

China Pakistan Economic Corridor- An Economy booster for Pakistan

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Abstract

The study highlights the opportunities arising for Pakistan from China Pakistan Economic Corridor (CPEC) in different sectors including energy, manufacturing, trade and tourism. A structured questionnaire is used to get filled by different sources including businessmen, entrepreneurs involve in importing and exporting, workers from energy sector and engineers. Results are calculated through SPSS. The study provides wide options to the potential businessmen to grow their business with the help of this fruitful project. According to the results concluded CPEC provides Pakistan an option to boost its market through foreign trade as Baluchistan will become a Trading Hub. There are many chances for tourism sector to grow and flourish the market as improved infrastructure will attract foreigners. Successful completion of the project may help us to stabilize our political environment, many countries including India are not in favor of the project and it is a chance for our political parties to get united for the nation cause. While at the other hand to improve its energy shortfall Pakistan need to wait few more years, the benefit will be obtained gradually not immediately Overall CPEC is a good sign for the economy of Pakistan.

Keywords: CPEC, Baluchistan, Tourism, Economy, Energy

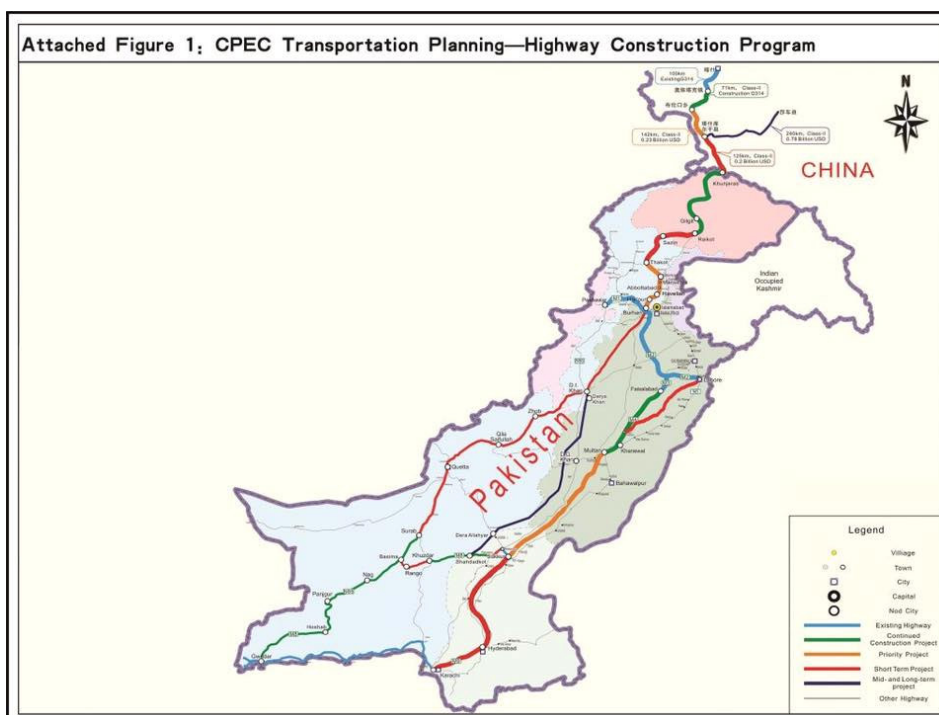
1. Introduction

China has been one of sincere mate for Pakistan by maintaining strong warmhearted relations between both countries. China Pakistan Economic Corridor (CPEC) is another step to strengthen the brotherhood. The agreement was signed and approved by both countries in 2013 by the China's President Xi Jinping and Miyan Muhammad Nawaz Sharif, Prime Minister of Islamic Republic of Pakistan. CPEC project is the most expensive and huge foreign investment that China has made so far. The cost planned for this huge project is nearly 46 billion dollars. The project is supposed to be the step towards strengthening the beautiful relation between both countries. Both countries are more known as iron brothers due to strong brotherhood and their friendship is considered deeper than an ocean. China has been standing with Pakistan in every good time as well as bad times. Through this project Pakistan will hold a prominent place in China foreign policy. CPEC plays a role in strengthening Pak-China relationship and at the same time it has become a big threat to India as some of the part of CPEC also includes the portion of Jammu and Kashmir i.e. disputed area for Pakistan and India,(Wagner 2016).

The CPEC is a 3,000-kilometer system of highways, railways and pipelines for the transportation of oil and gas from Gwadar Port to Kashgar city of china, northwestern China's Xinjiang Uygur separate region. Many Baloch militants are against this project as they are already plotting plans against government policies and demanding Gilgit-Baltistan to be counted as the fifth province of Pakistan and basic rights for their people. India, Iran and Russia are also creating conspiracies against it but the armed forces of Pakistan have assured to provide complete security to the project.

Many countries are interested in taking full advantage of this project as it tends to benefit a larger part of the world. Russia which has a dry kind of relation with Pakistan is now showing some interest to join CPEC to take full advantage. And many other central Asian states are also intent on joining this project.

CPEC will not only benefit China in getting connected to African, Central Asian and Middle Eastern markets but also it will construct a good and healthy relation between China and Iran.Initially the alignment of CPEC was decided to be western as it includes more parts from all provinces. But later due to some security concerns government decided to finish the eastern alignment first and then continue the western one, which create a great anger among KPK and Baluchistan region, (Ebrahim 2016).



Detail of CPEC by Chinese embassy, via Pak China News

Later on a response of this anger the Deputy Chief of Missions of Chinese embassy at Islamabad, Zhao Lijian, announced the share of each province in CPEC. According to him Baluchistan enjoys most benefits from CPEC among all provinces and approximately 16 projects will be completed in this region under CPEC. While Sindh comes at the second place i.e. 13 projects, 12 projects in Punjab and projects in KPK. Following is the lists of projects being constructed in CPEC.

Projects under CPEC

Sindh	Baluchistan	Khyber Pakhtunkhwa	Punjab
Matiari-Lahore Transmission Line	Khuzdar-Basima Highway (N-30)	Joint Feasibility Study for Upgradation of ML1	Optical Fiber Cable from Rawalpindi to Khunjrab
Matiari-Faisalabad Transmission Line	I.Khan-Quetta Highway (N-50)	Establishment of Havelian Dry Port	Haier &Ruba Economic Zone II
Port Qasim Power Plant	Hubco Coal Power Plant	KKH II (Havelian-Thakot)	Karachi-Lahore Motorway (Sukkur-Multan)
Engro Thar Power Plant & Surface Mine in Block II of Thar Coal Field	Gwadar Power Plant	Upgradation of ML-1	Joint Feasibility Study for Upgradation of ML1
Dawood Wind Farm	Gwadar-Nawabshah LNG Terminal and Pipeline	KKH III (Raikot-Thakot)	Upgradation of ML-1
Jhimpir Wind Farm	Gwadar Eastbay Expressway	I.Khan-Quetta Highway (N-50)	Sahiwal Coal-Fired Power Plant
Sachal Wind Farm	Gwadar New International Airport	Suki Kinari Hydropower Project	Rahimyar Khan Coal Power Plant
China-Sunec Wind Farm	Gwadar Smart Port City Master Plan	Optical Fiber Cable from Rawalpindi to Khunjrab	Karot Hydro-Power Plant
Upgradation of ML-1	Expansion of Multi-purpose Terminal including Breakwater & Dredging	-	Lahore Orange Line Metro Train
Thar Coal Block I & Mine Mouth Power Plant	Wastewater Treatment Plants for Gwadar City	-	Matiari-Lahore Transmission Line
Gwadar-Nawabshah LNG Terminal & Pipeline	Gwadar Primary School	-	Matiari-Faisalabad Transmission Line
Karachi-Lahore Motorway (Sukkur-Multan)	Gwadar Hospital Upgradation	-	Quaid-e-Azam Solar Park in Bahawalpur
Joint Feasibility Study for Upgradation of ML-1	Gwadar Technical & Vocational College	-	-
-	Gwadar Eastbay Expressway II	-	-
-	Fresh Water Supply	-	-
-	Gwadar Free Zone	-	-

Source: Pak China News(2016d)

2. Literature Review:

According to the Chinese embassy spokesperson in Pakistan, China is glad to start new projects with Pakistan and take part in operational activities regarding CPEC construction in order to nourish the economy of both countries, (2016a).

2.1. Unemployment and CPEC:

Pakistan has been facing unemployment as one of the biggest hurdles in development. China Pakistan Economic Corridor will provide employment to the people in Pakistan even during the construction time period. Pakistan famous Economist Dr. Shahid Hassan Siddiqui stated that CPEC will be a golden opportunity for Pakistan to reduce unemployment from the country. He also added that the functioning of Gwadar port will bring an economic revolution and business activities will get a much needed boost, (2015).

The Chinese Ambassador to Pakistan, Sun Weidong, stated that China has improved their GDP that has reached to 10 billion US dollars and on the second number in the world after United States. He also claims that it is going to be doubled in a very short period of time. Pakistan will be able to connect itself to more than half of the world including China, Europe, Middle East and Central Asian states through CPEC. Weidong assured that CPEC will create many employment opportunities for Pakistan especially for the Baluchistan region, (Shah 2015).

Helping Pakistan in reducing energy shortfall China National Electric Engineering Company (CNEEC) has recently launched their services in Lahore. Chief Guest of the opening ceremony, Chinese general council in Lahore, Mr. Yu Boren stated that it will make the relationship between both countries more strong than before and they are very keen to help Pakistan out through this problem. Chairman from China National Electric Engineering Co Ltd stated that china owns an international engineering company and they are looking forward to train Pakistani engineer. They are also interested in starting projects in future after providing the skilled training to Pakistani engineers. This will be a great employment opportunity for Pakistan, (2016b).

CPEC is a source of increasing foreign investment in the country, according to Khaleej Times report approximately 15 billion dollars investment will be made by different Chinese companies in to different business and manufacturing centers in Pakistan in future. These investments will play a vital role in eliminating poverty and unemployment from the country. Trade opportunities will rise up to 70% once the project is completed. Ahsan Iqbal informed that 11 billion dollars from the total cost will be utilized in construction of infrastructure of CPEC, projects estimated 18 billion dollars are going to be implemented and portfolios of 17 billion dollar projects are at preparation stage. Chinese Ambassador Sun Weidong stated that successful completion of the project will provide better health, education facilities and more jobs to the people. More than 150 foreign investors are showing willingness to invest in CPEC, (Aftab 2016).

China Pakistan Economic Corridor is a gateway to reduce unemployment for both regions. During the construction of CPEC route, many Chinese workers have come to work and to facilitate these workers and providing them friendly environment government of Pakistan has provided them five years visa along with multiple entries. This may create a strong friendly connection between both countries. Regarding the employment opportunities Parliamentary Secretary for Finance Rana Muhammad Afzal Khan told the National Assembly that approximately 400,000 jobs are being created through this project overall, (Arif 2016).

2.2. Overcoming Energy Shortfall:

Baluchistan being the main part of China Pakistan Economic Corridor will be much more benefited than any other city of Pakistan as it is a mineral rich province and through China Pakistan Economic Corridor it will be convenient for Pakistan to reduce the transportation cost while as the construction of oil and gas pipeline connected to both countries will help to save transit route cost through Indian ocean. An oil refinery is also going to be constructed in Gwadar that will provide oil to the China's Xinjiang province which will reduce billions of transit cost and help in making Baluchistan a trading hub. These pipelines can also integrate the IPI (India-Pakistan-Iran) pipeline in facilitating western China. A cost of \$ 2.8 billion will be consumed to construct a railway track from Karachi to Peshawar, that also under this project (China Pakistan Economic Corridor) in order to bring Chinese technologies and skills in different fields including irrigation, energy, agriculture, trade and development of infrastructure, (Hussain 2016).

In a meeting of senate, Ahsan Iqbal, minister for planning stated that there is a huge shortage of water in our country. For this purpose The Diamir Bhasha Dam project is very important and government will built it at any cost so the country will be self-sufficient in water supply. He further updated that in first step the dam will be constructed while in second stage electricity generating machines will be placed which will generate up to 4500 MW electricity so the energy shortfall can also be over come through this project and China has allocated \$35 billion for the energy generating projects under China Pakistan Economic Corridor. And by the end of 2018 10,000MW electricity will be added to our grid, (2016e).

Another power generating plan in Punjab is being developed under CPEC. Chinese companies are glad

to establish a stable source that systematically provides electricity within Pakistan through the use of coal power plants in Sahiwal, at the cheapest rates in the mean if tariff possible by December 2017. As compare to other power generating projects this one is quite environmental friendly. Song Taiji, the Chief Executive Officer of Humeng Shandong Ruyi (Pakistan) Energy (Pvt) Limited, claimed that this project will involve less burning and emits less carbon in order to reduce environmental pollution, (Ghumman 2016).

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To overcome the energy crisis in Karachi, k-electric is trying to work on the coal-fired power plants near Karachi with the capacity of 700MW. Though this is not a part of CPEC but as CPEC has brought both countries more closer then it will be easy for K-E to arrange loans for developing its infrastructure along with its Chinese partners, (2016i).

Prime Minister of Islamic Republic of Pakistan stated that since from 1999 to 2013 there has been a huge energy shortfall in the country as no progress has been made in this sector. CPEC includes many energy generating projects that will help us not only reducing energy shortfall, load shedding as well as producing electricity at cheapest rates. He also believes that development in following sector will also enhance employment opportunities for locals and maintain our economic condition as well, (2016h).

The prime minister of Pakistan Mr. Nawaz Sharif is willing to eliminate the load shedding problem from the entire region with the help of China. He claims that his government has made many developments in the country and will be working for more. He also showed willingness to start a \$21 billion Chinese financed expenditure in energy sector. More than 10 thousand Chinese workers are working in Pakistan in different energy generating projects and the projects will be ready to increase overall energy output of the country up to 60%. PM also seeks to inaugurate a nuclear plant in December a network of pipeline in next month which will carry large scale gas imports upcountry, (Shah 2016a).

2.3. Maintaining foreign relations and investments

As CPEC is a great source of increasing Foreign Direct Investment (FDI) in Pakistan, the project's Council Executive Chairman Zhao Guobin stated that more than 100 Chinese companies are willing to invest in Pakistan under the project, which is a fruitful step towards boosting the economy of both regions. G-B's Minister for Works Dr Muhammad Iqbal expressed his positive views about CPEC that CPEC is also a huge project; it will bring more benefits than Karakorum Highway built in 1970s-80s, (2016c).

Through CPEC Pakistan is able to maintain friendly relations all over the world. An investment from Qatar for the Sheikh Jassim Hospital in Thal area of Mankeerah Tehsil in bhakkar district is a proof of strong and warm friendship between Qatar and Pakistan. Many countries have got the courage to invest in Pakistan after watching China starting such a huge project. About the social interaction between Pakistan and Qatar, Chief Minister Punjab, Mr. Shahbaz Sharif stated that for Pakistan, Qatar is same as China and both countries will enjoy a long lasting and fruitful friendship in future too, (Qarni 2016).

CPEC will help Pakistan and China to maintain good friendly relations with other countries once started because through this project both countries will be able to connect themselves to different regions of the world. Iran and Saudi Arabia are heartedly welcomed by Pakistan to join CPEC and enjoys maximum benefits from the project. Ahsan Iqbal further stated that they will welcome any other friendly neighbor country to be a part of CPEC, (2016g).

As many countries are interested to become a part of CPEC project and strengthen their relations with both nations. Russia is one of the cold war rivals of Pakistan but China Pakistan Economic Corridor has brought both nations closer in a friendly environment. It is a positive sign for the project because Russia also taking interest in providing proper security to it and maintain collaboration with Pakistani intelligence agencies. This is a big warning to India, who is continuously threatening China and Pakistan to harm the project and cause destructions in it. While at the other hand China's relation with India are also being effected as India is a traditional rival of Pakistan and will be against every nation who supports Pakistan. Moreover France is also stepping forward to be a part of CPEC by offering their services in technology advancement, (Tikhonova 2016).

2.4. Insecurities of KPK and Baluchistan

In the beginning some of the Baloch militants in contradiction of this project assumed that Baluchistan is the least benefited province in CPEC. Countries against Pakistan including India have played a vital role in raising the fire in this subject. To secure the project from the unpleasant activities more than 160 ex-Army person were

hired in association with Sindh Police to make a commando force of 2000 men to look after it. The purpose behind hiring the ex-army men was just to save the time of training and hiring process from the beginning as old army men do not need much training, (Khan 2016b).

Pakistan also faced a lot of political shakiness because of this project. As most of the part of China Pakistan Economic Corridor lies in Punjab region and people and political parties of KPK and Baluchistan showed a huge aggression. They feel ignored by the government and claimed that they are being neglected and unable to enjoy the benefits and opportunities arising from the China Pakistan Economic Corridor, (Sial 2014).

The demographic shift was also the reason of anger of parties from KPK and Baluchistan, because in the initial meeting of APC (All Parties Conference) it was decided to keep the alignment of China Pakistan Economic Corridor western so it will cover more areas of all provinces including KPK and Baluchistan. Later, due to some security concerns the government modified the alignment without making any notice to the political parties of those regions and decided to make it eastern and then change it to western after some time. That created a huge wave of anger among the parties. In another meeting of APC, where parties from three out of four provinces were present they released their wrath regarding this decision of the central government. They were quite insecure that all the foreign investments will be utilized in Punjab region and they will be left empty hand in the end. (Ebrahim 2016)

People from small areas including the chairman of the committee Senator Taj Haider expressed their discomfort over ignorance of western alignment in the name of “early harvesting”, they named this act of government as “fraudulent policy”. Western alignment passes through DI Khan, Zhob, QillaSaifullah, Quetta and Pishin, (Muhammad 2015).

According to Ilyas Bilour, Senator of National Party, the changing of alignment from western to eastern is a step of PML-N government to gain the majority support from Punjab district for the upcoming election 2018, (Muhammad 2015). Ahsan Iqbal the federal minister for planning, in order to cool down the aggressive parties said that the CPEC project is not to benefit a particular region or political party but to the whole country.

Later the huge grievance of the KPK province was overcome when in APC meeting, on January 15, Prime Minister Nawaz Shareef announced the deadline of July 2018 for the completion of western alignment. According to official handout Gwadar that will start in March is going to be completed in July 2018, (Rana 2016b).

On the inauguration of Gwadar-Hoshab Road (CPEC), Prime Minister Nawaz Shareef along with the COAS General Raheel Shareef reviewed the work carried out on the China Pakistan Economic Corridor. Prime minister declared that once the project is finished then Baluchistan will be self-sufficient to finance itself rather than depending on federal government, (Shah 2016c).

The Baloch political parties including Baloch National Movement (BNM) and Baloch Liberation Front that are making Baloch people's minds to stand up for a separate homeland for Baloch people and they keep brainwashing the people of Baluchistan that they need to be separated from Pakistan, they also opposed all the developmental policies held by the government in their province. One of the main foundation members of these parties, Dr. Manan who was involved in the planning an execution of terrorist attacks on paramilitary forces in Baluchistan was killed in a military action and a protest was raised by Baloch Student Organization (BNO) against his killing. He was also against the CPEC project and was a big hurdle in its way. They think that killing their leader is a step towards taking over their land and clearing the way for CPEC, (Shah 2016b).

2.5. Developments in Baluchistan:

People from Gilgit-Baltistan claimed a proper share in China Pakistan Economic Corridor complaining that government never involves them in taking decisions regarding the region. They said that their region is supposed to be the center of this project but no protocol is given to Gilgit-Baltistan people for this, (2016f).

Due to the security issues in Gilgit-Baltistan it is difficult to maintain the security of workers who are engaged with the construction of China Pakistan Economic Corridor especially in Baluchistan. The Frontier Work Organization (FWO) is working for the construction of western path of 873-km faced a lot of losses due to terrorist attacks by Baloch insurgents. The security force of Pakistan has taken many security measures to prevent the destruction in the project by taking actions like banning the fishing in Gwadar sea and restricting the use of motor bikes on a route connecting Turbat to Panjgur as Baloch militants were using this method to attack Frontier Work Organization people, made the mind of Baloch people more against the government actions.

A former professor from a college of Turbat and a Baloch writer Ghani Pervez pointed out that in the light of history of Baluchistan the projects in China Pakistan Economic Corridor indicates that this project is mostly for central Punjab, he further asked that is there any project of China Pakistan Economic Corridor that is accomplished for common people of Baluchistan, (Jamal 2015).

Minister for Planning, National reforms and development declared that government has allocated 33.2 billion rupees for 24 developmental projects under CPEC and among which 12 are located in Gwadar costing approximately 9.2 billion rupees. Around 1.5 billion rupees have been assigned to the Gwadar airport and 2.8

billion for capital dredging of berthing area. A division of 1.5 billion has been made for fresh water for the city and 458 million for upgrading the hospitals there. 250 million has also been allocated for additional infrastructure, (khan 2016a).

Gwadar being the major region of CPEC project should be benefited most. To meet the basic requirements of the city including health and pure water, Central Development Working Party (CDWP), who finalize the mini projects under CPEC, has passed a scheme to provide pure water to the people of Gwadar. Their total per day need is projected up to 14 million gallons. In which four million gallons are being supplied by Ankara Kaur Dam and Baluchistan Development Authority's Desalination Plant respectively. CDWP is planning to install water purification plant that will be able to fulfil the need of 5 million gallons per day through reverse osmosis and they also claim that 90% of the financing will be provided by China, (Rana 2016a).

2.6. Helping in increasing Tourism

Gilgit-Baltistan is world famous for its mountains; it is a home to five "eight-thousanders" (peaks above 8,000m), also holds 50 mountains of over 7,000 meters as well as home to the second highest peak in the world K2 including Nanga Parbat. Connecting the countries through this corridor may help to boost the tourism in this 73,000 sq km region of Pakistan, (Ebrahim 2016).

Helping Pakistan to improve its infrastructure through CPEC and after making huge investments in trading sector, China is very keen to invest in tourism sector too through mutual interest. Yema Group of companies ltd. in China are aiming to build a cultural park in china which will display the cultures and lifestyles of different countries including Pakistan, that are member of Shanghai Cooperation Organization (SCO). While this will also create employment opportunities for our locals as they are willing to set up a Pakistani pavilion in park in which Pakistani cooks, singers and artisans will be brought and employed. Yema group of companies also visited Gilgit- Baltistan to discover chances for joint tourism and mutual business in this sector, (Sheikh 2016).

3. Research Problem/Opportunity

Economic corridor refers to a combination of networks of infrastructure aligned together for economic development. It may consist of different framework including highways, railways, sea ports and underground pipelines within a single country or between two countries. These corridors are made to facilitate involving countries in visa, transportation, trading, employment and many other aspects. China Pakistan Economic Corridor is one of the important projects for Pakistan economy. It is an integrated infrastructure that will connect southwest of Pakistan to the northwest of China i.e. from Gwadar to Xinjiag through highways, pipelines. The 3000km corridor will connect not only two countries but will help both of them to improve their economy. CPEC seems to be an economic booster for Pakistan mainly for Baluchistan as most of the projects are being constructed in this region.

4. Methodology

CPEC is one of the current affairs so there was limited worked previously done regarding this topic. The data is collected through questionnaires considering engineers, bankers, entrepreneurs, importers, exporters and employees from government sector (Water & Electricity) as the main source of collecting data. Other data is obtained from news articles. Data is analyzed through SPSS to find out the effect of CPEC on trade environment, energy shortfall, political conditions of the country, employment sector and overall economic development of the country. Considering trade feasibility the main independent variable (CPEC) and dividing the dependent variables, according to their characteristics, in to three groups.

Group 1: Strong Economic Condition	Group 2: Smooth Trade Environment	Group 3: Improved Financial Conditions
Reduce Unemployment	Baluchistan will become a trading hub	Financial Aids
Technological Advancement	Boosting Tourism	Concessional Loans
Overcoming Energy Shortfall	Political Stability	

Survey technique is used to collect data for this study. Main sources were entrepreneurs who are willing to get in imports and exports, engineers from energy sector, bankers and business analysts. A simple format questionnaire is used to collect the point of view of people about CPEC. All the data in this research is collected through primary collection i.e. questionnaires. The Likert scale technique is used to measure data collected.

4.1. Questionnaire Format

The question asked to the employees from Water and Power Development Authority (WAPDA), Karachi Electric (K.E), Trade Development Authority Pakistan(TDAP), Small Medium Enterprise Development Authority(SMEDA), Export Processing Zone Authority (EPZA), United Bank Ltd. (UBL), Meezan Bank, Habib

Bank Ltd. (HBL), Bank Islami and engineers from private firms.

Question: Do you think that following benefits will be obtained through China Pakistan Economic Corridor (CPEC)?

Benefits	Strongly Agree	Agree	Neutral	Strongly Disagree	Disagree
Reduce Unemployment					
Technological Advancement					
Baluchistan will become a trading hub					
Boosting Tourism					
Financial Aids					
Overcoming Energy Shortfall					
Trade Feasibility					
Concessional Loans					
Political Stability					

As above mentioned variables are divided in to three main groups, the results are calculated and interpreted according to it.

4.2. Results:

4.2.1. Group 1:

Group one “Strong Economic Condition” comprise of three inter-related variables. These variables include:

- 1) Reduce unemployment
- 2) Technological Advancement
- 3) Overcoming Energy Shortfall

4.2.1.1. Interpretation:

H_0 = There is no significant relation between China Pakistan Economic Corridor and strong economic condition of the Pakistan.

H_A = There is a significant relation between China Pakistan Economic Corridor and strong economic condition of Pakistan.

The sig value is 0.085 that means there is no significant relation between CPEC and strong economic condition of Pakistan. That mean H_0 is accepted.

4.2.2. Group 2:

Group two “Smooth Trade Environment” comprise of three interlinked variables. These variables include:

- 1) Baluchistan will become a trading hub
- 2) Boosting Tourism
- 3) Political Stability

4.2.2.1. Interpretation:

H_0 = There is no significant relation between China Pakistan Economic Corridor and Smooth trade environment in Pakistan.

H_A = There is a significant relation between China Pakistan Economic Corridor and Smooth trade environment in Pakistan.

The sig value is 0.000 that means there is a significant relation between CPEC and Smooth trade environment in Pakistan. That mean H_A is accepted while H_0 is rejected.

4.2.3. Group 3:

Group three “Improved Financial Conditions” comprise of two interlinked variables. These variables include:

- 1) Concessional Loans
- 2) Financial Aids

4.2.3.1. Interpretation:

H_0 = There is no significant relation between China Pakistan Economic Corridor and improved financial conditions of Pakistan.

H_A = There is a significant relation between China Pakistan Economic Corridor and improved financial conditions of Pakistan.

The sig value is 0.155 that means there is no significant relation between CPEC and improved financial conditions of Pakistan. That mean H_A is rejected while H_0 is accepted.

4. Conclusion

As per the data analysis it is quite clear that CPEC is a source of great benefit for all over the world not only for Pakistan and China. From the Pakistan perspective it is an open door towards creating a smooth trade environment between countries investing in this project. Through CPEC Pakistan will be able to maintain better friendly relation with countries such as Russia, Iran, Saudi Arabia, France and Japan. On the other hand Pak

China friendship will grow stronger than before. The main focus of this project in Pakistan is Baluchistan, which acquires a large portion of CPEC.

Gwadar port has come in to use before the end of 2016 and many projects are expected to get completed by the end of 2017. By the construction of Gwadar port, Baluchistan has become a trading hub for Pakistan through which Pakistan get connected with almost half of the world. It has also helped a lot in promoting tourism sector and increasing foreign investments as Pakistan is full of natural beauty, many foreigners interested to invest in CPEC have come to visit the beautiful location of Gilgit Baltistan. Tourist agencies have an opportunity to turn the market in their favor. Pakistan and China are keen to obtain maximum benefits through this project and strengthen their relation.

5. Limitations of the Study

As CPEC is an official government project; making the details of project confidential so it was quite difficult to gather exact information regarding whole project. The project is under process so there were less information and articles related to the topic available on internet and most of the data is obtained through news which caused irritating repetition of the data. It was difficult to find appropriate person to get questionnaires filled. Employees from government organizations were quite reluctant to provide their point of view.

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Table No. 1

Regression:

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.254 ^a	.064	.044	.610

a. Predictors: (Constant), CPEC

Table No. 2

ANOVA^b

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1.151	1	1.151	3.099	.085 ^a
	Residual	16.721	45	.372		
	Total	17.872	46			

a. Predictors: (Constant), CPEC

b. Dependent Variable: Strong_Economic_Condition

Table No. 3

Regression:

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.568 ^a	.322	.307	.647

a. Predictors: (Constant), CPEC

Table No. 4

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.967	1	8.967	21.391	.000 ^a
	Residual	18.863	45	.419		
	Total	27.830	46			

a. Predictors: (Constant), CPEC

b. Dependent Variable: Smooth_Trade_Environment

Table No. 5

Regression:

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.211 ^a	.044	.023	.849

a. Predictors: (Constant), CPEC

Table No. 6

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.504	1	1.504	2.088	.155 ^a
	Residual	32.411	45	.720		
	Total	33.915	46			

a. Predictors: (Constant), CPEC

b. Dependent Variable: Improved_Financial_Conditions