Syllabus subtopic: Effect of Policies and Politics of Developed and Developing Countries on India’s interests

Prelims and Mains focus: about CPEC and India’s concerns; about China’s Belt and Road Initiative

News: In an interesting move, cash-strapped Pakistan has invited the US to join the China-Pakistan Economic Corridor (CPEC), an ambitious infrastructure project looked with suspicion by the Trump administration for being non-transparent.

About CPEC

- CPEC connecting China’s Xinjiang with Pakistan’s Gwadar port is regarded as the flagship project of the multi-billion dollar Belt and Road Initiative (BRI) which is aimed at furthering China’s global influence with infrastructure projects funded by Chinese investments all over the world.

- China has committed to invest over USD 60 billion in Pakistan as part of the CPEC under which it planned to build a number of special economic zones.

- CPEC’s potential impact on Pakistan has been compared to that of the Marshall Plan undertaken by the United States in post-war Europe. Pakistani officials predict that CPEC will result in the creation of upwards of 2.3 million jobs between 2015–2030, and add 2 to 2.5 percentage points to the country’s annual economic growth.

India’s objections to CPEC
1. Sovereignty claims: India objects to the CPEC project as upgrade works to the Karakoram Highway are taking place in Gilgit Baltistan in Pakistan-occupied Kashmir; territory that India claims as its own.

2. Encirclement fears: India has alleged that China and Pakistan intended to develop the corridor not just for its economic benefits, but also is motivated by the "strategic intent of besieging India."