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## Role of CPEC in Energy and Industrial Development of Pakistan

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### Abstract

China Pakistan Economic Corridor (CPEC) has been identified as a “game-changer” for Pakistan. Pakistan is facing two vital issues in recent times; one, the energy crisis and second, the lack of industrial capabilities. This paper explores that how CPEC is helpful in resolving the issue of the energy crisis in Pakistan. The industrial development in Pakistan through the CPEC project is also discussed in this research. Different energy projects and special industrial economic zones initiated under CPEC are discussed in this research. The research is supported by a survey conducted from 300 students of BS and MA level from different universities of South Punjab. The research concludes that CPEC seems to be helpful in resolving the energy crisis and the development of the industrial sector. However, the pace of working on these projects is slow, and the policymakers in Pakistan need to revise their strategy to get the full benefit from CPEC.

**Key Words:** Pakistan, CPEC, Energy, Industry

### Introduction

China Pakistan Economic Corridor (CPEC) is a part of the One Belt One Road (OBOR) initiative that is now known as the Belt Road Initiative (BRI). BRI is emerging as a dream project of the 21<sup>st</sup> Century. China is planning to connect 60% of the global population, 35% of global trade and 30% of global GDP by connecting 60 countries with the investment of more than the US \$900 billion (Yu, 2018). Pakistan being a major partner of CPEC, one of the sub-projects of BRI, is expecting a huge economic and political benefit from it. It is expected that it can add 2 million jobs directly or indirectly, and it can increase the annual economic growth by around 2.5 % annually alone in Pakistan (Isran,

[2019, 106](#)).

The policymakers of Pakistan are identifying this project as a flagship project that will further enhance the Pakistan China relations in the contemporary era. On the one hand, the establishment of different energy projects will help Pakistan in overcoming its acute energy shortage, whereas, on the other hand, it will help in earning huge foreign exchange reserve by installing new industries in newly created industrial economic zones in different areas of Pakistan. CPEC investment in electric power has helped Pakistan in easing the energy crisis and provided opportunities for economic activities (Hali, 2020). The transfer of

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new technology to Pakistan will enhance its capacity to compete with international markets with respect to the quality of products. The total cost of CPEC is almost US \$ 62 billion, and the US \$ 34.7 billion will be invested on energy projects, the development of Gwadar Port and its allied facilities ([Wasim and Siddiqi, 2018](#), 2). The reason for allocating around 73% of the energy of the total investment of CPEC is to ensure the constant and uninterrupted supply in Pakistan (Nazir, 2017). Pakistan has enhanced cooperation with China in multiple areas such as industries, agriculture, energy, infrastructure and people to people contact. The bilateral industrial and academic link will fill the gaps and connect both states for the future growth of Pakistan ([CPEC, 2019](#)). Although the industrial sector is considered as the backbone of the economy of any country yet Pakistan's industrial sector is contributing only 19.74% of Pakistan's GDP. Pakistan's exports are less than \$25 billion ([Zulkifal, 2020](#)). The establishment of Special Economic Zones can be considered as a successful strategy for economic growth, job creation and promoting trade ([Khan and Saba, 2016](#)).

Some of the people believe that it is an attempt of China to bring the countries into a debt trap by giving them incentives such as infrastructure development and economic prosperity. The United States' Centre for Global Development has identified Pakistan among those 8 states that are at the risk of "debt stress" as a result of CPEC investment in Pakistan (Isran, 112). The Pakistani business community is also worried about the debt burden. The concessions to Chinese companies, such as tax concession, will have a negative impact on the domestic industries ([Monitoring Report, 2018](#)). The import of Chinese products will threaten the local producers because of low prices. The Chinese are producing toys, decorative items, ladies purse, crockery and garments at low prices as compared to Pakistan. The share of China alone in suiting was around 10% in 2013, and now it is almost 25-30% and can be reached to 50-60% after completion of CPEC ([Monitoring Report, 2018a](#)). In such circumstances, the local industry and local manufacturers can be washed out. Their industries may be closed, and people may lose jobs in such circumstances.

## Literature Review

[Isran et al. \(2019\)](#), in their research work entitled CPEC: Threat and opportunity protecting local industry through infant industry theory framework, point out that China Pakistan economic corridor is providing both opportunities and threat, two local producers. Dashrath includes the technological advancement of China in their manufactured goods that cannot be completed by the Pakistan industry. The opportunity includes the optimism regarding the solution of the energy crisis through energy projects under CPEC. They point out the different aspects through which Chinese industries can overcome the Pakistan industry through CPEC in Pakistan.

[Tong \(2015\)](#), in his article entitled CPEC Industrial Zones and China-Pakistan Capacity Cooperation, elaborates the detail about industrial zones or special economic zones. CPEC is providing a huge economic opportunity to Pakistan not only for the enhancement of its economic uplift but also to build its national image. He emphasizes that Pakistan needs to establish more industry to compete with the other states and to boost its economy. The establishment of the industrial zones will provide an opportunity for Pakistan to get new technological development and high-level industrialization through CPEC. Even that industrial zones should not be subject to controversy due to their location because it can harm the spirit of these industrial zones.

[Khawar et al. \(2018\)](#), in their report regarding Engagement with Punjab under CPEC: A proposed Framework for Industry, point out different industrial projects to be initiated in Pakistan under CPEC. They point out that CPEC is not only working to increase the capacity of core areas but also working on the development of the surroundings of the core areas. Pakistan is unable to reach the Chinese market instead of a bilateral free trade agreement between Pakistan and China due to the energy crisis mainly. However, bilateral trade between the two countries has enhanced after this bilateral agreement. This report shows that the gap between import and exports are increasing every year between Pakistan and China as Pakistan is importing more products from China as compared to exports to China. Furthermore, this report

shows that Pakistan can get advantages of the garment sector as China may withdraw from the garment sector due to rising labour costs.

[Saad et al. \(2019\)](#), in their article China Pakistan Economic Corridor and its influence on perceived economic and social goals: Implementation for social policymakers, explore the prospects of China Pakistan Economic Corridor in terms of free trade and economic growth of Pakistan. The points out that CEPEC will have micro as well as macro-level advantages for the Pakistani community. They point out that CPEC will play a positive role in establishing good relation of Pakistan with its neighbouring countries, particularly with India and Afghanistan. The empirical evidence of this research shows that CPEC will bring benefit to the people of Pakistan by providing employment opportunities and by enhancing the better quality of life through poverty reduction. However, it will not bring benefit to education and the environment.

[Wasim and Siddiqi \(2018\)](#), in their paper Analysis of CPEC Projects and Effects on Construction Sector of Pakistan, point out the development of infrastructure under CPEC in Pakistan. In this research, they have analyzed different infrastructure projects through CPEC in Pakistan. The authors have highlighted different mega projects of construction, power generation, highways and construction of logistic facilities in Pakistan through the China Pakistan Economic Corridor project. Rail and road infrastructure will connect the Gawadar to Xinjiang, the western province of China. CPEC project is expected to be completed in 2030. The authors highlight that a huge quantity of iron is being used in many CPEC projects, and it can provide a chance of revival for Pakistan Steel Mill, but unfortunately, the iron products are being imported from China by the Chinese companies.

### CPEC and Industrial Sector of Pakistan

The industrial sector in any country is regarded as the backbone of its economic and social development. Due to energy crises in the country, the Pakistani industrial sector has been suffering from a continuous disruption in the supply of energy, both natural gas and electricity, resulting in a significant decrease in its performance. Under

China Pakistan Economic Corridor (CPEC) agreements, several projects are proposed and being developed to improve the energy and industrial sector of Pakistan ([Hadi et al., 2018](#)). It will not only help to overcome energy security issues in the country but also provide the opportunity for successful industrial development that leads to socio-economic development in Pakistan ([Akmaliyah, 2013](#); [Atif Shan Makhdoom, Dr. Aisha Bashir Shah, 2017](#); [Hadi et al., 2018](#)).

### Development of Pakistani Energy Sector

Many power plants, both conventional and non-conventional or renewable energy projects, are designed and installed in various areas in the country ([Abbas et al., 2019](#)). Many projects have already been completed and are functional, while others are either under completion phases or proposed and are at initial stages. Several industrial and economic zones are proposed and are under development phases.

Due to the high cost and limited supply of natural gas and oil, cheap and easily available coal was utilized as a fuel for power generation to deal with the supply of electrical energy. In this regard, coal-based power plants were planned to be installed in different parts of the country. Two coal power plants with a capacity of 660 MW each in Sahiwal, two at Port Qasim Karachi, and two at Hub Balochistan with the same capacity have started their work. Two more coal-fired power plants, named Engro Thar Coal power plants with 330 MW capacity each, are also functional and providing power to the national grid.

Moreover, there are many coal-fired power plants under completion phases. Two projects, SSRL Thar Coal Block-I 6.8 mtpa & Power Plant with a cumulative capacity of 1320 MW, are expected to be completed in 2023. Thal Nova Thar Coal Power Project with a capacity of 330 MW is expected to be completed in 2022. HUBCO Thar Coal Power Plant with the same capacity of 330 MW is expected to start working at the end of 2021.

In order to exploit the vast available potential of non-fossil renewable energy resources in the country, under CPEC agreements, many power

plants based on RE are completed or are under completion phases. Table 1 shows a list of operational renewable power projects at various location in the country.

**Table 1.** Detail of solar and wind projects in Pakistan under CPEC agreements (Source: cpec.gov.pk).

S. No	Name of Project	Capacity	Location
1	QA Solar Pvt. Ltd.	(60 MW + 40 MW) = 100 MW	Quaid e Azam Solar Park, Bahawalpur
2	Hydro China Dawood Wind Power	49.5 MW	Gharo, Sindh
3	Three Gorges 2nd and 3 <sup>rd</sup> Wind Farm	100 MW	Jhampir, Sindh
4	United Energy W.Farm.	99 MW	Jhampir, Sindh
5	Sachal Energy Wind Farm	49.5 MW	Jhampir, Sindh

Two wind energy power projects, Western Energy and Cacho Wind Power with 50 MW capacity, each have received letters of interest (LOI) from the Alternative Energy Development Board (AEDB) of Pakistan.

There are six hydropower projects being developed under CPEC agreements and are at various stages of completion (table2). Suki Kinari hydropower in Naran and Azad Pattan hydropower

project in Azad Jammu and Kashmir (AJK) is expected to be completed at the end of the year 2022. Karot Hydropower Station of 870 MW Capacity is going to start its working at the end of 2021. The expected operation date of an 1100 MW Kohala hydel power project is 2026. The feasibility of two more hydel power projects in Gilgit Baltistan, Gilgit KIU and Phandar hydropower, both in Gilgit Baltistan, is under review by the Chinese and Pakistani experts.

**Table 2.** Detail of Hydropower projects in Pakistan under CPEC (Source: cpec.gov.pk)

S. No	Name of Project	Capacity	Location
1	Suki Kinari Hydropower Project	870 MW	Naran KPK
2	Karot Hydropower Project	720 MW	Run-of-river project on river Jhelum Rawalpindi Punjab.
3	Kohala Hydel Project	1100 MW	AJK
4	Azad Pattan Hydel Project	700 MW	AJK
5	Gilgit KIU Hydropower	100 MW	The feasibility of the project is under review
6	Phandar Hydropower Project	80 MW	The feasibility of the project is under review

## Development of Special Economic Industrial Zones under CPEC Agreements

### Industrial Park Pakistan Steel Mills Port Qasim

An estimated area of 1500 acres is allocated for Industrial Zone at Port Qasim Karachi. The location of this zone is ideal for handling and transportation of finished and semifinished goods due to its direct access to the seaport. The industrial zone welcomes investors to initiate their industrial projects in the fields of automotive manufacturing, steel, chemical-based industry, foundries and fabrication, pharmaceutical, garments, warehousing

and logistics etc. Once the economic zone is fully developed, it will cause an industrial revolution in the country.

### Allama Iqbal Industrial City, Faisalabad

Faisalabad is one of the most industrialized cities in Pakistan and worldwide famous for manufacturing textiles and concerns. For the development of A. I Industrial City, more than three thousand acres have been allocated, which makes it the largest industrial economic zone under CPEC. The proposed zone site is adjacent to the M3 industrial

city of Faisalabad and intends to attract local and foreign investments in textile, IT, automotive manufacturing, pharmaceutical and chemical industries.

### ICT Model Industrial Zone, Islamabad

A model ICT industrial zone with an estimated area of 200 to 500 acres is being developed in Islamabad. The zone will provide main facilities such as supply of water and drainage, electricity and communication system to the proposed plants. The main focus to establish this zone is to develop high-tech industries such as light manufacturing, food processing, steel, packaging, and IT-related industries.

### Dhabeji Industrial Zone

Dhabeji Special Industrial and Economic Zone are located in Thatta Sindh, 35 km away from Jinnah International Airport Karachi. An area of 1500 acres is allocated for this industrial zone. One of the advantages of this zone is its easy access from Port Qasim that will provide facilitation in easy transportation of raw material from the port to the zone. The potential areas of investment in this zone include chemical, steel, automotive, electronics, building material and textile industries.

### Rashakai Industrial Zone

Rashakai Industrial Zone is developed in Nowshera KPK, and its easy access to the motorway justify the suitability of its location. It covers 700 acres of land that will be developed in three phases over time. This zone will welcome local and foreign investment in textile and garments products, electrical appliances, building materials, auto and mechanical equipment.

### Mohmand Marble City Zone

Mohmand agency and its surroundings are blessed with natural resources of minerals such as coal, uranium, limestone, granite, and marble. Mohmand Marble City Zone is being developed over an area of 350 acres that intend to establish specific industries keeping in view the availability of raw material.

### Moqpondass Economic Zone

Over 250 acres, Moqpondass Economic Zone is located near the CPEC route in Gilgit, bordered with China to the northeast side. This area is famous for precious stones and fruits. Keeping in view the type and available potential of raw material, the proposed industries for this zone include fruit and mineral processing plants, iron, steel, marble and granite plants.

### Mirpur Industrial Zone

This zone is developed in the Mirpur district of AJK, and around 1000 acres of area is allocated for this project. This zone is located 120 km away from Islamabad international airport to facilitate the transportation of goods and human resources. Several industrial projects are proposed to be established in this zone.

### Bostan Industrial Zone

Over an area of 1000 acres, Bostan Industrial Zone has situated 23 km from Quetta airport, 712 km from Karachi and 976 km from Gawadar, in Pishin district Balochistan. An infrastructure for various industries is being developed. The investors will be welcomed to invest in fruit and halal food processing, cold storages, agriculture machinery, cooking oil, electronics, and pharmaceutical industries.

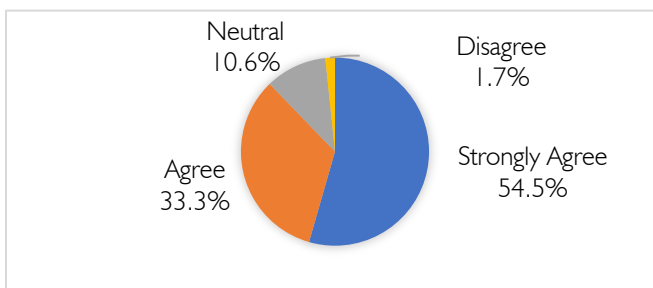
A developed communication system is important for the industrial sector to grow. To strengthen road and rail infrastructure, a large number of projects have been initiated in Pakistan under various agreements with CPEC. It includes improvement in the existing infrastructure as well as the development of new projects in the country.

### Survey and Data Analysis

A survey from 300 students of BS and MA level of different universities of South Punjab was conducted to get empirical data about public perception regarding CPEC and its role in enhancing the energy production and industrial capacity in Pakistan. This data also reflects the apprehensions and hopes of the public regarding energy projects and industrial zones.

**Table 3.** CPEC will help Pakistan in Boosting its Economy.

Scale	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Frequency	165	101	32	5	0	303
Percentage	54.5	33.3	10.6	1.7	0.0	100



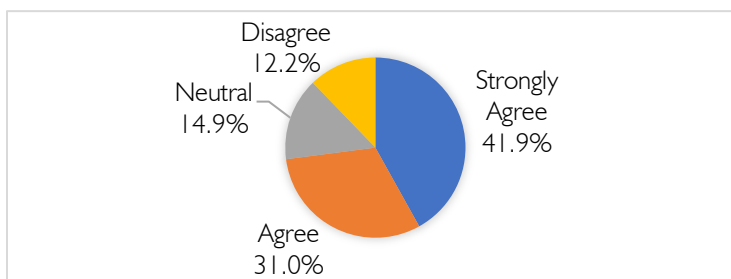
**Graph 1.**

In response to a question of whether CPEC will help in boosting Pakistan's economy, 87.8% of the respondents are of the opinion that CPEC will help Pakistan in boosting its economy, whereas only

1.7% of people disagree with this statement. The result of the survey shows that majority of the people in Pakistan are very optimistic about the role of CPEC in the betterment of Pakistan's economy.

**Table 4.** CPEC will help Pakistan in Developing its Industry

Scale	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Frequency	127	94	45	37	0	303
Percentage	41.9	31.0	14.9	12.2	0	100



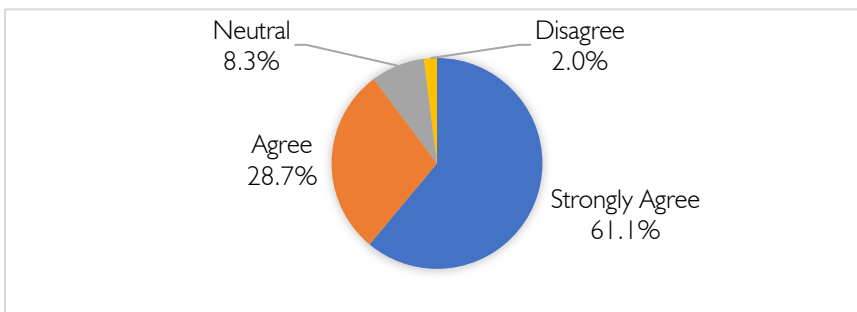
**Graph 2.**

72.9% of the respondents are of the opinion that CPEC will help Pakistan in developing its industry, whereas 14.9% are undecided about the role of CPEC in the industrial development of Pakistan. Moreover, only 12.2% of respondents are not

much optimistic regarding the positive role of CPEC in the industrial development of Pakistan. This survey shows that a large number of people in Pakistan are hopeful that CPEC will help in the development of the industrial sector in Pakistan.

**Table 5.** Investment on the industrial sector under CPEC will provide employment opportunity to the people of Pakistan

Scale	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Frequency	185	87	25	6	0	303
Percentage	61.1	28.7	8.3	2.0	0.0	100



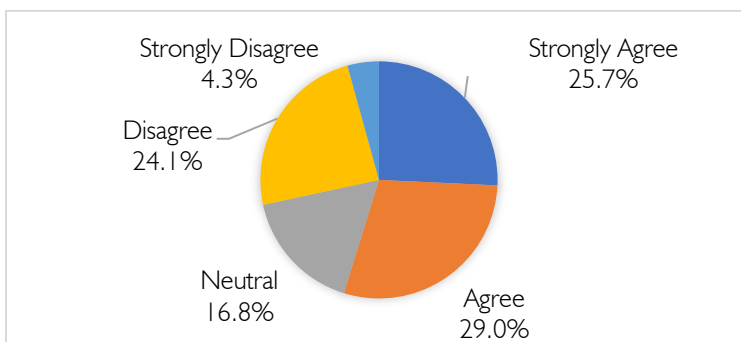
Graph 3.

In response to a question regarding the creation of employment opportunity for the people of Pakistan under CPEC by investment in the industrial sector, 89.8% of the respondents agree with this statement whereas only 2% disagrees with this

statement. This data shows that the people of Pakistan think that the investment in the industrial sector of Pakistan will provide employment opportunity to the people of Pakistan.

Table 6. CPEC will be a Source of Reducing the Energy Crisis from Pakistan

Scale	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Frequency	78	88	51	73	13	303
Percentage	25.7	29.0	16.8	24.1	4.3	100



Graph 4.

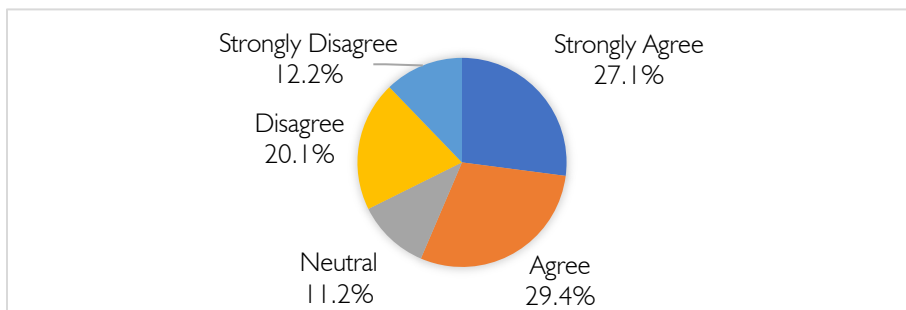
In response to a statement that CPEC will be a source of reducing the energy crisis from Pakistan, the opinion of the people is divided. 54.7 % of the respondent are of the opinion that CPEC will help in resolving the energy crisis. 8% of the respondents were undecided, whereas 4% of the

respondents did not agree with this statement. This survey shows that people are not fully agreed that CPEC can help in reducing the energy crisis in Pakistan in spite of the heavy investment of China in the energy sector in Pakistan under CPEC.

Table 7. Investment of China in CPEC will Strengthen the Position of Pakistan in Contemporary Geopolitics.

Scale	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Frequency	82	89	34	61	37	303
Percentage	27.1	29.4	11.2	20.1	12.2	100





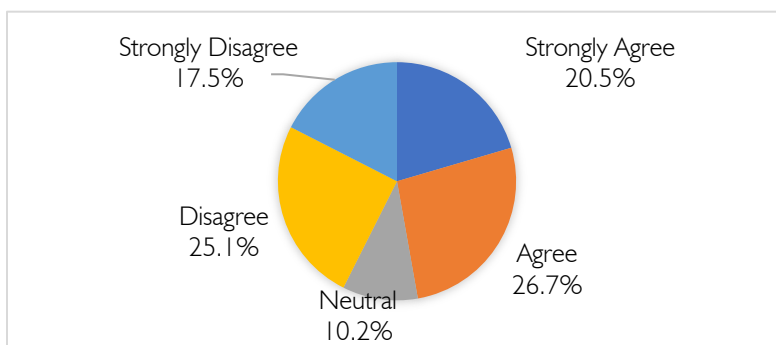
Graph 5.

In response to a question regarding the investment of China in CPEC will strengthen the position of Pakistan in contemporary geopolitics, 56.5% of the respondents agree with this statement, whereas 32.3 percent of the respondents disagree. This

result shows that almost more than 50% of the population are of the opinion that the Chinese investment through CPEC in Pakistan will help Pakistan in making its position better in the current geopolitical environment.

Table 8. CPEC will bring new Technology to Pakistan in the Industrial Sector.

Scale	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Frequency	62	81	31	76	53	303
Percentage	20.5	26.7	10.2	25.1	17.5	100



Graph 6.

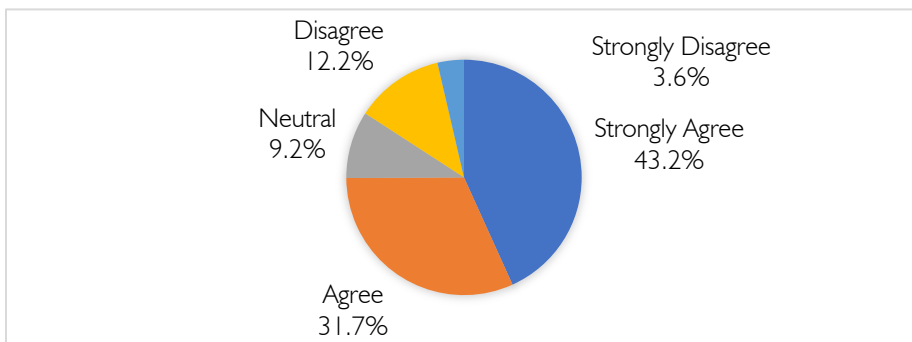
In response to a statement regarding CPEC will bring new technology to Pakistan industrial sector, 47.2% of the respondents agree with this statement, whereas 10.2% remains undecided. 42.6% of the respondents disagree. These results show that the people of Pakistan have a doubt

regarding the transfer of technology in Pakistan industrial through CPEC because the contemporary world is a competitive world, and by transferring the technology to Pakistan, the Chinese industrial sector will create its own competitor.

Table 9. CPEC will improve the living standard of the people through investment in the energy and industrial sector.

Scale	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Frequency	131	96	28	37	11	303
Percentage	43.2	31.7	9.2	12.2	3.6	100





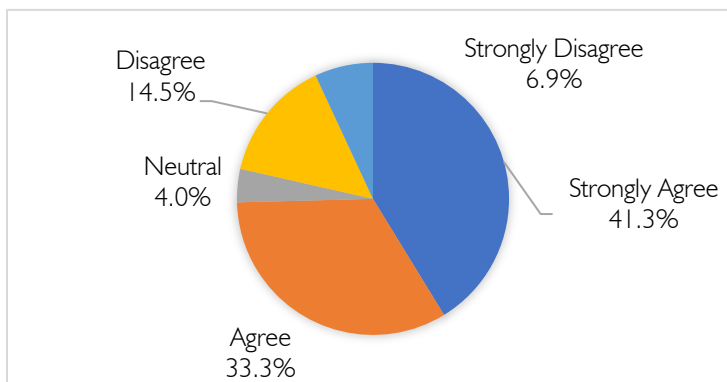
Graph 7.

74.9% of the respondents agree with this statement that CPEC will improve the living standard of people through investment in the energy and industrial sector in Pakistan. Whereas

only 15.8% of the respondents disagree with this statement. The result of this survey shows that there are chances of improvement in living standard through CPEC in Pakistan.

Table 10. CPEC will help in Bringing Foreign direct Investment to Pakistan

Scale	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Frequency	125	101	12	44	21	303
Percentage	41.3	33.3	4.0	14.5	6.9	100



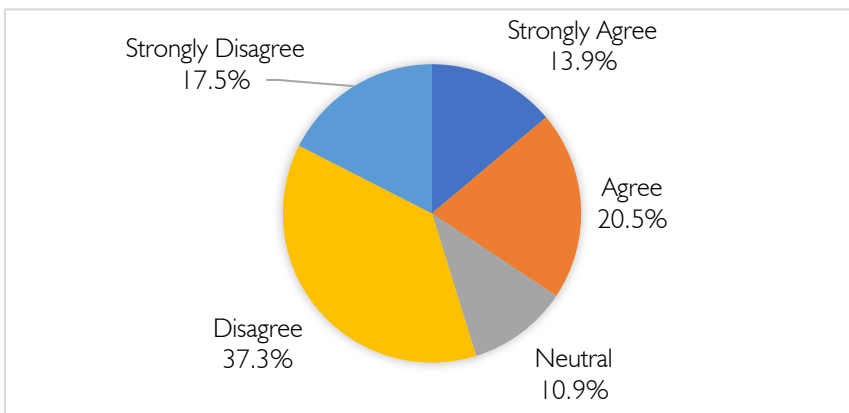
Graph 8.

In response to a question that CPEC will help in bringing foreign direct investment to Pakistan, 74.6% of the respondents agree with this statement, whereas 21.4% of the respondents disagree with the statement. These results show

that people of Pakistan think that CPEC will be helpful in bringing foreign direct investment to Pakistan because it will open new avenues for investors in different industrial sectors and the building of new infrastructure.

Table 11. CPEC can be just like East India Company for Pakistan.

Scale	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Frequency	42	62	33	113	53	303
Percentage	13.9	20.5	10.9	37.3	17.5	100.0



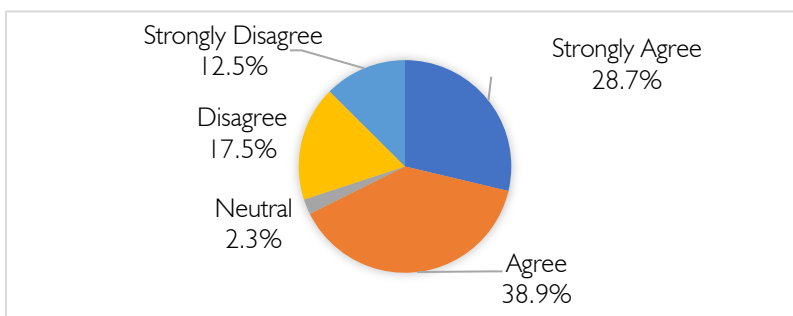
Graph 9.

34.4% of the respondents agree with this statement that CPEC can be just like an East India company for Pakistan. Whereas 10.9% remains neutral about the statement, and 54.8% disagrees with the statement. The responses of the people

show that there is a clear division among the people regarding the role of CPEC in Pakistan. Although a simple majority of the respondents do not think so yet a large number of respondents thinks that CPEC will exploit Pakistan as East India company had exploited Subcontinent.

Table 12. CPEC will Increase the Dependence of Pakistan on China

Scale	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Frequency	87	118	7	53	38	303
Percentage	28.7	38.9	2.3	17.5	12.5	100



Graph 10.

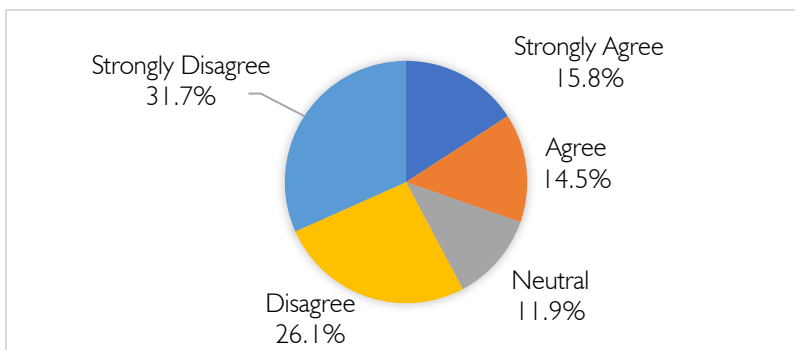
In response to a question that CPEC will increase the dependence of Pakistan on China, 67.6% of the respondents agree with this statement, whereas 30% of the respondents disagree with this notion. The results show that majority of the people thinks

that CPEC will increase the dependence of Pakistan over China because Pakistan will earn a huge foreign exchange and strategic support from China through CPEC.

Table 13. Pakistan's industrialists are utilizing the CPEC for the homegrown industry.

Scale	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Frequency	48	44	36	79	96	303

Scale	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Percentage	15.8	14.5	11.9	26.1	31.7	100



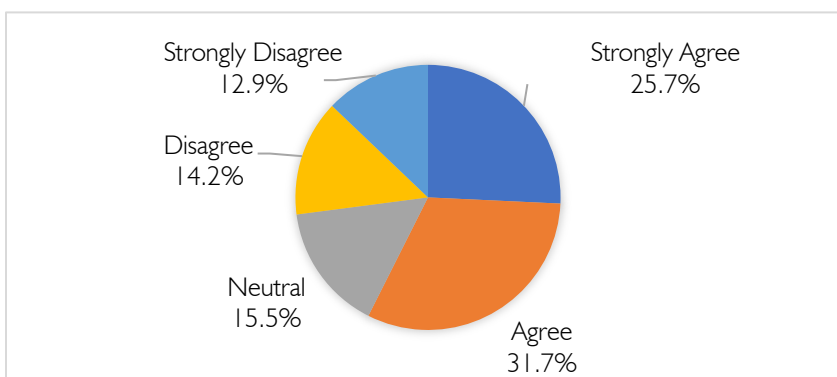
Graph 11.

When respondents were asked about the utilization of CPEC for the homegrown industry by Pakistani's industrialists, 30.3% of the respondents were of the opinion that they were utilizing CPEC for the homegrown industry. Whereas 11.9% remained neutral, and 57.8% disagreed with the notion. The survey clearly shows that majority of the people are

of the opinion that Pakistan's industrialist is not taking full advantage of CPEC for Pakistan's industry if Pakistan's industrialist wants to get the maximum benefit from CPEC so they must emphasize on the homegrown industry so that they can export Pakistani products to other states of the world by using CPEC.

Table 14. Pakistan's industrial sector is unable to take advantages of CPEC.

Scale	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Frequency	78	96	47	43	39	303
Percentage	25.7	31.7	15.5	14.2	12.9	100



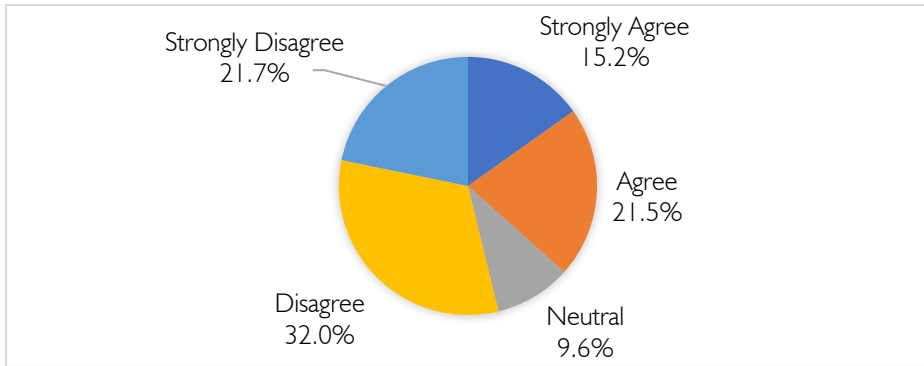
Graph 12.

In response to a statement that Pakistan's industrial sector is unable to take advantages of CPEC, 57.4% of the respondents agree with this statement, whereas 15.5% remains neutral and 27.5% disagrees. The result shows that the industrial sector is unable to use the advantage of CPEC. The

opinion of the people is based on their perception that the Pakistani industrial sector is not taking any step towards either developing new industry or enhancing the capacity of the already developed industry.

**Table 15.** Industrialization through CPEC will further Degenerate the Environment of Pakistan.

Scale	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Frequency	46	65	29	97	66	303
Percentage	15.2	21.5	9.6	32.0	21.7	100



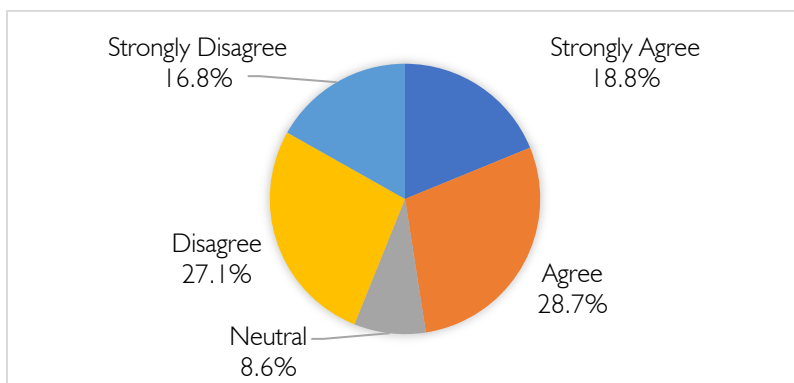
**Graph 13.**

In response to a statement that industrialization through CPEC will further degenerate the environment of Pakistan. 36.7% of the respondents agree, and 9.6% remains neutral. Whereas 53.8% of the respondents disagree with this notion. This

result shows that the people of Pakistan think that the projects which are being initiated under CPEC will be environmentally friendly and will not have any negative effect on the environment of Pakistan.

**Table 16.** The flow of Chinese products in Pakistan through CPEC will negatively affect the Pakistani industry.

Scale	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Frequency	57	87	26	82	51	303
Percentage	18.8	28.7	8.6	27.1	16.8	100



**Graph 14.**

In response to a statement that the flow of Chinese products in Pakistan through CPEC will negatively affect the Pakistan industry, 47.5% of the

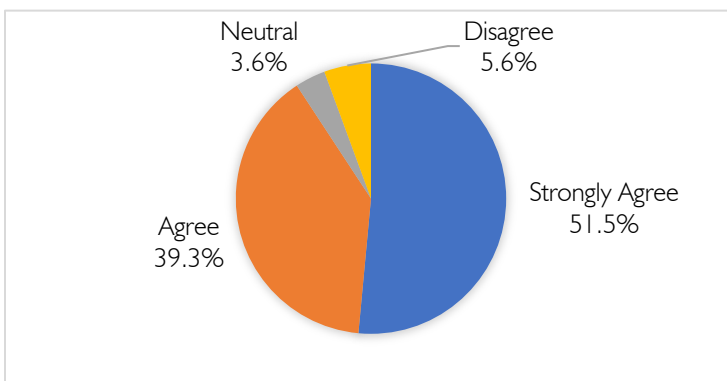
respondents agree, and 8.6% are neutral. Whereas 43.9% of the respondents disagree with this statement. The result of this question shows that

the people of Pakistan are still unclear about what will be the impact of the flow of Chinese products in Pakistan. The division among the response of the public shows that it can have a negative effect on

Pakistan's industry or might be doing not have any effect at all. The confusion is because CPEC is not fully operational still.

**Table 17.** It will be easy to transport manufactured goods from one city to other through CPEC routes

Scale	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Frequency	156	119	11	17	0	303
Percentage	51.5	39.3	3.6	5.6	0.0	100



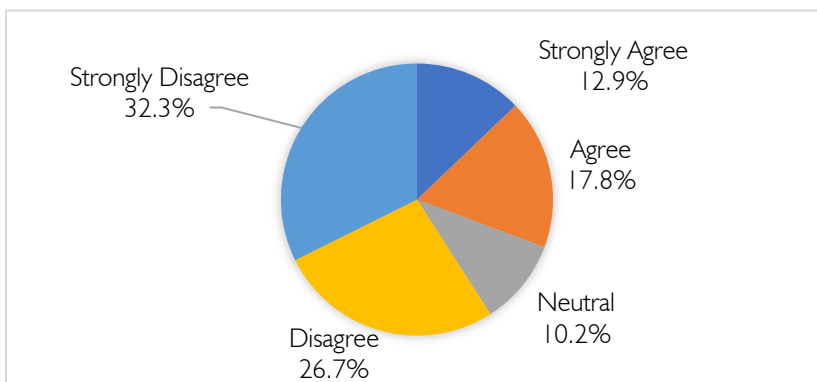
**Graph 15.**

In response to the statement that it will be easy to transport manufactured goods from one city to other through CPEC routes, an overwhelming majority of 90.8% agree with this statement whereas only 5.6% of the respondents disagree.

These results clearly show that the CPEC route, at the minimum, is helpful for the industrialists to transport their goods from one city to the other city easily that can not only save their time but money as well.

**Table 18.** The energy projects installed through CPEC are providing electricity at a low cost.

Scale	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Frequency	39	54	31	81	98	303
Percentage	12.9	17.8	10.2	26.7	32.3	100



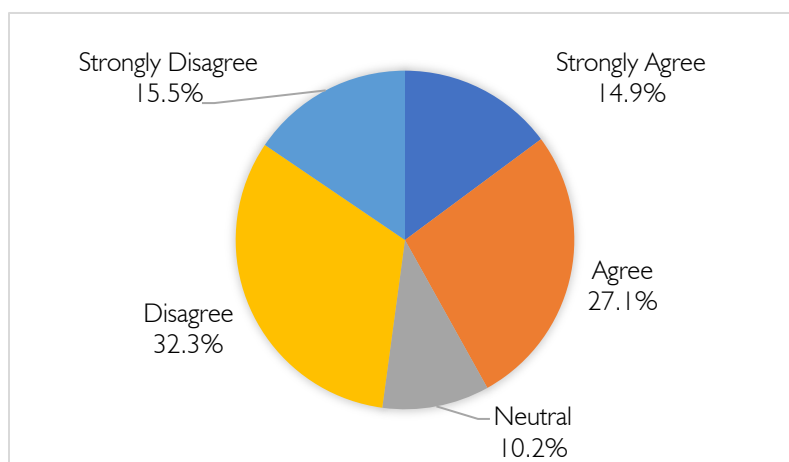
**Graph 16.**

In response to a statement that the energy projects installed through CPEC are providing electricity at low cost, 30.7% of the respondents agree, and 10.2% are neutral. A simple majority of 59% of the respondents disagree with this statement. This result shows that people are of the opinion that energy projects have increased the price of electricity instead of decreasing it. It is worth

mentioning here that some of the projects which are installed to generate electricity through CPEC are coal power plants, and it is a cheaper source of electric generation. However, the cost of transportation of coal to coal plants and its security have increased the price of electricity produced through the coal power plants.

**Table 19.** Policymakers are making good policies to utilize the potential of CPEC in favour of Pakistan

Scale	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Frequency	45	82	31	98	47	303
Percentage	14.9	27.1	10.2	32.3	15.5	100



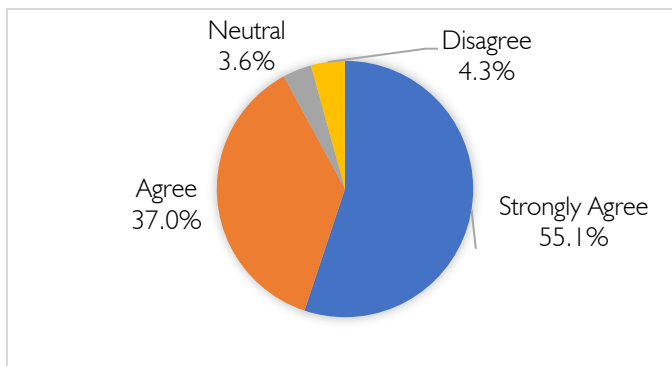
**Graph 17.**

In response to a question that policymakers are making good policies to utilize the potential of CPEC in favour of Pakistan, 42% of the respondents agree with this statement, whereas 47.8% of the respondents disagree, and 10.2% are neutral. This result shows that the people of Pakistan have divided opinion about the role of

policymakers. Almost half-percentage is of the opinion that policymakers are failed to make such policies that can help Pakistan in getting the maximum benefit from CPEC. Whereas almost the other half is of the opinion that policymakers are making effective policies to get the benefit of CPEC.

**Table 20.** The establishment of special Economic, industrial zones under CPEC will bring economic prosperity to Pakistan.

Scale	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Frequency	167	112	11	13	0	303
Percentage	55.1	37.0	3.6	4.3	0.0	100



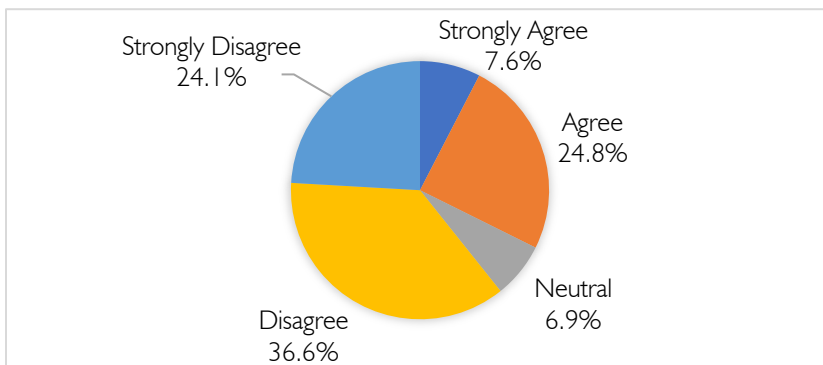
Graph 18.

In response to a statement that the establishment of special economic and industrial zones under CPEC will bring economic prosperity in Pakistan, 92.1% of the respondents agree, and only 4.3% disagrees. This response of the public clearly demonstrates

that they are unanimous of the opinion about the economic prosperity of Pakistan by the establishment of special economic, industrial zones under CPEC. This result shows their optimism towards CPEC.

Table 21. The pace of work on energy projects under CPEC is satisfactory.

Scale	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Frequency	23	75	21	111	73	303
Percentage	7.6	24.8	6.9	36.6	24.1	100



Graph 19.

In response to a statement about the pace of work on energy projects under CPEC is satisfactory, 32.4% of the respondents agree, whereas 63.7% percent of the respondents disagree with this notion. This survey shows that the pace of the work on the energy projects under CPEC is not

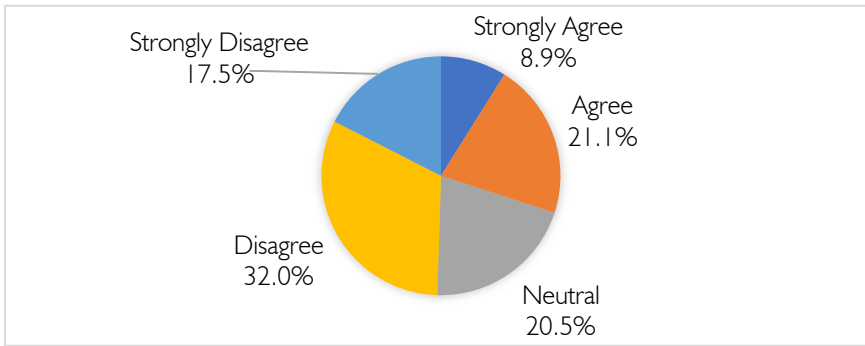
satisfactory and is very slow. The response of people is due to a power cut for long hours in the country as it was claimed that when energy projects under CPEC would be installed, there would be zero load shedding.

Table 22. The speed of work in the Industrial sector under CPEC is adequate.

Scale	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Frequency	27	64	62	97	53	303



Scale	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Percentage	8.9	21.1	20.5	32.0	17.5	100



Graph 20.

In response to a question about the speed of work in the industrial sector under CPEC is adequate, 30% of the respondents agree, and 20.5% are neutral. Whereas 49.5% disagrees with this statement. The result of this statement shows that people are unclear about the speed of work in the industrial sector under CPEC because a simple majority is of the opinion that the speed of the industrial sector is not adequate, and a sizeable percentage, 20.5%, doesn't know anything about industrial sector progress under CPEC.

### Conclusion

China Pakistan Economic Corridor is providing opportunity on the one hand and posing a threat on the other hand. Pakistan's industrial sector should make proper policy to counter the Chinese dominance and to get advantages of CPEC. The incentives that were given to the Chinese contractor should be given to the Pakistani contractors as well so that Pakistani can not only get employment opportunities but also the local contractors can compete with the Chinese contractors. There will be a need for technical skills staff in future because of the establishment of

numerous megaprojects, so Pakistan should take the initiative to train skilled labour. The government should increase the pace in the projects under CPEC to complete the projects within the agreed time duration. Pakistan should invest more in its industrial sector so that Pakistani products can be exported to other states, particularly neighbouring states, by utilizing its cheap labour. Otherwise, CPEC can be proved as only a source of collecting toll tax from vehicles exporting Chinese goods from Gawader to other parts of the world. Although CPEC is providing both the threat and opportunities to Pakistan industrial sector yet the government of Pakistan should adopt different measures and strategies such as protectionism to support and strengthen its local industry. The people of Pakistan are optimistic in some cases with respect to CPEC projects such as the economic prosperity of Pakistan and strengthening the geopolitical position of Pakistan. However, they are sceptical with regard to some initiatives under CPEC, such as the cost of electricity produced by power plants installed under CPEC and the slow pace of the CPEC project. Overall, CPEC will not only provide employment opportunities to the people of Pakistan but also economic uplift to Pakistan.

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