

Pakistan Shifts Gears on China's Belt and Road

PM Imran Khan removes scandal-plagued soldier as head of China-Pakistan Economic Corridor scheme likely at Beijing's behest

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Pakistan is changing direction on China's Belt and Road in an apparent bid to assuage Beijing amid rising security risks to its in-country nationals, interests and investments.

In a surprise and still unexplained move, **Prime Minister Imran Khan** announced last week that businessman **Khalid Mansoor** would be the nation's new point person for the Beijing-backed US\$62 billion China-Pakistan Economic Corridor (CPEC) infrastructure-building program.

The announcement said **Lieutenant General Asim Saleem Bajwa** will step down as head of the China-Pakistan Economic Corridor Authority (CPECA), ending the military's de facto two-year control over a scheme that has been riddled with delays and wobbled by militant attacks.

Khan's statement came soon after the July 16 bomb attack on a bus that killed nine Chinese nationals including engineers working on a CPEC-related hydropower dam project. Pakistani officials have since indicated it was the dirty work of the East Turkestan Islamic Movement (ETIM), a Uighur militant group bent on targeting Chinese interests both in Xinjiang and abroad, and other militant groups.

The lethal attack came at an especially delicate, if not strategic, juncture as China tries to lobby Afghanistan's Taliban into clamping down on its aligned militant and terror groups in quid pro quo exchange for infrastructure investments that would link the country with the CPEC and further afield into Central Asia if and when, as widely anticipated, the militant group seizes power in Kabul.

It's not immediately clear if Bajwa's removal as the CPECA's chairperson only halfway through his four-year appointment was directly related to the security lapse. Prime Minister's Khan announcement fell short of stating any specific reason for his removal, though the military's outsized role in steering the scheme was aimed in large part to

guarantee project security in a region riddled with militants.

Significantly, too, the announcement did not name a replacement for the CPECA's top post. Instead, Mansoor, a corporate executive who has worked in top positions with a CPEC-related China-Pakistan coal-mining syndicate in Sindh province and who has a history of liaising with Chinese companies and financial institutions, was named as Special Assistant to the Prime Minister on CPEC affairs.

The role has no mandatory power under Pakistan's constitution and may not attend government cabinet meetings without special invitations. Significantly, Mansoor was not and will not clearly in future be appointed as the CPECA's chairman, a statutory position under the CPEC Authority Act of 2019 that now sits vacant.

Bajwa's removal could have been influenced by recent scandals. In August 2020, journalist Ahmed Noorani published an investigative story online claiming that Bajwa had abused his military authority to establish various offshore businesses in the name of his wife, sons and brothers – alleged sprawling commercial interests that became known as his "pizza empire" in recognition of his investments in the US.

A few weeks after the bombshell story was published, Bajwa rubbished the allegations and claimed to possess all the relevant documents about his family's assets and that their interests were all above board.

But opposition parties remained adamant in their calls for a judicial inquiry into his family's offshore assets and his resignation as Special Assistant to the Prime Minister on Information and Broadcasting, which he finally did in October 2020. However, Bajwa retained his position as CPECA chairperson despite unanswered questions about his personal wealth, which some suspect was derived in part from the CPEC.

Now, some observers believe Bajwa was likely removed at Beijing's behest. They note China had already recently expressed concerns about the slow execution of CPEC projects in recent months. The bus attack, they suggest, was likely the straw that broke the camel's back, as the top brass general couldn't even guarantee the security of CPEC projects from rising militant attacks.

Significantly, Bajwa's removal came just days after Pakistan's **Foreign Minister Makhdoom Shah Mahmood Qureshi** and Inter-Service Intelligence (ISI) chief **Lieutenant-General Faiz Hameed** flew to Beijing to reassure their Chinese hosts that the military would provide full security cover to CPEC and non-CPEC projects.

Still, there is widespread speculation on social media that Khan's decision not to immediately appoint a new CPECA head is a signal that Beijing intends to take more control over CPEC projects and related personnel decisions. They believe Mansoor's appointment as special assistant to the premier was likely requested by Beijing.

Either way, the CPEC's power dynamics are discernably shifting.

Last year's promulgation of the CPEC Authority Act (2020), aimed to expedite the scheme's many stalled projects, gave the newly established CPECA near-absolute power to plan, facilitate, coordinate, enforce, monitor and evaluate CPEC-related activities. That gave Bajwa unrivaled authority over the multi-billion dollar scheme, allowing him to sideline parliament and the planning ministry in the process.

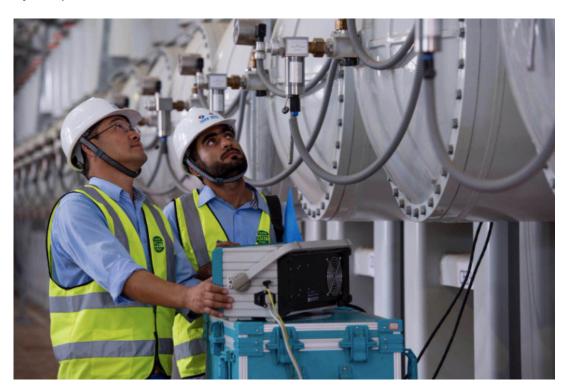
Ahsan Iqbal, a former federal minister for planning and secretary-general of the Pakistan Muslim League-Nawaz (PML-N) party, told Asia Times that he had earlier taken strong exception to the formation of the CPECA and its carte blanche authority during a Standing Committee on Planning, Development and Special Initiatives meeting.

"It requires a technopolitical person with the full backing of the parliament to efficiently run CPEC affairs. During my tenure as planning minister, more than \$29 billion investment was channelized by the planning ministry without any authority or a superfluous overhead structure. The same model, which worked successfully in the past, should have continued," Ahsan said.

He claims that Khan's government undermined the momentum and initiative of line ministries by imposing an unnecessary command structure that ultimately complicated the CPEC's implementation. The CPEC is now moving at a snail's pace due to the Covid-19 pandemic, administrative red tape and a deteriorating security situation, witnessed most recently in last month's bomb attack.

The CPEC has also been slowed by Islambad's now twice-made request to Beijing for debt relief on loans and take-or-pay contracts coming due. To date, China has declined to engage in any debt rescheduling discussions, according to local sources familiar with the situation.

The CPEC's official website shows that over a dozen energy, communication and road projects have recently missed their completion deadlines. Five CPEC power projects with a cumulative generation capacity of 3,600 megawatts have not started commercial operation by the prescribed deadlines.



Chinese and Pakistani technicians at the Chinese-financed Qasim Power Plant near Karachi. Photo: Facebook

These include the 884MW Suki Kinari hydropower project, the 720MW Karot hydropower project, the 330MW Thar Block-II, the 330MW Thal Nova Thar Block-II and 1,320 MW Thar Block-I.

Similarly, a \$6.8 billion railway project designed to connect the cities of Peshawar and Karachi has not been finalized due to inordinate delays in the crucial 10th meeting of the Joint Cooperation Committee (JCC) of the CPEC. The railway-revamping project will thus most likely remain in limbo throughout 2021.

The CPEC was first launched in 2015 as a part of Beijing's ambitious BRI designed to connect China's strategic northwestern Xinjiang province to Pakistan's southern Gwadar port through a network of roads, railways and pipelines to transport cargo, oil and gas from the Middle East onward to Central Asia via Pakistan.

It has taken on greater strategic importance in recent months as Beijing seeks to leverage the project to make strategic inroads and mitigate militants risks in Afghanistan that are now clearly rising as the country edges towards full-scale civil war.

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Featured image: The Karakoram Highway, also known as the China-Pakistan Friendship Highway, is part of China's Belt and Road Initiative. Image: AFP Forum

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