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(Ministry of Foreign Affairs of People's Republic of China, 2015). He also articulated his ambition of reviving the old Silk Road through the Belt and Road Initiative (BRI) during his visit to Kazakhstan and Indonesia during the same year (Rizvi, 2015). China from the onset had their first area of focus to initiate a flagship or pilot project of the larger BRI. China had identified Pakistan as the first country with whom to establish an economic corridor. In November 2013, the National Development and Reform Commission (NDRC) of China tasked the China Development Bank to prepare a roadmap of enhanced economic engagement with Pakistan up to the year 2030 (McCartney, 2020). During Chinese Prime Minister Li Keqiang's visit to Pakistan in May 2013, a memorandum of understanding was signed between the two countries for the establishment of an economic corridor from Kashgar in the Xinjiang region of western China to Gwadar by road, air and railway (Ministry of Foreign Affairs, Government of Pakistan). The proposal was further cemented during the visit of Pakistan's Prime Minister, Nawaz Sharif to China in July 2013 (Rizvi, 2015). Chinese President Xi Jinping's visit to Pakistan in 2015 formally unveiled the mega project. Before arrival in Pakistan, Mr. Xi wrote a column for Pakistan's media noting: "We need to form a '1+4' cooperation structure with the Economic Corridor at the centre and the Gwadar Port, energy, infrastructure, and industrial cooperation being the four key areas to drive development across Pakistan and deliver tangible benefits to its people" (The New York Times, 2015).

Economic Opportunities

Pakistan has been beset with multiple socio-economic problems, ranging from terrorism, low exports, and power shortage. The unemployment rate was 5.9% in 2015 (IMF) and power shortages were costing the country up to 4% of GDP (Kugelman, 2013). A massive investment of approximately $ 46 billion (later raised to $ 62 billion) aimed at boosting power generation capacity and infrastructure development was no trivial development for Pakistan; rather it is the largest single investment Pakistan has ever received.

The CPEC is a transport route between Pakistan and China with approximately 2700 km of roadway, rail, oil and gas pipeline (Nan, 2015). The corridor adds to the existing road link between Pakistan and China (Karakoram Highway/ KKH) which was built by both countries in 1971 (Rizvi, 2015). Of the total investment, 73% is marked for the energy sector while 27% is for the development of infrastructure including roads and railway networks, fibre optics and Special Economic Zones (SEZs) (Khan, Ali and Omer, 2018).

The completion period of the project is 15 years (2015-2030). It is further distributed into four phases. Phase-1 or 'early harvest' focuses on energy generation projects aimed at adding more than 10,000 megawa t s (MW) of electricity into the na t onal grid and was planned to be completed by 2018. As per the o f cial data available on the CPEC Authority website, 13 energy projects have been completed to date adding 7,370 MWs, in rural areas. Balochistan is Pakistan's largest yet poorest province. On the Mul tdimensional Poverty Index, it ranks lowest (0.35) among all provinces (Oxford Poverty and Human Development Ini t a t ve, 2021). Similarly, Khyber Pakhtunkhwa (KPK) is the second least developed province. Balochistan and KPK provinces (both bordering Afghanistan) are ba t ling militancy and terrorism. As Balochistan is at the heart of CPEC (Gwadar being located in the province) and a substan t al development share is also going to KPK (route map of CPEC at Figure-I below), it is perceived that militancy and terrorism will need to substan t ally recede in these areas thus a t rac t ng further investments and economic ac t vity.

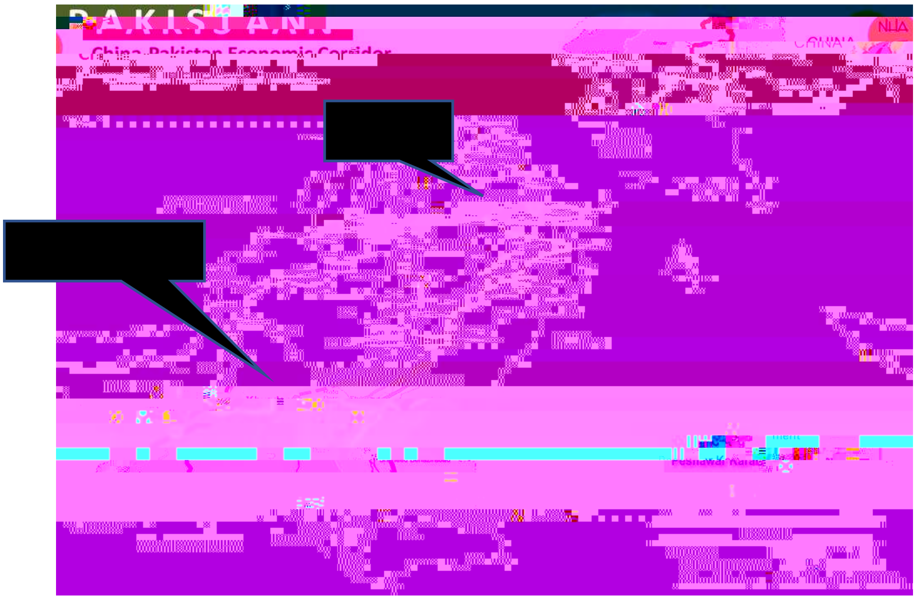

Figure-I

CPEC Routes

Infrastructure development will also facilitate Pakistan in actualizing her full economic poten t al. Pakistan possesses 10,170 million tons of metallic and 1,429, 985 million tons of non-metallic minerals, most of which remains untapped. The country could only export $ 1.13 billion worth of minerals in 2019 due to capacity issues (Global Mining Review, 2020). Greater connec t vity and resultant stability will lead to further investment in explora t on and export of these minerals. Similarly, Pakistan is a major agricultural country. Greater access to market will facilitate farmers' ability to transport their products. Besides the road and rail network, establishment of SEZs will also has a major posi t ve impact on rapid industrializa t on in Pakistan. Through the applica t on of the Johansen cointegra t on model and Monte Carlo Simula t ons to see impact of CPEC on Pakistan's economy, it has been concluded that Pakistan is likely to see a Gross Domes t c Product (GDP) growth rate between 6.1% and 7.5%. Foreign Direct Investment (FDI) in f ow is likely to experience a growth rate from 18.9% to 39.9 % under various scenarios (Mirza, Fa t ma and Ki f at, 2019).

The term ‘debt-trap’ was coined by an Indian scholar Brahma Chellaney in his 2017 article published in an Indian journal. Chellaney opined that China was building a sphere of influence in strategically located poor countries for geopolitical goals and strangling these countries with unpayable loans (Chellaney, 2017). The term was further built-on by two Harvard students in their article published in

The country's exports grew from $ 28.69 billion in 2015 to $ 31.55 billion in 2021 (World Bank). Pakistan also recorded the highest exports in one month in June 2022, worth $ 2.9 billion (CEIC).

The factors which hindered full exploitation of CPEC opportunities were COVID-19, a deteriorating security situation owing to the US withdrawal from Afghanistan, political turmoil, and policy inconsistency in Pakistan. Prime Minister Nawaz Sharif was ousted by Supreme Court of Pakistan in 2017 and Prime Minster Imran Khan was removed from office through a Vote of No Confidence in 2022. Political instability caused major reversals in development. An official of the Social Security Department revealed that from September 2022 to December 2022, 30% of industrial units were shut down in Lahore alone (one of the largest industrial hubs in Pakistan) due to national economic woes following political unrest. Similarly, the textile sector reported laying off 7 million employees due to the adverse economic situation (Dawn, 2023). Furthermore, to evade social security taxes, industries understate the number of employees which blurs the actual employment rate in the country. An official of the Social Security Department informed the author that employees' declaration by industries varies

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