PAKISTAN-CHINA INSTITUTE

CPEC: Facts vs Fictions

2025

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Foreword

Mushahid Hussain Sayed
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It is my pleasure to write this foreword for the special report on the China-Pakistan Economic Corridor (CPEC), 'Fact versus Fiction', which is a well-researched, empirical document based on the facts and ground realities of CPEC projects in Pakistan, which refutes fake news and propaganda, especially in the context of the so-called China "Debt Trap".

In this age of geo-politics and geo-economics, and given the great power rivalry and competition, especially in Asia, truth becomes the first casualty due to the Cold War mindset of certain countries, with their proclivity to demonise their rivals and competitors. The case of China and CPEC are instructive in this regard. Earlier, two American academics from reputable universities, Harvard and Yale, published a well-documented article in American publication, "The Atlantic" on 6 February 2021 on the title "The Myth of the Chinese Debt Trap". That article was centred on the case of the Chinese-financed port of Hambantota in Sri Lanka and the article rejected the propaganda about this project.

I am proud to state that this landmark study on "CPEC: Fact versus Fiction" is the first of its kind that dissects and documents CPEC projects in Pakistan, rejecting effectively with facts and figures the narrative of the 'China Debt Trap' . I would like to compliment the team of the Pakistan-China Institute, especially its Research Associate, Muhammad Umar Farooq, for his hard work and contribution to this endeavour to set the record straight regarding CPEC. I hope policymakers, students, scholars and journalists will benefit from this timely document. CPEC is a joint success story of Pakistan and China serving as a harbinger of a better, prosperous tomorrow.

Introduction

The term "debt-trap diplomacy" gained prominence in 2017 when Indian academic Brahma Chellaney alleged that China's Belt and Road Initiative (BRI) was ensnaring countries in unsustainable debt, thereby extending Beijing's geopolitical influence. Critics argued that Chinese loans were opaque, predatory, and designed to seize strategic assets when countries defaulted. This view was amplified by high-profile cases such as Sri Lanka's Hambantota Port, where a Chinese state-owned enterprise gained a long-term lease after the Sri Lankan government struggled with debt repayment. Such examples were presented as emblematic of Beijing's alleged strategy, despite deeper nuances that often went unexamined. However, a closer examination reveals that this theory is rooted in geopolitics rather than factual analysis, serving as a tool to counter China's growing influence in the Global South.

The Hambantota Port case, frequently cited as the cornerstone of the debt-trap argument, requires contextual understanding. Sri Lanka's debt challenges predated Chinese involvement and were exacerbated by loans from Western financial institutions and global capital markets. Furthermore, the port lease was a pragmatic decision by the Sri Lankan government to generate liquidity, not a forced outcome engineered by Beijing. Such facts are often omitted in debt-trap narratives, highlighting selective reporting and an intentional bias to undermine China's image. Even that propaganda about Hambantota Port was effectively debunked by two American Professors i.e., Deborah Brautigam and Meg Rithmire in their article in The Atlantic monthly, published from Washington, DC, about the myth of the Chinese debt-trap. As per their research 'Chinese banks are willing to restructure the terms of existing loans and have never actually seized an asset from any country, much less the port of Hambantota. A Chinese company's acquisition of a majority stake in the port was a cautionary tale, but it's not the one we've often heard.'

The propagation of the debt-trap theory has been largely fuelled by Western media outlets, think tanks, and policymakers. Influential publications such as *The New York Times* and *Foreign Affairs* have repeatedly questioned the motives behind Chinese financing, framing Beijing's actions as a deliberate attempt to create dependency. These platforms often rely on anecdotal evidence and selective case studies, ignoring the broader context of global development finance, where Western-dominated institutions such as the IMF and World Bank have historically imposed structural adjustment programs with far-reaching socio-economic

consequences. Ironically, these programs have often placed heavier burdens on recipient countries than Chinese loans, yet they are rarely labeled as predatory.

The geopolitical underpinnings of the debt-trap narrative are undeniable. As China's influence in Africa, Asia, and Latin America has grown, it has increasingly been perceived as a competitor to Western hegemony. The United States and its allies have sought to counter Beijing's rise by framing Chinese actions in a negative light. The debt-trap theory serves as a convenient tool to dissuade developing nations from engaging with China, steering them toward Western-backed initiatives such as the G7's Build Back Better World (B3W) and the European Union's Global Gateway. Both initiatives aim to provide infrastructure financing as alternatives to the BRI but lack the scale and execution speed of China's efforts.

Critics of the debt-trap theory also point to the agency of recipient countries, which are often portrayed as passive victims in the narrative. Leaders in countries like Pakistan, Kenya, and Ethiopia have repeatedly emphasized the mutual benefits of Chinese investments, which have helped address critical infrastructure deficits that Western aid often ignored. For instance, the China-Pakistan Economic Corridor (CPEC), a flagship BRI project, has significantly boosted Pakistan's energy and transportation sectors, created jobs and stimulated economic growth. Similarly, Kenya's Standard Gauge Railway, financed by Chinese loans, has transformed domestic and regional connectivity, despite the controversies surrounding its cost.

The debt-trap theory also reflects a broader Western discomfort with China's alternative model of development financing. Unlike the West, which often ties aid and loans to governance reforms and political conditions, China follows a principle of non-interference in domestic affairs. This approach resonates with many developing countries, which view it as a more respectful and pragmatic partnership. The West's criticism of China's lending practices can thus be seen as an effort to protect its waning influence in a rapidly changing global order.

In recent years, Beijing has taken steps to address concerns about debt sustainability, further undermining the debt-trap narrative. The Chinese government has joined multilateral initiatives such as the G20's Debt Service Suspension Initiative (DSSI), providing temporary relief to low-income countries during the COVID-19 pandemic. Additionally, Chinese lenders have engaged in bilateral debt restructuring with countries facing financial distress, demonstrating a willingness to share the burden of economic shocks.

The debt-trap theory, while pervasive, is more a reflection of geopolitical rivalries than an accurate depiction of China's role in global development. It obscures the complex realities of international finance and overlooks the transformative impact of Chinese investments in developing countries. By perpetuating this narrative, Western actors risk undermining the very development goals they claim to support, creating unnecessary divisions in an increasingly interconnected world. As China continues to refine its global engagement strategy, it remains crucial for discourse on its actions to be grounded in facts rather than geopolitical biases.

Section 1: Understanding the Nature of CPEC Financing

Composition of CPEC Funding

A significant portion of CPEC's $62 Billion i.e., 53%, is dedicated to the energy sector, underscoring the project's emphasis on addressing Pakistan's energy shortages by enhancing power generation and distribution infrastructure. Infrastructure development accounts for 18% of the total investment, focusing on constructing and upgrading transportation networks, including roads and railways, to improve regional connectivity. The remaining 29% is allocated to other sectors, encompassing various projects aimed at socio-economic development, industrial cooperation, and technological advancement. This distribution reflects CPEC's comprehensive approach to fostering economic growth and development across multiple facets of Pakistan's economy.

CPEC relies on four main financing instruments. First, **Investment** projects are undertaken by Chinese firms that borrow commercial loans at interest rates ranging from **4% to 5%**. Second, **Concessional Loans**—currently totaling **USD 8 billion**—carry a **2%** interest rate over a **20-year** maturity, with the initial repayment required after five years from the concession start. Third, **Interest-free Loans** make up a small fraction of CPEC financing and are offered at **zero interest**, with variable repayment periods. Lastly, **Grants**—totaling **USD 0.5 billion**—are extended by the Chinese government for the purpose of bolstering state capacity and fostering cooperation in strategic areas.

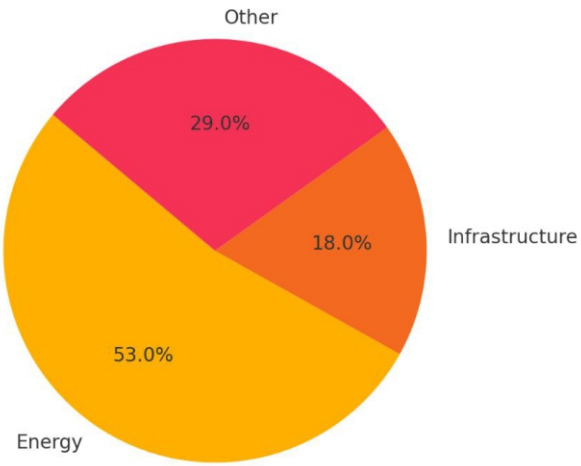


Figure 1 Where is the CPEC's $62 Billion going?

Foreign Direct Investment

The China-Pakistan Economic Corridor (CPEC) has so far brought in a total of **USD 27.62 billion** in various forms of financing. Of this amount, **USD 18.5 billion** is classified as Foreign Direct Investment (FDI). In addition, the total inflow includes a **G2G concessional loan of USD 8 billion**, a **grant of USD 0.5 billion**, and an **interest-free loan of USD 0.62 billion**. If the FDI portion is treated as commercial financing, then concessional loans stand at **33%** of the sum total of concessional and commercial loans. This diversified financing structure underscores the multifaceted nature of CPEC's funding channels.

Debt Sustainability

Despite these sizeable inflows, **no sovereign debt risk** has materialized between the two countries, as the Government of China has consistently rolled over debts and has never demanded full repayment according to the original terms and deadlines. Out of Pakistan's broader external debt portfolio, which spans multiple lenders and institutions, **CPEC-related external debt constitutes merely USD 8 billion**, accounting for only **6%** of Pakistan's overall external debt. Moreover, **no single case** under CPEC has been challenged in an international court or is at risk of a financial default, reinforcing the notion that China treats Pakistan as a **long-term strategic partner**, rather than a conventional borrower in strict financial terms.

An essential portion of the inflows goes to energy projects, where the **average interest rate** stands at **4%**, which is **lower** than the **4.25%** typically offered by Western financial institutions such as the World Bank and the Asian Development Bank. Within the power sector, Chinese loans vary between **3.3% and 4.75%**, closely mirroring the rates provided by Western lenders. Notably, **China's debt only represents 30%** of Pakistan's total external debt; if the **70%** financed by Western entities is considered sustainable, it logically raises questions about why the comparatively smaller **30%** from China would be problematic. Since the 1990s, the Government of Pakistan has been providing **sovereign guarantees** to Independent Power Producers (IPPs), a policy extended to all IPPs, including those financed through CPEC. Furthermore, over the past two decades, **no multilateral or bilateral/commercial loan** facility—aside from Chinese financing—has been available for coal power projects, while Chinese interest rates remain **comparable or lower** than the global market at the time.

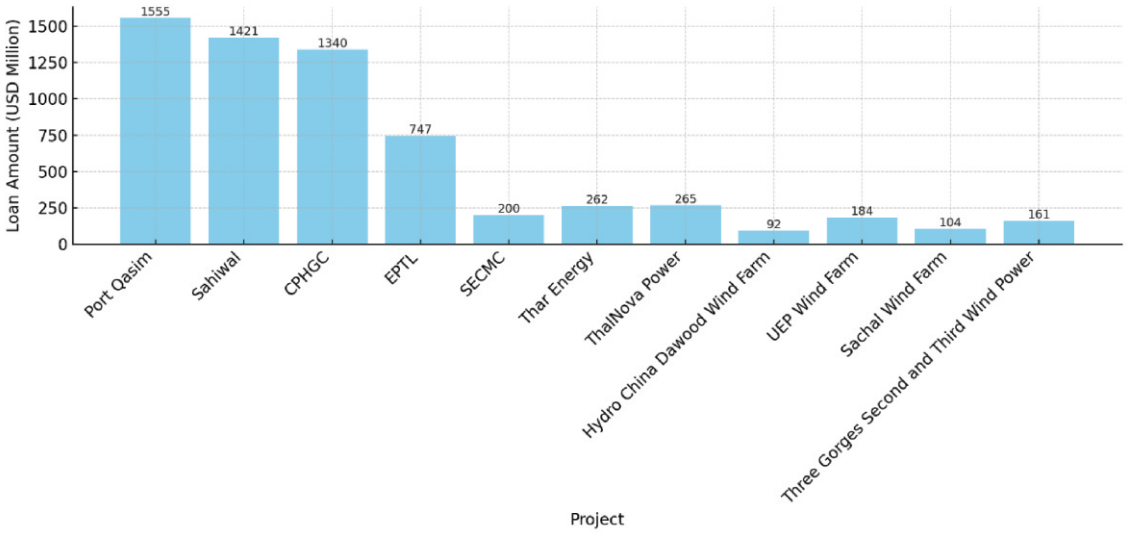


Figure 2 Loan amount for CPEC Energy Projects

Table 1 Interest rates of CPEC Energy Projects

Project	Interest Rate
Port Qasim	LIBOR+3.7%
Sahiwal	LIBOR+4.5%
CPHGC	LIBOR+3.8%
EPTL	LIBOR+4.5%
SECMC	LIBOR+3.3%
Thar Energy	LIBOR+4.05%
ThalNova Power	LIBOR+4.05%
Hydro China Dawood Wind Farm	LIBOR+4.75%
UEP Wind Farm	LIBOR+4.75%
Sachal Wind Farm	LIBOR+3.75%
Three Gorges Second and Third Wind Power	LIBOR+4.5%

Lastly, CPEC's structure dictates that responsibilities for projects, whether in investment, concessional, interest-free, or grant form, are usually assigned to **Chinese state-owned enterprises** or firms. In **investment projects**, the funds flow directly to these Chinese enterprises, whereas for other financing models, the money is first funneled through the **Government of Pakistan**. Overall, CPEC projects that have been completed or are under construction have been allocated to **18 different Chinese companies**, with **9** of these entities dominating the portfolio. This distribution underscores China's central role in implementing CPEC projects, reinforcing its commitment to long-term economic and strategic collaboration with Pakistan.

Section 2: Economic and Strategic Rationale of CPEC

Economically, CPEC seeks to modernize Pakistan's infrastructure, alleviate energy shortages, and establish special economic zones, thereby stimulating industrial growth and job creation. Strategically, it provides China with a more direct and secure trade route to the Middle East and beyond, reducing dependence on longer maritime pathways. The development of Gwadar Port, situated at the crossroads of major international shipping lanes, is central to this strategy, positioning it as a key hub for global trade. By fostering regional connectivity, CPEC aims to transform Pakistan into a regional trade and economic hub by 2030, with the potential for job creation, industrial growth, and improved living standards.

In this section, we will provide the economic dividends of the demonstration projects of CPEC.

Infrastructure Projects

(a) Karakoram Highway (KKH) Phase II: Overcoming Mountainous Barriers

The Karakoram Highway (KKH) Phase II, extending from Havelian to Thakot, stands as a testament to engineering ingenuity. This 120-kilometer stretch includes a 40-kilometer four-lane motorway from Havelian to Mansehra and an 80-kilometer Class-II highway to Thakot. Constructed at a cost of **$1,315 million**, funded primarily through a government concessional loan, the project faced challenging mountainous terrain, necessitating the construction of **105 bridges (60 large, 42 medium, 3 small)** and **6 tunnels** (2 on the motorway and 4 on the Class-II highway).

By reducing travel time between Havelian and Thakot from **4 hours to 1.5 hours**, the highway significantly improves accessibility in Khyber Pakhtunkhwa (KP). The construction phase generated **5,500 jobs**, with **88% (4,835 jobs)** filled by local workers, enhancing local socio-economic conditions. Furthermore, this segment integrates with broader CPEC projects, linking the northernmost regions of Pakistan to critical economic nodes, facilitating trade and tourism.

(b) Sukkur-Multan Motorway: Revolutionizing Inter-Provincial Connectivity

The Sukkur-Multan Motorway, a **392-kilometer six-lane access-controlled motorway**, is a key segment of the Peshawar-Karachi Motorway (PKM). Designed for a speed of **120 kilometers per hour**, this project cost **$2.89 billion** and was completed in **July 2019**, ahead of schedule, financed through a concessional loan. The motorway's construction included **100 bridges, 426 underpasses, 1,148 culverts, 10 flyovers, 22 toll plazas**, and **11 interchanges**, ensuring seamless connectivity.

The project integrates **intelligent transportation systems (ITS)**, marking Pakistan's first bi-directional motorway equipped with advanced traffic management technologies. These systems enhance safety, reduce congestion, and ensure smoother operations. The reduction in travel time between Multan and Sukkur from **11 hours to under 4 hours** has facilitated efficient goods transport, significantly bolstering trade between Punjab and Sindh provinces. Beyond infrastructure, the project created over **28,900 local jobs** during peak construction, contributing to local skill development. Its long-term economic impact is substantial, enabling enhanced trade flows, reduced logistics costs, and fostering industrialization along the corridor.

(c) Orange Line Metro Train: Urban Mobility for the 21st Century

The Orange Line Metro Train in Lahore, Pakistan's first **automated and driverless rapid transit system**, spans **27.12 kilometers**, including **25.4 kilometers of elevated tracks** and **1.72 kilometers underground**, with **26 stations (24 elevated, 2 underground)**. Completed at a cost of **$1.626 billion**, it was co-financed by Pakistan and China. The metro is capable of accommodating **250,000 passengers daily**, reducing congestion and pollution in Lahore.

The train fleet includes **27 sets, each with five cars (135 cars in total)**, operating at speeds up to **80 kilometers per hour**, covering the route in **45 minutes**. Supporting infrastructure, such as the depot at Dera Gujran and the stabling yard at Ali Town, enhances operational efficiency with maintenance and repair facilities. The project created significant employment during its construction and operational phases, offering

jobs to hundreds while improving Lahore's socio-economic conditions. From a broader perspective, the Orange Line enhances urban mobility and accessibility, complementing Lahore's burgeoning economy by reducing travel times and improving quality of life.

(d) Cross Border Optical Fiber Cable: Digitizing Pakistan

The **820-kilometer Cross Border Optical Fiber Cable**, linking Khunjerab to Rawalpindi, has revolutionized Pakistan's digital infrastructure. Completed in **July 2018** at a cost of **$44 million**, the project was funded through a concessional loan from the Exim Bank of China. The network traverses challenging terrains, including **466.5 kilometers in Gilgit-Baltistan**, **287.66 kilometers in Khyber Pakhtunkhwa**, **47.56 kilometers in Punjab**, and **18.2 kilometers in Islamabad Capital Territory**.

This project includes **26 microwave transmission nodes** and a **171-kilometer aerial fiber cable** as a backup, providing a secure alternative to submarine cable systems. It significantly enhances internet reliability, critical for Pakistan's digital economy. By connecting remote regions to high-speed internet, the project facilitates e-commerce, telecommunication, and digital governance, aligning with Pakistan's ambitions for technological advancement.

(e) Hakla–Dera Ismail Khan Motorway (M-14): Western Alignment of CPEC

The 285-kilometer Hakla–Dera Ismail Khan Motorway, forming part of CPEC's Western Alignment, bridges the Islamabad-Rawalpindi metropolitan area to southern KP near Dera Ismail Khan. Completed at a cost of approximately Rs. 81 billion and inaugurated in January 2022, the motorway features 11 interchanges, 36 bridges, 33 flyovers, and 119 underpasses. This infrastructure has reduced travel time between Islamabad and Dera Ismail Khan from 7 hours to 3 hours, boosting economic integration in historically underserved areas.

The motorway's alignment, passing through Pindi Gheb, Jand, Tarap, and Mianwali, has stimulated local economies by improving market access, reducing logistics costs,

and enhancing mobility for residents. By linking these regions to broader national networks, the project contributes to regional equity and balanced economic growth.

Energy Cooperation Under CPEC

CPEC has fundamentally redefined Pakistan's energy landscape, addressing long-standing structural inefficiencies and introducing a transformative growth trajectory. From 2016 to 2035, energy growth under CPEC projects is projected to surge to 14.6% annually, a sharp rise from the mere 4.5% between 1990 and 2015, while capacity growth is expected to accelerate from 4.9% to 12.3%. The addition of the 886 km-long Matiari–Lahore ±660kV High Voltage Direct Current transmission line with a 4,000 MW evacuation capacity has been instrumental, reducing transmission losses to under 4%—a benchmark for efficiency.

This period also saw a total of $4,806.69 million invested in renewable energy, with clean energy contributions totaling 1,440 MW, including 720 MW hydel, 400 MW solar, and 300 MW wind power. The landmark Karot Hydropower Project (720 MW), commissioned in 2022, exemplifies these advancements by supplying reliable and cost-effective electricity, significantly reducing Pakistan’s dependence on costly furnace oil and mitigating the $6.6 billion circular debt exacerbated by prior policies.

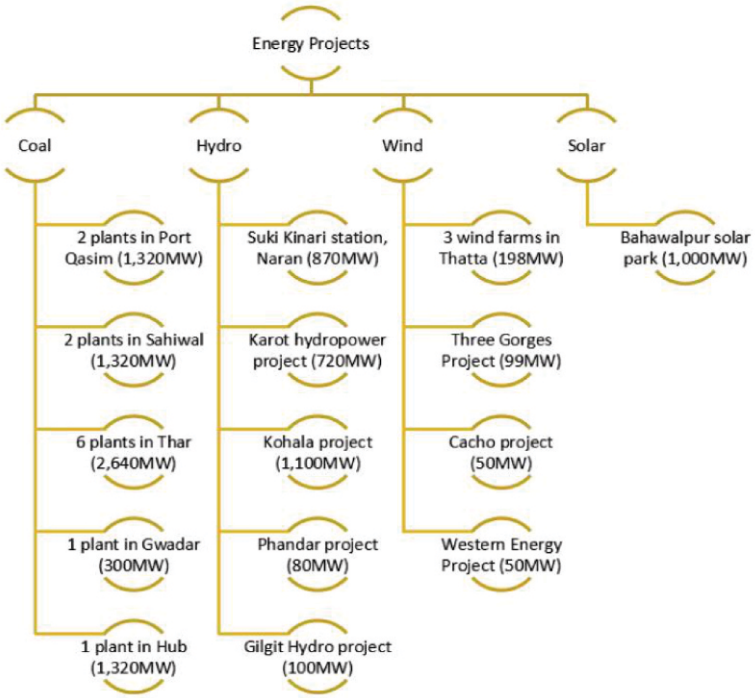


Figure 3 Energy Portfolio of CPEC Power Projects

The socio-economic dividends of CPEC projects are equally significant, with job creation being a central pillar. The Sahiwal power plant alone created **8,436 jobs** during its construction phase, with a **63:37 Pakistani-to-Chinese workforce ratio**, and 1,683 jobs in its operational phase, maintaining a **61:39** ratio. Similarly, the Port Qasim plant employed 4,000 people during construction, 75% of whom were Pakistani, and now employs **1,270** workers with a **76:24** ratio favoring Pakistanis.

Notably, **600 engineers and 2,000 technical staff** at Port Qasim and **622** employees at Sahiwal were trained through specialized programs, fostering local expertise. Over time, the operational workforce at these plants is expected to transition to 100% Pakistani, with the share already at **68**% and projected to reach **80**% within five years. These developments have been pivotal in alleviating the $15-20 billion annual economic losses attributed to power outages that historically resulted in industrial closures, unemployment of 7.5%, and GDP losses of 2.4%.

Despite these gains, CPEC's energy strategy also underscores lessons from the shortcomings of the 1994 Power Policy, which contributed significantly to Pakistan's Rs2.66 trillion circular debt, with **Rs400 billion** owed to Chinese entities alone. By addressing historical gaps such as underinvestment in infrastructure and inefficient energy planning, CPEC has demonstrated the potential to sustainably meet rising demand, as evidenced by a 49% increase in per capita electricity consumption from **431 kWh in 2014 to 644 kWh in 2022**, while the electrified population grew by 53 million during the same period. However, the road ahead remains challenging, with an estimated $**57,683** million required for a complete transition to green energy.

This necessitates not just financial input but policy synchronization and technology transfer, as seen in the emphasis on training 600 engineers abroad and instituting local technical training programs. CPEC thus represents not just an infrastructural overhaul but a paradigm shift in Pakistan's capacity to generate, manage, and equitably distribute energy.

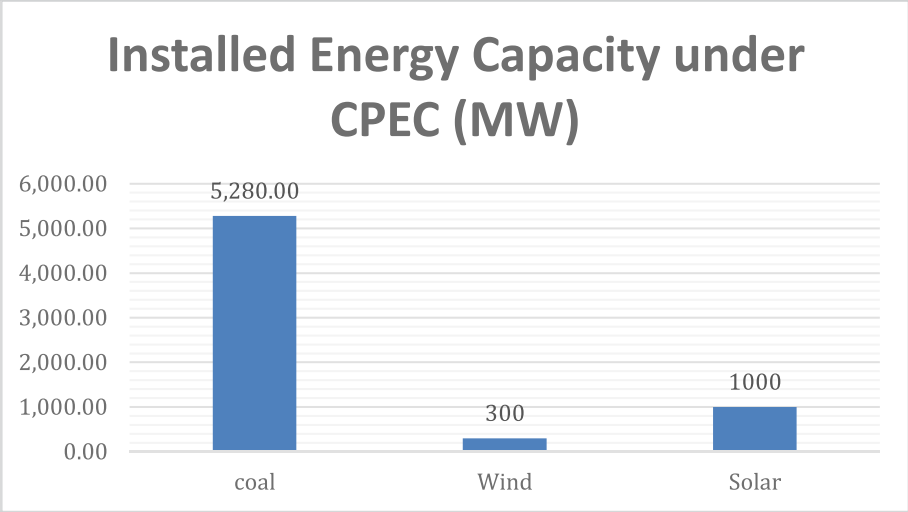


Figure 4 Installed Energy Capacity (MW) under CPEC

Table 2 Details of Commissioned Energy Projects under CPEC

Project Name	Primary Energy Input	Technology	Estimated Cost (US $ Million)	Executing Company / Sponsors	Financing
660MW Engro Thar Coal Power Project	Coal (Local)	Sub Critical	995.4	Engro Power Gen Thar Ltd., China Machinery Engineering Corporation (CMEC), HBL, and LIBERTY	Independent Power Producer (IPP)
1000MW Quaid-e-Azam Solar Park (Bahawalpur)	Solar	PV Solar	520 / 781	Zonergy	Independent Power Producer (IPP)
50 MW Hydro China Dawood Wind Farm, Gharo, Thatta	Wind	Wind Turbine	112.65	Hydrochina Dawood Power Pvt.	Independent Power Producer (IPP)

				Limited (HDPPL)	
100MW UEP Wind Farm, Jhimpir, Thatta	Wind	Wind Turbine	250	UEP Wind Power Pvt. Limited (UEPL)	Independent Power Producer (IPP)
50MW Sachal Wind Farm, Jhimpir, Thatta	Wind	Wind Turbine	134	Sachal Energy Development Pvt. Limited (SEDPL)	Independent Power Producer (IPP)
100MW Three Gorges Second and Third Wind Power Project	Wind	Wind Turbine	150	Three Gorges Second Wind Farm Pakistan Ltd. (TGSWF) & Three Gorges Third Wind Farm Pakistan Pvt. Ltd. (TGTWF)	Independent Power Producer (IPP)
330MW HUBCO Thar Coal Power Project (Thar Energy)	Thar Coal	Sub Critical	497.7	HUBCO, FFC, China Machinery Engineering Corporation (CMEC)	Independent Power Producer (IPP)
1320MW SSRL Thar Coal Block-I 7.8 mtpa & Power Plant (2×660MW)	Coal (Local)	Sub-Critical	1,912.12	Shanghai Electric Power Company Limited / CCTEG and SSRL	Independent Power Producer (IPP)

(Shanghai Electric)					
330MW HUBCO ThalNova Thar Coal Power Project	Thar Coal	Sub Critical	497.7	HUBCO, FFC, China Machinery Engineering Corporation (CMEC)	Independent Power Producer (IPP)
884MW Suki Kinari Hydropower Project, KP	Hydel	Hydel	2,000	Suki Kinari Hydro (Pvt) Ltd / China Gezhouba Group Company Ltd	Independent Power Producer (IPP)
1320MW Sahiwal Coal-fired Power Plant	Coal (Imported)	Super Critical	1912.2	Huaneng Shandong Rui Group, China	Independent Power Producer (IPP)
1320MW Coal-fired Power Plant at Port Qasim	Coal (Imported)	Super Critical	1912.2	Port Qasim Electric Power Company (Private) Limited	Independent Power Producer (IPP)
1320MW China Hub Coal Power Project, Hub	Coal (Imported)	Super Critical	1912.2	China Power Hub Generation Company (Private) Limited	Independent Power Producer (IPP)

720MW Karot Hydropower Project, AJK/Punjab	Hydel	Hydel	1720	Karot Power Company Ltd. (KPCL)/ CSAIL/ CTGI /CTG (China Three Gorges)	Independent Power Producer (IPP)

Employment Generation

According to data furnished by the Chinese Embassy in Pakistan, the China-Pakistan Economic Corridor (CPEC) has not only been instrumental in generating over **236,000 jobs,** with projections suggesting the potential to create **up to 1.2 million direct jobs.** This surge in employment opportunities marks a notable advance in workforce development and reflects the project's expansive influence.

The employment surge under CPEC spans diverse sectors, including infrastructure development, energy, logistics, and industrial manufacturing. Key infrastructure projects, such as the construction of motorways, railways, and Gwadar Port, have absorbed a significant number of laborers, engineers, and technicians. Similarly, energy projects like coal-fired power plants, hydroelectric dams, and wind farms have created specialized roles requiring technical expertise. These jobs not only provide immediate employment but also contribute to the long-term skill enhancement of Pakistan's workforce.

CPEC’s employment creation extends beyond immediate job opportunities to broader human capital development. Joint ventures between Chinese and Pakistani firms have introduced training programs to enhance technical skills, language proficiency, and project management capabilities among local workers. For instance, Chinese companies often organize workshops and provide on-site training to equip Pakistani employees with industry-specific skills.

The influx of Chinese expertise also fosters a culture of knowledge transfer, strengthening Pakistan’s technical capacity. This transfer of skills and technology is essential for the long-term sustainability of CPEC projects and their ability to integrate into the global value chain.

Table 3 Jobs created by CPEC Energy Projects

Project Name	Total Jobs Created	Total Local Jobs Created	Total Jobs Created During Construction
1320MW Sahiwal Coal-fired Power Plant	1,683	1,033	3,770
1320MW Coal-fired Power Plant at Port Qasim Karachi	1,270	960	4,000
1320MW China Hub Coal Power Project, Hub Balochistan	1,722	749	4,200
660MW Engro Thar Coal Power Project	2,500	1,800	3,000
1000MW Quaid-e-Azam Solar Park (Bahawalpur)	231	220	1,200
50 MW Hydro China Dawood Wind Farm, Gharo, Thatta	28	21	500
100MW UEP Wind Farm, Jhimpir, Thatta	54	39	900
50MW Sachal Wind Farm, Jhimpir, Thatta	25	19	450
100MW Three Gorges Second and Third Wind Power Project	180	159	950
720MW Karot Hydropower Project, AJK/Punjab			4,870
330MW HUBCO Thar Coal Power Project (Thar Energy)			805
1320MW SSRL Thar Coal Block-I 7.8 mtpa & Power Plant (2×660MW) (Shanghai Electric)			2,000

330MW HUBCO ThalNova Thar Coal Power Project			305
884MW Suki Kinari Hydropower Project, KP			4,250

Table 4 Jobs created by Infrastructure Projects

Project	Total Local Jobs Created	Total Jobs Created
KKH Phase II (Havelian - Thakot Section)	4835	5500
Peshawar-Karachi Motorway (Multan-Sukkur Section)	25620	28000
Orange Line Metro Train - Lahore	2000	7000
Cross Border Optical Fiber Cable (Khunjrab - Rawalpindi)		1100
Hakla - D.I Khan Motorway		6700

Gwadar – Gateway to regional connectivity

The China-Pakistan Economic Corridor (CPEC) has significantly advanced the development of Gwadar through several key projects. The **Gwadar Port and Free Zone** have been expanded to enhance trade and economic activities, with Phase 1 completed and operational. The Gwadar Smart Port City Master Plan, completed and approved in 2019, provides a comprehensive framework for the city's development, aiming to transform Gwadar into a modern port city.

Infrastructure projects have also progressed, notably the Gwadar Eastbay Expressway, which was completed and inaugurated on June 3, 2022. This expressway connects Gwadar Port to the Makran Coastal Highway, facilitating efficient transportation of goods. The New Gwadar International Airport, inaugurated on October 14, 2024, will enhance connectivity for both domestic and international flights.

In the social sector, the Pak-China Technical and Vocational Institute in Gwadar was completed in **October 2021**. This institute provides vocational training to local residents, equipping them with skills needed for employment opportunities arising from CPEC projects. Additionally, the Pak-China Friendship Hospital, completed and inaugurated on December **5, 2023**, offers healthcare services to the local population, improving the overall quality of life in the region.

Gwadar Port has become a pivotal hub for Afghanistan-Pakistan transit trade, significantly enhancing economic connectivity between the two nations. As of December 2024, the port is fully operational, equipped to handle various cargo types, including general cargo and containers, with the capacity to accommodate vessels up to **50,000 deadweight tonnage** (DWT). This operational status has facilitated multiple successful shipments under the Afghanistan-Pakistan Transit Trade Agreement, streamlining the movement of goods and reducing transit times.

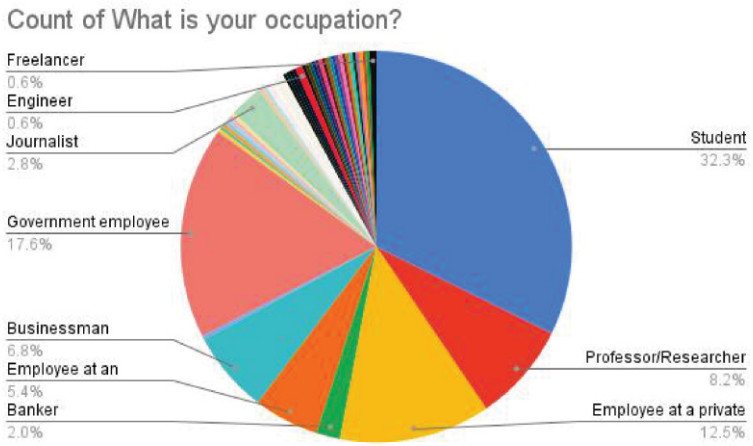
In a strategic move to bolster Gwadar's role in regional trade, the Pakistani government is exploring the feasibility of routing **60% of public sector imports**—such as wheat, fertilizer, and sugar—through the port. This initiative aims to integrate Gwadar into the national trade framework and enhance its utilization for both transshipment and transit to Afghanistan and the Central Asian Republics (CARs). The port's development is aligned with Pakistan's broader economic goals, including efforts to increase trade volume and attract foreign investments, thereby solidifying Gwadar's position as a key player in facilitating Afghanistan's access to global markets.

Table 5 Jobs created by CPEC projects in Gwadar

Project	Total Local Jobs Created	Total Jobs Created
Development of Port and Free Zone	240	120
Gwadar Smart Port City Master Plan	73	90
Pak-China Technical and Vocational Institute at Gwadar	135	249
Gwadar Eastbay Expressway	1700	2000
Pak-China Friendship Hospital	35	40
New Gwadar International Airport		3000

Section 3: Public Perception of CPEC in Pakistan

To test the viability of the so called '**debt-trap theory'**, Pakistan-China Institute conducted a nationwide survey. It contained questions about the influx of Chinese professionals into Pakistan, touching on aspects of friendliness, suspicion, and economic impact. It also scrutinized the effectiveness of the government's measures to protect Chinese nationals. Participants were asked whether they believed CPEC would improve the Pakistani economy



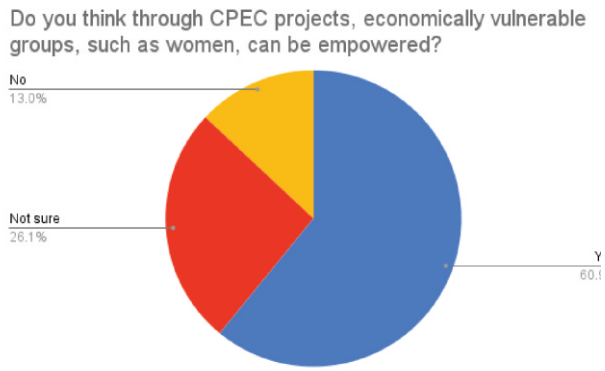
through avenues such as foreign investment, education, and healthcare, and whether it would empower vulnerable groups, including women.

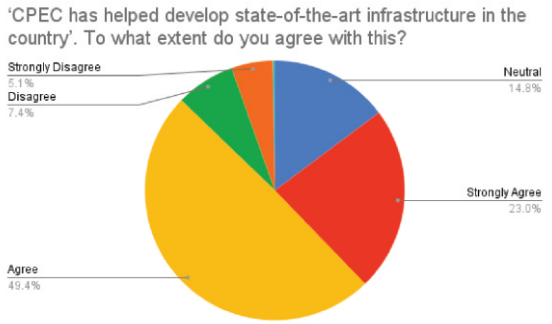
Additionally, the survey assessed public sentiment about CPEC's impact on the common man, infrastructure development, and the agricultural sector. Respondents also evaluated whether CPEC provided local businesses with international market access and considered it a gateway to Central Asia and Europe. Finally, opinions were solicited on which areas CPEC should focus on more intensively, such as health, education, agriculture, tourism, or other business opportunities.

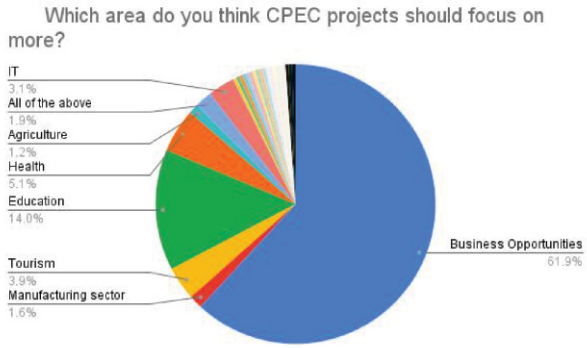
Concerning the government's claim of CPEC's effectiveness in eradicating load shedding, a significant segment (52.3%) of respondents either agreed or strongly agreed, while a substantial portion (22%) disagreed or strongly disagreed, and a notable number (25.7%) remained neutral. Similarly, opinions varied on whether CPEC positively impacts the socio-economic landscape of Pakistan, with a majority (58.4%) in concurrence but a minority (19.1%) harbouring doubts.

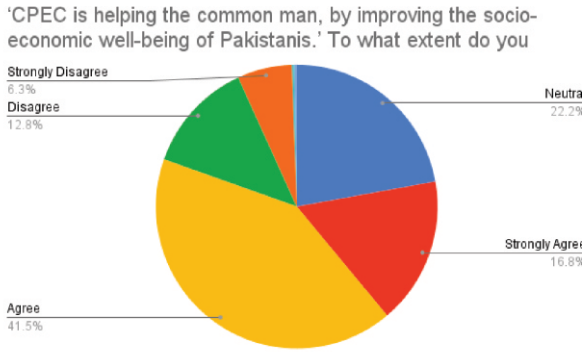
Regarding the specific sectors such as agriculture and infrastructure, a majority of respondents acknowledged the potential benefits of CPEC, although notable percentages remained neutral or voiced dissent. In assessing reactions to CPEC's investment in Pakistan's agricultural sector, 66.9% of respondents expressed agreement to varying degrees, with 13.1% in disagreement, while 19.9% remained neutral, suggesting a notable portion of respondents are uninformed.

Lastly, when asked about future priorities for CPEC endeavors, respondents overwhelmingly underscored the importance of seizing business opportunities, indicating a collective aspiration for broader economic advancement transcending sectoral boundaries.

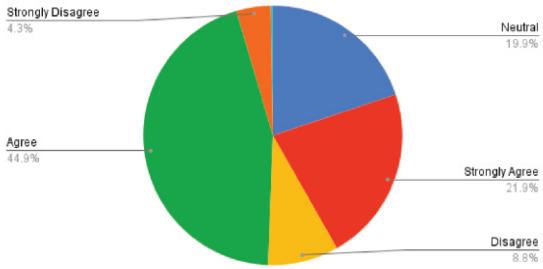




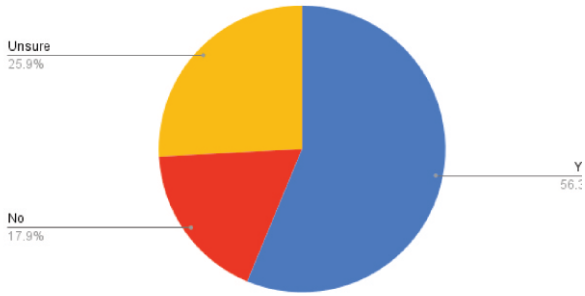




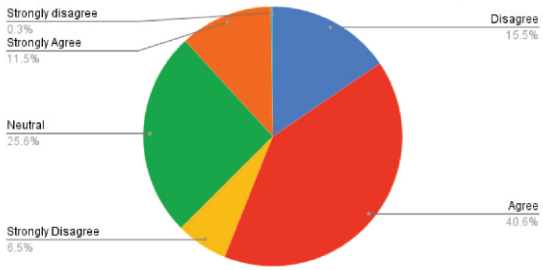
'Investment under CPEC can significantly improve the agricultural industry of Pakistan'. To what extent do you agree



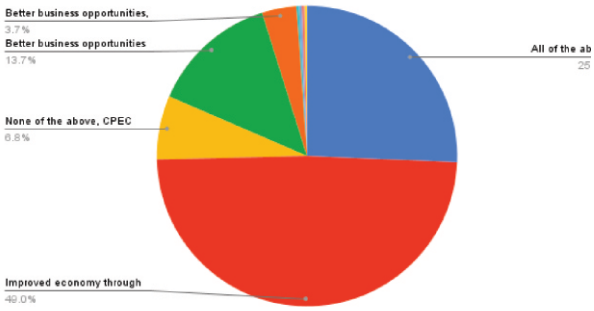
Do you think CPEC will help the common man, no matter where they are located?



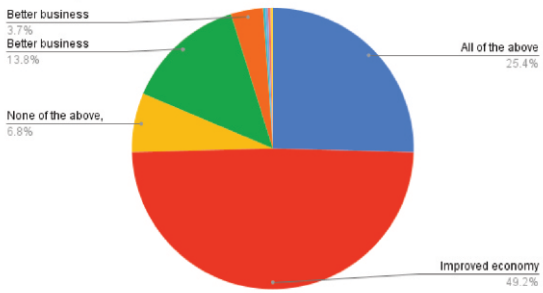
The government claims that through CPEC load shedding has been 'made a relic of the past'. To what extent do you



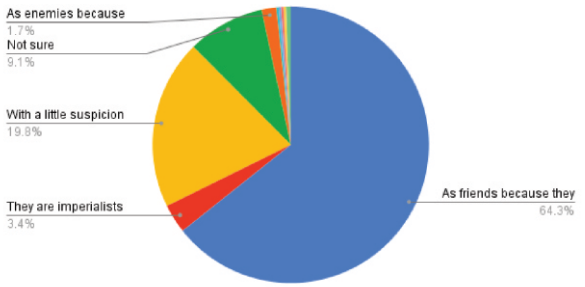
How do you think CPEC will help Pakistan?



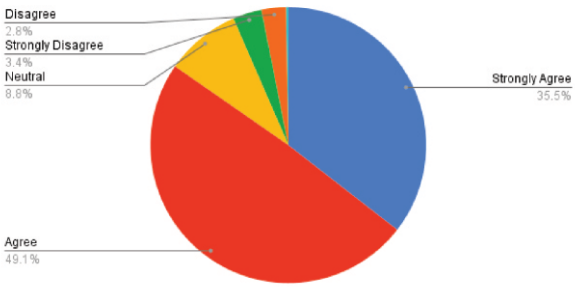
How do you think CPEC will help Pakistan?



How do you view the Chinese professionals coming into the country?



'CPEC is the gateway to Central Asia and Europe'. To what extent do you agree with this?



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