

China-Pakistan Economic Corridor: Integrating China with the Persian Gulf and East Africa

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ABSTRACT

China by launching the multi-trillion dollar Belt and Road Initiative (BRI) has possibly initiated the transformation of the prevailing global political system. The success of the BRI heavily depends upon the neighboring regions of China, as they will provide China with routes to integrate the international markets. In this regard, the China-Pakistan Economic Corridor (CPEC) is the key route; thus, also repeatedly termed as the flagship project of the BRI. The importance of CPEC is crucial for China as Beijing not only needs markets but imports of hydrocarbons from Persian Gulf and Africa. This paper aims to analyze the importance of the CPEC and Gwadar Port vis-à-vis securing China's national interests; securing multiple trade routes and attaining the much desired status of Great Power. Furthermore, the paper will shed light on the possible challenges China may face in this regard. The central question of this research is how the CPEC would help China integrate with the Persian Gulf and East-Africa? The nature of this research is critical and analytical; based on primary and secondary sources. The research is supported by theories of Neo-functionalism and Complex Interdependence.

Keywords: CPEC, BRI, Persian Gulf, Africa, Regional Integration

Introduction

In the book 'World Order,' Henry Kissinger critically analyzes China's strategic interests and policy stratagems. After a much thorough analysis, Kissinger concludes that where the United States (US) approach towards policy formulation has always been pragmatic, China's approach is largely based appears to be conceptual (Kissinger, 2015). Furthermore, he illustrates that since the challenges faced by the US and China appears to be on divergent threads, their policy approaches are starkly different. China has been surrounded by powerful adversaries at its borders, while the US suffers with no such consequences. Consequently, the US stance advocates that each problem has a solution, whereas, on the contrary, the Chinese approach preaches that each solution steers towards a new set of problems. Observing under those lines, China's recent policy trends indicate its interests in expanding its economic interactions with external actors and regions to ensure its national objectives of continuous growth.

China's possible rise to Superpower status does not come as a surprise, considering how in the recent years it has pushed forward a strong multi-vectored foreign policy. Moreover, the current geopolitical dynamics compels China to extend influence beyond its boundaries to safeguard its economic development and security. China's engagement with its allies largely covers its strategic interests overtly. Lately, as a gradual paradigm shift is being witnessed from West to East; China has emerged eager to fill in the power vacuum created in the global political system. The existing notions present two foreign policy objectives that China has been pursuing; a) energy and b) security.

China's regional strategic interests largely revolve around establishing a robust network of connection amongst its allies in order to develop stronger roots of cooperation (Kalim, 2017 Dec). Furthermore, one of the main objective of China's foreign policy is to secure pivotal sea trade routes, to ensure safe energy supply for Chinese industries, extraction and exploration of energy reserves (Kalim, 2017 Dec). Thus, it is focused upon establishing strong footholds with various military and mega financial ventures in the Indian Ocean and Persian Gulf. Also, China's state policies have been centered on diversifying and securing different sources of energy imports, irrespective of any geopolitical challenge or issue (Kalim, 2017 Dec). Hence, resource diplomacy resource security have emerged as central facet of China's foreign policy, especially as continued rapid economic growth enhances China's position in the international arena.

In contemporary times, under the leadership of President Xi Jinping, China's policies have predominantly focused upon the development of the Silk Route as well as the economic development of states through which the Silk Route passes, rural development projects amid to reduce developmental gaps, and a stern anti-corruption campaign; with the removal of high ranking political and military officials (Kamrany, 2015, April 3). President Xi's innovative economic policies have allowed China to expand its markets and attracts foreign investments. Resultantly, in no time, China has surpassed the US and became the biggest exporter of goods (Zaidi and Saud, 2021 April 17). Particularly, in the Middle East, China has replaced the US as the principle market for Saudi Arabia, Sudan and Iran.

Moreover, China's Belt and Road Initiative (BRI) does not solely focus upon establishing regional connectivity and infrastructure development, but it also emphasizes on creation of multilateral institutions to spearhead change in the current international system. Thus, huge funds are allocated in this head under the BRI; \$900 billion for the Development Bank (NDB) and \$100 billion for the Asian Infrastructure Investment Bank (AIIB) (Wang, 2017 Sep 06).

BRI and CPEC: Integrating Markets

The Japanese lost status of World second largest economy mainly due to lack of quest for regional integration connectivity. The BRI visionary aim is to harvest the

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dividends of globalization via developing strategic interconnectedness in between Asia, Europe and Africa. Many political experts brand the BRI as the Marshall Plan of Asia and harbinger of new centers of power due to aforementioned nature of the project (Mirza, 2016). Nonetheless, the mega Chinese project is steered by the need to innovate and improve domestic technological expertise and capacity (Hornschild, July 31). The BRI and China-Pakistan Economic Corridor (CPEC) are projects designed to enable effective and efficient regional integration. Most of the projects linked within the initiatives are targeted to develop logistic routes and infrastructural connections to ease and facilitate trade. It is expected that the more markets become integrated; higher competition will prevail between the involved states. These projects may not only improve the economic capacities of receiver states, but also will enable China to develop its economically underdeveloped regions. The projects are strategically designed to empower China to project its soft power (Kfir, 2018 Feb 13). The BRI aims to connect around 60 states throughout Asia, Africa and Europe by reconstruction of the ancient Silk Routes, complemented by a Maritime Silk Road (*The Straits Times*, 2017, May 15).



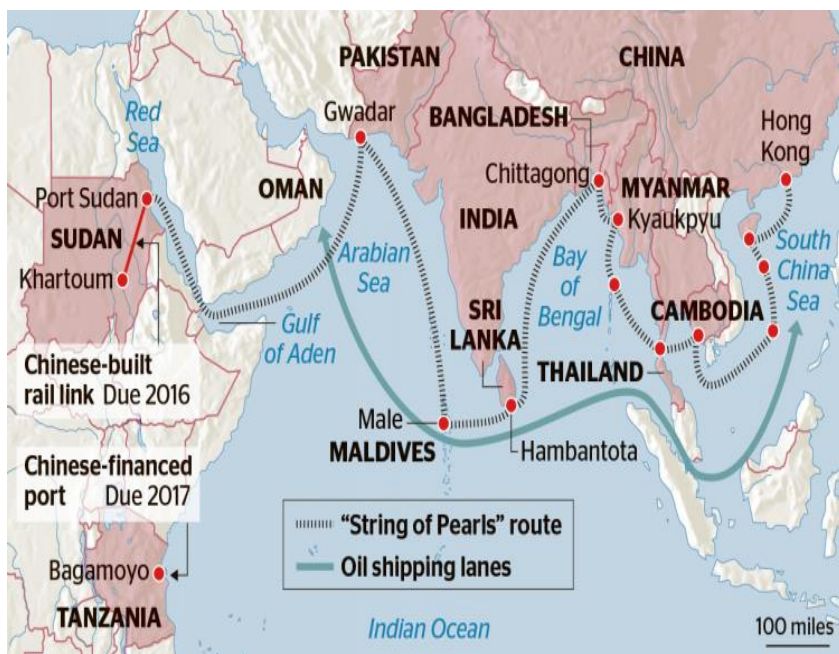
Source: cpecinfo.com

The CPEC, the flagship project of the BRI, is the key to expand China's road and rail infrastructure to its neighboring regions to facilitate trade and industrial growth. China has been heavily investing in various regions to secure its industrial energy demands due to its rapid industrial growth and development. Development of Gwadar Port, under the CPEC, provides China with the shortest route to access hydrocarbons of the Persian Gulf, the Middle East and Africa (Dawn, 2017 February 24). Reportedly, China is interested in the development of oil and gas

pipeline with an oil refinery at Gwadar port – this, in turn, will further assist China’s energy supply from Persian Gulf and Africa (Zweig, 2006).” Moreover, the CPEC, when materialized, will act as a link for the Central Asian Republics to the Middle East, South Asian and African markets.

Furthermore, where China has developed links within Middle East and Asia to meet its growing energy demands, politically these region can be helpful for China to induce a political paradigm shift; transform the international political system from unipolarity to multi-polarity. Also, it poses a potential challenge to the Western interests in the Persian Gulf and Middle Eastern regions. Within the Persian Gulf, China relies heavily on both Saudi Arabia’s and Iran’s oil. Moreover, China is also engaged in establishing ties with the East African states (Kalim, 2017 December).

The Chinese ‘String of Pearls’ strategy – to develop friendship ports all across the region; a fueling station at Hambantota, Sri Lanka, a container facility in Chittagong, Bangladesh, a surveillance facility in the Bay of Bengal, and developing Gwadar, Pakistan – is the critical junction that will connect China with broader regions of Persian Gulf, the Middle East and Africa (Zaidi, Saud, and Ashher, 2020 September). Besides, China is heavily investing in the Gwadar Port to ensure safe energy routes and ease of access, as the Gwadar Port null and voids the infamous ‘Malacca dilemma’ for China. Furthermore, the development of Gwadar Port provides China with the much-needed strategic depth to have an upper hand in the ever-intensifying South China Sea dispute (Ashraf, 2018, January 12).



Source: Google Images

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Source: Mackenzie Institute

China's strategy vis-à-vis regional integration is more or less in line with the dictates of both, Neo-Functionalism and the theory of Complex Interdependence. Neo-functionalism focuses upon regional integration under the forces of globalization. The theory advocates that the role of nation states will decrease as the world becomes more integrated and globalized (Jensen, 2016). Furthermore, Neo-Functionalism attempts to address the dynamics when states are subjected to cooperate in the international system with the establishment of international institutions. How states can work together on international platforms to achieve a common goal (Sandholtz & Sweet, 2012). Whereas, the theory of Complex Interdependence focuses upon over how the world and societies have become more integrated under the forces of globalization. While, greatly emphasizing over how economic interdependence can reduce the chances of war and conflicts amidst states, something China time and again openly promotes and supports.

China in the Persian Gulf

Over the last decade and a half, China has substantially increased its diplomatic pull over the Persian Gulf region. In this regards, the Chinese diplomatic efforts within the Syrian conflict, construction of its first offshore military base in Djibouti, and publication of its first Arab policy are all clear indicators that China has forgone its traditional foreign policy paradigm of Noninterference and adopted a much more proactive strategy (Blanchard, 2017 August 01). The Arab policy

essentially underlines the regional importance of Middle East for China, and provides a blueprint formula '1+2+3,' which elaborates over the extension of diplomatic ties in infrastructural sectors; trade, investment and energy cooperation, as these moreover form the core of the ties (Tiezzi, 2016, January 14).

Furthermore, even though the US, under the Trump administration, withdrew from the Iranian nuclear deal (2015), China moreover is adhering to the deal, especially due to the fact that Iran not only possesses ample energy reserves, but also provides bright business opportunities, which China is keen to explore (Castilla, 2016, March 18). In August 2018, the US re-imposed stringent sanctions on Iran; banning any transactions with Iran involving US dollars, gold, precious metals, aluminum, steel, commercial passenger aircraft and coal (Harris and Jack Ewing, 2018, August 06). However, China did not let these sanctions affect its bilateral ties with Iran. On the contrary, the China-Iran relations greatly prospered derailing all US efforts to isolate Iran in the region. Also, it provided China with lucrative opportunities to further incorporate Iran into its BRI; resultantly, strengthening its foothold within the Persian Gulf.

In 2016, to increase China's geopolitical clout and influence, the Chinese President, Xi Jinping, visited three key Middle Eastern nations: Saudi Arabia, Egypt and Iran. While visiting Saudi Arab, 14 Memorandums of Understanding (MoU) were signed between the two states to enhance cooperation in various like technology, research, trade, and energy (Zhen, 2016, January 22). During his visit to Egypt, President Xi and Egyptian President Sisi signed an MoU to enhance cooperation under the BRI (Noueihed and Ali Abdelaty, 2018 July 09). Two MOUs were signed between Iran and China; one to jointly promoting the Silk Road Economic Belt and the 21st century Maritime Silk Road, and the other to reinforce industrial and mineral capacities (Castilla, 2016, Mach 18). Also, both states showed keen interests in expanding investments in various areas including in railways, ports, and services (Sharafedin, 2016 January 23). Something evident in the recent China-Iran deals of more than \$500 billion worth; primarily in the hydrocarbon sector of Iran.

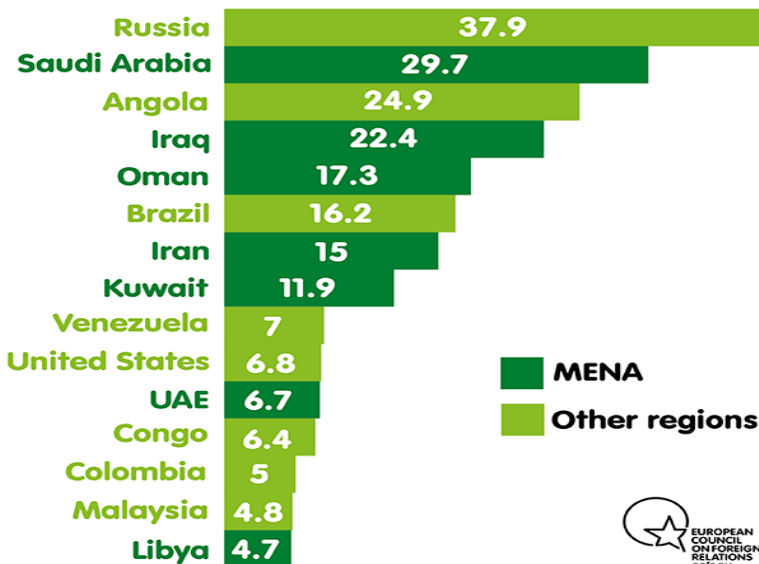
The geostrategic location of Iran in particular and the Middle East in general is critically important for the BRI (Kfir, 2018, February 13). Geographically being situated between Europe and Asia, Middle East stands out as the most important region vis-à-vis China's developmental agenda of the BRI. In order to achieve its objectives, China is eager to develop infrastructural links all across Central Asia and the Middle East; intimately connecting the region (Castilla, 2016, Mach 18). Where most of the BRI projects predominantly focus upon infrastructural development of receiver states, it also enables China to develop its Xinjiang province, as majority of BRI's projects link to Xinjiang; thus, creating a win-win situation (Homschild, 2016, July 31). For instance, the Teheran-Mashhad high-speed railway link will connect Iran to Urumqi, the capital of Xinjiang Province, through Turkmenistan and Kazakhstan (*Financial Tribune*, 2017, December 20).

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With the Chinese economy’s rapid growth, its interests in access to hydrocarbon reserves have amplified at an unprecedented magnitude. China has been eager to strengthen its energy security through its neighboring regions, as it also ensure safe trade routes. Thus, Middle East and Africa are priority regions for China. Something China’s foreign policy lately clearly depicts as it greatly focuses upon establishing robust ties within these respective regions. Furthermore, in 2015, 51 percent of China’s worldwide crude oil imports came from the Middle East; thus, the region became the principle source of hydrocarbons for China (Homschild, 2016, July 31). To ensure timely and safe delivery of hydrocarbons from the Middle East, China has successfully signed bilateral MoUs with all major crude oil exporting states of the region (Homschild, 2016, July 31).

In the last three decades, China has overtaken the US and emerged as the world’s largest energy consumer, with it accounting for almost 60 percent of the global oil imports (Goodridge, 2017, December 14). A recent report published by the US Energy Information Administration (USEIA) asserts that by 2035 China may very well import about 75% of the world’s crude oil (Kāzemi and Chen, 2014, February 28). Clearly indicating that China’s energy consumption will be double of the US (Kāzemi and Chen, 2014, February 28). Hence, the importance of the Persian Gulf automatically increases many folds for China, especially due to the fact that five out of China’s top ten oil suppliers are situated in the Middle East: Saudi Arabia, Oman, Iran, Iraq, and Kuwait (Feng, 2015, April).

Top 15 crude oil exporters to China, 2018 (\$bn)



Source: https://ecfr.eu/publication/china_great_game_middle_east/

The Persian Gulf's strategic location is critical within the BRI project, as it acts as a strategic juncture between the two main routes of the mega project. China's extended economic interest within the region converges with the interests of the Gulf States; as they aim toward diversifying their respective foreign economic relations and ultimately restructure their economies away from dependence on oil (Jiang and Andersen, 2018 July, 01) For example, China's BRI agenda more or less matches with Saudi Arabia's Vision 2030 and Qatar's National Vision 2030.

In addition, the construction of 'Hassyan Clean Coal Power Plant,' in Dubai, is considered as a hallmark of China- United Arab Emirates (UAE) growing relations. Multiple megaprojects are also underway including the construction of Phase II of the Khalifa Port in the UAE. During July 2017, the Abu Dhabi Port also signed a 50-year Musataha agreement with China's Jiangsu Provincial Overseas Cooperation and Investment Company Limited for setting up projects in the Khalifa Port free trade zone (Liangxiang and Janardhan, 2018, July 11). These developments are expected to integrate the Arab states to each other as well as with the BRI.

Also, relations between China and Kuwait are blossoming, as the latter has shown keen interests towards joining the BRI. Reportedly, China is pursuing the development of five uninhabited islands in Kuwait (Rousseau, 2018, July 11). Recent reports have highlighted that Shandong Dongming Petrochemical Group – China's largest private refiner – purchase of 1.9-million barrel cargo of Kuwaiti crude oil (*Reuters*, 2018, July 9). Moreover, China's relations with Saudi Arabia are thriving, as both states are involved in extending their cooperation in various fields including energy, mining, economy and trade, investment and tourism (Rousseau, 2018, July 11). Many of which include infrastructural projects that support the Chinese BRI and Saudi Vision 2030.

Likewise, China has heavily invested into Duqm industrial center in Oman (Liangxiang and Janardhan, 2018, July 11). In early 2018, Saudi Arabia also announced a grant of \$210 million for two projects in Duqm, while Iran is also building an automobile plant in Duqm and a hospital in the northern Al Batnah region (*Times of Oman*, 2016, January 27). Evidently, such progresses showcases signs of steady multilateral cooperation (*Reuters*, 2018, January 05). Countering terrorism remains to be China's prime agenda when it comes to the security of its infrastructural assets across the region.

In a nutshell, China's presence in Middle East, particularly in the Gulf, has substantially increased during the last decade. Even though the US enjoys a robust military backbone, the global balance has been shifting in China's favor (Andersen and Jiang, 2014). Only time will tell how China moves forward to stabilize its position and how it counters the US growing interests in the region.

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China and Africa

In modern history, Africa has more or less remained a neglected region as far as global investment and trade is concerned. It was no different for China, evident from the fact that the current trade volume between China and Africa is around a meager \$150 billion. However, under the BRI, China aims to expand its influence within the African continent, particularly realizing the geo-economic viability of Africa; its abundant unexplored energy, minerals and precious metal reserves. Furthermore, most of the African states welcome economic and political ties with China, as the bilateral relationship gives the former not only the much needed economic stimulus, but also allows it to gain much desired international bargaining power vis-à-vis the western countries (Sun, 2018, July 11). Therefore, except only five small states, all the African states along with the African Union have signed MOUs with China under the BRI. Resultantly, up till 2020, the volume of Chinese investment in Sub-Sahara accounted for \$7100 million, whereas in the it was collectively \$5120 million in the Middle East and North Africa (MENA) region (Wang, 2021, January).

China has appeared on the foregrounds as much more reliable economic partners for the African states. The successful construction of Addis Ababa-Djibouti railway (2016) is a hallmark of China's growing ties with the African countries (Ronan, 2017, July 14). The railway connects Djibouti and Ethiopia acting as an improved import-export corridor for landlocked Ethiopia (*New China*, 2018, January 1.). Also, in Kenya, the Mombasa-Nairobi Line has been constructed by China (Ronan, 2017, July 14). Furthermore, China has provided \$11 billion to Mali for the construction of a railway line. Beijing also assisted in the construction of Tanzania-Zambia railway (Lisinge, 2020, October 1). Also, China has invested in Egypt's electric train project worth \$1.2 billion (*Egypt Today*, 2017, July 24). Besides, 'Jushi,' China's giant fiberglass corporation, has established its first overseas fiber glass production base in Egypt (*Xinhua*, 2018, January 10). Resultantly the Chinese commitment towards the development of major infrastructure projects across Africa, under the BRI, has in turn given China immense geopolitical influence in the region.

China's interest in African stability is not superficial, but it is evident and can be judged by Beijing's huge investments in Africa's peacekeeping missions under the United Nations (UN). China is the second largest financial contributor in African peacekeeping missions (Lokanathan, 2020, August 24). China's investments in Africa cannot be termed as purely humanitarian in nature, but more to safeguard its strategic interest in Africa. Something evident from the fact that, in 2017, in Djibouti, China established its first overseas naval base (Blanchard, 2017, August 01). The location of this base holds the key vis-à-vis securing Chinese maritime routes through the Red Sea., as it is located right on the choke point of world's largest oil trade route as well as the lifeline of east-west international trade.



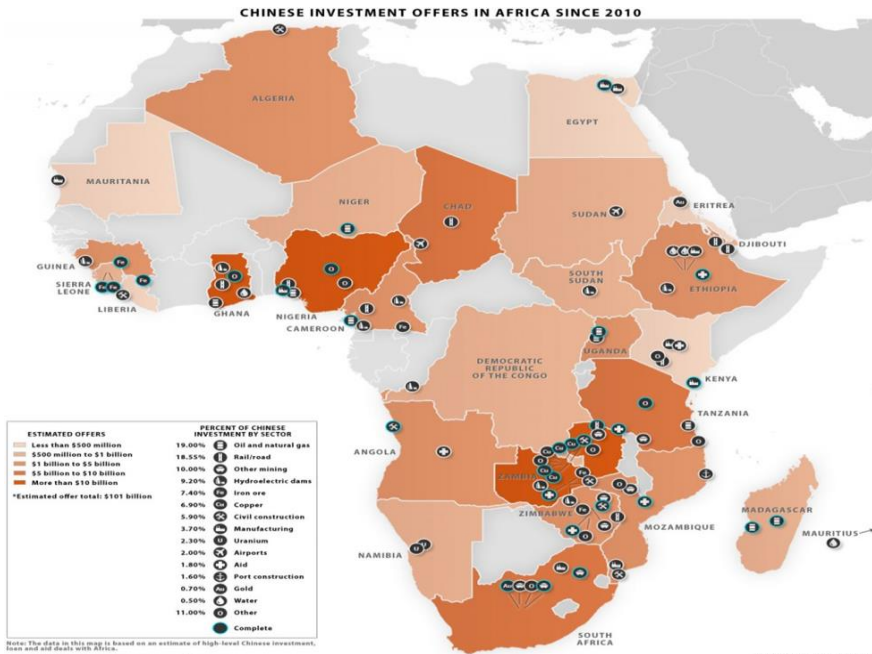
Source: Google Images

China's diplomatic and economic ties with African countries are growing day by day. China's trade with Africa accounts for 20 percent of the latter's global trade; thus, China is one of the top five trading partners of Africa (Peyper, 2017, June 29). China has also surpassed Africa's longstanding trade partners such as, France, Germany, India, and the US. Also, China through, both its public and private corporations, have greatly invested in sub-Saharan Africa's power sector. From 2010 to 2015, Chinese businesses operated as the main power contractors and were responsible for 30 percent of new capacity additions in the region (IEA, 2016, August 03). For instance, in Zambia, a 30-MW coal-fired plant was developed by Sinoma, a China National Materials Group Corporation, which has been supplying the Dangote-Lafarge cement plant since 2015 (IEA, 2016, August 03). In addition, the Gishoma peat power project in Rwanda is considered one of its kind. Besides, in Botswana, the 600-MW Morupule B coal-fired plant was established, which supplies the nearby coal mines with power. In Eritrea, Chinese businesses invested in the development of the 44-MW expansion of Hirgigo thermal power plant that supplies gold mines (IEA, 2016, August 03).

China is also deeply engaged into oil exploration in Angola, Gabon and Sudan (Embassy of the People's Republic of China in the Republic of South Africa, 2018, February 5). In Sudan, despite the fact that it contributes to only 5 percent of Chinese energy imports, Beijing operates its largest overseas oil projects which includes a \$700 million refinery (*New China*, 2018, August 25). Approximately 10,000 Chinese workers have been deployed to build a 1,500 km pipeline linking the Heglig oilfield in Kordofan province to the port of Port Sudan on the Red Sea (Embassy of the People's Republic of China in the Republic of South Africa,

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2018, February 5). In Mozambique, the Industrial and Commercial Bank of China (ICBC) is the largest business lender within the hydrocarbon sector. There are estimates that, with the help of China's investment, Mozambique will be the second largest liquefied natural gas (LNG) exporter by year 2025 (*The Herald*, , 2018, January 23).



China has provided huge developmental loans to many African states. China's policy focuses upon the development and progress of the collective African region, not solely upon extracting benefits while exploiting the region; a policy moreover proactively used by the West. It is evident from the fact that Ethiopia, a resource poor African state, is the second largest recipient of Chinese aid. Between 2000-2016, Ethiopia received \$13.3 billion in Chinese loans; out of which 35 percent went to transportation sector while 24 percent went to the energy sector. Moreover, China has also provided assistance in the construction of industrial parks, such as the Eastern Industry Zone and Huajian International Shoe City (Lejun, 2018, June 04). Thus, the African region is far more susceptible to China, than the West, as working with China creates a 'win-win situation' for all stake holders.

Moreover, now, China has emerged as the biggest trade partner of Africa, with more than \$200 billion trade per annum (Brown, 2018, September 13). Additionally, more than 10,000 Chinese-owned firms are operating all across Africa, while the value of Chinese business there, since 2005, adds up to more than

\$2 trillion, with \$300 billion in investment currently on the table (Jayaram, Kassiri, and Sun, 2017, June 28). Surprisingly, even though the BRI focuses upon Asia's infrastructure development to enable China greater access to global markets, Africa has eclipsed Asia and emerged as China's largest destination for overseas construction (Shepard, 2019, October 03). Also, recently, China announced a \$1 billion Belt and Road Africa infrastructure development fund to keep the momentum of making inroads in Africa and swaying Africa to the east (*Silk Road Briefing*, 2019, July 4).

To conclude, it is evident that China-Africa bilateral relations possess great potential due to their converging interests. These relations will most definitely be significant for the sustained development of the African region. China previously had taken measures to ensure amicable trade ties with the region; the implementation of the Special Plan on Trade with Africa, under which, the scope of zero tariff will be expanded for the treatment for African products exported to China and increase China's imports from Africa. This coupled with the tremendous continuous investments made by China in Africa is indeed a recipe for success for both the parties.

CPEC: Integrating China with the Persian Gulf and Africa

The CPEC is a \$62 billion bilateral project between China and Pakistan, which comes under the umbrella of the BRI. The mega project holds great importance, often termed as the flagship project of the BRI, due to its scope in regards to developing regional connectivity and security. The CPEC, when functional, will swell different operational business routes between China, the Gulf countries and Africa. The Gwadar Port is the lynchpin in offering critical routes to the regional states. When fully operational, it would be the most important Port for China's trade with Persian Gulf and Africa. The CPEC provides China the shortest route to the Straits of Hormuz. More importantly, the CPEC greatly enhances energy security for China, as it makes the Malacca Straits – a potential choke point where China's adversaries can attempt to cut off its trade in case of conflict with China – practically redundant (Zaidi, Saud, and Ashher, 2020 September).

The under construction Gwadar Oil Terminal City, which will have a capacity to store oil more than that of Dubai, greatly enhances the importance of Gwadar in general and CPEC in particular. Something evident from the fact that in 2019 Saudi Arabia inked an agreement with Pakistan regarding establishing an oil refinery worth \$10 billion in Gwadar (Yousafzai, 2019, January 12). Also, the UAE announced establishing an oil refinery worth \$5 billion in Hub, Balochistan (Shabbir, 2019, October 04). Shortly after, Iran too explicitly expressed its interest to construct a highway and gas pipeline to link Gwadar and Chahbahar Ports (Hussain, 2020, January 02). All these developments clearly depict that the Persian Gulf hydrocarbon trade will soon evolve in favor of China, while Pakistan's economy will prosper and strengthen.

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Source: Google Images

Most importantly, through the CPEC, particularly using the Gwadar Port, it is estimated that China's trade would only take 10 days to reach to Kashgar, Xinjiang; rather than 45 days to reach Beijing using traditional maritime routes. Furthermore, as China heavily relies upon hydrocarbon imports from Persian Gulf and African region, the CPEC presents China with an opportunity to lay down a pipeline through Pakistan for swift and uninterrupted hydrocarbon supply (Qian, 2016, March 01). The Gwadar port also provides China a strategic advantage in the Indian Ocean, which is contiguous to the Persian Gulf (Ahmad et.al., 2017, September 09). On the other end, Pakistan now emerges as a central nerve to China's network of ports, energy pipelines and maritime routes for its exports to Europe, Africa and the Middle East (Hughes, 2018, April 05).

Challenges and Prospects for China

The biggest challenge for China as far as the Persian Gulf is concerned is security, particularly threats such as extremism and terrorism. Especially, insecurity and violence in Libya, Syria, Palestine and Yemen are matters of great concern for Beijing's economic and political agenda for the Middle East (Xiaolin, 2018, July 09). China understands very well that stable environment is a prerequisite for investment, though unlike Western powers, particularly the US, it does not directly interfere in such conflicts, as taking sides of any domestic conflict is a bad idea. Nevertheless, China whole heartedly supports all initiatives for stability and peaceful resolution of such conflicts. Thus, its image is portrayed as a state having

no political agenda whatsoever, solely focused upon geoeconomics; resultantly, its acceptability is far more than other states having geopolitical ambitions. Furthermore, Beijing faces competition from other states like Japan, Russia and the US, which have huge investments in the region.

Furthermore, another huge obstacle that China faces vis-à-vis the Persian Gulf is the investment laws of most of the Arab states, which strictly forbid the outflow of foreign capital. Owning a company with foreign capital is considered illegal in majority of these states as well as a foreigner cannot solely own any business whatsoever, a local must be a partner. In addition, the East-Turkestan Movement is considered as a challenge for the smooth execution of the CPEC. The recent US withdrawal in Afghanistan and consequently the Taliban taking over the country has raised further raised many concerns in this regard.

Moreover, Indian opposition to CPEC is not a secret, repeatedly New Delhi has openly criticized the project. India has been found supporting insurgency in Baluchistan through its consulates in Afghanistan as well as networks in Iran. Something proved by the confession of Kulbhushan Jadhav, the redhandedly caught Indian spy in Pakistan, especially in regards to CPEC. However, almost all such Indian nefarious activities have been successfully countered by Pakistani security forces timely and effectively. Also, Indian investment for the construction of Chahbahar Port to counter the Gwadar Port has not paid back. Instead, New Delhi has been gradually pushed out of the project. In a recent statement, Javad Zarif, the Iranian Foreign Minister, stated that Gwadar and Chahbahar Ports should to be sister ports that would complement each other and he also put forward the proposition to construct a road to connect both ports (Basu, 2021, April 16).

In the broader realms of political objective, China wants to limit the US influence within the region; as the existing extremist threats allows the US to power play in regional politics. The Chinese policymakers want to counter the US containment policies towards the former's growing military and economic capabilities. Therefore, the BRI and the CPEC are targeted at enhancing China's foothold within South Asia, Central Asia, Middle East, Europe, Asia and Africa. In addition, China's growing economic interests and projects are also susceptible to terrorist attacks and can generate undesired instability within the region. How China delves forward to counter these growing threats remains to be of critical interest. Nevertheless, economic and political integration must be achieved on all levels to ensure the long term progress of the projects within the BRI and especially the CPEC.

Conclusion

In contemporary times, China's foreign policy has aggressively steered towards maximizing China's international position. With events such as Brexit, internal conflicts within the European Union (EU), and turbulent US foreign policy; China is eager to pursue an integrated market approach with its allies, while supporting

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the transition towards multipolarity. It is likely that China in the upcoming years will continue to consolidate its partnership with different regions of the world. The BRI has been initiated to intensify this cooperation through inter regional and intra-regional integrations. The CPEC, being the flagship project of BRI, is not only limited to Pakistan-China bilateral relations, but will integrate the broader regions of South Asia, Central Asia, South East Asia, Middle East, Persian Gulf and Africa.

The Chinese economic and political interests in the Persian Gulf, Middle East, and Africa along with its geo-strategic interest in the Indian Ocean are the major drivers behind its constructive engagements with the states of these regions. Furthermore, since South China Sea is a disputed region and is fragile to any conflict, it's vital for China to have alternative routes to access the energy markets of these regions. The CPEC, through Gwadar Port, provides China with the ideal shortest and safest route for this purpose. Since most of these economies are developing or lack technical assistance, China has filled the gap with investment and capital and expertise.

To materialize billions of dollars' oil deals with the Persian Gulf, the Middle Eastern, and African countries, it is very important for China to establish short and safe routes which may bypass the turbulent sea lines of communication. More importantly, the integration of these regions with China may help the later to counter the other powers influence in these regions. This engagement is also vital for China's designs to counter extremism and terrorism not only in China, but also in its neighboring regions. Once fully operational, the CPEC will surely fulfill the desired China's objectives into these regions.

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