

FAQs

CPEC Authority

Q. Why is this in News?

A. Recently, China gave nod to Pakistan's decision to scrap the **China-Pakistan Economic Corridor (CPEC) Authority** amid reports of **growing rift between the all-weather friends** over the slow pace of the USD 60 billion project.

Q. What do we know about the CPEC Authority?

A.

▪ About:

- **The China-Pakistan Economic Corridor (CPEC) Authority** was established through an **ordinance** in 2019.
- It was aimed at **accelerating the pace of CPEC-related activities, finding new drivers of growth, unlocking the potential of interlinked production networks and global value chains** through regional and global connectivity.

▪ Reasons for Suspension:

- **Pakistan occupied Gilgit Baltistan** has been witnessing a spurt in the local protest against the Pakistan Army over land issues.
 - The local population is angry at the **“land grabbing”** spree of the army, all in the name of CPEC.
- In April 2022, **three Chinese were killed in a suicide bombing in Karachi University by Baloch Liberation Army (BLA)**, which opposed China's investments in Balochistan.
 - China is reportedly pressing Pakistan to **permit the Chinese agencies to provide security** for their personnel while **Islamabad is resisting** as it meant boots on the ground for Chinese armed forces.
- The **CPEC projects** were also **facing delays** because of the change in taxation policies by the last government in violation of commitments given to China.

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Q. What is the China Pakistan Economic Corridor?

A.

▪ **About:**

- CPEC is a **3,000-km long route of infrastructure projects connecting China's northwest Xinjiang Uygur Autonomous Region and the Gwadar Port in the western province of Balochistan in Pakistan.**
- It is a **bilateral project between Pakistan and China**, intended to promote **connectivity across Pakistan** with a network of highways, railways, and pipelines accompanied by **energy, industrial, and other infrastructure development projects.**
- It will pave the way for China to **access the Middle East and Africa** from Gwadar Port, enabling China to **access the Indian Ocean** and in return China will support **development projects in Pakistan** to overcome the latter's **energy crises** and stabilising its faltering economy.
- CPEC is a part of the **Belt and Road Initiative.**
 - The BRI, launched in 2013, aims to **link Southeast Asia, Central Asia, the Gulf region, Africa and Europe** with a network of land and sea routes.

Q. What is the Concern for India?

A.

- **India's Sovereignty:**
 - India has continuously opposed the project since it passes through the **Pakistan-occupied Kashmir territory of Gilgit-Baltistan** – a claim opposed by Pakistan.
 - The corridor is also perceived to be an **alternative economic road link for the Kashmir Valley** lying on the Indian side of the border.
- **Chinese Control Over Trade Via Sea:**
 - Major US ports on the East Coast depend on the Panama Canal to trade with China.
 - Once CPEC becomes fully functional, China will be in a position to offer a **'shorter and more economical' trade route** (avoiding travel

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through the entire Western Hemisphere) to most North and Latin American enterprises.

- This will give China the **power to dictate the terms** by which the international movement of goods will take place between the Atlantic and the Pacific oceans.
- **Chinese String of Pearls:**
 - China has been increasing its presence in the Indian Ocean with the **'String of Pearls'** ambition: A term coined by the Americans and often used by **Indian defence analysts to refer to a Chinese game-plan of encircling India through a network of airfields and ports.**
 - With an existing presence in **Chittagong port** (Bangladesh), **Hambantota port** (Sri Lanka), **Port Sudan** (Sudan), **Maldives, Somalia** and **Seychelles**, a control of **Gwadar port** establishes **complete dominance of the Indian ocean by the Communist nation.**
- **Stronger BRI and Chinese Dominance in Trade Leadership:**
 - **China's BRI project** that focuses on the **trade connectivity between China and the rest of Eurasia** through a network of ports, roads and railways has been often seen as **China's plan to dominate the region politically.**
 - **CPEC is one giant step in the same direction.**