

Copyright © 2017 by Sochi State University



Published in the Russian Federation
Sochi Journal of Economy
Has been issued since 2007.
ISSN: 2541-8114
2017, 11(2): 107-115

www.vestnik.sutr.ru



UDC 33

China-Pakistan Economic Corridor: the Coincidence of Economic Expediency and Political Deviousness

Muhammad Idrees ^a, Aneel Salman ^b, Nedim Makarevic ^{c,*}

^a Karakorum University Gilgit Baltistan, Pakistan

^b COMSATS Institute of Information Technology, Pakistan

^c Embassy of Bosnia and Herzegovina in Pakistan, Pakistan

Abstract

This paper examines the economic and political twist of reliance of Pak-China Economic Corridor (CPEC). It explores the political and economic imperative of CPEC particularly for both countries and generally for south Asia. It also examines the incentives of trade Via Gawader to its counterpart Chahbahar port. Further the paper develops four possible scenarios to assess the coincident of economic and political pragmatism of the project on the region. We find that CPEC provides an opportunity to twist inter economic, political and social integration among Pakistan, China, India, Afghanistan and Iran and intra socio-economic and political ties with central Asia and Middle East. However, the optimal utilization and its repercussion effects on the region depend on Pak-China policies, the behavior of neighbor countries toward CPEC, role of international players and comparative advantage of Gwadar vs Chahbahar. The most desired effects could be obtained by using the project for highly economic purpose.

Keywords: Pak-China, economic expediency, political deviousness.

1. Introduction

The China–Pakistan Economic Corridor (CPEC) envisioned to connect Gawadar Port situated in the southwestern edge of Pakistan to China’s northwestern Kashgar, through setup of roads, railways, pipelines to conveyance oil, gas and freights. The corridor will run about 3,000 km from Gawadar to Kashgar. The corridor aims to connect South and East Asian sub regions to each other. It will further connect India, Iran and Afghanistan through land routes and Middle East and Central Asia through Gawader deep sea port. The estimated construction cost is \$ 46 billion, and projected to be accomplished by 2030. The major portion of this investment will go to energy side (35 %) while 11 % is probably spare for infrastructure development (Tribune). CPEC connects to the Silk Road initiative also so-called as One Belt One Road. This is the biggest foreign venture by China proclaimed so far and is probably to be a strategic “game changer” in the constituency, which would be a mile stone for sustainable political and economic development particularly for Pakistan and China and generally for Asia.

Looking at the socio economic and geo political importance of the CEPEC, this study aims to explore the political and economic imperative of CPEC particularly for both countries and generally for south Asia. Further the paper develops four possible scenarios to assess the coincident of economic and political pragmatism of the project on the region.

* Corresponding author

E-mail addresses: nmakarevic.science@gmail.com (N. Makarevic),
idrees@kiu.edu.pk (M. Idrees), aneelsalman@gmail.com (A. Salman)

2. Discussion

Sino-Pak Political Ties

For the last six decades the two countries remained “all time political friends”. The overall political stance of China toward Pakistan has been supportive or neutral in major political issues. The political and economic ties started with the boundary agreement in 1963. The relations further stimulated when America sanctioned military supplies at the crucial time of 1965 war [8]. The economic and political relations between the two countries further geared with the construction of the only land connection Karakorum Highway (KKH) in 1969-71. Till late seventies China strongly supported Pakistan in major issues like Kashmir and wars against India. After late seventies China neutralized its stance in Kashmir issues as well as other major political issues including Kargill war with India. However, China fully supported and adopted pro-Pakistan stance in the crises of 2001-2002 and tried to defuse US one-sided pressure on Pakistan. China also recognized Pakistan efforts to counter terrorism although US clearly expressed its dissatisfaction in this regard. So far not a single clash is observed between Pakistan and China because Sino Pak sanctuary do not confront [7].

Pak-China Economic Relations

The trade and economic cooperation between the two countries were not much deep rooted evidenced by minimal trade, investment and aid volume till 2000, although they signed FTA by granting MFN in 1963. A joint committee was established in 1982 for economic integration and signed a treaty of bilateral investment in 1989. China granted its first assistance to Pakistan in 1965 and continued until 1970. After this assistance flowed in form of soft loan tied loans and credit.

Since 2000, the economic accomplishments have been accelerated in trade, investment and energy co-operations and a series of agreement and MoUs were signed. These series of Sino-Pak cooperating agreements translated practicality in form of trade acceleration, FDI and China-Pak economic corridor to strengthen the economic mainstay. The FTA of 2006 and later on 2009 on trade in services sector lined up rightly to boost up the bilateral trade between the two countries. Around 5.36 % change has been observed in imports while 5.68 % change is recorded in exports to China since 2009 to 2013. But still there are rooms for improvements because goods with higher relative comparative advantage in 2013 are same as in 2009. Furthermore, trade intensity of China in Pakistan’s market is high while Pakistani products face strong competition in China market. The bilateral trade surplus remained in favor of China so far with a faster growth rate in its exports as compare to Pakistan’s exports growth to China [6]. Since 2007 a few Pakistani products are performing well in Chinese markets although they are not enlisted in FTA or facing better trading terms from rivals and vice versa. China is the second largest trade (10.6 %) partner of Pakistan after USA (14.9 %) in exports and UAE (17.7 %) in imports [10].

China’s share of trade with Pakistan is higher both in exports and imports as compare to Indian share of trade with Pakistan. Further trade with China is more harmonious as to India because India is not eager to liberalize trade with Pakistan [11]. Being the largest exporter of the world China needs sustainable transportation means. About 10000 Chinese are working in Pakistan and almost 120 Chinese companies are engaged in production in Pakistan. Several projects are in progress with Chinese partnership and cooperation. Chinese banks are operational in metropolitan cities in Pakistan [14]. The stimulus of trade and investment has strengthened economic and strategic ties between the two countries.

This paper argues that China-Pakistan economic corridor is not limited to geopolitical hegemony of Pak-China alliance in the region but it opens doors for economic opportunities and regional peace.

Political Imperative of CPEC for China

The major players⁷ are playing great game in Asia to access the energy rich sources of Central Asia, hot waters of Middle East and goods markets of Africa and Europe. For this the big economies are silently strengthening their dominancy in form of investment and political allies. For example, India and US influence, particularly in Afghanistan and Iran to marginalized Pak-China influence in the region is obvious [13]. India – Iran agreed on 12 agreements including an investment of \$ 500m on Chahbahar dam to counter the influence of China through Gwadar port. The Iranian newspapers demonstrated that Modi’s visit is an open challenge to China’s growing influence in the

⁷ Countries have political or economic interest in Asia

region [2]. Similarly, US deal with India in civil nuclear indicates their mutual cooperation. Iran and Russia with Indian partnership already engaged in International North-South Transport Corridor to cover the transit trade. US have been always hunting for a persistent resistor over a significant share of the energy resources. Russia is the major supplier of Gas (45 %) and oil (30 %) in Europe. It will be strategically in favor of Russia that the European markets remained far reached to central Asian states. Therefore it has supported the Iran, Pakistan and India pipeline to limit the other suppliers in the EU markets.

The geographical location of Afghanistan is the most feasible channel to access central Asian markets. US and Indian influence in Afghanistan stimulated China's economic cooperation with Pakistan [11]. On the other hand, the current sea route of Strait of Malacca is not safe in case of conflict of big countries [8]. US has built military basis on surroundings and India has also armed its navy with nuclear weapons [13].

China being the giant economy in the region [7] and the second largest oil and major natural gas importer needs the Arabian Sea and Indian Ocean security for its energy supply line and cargo. To insure supply chain, China has two options; one is strengthening its navy by building security bases and second is alternative routes. Option one, building security bases, could be suspected for military proliferation and stimulate dominance perception and create tension in the region. While option two, alternative routes, is in accordance with the national policies of China since 70's "envisioned Economic development and integration with neighbor countries". Therefore China is planning alternate routes to secure its energy security and cargo.

China is relying heavily on coal in its energy needs. Coal contributes 70 % of energy which is environmental hazardous. This will further accelerate as the economic spree of China indicates. At the same time international community pressure on China to use environmental friendly fuel in production and consumption to mitigate the environmental issues is mounting. Furthermore, China can reduce its transportation emissions through CPEC instead of long existing sea route of Strait of Malacca.

The main player's stride in Asia in shape of investment in development, energy competition, strategic political ties or military cooperation is viewed as a diffusion process by their counterparts. For example, US developments allied with India perceived by China and Russia suspiciously to limit their influence in the region. Similarly, Sino-Pak relations and China's speedy growth is considered as potential threat by rivals like India and USA who want to achieve their interest in the region [13]. CPEC is the result of China's envisioned repeated games experience with the other major player and it is no more limited to mooring the influence of counterparts. The project is based on the pecuniary and energy imperative of both countries. China's stance in international politics would be under pressure unless it would not safeguard its trade and energy supply routes.

Economic Imperative of CPEC for China

China has been engaged in several multilateral as well as bilateral trade agreements to liberalize trade supported by more than 140 routes and 60 across border accesses to neighbor countries. China's main interest in South Asia is economic interest [7]. UNESCAP⁸ consider such linkages and routes a sufficient condition for higher sustainable growth. Involvement of states in interdependence projects stimulates collaboration among countries [4]. Studies propagate China's FTA diplomacy as a leader projection in the region. They argue that China is liberalizing trade to counter other big economies RTA's for example, US and Japan Trade influence in the region. The motivation behind FTA with Gulf countries is to hedge their economy against energy supply shocks. China's FTA diplomacy is politicized due to its low level and obligations. The FTA race game ensued political and economic dominance motive though it is quite clear that RTA proliferation in the region could kill the objective of free trade. But the repercussion effects of China's FTA in form of economies of scale, trade surplus and outward FDI matches with economic theory of trade liberalization. So China is enjoying industrial development, efficiency and employment with liberalizing trade⁹.

Some of these regional and bilateral trade agreements fruit could be exploited directly through CPEC. The FTA with SCO members could boost trade with central Asian states and Russia.

⁸ U.N. Economic and Social Commission for Asia and the Pacific

⁹ Chin and Stubbs, 'The political economy of the ASEAN-China Free Trade Agreement and East Asian regionalism'

The free trade agreement with India could be the most feasible along with the Pakistan's FTA to develop the western China.

The energy demand has spurred in China with economic development and projected to be double in 2020. It is a major supplier of world consumption as well as a huge domestic consumption. Growing China needs to secure energy supply vulnerability to ensure long-term economic growth. China's external oil dependency has intensely increased with its economic development. To fulfill oil requirement China is engaged with Middle East in dealing with oil imports. Today China is spending million (18m) of dollars every day on importing oil through the existing rout of Malacca. China could save \$6 million per day as transportation cost even half of its oil were imported via CPEC (Tribune). About 70 % of Middle East crude oil is imported by China. China also strictly condemned the interference of any third party in such deals. Similarly, China is rising as a potential oil dealer with Iran and Iraq. Saudi Arabia has already strong trade relations with China [15]. Though in central Asia China is in process of energy exploration yet safe energy supply, quick and reliable energy corridor is also equal important to meet the immediate demands. The exports from western China could be far saving. However, China's Influence in the region being a competitor could penetrate its rivals.

Economic imperative for Pakistan

Trade routes have been one of the major factors adversely affected Pak-India trade [16]. In this scenario Pakistan is playing a very peace building benign strategic role in the contemporary gaming zone of Asia. The major players seek to restrict their counterparts in the region while Pakistan is intended to co-integrate them through China-Pakistan economic corridor. The corridor aims not only to strengthen Pak-China strategic partnership for accomplishing mutual development and prosperity of the peoples of two countries but it connects Asian regions to each other as well as with Middle East, Africa and Europe through Gwadar deep port. This will stimulate trade and cooperation which bring economic prosperity and harmony among all the stakeholders¹⁰.

For Pakistan CPEC provides the highest share of investment to energy sector (74 %). It further contributes 20 % for coal mining and 13 % is spared for road. An addition of 74 % contribution in total electricity generation with the Chines investment is estimated [9]. Several energy related projects are in progress and very soon contribute to the National energy supply chain. These energy projects will foster private investment as the private sector investment has heavily shrunk by energy crises in Pakistan during last one decade. This project contains harmonized trade between Pakistan and China. Although several Pakistani and Chines products are competing in international market but still there is advantage for Pakistan to access the giant economy.

Pakistan's geo-strategic location along with a deep sea port Gwadar necessitates the CPEC for a sustainable and trade oriented future of Pakistan. This perpetual opportunity will benefit the future generation of the nation in form of efficient trade, transportation and communication logistic linkages with neighbor countries.

Scenarios Analysis of CPEC

The CPEC project will have repercussion effects in reshaping the political and economic scenario particularly in Asia. No doubt it has potential economic and political importance, but the project is not free from external as well as internal perils. These perils as well as how international players and neighbor countries perceive CPEC project will drive the repercussion effects of CPEC on South Asia. Four possible Scenarios and their drivers are assessed in the subsequent paragraphs.

¹⁰ Countries could use import and export via CPEC

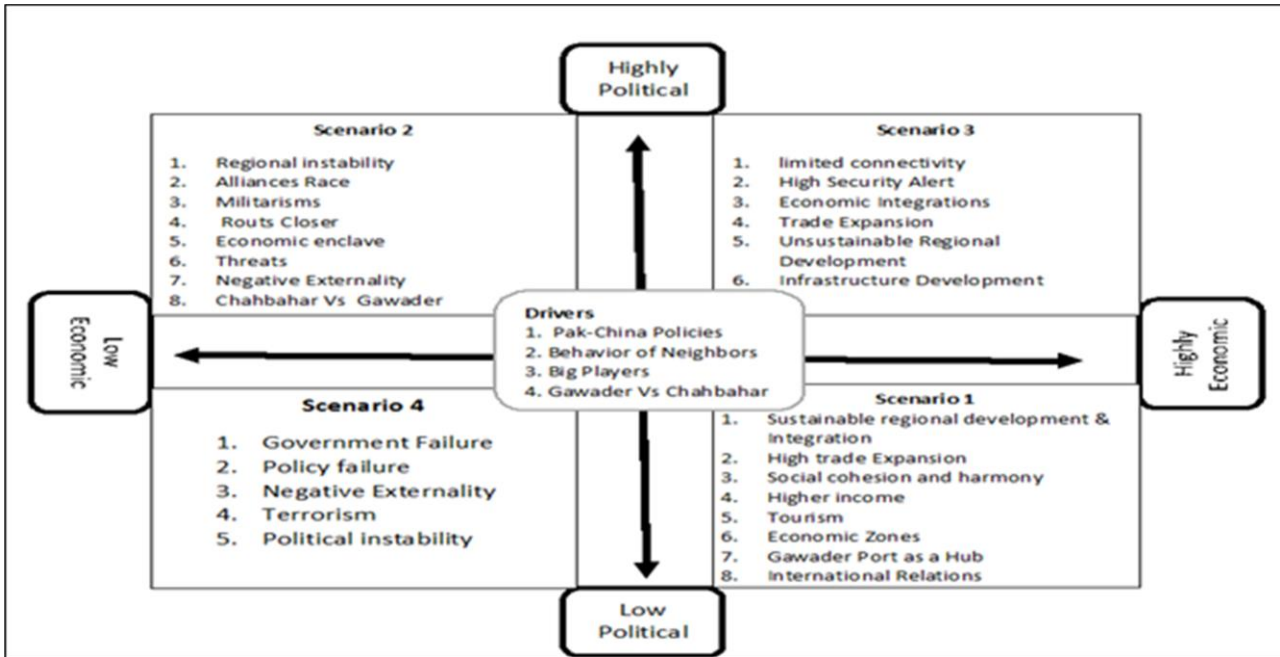


Fig. 1. Scenarios

Several factors insure the strengths of the project. The most important factor which distinct the CPEC is its geo-strategic locality. The corridor is connected to the deep sea port of Gwadar. To access central Asia, Gawader to Saindak is the shortest road [7]. Fortunately, Gwadar is the nearest sea port to the open sea rout of Harzmoon on one hand and at the other hand it connects oil and gas rich countries as well as African countries. The CPEC opens road windows to 5 big countries that are china, India Pakistan Afghanistan and Iran. No other corridor connects so many countries along with a deep sea rout with in so short distance in the world. However international community has fear about the usage of CPEC due to expanding economic and political influence of China. A question is always in the minds of big players that whether this joint venture is for economic motive or political?

So far it is very clear that the project aims to enhance people welfare by establishing economic integration in the region. Even Pakistan opened its door to its conventional rival India to access the markets through CPEC. However, the future will depend on the four major factors. First the Pak-China Policies second behavior of adjacent countries to CPEC, third the big economies that have political and economic interest in the region and fourth Gawader vs Cahbahr. These driving forces will determine the future scenario of repercussion effects of CPEC.

Scenario 1 High Economic and Low Political usage

One of the four possible scenarios of the CPEC project is higher economic and low political intension. The main purpose of this project is economic prosperity and integration. Therefore, this possible scenario will be the game changer and the most desired scenario.

The beneficiaries of CPEC project are not limited to china and Pakistan. The entire world economically or politically connected to Asia could benefit especially the adjacent to CPEC and most especially landlocked countries. As for as China's approach is concerned, it has maintained acceptable economic and political relations with its neighbors [7]. The existing economic and political strategies of Pakistan to the neighboring countries are not at desired level and even not acceptable to some neighbor countries. Political and economic relations are very important for Pakistan because these relations are the strength of Pakistan in context of geo-strategic location. If they are not maintained efficiently, probably it would be threat for Pakistan as negative externality by dispelling against CPEC. For example, the Pak afghan relations show trust deficit. However, this inaction of Pak-Afghan relation is immersion of alien powers in domestic affairs of Afghanistan [5]. Afghanistan is united with 2240 km common border and has a transit rout in CPEC project. If Pakistan succeeds to maintain good relations with Afghanistan it would be strength for the CPEC project. Afghanistan will continue to transit their cargo via Pakistan and Gawader Port. On the other hand, rigidity in relations with Afghanistan could lead to alliance with Iran and India, as it did most recently [2], and shift its trade via Chahbahar although not

economically feasible. To access Central Asia Pakistan could not ignore the importance of geo-strategic location of Afghanistan [5]. Several reasons demand cordial relations for better future of the countries.

The Pak-China Economic Corridor (CPEC) is declared as an integral element in recognizing the prospective of regional connectivity and trade with the SARRC, ASEAN, CAREC, and ECO countries. China-Pakistan economic corridor is a milestone to connect intra and inter-regions. Within the Asia the corridor connects directly Pakistan, China, India, Afghanistan and Iran through roads and railway networks. This will provide a rapid and cheap access to the regional markets. The benefits depend on the political and economic cooperation among concerned economies for economic prosperity in the Asia, only access and infrastructure development will not provide desirable results. There is need to strengthen political and economic connections.

The corridor is efficient in cross border trade as well as indigenous connectivity of different parts of country to each other. The corridor consists of 5 cross border entrance and exit points. It will help to transport production of one area to other part quickly, and safely. A well internal integrated market could create harmony, and welfare in form of larger choices and lower cost in the country. Mostly the raw material and value added material is produced in urban regions. Transportation is the most concerning barrier to access to the markets. The proposed routs of CPEC connect the urban regions of adjacent countries to major cities and will provide fast access for urban regions to nearby markets. These underpriced resources of urban areas will be utilized at optimal level and people will benefit from it.

From north it connects the natural and mineral rich region of Gilgit-Baltistan to China. Gilgit-Baltistan is very famous in fruit production, gems, forest and tourism. So far the existing resources of this part of Pakistan have been underutilized due to limited access to central markets and transportation barriers. Many perishable goods producers could not gain at optimal level and economic losses also discourage the farmers to produce such crops. Similarly, instead of being "Heaven on Earth and Jewels of Earth" the tourists have not been visiting at potential level to this region. The corridor is expected to open door to explore the natural beauty of the region as well as untapped the resources at optimal values.

Regional connections through transportation and communication links pragmatically resolve perpetual insurmountable economic deprivation and integration issues in the region. Trade expansion could be the main driving force to foster economic development in all adjacent countries. So far the regional trade among the countries connected to CPEC is far below the potential level. This project would provide a safe, rapid and economical transportation transit mode. Expansion in trade further stimulates to harmonize trade related policies and strategic relations. This project has advantages of comparative and competitive in cross border trade as compare to any other rout in the region. Its shortest and most economical routs would increase social welfare by providing cheaper and varieties of goods and services. Tourism is one of the major sources of income in western and even in some Asian countries. This project would motivate tourist inflow in the region. The government's income generation through customs and tariff will contribute to sustainable source for public project financing in long-term. Pakistan and Afghanistan would have additional source of transit income. The estimated transit fee will exceed \$20 billion per year with in 20 years [8].

Building new Economic Zones will develop several industrial units. This will create business opportunities at macro level and transform the corporate ethos [3]. Transportation, Communication, freight and container depots would be highly developed. These all would create thousands of jobs. A fair trade will also discourage illegal border trade which has severely affected the domestic production. Trade through CPEC will help to achieve the environmental mitigation objective or green trade because of efficient and shortest route.

The fair play of all stake holders and international players towards CPEC develops win-win situation in the region. Trade, tourism and economic zones help to grow the economy [1]. Harmonizing trade policy and providing access will build good political relations. People interaction and cultural exchange will create cohesion and harmony among the nations. These all will steer south Asia toward prosperity.

Scenario 2: High Political and Low Economic

This scenario would be based on the repercussion effect of CPEC when highly used for political hegemony interest and minimal usage of economic. Although Pak-China self-enforcing policies regarding CPEC are very clear. CPEC is one of the several projects initiated by China to

unlock its hinterland in accordance to the United Nations trade development vision [4]. The political as well as economic circumstances do not support such motive of both countries. However, the negative perception (even stereotype) of some stake holders and other factors could push CPEC into a totally political project.

The role of India and Iran is clear to some extent toward CPEC. India probably not happy with the joint venture of its conventional rival Pakistan and leading economic rival China. Even India has economic benefits spilling from CEPEC. On the other hand, Chahbahar in Iran rising as a weak competitor with Gawader. The importance of Afghanistan's geo-strategic location will be further increased between the two alliances, Pak-China and India-Iran each with a port to access the markets of central Asia. Indian goods have to face the Iranian and Afghan policies while Chinese goods will pass through Pakistani and Afghan policies. The political interest groups might formulate hostile policies for other groups that would deteriorate the free trade concept and people could not benefit from comparative advantage. It would be possible that such groups might stimulate militarism by pretending to safeguard their routes and trade. This would be a peril for peace and a reason of economic enclave in the region.

Scenario 3: High Political and High Economic

Political motives are not always coincident with desirable economic motives. It is true only with the dominated economies on which small countries politically or economically heavily dependent. As for as CPEC project is concerned, it neither aims political motives nor it is in favor of Pakistan or China. There are several reasons that the higher political usage with higher economic usage of CEPEC will probably steer the project to higher political and less economic in the long run.

Higher political usage of CPEC will stimulate the rivals and international players to formulate hostile political and economic policies toward CPEC. These hostile policies may lead to alliances to minimize the CPEC influence though not economically feasible. This would give rise to barriers in social and economic interaction, high security alerts, and visualizing of every aspect from the political dimension. This situation impedes the sustainable growth and stability in the region. Higher trade restriction via CPEC in form of tariff and non-tariff barriers as well as access restrictions could be the result of these hostile policies. Further various players might be involved in political interest RTA's sabotage the welfare of people by restricting competitive and comparative advantaged goods across the borders.

Scenario 4: Low Political and Low Economic

There are not such evidences that unfortunately steer the project into such a scenario. It is conventional wisdom to assess the pessimistic side of such a perpetual project. So far the climate for win-win situation is very clear. However, some factors could be impediments if proactively not prevented. These factors could be insufficient internal financial capacity, political inconsistency, human skill and financial resources and external threats in form of terrorism.

Trade via Gawader or Chahbahar: A rationality check

In parallel to Gawader, Iran and India are building Chahbahar port. Most recently India, Iran and Afghanistan have signed an agreement regarding to transit their trade through Chahbahar. This joint formidable venture of the three neighbor countries of Pakistan seems to defuse the Pak-China CPEC's influence in the region. China is in good relations with the countries connected to CPEC [7]. However, Pakistan needs to review its foreign policies and strategies to correct this strategic myopia. Although Pakistan is already in transit agreement with Afghanistan to trade its cargo via Waga border and Karachi Port. However, the joint venture to eliminate the dependency on Pakistan for cross border trade is not rational in many ways.

Firstly, trade between India and Afghanistan via Chahbahar is expensive due to long distance. Secondly, it is feasible only in summer due to extreme weather and mountainous terrain transportation rout between Iran and Afghanistan. This will increase transportation and halt cost. So these two countries have no incentives to trade via Chahbahar. Contrast to Chahbahar, trade via Gawader will provide comparative advantage by time, fare saving and rapid and safe access.

India and Afghanistan both are dependent either on Pakistan or Iran to transit their goods to each other and Central Asia. At least for Afghanistan the substitution Iran over Pakistan is not feasible and sustainable. Afghani goods will not only lose their market share in Indian economy with higher transportation cost but also suffer from continues supply shocks due to mountainous terrain between Iran and Afghanistan. So far the joint agreement seems a short run emotional

decision. In long run it would be difficult to maintain. Because Chinese exports through CPEC would be more economical and fast as compare to Indian exports through Chahbahar. Moreover, India is dominated by US policies and Iran never maintained good relations with US. It would be very difficult to maintain uninterrupted Iran supportive policies for India in the presence of US. Similarly, US Invasion in Afghanistan would not provide trade favored atmosphere with India. Besides these factors Pak-Afghan and Pak-Middle east relations are tie with cultural and historical affiliations. Historically Iran could not maintain neighborhood relations with Afghanistan as it deserved. Pakistan could excel and play a dominant role by trade oriented foreign policies. Pakistan needs to harmonize trade and foreign policies to optimize true fruit of CPEC and Gawader [2].

The case of Afghanistan is different from India about transit via Pakistan. Afghanistan has no restriction to transit their product through Waga into India. Therefore it has no incentive to use Chahbahar as alternative to Gawader. While the Indian transit into Afghanistan via Pakistan is subject to the political relations between India and Pakistan. Unfortunately, Pak-Indian relations have never been in favor of transit trade.

3. Conclusion

This paper concludes that CPEC is the resultant of Pak-China all weather highly trusted friendship. It provides an opportunity to twist inter economic, political and social integration among Pakistan, China, India, Afghanistan and Iran and intra socio-economic and political ties with central Asia and Middle East. However, the optimal utilization and its repercussion effects on the region will depend on four major factors. They are Pak-China policies, the behavior of neighbor countries toward CPEC, role of international players and comparative advantage of Gwadar vs Chahbahar. There is need to assess the comparative advantage of trade via Gawader over Chahbahar. The most desired effects could be obtained by using the project for highly economic purpose.

References

1. ADB. (2015). *Asian Economic Integration: How Can Special Economic Zones Catalyze Economic Development*. Mandaluyong: Asian Development Bank.
2. BBC. (2016, May 24). India and Iran sign 'historic' Chabahar port deal. *BBC*, p. 1.
3. Hameed, F. (2015). *China-Pakistan Economic Corridor-Transforming Pakistan's Corporate Culture*. Islamabad: Institute of Strategic Studies.
4. Holslag, J. (2010). China's Roads to Influence. *Asian Survey*, 641-662.
5. Hussain, S., & Latif, M. I. (2012). Issues and Challenges in Pakistan-Afghanistan Relations after 9/11. *South Asian Studies*, 89-99.
6. Irshad, & Xin. (2015). Pakistan-China Free Trade Agreement (PCFTA) Treaty Model: Capability, Prospects and Disputes. *Academic Research International*, 53-60.
7. Kataria, J. R., & Naveed, A. (2014). Pakistan-China Social and Economic Relations. *South Asian Studies*, 395-410.
8. Kumar, S. (2007). The China-Pakistan Strategic Relationship: Trade, Investment, Energy and Infrastructure. *Strategic Analysis*, 757-790.
9. Naseem, A. (2015). *Impact of China Pak Economic Corridor - A Bird's Eye View*. Islamabad : BMA.
10. PBC. (2015). *Pakistan China FTA and Recommendation for Phase II Negotiations*. Karachi: Pakistan Business Council.
11. Sahoo. (2012). The Economic Relations of China and India with Pakistan: A Comparative Analysis. *Asia-Pacific Development Journal*, 1-22.
12. Sahoo, P. (2013). The Growing Dominance of China in South Asia: An Indian Perspective. *The International Trade Journal*, 111-141.
13. Siddiqi, R. A., & Yang, J. (2011). About an 'All-Weather' Relationship: security foundations of Sino-Pakistan relations since 9/11. *Journal of Contemporary China*, 563-579.
14. Siddique, Q. (2014). *Deeper than the Indian Ocean*. Islamabad: Centre for International and Strategic Analysis.
15. Smith, P. J. (2009). China's Economic and Political Rise: Implications for Global Terrorism and U.S.-China Cooperation. *Studies in Conflict & Terrorism*, 627-645.
16. Taneja, Prakash, & Kalita. (2011). Issues in India-Pakistan trade negotiations. *Economic and Political Weekly*, 24-28.

17. Tribune, T. E. (n.d.). Pakistan-China Economic Corridor: a cost-benefit analysis. Islamabad, Federal, Pakistan.

УДК 33

Китайско-пакистанский экономический коридор: совпадение экономической целесообразности и политическая переоценка

Мухаммад Идрис ^a, Аниль Салман ^b, Недим Макаревич ^{c, *}

^a Международнй университет Каракорум Гилгит-Балтистан, Пакистан

^b Институт информационных технологий COMSATS, Пакистан

^c Посольство Боснии и Герцеговины в Пакистане, Пакистан

Аннотация. В данной статье рассматриваются экономические и политические основы Пакистано-Китайского экономического коридора (ПКЭК). Авторы исследуют политические и экономические императивы ПКЭК для обеих стран и в целом для Южной Азии. Авторы показывают, что ПКЭК предоставляет возможность для экономической, политической и социальной интеграции как среди Пакистана, Китая, Индии, Афганистана и Ирана, так и внутри социально-экономических и политических связей со странами Центральной Азии и Ближнего Востока. Однако оптимальное использование и последствия его влияния на регион зависят от Пакистано-Китайской политики, поведения соседних стран в отношении ПКЭК, роли международных игроков и сравнительного преимущества Гвадара против Чахбехара.

Ключевые слова: Пакистан-Китай, экономическая целесообразность, политическая переоценка.

* Корреспондирующий автор

Адреса электронной почты: nmakarevic.science@gmail.com (Н. Макаревич), idrees@kiu.edu.pk (М. Идрис), aneelsalman@gmail.com (А. Салман)