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Governance, Resilience, and the Future of China–Pakistan Cooperation

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Abstract

CPEC was officially launched in 2013 as a flag ship of BRI. In this study, the authors reviewed CPEC's substantive achievements, the growing divergence in its assessments, and the underlying causes of its challenges. The findings show that CPEC has significantly advanced infrastructure connectivity, including highways, ports, and energy projects, while also deepening bilateral security cooperation and people-to-people exchanges. However, the corridor faces mounting geopolitical pressures, particularly from U.S.-led Indo-Pacific strategies and intensifying Sino-U.S. competition, as well as regional tensions with India. Domestically, Pakistan's fragile security environment, weak economic fundamentals, high debt burdens, and overly optimistic public expectations have created operational and financial risks. In the complication section, the authors propose strategic implications for the high-quality development of the BRI: managing geopolitical rivalries through multilateral engagement, adhering to market principles and risk governance, innovating security safeguard systems, and strengthening think-tank research and positive public communication. The study concludes that CPEC remains a vital model for BRI cooperation, and its sustainable advancement requires adaptive policy adjustments, pragmatic risk mitigation, and sustained bilateral commitment. This analysis offers both theoretical insights and practical references for future international infrastructure cooperation under the BRI framework.

Keywords: China–Pakistan Economic Corridor; Belt and Road Initiative; governance; geopolitical competition; infrastructure; international cooperation

Introduction

China–Pakistan Economic Corridor is a flagship of the Belt and Road Initiative and it was conceived as a pioneering undertaking with demonstrative and guiding functions and has attracted extensive attention from China and Pakistan, other BRI participants, and the wider international community. More than a decade after its launch, what substantive achievements has CPEC made? Why have assessments of the corridor become so divergent, and at times even diametrically opposed? This study seeks to address these questions and further examines the implications of the CPEC experience for the high-quality development of the BRI.

This study chooses CPEC as a representative case to examine the achievements, challenges, and governance implications of large-scale transnational infrastructure cooperation under BRI. CPEC is characterized by its substantial investment scale, involvement of multiple stakeholders, and significant geopolitical implications, making it an appropriate case for exploring the complex interactions among economic development, political relations, security concerns, and project governance in international infrastructure cooperation. The study uses secondary data from official policy documents, government reports, bilateral cooperation statements issued by Chinese and Pakistani authorities, publications from international organizations and research institutions, academic studies, and reports from reputable media outlets. Through a thematic analysis approach, the collected materials are systematically categorized and analyzed across three major dimensions: development achievements, emerging challenges, and governance implications. The study examines infrastructure development and socio-economic outcomes, security and geopolitical constraints, economic and financial risks, and institutional governance issues. In addition, this study compares different narratives and assessments from various

stakeholders and identifies the key factors shaping the implementation and perception of CPEC.

I. Achievements of the China–Pakistan Economic Corridor

China and Pakistan are all-weather strategic cooperative partners. On April 20, 2015, General Secretary Xi Jinping held talks with Pakistani Prime Minister Nawaz Sharif in Islamabad. The two sides agreed to elevate China-Pakistan relations to an all-weather strategic cooperative partnership, continuously enrich the substance of the China-Pakistan Community with a Shared Future, and commit to ever-lasting friendship between the two countries. Both the Chinese and Pakistani governments attach great importance to bilateral friendship and cooperation, and such cooperation is flourishing across the board. Today, China-Pakistan cooperation has extended beyond politics and national defense to encompass economy, culture, information, commerce and other fields, covering infrastructure development in sectors such as industry, agriculture, water conservancy, power and transportation[1].

First, China and Pakistan have strengthened cooperation in infrastructure fields such as highways and ports. As is widely recognized, transportation plays a vital role in a country's economic development[2]. Though China and Pakistan are neighboring countries, the border areas are mostly characterized by high mountains, making land transportation extremely inconvenient; sea transportation, by contrast, entails long coastlines and high costs. The two countries built the China-Pakistan Friendship Highway (Karakoram Highway) in the 20th century, but due to harsh natural environment and rugged terrain, the highway was only operational for a very limited period each year. In addition, with global development and the

[1] Ministry of Planning, Development and Reform of Pakistan, & National Development and Reform Commission of China. (2017). Long term plan for China–Pakistan Economic Corridor (2017–2030). Government of Pakistan. https://www.pc.gov.pk/uploads/cpec/LTP.pdf

[2] Chen, X., & Li, C. (2017). From connectivity to development: The evolving implications of the China–Pakistan Economic Corridor. In J. Wang (Ed.), China international strategy review 2017. World Affairs Press.

steady growth of bilateral trade, this highway could no longer meet the trade needs of the two countries. In May 2013, when Premier Li Keqiang of the State Council visited Pakistan, he stated that "the two sides have decided to strengthen connectivity building and forge the China-Pakistan Economic Corridor (CPEC)." This holds great significance for the strategic development of both countries. Under the Belt and Road Initiative (BRI) and the planning of CPEC, an integrated "four-in-one" corridor consisting of highways, railways, oil and gas pipelines and optical cable networks will be built, starting from Kashgar in Xinjiang, China in the north and ending at Gwadar Port in southwest Pakistan. With a total length of more than 3,000 kilometers and an estimated investment of USD 45 billion, this corridor will provide a new solution to the trade development bottlenecks caused by transportation issues between the two countries[3]. The proposal of the CPEC construction project has brought huge development opportunities to both economies. On one hand, it opens up a new channel for China's oil imports, and closely links South Asian, Central Asian and North African countries and other neighboring nations through economic and trade cooperation. On the other hand, it contributes to Pakistan's infrastructure development, connects Pakistan's northeast and southwest, and upgrades the country's domestic railway and highway networks [4].

Second, China and Pakistan have strengthened security cooperation to build a harmonious neighborhood. General Secretary Xi Jinping has stressed that China and Pakistan have closely aligned security interests, and the two sides should integrate their respective security concerns

[3] Ministry of Planning, Development and Reform of Pakistan, & National Development and Reform Commission of China. (2017). Long term plan for China–Pakistan Economic Corridor (2017–2030). Government of Pakistan. https://www.pc.gov.pk/uploads/cpec/LTP.pdf

[4] Rafiq, A. (2017b). The China–Pakistan Economic Corridor: Barriers and impact (Peaceworks No. 135). United States Institute of Peace.

more closely. Peace and development are the two major themes of the world today, and maintaining stability along the China-Pakistan border plays a foundational role in the economic development of both countries. Located in South Asia, Pakistan is plagued by frequent terrorist activities, which have severely hampered its economic development[5]. Geographically, as a major country in South Asia, Pakistan occupies a pivotal position: it borders Xinjiang, China to the north, and serves as a key hub connecting China to South Asia. In recent years, with global economic development, all countries are striving to enhance their international status. The rampant terrorism in Pakistan and its surrounding areas not only seriously undermines Pakistan's own national security and hinders its economic development, but also has a severe impact on the security and stability of Xinjiang, China[6]. Therefore, to achieve the goal of bilateral economic development, jointly creating a peaceful and stable social environment is the top priority for China and Pakistan. In 2013, China and Pakistan issued a joint statement on deepening bilateral comprehensive strategic cooperation, pledging to combat terrorist forces together. China supports and appreciates Pakistan's efforts in fighting terrorism, and is willing to work with Pakistan to jointly safeguard the social stability of the two countries and the stability of the Central and South Asia region, and build a peaceful and secure international social environment.

Third, people-to-people and cultural exchanges between China and Pakistan have become increasingly close, promoting civilizational dialogue and exchange. In the past, due to false reports from some Western media that smeared China's image, the Pakistani public had an

[5] Rafiq, A. (2018). The China–Pakistan Economic Corridor: Three years later. Center for Strategic and International Studies.
[6] Fazl-E-Haider, S. (2022, May 16). Pakistani separatists turn their sights on China. The Interpreter, Lowy Institute. https://www.lowyinstitute.org/the-interpreter/pakistani-separatists-turn-their-sights-china

incomplete understanding of China's development status and political system, which hindered mutual understanding between the peoples of the two countries. In 2013, leaders of China and Pakistan met and proposed the initiative of building the CPEC, aiming to foster all-dimensional, multi-sectoral cooperation between the two countries. The China-Pakistan relationship in the new era calls for people-to-people and cultural exchanges at new levels and with new visions. China and Pakistan boast different cultural and historical heritages. Since entering the new era, the two countries have committed to leveraging the momentum of diverse people-to-people exchanges to set a benchmark for mutual learning, friendly cooperation and mutual learning between different civilizations. On December 9, 2021, the 2021 China-Pakistan Friendship Provinces and Cities Cooperation Forum was successfully held, where in-depth exchanges were conducted under the theme of "Win-Win Cooperation and Common Development". The two countries have launched cooperation in education, investment, technology, culture and other fields by establishing sister city partnerships. In 2019, the Silk Road Youth Forum · First China-Pakistan Youth Conference was successfully held in Gwadar, Pakistan. Youth groups from both countries discussed deeper exchanges and cooperation, as well as CPEC construction, sharing views on peaceful development, deep friendship and economic cooperation. At the conference, it was noted that China provides more than 7,000 scholarship quotas for Pakistani students every year, and is committed to promoting China-Pakistan cultural and educational cooperation. In addition, China has set up additional Confucius Institutes and cultural centers in Pakistan, paving the way for deeper cultural exchanges between the two countries. In response to the construction of CPEC, some Chinese universities, especially those in Xinjiang, have opened Urdu majors, and cooperated with the National University of Modern Languages

in Islamabad, Pakistan to establish minor language training centers, among other initiatives. Meanwhile, a growing number of Pakistani schools are offering Chinese language courses and setting up China Studies centers, and bilateral exchanges and cooperation in cultural and educational fields are becoming increasingly close. As of May 2023, CPEC projects have continued to register measurable progress across energy, infrastructure and industrialization sectors.

II. Causes and Manifestations of the Problems Facing CPEC

CPEC encountered certain problems. As the current international and domestic situation undergoes profound changes, the high-quality development of CPEC has presented some new circumstances, new problems, and new challenges.

2.1 International Political and Economic Landscape

Western countries, represented by the United States, hold skeptical or even resistant attitudes toward China's proposed BRI. Especially as Sino-U.S. great-power competition intensifies, CPEC—as a flagship project of the BRI—is positioned at the forefront and focal point of great-power competition. Moreover, the geopolitics surrounding CPEC is complex, and it has long been affected by the rivalry and constraints of multiple national forces.

The accelerated evolution of the international political and economic power structure is the essential characteristic of the "profound changes unseen in a century," and local conflicts are affecting the global political and economic landscape[7]. Emerging economies and developing countries, represented by China, are playing an increasingly prominent role on the international stage. The United States' negative perceptions of the BRI—such as suspicion and

[7] United States Congress. (2018). Better Utilization of Investments Leading to Development Act. Public Law 115–254.

misunderstanding—have continued to deepen, and it views the BRI as a key area of strategic competition between the two countries [8]. As the flagship project of the BRI, CPEC bears the brunt and has encountered multiple impacts from the United States across the political, strategic, economic, and public-opinion dimensions.

In politics and strategy, the Indo-Pacific Strategy has become and will continue to be the main tool for the United States to counter the BRI. The United States has launched and continuously strengthened its "Indo-Pacific Strategy," implementing a new South Asia policy based on the main tone of "restraining Pakistan and promoting India," attempting to contain China. CPEC is at the forefront and focal point of great-power competition. Strengthening relations with India has become an important lever of the U.S. Indo-Pacific Strategy: bilateral economic and trade relations between the U.S. and India have increased year by year, their political foundation has become increasingly solid, and security cooperation has developed steadily. Affected by the overlapping impact of the "profound changes unseen in a century" and the deterioration of Sino-U.S. relations, Sino-Indian relations have been turbulent, while U.S.–India relations have risen; conducting strategic hedging against China has thus become a common interest of both Washington and New Delhi. The U.S. government will not fundamentally change the normalized and long-term trend of Sino-U.S. competitive rivalry; it is more likely to continue containing China by strengthening the Indo-Pacific Strategy and introducing various measures to obstruct and interfere with the advancement of the BRI. In order to unite allies Japan, India, and Australia to deal with China in the Asia-Pacific region, in

[8] Wells, A. G. (2019, November 21). Implications of the Belt and Road: The Pakistan case. Center for Strategic and International Studies. https://www.csis.org/analysis/implications-belt-and-road-pakistan-case

March 2021, the United States led the "Quadrilateral Security Dialogue" summit [9], presenting grave external challenges to CPEC development.[10]

In the economic sphere, the United States has consolidated various resources, increased investment in the Indo-Pacific region, and continued to rally Asia-Pacific allies to counter the BRI. In October 2018, President Trump signed the Better Utilization of Investments Leading to Development Act , integrating the functions of the Overseas Private Investment Corporation and other agencies to establish the U.S. International Development Finance Corporation, raising its annual development financing capacity from $29 billion to $60 billion[11]. During the ASEAN Summit in November 2019, at the "Indo-Pacific Business Forum" convened at U.S. initiative, the United States jointly announced with Japan and Australia the launch of the "Blue Dot Network" plan, attempting to set U.S.-led standards for global infrastructure projects[12]. During the 2020 pandemic, the United States spearheaded the "Economic Prosperity Network" together with so-called "trusted partners" including Japan, Australia, New Zealand, India, South Korea, and Vietnam [13] . In May 2022, the United States formally launched the "Indo-Pacific Economic Framework", with 13 initial member countries covering a population of 2.5 billion and a combined GDP accounting for 40.9% of the global total[14]; in the same year, at the G7 Summit, the United States initiated the "Partnership for Global Infrastructure and

[9] The White House. (2021, March 12). Joint statement from Quad leaders. https://www.whitehouse.gov/briefing-room/statements-releases/2021/03/12/joint-statement-from-quad-leaders/

[10] Mohan, C. R. (2021). India and the Asian Geopolitical Order. Asia Policy, 16(2), 7–27.

[11] MCC (Millennium Challenge Corporation). (2018, October 5). MCC Applauds President Donald J. Trump for Signing the BUILD Act into Law

[12] United States International Development Finance Corporation. (2019). Blue Dot Network fact sheet. U.S. International Development Finance Corporation.

[13] United States Department of State. (2020). Economic Prosperity Network. U.S. Department of State.

[14] The White House. (2022a, May 23). Fact sheet: Inaugural Indo-Pacific Economic Framework partners. https://www.whitehouse.gov/briefing-room/statements-releases/2022/05/23/fact-sheet-inaugural-indo-pacific-economic-framework-partners/

Investment", explicitly stating its aim to provide a "high-standard, transparent, and climate-friendly alternative" to the BRI [15]. In 2024, the IPEF Supply Chain Agreement, Clean Economy Agreement, and other instruments entered into force successively. In December 2025, with President Trump's signing of the Fiscal Year 2026 National Defense Authorization Act, DFC received a six-year reauthorization; its investment cap was dramatically raised from $60 billion to $205 billion, a $5 billion equity revolving fund was established, and its investment mandate was extended to strategic domains including energy, critical minerals, and information and communications technology[16].

In terms of public opinion, China–Pakistan economic cooperation has been stigmatized and smeared. Since the BRI was unveiled, certain think tanks and media outlets in the United States, India, Australia, and other countries have adopted attitudes ranging from indifference to deliberate misinterpretation, with some attacks orchestrated under the auspices of the U.S. government. In recent years, behind such Western popular narratives as "economic aggression," "new imperialism," "geopolitical control," "debt trap," "geographical expansionism," and "environmental destruction," one can discern the shadow of the United States[17]. With regard to CPEC specifically, the United States actively propagates notions of a "debt trap," "opacity," and "predatory lending" to stigmatize corridor construction. For example, Alice Wells, former Principal Deputy Assistant Secretary of State for South and Central Asian Affairs, repeatedly made false statements claiming that Pakistan would suffer long-term economic harm from

[15] The White House. (2022b, June 26). Fact sheet: President Biden and G7 leaders formally launch the Partnership for Global Infrastructure and Investment. https://www.whitehouse.gov/briefing-room/statements-releases/2022/06/26/fact-sheet-president-biden-and-g7-leaders-formally-launch-the-partnership-for-global-infrastructure-and-investment-pgii/

[16] U.S. International Development Finance Corporation. (2025, December 18). DFC Secures Expanded Authorities with FY26 NDAA Signed into Law

[17] Xiong, W., Zhang, J., & Sun, L. (2023). Productive debt: China's overseas sovereign lending and economic growth in developing countries. The Journal of World Economy, (9), 24–45.

CPEC projects while deriving negligible returns, and that CPEC does not constitute aid. She further asserted that the Corridor benefits China alone, while the United States could offer a better model. The pressure of this external public-opinion environment on CPEC development cannot be ignored.[18]

2.2 The Evolving China–India–Pakistan Relations and CPEC

China–India–Pakistan relationship has always been in a state of non-equilibrium, constantly adjusting and changing. Affected by the increasingly fierce great-power competition between China and the United States, India's realist power mentality, and its global ambitions, the China–India–Pakistan relationship, Sino-Indian relations, and the situation at the beginning of the proposal and construction of the CPEC are already very different. Within the China–India–Pakistan relationship, the foundation of China–Pakistan political relations is solid; the two countries have established an all-weather strategic cooperative partnership, and their relationship is relatively stable. In contrast, the foundation of trust between India and Pakistan is weak; the two countries have been hostile for a long time, and their relationship is complex and tense. Sino-Indian relations occasionally experience conflicts due to border issues, and there are significant strategic differences on certain areas and issues. As an indispensable link in the BRI, the high sensitivity of geopolitical relations increases the vulnerability in the advancement of CPEC construction.

India is highly vigilant, opposes, and even obstructs and sabotages the construction of the CPEC. Due to the long-standing complexity of India–Pakistan relations, India is extremely vigilant about the CPEC construction, fearing that it will enhance Pakistan's economic strength

[18] US, China spar over CPEC. (2019, November 23). The Nation. https://nation.com.pk/23-Nov-2019/us-china-spar-over-cpec

and comprehensive national power, thereby greatly increasing its strength and confidence to confront India. At the same time, India worries that the CPEC will enhance China's influence in South Asia, thereby bringing adverse impacts to its long-sought hegemonic position in South Asia. On the other hand, against the backdrop of increasingly fierce China–U.S. great-power competition, Sino-Indian relations have encountered twists and turns. In recent years, India has provoked border conflicts with China, sparked a wave of boycotting Chinese-made products, and banned a large number of Chinese applications[19]. With the strengthening of U.S.–India relations, the influence of the United States in Sino-Indian relations has increased. The U.S. and India joining forces to contain China, and the United States secretly assisting or supporting India to counter China may become a new normal. Under such a new situation, the construction of CPEC will inevitably be affected.

2.3 Security Situation and Security Risks

Pakistan borders Afghanistan to the northwest. Domestically, there are local armed terrorist groups such as the Taliban, the Balochistan Liberation Front, and Lashkar-e-Taiba. These local armed groups are intertwined with terrorist organizations that have fled into Pakistan, such as the "Islamic State," making it difficult to fundamentally reverse Pakistan's complex and severe internal security situation.

According to the Global Terrorism Index 2026 report released by the Institute for Economics and Peace, Pakistan ranked first globally for the first time with a record-high score of 8.574, becoming the country most affected by terrorism in 2025[20]. According to the Pakistan

[19] Mukul, P., Mehrotra, K., & Aryan, A. (2020). Virtual strike: India bans TikTok and 58 other apps with Chinese links. The Indian Express

[20] Institute for Economics and Peace. (2026). Global Terrorism Index 2026. Institute for Economics and Peace.

Security Report 2025 released on January 1, 2026, by the Pakistan Institute for Peace Studies, an independent think tank in Islamabad, Pakistan's security situation deteriorated significantly in 2025[21]. The report recorded a total of 699 terrorist attacks nationwide, a 34% increase from the previous year, resulting in at least 1,034 deaths and 1,366 injuries. The security forces bore the brunt of the impact, with their casualties accounting for over 42% (437 people) of all deaths in terrorist attacks. The conflicts were highly geographically concentrated, with over 95% of attacks occurring in Khyber Pakhtunkhwa (413 attacks) and Balochistan (254 attacks). In Khyber Pakhtunkhwa, the banned Tehrik-i-Taliban Pakistan and its affiliated organizations are rampant; while in Balochistan, attacks by BLA have evolved into more impactful coordinated operations. The report points out that since the Taliban's return to power in Afghanistan in 2021, radical violence in Pakistan has shown a continuously rising trajectory.[22]

Although a CPEC security force has been established, the Gwadar Port is located in Balochistan, where separatism is severe. It is secretly supported by extra-regional forces such as the United States and India, becoming a tool for them to constrain CPEC construction. Security risks remain a major challenge that cannot be avoided in CPEC construction.

2.4 Economic Risks of CPEC

First, Pakistan's economic foundation is weak, and the economic development environment is not optimistic. Pakistan's economic development level is unable to effectively provide support for corridor construction projects. On the other hand, Pakistan's domestic economic and business environments are equally unpromising. Internal political struggles are severe, competition for interests in corridor construction is fierce, and conflicts between the

[21] Pak Institute for Peace Studies. (2026). Pakistan Security Report 2025. Islamabad: Pak Institute for Peace Studies (PIPS).
[22] Ibid.

central and local governments and regional contradictions hinder the progress of corridor construction projects. At the same time, bureaucracy in Pakistan is very serious, efficiency is low, and the business environment is poor. The drawbacks of the political system, interest group games, and management systems make it difficult for preferential policies for many projects to be implemented. In terms of the political system, Pakistan is a federation with relatively independent provinces; preferential policies proposed by the federal government may be shelved due to local government disagreement. Especially for park-related preferential policies including taxation, finance, customs, and energy, multi-departmental coordination is required, and they can only be implemented after being approved by parliament and incorporated into the legal framework. This lengthy process directly affects the progress speed and efficiency of industrial cooperation projects.

Second, the Pakistani government has a high debt burden and weak capital repayment capacity, posing potential investment risks. Pakistan's fiscal deficit is severe, and the external debt burden is heavy, making it difficult to continuously provide financial support for CPEC project construction. According to the Pakistan Economic Survey 2024–25 and the State Bank of Pakistan Annual Report 2024–25, Pakistan's economy showed signs of stabilization during fiscal year 2024–25, although structural constraints remained significant. Real GDP growth was provisionally estimated at 2.68%, compared with 2.51% in FY2023–24, driven mainly by the recovery of the industrial and service sectors. The nominal GDP increased to approximately PKR 114.7 trillion, while average inflation declined substantially to around 4.5–4.7%, reflecting improved macroeconomic stability and tighter monetary management[23]. In terms of

[23] Government of Pakistan, Ministry of Finance. (2025). Pakistan economic survey 2024–25. Government of Pakistan.

fiscal conditions, Pakistan achieved some improvement in fiscal consolidation. The fiscal deficit narrowed to approximately 5.4% of GDP, while the primary balance recorded a surplus of around 2.4% of GDP. By the end of June 2025, Pakistan's gross public debt reached approximately PKR 80.5 trillion, equivalent to about 70.8% of GDP. Government external debt stood at approximately PKR 23.4 trillion, while total external debt and liabilities were around PKR 26 trillion[24]. For CPEC-related investments, financial sustainability remains an important concern for energy-sector projects. Although several power plants constructed under CPEC have increased electricity generation capacity, challenges remain regarding transmission infrastructure, circular debt accumulation, and delayed payments within the electricity sector.

Third, Pakistan has excessively high expectations of China and harbors a mentality of seeking quick success and relying on China for corridor construction. All sectors of Pakistani society, especially the elite, are adept at emphasizing the all-weather strategic relationship between China and Pakistan, often using literary language such as "higher than mountains" and "sweeter than honey" to express the political and economic relations between the two sides, and regard CPEC as a "panacea" for solving Pakistan's economic development problems. For example, regarding the objectively slow progress of industrial park cooperation in the current CPEC, they mistakenly believe that, like the previous infrastructure and energy projects, the Chinese government should invest heavily to support it. They think the current slow progress of the parks is due to insufficient Chinese investment, not understanding that park development requires giving full play to subjective initiative, and the key is to have industrial projects landed and attract investment. This kind of eagerness for quick success, and the thought of "waiting,"

[24] State Bank of Pakistan. (2025). Annual report 2024–25. State Bank of Pakistan.

"relying," and "asking," shows insufficient understanding of their own basic national conditions, objective conditions, and economic laws, causing difficulties for corridor construction, especially the promotion of subsequent park cooperation.

III. Lessons and Implications

CPEC has maintained a strong development momentum, but it should also be recognized that difficulties, pressures, and challenges have been encountered in the process of advancing the Corridor. As discussed above, the lessons and implications of this study can be drawn as follows.

3.1 The Strategic Significance of High-Quality CPEC Development

As a flagship project and model project of the BRI, the progress made in CPEC construction is of great strategic significance and value to both China and Pakistan. For China, whether CPEC can be built well is directly related to the overall situation of the high-quality development of the jointly built BRI. The large number of visible achievements currently made—such as the construction of major infrastructure projects and industrial capacity cooperation—have helped Pakistan's economic development, provided a demonstration for BRI construction, and consolidated broader consensus. Of course, some contradictions and problems arising from excessively high expectations have also provided lessons for further advancement. It is essential to fully recognize the significance of the high-quality development of CPEC for the broader advancement of the BRI. The existence of certain challenges, contradictions, and negative international perceptions should not lead to a slowdown or substantial reduction in CPEC-related cooperation. Instead, greater emphasis should be placed on improving planning and implementation, identifying priorities for the next stage of

development, addressing emerging challenges, mitigating potential risks, and promoting the long-term, sustainable, and high-quality development of CPEC.

3.2 Managing Geopolitics for a Favorable External Environment

The collective rise of emerging market and developing countries is an irreversible trend, and the international political and economic landscape is moving in a direction favorable to China. By the end of January 2026, China had signed Belt and Road Initiative cooperation documents with more than 150 countries and over 30 international organizations, indicating that broad consensus has been reached on the BRI[25]. Against this backdrop, the principle of openness, inclusiveness, and mutual benefit should continue to be upheld, while Sino-U.S. relations should be properly managed. Under the potential pattern of "competition without rupture," international sister-city cooperation needs to be strengthened, and the enthusiasm of U.S. local governments and the business community to participate in BRI construction should be continuously mobilized, with negative factors minimized to the greatest extent possible. Meanwhile, Sino-Indian relations require prudent handling, and practical economic engagement with India should be reinforced. The China-India-Pakistan triangular relationship should be approached in a holistic manner, dealing with India-Pakistan relations as an extra-regional coordinator and mediator that does not take sides, form blocs, or seek factions, while deepening trilateral cooperation and dispute resolution under the framework of the Shanghai Cooperation Organization. In addition, the transformation of CPEC construction projects from bilateral cooperation to multilateral participation should be promoted. Energy cooperation with neighboring countries such as Turkmenistan, Afghanistan, India, and Iran

[25] Ministry of Foreign Affairs of the People's Republic of China. (2026, January 27). The Advisory Council of the Belt and Road Forum for International Cooperation Holds Video Meeting.

should be actively advanced, so as to create a mutually beneficial and win-win pattern and foster a favorable external environment for the corridor's development.

3.3 Market Principles and Risk Governance

China and Pakistan enjoy the unique advantage of a high degree of political mutual trust. However, Pakistan’s long-term domestic party struggles, unstable political situation, and the never-ending criticism of the Corridor by a very small number of local parties and separatist forces cannot be ignored. Therefore, it is necessary to strengthen top-level design, give full play to the advantages of the China–Pakistan all-weather strategic cooperative partnership, and leverage the leading role of the Joint Cooperation Committee in corridor planning, design, and implementation of specific projects. More communication and alignment should be conducted with Pakistan to avoid misunderstandings caused by Pakistan’s excessively high expectations that China cannot meet, which would affect the advancement of corridor construction. The relationship between the government and the market should be correctly handled; corridor construction must take into account both “political considerations” and “economic calculations.” The principal role of enterprises in the market-oriented operation of corridor construction should be given full play. In accordance with the laws of the market economy, internationally accepted rules, and commercial principles, project management and risk prevention mechanisms should be improved. Market research and risk assessment before the approval of major projects should be strengthened, as well as the all-round dynamic tracking, monitoring, and early warning during project advancement. The early-warning and control mechanisms for financial risks, security risks, and sudden risks should be enhanced to improve risk response capabilities. Systems for legal and compliant business operations of projects

should be improved, and the investment behavior of enterprises should be regulated. Enterprises should be encouraged to pay attention to environmental protection, fulfill social responsibilities such as poverty reduction, actively respond to local social demands, and achieve win-win results for all parties in corridor project construction.

3.4 Innovating the Security Safeguards System

The security system should be innovated and improved. China–Pakistan counter-terrorism coordination and cooperation should be further deepened, exploring a new model of introducing Chinese private commercial security forces under the premise of joint planning by the two governments. The positive role of private security forces should be brought into play in the design of security plans, patrol and defense, and personnel safety training within Chinese construction projects and industrial parks. A new two-layer security model should be gradually established, with Chinese-funded project security companies on the inside and the Pakistani military and police on the outside. Intelligence exchanges under the framework of the Memorandum of Understanding on Trilateral Cooperation among China, Afghanistan and Pakistan on Combating Terrorism should be deepened to strengthen cooperation in the field of counter-terrorism. A risk monitoring and early-warning mechanism for corridor construction projects should be established, regularly releasing security events, security early warnings, and security situation analyses in corridor areas. Security plans should be formulated and refined according to different project natures and needs, and consular protection treaties and diplomatic channels should be actively used to protect the legitimate rights of Chinese enterprises and citizens.

3.5 Think Tanks, Publicity, and Long-Term Development

The advantages of Chinese think tanks should be leveraged to promptly and dynamically release the progress of corridor construction and the economic and social benefits generated through diversified forms such as joint research and co-hosted seminars, and to positively respond to misunderstandings and false accusations in international public opinion. In the face of questions raised by the international community regarding the debt sustainability of the Corridor, the debt issues in corridor construction should be systematically sorted out, in-depth and detailed assessments should be carried out, and lessons should be summarized in a timely manner. In-depth and dynamic field research should be continuously conducted to study Pakistan's legal system, policies, ethnic, religious, and cultural characteristics, as well as potential geopolitical risks. The long-term impact of corridor construction on Pakistan's economic and social development, and the impact of the planning and implementation of major projects on the resource environment, market supply and demand, and the balance of foreign economic and trade relations should be thoroughly analyzed. Strategically forward-looking and guiding research and policy recommendations should be formed in a timely manner to promote the high-quality development of the BRI. At the same time, mainstream Chinese media should be encouraged to set up branches or cooperate with influential Pakistani media to positively publicize the achievements of CPEC construction. Individuals and social organizations should be encouraged to create more personalized people-to-people exchange products that reflect China–Pakistan cooperation, religious, historical, and cultural characteristics. The overseas versions of WeChat and TikTok, as well as other self-media network platforms, should be fully utilized to consolidate consensus in a more flexible, socialized, and subtle manner, disseminate the achievements of CPEC construction more, better, and faster, promote the steady and

long-term development of CPEC, advance the joint construction of the BRI, and build a more solid China–Pakistan community with a shared future for mankind.

Conclusion

Since its formal launch in May 2013, CPEC and the broader BRI have developed for more than a decade. The evidence demonstrates that CPEC has delivered tangible and substantial outcomes in multiple dimensions. Infrastructure projects have alleviated Pakistan's energy shortages and improved its transport network, laying a solid foundation for long-term economic growth. Simultaneously, the corridor has strengthened bilateral security cooperation, contributing to regional stability, and has fostered closer cultural and educational ties through scholarships, Confucius Institutes, and youth forums, thereby enhancing mutual understanding between the two peoples. Nevertheless, the divergence in assessments stems from a complex interplay of geopolitical, economic, and security factors. Internationally, the intensifying Sino-U.S. strategic competition has placed CPEC at the forefront of great-power rivalry. The United States, through its Indo-Pacific Strategy, the Indo-Pacific Economic Framework, and the expanded Development Finance Corporation, has actively sought to counter the BRI and stigmatize CPEC with narratives of "debt traps" and "opacity." Meanwhile, India's persistent opposition, driven by its strategic rivalry with Pakistan and its ambition for regional hegemony, has further complicated the geopolitical landscape. Regionally, Pakistan's volatile security situation poses direct threats to project personnel and infrastructure. Economically, Pakistan's weak fiscal position, heavy external debt, inadequate power transmission capacity, and bureaucratic inefficiencies have hindered project implementation and raised investment risks. Moreover, Pakistani society's overly high expectations of Chinese financial support have

sometimes led to misunderstandings and frustrations, slowing the progress of industrial cooperation.

The study comes to the following implications. First, affirm CPEC's strategic value without letting setbacks overshadow achievements, and pursue a blend of political vision and economic pragmatism. Second, manage geopolitics by engaging U.S. local actors, using SCO platforms for Sino-Indian economic dialogue, and inviting multilateral participation to reduce zero-sum tensions. Third, enforce market principles with enhanced risk assessment, financial monitoring, and compliance, while governments focus on coordination and dispute resolution. Fourth, innovate security through a two-tier protection model (private guards inside, Pakistani forces outside), deeper intelligence sharing with Afghanistan, and dynamic early-warning systems. Fifth, harness think tanks and media to broadcast factual progress and counter misinformation. CPEC must adapt to evolving circumstances; China and Pakistan should uphold all-weather cooperation while tackling fiscal, security, and governance constraints. For the BRI, CPEC underscores balancing great-power dynamics, respecting local conditions, ensuring debt sustainability, and advancing people-centered connectivity. A well-managed CPEC will drive Pakistan's transformation, strengthen BRI credibility, and solidify the China-Pakistan community with a shared future.