

Additional Funding for CPEC

Why in news?

\n\n

China has approved additional financing for infrastructure projects in Pakistan under the China Pakistan Economic Corridor (CPEC).

\n\n

What are the implications?

\n\n

\n

- The CPEC is being funded through a mixture of loans and grants by the Chinese government or Chinese state-owned companies.

\n

- The cost escalation from \$46 billion in 2014 to \$62 billion in 2017 has raised fears of Pakistan walking into a debt trap.

\n

- The CPEC, a collection of infrastructure projects originally valued at \$46 billion in 2014, has seen a cost escalation of nearly 40 per cent.

\n

- The CPEC aims to develop the port of Gwadar in Baluchistan and link it with a network of highways and railways to western China passing through the whole of Pakistan and the Gilgit-Baltistan region of Jammu & Kashmir.

\n

- Another goal is to add over 10,400 Mw of electricity generation in Pakistan, largely from fossil fuels, although hydroelectric, wind power and solar energy farms are also included.

\n

- There is also a plan for a network of pipelines to transport liquefied natural gas from Gwadar to consuming centres in Pakistan.

\n

- Pakistan benefits through improved infrastructure and an end to crippling power outages.

\n

- But Pakistan's financial situation has been precarious in recent years and the government had to take the help of the IMF to escape bankruptcy a few years back.

\n

\n\n

What are the concerns for India?

\n\n

\n

- The CPEC poses a clear and imminent danger to Indian security interests, particularly as it passes through parts of J&K.

\n

- Indian defence planners will have to reassess their strategies to deal with these new threats.

\n

- Pakistan has been the beneficiary of Chinese nuclear and missile technology which were supplied in violation of the NPT.

\n

- Instead of bailing Pakistan out through IMF loans and funding Pakistani terrorist activities through “defence assistance”, it is time the US clamped down on Pakistan and treated it as a rogue state.

\n

\n\n

\n\n

Source: Business Standard

\n

