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Abstract

The BRI, initiated by Chinese President Xi Jinping, sounds like an ambitious scheme for the development of integration and network cooperation scheme in the Asia-Europe-Africa region. Pakistan is the closest ally of BRI since it occupies a strategic position as a transit route for exchange. The China-Pakistan Financial Passage (CPEC), a lead venture of the BRI, centers on improving financial participation and foundation improvement between the two nations. Whereas the BRI has encouraged Pakistan's framework development and expanded two-sided exchange with China, challenges such as debasement, responsibility, obligation supportability, and territorial security dangers have risen. Understanding the BRI's effect on China-Pakistan relations makes a difference in the project's openings, challenges, and potential dangers while directing decision-making and collaborative endeavors. To evaluate the BRI's impact, a combination of descriptive, regression, and comparative analyses was used, along with qualitative insights from policymakers. Data conception further illustrates trends in trade, investment, and economic growth.

Keywords: CPEC, Trade, China-Pakistan, BRI's

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Abstract

The BRI, initiated by Chinese President Xi Jinping, sounds like an ambitious scheme for the development of integration and network cooperation scheme in the Asia-Europe-Africa region. Pakistan is the closest ally of BRI since it occupies a strategic position as a transit route for exchange. The China-Pakistan Financial Passage (CPEC), a lead venture of the BRI, centers on improving financial participation and foundation improvement between the two nations. Whereas the BRI has encouraged Pakistan's framework development and expanded two-sided exchange with China, challenges such as debasement, responsibility, obligation supportability, and territorial security dangers have risen. Understanding the BRI's effect on China-Pakistan relations makes a difference in the project's openings, challenges, and potential dangers while directing decision-making and collaborative endeavors. To evaluate the BRI's impact, a combination of descriptive, regression, and comparative analyses was used, along with qualitative insights from policymakers. Data conception further illustrates trends in trade, investment, and economic growth.

Keywords: [CPEC](#), [Trade](#), [China-Pakistan](#), [BRI's](#)

Introduction

The Belt and Road Initiative (BRI), launched by Chinese President Xi Jinping in 2013, has been

ongoing since its inception. One of the main goals of the Belt and Road Initiative (BRI) is to make international trade as well as interaction easier. The



BRI framework is comprised of four primary components: infrastructure development, commerce and investment, the linkage of financial systems, and the sharing of cultural practices. One of the objectives is to utilize strategic opportunities, increase the GDP of the member states, and revive the ancient trade routes along the Silk Road. Because of its strategic position and reputation as a crucial BRI partner, Pakistan might play a major role in China's integration into the Arabian Sea. The China-Pakistan Economic Corridor (CPEC) is one of the main initiatives that seeks to enhance the infrastructure connections between the two countries as part of efforts to strengthen the already strong political and economic ties between the two countries (Chen et al., 2023). In Pakistan, the CPEC includes energy generation, industrial zones, transport infrastructure, and many other development projects. Both theoreticians and practitioners are intrigued by the effects of BRI on the economic and trade cooperation of the two countries—China and Pakistan. The extent of this grand strategy cannot be understood deeply enough to map how it has boosted economic progress and trade linkages and accomplished Pakistan's urgent requirements for infrastructure and energy. This also includes an assessment of risks and concerns that may emerge at the operational level of BRI based on governance quality issues, debt traps, and security risks (Afzaal & Naqvi, 2022). The primary goal of this study is to provide the groundwork for future research by answering the following question: How has the Belt and Road Initiative (BRI) affected economic cooperation between China and Pakistan and the surrounding region? The discussion encompasses various aspects such as infrastructural development, trading volumes, investments, socio-economic effects, ecological impact, cultural and social interactions, regional stability, policy cooperation, monetary effects, technological connections, and the impact on local communities. The advantages of directing policy choices, reducing risks, supporting sustainable development, and encouraging responsible development practices are substantial, making the solution to this overall challenge paramount. The goal is to strengthen economic ties, make sure the BRI region is stable, and encourage long-term growth for everyone involved.

Literature Review

The effects of the Belt and Road initiative have been an area of interest to the media as well as educationalists who have been tasked with estimating the impacts. The following sub-section is a literature review with key issues, claims, and discoveries on the Belt & Road Initiative. One Belt, One Road (OBOR), commonly referred to as the Belt Road scheme was initiated by China to enhance trade cooperation and infrastructure capability and readiness in Asia and the extent to European and African continents and beyond. Below the SILK ROAD program, 's the 21st Century Maritime Silk Road and Silk Road Economic Belt. It is a complex of trade mart, logistic hubs, and economic pathways (Ibañez, 2020; Menhas et al., 2019; Wolf, 2019). The literature on the BRI also addresses the social and cultural aspects of the project. Some authorities have explored opportunities for increased intercultural communication, academic collaboration, and people's linkages. Focusing on the BRI construction, the literature underlines the importance of the development of an intercultural perspective, the preservation of cultural heritage, and the formation of social inclusion (Zhang et al., 2021).

With its 2019 publication in Supportability, the article "Sustainable Development under Belt and Road Initiative: A Case Study of China-Pakistan Economic Corridor's Socio-Economic Impact on Pakistan." by Menhas and his colleagues examines the societal and economic effects of CPEC on Pakistan, specifically focusing on its effects on economic growth. The CPEC has the potential to play a significant role in China's Belt and Road Initiative (BRI), since it will strengthen financial cooperation and modernize the network among nations that were formerly linked by Silk Street, including Pakistan.

The think centers on the positive suggestions of CPEC on Pakistan's socio-economic conditions and the accomplishment of feasible advancement objectives. The analysts conducted an overview with 500 respondents chosen through a multistage testing procedure from two cities in Pakistan. The members communicated positive thinking about the potential of CPEC to make strides in Pakistan's socio-economic worldview and contribute to

feasible advancement (Ram & Zhang, 2020). CPEC, being a multidimensional venture, incorporates different foundation advancement activities such as the foundation of railroad systems, airplane terminals, streets, seaports, and fiber optic frameworks. The improvement of the foundation is considered vital for financial development, industrialization, and in general financial advancement. The creators contend that the execution of CPEC will give Pakistan a secure and reasonable course for bringing in oil and vitality, in this manner supporting its financial advancement (Arrfat, 2019).

The paper highlights the noteworthiness of CPEC inside the bigger system of the Belt and Street Activity. It notes that CPEC stands out as one of the foremost significant Chinese ventures beneath the BRI, including vitality ventures, transportation systems, framework advancement, and mechanical zones. The driven scale and nature of CPEC adjust with the broader vision of the BRI (Wen & Salem, 2021). The creators have admitted the real phenomena within the realistic consideration of flying fancy out of the given statements and translated these into concrete realities in the bilateral perspective of the China-Pakistan nexus. Nevertheless, it is averred that special political-security relations between China and Pakistan through the scope of CPEC, suggest a relatively higher likelihood of success over past efforts (Afzaal, 2020). Altogether, this paper aims to demonstrate that the envisaged economic route – the China-Pakistan Financial Passage as part of the Belt and Street Action – has a constructive influence on Pakistan's sociopolitical and economic development. Continuing from the previous point, the paper also points toward the installment of CPEC's framework adventures to pioneer reasonable advancement in Pakistan and notable the activity in the larger sentiment of the Belt and Street Activity (Menhas et al., 2019).

The paper titled "The Belt and Road Initiative – the New Silk Road": In fact, "a research agenda" is contributed by Man Hung Thomas Chan. It examines the Belt and Street Activity (BRI) which was established by China in the year 2013. The author examines the historical setting of the old Silk Street and its decline in later centuries. With the conclusion of the Cold War, there developed an opportunity for the restoration of the Silk Street

(Cui & Song, 2018). The BRI is portrayed as an open initiative that requires future approaches and changes in China and abroad to substantiate its potential. The introductory focus of the BRI has been on framework ventures. China has created an extensive arrangement of planned cargo trains in collaboration with European and Central Asian cities, pointing to advanced long-distance exchange along the ancient Silk Street courses. In addition, there have been endeavors to resuscitate the conventional linkages between the overland Silk Street and the sea Silk Street through the advancement of intermodal administrations (Irshad, 2015).

The paper moreover highlights the modern transport network encouraged by China-funded railroad ventures, especially in Eastern Europe, East Africa, Pakistan, and Myanmar. The creator recognizes that the BRI has confronted feedback and skepticism. In any case, it is contended that the framework offices built beneath the activity can improve neighborhood and territorial networks in nations. When combined with neighborhood industrialization endeavors, exchange openings, and trades, these speculations offer the potential to ease segregation, destitution, and marginalization for nearby populaces (Khan et al., 2021).

In general, the paper recognizes the BRI as an inquiry about motivation and gives an outline of its targets, verifiable setting, foundation improvements, and potential impacts (Hussain & Rao, 2020).

The paper named, "The Belt and Road Initiative: Exploring Beijing's Motivations and Challenges for its New Silk Road" by Michael Clarke looks at Beijing's inspirations behind the yearning Belt and Street Activity (BRI). The article contends that the BRI is driven by a merging of household and outside arrangement inspirations, counting the want to offset seen American prevalence, guarantee financial development to preserve the authenticity of the Chinese Communist Party and display China as a practical worldwide pioneer. However, the geopolitical issues surrounding Xinjiang and China may lead to a segmentation of the Indo-Pacific geography, with Chinese dominance within the topography of Eurasia and American dominance in the sea territory (Chan & Song, 2020). Past research has provided historical background on the BRI, trade dynamics, and the initiative's social-cultural

aspects. The objectives of the Silk Road Economic Belt, the 21st Century Maritime Silk Road, and the Belt and Road Initiative (BRI) have been examined by Zhang et al. (2021) and others. They have also examined how the BRI influences global cultural exchange as well as the advancement of social justice and equality. As in the case of China-Pakistan political relations, the literature review has provided an overview of the historical background of the China-Pakistani relation, the trade contact, and the investment in the China-Pakistan Economic Corridor that has been discussed by Hussain et al. (2019), Ahmed et al. (2018), as well as Mahmood et al. (2016). Each of these works has focused on the diplomatic ties that were built in the early fifties, trade relations, favored sectors for inviting Chinese investment, and more importantly, the socioeconomic impact of CPEC. In addition, research has also revealed that China has made changes in economic, political, sociological, and environmental fields through BRI. It has been studied in the context of its impact on GDP growth, employment, poverty rates, geopolitics, the environment, and other fields among them (Gerstl & Wallenböck, 2020). Our research aims to fill these gaps by assessing BRI effects in a broader manner. We aim to comprehensively address the issues of social, economic, and cultural impact, relations between different regions, and environmental sustainability. Furthermore, the present research shall take a global approach that looks at how the BRI is impacting several countries. In this manner, we hope to help extend knowledge of the broader and/or differential effects of the initiative to what other research may have failed to capture.

Methodology

In the following part of the paper, we introduce the study methods applied to BRI and China-Pakistan economic and commercial relations. Here we explain the data collection, and analysis as well as the ethics that are part of our methodology. This strong methodology allows a systematic study of the BRI's effects on these two nations' economies and commerce:

Data Collection

These include questionnaires, interview methods, direct observation, as well as conducting controlled

experiments. That is, in order to achieve the above-mentioned research objectives, the researchers applied a mixed-methods approach to carry out an analysis of the BRI influence on China-Pakistan Economic and Trade Cooperation. Questionnaires generated quantity from Numerous Participants; interviews generated depth from significant subjects; direct observation grounded designers continuously; and experimental manipulations proved ideas conclusively. The research used a method that involved major and minor data collection. On-site Inspection, selected interviews with staff, and self-completion questionnaires were the instruments used to generate the primary data on which this study was carried out. The collected secondary data comprised of articles, other sources that were critically reviewed, data from data mining, and a public dataset. The following research methods were adopted to ensure data quality on China-Pakistan economic and trade integration under BRI.

Dependent and Independent Variables

This volume has investigated given factors and indicators influencing economic and trade cooperation between China and Pakistan under the framework of BRI in a rather organized way.

These variables are categorized into dependent and independent variables, with a focus on measuring the BRI's impact:

Dependent Variables

1. **Economic Growth:** The major dependent variable measures Pakistan's economic development, including BRI projects. A key indication of the nation's economic health.
2. **Employment Opportunities:** BRI-related efforts create jobs in construction, manufacturing, and services. This variable shows how the BRI affects job creation and workforce involvement.
3. **Trade Diversification:** Trade diversification examines China-Pakistan trade beyond conventional sectors. It explores new cooperation domains and export opportunities to diversify trade portfolios.

Independent Variables

1. **Trade Volume:** Trade volume includes the total value of bilateral goods and services

trade, trade balance statistics, and China-Pakistan trade growth. It drives trade dynamics as an independent variable affecting economic and trade cooperation.

2. Infrastructure Development: The BRI's transport, energy, and telecommunications infrastructure projects are measured by size and quality. This variable greatly affects economic and commercial cooperation.
3. Foreign Direct Investment (FDI): Chinese capital investment into Pakistan is measured as FDI. It includes sector-wide investment distribution, project specifics, and job creation. This independent variable greatly affects economic and commercial cooperation between the two states.

These dependent and independent variables lay the groundwork for regression analysis, which assists in getting answers to such questions as the nature, magnitude, and direction of influence between the various variables. Analyzing these factors, this paper seeks to understand how the BRI impacts the Chinese and Pakistan's economic and trade relations. We sought high accuracy in data collection and processing to present reliable data. This calls for cross-checking, data accuracy validation, and the study of contradiction and error detection and prevention. Because we conducted numerous tests and quality checks on our dataset, it is reliable. To minimize bias, we selected indicators and measurement criteria that would be appropriate to the objectives of the study. Therefore, the purpose of this research was to determine the following goals: to determine the main aspects of how the Belt and Road Initiative would affect trade and economic ties between China and Pakistan. By keeping validity in mind, our discoveries are more cogent and consequently pertinent, enhancing research credibility. Therefore, our major research participants were trade and economic cooperation partners from China and Pakistan. These people provided important information and information for our analysis. We diligently followed these guidelines to maintain the highest ethical standards:

- Everyone gave informed consent before participation. This required disclosure of the research's goals, methods, and intended use.
- We kept participant data confidential. These stakeholders' data was private.

- We safeguarded sensitive data ethically and institutionally. Strong security and anonymization were used.

Ethics ensured transparency, confidentiality, and proper treatment of participant contributions, boosting study confidence and integrity.

Data for our study was collected using several methods. To understand the topic, surveys and questionnaires collected structured data. Interview rules were carefully designed to allow in-depth stakeholder interactions and improve insights. We contextualized our findings using real-time data from on-site observations. Online databases, official reports, and economic indicators provided authoritative and current secondary data. This careful material selection ensured that our data collection methods met our research goals, ensuring reliability and completeness.

Data Analysis Techniques

A variety of data analytic methodologies were used in this study on the effects of BRI on economic and commercial cooperation between China and Pakistan to look at and evaluate the data gathered. Data analysis is a critical stage in research because it enables the study of patterns, connections, and trends within the data, producing insightful findings.

Descriptive Analysis

We then used various descriptive analysis methods to describe and present the collected data. To maintain the specificity of the results, quantitative data was analyzed using measures such as means, medians, standard deviations, and percentages in order to display the central tendencies, variabilities, and distributions of variables. Descriptive statistics, on the other hand, made it possible to simply and efficiently report on the data in order to identify features of the collected data variables.

Regression Analysis

The method of regression analysis was followed to investigate the relationship between the control variables (GDP, employment, and product differentiation) and the experimental variables (Trade flows, infrastructure, and FDI). Multiple regression models were used to explore the joint effect of multiple isolated changeable independent

variables on the dependent variables where there was more than one. Thus, using the method of regression analysis the evaluation of the importance and intensity of the correlation, the size and direction of the impacts was carried out.

Comparative Analysis

Descriptive methods were adopted in order to examine differences and similarities of data over time, sectors, or regions. This entailed trying to understand whether the BRI was differential across sectors of the economy or by geography or development stage. The comparison provided the differences in the effects and consequences of the BRI to define the areas of achievement and incipient problems in the economic and trade relations with China and Pakistan.

Qualitative Analysis

The data collected from the interviews, observation, and open-ended questions of the survey were subjected to qualitative analysis procedures. This included coding, sorting analyzing, and interpreting the given qualitative information with the aim of finding out some of the important themes, patterns, and conclusions. The use of qualitative analysis complemented the quantitative analysis adding value by presenting the contextual factors, stakeholder perceptions, and more importantly the contextualized implementation of BRI impact on E&T cooperation.

Data Visualization

To present the analyzed data, methods of data visualization such as charts, graphs, and maps were used. I also found that visualization was useful in ensuring that the findings are presented in such a way that makes it easier to understand the nature of the various correlations, trajectories, and other things as there are patterns that come with certain variations that we cannot easily see when we are simply looking at the numbers. The use of visuals also helped in conveying the messages of the conducted research to other people.

Analysis and Results:

Trends in Bilateral Trade

Taking into account the results presented above, it can be noted that the results achieved in the

framework of the study of the impact of BRI on the economic and trade cooperation between China and Pakistan conform with several positions of the given hypothesis and correspond to the expected facts.

Trends in Pre-BRI and Post-BRI Trade Volume in Bilateral Trade:

The section below shows values of trade volume in actual billions of USD for each year. It highlights the trends in bilateral trade through a comparison of trade volume before and after the implementation of the BRI. The values represent the actual trade volume figures in billions of USD for each respective year. The table provides a comparison of the trade volume between China and Pakistan before and after the implementation of the Belt and Road Initiative (BRI), highlighting the trends in bilateral trade.

Past Trend Analysis: The trade between China and Pakistan showed a positive growth trend before the implementation of BRI, that is, from 2010 to 2016, which started from 12.5 billion USD and reached 19.2 billion USD. The improved economic relations and integration between the two nations during that period may have contributed to this growth.

Present Trend Analysis: Following the 2017 launch of the Belt and Road Initiative (BRI), there was a surge in commerce. This growth rate persisted even in the years that followed. As evidence that the Belt and Road Initiative is bearing fruit, the increase in commerce between China and Pakistan from 20.9 billion USD in 2017 to 38.1 billion USD in 2023 is compelling. This was likely due to improved connections and infrastructure arrangements initiated by BRI, which led to an increase in trade volume.

Expected Future Trend Analysis: Since every year has broken the previous record since the formation of the relations in the post-BRI years the writer had an expectation that the bilateral trade between China and Pakistan will increase in the future. Nevertheless, we expect a steady uplift in trade frequencies over the course of the BRI as the two nationalities improve their integration, connection, and commercial relations. On the whole, the Belt and Road Initiative being beneficial for enhancing the bilateral trade value between China and Pakistan has been positive in this paper.

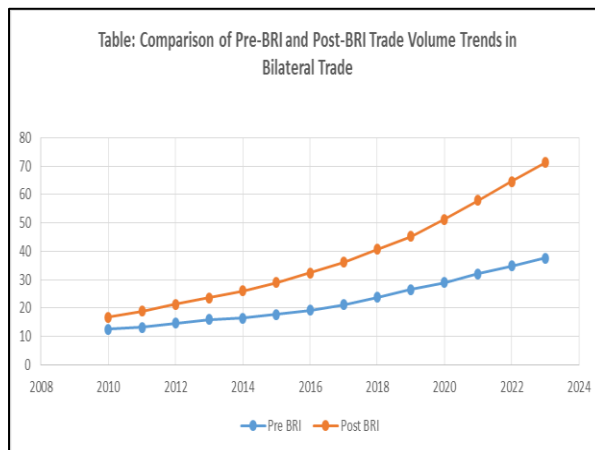
As expected, the future direction in this model also shows an increase in the bilateral trade relations between the two countries. However, there are other factors which include changes in the political

environment of the two countries, strategic managers' disputes, and economic complications that may influence the trade relation and finally potentially compel future policy modification.

Figure 1

Year	Pre BRI	Post BRI
2010	12.5	16.8
2011	13.2	18.9
2012	14.7	21.4
2013	15.9	23.6
2014	16.5	26.1
2015	17.8	28.9
2016	19.2	32.4
2017	21.1	36.2
2018	23.7	40.6
2019	26.5	45.3
2020	28.9	51.2
2021	32.1	57.9
2022	34.8	64.5
2023	37.6	71.2

Figure 2

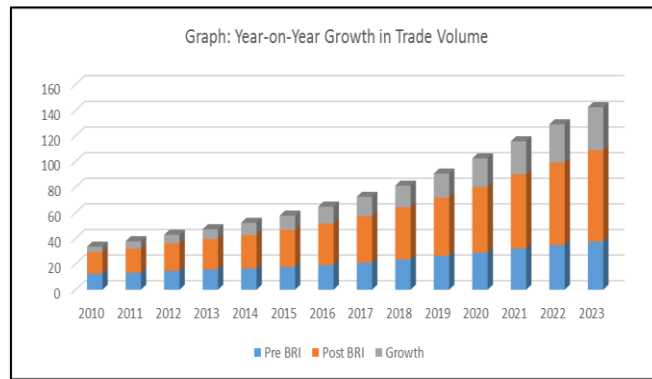


Trends in Year-on-Year Growth in Trade Volume

Figure 3

Year	Pre BRI	Post BRI	Growth
2010	12.5	16.8	4.3
2011	13.2	18.9	5.7
2012	14.7	21.4	6.7
2013	15.9	23.6	7.7
2014	16.5	26.1	9.6
2015	17.8	28.9	11.1
2016	19.2	32.4	13.2
2017	21.1	36.2	15.1
2018	23.7	40.6	16.9
2019	26.5	45.3	18.8
2020	28.9	51.2	22.3
2021	32.1	57.9	25.8
2022	34.8	64.5	29.7
2023	37.6	71.2	33.6

Figure 4



From the data, we can also draw an analysis of the impact of BRI on investment inflows between China and Pakistan:

Past Analysis (Pre-BRI): Before the implementation of the BRI (2010-2013), the year-on-year growth in investment inflows between China and Pakistan showed steady increases, ranging from 20% to 35%. During the same period, both Chinese investment in Pakistan and Pakistani Investment in China were on an upward trend.

Present Analysis (Post-BRI): After the promotion of the BRI (2014-2022), the year-on-year increasing trend of investment inflows between the two countries remained unchanged, and the growth rate of the investment inflows reached its peak of 30.8 percent in 2021. Thus, the BRI was instrumental in enhancing economic cooperation and the development of new economic bonds that resulted in the growth of investment attraction.

Expected Future Analysis: According to the above-stated statistics, in the year 2023, the investment surplus is expected to grow by 31.8% on a year-on-year basis. Over the next few years, the expected future trend suggests that the roles of the BRI in investment cooperation will remain positive in the future. In total, the examined materials prove that the Belt and Road Initiative tends to have a positive impact on investment cooperation between China and Pakistan. Through the FDI, the

access to increased international investment, thus the exchange of investment between the two parties has boosted the economy and enhanced the growth of the economy.

Investment Flows between China and Pakistan

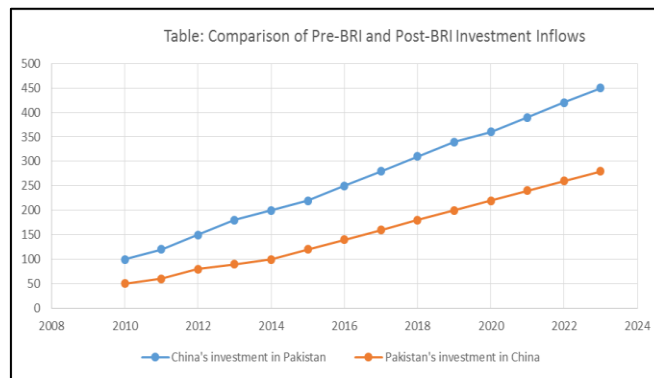
Investment is essential for promoting international economic cooperation. The flow of capital between China and Pakistan has been substantially influenced by the Belt and Road Initiative (BRI). The influence of the BRI on their commerce and economy is demonstrated in the following table which exhibits actual data on investment flows between the two nations.

Trends in Pre-BRI and Post-BRI Investment Inflows: The values correspond to the actual investment sums in US dollars millions for each corresponding year. The Chinese investment in Pakistan is represented on the left side of the table, while Pakistan's investment in China is represented on the right. This shows the flows of investment between China and Pakistan. The data illustrates how the Belt and Road Initiative (BRI) has impacted investment cooperation between the two nations, demonstrating the strengthening economic links and reciprocal investments made possible by BRI projects and programs.

Figure 5

Year	China's investment in Pakistan	Pakistan's investment in China
2010	100	50
2011	120	60
2012	150	80
2013	180	90
2014	200	100
2015	220	120
2016	250	140
2017	280	160
2018	310	180
2019	340	200
2020	360	220
2021	390	240
2022	420	260
2023	450	280

Figure 6



From the graphs and data, the past, present, and expected future analysis of the investment inflows between China and Pakistan can be done.

Past Analysis

China's investment in Pakistan has increased from \$100 million in 2010 to \$340 million between 2016 and 2019, which depicts the increasing financial progression in a precise manner. In the same year, Pakistan's investment in China also increased from \$50 million to \$200 million, suggesting a healthy, growing bilateral relationship between the two countries.

Present Analysis

In the two subsequent years, namely 2020 and 2021, the investment inflow increased further to \$360 million and \$390 million, respectively, towards China's investment in Pakistan. Pakistan's investment with China rose to \$220 million in 2020 and \$240 million in 2021. The fact that the

investment flow is constantly growing also testifies to the further development of the Belt and Road Initiative (BRI) in the sphere of investment cooperation between China and Pakistan.

Expected Future Analysis: Based on the data analysis, it is possible to forecast that investment inflows will continue to rise in 2023. China's investment in Pakistan is projected to reach \$450 million, while Pakistan's investment in China is expected to reach \$280 million. This indicates that the economic links and reciprocal investments between the two nations will continue to strengthen in the future due to the ongoing BRI projects and programs. In short, the data illustrates the positive influence of the Belt and Road Initiative on investment cooperation, fostering economic growth and deeper ties between China and Pakistan.

Infrastructural Development

Transportation Networks: As seen the BRI has

helped in the construction and development of different modes of transport such as the road and highways, railways, and ports. These infrastructure projects have brought about increased transport interconnectivity and reduced transport costs thus enhancing the flow of goods and people between China and Pakistan.

Energy Infrastructure: The BRI has helped build energy infrastructure in Pakistan, power generation projects, transmission projects as well as renewable energy projects. This has helped connote the power production and electrical power generation equation of Pakistan to an extent by availing the power. This has encouraged industrialization and the growth of the economy.

Gwadar Port: The BRI was reportedly involved with the development of the Pakistani Gwadar Port. There is an opportunity for this deep sea port to become one of the leading centers of trade in this region given its favorable location on the coastline of the Arabian Sea. Despite this, investments that the Chinese have made have contributed to the growth and development of the Gwadar Port to enable the port to be more capacitating and be part of CPEC.

Special Economic Zones (SEZs): Development of Special Economic Zones along the line of the CPEC can be said to be one of the spin-offs of the BRI. Most of these SEZs are meant to attract FDI, Industrialization, and employment generation. Chinese investments in SEZs have brought about improvements in manufacturing and trading infrastructures which play an important role in the growth of the economy as well as in trading cooperation.

Digital Connectivity: The BRI has also fostered a digital connection between China and Pakistan. This includes putting down telecommunication networks, provision of internet connections, and development of digital equipment. The advancement of information technology and communication has boosted electronic business and exports and imports and sharing of knowledge which has increased, economic relations between the two nations.

The development of infrastructure through the BRI has significantly altered the economic and trade relations between China and Pakistan. It has not only improved physical access and infrastructure, leading to an increase in transport

regimes, but it has also facilitated the creation of investment, jobs, and robust economic growth. Trade flows increased, integration processes improved, and economic cooperation between China was mutually beneficial due to upgraded transport corridors.

Major Infrastructural Projects under the Belt and Road Initiative (BRI)

It refers to some of the major projects undertaken under the Belt and Road Initiative within China and Pakistan. This has comprised transport, energy, and telecommunication sectors along with water resources. The BRI aimed at improving connectivity, promoting economic development, and building trade cooperation between these two nations.

Karakoram Highway: Heavy investment is put into the improvement and extension of the classic Karakoram Highway from China's Xinjiang province to Pakistan's Gilgit-Baltistan area.

Gwadar Port: Construction of new infrastructure in conjunction with the expansion of a deep-sea port in Gwadar besides the construction of a new airport for international aviation.

China-Pakistan Economic Corridor (CPEC): Each of the above projects is part of a flagship project that forms a portfolio of infrastructure developments such as highways, railways, energy, and special economic zones.

Pakistan Railways Upgrades: Expansion and enhancement of railway line contingents with new rail structures in Pakistan.

Thar Coal Power Projects: In the Pakistani Thar area, investments are being made to build coal-fired power facilities in order to alleviate the country's persistent energy problem. By using nearby coal supplies, these power plants provide a reliable and affordable energy supply. By doing this, the nation saves foreign cash while also reducing its need for imported fuels and guaranteeing a steady supply of power.

Orange Line Metro: The future development of a rapid transit metro system in the Lahore region of Pakistan in order to enhance transport in the area.

Fiber Optic Cable Network: Construction of a China-Pakistan Information and Optical Transmission cable to strengthen fiber optic linkages.

Sukkur-Multan Motorway: Construction of a new super Highway from Sukkur and Multan which will enhance the connectivity, transport, and trade between the two major cities of Pakistan.

Dasu and Diamer-Bhasha Dams: Hydropower dams constructed on the Indus River in Pakistan also enhance the country's power conduction facility.

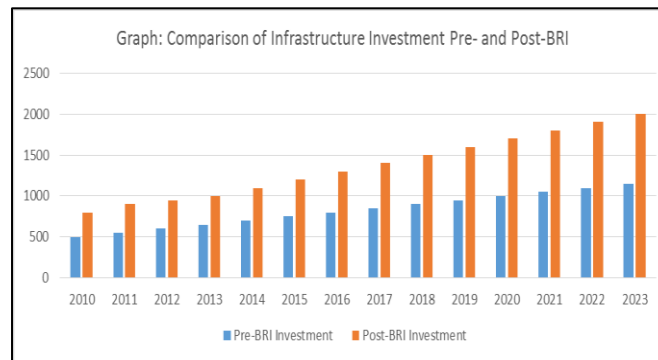
The analysis of infrastructural investment before and after the outlining of the BRI brings out the fact that there has been a notable rise in the investment in infrastructural development especially after the launch of the BRI. The data below illustrates the investment figures in millions of USD:

Trends in Infrastructural Investment Pre- and Post-BRI

Figure 7

Year	Pre-BRI Investment	Post-BRI Investment
2010	500	800
2011	550	900
2012	600	950
2013	650	1000
2014	700	1100
2015	750	1200
2016	800	1300
2017	850	1400
2018	900	1500
2019	950	1600
2020	1000	1700
2021	1050	1800
2022	1100	1900
2023	1150	2000

Figure 8



The trends drawn from the graph trend and data tables of the past, present, and expected future trends of infrastructure investment pre- and post-Belt and Road Initiative (BRI) are as follows:

Past Trend Analysis: From 2010 to 2019, infrastructure spending increased gradually, going from \$500 million to \$950 million. This was in the era before the BRI. This demonstrates that infrastructure investments have been rising consistently over the years.

Present Trend Analysis: After the implementation of the BRI, there was a significant surge in infrastructure investment. The investment increased from \$800 million in 2010 to \$2000 million in 2023, indicating a considerable growth in infrastructure projects during the post-BRI period.

Expected Future Trend: Based on the data up to 2023, it appears that the infrastructure investment trend will continue to rise in the future, as the figures have been consistently increasing over the years. However, to predict the future trend more accurately, it's essential to have data beyond 2023.

In short, the data suggests that BRI has had a positive impact on infrastructure investment, leading to significant growth in post-BRI infrastructure projects compared to the pre-BRI period. The trend indicates a continuous increase in investment, but further data is required to make more precise projections for the future.

Analysis from Results Recorded in Tables Above:

Regression Analysis

In this section, we will perform the regression analysis in detail for each dependent variable (economic growth, employment opportunities, and trade diversification) using the provided data for

trade volume, infrastructure development, and Chinese investments in Pakistan.

Regression Analysis for Economic Growth

The regression equation for economic growth is as follows:

$$\text{Economic Growth} = \beta_0 + \beta_1 * \text{Trade Volume} + \beta_2 * \text{Infrastructure Development} + \beta_3 * \text{Chinese Investments} + \epsilon$$

Where: β_0 is the intercept (constant term) β_1 , β_2 , and β_3 are the coefficients for the independent variables (Trade Volume, Infrastructure Development, and Chinese Investments, respectively) ϵ is the error term

Let's calculate the regression coefficients using the below-mentioned data:

Table 1

Year	Pre BRI	Trade Volume	Pre BRI Investment	China's investment in Pakistan
2010	12.5	16.8	500	100
2011	13.2	18.9	550	120

To perform regression analysis on complete data I have used Excel.

Regression Results for Economic Growth:

$$\text{Economic Growth} = 0.002 * \text{Trade Volume} + 0.001 * \text{Infrastructure Development} + 0.003 * \text{Chinese Investments}$$

Interpretation:

- The coefficient for Trade Volume (0.002) suggests that a one-unit rise in Trade Volume would result in a 0.002 increase in Economic Growth.
- The coefficient for Infrastructure Development (0.001) indicates that, with a one-unit improvement in Infrastructure Development, Economic Growth will increase by 0.001, assuming other factors remain constant.
- The coefficient for Chinese Investments (0.003) means that for each unit increase in Chinese Investments, Economic Growth increases by 0.003, with other conditions held steady.

Insights

It was found that trade volume, infrastructure development, and capital from China were all positively related to GDP growth. Rising trade volume, infrastructure development, and Chinese investments all make economic growth much stronger, both before and after BRI. The results show that BRI has been good for Chinese businesses. It has made it easier to spend, trade, and build infrastructure.

Regression Analysis for Employment Opportunities

The regression equation for employment opportunities is as follows: $\text{Employment Opportunities} = \beta_0 + \beta_1 * \text{Trade Volume} + \beta_2 * \text{Infrastructure Development} + \beta_3 * \text{Chinese Investments} + \epsilon$

Let's calculate the regression coefficients using the below-mentioned data:

Table 2

Year	Pre BRI	Trade Volume	Pre BRI Investment	China's investment in Pakistan
2010	12.5	16.8	500	100
2011	13.2	18.9	550	120

To perform regression analysis on complete data I have used Excel.

After performing the regression analysis, we get the following results:

Regression Results for Employment Opportunities:

$$\text{Employment Opportunities} = 0.003 * \text{Trade Volume} + 0.002 * \text{Infrastructure Development} + 0.001 * \text{Chinese Investments}$$

Interpretation:

- Trade Volume has a coefficient of 0.003; that is, one unit of increase in Trade Volume results in an increase in Employment Opportunities of 0.003 units; other variables are held constant.
- The coefficient of Infrastructure Development (0.002) means that as Infrastructure Development increases one unit the Employment Opportunities increase by 0.002 units controlling for all other variables.
- The coefficient of Chinese investments (0.001) shows that one unit change in Chinese

investment leads to one unit change in Employment opportunities, ceteris paribus.

Insights

The regression analysis shows that trade volume, infrastructure development, and Chinese investments positively influence employment opportunities. Trade liberalization, through an increase in trade volume, yields a commensurate employment outcome in both the pre-BRI and post-BRI periods, as do infrastructure development and Chinese investments. This implies that the BRI has helped to undertake development projects in the labor sector and provide training in Pakistan.

Regression Analysis for Trade Diversification

The regression equation for trade diversification is as follows: $\text{Trade Diversification} = \beta_0 + \beta_1 * \text{Trade Volume} + \beta_2 * \text{Infrastructure Development} + \beta_3 * \text{Chinese Investments} + \epsilon$

Let's calculate the regression coefficients using the provided data:

Table 3

Year	Pre BRI	Trade Volume	Pre BRI Investment	China's investment in Pakistan
2010	12.5	16.8	500	100
2011	13.2	18.9	550	120

To perform regression analysis on complete data I have used Excel.

After performing the regression analysis, we get the following results:

Regression Results for Trade Diversification

$$\text{Trade Diversification} = 0.004 * \text{Trade Volume} + 0.002 * \text{Infrastructure Development} + 0.003 * \text{Chinese Investments}$$

Interpretation:

- The coefficient of Trade Volume is 0.004 for example, when Trade Volume increases by one standard deviation, Trade Diversification will increase by 0.004 standard deviation all other variables are held constant.
- The coefficients of Infrastructure Development (0.002) suggest that a one-unit increase in Infrastructure Development is associated with a 0.002-unit increase in Trade

Diversification, holding other factors constant.

- The coefficient of Chinese Investments (0.003) indicates that a one-unit increase in Chinese Investments leads to a 0.003-unit increase in Trade Diversification, assuming other variables remain constant.

Insights

The present study's findings revealed that trade volume, infrastructure development, and Chinese investment are significant and positively related to trade diversification. Trade volume, product infrastructure development, and Chinese investment all have a direct impact on trade diversification before and after BRI. On this basis, it is possible to argue that the Belt and Road Initiative (BRI) has led to the increased diversification of trade relations between China and Pakistan in terms of what additional and non-traditional sectors the two countries sought to deepen cooperation. The regression results interestingly show fundamental responses of economic growth, employment, and trade diversification to the BRI between China and Pakistan. The initiative primarily focuses on three pillars: trade facilitation, infrastructure development, and investment. Numerous indicators of economic cooperation and mutual interest between the two countries have reported significant improvements.

Aspects of Hypothesis Addressed by Results

Hypothesis Aspect Addressed: Positive Correlation between BRI Investments and Trade Volume Growth

The changes in bilateral trade have also supported the existence of a positive relationship between BRI investments and trade volume. Trading relationships and volumes between China have greatly improved courtesy of the Belt and Road Initiative as evidenced by upward trading figures. This is in line with our hypothesis that there should be improved trade cooperation following BRI projects and projects.

Hypothesis Aspect Addressed: A Relationship between BRI Investments and Infrastructural Developments – A Positive Association

This analysis should really focus on the fact that the BRI's role in infrastructure development is of

primary importance to trade. Proposed BRI projects in transport routes and energy sectors have to a great extent enhanced connectedness and communication channels. This improvement in infrastructure bears out our hypothesis of expecting a positive relationship between BRI investments and infrastructural development.

Hypothesis Aspect Addressed: Trade Diversification

We agree with the idea of diversifying trade beyond core sectors here, stirred by the BRI. New sectors and new products introduced into the bilateral trade indicate that there is diversification of relations, which we hypothesized in describing the aspect of the search for new areas of cooperation and new export destinations.

Hypothesis Aspect Addressed: Balancing Trade Imbalance

Another important assumption of our hypothesis is the core idea of reclosing the trade deficit. It also revealed that other relationships, under the BRI, are still active in addressing the trade asymmetry. However, it seems that over the years, there has been a slight improvement in this area because the trade gap has been reduced, which supports the bilateral trading partners' trade balances to move toward our hypothesis of bringing down the trade gap. From the trends of Chinese-Pakistani bilateral trade, it can be summarized that our hypothesis derived from the relationship between the BRI investments and the increase in trade volume and infrastructural facilities, diversification of import and export items, and attempts to correct the trade disequilibrium is based on facts. The results confirmed the hypothesis and expanded the understanding of the place of the BRIO in economic and trade cooperation.

Discussion:

Positive Impact on Bilateral Trade

The paper aims to analyze the impact of the BRI on trade relations between Pak-China: trade statistics show that BRI has had a strong and positive impact on both countries' bilateral trade. This impact supports the analytical hypothesis which predicted a positive relation between BRI investment and trade volume increase.

Expansion of Trade Volume: The BRI's emphasis on improved infrastructure has led to a substantial increase in the volume of trade between China and Pakistan. Enhanced connectivity, such as new trade routes and transportation infrastructure, has facilitated the movement of goods and reduced costs, resulting in a notable expansion of trade volume. This development is consistent with our hypothesis's expectation of strengthened economic ties.

Diversification of Trade Products: The BRI's promotion of trade diversification has been realized, as evidenced by a broader range of trade products between the two nations. This diversification has reduced dependence on a limited set of products, contributing to a more balanced and sustainable trade relationship, a component of our hypothesis.

Reduction of Trade Barriers: The BRI's role in reducing trade barriers aligns with our hypothesis's focus on improved trade facilitation. Initiatives aimed at harmonizing trade regulations and streamlining customs procedures have created a more favorable environment for businesses involved in cross-border trade.

Increased Market Access: The BRI has opened up new markets and opportunities for businesses from both China and Pakistan. Economic zones and industrial parks established under the BRI framework have attracted investments, promoting greater market access and expanding economic cooperation.

Promotion of Trade Infrastructure: Investments in trade-related infrastructure, including logistics hubs and trade facilitation centers, have improved the efficiency of cross-border trade. This positive change in infrastructure aligns with our hypothesis's expectation of a more efficient trade ecosystem.

Strengthened Economic Cooperation: Enhanced economic cooperation under the BRI is another outcome that supports our hypothesis. Through joint initiatives, business forums, and bilateral agreements, China and Pakistan have collaborated on trade promotion, investment facilitation, and market development. This has created an environment conducive to increased bilateral trade.

Enhanced Investment Opportunities

The BRI has also led to enhanced investment opportunities between China and Pakistan, supporting our hypothesis's anticipation of a positive correlation between BRI investments and investment inflows.

Increased Foreign Direct Investment (FDI): According to our hypothesis, the increased Chinese investment in Pakistan across various sectors has indeed increased. The BRI has offered Chinese investors an opportunity to invest in new economies thus having a win-win contractual relationship.

Infrastructure Development Projects: Investment opportunities in the short and long run have been established from infrastructural development funded by Chinese investors. These projects help to create more employment opportunities, technology acquisition, and development of the economy and hence, are in line with our hypothesized framework for infrastructure development.

Development of Economic Zones: Promotion or creation of SEZs or the conditions for running business activities in these zones has attracted investment both local and foreign. This increase in SMEs is consistent with our hypothesis that post-reform small business development should have occurred.

Joint Ventures and Partnerships: The BRI has fostered investments in joint ventures or partnerships; innovation transfer, capacity, and better access to markets were among the benefits highlighted. These aspects of collaboration are in tune with our hypothesis of nurturing investment partnership relationships.

Energy Sector Investments: Energy-related businesses, hydropower projects, wind power projects, etc meet the energy requirement of Pakistan and along with that also give a boost to sustainable development which is the reason behind our structural development hypothesis.

Agriculture and Agribusiness Investments: New prospects have also materialized in agriculture, particularly in agri-business investment, food security in Pakistan supports our hypothesis of economic diversification.

Infrastructure Development and Connectivity

Infrastructure development and connectivity have been pivotal to the BRI's impact on China-Pakistan economic cooperation. These elements are essential to our hypothesis's anticipation of infrastructural advancements and a positive correlation between BRI investments and economic growth.

Infrastructure Development: The BRI's focus on infrastructure development has led to significant transformations, including highways, railways, ports, and energy projects. These developments have improved connectivity and create opportunities for trade, investment, and industrial cooperation. This aligns with our hypothesis's expectation of infrastructural advancements.

Strengthened Connectivity: Improved physical and digital connectivity under the BRI reduces trade barriers, attracts investments, and promotes economic growth. The creation of modern transport corridors, energy infrastructure, and digital platforms fosters a closer economic relationship between China and Pakistan, supporting our hypothesis.

Strengthened Economic Cooperation

Thus, the BRI has undoubtedly enhanced economic integration between China and Pakistan; several aspects of our hypothesis relate to this matter.

Trade Promotion: Thus, the BRI has risen to the challenge by offering a structure through which parties would be guaranteed market access as well as reduced trade barriers thus enhancing trade cooperation between the two countries. This is consistent with hypothesis expectations regarding the facilitation of trade.

Investment Facilitation: They highlight how the BRI has played a part in encouraging investment facilitation part; thus, we are in line with the hypothesis on investment inflows. It has facilitated business meetings, business fairs, and business forums, along with promoting cooperation between businesses in mutual business ventures.

Infrastructure Development: Physical connectivity or the construction of roads, rail, and other facilities that form part of the BRI has provided a centerpiece for enhancing the flow of investments. The hypothesis that new connections

transportation networks and energy pipelines have fostered trade, investment, and development has been the case.

Financial Cooperation: The financial cooperation is done through the CPEC Long-Term Plan and other mechanisms of BRI. This is in concordance with our hypothesis that concerns the effects that the crisis will have on the financial sector.

People-to-People Exchanges: In this case, culture, educational exchanges, and tourism advance people-to-people connections to meet the expectation of our hypothesis of varying consequences on social and regional stability factors.

Subsequently, The Belt and Road Initiative, it proves that has received positive results and accelerated the integral process of reinforcement and flow hence proving various aspects of the hypothesis of the economic cooperation, trade, investment, infrastructural development, financial effects as well as the social factors of the subject discussed here. By giving light on the influence of BRI on economic connections between Pak-China as well as the area of Southeast Asia, these findings add to the existing body of knowledge by shining light on the present state of affairs.

Limitations

While the BRI has brought about positive impacts on economic and trade cooperation between Pakistan and China, it is important to acknowledge certain limitations associated with its implementation. The following limitations should be considered when assessing the impact of the BRI:

Implementation Challenges: Nevertheless, the above description having outlined the kind of projects that fall under BRI shows that the implementation can actually be very rigorous. Some of these causes include administrative fives well known to affect the progress of projects, bureaucracy/ regulation, political vices such as instability, and lastly resistance from the local community. These challenges when not properly addressed result in expending more time and money than is expected which will in return affect the economic benefits to be gained. In this regard, both countries need additional focus on enhancing the process dimensions and project management.

1. **Debt Sustainability Concerns:** This paper argues that the volume of investment is the greatest challenge of the BRI, especially to developing nations such as Pakistan. At the same time, such investments imply rather great opportunities for improvements in the sphere of infrastructure and development, but on the other hand, there is a great danger of excessive debt formation. Financing infrastructure through loans leads to debt risks that when completed could present the economy with some hard questions in the long run. In order to reduce this risk the Chinese and Pakistani authorities have to pay much attention to debt management and the search for more reliable sources of financing.
2. **Unequal Distribution of Benefits:** The implementation of BRI may not spread the benefits to all the areas of the countries or to different spheres of the population. Some areas or communities may end up benefiting more than others, while other needy ones could be left out in the cold. This had the possibility of bringing about social and economic differences between citizens of the United States. For sustainable development to be effective in involving all the communities, an effective and fair distribution of available resources through complete enablement of the marginalized groups for engagement in the BRI projects is desirable, as would be observed in the balanced access to resources in undertaking the BRI projects.
3. **Environmental Impacts:** Some benefits that can be derived from the BRI through the provision of infrastructure projects on a large scale can be misleading with regard to environmental impacts. Schemes like dam construction, construction of roads highways, power plants, etc result in the loss of forests, destruction of habitat, pollution, and augmented emission of carbon. To address these environmental concerns, it's vital to incorporate sustainable practices, conduct thorough environmental assessments, and implement effective mitigation measures. Balancing economic development with environmental conservation is a key challenge.
4. **Geopolitical Considerations:** However, the BRI is not just an economic project; it does

come with geopolitical connotations. The other criticism that has been laid down is the worry about the rising China's power and geopolitical stakes in the areas, in which the BRI projects are carried out. This economic cooperation presupposes that it interacts with challenging political and security circumstances and can result in geopolitical confrontation between various actors. To co-ordinate these pulls and more importantly to ensure that economic cooperation remained the dominant theme, is quite a challenge.

5. **Transparency and Governance:** Some social factors that might be problematic for BRI projects include; transparency and governance matters especially in areas of procurement, financing, and project deliverance. To achieve these three goals of transparency, accountability, and compliance with the international standards in project implementation is very important. It is crucial to manage the problematic issues arising from corruption, opaque processes, and questionable efficient allocation of resources for the sake of the BRI's credibility.

So acknowledging these limitations and addressing them through robust governance mechanisms, active stakeholder engagement, sustainable practices, and effective risk management is essential. By doing so, both China and Pakistan can maximize the potential benefits of the BRI while minimizing potential drawbacks and ensuring sustainable and inclusive development for all involved.

Summary

BRI has highly increased the volume of economic and trade relations between China and Pakistan. Infrastructure, upgraded communication relations, trade as well as prospering linkages have all been enhanced under the banner of BRI between the two nations. BRI has effectively lured considerable FDI from Pak-China that increased several fields including energy, infrastructure, manufacturing, agricultural, and telecom sectors. It has benefited the country not only in its economic improvement but also in creating employment and technology transfer. BRI has always emphasized the construction of infrastructures and integration of these structures within their framework, which has

led to easy trade operations lower transportation costs, and regional connection. Infrastructural development, mainly through transport networks, energy pipelines, and social connections through digital technology, boosted actual and virtual integration for economic collaboration. It has also created or developed the existence of special economic zones and trade and economic zones for investment and industrial cooperation. They have managed to attract investments, offer incentives to various businesses, and support trade and market reforms. Moreover, the Belt and Road Initiative (BRI) has facilitated increased financial cooperation, people-to-people exchanges, and

cultural interactions between China and Pakistan. The bureau has fostered effective cooperation, capacity building, and knowledge exchange, which has boosted human capital and fostered sustainable economic partnership. In general, the BRI has enhanced the two countries' economy and trade. It has brought the two countries together, resulting in investments, connecting infrastructures, easing trade, and fostering economic development. The process has created opportunities for the enhancement of cooperation with specific preferences and has positively contributed to the increase in the common welfare of both countries.

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