Kashmir calamity on that time UNSC involved in this issue handle it but later Pakistan and India engaged in two more wars in 1965 and 1971<sup>10</sup>. In the outcomes of 1971 war, Pakistan lost its eastern part. Later on, both countries face some low intensity conflicts. Whenever Pak-India tries to settle down their disputes and normalize their relations. All of sudden something bad happens and both countries blame each other for that and again go back to the point from where they started. The present governments are eagerly willing to establish better relations with each other. The willingness towards economic corridor shows positive gesture of Indian side but there is no surety that India will not back stab Pakistan like India has always done. But this time, India has personal towards economic corridor routes and may be these types of interests lead both states towards the betterment.

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<sup>10</sup> "Pakistan" <http://countrystudies.us/india/123.htm>, accessed on: January 19, 2015.

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**PAKISTAN AND AFGHANISTAN  
RELATION**

The bilateral relations between Afghanistan and Pakistan starts after the independence of Pakistan. According to former Afghan President Hamid Karzai, Pakistan and Afghanistan are inseparable partners<sup>11</sup>. Relations between the two countries have been facing various complexities after the independence of Pakistan due to border dispute of Durand Line. Later, relation of these two countries became worst during 1978 war in Afghanistan and Pakistan involvement in it and from that day the relation of these countries remain unfavorable for both countries and the growing relation with India also creates hurdles between the relation of Pakistan and Afghanistan<sup>12</sup>.

Nevertheless, these two regions are attempting to resolve these glitches. There is example of efforts which both states tries to put in for the the better relations which includes defence cooperation and intelligence sharing and the enhancing of two-way trade. Both countries are willing to counter terrorism from their region and Pakistan assure its cooperation with Afghan army. In present, both states tries to settle down their differences through bi-lateral trade. Regarding Pakistan's exports, Afghanistan has been the third leading destination in the last two years<sup>13</sup>. President Ghani prioritize Pakistan over India during his visit in Beijing in 2014<sup>14</sup>. This is the beginning of new relation of these two countries and willingness of Afghanistan towards economic corridor give hope for the friendly relation between Pakistan and Afghanistan.

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<sup>11</sup> *BBC News*, October 3, 2011, <http://www.bbc.co.uk/news/world-south-asia-15154497>, accessed on: January 18, 2015

<sup>12</sup> Najmuddin Shaikh. "What does Pakistan want in Afghanistan?" *The Express Tribune*,

December 27, 2011, <http://tribune.com.pk/story/312794/what-does-pakistan-want-in-afghanistan-3/>, accessed on: January 18, 2015.

**PAKISTAN AND IRAN RELATION**

For several centuries, close relations have been established between two neighboring Muslim countries. Pakistan was first recognized by Iran as an independent state after its liberation in August 1947. There were also cultural ties, strategic orientations, shared interests, and the participation of government representatives and officials in meetings. Iran supported Pakistan during the 1965 Indo-Pakistan War.

1978, both states enjoy good relations with each other but after the Iranian revolution creates rift between the two countries and the shia-sunni sects were the second reason of the discord because Iran has shia majority and Pakistan has sunni majority. The prolonged proxy war in Afghanistan effects the relation badly. Iran's efforts towards nuclear program and the sanctions from the international community restrict Pakistan and the relation of these countries dwindle but after US-Iran nuclear deal, the sanctions can be lifted from Iran and may be oil and gas exports revive the brotherly relation of these countries<sup>15</sup>.

Pakistan's Interest in Economic Corridor:

Pakistan is under develop country with a lot of domestic issue like terrorism, corruption, bad political structure, poor economy and bad governess of political elite. Due to political elite Pakistan always face economic crisis in different eras and in the time of crisis, China always supports Pakistan. The proposal of economic corridor is one example of their strong friendship. This mega project will help Pakistan to boost its economy, infrastructure and the most important element is thing to give employment to the people. The geographical location which is proposed for the CPEC is the strategic position of the region the Gwadar port which is only forty kilometer away from Chabhar port of Iran.

<sup>13</sup>Saman Zulfqar, “Pakistan-Afghanistan Relations” IPRI Building Consensus, October 7, 2015, <http://www.ipripak.org/pakistan-afghanistan-relations/#sthash.nmgXf7jY.dpbs>, accessed on: January 14, 2015.

<sup>14</sup> Ibid.

<sup>15</sup> Ibid.S

This economic corridor would help Pakistan to emerge as trading hub and all neighboring countries access with each other easily through the routes of economic corridor. Pakistan works as a bridge between all states of SA and CA . It is also reported that India joins the economic corridor for the economic stability of the region as this corridor will work as a bridge for the third world countries. It is also expected that the trade corridors between Pakistan and India will be opened for the revival of trade and export of goods start again. These trade routes will connect to the BCIM-EC to open many other mini corridors between two of them. This corridor will work for the peace revival between them and the level of insecurities decreases and the economic hub also gives access India to the Afghanistan. During the development of the plan, Russia made sure that it would have access to the tropical rivers in Pakistan<sup>16</sup>.

May be, Iran will also join CPEC. If Iran will the IPI gas project will also reconsider and start again then the power shortage will be managed by the gas supply from the Iran. The revival of Pakistani industry start and the people will get jobs and Pakistan moves toward the prosperity.

Baluchistan is likely the project's main benefit; KP would benefit from this. Some projects will pay for themselves quickly, but others will reap benefits later<sup>17</sup>. Now those projects are in initial stages and most probably they will finish on their time tenure.

### INTERESTS OF THE NEIGHBORING COUNTRIES

The neighboring countries interested in economic corridor with their different imperatives to pursue their interests.

<sup>16</sup> “CPEC to benefit entire region, say analysts” Dawn, August 15, 2015.

<sup>17</sup> Salman, op. cit., p. 1.

### CHINA

China has been Pakistan’s strategic partner and already invested in it with all means. The economic corridor was started in the 1960s but has yet to be able to continue due to disputed territories and some other unrest. It was again emphasized that this economic corridor should be set up in 2013 and implemented in April 2015. Chinese President Xin Jinping appealed to Pakistan and approved the \$46 billion project. China has always remained in boosting up its economic concerns and the political wattages. The economic corridor has made china the light of the south Asian (SA) region, Central Asia (CA), Middle East (ME), Africa and Europe. China wants to access the Gwadar port through this corridor to reach the Persian Gulf for its oil transportation which is vulnerable through the Strait of Malacca. Gwadar port is deepest sea port which would be workable for the 24 hours a day and 12 months in a year. Ironically, Gwadar port provides the shortest route to China for its trade purposes which will increase its importance in the world politics. China wants to spread its industry in the under developed countries to develop them to stable them economically. China’s basically wants to get grip over the whole world market and that economic corridor is the easiest way to obtain access to the CA, MEA, Africa and the Western Europe (WE).

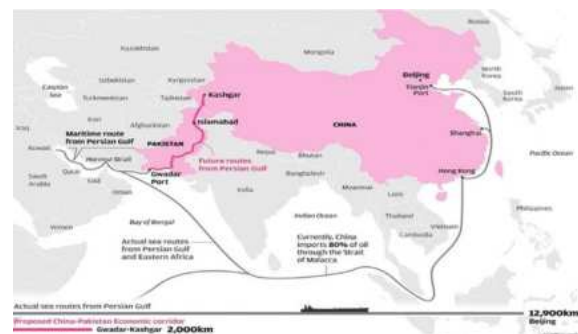


Figure 4.

Republic of China is an economic nation in the world and has economic monopoly but the western part of china is not developed and the fast feast of terrorism in the neighboring countries is alarming for china’s safety, that’s why china deliberately wants to develop the western part of

the china to counter terrorism and build up infrastructure to maintain its economic stability in the world.

### **INDIA**

CPEC is more than just a project for bilateral financial cooperation that may improve Pakistan's economy and help people living in some of the nation's most impoverished areas. It has a critical strategic dimension that will immediately benefit the SA, CA, and MEA. India is the regional power in the SA and economic power. India started investing in the Afghanistan because US force India to do so. India should be included in CPEC to gain a connection with Afghanistan. It was in news that India agreed to join CPEC for the mutual benefits of the region and also signed the BCIM-EC project in 2013 with China. If India joins economic corridor then this bilateral projects converts into trilateral project and this step will help India to tie better ties with Pakistan economically, politically, militarily and socially. The old trade routes between Pakistan and India may reopen soon and the trade between both states starts again. Such type of step may decrease the level of insecurities between them and may be new peace revive seen soon. Now India starts consider the economic position if the SA region, want to rehabilitate, the rest of the countries in the region. The main concern of to join CPEC to get access to the Afghanistan and spread its economic monopoly in the third world countries like China did. India has fear of two rivalries (Pakistan and China); to counter this threat may be it will join the economic corridor properly. India also get shortest and protected roadway to the CA, UAE and the Middle East for the trade and oil exportation from the Gulf Region through the economic corridor. It's true that India has strategic partnership with United States like Pakistan and China are. It is American strategy to counter China's economic monopoly by forcing India to join the CPEC because China is emerging superpower in the world and alarming threat to the United States and for its status.

<sup>18</sup> Thomas Zimmerman, "The New Silk Roads: China, the U.S., and the Future of Central Asia"

New York University:Center on international cooperation, October 2015).

<sup>19</sup> Ibid.

### **AFGHANISTAN**

Since US withdraws its forces from Afghanistan the counter's economic had faced a lot of difficulties due to international sections on Taliban Afghanistan government. India and china are eager to invest their industries in the Afghan region and they start investing in it but recently shown reluctant to continue their interest due to Taliban administration.

Both states are the economic powers of the Asian region and they have resources to invest in the Afghanistan. The coming statements from China, it is confirmed that Chinese policy makers and investors wants that Afghanistan joins the CPEC. If Afghanistan agrees to be a part of the corridor then it will be the beneficial for the Afghanistan, china and India because India and china are investing in the Afghanistan, they get shortest route to approach it easily. Afghanistan itself get better infrastructure<sup>18</sup>. If Afghanistan joins CPEC officially then it will link up the whole central Asian region to the CPEC and open new ways for the economic stability. Afghanistan region connects to the Middle East, Africa and Europe the road links will develop to connect the CPEC routes and the sea transportation expenses will lessen because of road linkages and railway lines, which end on Kashgar in china through Pakistan territory. Afghanistan will become trade hub<sup>19</sup> like Pakistan, through Afghanistan new vitas open to the Middle East, Africa and Europe which will benefit Afghanistan to boost up its industry and economy. Ultimately china easily gets access to the rest of these countries which are neighboring to Afghanistan. Although it is true that, Pakistan and Afghanistan does not enjoy healthy relations with each other from the beginning due to territorial issue on Baluchistan and later the Russian involvement in Afghanistan give blew to hatred when Pakistan sent their mujahedeen in Afghanistan and later on Pakistan initiate war on terror with U.S, relation between two countries worsen more badly but CPEC project will work as a revival for the both countries.

## **IRAN**

CPEC offers Iran the opportunity to revitalize its economy, which was underdeveloped during its nuclear program as a result of international support. Numerous options will arise once the groundbreaking nuclear energy deal between Iran and the P5+1 has been implemented.

Iran's oil reserves account for 10 percent of the world's oil reserves, therefore Pakistani companies and legislative bodies are flocking to Tehran to attract Iranian investors to their business. Since Iranian investments in the global economy have brought large amounts of money into the budgets of the international community, international budgets have been adjusted accordingly. The oil-rich country's access to the global economy will immediately impact the global oil market

This corridor will provide China with an alternative route across the Arabian Sea to the Gulf region. With the assistance of this valuable route, China will gain additional competitiveness in Tehran as Iran opens up to the African, CA, and MEA markets. Furthermore, Chinese exports will gain additional competitiveness as Iran opens up.

Meanwhile, Iran estimates that power deals are worth \$100 billion in the near future, and Tehran's oil and gas advantages may also be attractive to China. Iran will also obtain a guarantee of oil transportation access to India, Pakistan, and China by tying up the project. This type of oil and gas export will aid Iran in increasing its economy by displaying the country's reserves to the adjustment countries.

Energy-hungry China is researching alternative routes to import oil. With Iran as a party, China can double its stance on Iranian oil. Furthermore, the decades-old dream of the Iran-Pakistan gas pipeline will be realized to its fullest extent.

<sup>20</sup>“Why Iran Needs to Explore Participation in the China-Pakistan Economic Corridor” Pakistan Defence, October 16, 2015.

A significant amount of empathy in inter-regional commerce could be just around the corner with all this progress being made along the China-Pakistan-Iran trilateral in South Africa<sup>20</sup>

It is Iran determination to link with CPEC would not only enhance the quality of life in Baluchistan but also enable trade between Islamabad, Beijing, and Tehran in time. In addition, it would provide other Asian countries, such as Russia and India, with profitable access to the Gulf region<sup>21</sup>.

## **MIDDLE EAST**

UAE, Iraq and the rest of Middle East also has interests in the economic corridor. Afghanistan and Pakistan joins with Baluchistan side and Gwadar port is used for the trade. Same as the Gulf States also need safe sight for oil transportation. Since the Strait of Malacca is quite insecure for oil and trade and the CA is located in close proximity to the MEA, it is a very insecure location for trade and oil transportation. It is beneficial for oil exporting countries to get access to Asian region to transport their oil through Gwadar port, this route will shorten the route of export and expense will also decrease. This corridor will give access to the road linkages to the whole Gulf, African and Europe to the Asia for trade purposes and also helps the foreign investors to approach through CPEC route. UAE signed defense and economic agreements with India. Both states get easily access to each other through Economic Corridor of Pak-China. 70 percent of oil cargo passed through the strait of Hurmenz but width of the strait is around about forty kilometers, which is not enough for the ships to stay at the strait for long time due to short width. Iran has its two ports on the way to strait of Hurmenz to Gwadar both of the ports have hot water but they not don't have deep water sea which only Gwadar port have. On the time of winter when ports get closed then shipment will occur through the Gwadar to the roads or railway transportation from different routes of CPEC to Kashgar, India and rest of the south Asian region.

<sup>21</sup>Sualiha Nazar, "Why Iran Needs to Explore Participation in the China-Pakistan Economic Corridor" The Diplomat, October 14, 2015

### **BENEFIT FOR THE STATES**

All states enjoy benefits through the economic corridor but the china enjoys more status then the regional states because is investing in the all states for pursuing its own interest. Rather all states enjoy the same because interests of all states interlinked with the corridor. China wants to develop its western part due to increase in terrorist activities and the Muslim influence on it. Xi Jiang province has nearing border with Gilgit Balitistan (Pakistan). Both states already connected through KKH and heavy invest of China in Gwadar give a thought to initiate the proper route to Gwadar to the Kashgar this channel is named by the both states is CPEC, in which the designed routes allocated with the different projects in Pakistan. This corridor also connects the Afghanistan, Indian and Iranian border directly through the different routes of the corridor. Afghanistan gets better economics and infrastructure which gives economic stabilization to Afghanistan and the influence of talibanization will lessen. Iran is rich in natural resources (oil and gas), and Iranian economy suffers a lot due to sanction on it and due to sanction Pak-Iran gas pipeline project stuck between in it. Nuclear defense pact between US and Iran, put sanctions besides and China imports crude oil from Iran while Iran had sanctions on it. Iran and China also eager to counter the terrorism and it is expected that Iran will surely join CPEC for the revival of its economy which was stuck due to sanctions on it. The IP gas project bring economic reforms in Iran and power issues solves in the Pakistan due to revival of the gas pipeline project. India will easily get access to the Afghanistan for industrialization and also approach to the UAE through Gwadar port for the export of goods and trade between Asian regions, Africa and WE. It may be possible that the closed trade route will revive and trade between both states starts again. Pakistan will become trade hub due to this corridor and the market value of Pakistan increases in the world. But the China enjoys the

more benefits among all the states because this project is proposed by China and routes linked with the all states with whom china has economic relations.

### **CONCLUSION**

Every state is pursuing its own national interest from the other state by collaborating with each other. China is pursuing its interest from the regional states by developing them economically and shifting its own industry into the central Asian or south Asian states to spread its economy worldwide. Pakistan wants to establish its industry and wants economic revival in the market, so, they need china's industry and investment to come back in the market and this safe site for Pakistan to keep collaborating with China to safe itself from sanctions by the international community. India wants to overcome from its fear, which India was perceived from china and Pakistan's bi-lateral economic agreement and easily get access to the Afghanistan for trade and infrastructure buildup.

This economic corridor works as a bridge between the rests of the adjoining countries of Pakistan. Through this project Pakistan also fulfill their people needs and economic revival so he agreed with this corridor. This economic corridor makes Pakistan a trade hub and 'one belt, one road' connects to the whole Asian region, Middle East, African states and Western Europe. The development occurs in Pakistan along the trade routes, foreign investors are going to start investing in Pakistan, economic stability occurs, better infrastructure build up, dams and power project starts which boost domestic industry to come back in market, level of insecurities decreases between India and Pakistan.

If Iran joins Economic Corridor then it will help both countries in economically. For Pakistan they will solve electricity problem, on other side Iran will get its economic problem solved. The main reason of Iran's joining of Economic Corridor is China because China is only the one country that exports oil from Iran when international world impose sanctions on it. Agricultural products such as cotton, rice, and other agricultural products may also find a market in Iran. If Iran

will join economic corridor then both states will start new journey of bi-lateral relations.

Afghan government is also concerned that if US withdraw its forces from Afghanistan the US stops aid to Pakistan, then where they go? So they went for economic project with China. Although, this economic corridor will have be fruitful for Pakistan in every field but the domestic industry of Pakistan lost its value Pakistan itself, due to rapid spread of Chinese market in the world. In short, this corridor has benefits and foes. Pakistan enjoys economic stability on one side, on other the side Pakistan lost its own charm because it seems to be the colony of China.

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