

The China-Pakistan CPEC Nightmare: Attacks, Sabotage, Poverty and Squandered Resources

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The \$62 billion China-Pakistan Economic Corridor (CPEC), a flagship project of China's Belt and Road Initiative, was hailed as a game-changer for the South Asian country's ailing economy. However, nearly a decade since its inception, the multi-billion-dollar investment has become a nightmare for both countries, marred by incessant attacks on Chinese nationals, Pakistan's inability to utilise the investments, and a deepening economic quagmire, which exposes the country to the IMF.

A suicide bombing that killed five Chinese engineers near the Dasu dam project in Pakistan's northwest Khyber Pakhtunkhwa province on March 26 is the latest in a series of deadly strikes. This attack, along with assaults at Gwadar port and a naval base in Balochistan within the same week, have amplified concerns over the security of Chinese personnel and projects in the crisis-ridden country.

While Beijing has called for a "thorough investigation, these brazen attacks demonstrate the dire security situation haunting CPEC projects despite Islamabad's repeated assurances. In the aftermath, Chinese companies suspended work on major energy projects, including the Dasu and Diamer-Bhasha dams, impacting thousands of local jobs and jeopardising Pakistan's energy security.

Ahead of Pakistan Prime Minister Shehbaz Sharif's upcoming visit to China from June 4-7, the Pakistani Embassy in Beijing assured the Chairman of China Energy Engineering Corporation (CEEC) that a robust security plan has been implemented to safeguard Chinese nationals working in Pakistan. This move comes in the wake of the March 26 suicide attack in Khyber Pakhtunkhwa province, which claimed the lives of five CEEC employees.

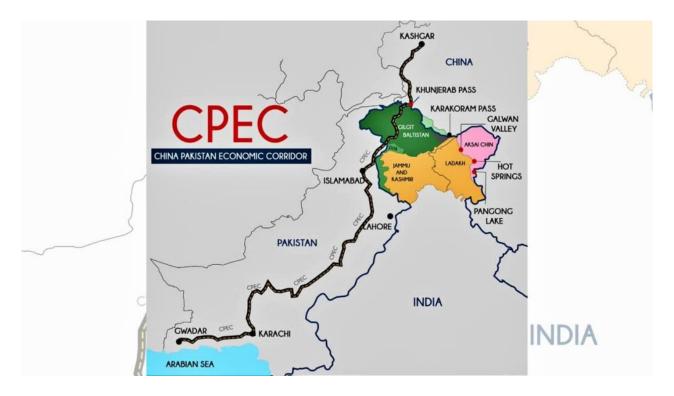
In further communication, the Embassy informed that a comprehensive security arrangement had been implemented, with 1,106 security personnel deployed specifically at the Dasu project site, where the attack occurred. Additionally, helicopter services have been made available for the transportation of Chinese personnel.

Recognising the gravity of the situation, Sharif instructed the Ministry of Water Resources to formulate a compensation package for the families of the deceased Chinese nationals. The MoWR recommended on May 14 a substantial compensation amount of \$516,000 for each victim. The substantial compensation package for each of the five deceased Chinese workers, while an important gesture, is wasting resources in a country where a large segment of the population wallows in poverty and lacks access to basic services like healthcare and education.

This recurring need to compensate for security lapses exposes the government's failings in prudent resource management. Unless Pakistan gets its priorities right and focuses on inclusive development, such apparent misuse of resources will continue to drain the country and further expose it to the predatory demands of the IMF and other Western financial institutions to secure loans.

Although the security of Chinese nationals working on various projects will be a crucial point of discussion during Sharif's visit to Beijing, it seems that the Pakistani military cannot uproot the Balochistan Liberation Army (BLA), a separatist group fighting for an independent Balochistan, a region of southwest Pakistan. The BLA has conducted numerous strikes on Chinese citizens and continues to demand China leave the resource-rich yet impoverished Balochistan province.

Chinese experts warn that if the security situation does not improve, Beijing may be forced to review its commitment to CPEC. This would deal a massive blow to Pakistan's already frail economy, which is struggling with spiking inflation, depleting forex reserves, and mounting debt.



Source: InfoBrics

Nearly ten years after Islamabad announced that CPEC was a "game-changer," Sharif has vowed to bring the separatists to justice and "leave no stone unturned" in providing security to Chinese nationals.

This desperation to compensate the families of killed Chinese workers and protect those still working in Pakistan reflects the Pakistani government's reliance on China for economic survival amid dwindling support from traditional allies, particularly the West, whose financial institutions are circling to take economic control of the country away from Beijing.

While Pakistan has blamed "foreign elements" for the terrorist strikes aimed at damaging CPEC, Sharif cannot absolve himself of responsibility for the lack of progress and security lapses plaguing the corridor since the problems go beyond terrorism. Land acquisition issues, lack of transparency, and opposition from local stakeholders have marred several key infrastructure projects.

Beijing's continued support will hinge on Pakistan's ability to safeguard Chinese interests and utilise the investments for tangible economic and social progress, a feat the nation has failed to achieve so far. While both China and Pakistan have put up brave faces in the aftermath of the attacks, the unending cycle of violence has the potential to pose an unprecedented challenge to their decades-old bilateral relationship. If the crisis continues, China could start withdrawing or lowering its massive interests and investments in the country, which will mean Pakistan, once again, will have no choice but to turn to the IMF for financial support.

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