

## China-Pakistan Economic Corridor (CPEC): A link between geoeconomics and geopolitics in South Asia

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Article Info	Abstract
<p>Original Article</p> <p>Main Object: Interdisciplinary Scope: China &amp; Pakistan</p> <p>Received: 07 July 2025 Revised: 29 July 2025 Accepted: 03 August 2025 Published online: 10 August 2025</p> <p><b>Keywords:</b> China, corridor, geoeconomics, geopolitics, Pakistan.</p>	<p>The China-Pakistan Economic Corridor (CPEC) is one of the key projects of the Belt and Road Initiative (BRI), playing a strategic role in connecting China to the warm waters of the Indian Ocean. This corridor not only has economic implications for both countries, but also encompasses broad geopolitical, security, and social dimensions. Using qualitative methods and document content analysis, this article analyzes the CPEC project within the framework of geo-economic and geopolitical concepts, demonstrating how it has transformed from an economic scheme into a geopolitical tool serving China's strategic interests in South Asia. Pakistan's financial dependence on China, infrastructure development in disputed areas, and the prominent presence of Chinese security companies on Pakistani soil are among the manifestations of this trend. Furthermore, the article's analysis indicates that Pakistan's weak national identity and the reactions of regional rivals like India have created significant challenges in achieving CPEC's initial objectives.</p>

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**Extended Abstract****Background**

The China–Pakistan Economic Corridor (CPEC), as a flagship project under the Belt and Road Initiative (BRI), holds a pivotal role in redefining the geostrategic order of South Asia. Stretching from Xinjiang in western China to the port city of Gwadar in Pakistan, CPEC is often presented as an economic and infrastructural megaproject aiming to facilitate regional connectivity, enhance trade routes, and ensure China's access to warm waters.

However, beyond its economic façade, CPEC represents a multidimensional strategy through which China seeks to project power, deepen influence, and institutionalize spatial dominance across key contested and peripheral regions of Pakistan.

**Aim**

This study aims to analyze the intersection of geoeconomic motives and geopolitical calculations embedded in the CPEC initiative and to critically explore its implications for Pakistan's sovereignty and regional balance.

**Methodology**

This research adopts a qualitative methodology and applies a descriptive–analytical approach. Data has been collected from a wide range of secondary sources, including scholarly articles, institutional reports, government documents, and verified field analyses. The research focuses on the structural interpretation of CPEC developments and their alignment with the theoretical foundations of geopolitics and geoeconomics.

**Findings**

The findings reveal that CPEC has created a complex and overlapping power structure in Pakistan, with significant consequences in two primary dimensions.

**1. Geopolitical dimension; China's spatial domination over strategic zones of Pakistan**

China has expanded its de facto sovereignty over critical regions such as Gwadar and Gilgit-Baltistan through long-term lease agreements, military presence, and infrastructural development in disputed territories. The deployment of Chinese private security firms, control over mobility in Gwadar, and the construction of Chinese-only residential enclaves indicate a deepening spatial reconfiguration that enhances China's strategic leverage. These changes have fueled internal dissent, particularly among ethnic Baloch communities, and intensified tensions with India, which views Chinese activities in Gilgit-Baltistan as a breach of its territorial claims.

**2. Geoeconomic dimension; Pakistan's structural dependence on China**

CPEC is also a vehicle for China to externalize its excess industrial capacity, promote RMB internationalization, and secure critical resources— particularly freshwater from Gilgit-Baltistan, vital for semiconductor production. The influx of Chinese loans, control over Special Economic Zones (SEZs), and the terms of infrastructural investments have entrenched an economic model in which Pakistan's fiscal autonomy is constrained. China's vertical integration of production chains and exploitation of natural resources under the guise of development cooperation have resulted in asymmetric economic dependencies.

**Conclusion**

CPEC should not be merely viewed as a development project. Rather, it reflects a sophisticated integration of geoeconomic instruments into a grand geopolitical strategy. China's long-term goal appears to be the consolidation of regional hegemony by reshaping territorial control, economic sovereignty, and maritime access through infrastructural and financial entrenchment in Pakistan.

The corridor has enabled China to establish semi-sovereign operational zones within Pakistan, thus contributing to layered and nested sovereignties that weaken Pakistan's unitary authority. Internally, this model has intensified social, ethnic, and sectarian divisions, particularly in restive provinces like Balochistan. Externally, it has provoked counter-reactions from India and increased regional polarization.

In essence, CPEC is not only transforming the physical and economic geography of Pakistan but is also altering the geopolitical logic of South Asia. It symbolizes a shift toward a China-centered regional order that leverages infrastructure as a tool of spatial domination, economic capture, and strategic encirclement.

**Conflict of interest**

The authors declared no conflicts of interest.

**Authors' contributions**

All authors contributed to the original idea, study design.

**Ethical considerations**

The authors have completely considered ethical issues, including informed consent, plagiarism, data fabrication, misconduct, and/or falsification, double publication and/or redundancy, submission, etc. This article was not authored by artificial intelligence.

## Data availability

The dataset generated and analyzed during the current study is available from the corresponding author on reasonable request.

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