

Report: Roundtable on “China, Pakistan, and Regional Security” with Mr. Raffaello Pantucci, Director International Security Studies at the Royal United Services Institute (RUSI) London, on April 29, 2015.

Still a lot of questions about PCEC, says UK expert

Aarish U. Khan

ISLAMABAD: “A lot of questions regarding the PCEC [Pakistan-China Economic Corridor] remain unanswered viz. its security, trade potential, and the benefits it could bring to Pakistan,” said Mr. Raffaello Pantucci, Director International Security Studies at the Royal United Services Institute (RUSI) London. He was speaking at a roundtable discussion organized by the Institute of Regional Studies (IRS) Islamabad on April 29, 2015. He shared that he is looking at China’s relations with Central and South Asia for RUSI, and believes that both relationships are intertwined for China. He expressed concerns about security situation along the PCEC especially in Baluchistan and KP. He was also skeptical about the real potential the project could hold for Pakistan amid all the optimism about it in the country. “It is said that every province is going to benefit from it, but it appears difficult to implement,” said Mr. Pantucci. He noted that it was necessary to separate rhetoric from reality.

Amb. Arif Ayub, President of IRS, said that the development projects under the PCEC would not materialize overnight, and that besides the energy projects, which were on fast track, it could take another 10 to 15 years for PCEC to take shape. He added that PCEC is part and parcel of China’s Silk Road Economic Belt (SREB) and Maritime Silk Road (MSR) projects instead of being a stand-alone with Pakistan only. He further mentioned that while the PCEC would be financed from the Silk Road Fund of the Chinese government, there were additional possibilities of funding from other sources for subsequent PCEC initiatives from the Asian Infrastructure Investment Bank (AIIB) or the Brazil, Russia, India, China, South Africa (BRICS). Even China International Payments System (CIPS) could facilitate trade and investment under PCEC, he said. Amb. Ayub noted that China’s policy was to interact peacefully with the entire world to build a “community of shared destiny.”

Former Foreign Secretary, Amb. Riaz Mohammad Khan, who was also participating in the roundtable, expressed hope that the security situation in Pakistan would improve. He added that China and Pakistan were cooperating in the field of counter-terrorism. Amb. Khan was of the view that PCEC holds great potential for Pakistan as China is developing the export potential of Xinjiang. “Trade with Afghanistan through the PCEC is another essential element of the project, which has serious potential,” said Amb. Khan. He urged all concerned parties to resolve issues concerning the PCEC for the sake of the country’s development. “It is not zero-sum game between Punjab and the rest of the country,” he said.

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Amb. Khalid Mehmood, Chairman Institute of Strategic Studies Islamabad (ISSI), highlighted Pakistan’s importance for China’s future plans by stating that Pakistan links both China’s Silk Road Economic Belt (SREB) and Maritime Silk Road (MSR) projects through the Gwadar seaport. He added that China could be relocating some of its industry to Pakistan after completion of the infrastructure projects under the PCEC. Amb. Mehmood cautioned about the absorptive capacity of the Planning Commission with respect to planning and execution of the PCEC projects. He called for the establishment an independent authority for planning and execution of the PCEC projects.

Aarish U. Khan, Research Analyst at IRS, gave some figures from the Pakistan Security Report 2014 of the Pakistan Institute of Peace Studies (PIPS). He noted that the districts of KP that were on the current trajectory of CPEC had on the average witnessed 3 terrorist attacks per district in 2014, which was substantially lower than the provincial average of 13 terrorist attacks per district in the same year. He added that the average of terrorist attacks per district in other districts along the corridor was also lower than the national average. Mr. Khan noted that there could be possibility of relocation of industry from China to Pakistan after the completion of the project. He cautioned about certain problems with respect to the operationalization of the corridor, but expressed optimism about its future. He argued that PCEC would not mean economic over-dependence on China because Pakistan’s relations with China were much more multi-faceted.