

From Connectivity to Development: Evolution of CPEC's Connotations

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On May 23, 2013, the Chinese and Pakistani governments issued the *Joint Statement on Deepening Comprehensive Strategic Cooperation*. For the first time, the name “China-Pakistan Economic Corridor” has appeared in an official document. Four years on, CPEC has evolved from an idea to a blueprint and to a program with initial success. It is not only one of the six economic corridors in Eurasia under the B&R framework, but also a pioneering endeavor of China. General assessment describes CPEC’s progress as “beyond expectations”.¹ Such an opinion was shared by Chinese and Pakistani leaders during a meeting on the eve of Belt and Road Forum for International Cooperation in Beijing in May 2017.² So far, however, CPEC’s connotations have rarely been addressed in published articles. In departure from its original meaning and common assumptions, CPEC, the authors believe, tends to be focusing less on geographical connectivity, or in other words, “a path from Gwadar to Kashgar”, than on comprehensive development, in which energy and transport infrastructure feature prominently. As a result, power construction stays ahead in CPEC projects, while the geographical dimension of the corridor is

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somewhat downplayed.

This paper will try to provide an objective and third-party perspective on the way CPEC's connotations have evolved, the key factors of such evolution, and the relevance of these factors to the future of B&R projects. It is based on published data at large, along with interviews and surveys, where and non-public materials are precluded unless necessary.

I. FROM GEOGRAPHICAL CONNECTIVITY TO COMPREHENSIVE DEVELOPMENT

In May 2013, Chinese Premier Li Keqiang proposed in his visit to Pakistan an economic corridor connecting Kashgar to Gwadar Port.³ It is the first time that such plan has ever come forward. On June 5, Nawaz Sharif, the newly elected Prime Minister, announced to the Parliament Pakistan's approval of building highways and railways from Gwadar to Kashgar as part of the Pakistan-China Economic Corridor program.⁴ It is one of the earliest conceptions and public announcements concerning the corridor from Pakistan's top leadership. Signals from both governments show that CPEC was originally a geographical concept, a physical passageway with definite start and end points (Gwadar and Kashgar).

A clearer description comes from Zhang Chunxiang, former Chinese Ambassador to Pakistan: "Along the corridor, our goods can be routed directly to the sea. China's west is thus drawn closer to the Gulf Region."⁵ From what Mr. Sharif and Mr. Zhang said, CPEC mainly encompassed highways, railways (later collectively known as "China-Pakistan Railway"), and energy pipelines (later collectively known as "China-Pakistan Oil Pipeline" and "China-Pakistan Gas Pipeline") between Gwadar and Kashgar.

In less than two months, Mr. Sharif paid a reciprocal visit to China, where he and Mr. Li signed an MOU on CPEC cooperation, and announced the establishment of the Joint Committee for Long-term Planning for China-Pakistan Economic Corridor (hereinafter referred to as the "Joint Committee"). Led by the National Development and Reform Commission of China (NDRC) and the Ministry of Planning, Development & Reforms

of Pakistan (MPDR), the Joint Committee is responsible for both short and long-term planning for CPEC, with a focus on transport infrastructure and support projects along the corridor (e.g. economic development zones).⁶ It is clear that by then transport infrastructure (including highways, railways, and energy pipelines) had remained the priority of CPEC.

In the next two months, NDRC had discussions with Pakistan on the strategic plans for CPEC, and organized decision-making and feasibility studies with experts. That period marks CPEC's evolution from an idea to a blueprint. Meanwhile, Chinese academia and public media echoed the geographically centric views on the corridor. Such views, carried by the wings of new media, had influenced the perception of the industry and the general public regarding the CPEC.

Since the literal meaning of "corridor" is a passageway between two physical points, it comes as no surprise that the China-Pakistan Economic Corridor was generally understood as a geographical link. There is an article that gave a tremendous build-up to the railways and pipelines from Kashgar to Gwadar. For instance, it argues that oil and gas pipelines through Gwadar from Iran and other Gulf countries will not only ensure a rich supply of energy for Pakistan, but also meet the energy demands of Chongqing, Sichuan and Lanzhou, among other provinces and cities in Western China.⁷ The article, which went viral on WeChat, led readers to equate CPEC with Gwadar Port plus China-Pakistan Railway and Pipelines.

Some articles assumed that the China-Pakistan Railway will be used for energy transport. One of them, which was widely circulated online around the Spring Festival in 2015, claimed that after Gwadar Port comes into full operation along with the highways and railways from Gwadar through Kashgar to China's west, the distance of oil transport from the Middle East to China will shrink by 85%. Such opinion was quite typical.⁸ Other articles regarded CPEC as a Chinese strategy to build a naval base along the Indian Ocean. They argue that the proximity of Gwadar to the Strait of Hormuz (400 km away) is poised to "rid China of the Malacca dilemma", rooting out underlying risks for energy

transport.⁹ Geostrategic interpretations as such placed lop-sided emphasis on Gwadar.

Based on these interpretations, Prof. Li Xiguang and Mao Siwei, former Counsellor of the Chinese Embassy in India, launched a widely followed debate on the pros and cons of CPEC.¹⁰ Interestingly, behind their diametrically different arguments is a highly consistent understanding of CPEC's core meaning, i.e. geographical connectivity.

More importantly, the above-mentioned arguments and assumptions interacted with NDRC's decision-making and feasibility studies. As one of the two leading experts involved in the NDRC-led studies from the very beginning, Prof. Tang Mengsheng, Director of the Center for Pakistani Studies, Peking University, stressed at a workshop entitled "Building a China-Pakistan Community with a Shared Future in the New Era", a workshop held by the Chinese Embassy in Pakistan and the Pakistani Ministry of Foreign Affairs in August 2014, that CPEC is not only relevant to China's border and energy security, but also militarily, politically and strategically instrumental in integrating the existing geo-political networks of South Asia and Central Asia.¹¹

Over a year into the NDRC-led studies, however, China and Pakistan began to think beyond geographical connectivity.

On April 20-24, 2015, Chinese President Xi Jinping paid a state visit to Pakistan. During his visit, both countries agreed to promote a "1+4" pattern of economic cooperation featuring a leading role of CPEC and four key areas including Gwadar Port, energy, transport infrastructure, and industrial cooperation.¹² Such pattern indicates that CPEC is no longer just a physical passageway between Kashgar and Gwadar.

Professor Tang has personally recorded the evolution of CPEC's connotations. In 2016 he wrote: "With the constant implementation of long-term plans for CPEC, the program has seen a significant change in its position in Chinese and Pakistani development strategies."¹³ As he put it, CPEC has gradually evolved from a connectivity program to an important engine for synergizing development strategies of the two countries.¹⁴ Words from the leading expert surely add credibility to the evolution.

Although Gwadar Port remained the top priority under the “1+4” framework, the Joint Statement of April 2015 gave the go-ahead to a number of energy (power, in particular) projects, including Coal Fired Power Plants at Port Qasim and Sahiwal Coal Fired Power Plant, both with a designed installed capacity of 1,320 MW.¹⁵ In the two years followed, energy had replaced Gwadar Port and transport infrastructure as the mainstay of CPEC by contract value. The initial success of energy projects has further redefined the corridor.

In March 2017, Chen Xiaochen went on a promotion tour for B&R in South Asia with a delegation of the Chinese Ministry of Foreign Affairs (MFA). During its stay in Pakistan, the delegation talked with Ahsan Iqbal, Pakistani head of CPEC and Minister of MPDR. Mr. Iqbal stated that the order of the top four areas of CPEC had officially turned into transport infrastructure, energy (power, in particular), Gwadar Port, and industrial parks.¹⁶ It is noteworthy that Gwadar Port has dropped to the third place.

Furthermore, the authors have learned that railways and pipelines between China and Pakistan remain on the back burner of Sharif's agenda. That is to say, connectivity projects will not kick off in the near future.

According to MPDR, the *Long-term Plans for China-Pakistan Economic Corridor*, which is being prepared together with China Development Bank (CDB), will encompass agriculture, tourism, power system, industry, communications, finance, and free trade zone (FTZ).¹⁷ That is consistent with Dawn's report on CPEC's long-term priorities during the Belt and Road Forum for International Cooperation in Beijing.¹⁸ With policy, financial, trade and people-to-people connectivity as the new pivots, CPEC is evolving from a means of geographical connectivity to a framework for comprehensive development.

II. EVOLUTION AS A RESULT OF SYNERGIZED DEVELOPMENT STRATEGIES

Over the past four years, CPEC's connotations have evolved all the way from what was generally understood as the “railways and

pipelines through Gwadar to the Indian Ocean” to a construction program centered round power plants, highways, bridges and industrial parks. In the future, even agriculture and service sector

The evolution of CPEC’s connotations stems from the need to synergize Chinese and Pakistani development strategies.

are likely to be included. The reason for the evolution, the authors believe, lies in the synergy of Chinese and Pakistani development strategies.

1. Synergizing Development Strategies to Implement the B&R Initiative

On March 28, 2015, NDRC, the Ministry of Commerce (MOFCOM) and MFA issued the *Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road*. The document states that CPEC

is “closely related to the B&R initiative, and therefore requires closer cooperation and greater progress”.¹⁹ From then on, CPEC has gradually been integrated into the B&R initiative - and aligned with B&R projects.

The document also clarifies that the B&R initiative aims to promote practical cooperation in all fields among countries along the route, that enhancing policy coordination is an important guarantee for implementing the initiative, and that the countries may fully coordinate their economic development strategies and policies. Under the B&R framework, CPEC will strive to help Pakistan develop endogenous growth engines and bring development benefits to its citizens. That is why the geographical dimension of CPEC is somewhat downplayed in its implementation.

2. NDRC’s Role

NDRC plays an indispensable role in the continuous implementation and prioritization of CPEC projects.

As mentioned above, NDRC, together with MPDR, lead the Joint Committee in blueprinting CPEC. NDRC is no stranger to energy (power, in particular) development. “Deepening energy

cooperation is a priority of CPEC. China will, on the principle of mutual benefits, enrich and streamline such cooperation by balancing supply and demand, integrating production, transport and deep processing, and jointly enhancing energy efficiency with a focus on new energy,” said Fan Hengshan, Deputy Secretary General of NDRC, at a CPEC seminar.”²⁰ NDRC has, through frequent field surveys, understood the actual needs of its Pakistani counterpart and contributed to the rising proportion and status of power projects in CPEC. The centrality of energy (power, in particular) to CPEC plans is attributed to the policy-savvy NDRC institutes with established prestige in development planning.

3. Political Considerations of the Sharif Administration

Resolving development constraints and giving the economy a big boost seem to be the only way out for the current Pakistani government to stay in power. One of the key approaches is to address the prolonged energy crisis, in particular the issues of power shortage and unstable supply.

In 2013, Mr. Sharif, the newly re-elected Prime Minister, was beset with severe energy crunch, frequent terrorist attacks, sluggish economic growth and stubbornly high unemployment. In a parliamentary speech, Mr. Sharif redefined the primary tasks of the new government as to shore up the economy and defuse the energy crisis.²¹ CPEC, he ponders, is the key to his rule.²² The emphasis placed on economic cooperation during the planning, implementation and enrichment of CPEC indicates his eagerness to deliver on his promise and serve consecutive terms. So keen on electricity and other economic pillars and in a realistic manner towards strategic geographical connectivity, the Sharif administration sometimes even urges Chinese builders to push forward their schedules.²³

4. “A Path to the Indian Ocean”: Not in the Plans Yet

“A path to the Indian Ocean”, a grandiose vision shared by some from both China and Pakistan, has not yet been integrated by NDRC and MPDR into CPEC plans or projects. Railways

and pipelines between the two countries are not even on agenda.

As China and Pakistan are constantly adjusting modes of cooperation and thinking, the geo-political dimension of CPEC has

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been, intentionally or not, downplayed. According to the long-term plans for CPEC, an FTZ - rather than the rumored naval base - will be established at Gwadar as new hub for logistics and transportation. Such a naval base is also unmentioned in the 51 agreements signed during Chinese President Xi Jinping's visit to Pakistan in April 2015.

Meanwhile, domestic and international academia have looked at the geo-political risks of CPEC. Some experts involved in the NDRC-led studies have raised red flags, and Chinese think tanks have heeded the concerns and considerations of their Pakistani counterparts. Together they have made intellectual contributions to the evolution of CPEC's connotations.²⁴

III. "POWER FIRST": CONNOTATIONS RESHAPED BY PRACTICE

CPEC's connotations are also constantly reshaped by practice. Driven by the need to address the power crisis, power plants stay ahead of CPEC projects in progress, quantity, and contract value.

1. Power Crisis as Pressing Concern

When it comes to the synergizing of development strategies, the most urgent need of Pakistan is seen as the breakthrough point. While craning its neck to see the other side of Karakoram Mountains, the country cannot stand the itch of power shortage right under its eyes. Therefore, energy investments, as well as transport infrastructure, were prioritized at the First Meeting of the Joint Committee on August 27, 2013.²⁵ Zhang Xiaoqiang, Chinese Director of the Joint Committee and then Vice

Chairman of NDRC, hoped the meeting would set the pace for robust and sustainable development of CPEC.²⁶ Pakistan has long been an underdeveloped economy with a GDP per capita of USD 1,435 in 2015, which is much less than the global average of USD 10,023.²⁷ Since the 2007-2008 financial year, the country's real growth rate on average is merely 3.4% (the figure would be lower but for the marked impetus from CPEC since FY2014-2015).²⁸ The short board in Pakistani economy is nothing other than power supply.

In June 2013, Mr. Sharif took office at the height of power crisis.²⁹ In the following three years, Pakistan faced a power supply gap of 4,500mw every day (the figure even soared to 5,000mw in 2015). The new Prime Minister promised to fill the gap in 3-4 years.

Fulfilling such promise isn't easy. Given the limitations of Pakistan, seeking outside investment seems the only feasible option for the Sharif administration. At that time, the US, Iran and Saudi Arabia were the three potential sugar daddies other than China. However, the US has not played a substantial part.³⁰ Iran, an economic friend and political foe, is also less committed. In addition, funds from the country have gyrated with the ups and downs of Iran nuclear deal. As a result, the Iran-Pakistan gas pipeline, also known as, the "peace pipeline", is literally inching forward. Crude and fuel oil from Saudi Arabia can only meet emergency needs. It can neither last long, nor be used economically for power generation.

In this case, the urgency of power demands works together with the delay or unsustainability of other investors to make China the first port of call.

2. "Tangible Achievements"

Among the 51 agreements signed during Mr. Xi's visit to Pakistan in April 2015, a trip which reverberated with Mr. Sharif's passionate calls for energy cooperation, 20 are related to energy and 17 to power. Power has thus established its leading position in CPEC (see Table 1).

Table 1: 51 Agreements by Type between China and Pakistan by April 2015³¹

Type	Quantity	Content
Policy coordination	6	Joint Statement by China and Pakistan on Establishing the All-Weather Strategic Cooperative Partnership
		Minutes of the Fourth Meeting of the Joint Committee
		MOU between NDRC and MPDR
		Sister city relationship between Chengdu and Lahore
		Sister city relationship between Zhuhai and Gwadar
		Sister city relationship between Karamay and Gwadar
Financial integration	2	Bilateral agreement on trade and financial services
		Framework agreement on financing cooperation for CPEC
People-to-people bonds	4	MOU on cooperation with the Pakistani Ministry of Information, Broadcasting & National Heritage
		Agreement on CCTV broadcasting
		Memorandum of cooperation between National University of Modern Languages and Xinjiang Normal University
		Cooperation agreement between National University of Modern Languages and Xinjiang Normal University for the international education center
Technical cooperation	7	Agreement on economic and technical cooperation
		Exchange of feasibility studies on the DTMB demonstration project
		Exchange of specifications for drug control equipment
		Exchange of specifications for law enforcement equipment
		Memorandum on China-Pakistan Joint Laboratory for Cotton Biotechnology
		Agreement on China-Pakistan Joint Marine Research Center
		Terms of the MOU on documents on addressing climate change

Type	Quantity	Content
Gwadar	4	Feasibility studies on a hospital at Gwadar
		Terms of concessional loans from the Chinese government to the East Bay Expressway, Gwadar
		Terms of concessional loans from the Chinese government to the New Islamabad International Airport, Gwadar
		Memorandum on the public welfare project at Gwadar
Transport infrastructure	7	Framework agreement on cooperation on major communications infrastructure
		Framework agreement on joint feasibility studies on ML1 upgrading and Havelain Dry Port
		Terms of concessional loans from the Chinese government to the Karakoram Highway upgrading project (Phase II: Havelain-Thakot)
		Terms of concessional loans from the Chinese government to Karachi-Lahore Motorway (Sukkur-Multan section)
		Financing agreement for Lahore Orange Line Metro Train
		Business contract for Lahore Orange Line Metro Train
		MOU on the Karakoram Highway upgrading project (Phase II: Havelain-Thakot), Karachi-Lahore Motorway, East Bay Expressway, and New Islamabad International Airport
Industrial park	1	Framework agreement on promoting Chinese investment in Pakistan and development of industrial parks
Energy	20	Framework agreement on energy cooperation for CPEC
		Loan agreement for Wind Farm, Jhimpir Thatta
		Financing agreement for Suki-Kinari Hydropower Station
		Financing agreement between the Export-Import Bank of China and Port Qasim Electric Power Company for Coal Fired Power Plants at Port Qasim
		Cooperation agreement between the Power Construction Corporation of China and the Pakistani government for Coal Fired Power Plants at Port Qasim

Type	Quantity	Content
Energy	20	Cooperation agreement between the State grids of China and Pakistan for Matiari-Lahore and Matiari-Faisalabad power transmission and transformation projects
		Financing framework agreement among the Export-Import Bank of China, CDB, and Karot Power Company for Karot Hydropower Station
		Terms of equipment for ZTE Punjab 9*100 mw solar project
		Terms and conditions of Surface Mine in Block II of Thar Coal Field, 38,000 tons per year, run by Engro Corp. ³² with the support of CDB and Sindh government
		Terms and conditions of Engro Thar 2*330 mw Coal Fired Power Plants in Block II of Thar Coal Field, run by Engro Corp. with the support of CDB and Sindh government
		Memorandum of cooperation between the Pakistan Water and Power Development Authority and China Three Gorges Corporation
		Agreement between the Industrial and Commercial Bank of China and Sino Sindh Resources Pvt. Ltd. ³³ on the letter of intent for financing for Thar Coal Field
		Cooperation agreement between Sino Sindh Resources Pvt. Ltd. and Shanghai Electric for coal-power integration at Thar Coal Field
		Equipment operation agreement for Hydro China Dawood Wind Power Farm
		Framework agreement between the Punjab government and China Huaneng Group on strategic energy cooperation
		Agreement on equipment for Sahiwal Coal Fired Power Plants
		Cooperation agreement for HUBCO Coal Fired Power Station
		Agreement on machinery for a coal fired power project in a salt mine area
		Framework agreement on an LNG terminal and pipeline project
Memorandum on the development of a privately-owned hydropower project		

Table 1 clearly shows the priority of power in CPEC.

Power construction set off to a flying start. The conclusion of equipment supply contract for Coal Fired Power Plants at Port Qasim in May 2015 marks the official launch of CPEC's priority projects.³⁴ The Fifth Meeting of the Joint Committee in Karachi in November 2015 focused on how to further capitalize on President Xi's visit. The meeting celebrated the completion of financing for ZTE Punjab solar project (Phase I), Hydro China Dawood Wind Power Farm, and UEP Wind Farm.³⁵ In December 2015, a financing agreement was inked for Engro Thar Coal Fired Power Plants & Surface Mine in Block II of Thar Coal Field, CPEC's first coal-power integration project.³⁶ Later, China Three Gorges Corporation (CTG), the builder of Karot Hydropower Station, acquired the right to develop the Kohala Hydropower Project.³⁷ Energy (power, in particular) took pride of place in CPEC plans at the Sixth Meeting of the Joint Committee in Beijing in December 2016. "As a 'flagship program' of the B&R initiative, CPEC is intended to translate regional cooperation into productivity and tangible achievements in economic development," said Mr. Iqbal at the meeting.³⁸ Obviously, power can be a contributor to "productivity" and "tangible achievements".

In a sign of tangible achievements, power contracts usually stipulate large amounts of lump-sum investment. Coal Fired Power Plants at Port Qasim, run by the Power Construction Corporation of China (POWERCHINA), register a total investment of USD 2.085 billion.³⁹ CTG has injected USD 1.65 billion in the main part of Karot Hydropower Station.⁴⁰ Under CPEC, "China has promised to invest USD 33.8 billion in various energy projects," according to *Business Recorder*.⁴¹ Indeed, power takes up a large proportion of CPEC investments, though the exact amount awaits Pakistan's official confirmation, said Mr. Iqbal.⁴² By contrast, Gwadar Port records a total investment of USD 1.62 billion, including USD 360 million for a coal fired power project, USD 260 million for the New Islamabad International Airport, USD 114 million for a water treatment project, USD 100 million for a hospital, USD 35 million for the Gwadar FTZ, and USD 10 million for a vocational school.⁴³ Of course, quantity of investment is not

the only measurement. But it can still give a glimpse into how CPEC projects are prioritized in practice.

3. Power Plants Underwritten by B&R Funds

Another reason why power projects lead the pack is their access to B&R funds, thanks to the synergizing of development strategies and B&R's commitment to common development.

In April 2015, under the witness of Chinese and Pakistani leaders, the Silk Road Fund, one of B&R's main financing platforms, executed together with CTG and Private Power & Infrastructure Board (Pakistan) an MOU on cooperation on Karot Hydropower Station. The station turns out to be the Fund's debut investment.⁴⁴ As a responsible person put it, "Negotiations on the Pakistani hydropower project saw substantial progress right away. It did not take long to close our first deal. The project is a great fit for our investment ideas and principles."⁴⁵ He then explained why everything went so smoothly: first, the project is not only seamlessly aligned with the Fund's pursuit of mutual benefits and win-win result, but also with the development strategies of both countries; second, tie-up with international organizations (including the International Finance Corporation under the World Bank) and domestic entities manifests the openness and inclusiveness of the Fund; third, robust risk management heralds a reasonable rate of return in medium-to-long run.⁴⁶ Other power projects have secured funds through different channels. On April 10, 2017, Sachal Wind Farm, co-funded by the Industrial and Commercial Bank of China (ICBC), went into commercial operation.⁴⁷ On May 27, 2017, Sahiwal Coal Fired Power Plants, funded by ICBC, Huaneng Shandong Power Generation Limited and Ruyi Group, became the first major energy project under CPEC to come into service.⁴⁸ One of the drivers for successful financing is expectation for a stable and low-risk return of investment. In the eyes of Chinese-funded enterprises, Pakistan's power industry provides tremendous opportunities.⁴⁹ Their soaring presence pushes power projects onto fast track.

MPDR revealed that CPEC projects - more than half were smoothly under construction - had generated power of over

10,000 mw. Power projects take the lion's share of contract value⁵⁰, outrunning their peers by a length greater than generally expected.⁵¹ That speaks of how CPEC's connotations are being reshaped.

CONCLUSION

As far as CPEC is concerned, geographical connectivity and economic development are not contradictory but complementary. In fact, geographical connectivity is conducive to development, which may in return help improve the geo-political situation of relevant areas. That said, the focus of CPEC, as the authors believe, has been shifting as evidenced by the rise of power projects to some extent.

In certain degree, the pioneering projects of CPEC epitomize the efforts made under the B&R initiative, since connectivity is the main content, and common development a fundamental purpose, of the initiative. How to integrate connectivity and development, or in other words, how to "choose the best of both countries", is a universal concern of B&R projects. CPEC's choice will provide valuable experience for China to proceed with its projects and avoid geo-political traps elsewhere.

How to integrate connectivity and development is a universal concern of B&R projects.

¹ Zhou Rong, Chen Xiaochen, "CPEC's Progress beyond Expectations", *China Business News*, April 26, 2017. p.A11.

² "Li Keqiang Meets with Pakistani Prime Minister Nawaz Sharif", http://www.gov.cn/xinwen/2017-05/13/content_5193415.htm.

³ Wu Lejun, Yang Xun, "Li Keqiang Meets with Pakistani President and Prime Minister, Making Five Suggestions on Deepening Bilateral Strategic Cooperation", *People's Daily Overseas Edition*, May 24, 2013, p.1.

⁴ That is the official Pakistani name of the corridor. In fact, "China-Pakistan Economic Corridor"(CPEC) is still widely used in Pakistan. The corridor is hereinafter referred to as "CPEC". See "China and Pakistan to Build Highways and Railways from Gwadar to Kashgar", *Huanqiu Net*, <http://mil.huanqiu.com/china/2013-06/4009389.html>.

⁵ Yu Zeyuan, "Connecting Kashgar and Gwadar, China to Build Highways and Railways in and to Pakistan", *Lianhe Zaobao*, June 8, 2013. p.3.

⁶ "Common Vision for Deepening China-Pakistan Strategic Cooperative Partnership in the New Era", the official website of China's Ministry of Foreign Affairs, http://www.fmprc.gov.cn/web/ziliao_674904/1179_674909/t1056504.shtml.

⁷ Li Xiguang, Sun Lizhou, "The Strategic Value and Security Situation of the China-Pakistan Economic Corridor", *People's Tribune · Frontiers*, Issue 12, 2015, pp.32-50.

⁸ "Distance of Oil Transport from Middle East to China Projected to Shrink by 85% after Gwadar Port Comes into Operation in April", *Guancha Net*, [Http://www.guancha.cn/strategy/2015_02_21_309997](http://www.guancha.cn/strategy/2015_02_21_309997).

⁹ Xu Wei, "China-Pakistan Economic Corridor Opens New Chapter for Connectivity", *People's Daily*, November 25, 2016, p.21; Han Zhe and Zhao Yibo, "Geo-economics at Gwadar", *Beijing Business Today*, <http://www.bbtnews>.

¹⁰ Li Xiguang and Sun Lizhou, "The Strategic Value and Security Situation of the China-Pakistan Economic Corridor", pp.32-50; Mao Siwei, "Exactly How Important is China-Pakistan Economic Corridor? - Several Questions about 'The Strategic Value and Security Situation of the China-Pakistan Economic Corridor'", *m4.cn*, <http://www.m4.cn/opinion/2015-07/1280729.shtml>.

¹¹ Wang Yu, "Tang Mengsheng: Building China-Pakistan Economic Corridor Is a Strategic Option of Both Countries", *Xinhua Net*, http://news.xinhuanet.com/world/2014-08/06/c_126839533.htm.

¹² Both sides prioritized the following CPEC projects: Karakoram Highway (Phase II: Thakot-Havelian section) upgrade and reconstruction; Gwadar Port; East Bay Expressway, Gwadar; New Islamabad International Airport; Karachi-Lahore Motorway (Multan-Sukkur section); Lahore Metro Orange Line; Haier-Ruba Economic Zone; and the landing of DTMB in Pakistan. Most are transport infrastructure projects. See the *Joint Statement between the People's Republic of China and the Islamic Republic of Pakistan on Establishing the All-Weather Strategic Cooperative Partnership*. http://www.gov.cn/xinwen/2015-04/21/content_2850064.htm.

¹³ Tang Mengsheng, "China-Pakistan Economic Corridor - Flagship and Benchmark of B&R", *New Silk Road Horizon*, Issue 6, 2016, pp.43-47.

¹⁴ Ibid.

¹⁵ By the time this paper is being written, No.1 generator set of Sahiwal Coal Fired Power Plants has been on stream.

¹⁶ Based on Mr. Chen's interview with Mr. Iqbal on March 27, 2017.

¹⁷ Based on Mr. Chen's interview with Mr. Baser Daud, CPEC Director of MPDR, on March 27, 2017.

¹⁸ Khurram Husain: "Exclusive: CPEC Master Plan Revealed", <https://www.dawn.com/news/1333101/exclusive-cpec-master-plan-revealed>.

¹⁹ NDRC, MFA, MOFCOM (authorized by the State Council): "Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road", http://zys.ndrc.gov.cn/xwfb/201503/t20150328_669088.html.

²⁰ "NDRC Official on Implementing the B&R Initiative", An Eight-pronged Approach. <http://www.chinanews.com/gn/2015/04-15/7210105.shtml>.

²¹ Expert in Economy, Set for Reform: Nawaz Sharif, Third-time Pakistani Prime Minister, *People's Daily*, June 6, 2013. P.3.

²² Yang Xun, "Nawaz Sharif, Third-time Pakistani Prime Minister, Keen on CPEC", <http://news.163.com/13/0606/03/90LFSUEE00014JB6.html>.

²³ Based on Chen Xiaochen's survey of Chinese-funded enterprises in Pakistan on March 25, 2017.

²⁴ *Pakistani Delegation Visits RDCY over B&R and CPEC Projects*. <http://rdcy-sf.ruc.edu.cn/displaynews.php?id=21390>, accessible as of May 31, 2017; *RDCY Holds Internal Seminar Entitled "Implementing B&R Initiative: An Iran and Pakistani Perspective"*. <http://rdcy-sf.ruc.edu.cn/displaynews.php?id=14286>; Zhou Rong, Chen Xiaochen: *CPEC's Progress beyond Expectations*.

²⁵ *Joint Committee for Long-term Planning for China-Pakistan Economic Corridor Holds First Meeting*. <http://pk.mofcom.gov.cn/article/jmxw/201308/20130800273313.shtml>.

²⁶ Ibid.

²⁷ <http://data.worldbank.org.cn/country/Pakistan>.

²⁸ *Pakistan Records Annual Average Real GDP Growth of Only 3.4% over Past Eight Years*. <http://www.mofcom.gov.cn/article/i/jyl/j/201602/20160201256698.shtml>.

²⁹ *Pakistan's Energy Crisis to Last Another Two Years*. http://www.sinopecnews.com.cn/news/content/2013-06/25/content_1308562.shtml.

³⁰ Some US enterprises (e.g. GE) later became sub-contractors of CPEC power projects. See *GE and CMEC Work Closer on China-Pakistan Economic Corridor*. <http://www.genewsroom.com/press-releases/282807>.

³¹ The table is prepared by the authors based on information released by media (see <http://www.yicai.com/news/4609210.html>) and China-Pakistan joint institutions (see <http://cpec.pk>).

³² Also "Sindh Engro Coal Mining Company", See http://www.egi.ac.cn/xwzx/zxw/201701/t20170115_4737034.html.

³³ A company registered in Pakistan.

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