

CPEC is not a game changer rather will increase our dependence on foreign States

News:

On 14th May 2017, Prime Minister Nawaz Sharif on 14 May 2017 said the China-Pakistan Economic Corridor (CPEC) under the One Belt-One Road (OBOR) initiative was open to all countries in the region and that it 'must not be politicised'.

Comment:

Since the inception of the CPEC (China-Pakistan Economic Corridor), the regime in Pakistan has presented it as a game changer for Pakistan's economy. Many in Pakistan have been raising objections and refutations of the tall claims of the regime. One of the most common apprehensions about the CPEC is the cost of debt servicing. Pakistan is already indebted to foreign loans to an extent that every year more than one billion is only paid on interests of these foreign loans. It has been common knowledge that in order to pay back the principle amount and the interest on foreign loans, Pakistan has to take more foreign loans. Now with the inclusion of massive loans for the CPEC, foreign debt will increase, as will annual interests payments on this debt. Pakistan will end up paying \$90 billion to China over a span of 30 years, against the loan and investment portfolio worth \$50 billion under the (CPEC) as estimated by a brokerage house. Topline Securities, in its report, said leading economists have estimated annual average repayments of \$3-4 billion per year post fiscal year 2020. "Average annual repayment of CPEC will be \$3 billion. {However, in medium term} between fiscal year 2020-25, it will range between \$2.0-5.3 billion with average payment of \$3.7 billion," Saad Hashemy, an analyst at the brokerage house, said in a report titled, 'Pakistan's External Account Concerns and CPEC Repayment'. So one could easily imagine that whatever economic activity will be generated by CPEC, it will mostly serve the Chinese interests and Pakistan will bear the "fruits" of debt servicing.

One thing which must be clear in our minds is that CPEC is a Chinese brain child not Pakistan's. China is now a capitalist state and like any other capitalist state, she only seeks her benefit at the cost of weak nations in relations. We must not forget what Chinese investment did in Sri Lanka, when Sri Lanka started to build a port with 300 million dollar Chinese loan in 2008. However, when Sri Lanka struggled to pay back this loan, China ensured its takeover of the Hambantota port and 15,000 acres of land for an accompanying industrial zone. This infuriated the public and the country erupted in protest and political controversy. Sri Lanka responded to the heat by delaying the signing of the port and industrial zone deals, but China's Ambassador to Sri Lanka, Yi Xianliang, claims that while President Xi Jinping and himself are prepared to exercise patience with Sri Lanka, investors may not be so accommodating.

Nations cannot be built on money, technology and projects from colonialist states. None of today's big industrialist economies become leading economies by opening up their countries to foreign powers, at the cost of local industry and agriculture. They all protected their economy from foreign influence and provided all manner of facilities and concessions to their people. However, once they became big economies, they propagated the mantra of free trade and ending protectionism. Pakistan and the Muslim Ummah can become a leading economic entity of the world if they have sincere leadership implementing Islam comprehensively. And Islam's economic system provides every opportunity and concession to the Khilafah's citizens to benefit of the resources of the land, to make their individual and collective economy great, instead of that of foreign powers. And this is not a far-fetched dream because if we had created a state in the past that become the leading state in economy, the Khilafah, then this can be done once again by implementing Islam. So we must not put our trust in foreign powers' assistance, rather we must trust Islam and establish the Khilafah (Caliphate) on the Method of Prophethood, which will implement Islam's economic system and make us prosper once again.

﴿فَإِذَا يَأْتِيَنَّكُمْ مِنِّي هُدًى فَمَنِ اتَّبَعَ هُدَايَ فَلَا يَضِلُّ وَلَا يَشْقَىٰ ط وَمَنْ أَعْرَضَ عَن ذِكْرِي فَإِنَّ لَهُ مَعِيشَةً ضَنْكًا﴾

"Then if there comes to you guidance from Me (Allah swt), then whoever follows My Guidance shall neither go astray, nor fall into distress and misery. But whosoever turns away from My Reminder verily, for him is a life of hardship" [Taha: 123-124]

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