January 2017

NEWS COVERAGE PERIOD FROM JANUARY 23RD TO JANUARY 30TH 2017

PAKISTAN SHOULD EQUIP WORKFORCE FOR CPEC CHALLENGES

The Express Tribune, January 23rd, 2017.

Ikram Hoti

ISLAMABAD: Is the China-Pakistan Economic Corridor (CPEC) really a fate changer? Yes, if everything goes according to the plan. But what is the plan? And how it is implemented?

These two questions are important as doubts of smaller provinces about the real CPEC road map have started subsiding.

Reservations of these provinces may not be well-founded. Their leaders might be indulging in acrimonious politics. But what actually is in this project that may help to change the economic game in Pakistan and the entire region and how it is going to be realised?

These are the issues that need to be technically raised. However, the Panama Papers leaks case against the prime minister and his family could prevent an insight into the two issues.

A lot depends on the success or failure of CPEC. If it fails, Pakistan won't be able to have a chance to reap even half of the benefits of CPEC. If it succeeds, the country might not only be economically strong but it will also be able to get rid of many monstrous forces it has had to endure over the past seven decades.

In order to succeed, a complete rebirth of the political, cultural, economic and intellectual Pakistan is needed.

This entails a change in the social and structural course, which starts not in factories and workshops, but in the quarters holding actual power. It needs a change in the constitution, laws, procedures, money-related behaviour of the entire state, business houses, the big agricultural class and the mainstream demography.

Consultants in Karachi and Islamabad who have experience of assisting in mega projects indicate that China might accomplish as much as it aspires if only 10% of the existing Pakistani political, cultural, economic and intellectual energy is refocused on the CPEC project.

But, they say, Pakistan cannot accomplish even 20% of what is due from CPEC if it does not multiply its political, cultural, economic and intellectual energy between 2017 and 2020.

What does Pakistan need to multiply this energy in these four years? Pakistan needs to equip its labour and their supervisors with the latest techniques of construction from mapping to carpeting of roads.

Once the roads, spread over 3,000 km under CPEC, are built, the next phase will be to develop the water and power infrastructure along these roads. Time is of prime essence. Has Pakistan started equipping its workforce for the purpose?

Business houses in Pakistan need to enter into joint ventures with Chinese and other foreign entrepreneurs not after the roads are constructed, but long before that. Businesses compete for opportunities to succeed ahead of the opportunity becomes too obvious.

In this competition, they need to win supply contracts for the construction material and the technical assistance they can offer for the initiation of work on CPEC projects.

Have the Board of Investment (BoI), Federal Board of Revenue (FBR), ministries of commerce and industries, Planning Commission and Ministry of Finance begun coordinated efforts for the purpose?

An Islamabad-based business development consultant pointed out the other day that expert sessions on CPEC, conducted by private sector institutions so far, focused only on the macro issues and missed the micro matters, which were more important as far as CPEC success for Pakistan is concerned.

In the end, the most important question is: Has the government initiated a training course for technical orientation of CPEC-related ministries and the private sector on the micro issues?

Not yet. When does it plan to initiate it? No one knows. Officials of the BoI, FBR, ministries of commerce and industries, Planning Commission and Ministry of Finance are completely dumb about the challenges posed by the micro issues relating to the CPEC time frame. These are, let me say, signs of a planning failure, not of success.

The writer has worked with major newspapers and specialises in the analysis of public finance and geo-economics of terrorism

http://tribune.com.pk/story/1303766/pakistan-equip-workforce-cpec-challenges/

PROTECTING THE CORRIDOR : SPECIAL SECURITY FORCE FOR CPEC NOTIFIED: REPORT
The Express Tribune, January 23rd, 2017.

ISLAMABAD: The Ministry of Interior is learnt to have issued a notification for establishing the Special Security Division (SSD) for protecting the $55 billion China-Pakistan Economic Corridor (CPEC).

According to details on the state-run Radio Pakistan’s website, the SSD would involve raising nine army battalions and six civilian wings with 13,700 personnel.

After the Planning Division requisitioned from the provinces, deployment orders shall be issued by the Ministry of Interior, it added.

However, this notification is yet to be confirmed by the Ministry of Interior.

China has already expressed satisfaction over security arrangements during the sixth Joint Cooperation Committee meeting held in Beijing, the state-run radio maintained.

The nine composite battalions of SSD will have 9,229 personnel while six wings of civilian armed forces will have 4,502 personnel. Terms of references of SSD had already been sent to provinces/special regions for requisitioning armed forces/civilian armed forces under Articles 147 and 245 of the Constitution and Anti-Terrorism Act of 1997, it is further learnt.

Briefing a parliamentary panel in August last year, officials of the ministry of defence stated that SSD had been entrusted to protect Chinese workers and projects under the CPEC.

Officials informed the committee that the government had also allocated Rs1.3 billion for CPEC security in addition to efforts of provincial governments.

The cost of raising the SSD was Rs500 million and it took a year to be raised, officials maintained during the briefing.

CPEC is intended to rapidly expand and upgrade Pakistani infrastructure, besides deepening and broadening economic links between Pakistan and China. First trade activity took place through CPEC on November 13 last year, when cargo from China was transported to ships at Gwadar Port, for markets in West Asia and Africa.

The CPEC involves 3,000-kilometre-long network of roads, railways and pipelines to transport oil and gas besides energy projects between Gwadar Port and Kashgar in China's Xinjiang region.

Proposed by Chinese Premier Li Keqiang during his visit to Pakistan in May 2013, the CPEC is expected to act as a bridge for the new maritime route that envisages linking three billion people in Asia, Africa and Europe.

There are 12 energy projects under CPEC which are expected to add 5,000 megawatts of electricity to the national grid by 2017-18.

Similarly, the transport infrastructure under CPEC consists of rail-based mass transit system, railways, new provincial projects and new Gwadar projects.

Rail-based mass transit system includes Karachi Circular Railway, Greater Peshawar Mass Transit and Quetta Mass Transit. The projects also include upgrading Pakistan Railways ML-1 and establishment of a dry port at Havelian.

http://tribune.com.pk/story/1303994/protecting-corridor-special-security-force-cpec-notified-report/

'FC READY TO FOIL ENEMY DESIGNS AGAINST CPEC'
The Express Tribune, January 26th, 2017.

Aamir Ilyas Rana

Quetta: Frontier Corps Balochistan stands ready to foil any nefarious designs on the China-Pakistan Economic Corridor (CPEC), the chief of the paramilitary force has said.

“We are fully prepared to foil enemies’ nefarious designs to sabotage CPEC through terrorism and controversies as the civil-military set-up is working hand in hand for the country’s development,” Inspector General FC Balochistan Maj Gen Nadeem Ahmed Anjum told The Express Tribune.

“FC Balochistan has been playing a pivotal role in the fight against terrorism. Its officials and soldiers have rendered great sacrifices in the line of duty to counter ulterior designs of enemies such as India and Israel ,” he said, adding that due to the force’s efforts to enhance the lives of the Baloch people, those who had been exploited by Pakistan’s enemies have started to surrender and return to the national mainstream.

Maj Gen Nadeem said his force is conducting operations in Balochistan in order to save the province’s residents from the ill-intentions of Pakistan’s enemies. He said the FC is conducting operations against those who attack railway lines, power stations and school vans.

He said the FC is serving the people of Balochistan in multiple ways. “FC-run institutions in Balochistan are providing education to thousands of children in the province. We are also running a huge network of medical facilities across Balochistan,” the IGFC said.

He stressed that the youth of Balochistan is the province’s future. “It is imperative to raise their potential to the optimal level so that they can shoulder the onerous responsibilities that await them.”

“It is important to make the youth of this great province partners in peace and prosperity. FC efforts aim to bridge the gap between the state and youth including small discontented segments, lured by vague slogans and elusive dreams,” the IGFC added.

Maj Gen Nadeem pointed out that 250 Baloch cadets were among the 2,200 being trained at the Pakistan Military Academy (PMA). He said these young officers would a play vital role in ensuring peace and prosperity in Pakistan.

The IGFC paid tribute to paramilitary officers and troopers who sacrificed their lives to restore law and order in Balochistan.

http://tribune.com.pk/story/1307074/corridor-security-fc-ready-foil-enemy-designs-cpec/

CPEC: ANOTHER MARSHALL PLAN?
The Express Tribune, January 26th, 2017.

Shaukat Qadir

Following the aborted attempt by an Indian submarine to penetrate Gwadar in November last year, two Chinese ships have been handed over to the Pakistan Navy by their Chinese counterparts for “the security of Gwadar”. Two more state-of-the-art ships are scheduled to follow soon.

This is a mere indication of Gwadar’s significance for China and CPEC. But the significance of this development is far reaching indeed. The Chinese Navy is finally breaking free of the US stranglehold on its east-west movement via the Malacca Straits.

After the Second World War, European economy was in tatters. The US decided to help reconstruct it. This was no altruistic move. Not only was it essential to thwart the creeping growth of Communism, an economic recovery of Europe was essential for the global economy to recover and the US to retain its economic and military supremacy.

Even more importantly, the US desperately needed the goods and services of Europe so as to continue to produce goods at economical rates. Interestingly, within two years of the commencement of the Marshall Plan, Nato, a military alliance, came into being.

In November last, Alexander Bogdanov, head of Russia's Federal Security Services, also visited Gwadar to "assess its utility for Russian ships". Obviously, this could not have occurred without Chinese approval.

Meantime, China's powerful Defence Minister, Chang Wangqwan, had visited Tehran for three days a week before Bogdanov's visit to Gwadar.

All this as Trump is getting ready to assume office.

In a realigning world, is a Gwadar Pact consisting of China, Russia, and Pakistan, Iran and perhaps Afghanistan and some other countries replace the erstwhile Warsaw Pact?

Whether a military alliance finally emerges or not, an economic alliance based on the above-stated structure is a virtual certainty. Iran's entrance is as certain as it is essential; logically Afghanistan should be a part of the economic and, if it emerges, the military alliance as well.

Due to being a prominent western neighbour, Afghanistan's inclusion in any security related alliance is very important. But, being land-locked and economically dependent on commerce its inclusion for economic purposes might be its own compulsion.

CPEC and the European Recovery under the Marshall Plan have some striking similarities. In 1947, like now, the world is in an economic recession. Then, the US needed to create and retain markets for the glut it faced, now China does.

In 1947, Europe desperately needed a security alliance against Russia's growing military might. Today, China is the waxing power and Pakistan needs a security alliance to counter the US-India strategic agreements.

Russia is reasserting its global relevance but needs Chinese support. Iran, too, has just emerged from its isolation and its desire to return to maritime regional relevance will depend on Chinese support and assistance.

One important difference is that in 1947, the US had enough oil to export it to its European beneficiaries at cheap rates. Despite having signed the largest ever energy deal with Russia, China is still energy hungry. However, this merely serves to establish a mutual inter-dependence between Iran and China.

For all that CPEC seeks to do, Pakistan's participation and Gwadar's utility to its fullest capacity is an imperative.

Consequently, when critics refer to the economic unviability of some of the domestic projects under consideration, whether by Chinese firms or our own, or to the fact that Pakistan is borrowing from Chinese banks to undertake some projects, they do not advert to the fact that in such multi-purpose alliances, strategic interests could override economic ones; and thereby make them economically viable.

However, it is essential that each participant nation of any alliance must safeguard its own interests. While I am sure that all of the other aforementioned participants of CPEC will do so, I am not so sure of Pakistan.

In the past we have often ignored national economic interests to safeguard strategic interests beyond the economically viable national capacity and are still paying the price.

If Pakistan's role is an imperative for CPEC's success, Pakistan must emerge an economic and military beneficiary.

Pakistan must not forget the experiences of allying itself with the US. Oh, I am not saying we have not benefited from that alliance; we certainly have. But, in any unequal alliance, the weaker partner must ensure that it stays relevant; we didn't.

What is worse is that we stayed uni-dependent. India under the garb of being "non-aligned", remained mainly dependent on Russia but received critical assistance from the US as well.

Let us be very clear, in conception, the Marshall Plan was intended to find markets for the American economy, the other beneficiaries were preferred allies but, they were intended to, and did, become markets for American goods. However, each beneficiary guarded its own economic and security interests within the parameters laid down in the plan.

The CPEC is no different. It too will essentially seek markets for Chinese goods. It is up to us to guard our own economic and security interests.

Our foreign policy must also seek to diversify or we will suffer the same consequences again.

http://tribune.com.pk/story/1306921/cpec-another-marshall-plan/

IRAN KEEN TO JOIN CPEC, SAYS ENVOY
Dawn, January 27th, 2017

ISLAMABAD: Iran on Thursday reiterated its desire to join the China-Pakistan Economic Corridor (CPEC) and offered to commit its 'full potential' for the mega regional connectivity project.

"Iran is eager to join CPEC with its full capabilities, possibilities and abilities," Iran's Ambassador Mehdi Honardoost said while speaking at the Oxbridge Lecture here.

Iranian President Hassan Rouhani first expressed interest in joining the CPEC during his meeting with Prime Minister Nawaz Sharif on the sidelines of the UN General Assembly session in September last year.

China welcomed Iran's interest and its envoy in Islamabad Sun Weidong has said that his country is awaiting Iranian inclusion in the project. Pakistan too has described it as a "good step".

However, analysts fear that progress towards embracing Iran was being impeded by Pakistani concerns about Tehran's close association with India and Saudi Arabia's apprehensions about Iranian involvement in the project.

Mr Honardoost, while responding to a question, acknowledged that Pak-Iran ties were not at the "best point". He attributed the problems to an 'external element' affecting the relationship and the two neighbours not fully comprehending each other's point of view due to lack of information.

"We expect Pakistan to move forward. Trade should not be affected by other developments," he said in a general comment.

The envoy, who candidly responded to several queries, parried a question about how Iran planned to collaborate in CPEC, while having partnership with India that is not only opposed to the project, but is believed to be involved in sabotaging it.

"It is not important if some country is not keen to join it," he observed almost downplaying New Delhi's opposition.

Iran, he stressed, could contribute significantly to CPEC.

He said Iran's rich energy resources, well-developed transport infrastructure, and progress in other fields, including nanotechnology, would add to CPEC once it joins it.

Moreover, Mr Honardoost expected that some other countries could follow Iranian example and join CPEC after its entry.

"Iran believes our region should not be under the dark shadows of tensions and friction. We don't look at CPEC as just a trade, business and economic project. It is about peace and tranquillity in the region. It could help address many issues in this region," the envoy noted.

Talking about bilateral trade, Mr Honardoost said it had grown by about 30 per cent over the previous year and hoped that it would further increase when "other impediments are removed". He expected progress by 'Nauroze', the start of Iranian year, which is in March.

The Chairman of the Committee for Foreign Policy and National Security of the Islamic Consultative Assembly of Iran, Allaudin Boroujerdi, also spoke on the occasion.

Mr Boroujerdi said Iran did not consider the Saudi-led military alliance as against it. Many countries included in the alliance, he noted, were friendly with Iran. He said Pakistan and Iran needed to "sit together" for resolving issues in their relationship.

Mr Boroujerdi earlier called on Adviser to the PM on Foreign Affairs Sartaj Aziz.

The two sides discussed areas of mutual cooperation and agreed to further deepen bilateral ties with particular focus on trade and economic cooperation, the Foreign Office said in a statement.

http://www.dawn.com/news/1311031

CDA WANTS GHAZI BAROTHA WATER SUPPLY PROJECT TO BE INCLUDED IN CPEC
Dawn January 28th, 2017

Kashif Abbasi

ISLAMABAD: The Capital Development Authority (CDA) has decided to request the government to include the Ghazi Barotha water supply project in the China Pakistan Economic Corridor (CPEC) project.

Under the initiative worth Rs37 billion and announced by the CDA in 2006, the civic agency plans to bring in 200 million gallons daily (MGD) of water for the twin city from the Ghazi Barotha Dam on the Indus River.

“The cost of the project is likely to have increased to over Rs50 billion as we have to revise its PC-1,” a CDA official told Dawn.

He said that the decision of asking the government to include the project in CPEC was made in a meeting held at the CDA headquarters recently, which was chaired by the Minister of Capital Administration and Development Division (CADD) Dr Tariq Fazal Chaudhry.

According to the minutes of the meeting, the suggestion of including the project in CPEC was made by Islamabad Mayor and CDA chief Sheikh Ansar Aziz and that after they are worked out, the proposals are to be submitted through CADD.

CDA spokesperson Mazhar Hussein said the civic agency was working on the proposal for the project.

The water supply project has faced a delay of many years as the provinces were not ready to give their share of water to Islamabad and Rawalpindi. However, during a meeting of the Council of Common Interest (CCI) last year, all the provinces agreed on the project after which the federal government gave the CDA the green light to initiate the project for bringing in water from the River Indus.

Under the agreed-on formula, the CDA is allowed to take 74 cusecs of water each from Sindh and Punjab, 27 cusecs from Khyber Pakhtunkhwa and 24 cusecs from Balochistan. This project was planned to conduct 655 MGD of water per day by 2050 in three phases. In the first phase, 200 MGD of water will be supplied to the twin cities.

The federal capital, and especially the I and G sectors, face a shortage of water every summer as the city is supplied 70 MGD when it needs 211 MGD and this gap widens in the summers.

The CDA has so far not come up with viable alternate projects. The civic body had invested in the Chirah Dam project, which was approved in 2009 and is a joint venture of the CDA and the Punjab government, with the latter being the executing agency.

As per the PC-1 for the project, the construction of the dam, which was to have a capacity for 15 MGD, was to be completed by 2013 but so far, the concerned authorities have not even purchased land for this and the estimated cost of it has increased from Rs5.3 billion to Rs18 billion.

The Senate Standing Committee on Cabinet Secretariat recently directed the CDA to disassociate itself from this project and look for alternate initiatives.

When asked, CDA member planning Asad Mehboob Kayani, who also holds additional charge as member engineering which deals with water related projects, said the CDA chairman will meet the Federal Minister for Planning Ahsan Iqbal in the coming few days in order to seek his advice on making the project part of CPEC.

“Then we will submit our summary to the prime minister’s office for final approval,” he said.

http://www.dawn.com/news/1311198/cda-wants-ghazi-barotha-water-supply-project-to-be-included-in-cpec

ACHAKZAI SAYS PM FAILS TO DELIVER ON CPEC ROUTE PROMISE
Business Recorder, 28 January 2017

Zulfiqar Ahmad

ISLAMABAD: The Senate Standing Committee on Communication noted on Friday that the government is ignoring the parliamentary panel’s recommendations, saying the government is giving priority to other routes instead of western route of China-Pakistan Economic Corridor (CPEC) project.

The committee which met here with Senator Mehmood Khan Achakzai in the chair said that the recommendations made by the committee are being considered but the government officials are bent upon implementing the dictation from power corridors.

“The recommendations which we, the elected representatives of people, made after intense deliberations in standing committees, carry no weight in front of the government officials as they are always there to please their bosses who matter for them,” lamented Achakzai.

Achakzai had also taken up the issue of government officials’ behaviour on the floor of the House, saying they do not even bother to come to the committee meetings, which shows how seriously they take the standing committees’ directives.

He said that Prime Minister Nawaz Sharif had told an All Parties’ Conference that western route of CPEC would be given top priority, but his announcement and commitment proved to be mere political statement as nothing is being done on ground in this regard.

He said that on papers, the western route is scheduled to be completed by 2020, but the progress on the route speaks otherwise, adding the committee constituted by the Prime Minister to acquire land in Balochistan and Khyber Pakhtunkhwa had not held a single meeting.

"The announcement by the Prime Minister has proved to be a political statement and if this remains the attitude, it will not only damage the provincial harmony but will also weaken the federation which could be disastrous for the teething democracy," he warned.

Achakzai said that the work on acquiring land from Zhob to Suhra is going at a snail' pace, and there is a need to keep a check on this as slow pace of work, especially in smaller provinces, is not acceptable and it should be expedited.

He also directed the National Highway Authority (NHA) to turn up in the next meeting of the committee along with all the details of the repair work and other expenditures as well as the record of toll plazas for the year 2015-16.

He also took notice of the damages done to highways in Balochistan in the aftermath of recent heavy rains and snowfall. He also directed the NHA to immediately start repair of the highways damaged due to heavy rains and snow.

Chairman NHA Shahid Ashraf Tarar, who happens to be the relative of state minister for health ministry, told the panel that under-construction Dera Ismail Khan to Zhob route will be completed soon.

"The first phase of the project has been approved; funds have also been released and the feasibility study from Zhob to Quetta is under way and the financing for Khuzdar-Quetta-Chaman route will be done by Asian Development Bank (ADB)," he added.

http://epaper.brecorder.com/2017/01/28/19-page/845176-news.html

ASSEMBLERS DECRY NON-UTILISATION OF LOCAL TRUCKS IN CPEC PROJECTS
Dawn, January 29th, 2017

Aamir Shafaat Khan

KARACHI: The local heavy industry, especially truck makers, has yet to benefit from the ongoing infrastructure development projects under China-Pakistan Economic Corridor (CPEC).

The local transporters and business houses are buyers of local trucks. On the strength of this demand the industry has been showing positive growth for the last few years.

"Non-utilisation of local trucks in CPEC-related projects is a serious concern of the local industry," Mohammad Tahir Javed, Director Marketing and Sales Afzal Motors/Daewoo Pak Motors which assembles buses and trucks as well Chinese medium commercial vehicles JAC, told Dawn on Saturday.

"All the heavy vehicle items, machinery, raw material and even labour is now finding way from China for CPEC projects," he added.He said the import of heavy vehicles has been thriving which is evident from 95 per cent jump in import of buses, trucks, etc in the last six months to $172 million as compared to $88m in July-Dec 2015.

Mr Tahir said that duty-free import of vehicles from China and other countries is eating into the share of local assemblers. “The local industry has continuously been objecting to arrival of used heavy vehicles. However, share of second-hand vehicles in total truck and bus sales has dipped to just two to five per cent as compared to 30pc few years back.

He felt the National Highway Authority (NHA) move to check overloading by the transporters as supportive. “As a result load has been distributed to more vehicles creating additional demand for trucks”.

The local commercial vehicles industry dominated by four assemblers for the last over 40 years has seen entry of five new players from China and South Korea in recent years. A heavy duty truck brand Shackman to be assembled by Afzal Motors in next few months.

He said the transport business seems to be corporatising as all major logistics companies are reducing reliance on used trucks by replacing their old fleet with new ones. On the other side the truck makers are pushing to provide new and more fuel-efficient trucks.

Since construction activities across the country are picking up, a large number of dumpers, transit mixers, water bowsers, and cement bulkers etc are also arriving from China, he added.

Bus segment is also experiencing phenomenal growth as bus manufacturers have advance orders for three to four months. Giving an example, he said his company is producing 40-45 luxury buses per month and has five months advance booking in hand.

He said 80 to 90 per cent bus demand originated in Punjab and Khyber Pakhtunkhwa where road network is better and new projects are also going on at a faster pace as compared to Sindh.

Soaring demand for locally-made trucks and bus led to higher imports for their completely and semi-knocked down kits which went up by 22 per cent in July-Dec 2016 to $147m from $121m in the corresponding period last year.

According to figures of Pakistan Automotive Manufacturers (PAMA), truck sales (Hino, Nissan, Isuzu and Master) surged to 3,304 units July-Dec 2016 from 2,194 in the same period last year while bus sales of PAMA members grew to 577 units from 451.

Mr Tahir said in case the local industry was given orders for heavy vehicles for CPEC projects, the industry would have grown faster. At present the installed capacity of this sector is over 30,000 units per annum and can be raised on a short notice.

http://www.dawn.com/news/1311337

NEWS COVERAGE PERIOD FROM JANUARY 16TH TO JANUARY 22 ND 2017
GOVT CRITICISED OVER LACK OF PROGRESS ON CPEC ROUTE
Dawn January 17th, 2017

Syed Irfan Raza

ISLAMABAD: Leaders of opposition parties criticised the government on Monday for its failure to allay their and the provinces’ concerns about the lack of development and non-establishment of industrial zones along the western route of the China-Pakistan Economic Corridor (CPEC).

The criticism against the federal government came during a meeting of the Parliamentary Committee on the CPEC, presided over by Planning Minister Ahsan Iqbal.

“We expressed our concerns that no industrial zones are being established along the western route,” Pakistan Tehreek-i-Insaf (PTI) leader Syed Shibli Faraz told Dawn after the meeting.

He said that the minister had told the meeting that no industrial zones were being set up along the western route in the short term, but they were planned under the long-term arrangement.

“Sites for economic zones are being decided by the Chinese at places which are commercially viable,” the PTI leader quoted the minister as telling participants of the meeting.

The PTI leader, however, deplored that if the areas along the western route remained unviable forever, it meant there would be no industrial zones or other development like building of roads and other infrastructure meant for the project.

“If the government wants to make the areas along the western route of the CPEC economically viable, economic zones must be established there on a top priority basis,” he demanded.

The minister briefed participants of the meeting on the recently-held Joint Cooperation Committee (JCC) meeting of China and Pakistan on CPEC in Beijing and claimed that all provinces, including Khyber Pakhtunkhwa, Balochistan and Sindh, were happy over the progress made so far on the project.

The minister also claimed that decisions regarding all projects being executed under the CPEC were being made by the Chinese government.

About road projects on the western route, Mr Faraz said that although the government claimed that planning and other spadework on the route had been completed and the physical work would begin next month, there was nothing on the ground so far.

He said some other opposition parties’ leaders and even Minister for Housing Akram Khan Durrani, who belonged to the Jamiat Ulema-i-Islam-Fazl, and some parliamentarians from the Federally Administered Tribal Areas, held similar views that there was nothing for their areas in the CPEC.

Qaumi Watan Party (QWP) president Aftab Ahmed Khan Sherpao told Dawn that he saw nothing on the ground on the western route of the CPEC.

Talking about the power projects proposed for KP under the project, Mr Sherpao said that additional electricity could not be injected for the province as the existing transmission lines could not bear the additional load.

“First of all the government would have to improve the power transmission lines network in the province and then the additional electricity can be added to the provincial grid,” he said.

During the briefing, Mr Iqbal claimed that the government had achieved consensus among provinces and the Bhasha dam would be a part of the CPEC.

The minister said that 11,000 megawatts would be added to the national grid by 2018, including 5,000MW under the CPEC, adding that this was the biggest investment in the history of the country in the energy sector.

He said Thar coal would be used for generating electricity for the next 400 years and two transmission lines were being installed between Matiari and Lahore and Faisalabad, which would take electricity from the south to the national grid, benefiting the entire country.

The minister said that there was an agreement on giving priority to construction of the western route as well as upgrading and dualisation of the Karachi-Torkham railway line which would cost $8 billion.

“This will be the biggest railway modernisation project,” he said.

Mr Iqbal informed the committee that industrial zones proposed by the provinces, Azad Kashmir and Gilgit-Baltistan had been accepted by the federal government and a feasibility study would be carried out for the purpose.

He said the Sindh government’s proposal for an additional port at Ketti Bandar had also been accepted by centre.

“Karachi, Lahore, Peshawar and Quetta will have rail-based mass transit systems as part of the CPEC,” the minister said.

Senator Mushahid Hussain Syed told the participants of the meeting that CPEC was already on the road of consolidation and 2017 would be the year of its takeoff as all key projects, in consultation with provinces, were being pursued according to the specific timeframe and all impediments to the project had been removed.

On the recommendation of some members, it was decided that there would be a comprehensive briefing by the Ministry of Water and Power on the energy plan till 2020.

http://www.dawn.com/news/1308872

DIAMER-BHASHA DAM WILL ALSO BE PART OF CPEC: AHSAN
Business Recorder, January 17, 2017

Naveed Butt

Federal Minister for Planning, Development and Reforms Ahsan Iqbal Monday said that Diamer-Bhasha Dam would also be part of the China-Pakistan Economic Corridor (CPEC). He said that 11,000MW of electricity would be added to the national grid by 2018, 5,000MW under the CPEC and 6,000MW under non-CPEC projects.

The minister said this while briefing the Parliamentary Committee on CPEC which met under the chairmanship of Senator Mushahid Hussain Sayed here at the Parliament House.

He briefed the committee on recently concluded 6th meeting of the Joint Co-operation Committee (JCC) in Beijing on December 28-29, 2016, which was attended by chief ministers of Khyber Pakhtunkhwa (KPK), Sindh, Balochistan and Gilgit-Baltistan.

During the briefing, Ahsan Iqbal said that they have achieved a total consensus among the provinces on way forward of the CPEC where the Bhasha Dam would also be part of the CPEC, adding that 11,000MW of electricity would be added to the national grid by 2018. He said that this is the biggest energy investment in the history of Pakistan.

Ahsan Iqbal told the committee that for the first time, Thar Coal, which has a huge capacity, would be used for electricity generation for the next 400 years. He added that two transmission lines, Matiari-Lahore and Matiari-Faisalabad, are being installed which would evacuate electricity from south and will be connected to the national grid benefiting all parts of the country.

Moreover, there was an agreement on giving priority to the construction of the western route of the CPEC as well as up-gradation and dualisation of Karachi-Torkham railway line at the cost of $8 billion. This would be the biggest railway modernisation project in the history of Pakistan, he added.

The minister informed the parliamentary committee that industrial zones proposed by the provinces as well as Azad Kashmir and Gilgit-Baltistan have been accepted and proper feasibility of industrial zones as well as of an additional port at Ketti Bandar, proposed by the Sindh government, would be carried out.

He said the all four provincial capitals, Lahore, Karachi, Quetta and Peshawar would have rail-based mass transit system as part of the CPEC. He said that the November 13 Kashgar-Gwadar Caravan that had carried goods from Kashgar to Gwadar had travelled on the Western route. He said that the establishment of this road link would slash the travel distance from Quetta to Gwadar from two days to eight hours.

However, a member of the committee from the Federally Administered Tribal Areas (FATA) Alhaj Shahji Gul Afridi expressed his reservations over the industrial zones. Talking to Business Recorder, he said that it was decided in the All Parties Conference (APC) that an industrial zone would also be established in the FATA, but this commitment is not being fulfilled.

He said there is a dire need of economic activities for the people of the FATA, who are already on the front line in the war against terror. He said the people have been facing terrorism for many years. He said that there is a lot of unemployment in the tribal areas and the government should create job opportunities by establishing industrial zones there.

“The government is neither constructing link roads nor establishing economic zones in the FATA under the CPEC. We are going to launch a massive protest on this issue against the government,” Gul Afridi added. In his remarks, Senator Mushahid Hussain welcomed the breakthrough made at the JCC meeting in Beijing and said that CPEC is already on the road of consolidation and 2017 would be the year of takeoff for the CPEC as all key projects in consultation with the provinces are being pursued according to the specific timeframe, adding that the impediments have been removed in this regard.

The members also underlined the need for exposing and countering any baseless propaganda against CPEC by forces inimical to the interests of Pakistan and Pakistan-China strategic partnership.

On the recommendation of some of the members, it was decided that there would be a comprehensive briefing by the Ministry of Water & Power on the energy plan till 2020 as well as the construction of transmission lines by the NTDC for the evacuation of electricity.

http://www.brecorder.com/top-stories/0:/124432:diamer-bhasha-dam-will-also-be-part-of-cpec-ahsan/?date=2017-01-17

RAW-FUNDED ANTI-CPEC PLAN FOILED IN GILGIT, CLAIM POLICE
Dawn January 19th, 2017

Jamil Nagri

GILGIT: Police on Wednesday claimed to have foiled a plan sponsored by the Indian intelligence agency Research and Analysis Wing (RAW) to sabotage projects related to the China-Pakistan Economic Corridor (CPEC) and generate anti-Pakistan feelings in Gilgit-Baltistan.

Police arrested 12 workers of the Balawaristan National Front (BNF) from Yasin Valley of Ghizer district and seized a large quantity of weapons during a raid.

GB Inspector General Zafar Iqbal Awan told a press conference that the arrested suspects had received funds from RAW and prepared a plan to sabotage the CPEC and stir unrest in Gilgit-Baltistan.

He said that the suspects had planned to attack Ismaili Jamaatkhanas in Ghizer and other parts of GB.

The IG said that BNF chief Abdul Hamid, who lived in Belgium, received funds from the RAW and directed workers of his organisation in Pakistan to sabotage CPEC-related projects.

“The RAW gave Rs300 million to Abdul Hamid who sent the amount to his supporters in the region through some banks. Part of the amount has been used for purchasing weapons,” he said.

Police had identified 60 people involved in the conspiracy and arrested 12 of them, besides seizing weapons, he said and identified those arrested as Majeedullah, Sanaullah, Daulat Jan, Qayoom Khan, Niyat Wali, Sajjad Karim, Inayat Karim, Marook Shah, Bulbul Aman, Mohammad Alam, Hafeez Ali and Imandar Shah.

The weapons seized included eight Kalashnikovs, 12 shotguns and an unspecified number of 7mm guns and pistols.

Police also recovered anti-Pakistan literature from the possession of the arrested suspects and registered an FIR against them at the Yasin police station.

IG Awan said the people associated with the BNF network also lived in Karachi, Lahore, Islamabad and other cities of the country.

He said that the BNF was formed in 1995 by Abdul Hamid, a resident of Yasin Valley, who left the country in 1999.

“The organisation is working against the integrity and constitution of the country,” he alleged.

He claimed that the BNF chief’s activities had been reported from some Asian countries as well. “In 2013 he went to Nepal, Thailand and Bangladesh and met people from GB there to organise his organisation because it was difficult for him to do so in Pakistan. He invited Abdul Qayoom, Shakoor Khan, Wazir Shafi and Burhan Raziq to the countries and bore expenses of their travel on fake passports.”

During interrogation, IG Awan said, the BNF workers revealed that a huge amount had been disbursed in Pakistan through the four people to purchase arms, organise the outfit, gain sympathy from political, religious and social organisations, publish subversive literature, spread hatred against the country on social media and impede work on CPEC-related projects and the Diamer-Bhasha dam.

The GB home department recently issued a security alert, warning that about eight militants of Jundullah had entered Ghizer district and were planning to attack Ismaili Jamaatkhanas and schools to disturb peace in the area.

It asked the local administration and law enforcement agencies to remain alert and beef up security at entry and exit points of the district.

Speaking on the issue, the IG said that police had launched a crackdown on criminals, suspected terrorists and people included in Forth Schedule to maintain law and order in the region and ensure smooth work on the CPEC-related projects.

Two wanted terrorists, identified as Shakeel and Azmat, had recently been arrested in Gilgit, he said.

During interrogation, they revealed that they were planning to attack a religious gathering in the Danyor area to foment sectarian unrest.

According to the IG, Faizan Ahmed, a proclaimed offender, wanted for the murder of Asad Zaidi, former deputy speaker of the GB Legislative Assembly, made a plan to attack an Ismaili Jamaatkhana in Ghizer. A search operation has been launched to arrest him and his accomplices.

https://www.dawn.com/news/1309395/raw-funded-anti-cpec-plan-foiled-in-gilgit-claim-police

SLIGHT DROP IN UNEMPLOYMENT EXPECTED AFTER CPEC: UN REPORT
Dawn January 19th, 2017

Amin Ahmed

ISLAMABAD: Youth unemployment in the country is expected to slightly decline in the near term as a result of the implementation of projects under the China-Pakistan Economic Corridor (CPEC), a United Nations study reveals.

The ‘World Economic Situation and Prospects 2017’ says that economic growth in Pakistan is projected to remain robust, above five per cent, and economic activity will be driven by strong consumption, a supportive monetary policy stance and rising investment and infrastructure projects boosted by the CPEC.

Fiscal policy in Pakistan is gradually becoming more expansionary, and thus deficits are expected to remain elevated. Fiscal deficits are expected to remain elevated in most of the economies in South Asia, and recent large increases in wages and other benefits in the public sector are likely to further reduce fiscal space, the report points out.

In fact, most economies are constrained by very low tax-to-GDP ratios in comparison to other developing regions and high debt-to-GDP ratios. Despite increasing efforts to strengthen tax revenues and the efficiency of the whole tax system, significant delays and problems remain, it says.

Amid relatively low inflationary pressures, monetary policies in South Asia are moderately accommodative. Fragilities in the banking sector and stressed balance-sheets of the corporate sector remain important challenges for some economies.

Although countries should try to avoid a sudden tightening of monetary and liquidity conditions in the outlook period, policy measures will critically depend on the evolution of external factors, such as oil prices, notes the report.

Most South Asian governments have announced relatively tight fiscal stances. However, during the implementation, the governments have tended to provide more support to their economies, responding to large development needs and political pressures.

Despite the favourable outlook, South Asian economies face several downside risks.

On the domestic front, the reform agenda could experience setbacks in some countries, while political instabilities might dampen investment prospects. Structural reforms in labour markets, financial sectors, public finances and competition are crucial to increasing productivity growth across the region, it says.

Heightened regional geopolitical tensions could also weigh on the outlook. On the external front, potential renewed episodes of high financial volatility, including a sudden surge in external borrowing costs and large capital outflows, could significantly increase the difficulties to roll over debt, especially in countries with relatively low financial buffers and high debt denominated in United States dollars.

South Asia is the fastest-growing developing region and its economic outlook remains largely positive, benefiting from robust private consumption, a modest pickup in investment and the continuing implementation of domestic reforms. Macroeconomic policies have also played a positive role: monetary policy continues to provide support to economic activity, while the fiscal policy stance remains moderately tight but with some degrees of flexibility.

Against this backdrop, regional GDP growth is expected to remain robust, reaching 6.9pc in 2017 and 2018, following 6.7pc in 2016. However, the relative weakness of investment demand in some countries underscores the need for continuous reform efforts, the report says. After slowing to a multiyear-low of 6.2pc in 2016, regional inflation is expected to remain relatively low and stable.

Overall, the positive economic outlook will likely enable further progress in labour market indicators, albeit gradual and moderate, and a reduction in poverty in the coming year.

http://www.dawn.com/news/1309393/slight-drop-in-unemployment-expected-after-cpec-un-report?utm_source=feedburner&utm_medium=feed&utm_campaign=Feed%3A+dawn-news+(Dawn+News)

ZEHRI, AJK PRESIDENT EMPHASISE BALOCHISTAN'S CPEC POTENTIAL
Dawn January 19th, 2017

Saleem Shahid

QUETTA: Chief Minister Nawab Sanaullah Khan Zehri has said although Balochistan is undervalued as a province, it is rich in resources and the China-Pakistan Economic Corridor (CPEC) has added to its importance.

He expressed theses views while talking to President of Azad Jammu and Kashmir Sardar Masood Khan here on Wednesday.

Mr Zehri said political insurgency and instability in the region was tackled by the leadership and the army, adding that religious extremism would be eliminated soon as well.

He said Gwadar had become a safe and secure place due to the efforts of the provincial government and security forces.

Echoing Mr Zehri's views, the AJK president said Balochistan gained more significance with CPEC and the province — rich in minerals, gems, and agriculture and sea food — would gain maximum profit from the project.

He said that only two projects of Azad Kashmir were part of the Joint Cooperation Committee on CPEC's meeting while 12 projects were included for Balochistan.

Mr Zehri said unfortunately in the past Balochistan was not given importance in terms of development which developed a sense of deprivation among the masses.

He said that anti-state elements capitalised on neglect to further their agenda, adding that as per the statistics as many as five to six bomb blasts took place in Balochistan in 2013 in addition to incidents of kidnapping for ransom.

The chief minister said that his government faced all the challenges with courage and determination, adding that their efforts resulted in peace and prosperity in Balochistan.

https://www.dawn.com/news/1309392/zehri-ajk-president-emphasise-balochistans-cpec-potential

CHINA DEFENDS CPEC; INDIA CLAIMS IT PASSES THROUGH ITS TERRITORY

Dawn, January 19th, 2017

NEW DELHI: China defended on Wednesday the China-Pakistan Economic Corridor (CPEC) as a project meant for regional peace and development after Indian prime minister hinted that it violated India's territorial sovereignty, even though he did not name it in his speech.

Speaking at the inaugural session of the Raisina Dialogue on Tuesday, Narendra Modi had said: "Respect for sovereignty is important for regional connectivity to improve."

He said that it was not unusual for two large neighbouring powers (like India and China) to have some differences. "In the management of our relationship, and for peace and progress in the region, both our countries need to show sensitivity and respect for each other's core concerns and interests," he added.

When asked to respond to Mr Modi's remarks at a media briefing, Hua Chunying, the spokesperson for China's foreign ministry, said: "Regarding CPEC, this is a project that is devised for long-term development and cooperation in various fields… It is for regional peace and development."

The India Today quoted her as saying that the project "targets no third country and it will not affect China's position on Kashmir".

The unambiguous Chinese foreign ministry statement, however, did not stop Indian Foreign Secretary S. Jaishankar from bringing up the same subject on the second day of the Raisina Dialogue and claiming that CPEC passed through its territory.

"CPEC passes through a territory that we see as our territory. Surely people will understand what Indian reaction is. There needs to be some reflection and I am sorry to say that we have not seen signs of that," he said.

China and Pakistan have fast-tracked the construction work of the CPEC, a large part of which passes through Azad Kashmir, to which India lays claim in its ongoing dispute with Pakistan. Once completed CPEC will provide all-weather energy route for China from the Gulf. Reports said that India's concerns had increased in recent weeks with reports of China-Pakistan naval cooperation in Gwadar port of Balochistan, which would serve as the entry point to CPEC.

Mr Jaishankar said that China's rise as a major "dynamic" factor in the Asian affairs served to remind that differences with China had not gone away. "With China, the overall broadening of ties, especially in business and people-to-people contacts, has been overshadowed by differences on certain political issues," he said.

"But it is important for the two countries not to lose sight of the strategic nature of their engagement or falter in their conviction that their rise can be mutually supportive."

Reports said that the foreign secretary's comments about CPEC and "political issues" were significant as both India and China had dealt with the differences over the last several months. India is unhappy over China's stance at the Nuclear Suppliers Group where its membership bid was scuttled last year.

China's territorial assertion over Asia received a jolt in July 2016 when the Permanent Court of Arbitration gave an adverse verdict on the South China Sea issue.

Mr Jaishankar was quoted as saying that India's position on South China Sea was in sync with the international community's position.

http://www.dawn.com/news/1309370

PAKISTAN, CHINA DECIDE TO INCLUDE NEW PROJECTS IN CPEC
Zaheer Abbasi

ISLAMABAD: Joint Coordination Committee (JCC) has agreed, in principle, to include Keti Bunder Sea Port Development project as well as Naukuridi-Mashkhel-Panjgur road project (which would connect with M-8 & N-85) in the China Pakistan Economic Corridor portfolio.

Sources said that according to the minutes of December 29, 2016 JCC meeting, Pakistan and China have decided to include new projects in the CPEC portfolio and instructions have been issued to the Joint Working Group (JWG) on transport to work out proposals on the implementation of these projects after further studies and consultations.

The JCC meeting co-chaired by Wang Xiaotao, Vice Chairman of National Development and Reform Commission (NDRC) China and Minister for Planning, Development & Reform Ahsan Iqbal welcomed the progress on consultations between the transport authorities of the two countries reflected in the Memorandum of Understanding (MoU) signed on Highway Engineering Cooperation.

On the agenda of disaster Prevention and Mitigation and Emergency Response, the two sides agreed in principle to include the Early Warning System Strengthening and Enhancement Project in the CPEC; and JCC reportedly noted that bilateral cooperation in this area will respond to the challenges of climate change and safeguard infrastructure developed under the CPEC.

The meeting also noted that CPEC presents a unique opportunity to integrate with regional economies and become a hub for trade and manufacturing with the Gwadar Port developed as an international free port.

The way forward for matured projects – Karakoram Highway from Thakot to Raikot N-35 remaining portion (136 Km), Khuzdar to Basima Road N-30 (110km) and upgradation of Dera Ismail Khan to Zhob, N-50 Phase-I (210 km) – was discussed.

The JCC, sources further said, urged the Pakistani side pay close attention to proper maintenance of KKH Phase-I so as to ensure safe and smooth transport along CPEC. The JCC noted the completion of Gwadar-Sorab 650 KM section to operationalize western route, speedy progress on D.I. Khan-Hakla (285 Km) section by Pakistani side as well as successful shipment of Chinese cargo from Gwadar Port through western route.

Pakistan and China also agreed during the meeting to initiate preparatory work including joint technical and commercial feasibility study for expansion of existing multi-purpose terminal including breakwater and capital dredging of Gwadar Port and East Bay Expressway-II.

The JCC agreed, in principle, to the proposal of Pakistani side for inclusion of Rail based Mass Transit Systems in provincial headquarters as a component of CPEC. The JCC instructed the Transport JWG to, on the basis of further studies and consultations, work out proposals on the implementation of Karachi Circular Railway, greater Peshawar Region Mass Transit System and Quetta Mass Transit System.

The signing of preliminary agreement on Quetta Mass Transit System was welcomed by the JCC as well as preliminary work including a feasibility study done by the province of Sindh for Karachi Circular Railway project which provides a basis for preparatory work on the project.

The Pakistani side proposed the inclusion of rail-based mass transit projects under CPEC including Lahore Orange Line, Metro Mass Transit Project and agreed to grant exemption from imposition of federal taxes and duties on a uniform basis for mass transit projects.

http://epaper.brecorder.com/2017/01/21/1-page/841479-news.html

NEWS COVERAGE PERIOD FROM JANUARY 9TH TO JANUARY 15TH 2017
BALOCHISTAN'S UPLIFT LINKED TO CPEC
Business Recorder, 9 January, 2016

KHUZDAR: The dusty desert city of Khuzdar in Balochistan has no hospital and no commercial flights into its tiny airport, but government officials who visited recently spoke in glowing terms of its future as a hub of commerce.

New army chief, General Qamar Javed Bajwa, was among a flock of dignitaries who descended upon Khuzdar, a city of 400,000, to tout the benefits of the China Pakistan Economic Corridor (CPEC) for Balochistan.

How much the $57 billion network of energy projects, roads and a deep-water port linking western China with coast will benefit ordinary Pakistanis has been debated in recent months, with critics saying Chinese banks and companies will gain most.

Officials, however, assured students, officials and citizens at a seminar in Khuzdar that CPEC would bring new prosperity to Pakistan's largest, least-populous and poverty-plagued province.

"Balochistan unfortunately had been neglected in the past, for a host of reasons, but not anymore," Bajwa told the gathering at Khuzdar's Balochistan University of Engineering and Technology.

Students in the audience were sceptical about whether CPEC would benefit the province.

Balochistan, which has rich reserves of natural gas, copper and gold, has long complained that the national government takes far more from the province than it gives back. A study late last year by the Applied Economics Research Centre (AERC) estimated CPEC would create 700,000 jobs in Pakistan and a Chinese newspaper recently placed the number at more than 2 million. But in Khuzdar, questions about how many jobs would come to Balochistan from CPEC went unanswered.

"I want to know what share Balochistan will get and what the other provinces will get and on what basis?" a female student asked during a question and answer session.

Concerns over how much Balochistan will benefit were even voiced by a national official, Minister for Ports and Shipping Hasil Khan Bizenjo.

“We just want to make sure that under CPEC the same thing does not happen to us as 1952, when gas was found in Balochistan and yet in 2017 there is no gas in Khuzdar,” said Bizenjo, originally from Baluchistan and a speaker at the conference.

Other speakers, however, envisioned Khuzdar as a centre of trade and industry.

Balochistan Chief Minister Sanaullah Zehri said that Khuzdar would be one of 29 Special Economic Zones under CPEC that would “greatly benefit the people of the city”.

Khuzdar does not connect the Quetta, to the port city of Gwadar, but state representatives at the conference highlighted its significance as the second-largest city in the province and a potential transit point between Quetta and Karachi, Pakistan’s biggest city and economic hub.

“We believe that Khuzdar has the ability to attract a great deal of local and foreign investment,” said Anwar Ul-Haq Kakar, a spokesman for the Baluchistan government.

The Khuzdar university’s vice chancellor, Mohammad Amin, said he hoped CPEC could bring investment and jobs, because the city’s location four hours’ drive from Quetta had made it difficult to attract even faculty at the school.

“No one is coming because there is no infrastructure here as yet,” Amin said of the university. “We will offer any PhD who accepts a job here a brand new Toyota Corolla and a 100 per cent pay increase.”—Reuters

http://epaper.brecorder.com/2017/01/09/1-page/837900-news.html

PM, PLANNING SECY TOLD TO REPLY IN CPEC ROUTE CASE
Dawn January 11th, 2017

PESHAWAR: A Peshawar High Court bench on Tuesday gave the prime minister and planning, development and reforms division a fortnight to respond to a petition of Khyber Pakhtunkhwa Assembly Speaker Asad Qaisar seeking the court’s multiple directions for the federal government to develop the western route of the China-Pakistan Economic Corridor project along with several other development projects in the province.

Chief Justice Yahya Afridi and Justice Ikramullah Khan fixed Feb 8 for the next hearing into the petition directing deputy attorney general Kifayatullah to ensure the production of replies by the two respondents, prime minister through his principal secretary and planning development and reforms division through planning secretary.

They also directed the petitioner’s lawyer, Qazi Mohammad Anwar, to argue about the petition’s maintainability during the next hearing.

Speaker Asad Qaisar claims he is the custodian of the assembly, which represents the collective will of the people of the province of Khyber Pakhtunkhwa and is therefore duty bound to follow resolutions unanimously passed by the assembly regarding China-Pakistan Economic Corridor's western route and all other development components.

The respondents in the petition are the federation of Pakistan through principal secretary to president; prime minister through his principal secretary; planning development and reforms division through its secretary; federal communication secretary; National Highway Authority chairman, Pakistan Railways through its secretary, and federal finance secretary.

The bench observed the two respondents should file replies to explain their position on the matter.

The petitioner prayed the court to order the respondents to honour the commitments of the prime minister made on May 28, 2015, in the APC meeting on CPEC and allocate funds and commence the development projects on the CPEC western route.

He requested the court to direct the respondents to make an unqualified commitment that the western route receive the same quantum of funds which are being spent on the eastern route and that the share and development of the western route shall in no way be allowed to be usurped by the eastern route.

The petitioner also sought orders for respondents to provide funds for establishment of eight industrial parks under the China-Pakistan Economic Corridor in Battagram, Mansehra, Captain Karnal Sher Khan Interchange on Motorway M 1, Malakand, Chakdara Interchange, Swat, Bannu (on Indus Highway) and DI Khan.

He requested the court to issue directions for the completion of the feasibility and start of work on the circular railway line from Peshawar to Nowshera, Mardan, Charsadda and back to Peshawar; western railway track from DI Khan to Peshawar; motorway from DI Khan to Peshawar, and Motorway from Karak to Taxila via Kohat and Jhand.

The petitioner also requested the court to issue directions to include the alternate highway route from Bisham-Khwazakhela-Buner-Mardan-Nowshera-Peshawar; and another alternate route to Karakoram Highway (KKH) from Gilgit-Chitral, Chakdara-Peshawar-Kohat-DI Khan-Zhob-Quetta-Gwadar and also provide additional highway on KKH from Bisham to Khwazakhela-Chakdara-Peshawar-Kohat-DI Khan-Zhob-Quetta-Gwadar.

He said when maps were issued and budget allocations were made for the year 2015-2016, it was found that the western route was not included, and it appeared that on the western route, the same old National Highways will be used with repair and patches and therefore, the Khyber Pakhtunkhwa Assembly on Oct 6, 2015, unanimously passed joint resolutions seeking implementation of the commitment of the prime minster on CPEC western route.

Later, another resolution was passed by the assembly on the same issue as the centre didn't respond to the earlier one.

http://www.dawn.com/news/1307743/pm-planning-secy-told-to-reply-in-cpec-route-case

SPECULATION ON WESTERN ROUTE BASELESS

The Express Tribune, January 12th, 2017.

SWABI: The federal government has not made any changes in the existing route of the China Pakistan Economic Corridor (CPEC) and all speculations regarding the western route were just false and baseless, Federal Minister for Planning and Development Ahsan Iqbal said while inaugurating new academic blocks at the Swabi University here on Wednesday.

He pointed out that all of the province's concerns had been addressed and the chief minister of Khyber Pakhtunkhwa had been satisfied during the previous meeting held in China.

Additional projects, he said, had been announced for the province, including a plan to connect four districts of KP by a circular train, adding that an additional industrial zone in Swabi district was added to the list of projects approved for the province.

"The federal government is always ready to address KP's grievances … CPEC is the biggest Chinese investment in any other country in the world, and we do not want to lose this opportunity," the federal minister said.

Commenting on military courts, he said that these courts had almost eliminated militancy in the country and the ruling party will not take any unilateral decision in any matter relating to national security.

"PML-N respects the role of the opposition in national politics and this is why we respect the PPP's majority in Sindh and PTI's mandate in Khyber Pakhtunkhwa. Both these parties must also respect PML-N's mandate at the Centre," Ahsan Iqbal said.

Criticising the Musharraf regime, he said that it did nothing for the country even after it agreed to support the US war on terror, adding that the PML-N government had signed to send 10,000 students for PhD in the US.

The minister announced a special package for the University of Peshawar and assured that the federal government would continue to provide assistance to other KP universities.

http://tribune.com.pk/story/1292238/allaying-concerns-speculation-western-route-baseless/

SENIOR ECONOMIST RAISES SEVERAL QUESTIONS REGARDING CPEC
The Express Tribune, January 13th, 2017.

Shahbaz Rana

ISLAMABAD: As both countries make steady progress on the China-Pakistan Economic Corridor (CPEC), Dr Kaiser Bengali, former advisor to Balochistan chief minister, has raised the issue of socio-economic implications of the mega investment project.

Dr Bengali, who till recently was heading Balochistan chief minister's Policy Reform Unit, raised 12 questions that, according to him, require satisfactory answers in order to protect Pakistan's economic interests.

The questions encompass socially and politically sensitive topics like protection of jobs, industries, implications of CPEC on Pakistan's balance of payments, budgetary positions and benefits Balochistan, Pakistan's most underdeveloped province, would get out of the $55 billion umbrella deal.

In 2013, the Chinese president made the concept of CPEC public for the first time and subsequently both the countries signed CPEC Framework agreement – which now covers projects worth $55 billion, in addition to allied benefits like construction of industrial zones. Last month, the federal government managed to address most of the concerns of the provincial governments after it made them part of development process.

The actual benefits from CPEC will depend on how the corridor is planned and executed, said Dr Bengali. "As an advisor to former CM Balochistan, I would often get questions that did not have answers," he added.

Dr Bengali has asked whether Pakistan prepared an overall CPEC feasibility before formally signing the sovereign agreement with China. He also wants an answer to the question whether CPEC Environment Impact Assessment was carried out or not.

Dr Bengali said that according to his information Pakistan did not conduct feasibility and environment impact studies, although China has conducted its own. However, officials of the Ministry of Planning said that project specific feasibility and environment studies were done.

The issue of environment has also been raised by the Giglit-Baltistan region, the gateway of CPEC, as its environment may get affected due to transit traffic that will pass through its scenic mountainous roads.

Dr Bengali has put forward questions on the shares of Pakistan and Balochistan in Gwadar port revenues. Dr Bengali is currently member National Finance Commission on behalf of Balochistan. He said that there was no clarity whether Gwadar-Khunjerab Highway will be a toll road and if so, what will be the provincial share in revenues generated by the National Highway Authority?

The planning ministry says revenue will be shared according to the existing arrangements between the centre and the federation.

One of the most important questions the economist has raised is about the positive and adverse impacts of Pakistan becoming a transit route of China on local industries. According to the existing arrangement, China is bringing goods, machinery and labour for the construction of CPEC projects. The hope that these construction activities would generate economic activities is fading away.

However, the planning ministry said that in the 6th Joint Cooperation Committee meeting both countries agreed to include nine industrial parks in the CPEC framework, which will promote manufacturing activities.

Dr Bengali also raised the question about the quantum of tax exemptions to CPEC-related imports and its impacts on state revenues and the manufacturing sector. The government has already granted an income tax holiday status to Gwadar Port. It has also exempted all types of taxes on two big infrastructure projects of CPEC.

It has waived off dividend tax on the income of the Chinese financial institutions. Recently, it has waived off all types of taxes on construction and income generated by Chinese from the four mass train transit projects being built in four provincial capitals.

Rough estimates suggest, so far Rs150 billion worth tax exemptions have been given to CPEC-related projects, according to sources in the Federal Board of Revenue. These include Rs80 billion exemptions to four mass transit projects.

Dr Bengali has also asked that what will be the medium and long-term implications of the CPEC arrangement on the country's balance of payment position and impact of foreign exchange inflows in shape of loans, foreign direct investment and outflows out flows in shape of debt repayment, profit and outward remittances.

So far, CPEC-related imports have adversely affected the country's trade balance and the federal government is trying to find a way to book these loans as FDI.

According to him, another question is; what is the budgetary burden on Pakistan for protecting Chinese roads and sea convoys. This is a very critical point, as the federal government is demanding the four provinces to give away 3% of their divisible pool for security purposes.

Dr Bengali also asked about the jobs for locals in the security units, being raised for CPEC-related protection, recruited from districts through which the Gwadar-Khunjerab Highway passes. The planning ministry has said that many projects have been initiated in Gwadar to make the locals part of the development activity.

He also wants answers to the question regarding water provision plan for Gwadar and the plan to ensure that Gwadar does not become a Baloch minority city.

http://tribune.com.pk/story/1292975/analysis-senior-economist-raises-several-questions-regarding-cpec/

TWO CHINESE SHIPS ARRIVE FOR GWADAR PORT SECURITY
Dawn, January 15th, 2017

Behram Baloch

GWADAR: China handed over two ships to the Pakistan Navy here on Saturday for joint security along the sea route of the China-Pakistan Economic Corridor (CPEC).

Recently built in China and equipped with state-of-the-art guns, the ships will be part of the navy.

Chinese officials, who reached Gwadar aboard the ships, handed them over to their Pakistani counterparts at a ceremony at the Gwadar port. Commander of the Pakistan Fleet Vice Admiral Arifullah Hussaini received the ships which have been named after two nearby rivers Hingol and Basol.

Director General of the Pakistan Maritime Security Agency Rear Admiral Jamil Akhter, Commander West Commodore Mohammad Waris and top naval and civilian officials were present on the occasion.

“The Chinese ships have become part of the Pakistan Navy from today,” Vice Admiral Hussaini said, adding that the navy would become stronger with the induction of the ships.

The Chinese government will provide two more ships namely Dasht and Zhob to the navy. Work on the ships is in progress in China and will be completed soon.

China is extending help and cooperation to Pakistan for security along the CPEC’s land and sea routes.

Pakistan has already raised a new division of the army to ensure security along the CPEC route and in and around the Gwadar port. Security of Gwadar city has been handed over to the army’s new division raised during the tenure of former chief of army staff retired Gen Raheel Sharif. Speaking at the ships handover ceremony, Vice Admiral Hussaini said that the economic corridor was a reality. It would prove to be a game-changer for Pakistan and China, and the entire region would benefit from it.

“The CPEC will open new vistas of speedy development in Balochistan and create thousands of jobs for its youths,” he said.

He termed the induction of the Chinese ships into the Pakistan Navy a historic moment and said that the ships would be deployed for the security of the Gwadar port and the sea route of the CPEC.

Vice Admiral Hussaini said: “It is a great day for Pakistan and its people as such kind of ships have been inducted in the navy for the first time.”

With the passage of time, he said, Pakistan-China friendship was becoming stronger and deeper than the ocean.

He said that the navy and Gwadar had historic relations as the navy had arrived in the town when it was merged with Pakistan.

It was a matter of happiness that the Baloch youth were joining the navy to serve Pakistan and its people, he added.

http://www.dawn.com/news/1308491

CHINESE INVESTMENT
Dawn, January 15th, 2017

Moazzam Husain

RECENTLY, one has begun to hear apprehensions on the Chinese investment in Pakistan with a few commentators even likening it to the East India Company. On the opposite side one hears mindless platitudes in praise of the initiatives. This reflects confusion on our own part. Pakistan has to first decide whether it needs foreign direct investment or not.

In order to better perceive the implications of what's going on we would need to unbundle FDI into its different constituent types. Broadly, FDI is of two types. Brownfield investments are investments in existing assets and enterprises like Shanghai Electric's imminent takeover of Karachi's electricity utility (KE). In addition, the Chinese are taking a stake in the Pakistan Stock Exchange. The other variety, greenfield investment goes into building new assets and capacity — like the coal-fired power generation projects under construction.

Further afield, Chinese entities have shown interest in new airline operations and in the banking sector as well. These investments are not characteristically different from Etisalat's takeover of PTCL and of National Power's development of Pakistan's largest IPP, the Hub power plant in the 1990s. On these there should be little confusion. These are private entities choosing to do business in Pakistan and Pakistan is open for business to foreigners.

Another type of 'investment' is the one in Lahore's Orange Line metro train. To be clear, while this is capital formation it is not really an investment in the sense of the traditional definition of FDI. Instead, it is procurement by the Punjab government. The land acquisition has been financed from funds from the provincial government's development programme. The civil works and rolling stock are being procured using a soft loan for which the government will assume all business risks while remaining liable for the payment of the loan.

The operating contract is also being awarded to a private firm whose expenses eventually will be paid by the government together with instalments of the loan repayment after the grace period has expired. In that sense it qualifies as procurement of services. Capital spending of this nature will of course justifiably raise questions around priority of development spending, the transparency of the procurement process and the economic viability of the project over the long term and the government would need to satisfy all questions of public interest.

Which brings us to a second confusion that widely seems to prevail in official and private quarters: are the CPEC projects loans or FDI? Generally speaking, for a project to qualify as FDI there has to be an identifiable investor who is assuming some share of business risk. This can be a private investor — like National Power was in the case of Hubco or even a foreign state-owned entity as in the case of Shanghai Electric for KE or Etisalat for PTCL.

So far most of the money coming in for CPEC projects is in the form of heavy electrical equipment (for power plants) and a smaller part in the form of contracting funds for civil works with which to pay subcontractors. The thermal power plants component is FDI without question because the investors are Chinese companies who will assume the business risk.

Any loans here are contracted by private entities that remain liable for repayment — sovereign guarantees extended to power projects notwithstanding. A sovereign guarantee mitigates risk but does not change the nature of the transaction in which an investor, other than the Pakistan government or its entity is assuming the risk exposure. If there is a local joint venture partner or a component of debt being raised from the local market, then that part of funds are not to be counted towards the FDI calculation.

On the other hand, transportation projects such as road construction, railways upgrade and the Lahore Orange Line metro rail are entirely public spending and cannot be categorised as FDI. Neither can the hydropower projects. These are loans and government spending from the infrastructure component of the public sector development programmes of the federal and provincial governments.

The third confusion is on whether the loans are on hard or soft terms. Generally, loans for commercial projects such as power plants are being extended on commercial terms. Those for public-sector works are being extended on softer terms.

So how should one assess the Chinese investment? Massive Chinese capital is pouring into Pakistan. Previously, we have clamoured for FDI and for loans for development projects from multilateral financial institutions. Will the Chinese come to control our economy as some fear? Nothing of the sort will happen. At worst, Chinese business interests in power production may come to represent a lobby, like the lobbies we have in other sectors of the economy. The answer to that lies in strengthening our regulatory mechanisms.

http://www.dawn.com/news/1308453/chinese-investment

NEWS COVERAGE PERIOD FROM JANUARY 2ND TO JANUARY 8TH 2017
HRCP CALLS FOR PROTECTION OF GWADAR PEOPLE'S INTERESTS
Dawn January 2nd, 2017

Saleem Shahid

QUETTA: The secretary general of the Human Rights Commission of Pakistan (HRCP), I.A. Rehman, has said the federal and provincial governments should remove reservations of the people of Balochistan regarding the China-Pakistan Economic Corridor (CPEC) and ensure protection of interests of the people of Gwadar who were associated with fishing since centuries.

An HRCP delegation comprising Mr Rehman, its central coordinator Hussain Naqi and its vice chairman for Balochistan Sardar Tahir Hussain visited the Quetta Press Club on Sunday evening and discussed the situation in Balochistan with local journalists.

On the occasion, he said the province was facing many problems, including missing persons, human rights violations, dumping of bullet-riddled bodies, unemployment, sectarianism and corruption.

Mr Rehman said that during the visit to Balochistan the HRCP delegation had met a large number of people, including representatives of political parties and the civil society, and discussed the problems of the province.

A majority of the people expressed reservations about CPEC, missing persons, increasing unemployment and non-availability of drinking water in Gwadar, among other issues.

He said that unemployment posed a big challenge as the educated youths were not getting jobs, even though there were thousands of vacant positions in various government departments.

He said the people who talked to the delegation were of the view that without paying a huge amount one could not get a job because the government officials were involved in "selling the positions".

The people were raising a voice against human rights violations.

Referring to the issue of missing persons, the HRCP secretary general said the commission was taking up the cases of people who had gone missing. “The forcible disappearance of the people and dumping of bullet-riddled bodies should end now,” Mr Rehman said.

Talking about CPEC, he said the government had launched a massive project in Gwadar but had done nothing to provide its people with clean drinking water. “People are facing an acute shortage of drinking water,” he said, adding that the problem should have been resolved permanently long ago.

He said the government had planned to turn Gwadar into a modern port city but had failed to do anything to protect fishing. He said that many old settlements had been affected by the development works at the Gwadar port. “Local people are being displaced but no alternative arrangements have been made for them,” he said.

http://www.dawn.com/news/1305932

CHAMBERS VOICE CONCERN AT CHINA’S PLAN TO ‘SET UP INDUSTRY ALONG CPEC ROUTE’
Dawn January 2nd, 2017

GUJRAT: The three chambers of commerce and industry of what is termed as “golden industrial triangle” comprising Gujrat, Gujranwala and Sialkot cities, have expressed their grave concern over China’s reported plan of establishing industrial units and warehouses along the route of the China Pakistan Economic Corridor (CPEC).

The leadership of these three chambers has also urged the federal government to take the business community of these industrial cities in confidence about the nature of China’s planned industrial units in the country, warning of its adverse effect on local industry and apprehending that such a scenario might turn Pakistan into a purely consumer market, further weakening its own manufacturing sector.

These concerns were voiced by the presidents of the three chambers of commerce and industry, who gathered at the local chamber (GTCCI) the other day.

Criticising the Federal Board of Revenue’s (FBR) for conducting raids on local manufacturing units, besides sealing and attaching the bank accounts of the business fraternity, they said rather than bringing the non-filers into the tax net, the board was creating problems for the businessmen who were already paying taxes.

The meeting was hosted by the GTCCI’s head Abrar Saeed Sheikh and attended by Sailkot chamber (SCCI) president Majid Raza Bhutta and Gujranwala chamber’s (GCCI) Saeed Ahmed Taj. They also signed a Memorandum of Understanding (MoU) under which these chambers would share information with each other and hold at least four joint meetings of these chambers annually. A large number of the members of these chambers were also present.

The meeting decided that the chambers’ presidents would also hold an exclusive meeting with Prime Minister Nawaz Sharif to share their concerns over the Chinese industrial units along the CPEC route. It regretted the government had not taken the chambers in confidence over the issue.

Mr Abrar Saeed said the accounts of those businessmen who were in the tax net should not be sealed, nor the FBR officials should be given access to their accounts. He said such actions of the FBR were causing disillusionment among the businessmen with regard to the PML-N government.

Mr Bhutta said the local manufacturers' concerns over the CPEC's possible effects on the local industry should be addressed forthwith, apprehending that such a situation might hit exports from these cities.

He also sought establishment of new varsities' campuses at such locations in the region that suited these three cities where the industry wanted to benefit from these institutions in terms of research, innovative ideas and human resource.

The chambers' presidents also sought easing of China's visa policy for local businessmen.

http://www.dawn.com/news/1305865

THE ECONOMICS OF CPEC
Dawn, January 3rd, 2017

Ishrat Husain

In a country where negativity and cynicism reign supreme, critics and detractors of all kinds are revered, and emotional outbursts and fabricated stories dominate the air waves and social media, it is difficult to present a dispassionate analysis of national issues.

Since China announced the China Pakistan Economic Corridor (CPEC), more time and energy has been spent in finding faults, poking holes and raising doubts based on speculation and conjecture. Had this investment been announced in another developing country, the national reaction would be: how do we plan to ensure maximisation of benefits to the economy? What are the weaknesses and deficiencies in the existing set-up we need to overcome? But this type of thinking is not in our DNA. We are either in a mood for celebration and self-congratulations or outright condemnation and depiction of exaggerated pitfalls.

There are three types of reservations against CPEC. First, those who believe that this whole endeavour is designed to benefit Punjab to the neglect of the three smaller provinces. Fanning parochial and ethnic prejudices, doubts are created about the narrow impact of these projects. Second, that the country would be saddled with costly external loans and outflows forcing Pakistan to go for another bailout. Frightening numbers such as totals of $110 billion are floating around. Third, some Baloch youth believe that they would become a minority in their own province. Mistrust and not perceived economic gains underlies such anxiety.

The government has not helped matters as it has not placed all the data and information about capital structure, detailed sources of financing, project sponsors etc pertaining to CPEC, in the public domain.

This article, to allay some of the reservations, proposes that the Planning Commission and PIDE use the well-established framework of cost-benefit analysis to evaluate and monitor the net benefits of CPEC projects. Benefits can be of three kinds: (a) direct, measured by incremental contribution to gross value added in energy and infrastructure. Assuming energy elasticity of greater than one, a two per cent growth in energy production and usage would increase GDP by more than 2pc from the current level (b) indirect, measured by the multiplier effect of activities resulting from the direct demand of goods and services and (c) induced effects or externalities: eg bringing in roads and electricity may make some economic activities feasible and reduce outmigration of skilled labour from those areas.

Costs can be of four types: (a) direct costs associated with investment in electricity generation , transmission and distribution or construction of roads; (b) indirect costs: large scale investment projects create scarcity premiums and domestic prices of some goods and services are bid up. These premiums get reduced when competition sets in; (c) unavoidable incremental costs: in the absence of the required amount of domestic supplies of quality and specifications, imports have to make up the shortfall; and (d) avoidable incremental costs: proper planning, coordination and active management can substitute high-cost inputs by low-cost inputs keeping quality intact.

Net benefits are thus estimated as the difference between the discounted flow of aggregated benefits and the discounted flow of all types of costs over the given time horizon. This calculation is not straightforward and is beset with many conceptual, empirical and measurement difficulties. The most problematic area is the aggregation of easily quantifiable direct benefits or costs with estimated indirect and induced benefits and costs.

The latter are sensitive to the assumptions on which they are based. Economists, by setting up monitoring experiments, discover new data that helps in fine-tuning and refining the original estimates. The outcomes therefore depend upon minimisation of avoidable costs and expansion of induced benefits thus enlarging the quantum of net benefits.

The avoidable costs phenomenon can be illustrated with the help of two examples. If the Chinese managers, skilled and technical staff continue to be deployed throughout the duration of the project, the unit cost of labour after taking into account the expatriate wage premium, security, housing and mobility expenses would be relatively much higher compared to a situation where preponderantly Pakistanis were employed.

If the government makes advance plans for these positions to be transferred to Pakistanis over a staggered period through training, on the job apprenticeship, attachments and under study assignments supervised by Chinese trainers, cost savings would be substantial and net benefits much larger. This requires coordination, target setting, monitoring and outsourcing to vocational and technical training institutes, private providers and the provincial governments.

Similarly, it is guesstimated that at least 100,000 additional trucks would be needed to transport construction materials, movement of export-import trade and increased volume of goods. If investment in the sub sector is not carried out well ahead of the CPEC projects' peak load demand, the prices of trucking would escalate, putting Pakistani exports at a competitive disadvantage.

The cost matrix of CPEC projects would also move upwards thus increasing the indirect costs. However, if Pakistani truck manufacturers are provided ballpark figures they can invest in expansion of existing capacity in tandem with the suppliers of parts and components. Indirect benefits would increase through creation of new jobs in the industry and efficiency gains from the economies of scale.

On the benefit side, it must be ensured that the most dynamic and enduring benefits from CPEC accrue to the people living in the deprived districts of Balochistan and southern KP. The opening up and integration of these districts with the unified national market of goods and services would make their fisheries, mining, livestock, horticulture and other activities economically feasible, creating incomes and jobs and helping lift them out of poverty.

Roads and electricity are precursors for broad-based development as they minimise post harvest losses, waste and spoilage of perishable agriculture commodities, reduce the cost of delivery to market towns, and confer purchasing power in the hands of farmers who then use it to buy consumer goods, generating a second round of economic activities in these districts

By playing a more active role in maximising the benefits to the people of deprived districts and containing avoidable costs, the government would be able to allay a lot of misapprehensions and doubts.

http://www.dawn.com/news/1305992

PM WANTS INDUS PROJECTS INCLUDED IN CPEC
Dawn January 5th, 2017

Khaleeq Kiani

ISLAMABAD: Satisfied with the outcome of meetings of the joint coordination committee (JCC) on the China-Pakistan Economic Corridor, which were held late last month in China, Prime Minister Nawaz Sharif has directed the officials concerned to include in the CPEC the non-controversial hydroelectric projects proposed to be set up on the Indus.

Mr Sharif would soon invite top leaders from the four provinces to brief them about the way forward on the CPEC projects, Planning and Development Minister Ahsan Iqbal said at a press conference on Wednesday that followed a meeting at which the prime minister reviewed the progress made at the JCC meetings.

Separately, the Prime Minister's Office said that during the JCC meetings the Chinese authorities had agreed to consider for inclusion in the CPEC the schemes termed the "Indus Cascade projects".

Mr Iqbal told the news conference that to avoid controversies only the hydel projects on which the provinces had developed a consensus would be included in CPEC. "We will not add any controversial project which may provide financial benefits but which may disturb the provincial harmony or hurt the federation in the long run," he said rather categorically. The minister said the JCC had agreed that work might be started on a 300MW coal-based power plant in Gwadar before March 31. The project was aimed at meeting the electricity demand of the port city.

The joint committee also agreed in principle that work might be started on a desalination plant whose completion would be linked to the power plant to be completed in two and half years.

Mr Iqbal said the JCC also decided to finalise a long-term plan for the CPEC by March 31, in consultation with all the stakeholders. This plan would provide new guidelines and serve to extend the mega-project's scope to 2030.

He said the JCC had approved rail-based mass transit projects in three provincial capitals, namely the Greater Peshawar Mass Transit, Karachi Circular Railway and Quetta Mass Transit. One such project was already being built in Lahore.

The joint committee also approved the establishment of nine new industrial zones in different parts of the country, including one in each of the four provinces. He said the JCC had also approved upgradation of the Peshawar-Karachi railway tracks. Work on an international airport in Gwadar would be started in the current year.

Mr Iqbal said the total cost of the CPEC had exceeded $50 billion and the mega-project had now become the country's largest portfolio involving new schemes relating to energy, infrastructure, tourism, agriculture and socio-economic development.

The joint working group on energy would meet in February and give formal approval to new energy projects, said the minister. About 5,000MW generated by projects in the CPEC portfolio would be added to the national grid by 2018. The JCC meetings held last week in Beijing would effectively move the CPEC projects to the next phase of development, he said.

The participation of chief ministers of the provinces in the meetings sent a strong message to the world that the Pakistani nation was united when it came to the CPEC.

The presence of the chief ministers also helped include new projects in the CPEC that would likely transform lifestyles of people living in far-flung parts of the country.

Mr Iqbal said the $1.5bn Matiari-Lahore transmission line project was also approved at the JCC meetings.

He said that during the review meeting PM Sharif expressed satisfaction over the inclusion in the CPEC of mass transit projects to be built in the four provinces, and instructed the railways minister to facilitate the provinces by extending them technical expertise.

The prime minister was quoted as saying that foreign investors were now showing keen interest in investing in Pakistan, which was a consequence of the government's successful economic policies.

"The road connectivity projects will open up underdeveloped areas of Pakistan to investment," he said and asked the ministries concerned to initiate the process of providing electricity and gas and telecommunication facilities at the proposed industrial parks.

http://www.dawn.com/news/1306528/pm-wants-indus-projects-included-in-cpec

ZARDARI HAILS CPEC, LAUDS MURAD'S EFFORTS
Dawn, January 5th, 2017

Habib Khan Ghori

KARACHI: Former president of Pakistan and president of the PPP-Parliamentarians Asif Ali Zardari has said that the China-Pakistan Economic Corridor is a game changer with which the future of Pakistan is linked as our coming generations will continue to benefit from it.

Mr Zardari stated this while speaking to PPP MNAs, MPAs, and senators at Bilawal House here on Wednesday after a briefing given by Chief Minister Syed Murad Ali Shah on CPEC, with special reference to the province's share in the mega economic project. PPP chairman Bilawal Bhutto-Zardari, PPP Sindh president Nisar Khuhro, former chief minister Syed Qaim Ali Shah and Naveed Qamar also attended the briefing.

Paying homage to Zulfikar Ali Bhutto for initiating this concept, Mr Zardari, who is co-chairperson of the PPP, pointed out that it was Mr Bhutto who entered into dialogue with China and resolved border issues, acquiring K2 for Pakistan. He asked the federal government to take all provinces on board in taking decisions on CPEC projects and also start implementation of CPEC projects in all provinces at the earliest and complete them in the shortest possible period.

"We have placed advertisement in history by pioneering the game-changer CPEC and as such have no concern as to who is trying to take credit through advertisements in the media," he said. "Several books are needed to cover CPEC. Our future generations will continue to [reap] the fruit of this project."

The PPP leader further said that more than 500 Chinese had completed PhDs on Pakistan and now they were communicating in Urdu. "We have to give ownership to CPEC and every area being developed under this project is our own," he said.

Highlighting the importance of the proposed coastal city of Zulfikarabad, Mr Zardari said the sea had gulped 350,000 acres of coastal land and "we gave the idea of Zulfikarabad to reclaim this land but some elements started negative publicity" to scare away our future Chinese partners in the project.

Asif Zardari recalled that he conducted his first-ever diplomatic visit as president to China to follow up on the strong relations developed with the friendly country by Zulfikar Ali Bhutto and Benazir Bhutto. "Shaheed Bibi also wanted a Marshall plan for our development and she planned 50,000MW power projects but the same were scrapped because her governments were dismissed in the middle of their tenures," he added.

"We have followed an indefinite concept and our thoughts and ideas cover also the time when we will not be here."

He said Turkey's president Erdogan was thinking of entering into currency-swap agreements with other countries now while we signed such agreements with China, Sri Lanka, Turkey and Iran half a decade back.

Mr Zardari also appreciated the performance of Chief Minister Shah in getting four important projects of Sindh — Karachi Circular Railway, Keti Bandar Port and Power Park and a special economic zone at Dhabeji, Thatta — into the list of projects in the CPEC programme.

Earlier in his briefing, Murad Ali Shah said that Zulfikar Ali Bhutto had stated in 1968 that it was only China which had the capacity and will to help us and he initiated the groundwork for CPEC.

He said that due to ill-planning by the Sharif brothers and their machinery, several projects from Punjab had been excluded from CPEC for not meeting the final criteria. However, he said the PPP government of Sindh had been able to include the Keti Bandar, Thar coal and wind power projects.

"Sindh is the only province whose two cities — Karachi and Sukkur — are part of CPEC while Karachi Circular Railway has also reached the Joint Coordination Committee of the two countries," he added.

He said even after leaving the presidency, Asif Zardari and Bilawal Bhutto-Zardari visited China to give a fillip to CPEC. Anti-PML-N movement

Meanwhile, the PPP leadership has formulated its strategy to launch a protest movement against the federal government in three phases.

In the first phase protest would be lodged in parliament, followed by public meetings in the second phase while the third phase would be a decisive political 'long march', according to sources close to the PPP leadership.

Bilawal Bhutto-Zardari and Asif Zardari will be given entry in the current parliament through by-elections on the seats to be vacated by Ayaz Soomro in Larkana and Azra Pechuho in Nawabshah. They would soon vacate their seats to enable the party's top leadership to enter parliament as per a decision of the PPP central executive committee (CEC). Since the return of Mr Zardari, it is learnt, Bilawal Bhutto-Zardari and Asif Zardari had been in consultation with party leaders on the possibility of talks with the federal government over the four demands of the PPP, formation of an opposition grand alliance and launching of an anti-government movement.

At these consultations, according to sources, it was agreed that if the PML-N government accepted its four demands by the last week of January, the party would review its option of launching a protest movement but the strategy of forming a 'grand opposition alliance' would remain intact.

It was also agreed that if the federal government failed to accept their four demands, the party would start protesting in parliament and from the second week of February a mass contact campaign would be started by organising public meetings.

If the PML-N government still did not move, the long march could be started in February as per its schedule proposed by the PPP CEC.

https://www.dawn.com/news/1306400/zardari-hails-cpec-lauds-murads-efforts

SEVERAL CHINA-SPONSORED POWER PROJECTS HIT SNAGS
The Express Tribune, January 5th, 2017.

Shahbaz Rana

Islamabad: Only about half of the planned generation of 8,810 megawatts from China-sponsored energy projects will be available by 2018 as inter-ministerial disputes and inclusion of financially unviable projects at the initial stage of the China-Pakistan Economic Corridor (CPEC) prevent the two sides from meeting the target.

Power projects having a cumulative capacity of about 5,000 megawatts under CPEC would be operational by 2017 and 2018, Planning, Development and Reforms Minister Ahsan Iqbal announced at a news conference on Wednesday. It was his first interaction with media after attending the sixth meeting of CPEC Joint Cooperation Committee (JCC) in Beijing.

At present, the minister said, over 8,000MW CPEC energy projects were at various stages of construction and financial close. In addition to these, another 5,000MW non-CPEC projects will be ready by 2018, which will help meet energy shortages in the country.

However, under the CPEC framework agreement, Pakistan and China had agreed that thermal, wind and solar power projects of 8,810MW would start running in 2017 and 2018. In addition to these, two hydroelectric power projects of 1,570MW would begin operation around 2020.

All of these have been described as “prioritised projects” in the sovereign CPEC framework agreement.

Lingering inter-ministerial disputes and inclusion of non-bankable projects in the CPEC framework were main reasons for the delay in the power projects, said sources in the Ministry of Water and Power and Ministry of Planning.

In the third meeting of JCC held on August 27, 2014, 21 energy projects valuing $33.8 billion had been identified as Early Harvest prioritised projects.

They pointed out that the 1,320MW Rahim Yar Khan coal-based power project was not financially viable as there was no transmission line at the project site.

Similarly, a 300MW plant was planned to be set up in the Salt Range in Punjab, but water and allied facilities were missing there.

The Ministry of Water and Power and Wapda had also reservations about a 300MW project at Gwadar, said the sources. Last year, the ministry had warned the sponsors of five energy projects to fast-track work or the schemes would be dropped from CPEC.

Responding to a question, the planning minister said some of the delayed projects would be made operational by 2019 and 2020.

For swift implementation of the CPEC projects, Prime Minister Nawaz Sharif on Wednesday directed the planning ministry to devise a framework, said Iqbal.

Overall, Pakistan and China expressed satisfaction over the energy projects during the sixth JCC meeting.

The JCC noted that 12 projects including the Sahiwal coal-fired power plant and Port Qasim coal-fired plant were under construction or nearing financial close. Investment in these projects with total capacity of 8,130MW will reach about $16 billion.

The planning minister said China and Pakistan had agreed to revive the 300MW Gwadar electricity project as many commercial activities at Gwadar city were linked with completion of the project.

During the JCC meeting, both the sides noted the importance of early implementation of the Gwadar imported coal-based power project for fast-track development of the Gwadar Industrial Economic Zone.

It was agreed that to ensure early implementation of the project, the Private Power and Infrastructure Board would issue a Letter of Intent within three days after the submission of required bank guarantees.

Agreements will be signed within three months after the issuance of Letter of Support to China Communication Construction Company or its nominee subsidiary with a view to starting work by March 31, 2017.

However, the JCC expressed concern over the slow pace of progress on the Eastbay Expressway of Gwadar Port and New Gwadar International Airport.

The planning minister, however, clarified that China required more time for completing procedural formalities for the airport and expressway.

During the meeting, Pakistan also requested China to accelerate implementation of the airport and expressway projects, which were critical to the development of Gwadar as a port of international standing.

http://tribune.com.pk/story/1284914/several-china-sponsored-power-projects-hit-snags/

PAKHTUNS DEPRIVED OF CPEC BENEFITS: SHERPAO
The Express Tribune, January 8th, 2017

Mureeb Mohmand

Shabqadar: Lawmaker Aftab Ahmad Khan Sherpao claimed on Saturday that Pakhtuns are being deprived of the benefits of the game-changing China-Pakistan Economic Corridor (CPEC).

Sherpao made these remarks while laying the foundation stone of two small dams in the Mohmand-Charsadda border area.

He said that the equitable treatment of all regions in the country in the China-Pakistan Economic Corridor (CPEC) was vital for ensuring the state's sovereignty.

Expressing concern over unequal treatment in CPEC projects, he said that if equal rights were not guaranteed to all provinces, frustration among other provinces was natural, which would ultimately hurt the federation.

He wondered if China was using CPEC for developing its underdeveloped regions. “Why does this not hold true for developing Khyber-Pakhtunkhwa, Fata and Balochistan?” he asked.

Without specifying the Panama Papers, he also criticised the media campaign against corruption and said that a similar campaign should be launched to give due rights for underdeveloped regions of the country.

Criticising the federal government’s policy towards Pakhtuns, Sherpao said that although the government had announced plans to end power outages all over the country, costly power projects had only been initiated in Punjab, adding that Pakhtuns were being deprived of their due rights in power and gas.

According to him, Pakhtuns would not be able to say goodbye to load-shedding even after 2018 because by then, they would be declared defaulters to deprive them of their rights in the power sector.

Stressing the need for quickly building Munda Dam, he said that some elements wanted to delay the 470-megawatt power project which would also protect Peshawar, Charsadda and Nowshehra from floods.

He said that if there were any further delays, he would launch a protest campaign.

He also called for holding a transparent census across the country and merger of Fata into K-P without any delay, and said that QWP had always opposed a boundary between Fata and the province.

The dams, expected to be completed in six months, are expected to irrigate 2,500 acres of land besides providing clean drinking water to 10,000 families.

This is the first time that any political leader has ever visited this tribal area.

.http://tribune.com.pk/story/1288003/inaugurating-dams-pakhtuns-deprived-cpec-benefits-sherpao/

February 2017

NEWS COVERAGE PERIOD FROM FEBRUARY 20TH TO FEBRUARY 26TH 2017

ACADEMIC-INDUSTRIAL COLLABORATION A MUST FOR CPEC SUCCESS’

Business Recorder, 23 February 2017

PESHAWAR: Speakers at international conference have stressed the need of strong academic-industrial linkages and preparedness at all levels through China-Pakistan Economic Corridor (CPEC) beyond only infrastructure and power generation projects.

The participants have suggested that the local manufacturing industries should set process parameters to ensure competitiveness and sustainability which is only possible if university-industry linkages is strengthened and industry directly starts mentoring the fresh graduates on entrepreneurship skills.

The speakers were expressed their views at the concluding session of First International Conference on Industrial Engineering and Management Applications (IEMA-2017) held in collaboration with Mehran University of Engineering and Technology (MUET), Jamshoro, Sindh and UET Peshawar, supported by Higher Education Commission.

Shunaid Qureshi, Managing Director of Al-Abbas Group and Hum TV Network of Companies, Pakistan said that curriculum of industrial engineering has to be at par with industrial needs and assured cooperation for industrial growth in Pakistan.

Prof Dr Aslam Uqali Vice Chancellor, MUET said universities need to get on one platform to highlight such issues of critical importance through relevant departments. He said such conferences will be held regularly with active participation of industry.

Prof Dr Iftikhar Hussain, Professor Department of Industrial engineering UET Peshawar said, based on survey conducted for a PhD research on policy framework for effective operation of manufacturing sector in Pakistan.

The survey of 200 local industries revealed that contribution of manufacturing sector in GDP is very low due to no visible government incentive and import driven inward policy of government which only pay attention at macro level. This approach, he said, should be changed and incentives based policy should be introduced at micro level.

http://epaper.brecorder.com/2017/02/23/5-page/852363-news.html

NO THREAT TO CPEC FROM US, WEST: PM
ANKARA: Prime Minister Nawaz Sharif on Friday said he did not feel the United States or the West are opposed to the China-Pakistan Economic Corridor (CPEC), but added that some ‘regional powers’ appear to have a problem with the multibillion-dollar project.

“I don’t sense any conspiracy is being hatched by the US or the West against CPEC,” the premier told reporters at a breakfast meeting in Ankara before leaving for Pakistan after completing his three-day visit. “But some regional powers are unhappy with this project,” he said in reply to a question about the economic corridor.

Speaking about Afghanistan, Premier Nawaz said Pakistan was a well-wisher for the war-torn country and urged the government in Kabul to realise that. “Pakistan has always desired peace and stability in Afghanistan and wants to contribute to its development,” he said.

When asked about the recent wave of terror incidents in Pakistan, the prime minister said that even though many of those attacks had been traced back to elements hiding in Afghanistan, Islamabad still wants to see its neighbour achieve stability.

Mentioning several infrastructure projects in Afghanistan being funded by the Pakistan government, he said the four-lane Peshawar-Jalalabad motorway was 70 per cent complete and feasibility work was underway on the Peshawar-Kabul motorway.

“A peaceful Afghanistan is in the interest of Pakistan and the region. We believe in maintaining good relations with all and we demonstrated this spirit of goodwill with other states and within the country as well,” he added.

The premier said his visit to Turkey was significant in strengthening bilateral and economic prospects. He said his meeting with Turkey’s President Recep Tayyip Erdogan focused on several areas, including issues related to Syria, Russia and Da’ish, and the early finalization of a free trade agreement between Pakistan and Turkey.

Prime Minister Nawaz said his government was focused on improving infrastructure, energy and law and order in Pakistan and added that he wanted everyone to contribute towards national progress and development. He said people in the country realise which political party is taking steps for their welfare.

“Previous governments paid no heed to projects of energy and infrastructure, but my government not only launched several projects but also saved billions of rupees from the national exchequer while implementing them.”

To a question on the fate of military courts, Nawaz said a consensus was being evolved in this regard and a decision would be taken in the near future.

https://tribune.com.pk/story/1338403/dismissing-conspiracies-no-threat-cpec-us-west-pm/

CHINESE DAILY TERMS CPEC DOOR TO ‘FOREIGN INVESTMENT’
ISLAMABAD: The China-Pakistan Economic Corridor (CPEC) has opened the doors to foreign investment in Pakistan, which will improve the local economy and the peoples’ livelihood, said a report published in Chinese newspaper, Global Times online.

CPEC – the flagship project under the “One Belt One Road” initiative – is progressing with work on priority projects already under way.

The corridor, also a door to foreign investment in Pakistan, has brought the Central Asian country more development opportunities, the report added.

“In May this year, China will host in Beijing the Belt and Road Forum, which aims to discuss ways to boost cooperation, build cooperation platforms and share cooperation outcomes,” Chinese President Xi Jinping said at the World Economic Forum Annual Meeting 2017 in Davos, Switzerland.

Proposed by China in 2013, the initiative refers to building a Silk Road Economic Belt and the 21st Century Maritime Silk Road.

It is aimed at building a trade and infrastructure network connecting Asia with Europe and Africa along ancient trade routes.

Of the projects under the framework, the CPEC is regarded as a vanguard in China’s cooperation with countries along the routes.

The initiative is a “game changer” for Pakistan, former Pakistani Prime Minister Shaukat Aziz said.

Key energy projects and infrastructure along the CPEC, a major pilot project under the framework, will serve as an important engine to drive Pakistan's economic growth and bring more economic activities and opportunities to the country, he added.

Along the corridor, the Thakot-Havelian section reconstruction project of the Karakoram Highway, the only overland channel connecting China and Pakistan, the Multan-Sukkur section of a motorway linking Peshawar and Karachi, as well as the Orange Line of the Lahore Metro have begun.

Meanwhile, 10 power plants with a total installed capacity of 7,300 megawatts, including one in Sahiwal, have begun construction. Other projects include the Gwadar Port as well as a 25-hectare free zone in adjacent areas of the port.

The report said that these infrastructure projects offer new opportunities for China's machinery industry as well.

https://tribune.com.pk/story/1338118/chinese-daily-terms-cpec-door-foreign-investment/

NO THREAT TO CPEC FROM US, WEST: PM
The Express Tribune, February 25th, 2017.

Ankara: Prime Minister Nawaz Sharif on Friday said he did not feel the United States or the West are opposed to the China-Pakistan Economic Corridor (CPEC), but added that some 'regional powers' appear to have a problem with the multibillion-dollar project.

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https://tribune.com.pk/story/1338403/dismissing-conspiracies-no-threat-cpec-us-west-pm/

NEWS COVERAGE PERIOD FROM FEBRUARY 13TH TO FEBRUARY 19TH 2017
DISCOS, NTDCL PROJECTS MAY BE INCLUDED IN CPEC
Dawn February 13th, 2017

Khalid Hasnain

LAHORE: Several projects of power distribution companies (Discos) and the National Transmission and Dispatch Company Limited (NTDCL) are likely to be made part of the China-Pakistan Economic Corridor (CPEC) in future as a joint working group comprising senior officials from the two countries is working on the plan.

Details about the functions and scope of work of Discos and the NTDCL and their mega projects planned to be completed over next five years have been shared with the Chinese in various sessions of a high-level meeting held in Islamabad a couple of days ago, it is learnt.

Official sources said that none of the electricity transmission- and distribution-related projects, except one, had become part of the CPEC so far and the government felt that these were necessary to be completed for smooth transmission, dispatch and distribution in parallel with various under-construction and future power generation projects with the financial support of China.

"Some days ago, the water and power ministry asked top officials of two Discos — Lahore Electric Supply Company (Lesco) and Islamabad Electric Supply Company (Iesco) — and the NTDCL to rush to Islamabad and brief the CPEC's working group on their companies' role, scope of work, future projects, etc. The purpose of sharing such details at the meeting was to make the Chinese aware of the electricity transmission and distribution system since they didn't know at all about Discos. They only briefly knew about the NTDCL," says a senior official who attended the meeting.

Under the CPEC, China has so far pledged to fund NTDCL's $2.1 billion Matiari-Lahore transmission line project. The 878km-long 660 kilovolt high voltage direct current line project will help smooth evacuation and transmission of 4,000MW of electricity in future.

Talking to Dawn on Sunday, the official said that since Lesco and Iesco had been selected on behalf of all Discos to participate in the meeting, their chief executive officers also shared a five-year development plan of their companies that included several projects relating to new or upgrade of secondary transmission grids —132kV transmission lines and grids — and 11kV power distribution lines and feeders.

Similarly, NTDCL officials discussed various future projects of 500kV and 220kV transmission lines and grid stations with the joint working group.

"Actually a major portion (over $35bn) of the total CPEC's chunk ($54bn) has been allocated for the energy sector. And still huge money of the total energy sector's funding under the CPEC is yet to be allocated or utilised. That is why the government requested the Chinese to also make projects of Discos and NTDCL part of the CPEC," the official said.

He said that by having such details, the Chinese had assessed the overall performance of Discos related to recovery, line losses, capacity and ability to pay back within the stipulated time frame the funds if provided to them under the CPEC as soft loan.

The official said the projects of about Rs80bn had been shared by Lesco and Iesco with the Chinese during the meeting. And if they agreed, the total funding might be Rs200bn for all Discos, including Rs80bn for Lesco and Iesco, he added.

https://www.dawn.com/news/1314511

GB PROVINCE: A CPEC PREREQUISITE
Dawn, February 13th, 2017

The Pakistan government is projecting the China-Pakistan Economic Corridor (CPEC) project as a panacea to all its problems, one which will result in unprecedented nationwide prosperity. Undoubtedly, an investment of the proposed scale and a project completed within a limited time frame is welcome, but a cautionary note is in order: mega projects of this scale also entail risks of equal magnitude.

Therefore, it is vital to meticulously address all possible impediments in their implementation through careful planning in order to preclude any possibility of disruption in the smooth execution of projects of this nature.

One of the most crucial factors that should have been addressed prior to implementation was the settlement of the constitutional status of Gilgit-Baltistan (GB), which is strategically located at the entry point of the CPEC route.

In view of the legal ambiguity over the status of GB and foreseeable difficulties for the execution of the project that can be created by our enemies, regional stakeholders have repeatedly highlighted the undefined status of the region and the opaque legal framework under which this area is governed as issues that need to be addressed forthwith.

In line with this reasoning, last summer the local legislative assembly had unanimously passed a resolution demanding a provincial status for this region. Due to the historical linkage of this issue with the Kashmir dispute, the assembly produced a carefully worded statement articulating that the demand for the status of a province was provisional and subject to the final settlement of the Kashmir dispute according to the UN resolution. This followed the precedent of a similar international border treaty with China in this region.

It appeared that the apprehensions of the stakeholders were justified when reports emerged of recent RAW-backed activity aimed at destabilising CPEC implementation. Fortunately, due to sound intelligence, police were able to catch anti-state elements involved in planning disturbance that could seriously threaten the CPEC route. Arms, propaganda material and a money trail were discovered, and the plan was foiled.

As if to settle an additional score, the hostile elements planned to launch their nefarious activities from within an area that takes pride in the notable sacrifices made by many of their youth in the Pakistan-India conflict.

During his visit to GB a year ago, the prime minister established a committee under the adviser on foreign affairs for constitutional reforms for GB, with the proviso that the report on the findings would be submitted in three months' time. Unfortunately, except for occasional news leaks and statements by ill-informed local leaders of the PML-N, nothing concrete has materialised.

It then transpired that, apparently against the backdrop of virulent statements made by the Indian leadership reiterating their 'claim' to GB as an integral part of their country and the surfacing of anti-state activities, the Foreign Office scrambled to arrange a briefing for the local assembly. But, instead of discussing new options for constitutional rights, the forum just gave the oft-repeated excuse that nothing could be done in this regard due to its linkage with the Kashmir dispute.

The Foreign Office must remember that in 2009 when the PPP government promulgated the Gilgit-Baltistan (Empowerment and Self-Governance) Order, 2009, the same arguments were advanced. To the credit of the PPP, its government overruled these weak excuses, following up with swift, bold action by promulgating the order.

Unfortunately, it stopped short of declaring GB a province due to objections by Azad Jammu & Kashmir leaders, from whom the people of GB can expect little, as the former have repeatedly let down GB starting with the infamous Karachi Agreement when without consulting the locals, the control of GB was peremptorily handed over to the Pakistan bureaucracy to the detriment of fundamental constitutional rights for GB residents. Once again, like their predecessors, the leaders are objecting to reforms in the area. In one of their recent conferences, they even denied the GB leaders the right to speak.

A participant from GB in the Foreign Office briefing highlighted the irony of the Pakistan government rejecting the desire of GB residents for integration. It must be understood that the younger generation, unlike the more tolerant older generation, is likely to try and compel the government to talk to them on their own terms.

The denial of full status of Pakistani citizenship to GB residents has made the new generation sceptical about the government's intentions, as they cannot appreciate the historical context. They openly question the wisdom of accepting a lesser status despite unwavering loyalty towards and sacrifices for Pakistan.

The recent conspiracy to poison the minds of the youth by a well-resourced network should be the first omen of future threats. For the first time, a group of misguided GB residents has been arrested for possession of weapons and proof of financial support by anti-state elements on the payroll of India.

Based on their constitutionally enshrined claims, the Indians are vociferously objecting to construction of CPEC in the region. On the other hand, the Pakistani government, despite the steadfastness of the local population for unconditional integration with Pakistan, continues to be disoriented in its policy.

It is high time to address the issue forcefully and incorporate the area in Pakistan with the condition that if and when a plebiscite is held, the people will be given a choice to exercise their vote. Inertia on this vital issue is no longer a choice, as the growing discontent can give rise to agitation that can imperil the legal status of the CPEC project route.

The Gilgit-Baltistan (Empowerment and Self-Governance) Order, 2009 was the first major, courageous step towards complete integration of the area thus providing the legal bedrock for the success of CPEC. It is strongly advocated that before hostile elements gain further influence in the area, this matter should be settled forthwith and GB should be provisionally declared a fifth province of Pakistan subject to a final settlement of the Kashmir dispute.

https://www.dawn.com/news/1314380/gb-province-a-cpec-prerequisite

CORRIDOR OF DEVELOPMENT: SHEHBAZ TERMS CPEC 'GAME CHANGER' FOR ENTIRE REGION
The Express Tribune, February 14th, 2017.

Lahore: Terming China-Pakistan Economic Corridor (CPEC) a game changer in the real sense, Punjab Chief Minister Shehbaz Sharif has said the project would befit Pakistan as well as the whole region.

The chief minister expressed these views while talking to a delegation of Muslim League-N which called on him on Saturday. He said China was making an investment of $52 billion under the CPEC in Pakistan. "The CPEC related projects are being carried out in the whole of Pakistan and the world is surprised at the speedy completion of these projects," he said.

"CPEC has opened new vistas of foreign investment in Pakistan which would give greater benefits to the country. We are thankful to Chinese President Xi Jinping, Prime Minister Li Keqiang and the people of China for such a huge investment package under CPEC."

Shehbaz said CPEC was a gigantic project of prosperity and development of Pakistan which has become a reality and lots of subsidiary schemes were being carried out across the country.

“The speedy completion of CPEC related projects is our priority and these projects would change the destiny of the nation,” he remarked.

Shehbaz claimed Chinese investment of billions of rupees would create immense job opportunities for the people in Pakistan. The CM was of the view that the project would also play its role in alleviating poverty as well as eliminating terrorism.

The people of all the four provinces, including that of Gilgit-Baltistan and Azad Kashmir would benefit from the CPEC projects, he added.

Different projects including energy, infrastructure, Gwadar Port and industrial cooperation have been included in CPEC and speedy work is being done over them. Solar, coal and hydel energy producing plants are being set up under the CPEC which would be helpful to cope with energy crisis in Pakistan, Shehbaz added.

https://tribune.com.pk/story/1324134/corridor-development-shehbaz-terms-cpec-game-changer-entire-region/

IT WILL BE THIRD BIG MISS IF CPEC IS NOT WELCOMED: IQBAL
The Express Tribune, February 14th, 2017.

Yusra Salim

KARACHI: The China-Pakistan Economic Corridor (CPEC) is the product of China’s ideology to have one belt and one road, explained Federal Minister for Planning and Development Ahsan Iqbal.

He was speaking to students and faculty members about CPEC at the Applied Economics Research Centre (AERC), University of Karachi.

“If we do not welcome CPEC, which will bring economic changes, then it will be our third big miss as a country to grow,” the minister said.

Explaining, he said, “the first time we missed the chance was when the country was on the right path to grow economically in the 1960s and many big reports said Pakistan was going to be the next Japan in Asia, but unfortunately the development came to a halt when Pakistan faced war in 1965.”

The second time was 1990-91 when Prime Minister Nawaz Sharif in his tenure introduced economic reforms. “Pakistan was Asia’s first country to introduce privatisation policies and infrastructure development at that time,” he said, adding “when the government lost stability, the same policies were used by India and its economic growth rate, which was 2-3%, went to 7-8% in the 2000s while we remained on 3% growth.”

Dismissing the controversies surrounding CPEC, Iqbal pointed out that western media in one of their reports in April 2015 called CPEC a heaven for Pakistan.

Defining the investment, he said CPEC was bringing an investment of $46 billion to Pakistan, which had nothing to do with the government in Islamabad.

Of this, $35 billion is private sector investment while the remaining $11 billion is for contractors and companies which are awarded tenders by the Chinese themselves.

“Our aim is to see Pakistan among top 25 economies of the world by 2030,” he said, adding the day was not far because with CPEC the country had entered into a geo-economic era from the geo-strategic period.

“Keeping in view the location of our country, we have the ability to create a big economic zone and Pakistan can be a hub of trade, manufacturing, jobs, etc,” he remarked.

CPEC is a long-term framework covering 2014-30 and has three kinds of projects. Short-term ones will be completed by 2020, medium-term projects will be finished by 2025 while larger ones will be completed by 2030.

Among four priorities, first is to develop Gwadar where a new airport, hospitals, university, technical education centre and clean drinking water facilities will be provided and local industries will be protected. Energy will be produced to make CPEC sustainable because its growth cannot be sustained until energy becomes flawless.

“Chinese companies are investing in the energy sector and will be producing cheap and affordable energy from coal and hydel sources,” Iqbal said, adding infrastructure would be the priority after energy and for that work had already started.

China is investing in Pakistan when no other country is giving loans or investing in Pakistan’s growth. “China has given us loans at a very concessionary rate of 2% and we have to pay back the money in the next 25 years,” Iqbal added.

https://tribune.com.pk/story/1325896/will-third-big-miss-cpec-not-welcomed-iqbal/

OVER 40 ECONOMIC ZONES TO BOOST CPEC PROJECTS
Dawn, February 15th, 2017

ISLAMABAD: The Board of Investment has identified 41 sites for establishing special economic zones (SEZs) to boost the China-Pakistan Economic Corridor (CPEC) projects, the National Assembly’s Standing Committee on Planning, Development and Reform was informed on Tuesday.

The committee’s meeting was presided over by Abdul Majeed Khan Khanan Khail.

“We need to pave the way for export-oriented businesses to reap full benefits of the CPEC,” Mr Khanan Khail said, adding that the committee would like to know what incentives were available for local investors as there were rumours there were little benefits for them.

The committee was informed that seven SEZs had been notified by the BOI so far.

It was informed that there was no difference between incentives given to local and foreign investors in the SEZs.

The BOI has devised a comprehensive plan for development and management of an industrial park under the CPEC incentives for both local and foreigner investors in the SEZs.

The committee was informed that the 41 sites had been selected after consultations with the provincial, Azad Jammu and Kashmir and Gilgit-Baltistan governments and the Federally Administered Tribal Areas secretariat.

The members recommended setting up of vocational and technical training centres in the zones for local people.

https://www.dawn.com/news/1314859

KP PROPOSES 17 POWER PROJECTS FOR ECONOMIC CORRIDOR
PESHAWAR: The Khyber Pakhtunkhwa government has proposed 17 energy projects of 2,825 megawatts and $9,357 million for inclusion in the multibillion dollar China-Pakistan Economic Corridor.

Also, a consultant has been hired for 300 megawatts Balakot hydropower project to be launched with the support of the Asian Development Bank.

This was stated by provincial energy and power minister Mohammad Atif during a meeting of the energy and power department here on Tuesday.

According to a statement, the minister told participants that the award of Sharmai hydel power project was being given to joint venture of Sapphire Electric and Sino Hydro of China.

Besides others, the meeting was also attended by energy and power secretary Naeem Khan, Pakhtunkhwa Energy Development Organisation chief executive officer Akbar Ayub, and Khyber Pakhtunkhwa Oil and Gas Company Limited CEO Raziuddin and chief planning of ficer Syed Zainullah Shah.

The officials informed participants about the ongoing, new and proposed energy and power projects.

They highlighted the progress on Jabori, Lawi, Karora, Daral Khwar and Mataltan power projects, run-of-canal project and supply of electricity to floodhit villages of Chitral district.

The officials said two projects of runof-canal pilot project would be completed by the end of the current month.

They said solarisation of 8,000 schoolsand 182 basic health units would be made in collaboration with the ADB, while work on the solarisation of 6,000 villages were already approved. The minister directed the authorities concerned to include 1,000 mosques in the solarisation projects, too.

He asked the authorities to accelerate work on hydropower projects and said work on 150 of the 356 microhydropower projects had been completed and that the remaining projects should be successfully executed by Dec 31, 2017.

Mr. Atif said the provincial government`s policies had encouraged local and foreign investors to put their billions of rupees in the province.

He said he was hopeful that investment in the next one and a half years would reach billions of dollars.

The minister said there existed conducive atmosphere in the province for investors and therefore, they could put money in any field without fear.

Road Show In Beijing: The Khyber Pakhtunkhwa government will hold another `Road Show` in Beijing by the end of next month to market investment options of the province. The earlier such events, one held in Dubai and the other in Karachi, have yet to bear fruit.

According to a statement issued here on Tuesday, Chief Minister Pervez Khattak urged the prime minister to convene a meeting of all political forces of KP to take them on board on the western route of the CPEC.

He was talking to a delegation of the Peshawar Press Club at the Chief Minister`s House here, where adviser to the CM for information Mushtaq Ahmad Ghani and information secretary Arshad Majeed were also present.

The CM said the western route was integral part of CPEC and an additional all-weather route connecting Gilgit to Dir and Chakdara via Chitral andShandoor had already become part of the corridor project.

He said the Peshawar Mass Transit project would connect six districts covering transportation to 41 per cent of the total population of the province.

Mr. Khattak said the 1,700 megawatts of electricity would be produced from the surplus water resources under the CPEC project, while Rashakai Industrial City would be built on 40 thousand kanals of land.

He said his government was set to sign an agreement with the FWO for the construction of two smart cities in Peshawar and Rashakai.

The CM said the 123km long greater Peshawar Mass Transit project connect-ing Peshawar, 1lowshera, Mardan and Peshawar within an additional 103km track would further connect Swabi and Malakand and provide ef ficient transportation to 41 percent of total population of the province.

He added that Gilgit, Shandoor, Chitral and Chakdara had emerged as the alternate and allweather route of the CPEC.

Mr. Khattak said the proposed road costing Rs280 billion would be 586km long.

He said he was hopeful that the road would open to the Central Asian Republics via Wakhan in future.

The CM said KP had proposed 10 additional hydel power projects with a capacity to produce 2,157 megawatts.

Meanwhile, the CM offered Chinese investors to put money in the natural advantages, the province in energy sector hydro, gas and solar energy, mining sectors.

He made the offer during a meeting with a delegation of SINOMAC Investment Company here at the CM`s House.

http://epaper.dawn.com/DetailImage.php?StoryImage=15_02_2017_007_004

ENVOY INVITES UAE TO INVEST IN CPEC
The Express Tribune, February 15th, 2017.

ISLAMABAD: Pakistan would be pleased if the UAE could benefit from the CPEC project, as it was a win-win situation for all countries in the region, said Pakistan's Ambassador to UAE Moazzam Ahmed Khan.

According to the Pakistani embassy in UAE the ambassador stated this in an interview. He spoke about how both countries could benefit from the China Pakistan Economic Corridor (CPEC), a part of China's ambitious One Belt, One Road multi-billion dollar initiative, and also part of Pakistan's Vision 2025.

The envoy said that Pakistan and China were working on huge projects on infrastructure, roads and railway networks. Most importantly, both countries are also investing in the energy sector.

He described it as an ideal investment opportunity for Emirati investors, Moazzam noted that the UAE was the second largest Gulf Cooperation Council (GCC) trade partner of Pakistan, with a trade surplus of US$5 billion.

Moreover, Pakistani nationals send US$4.5 billion in remittances each year from the UAE to their home country.

"The UAE is already one of the main investment partners in Pakistan. In fact, according to some estimates, it is the third largest investor," the ambassador said, "So there will be huge opportunities coming from this project, for all countries of the region."

He said in the last few years, UAE companies have invested billions of dollars in all major sectors, particularly banking, infrastructure and communications.

These sectors, the envoy said, provide ample opportunities for further investment, as Pakistan's fast-expanding economy expects to achieve 5.5% GDP growth this year.

https://tribune.com.pk/story/1327167/envoy-invites-uae-invest-cpec/

PAKISTAN, CHINA REVISE 'PRIORITY LIST' OF CPEC ENERGY PROJECTS
The Express Tribune, February 18th, 2017.

Islamabad: Pakistan and China have signed a revised priority list of energy projects they plan to complete in the next two years under the multibillion-dollar corridor programme, making adjustments in light of progress made on these schemes during the last couple of years.

The Energy Expert Group agreed to upgrade another 660-megawatt (MW) Hubco coal-fired power plant to the prioritised list but downgraded the 1,320MW Rahim Yar Khan Power project to its actively promoted list, which carries projects that will be completed in the next five years. The parties also upgraded the Oracle Power project to the priority list.

The Energy Expert Group signed the list in light of an understanding reached during a Special Meeting for China-Pakistan Energy Projects held in Beijing in December. Prime Minister's Secretary Fawad Hasan Fawad, Secretary Water and Power Younus Dagha had attended the meeting from Pakistani side.

Now, the list will be placed before the Joint Working Group for endorsement. After that, it will go to Joint Cooperation Committee (JCC) – the highest decision making body on CPEC issues.

The Chinese Energy Expert Group was in town for the last two weeks to finalise the revised list, said the officials.

In November 2014, when Pakistan and China singed the Energy Framework Agreement, the priority-list projects had 10,040MW generation capacities while the actively promoted list generation capacity comprised of 6,645MW projects.

Priority list

The priority projects are the ones that both sides are keen to complete by 2018, although only about half of the planned generation of 8,810MW projects will be available by 2018. The reasons for their delays were inter-ministerial disputes and inclusion of financially unviable projects at the initial stage of CPEC.

Power projects having a cumulative capacity of about 5,000MW under CPEC would be operational by 2017 and 2018, Planning, Development and Reform Minister Ahsan Iqbal said last month.

The actively promoted projects are those that were planned to be made operational by 2022.

The availability of power from the CPEC energy projects is very crucial for the government to fulfil its promise to end power outages by the end of this year. However, the government has signed highly Chinese-favoured energy deals in its endeavour to end load shedding. It has offered up to 34.5% return on equity to the sponsors of coal-fired power plants-which is unprecedented.

Actively promoted projects

Both sides have agreed to downgrade 1,320MW Rahim Yar Khan coal-fired power plant to actively promoted projects from priority projects, said the officials of Ministry of Water and Power. The Rahim Yar Khan project was not financially viable as there was no transmission line at the project site.

Both sides also agreed to upgrade the 1320MW Oracle local coal power plants to the priory list. At one stage, the Ministry of Water and Power had warned the Oracle Company to expedite its work or else it will be deleted from the CPEC framework.

The 1,320MW Hubco power plant is now added to the priority list. The project is being built in collaboration with China Power Hub and would get 27.2% return on equity. The total project cost is $1.92 billion and the sponsors would obtain $1.44 billion loan at 6% interest rate.

Hubco was facing problems in execution of the project and it took six months to get an environment impact assessment clearance certificate from Balochistan government, said Omer Rasul, Additional Secretary Water and Power.

This happened only after the sponsors of 1320MW Hubco power plant agreed to give 3% of their share to the provincial government, said Rasul early this week.

However, the official documents showed that this arrangement would not affect the majority shareholding of Chinese partners. The Chinese sponsors share will not be less than 51%. It is expected that Prime Minister Nawaz Sharif will perform the groundbreaking ceremony of this project within a couple of months.

The government has also extended Letter of Support (LoS) to the Hubco project for five more months to June this year. The project has not yet achieved the financial close but the groundwork has started with equity money.

The first 660MW plant of Hubco power will become operational by December next year while the second plant is expected to be ready by August 2019, according to Ministry of Water and Power officials.

https://tribune.com.pk/story/1330482/cpec-energy-projects-pakistan-china-revise-priority-list/

NEWS COVERAGE PERIOD FROM FEBRUARY 6TH TO FEBRUARY 12TH 2017
REAL ESTATE SECTOR SET TO GO NORTH ON BACK OF CPEC, TRUMP
The Express Tribune, February 6th, 2017.

Farhan Zaheer

Pakistan’s property market has attracted billions of rupees over the last three years because of extraordinary returns. These returns come on the back of differences in demand-supply, speculative trading in the real estate sector and its ability to be a safe-haven for tax evaders.

The growth story was broadly intact until the middle of 2016 when the government brought in new regulations. However, despite a major turmoil, the sector succeeded in getting concessions from the government and the market rebounded at the end of the year. Improving security situation and macroeconomic indicators have played a key role in fuelling the property boom.

Despite the mouth-watering growth in the property market since 2013 (which was more than 100% in many cases), builders and real estate dealers in big cities like Islamabad and Karachi say the market is all set to head further north in the current international scenario.

“Pakistan is a virgin market and there are numerous business opportunities here. Tell me which sector is not growing in Pakistan?” asked Association of Builders and Developers of Pakistan (ABAD) Senior Vice Chairman Muhammad Hassan Bakshi.

“This is a rare situation when world markets are in turmoil and Pakistan’s economy is going from strength to strength.”

Bakshi, who represents ABAD, an association of over 700 builders, said Pakistani investors including builders and developers were returning to the country because of current high returns in the local market.

Builders say Pakistani investors are pulling out of Dubai’s property market and bringing money back home because of a marked improvement in the security situation.

“Recent harsh policies of (US President) Trump will further encourage Pakistani investors to shift their money to local markets because of eye-catching returns. This is a blessing in disguise and our government should encourage these investments,” Bakshi added.

Pakistani businesses are mainly banking on the China-Pakistan Economic Corridor (CPEC) projects of around $57 billion, which makes about one-fifth of Pakistan’s $270-billion economy. Analysts say massive Chinese trust in Pakistan and its economy is attracting overseas Pakistanis and foreign investors like a magnet.

Currently, Chinese companies are buying industrial properties in Pakistan. But analysts think Chinese nationals may soon be able to buy real estate and if this happens, the country’s property market will shoot up further.

“Right now, only Chinese companies are allowed to buy property in Pakistan. As individuals, Chinese nationals cannot buy property here,” said Younus Rizvi, a Karachi-based real estate dealer. Dubai Land Department data shows Pakistani investment in Dubai’s property market dropped close to $1 billion in 2016 compared with 2015.

It is still unclear where this money is being invested, but leading builders believe the money is mainly going to Pakistani property market and some may be going to the Pakistan Stock Exchange. “Pakistani property markets are rebounding strongly and investments are flowing to all big cities of the country,” said former ABAD senior vice chairman Arif Jeewa, who is based in Islamabad.

Explaining why Pakistani investors were pulling out of Dubai, he said the UAE government wanted to increase tax generation, so it was applying the value added tax, which would obviously discourage new investments. Builders say Pakistanis opted for a second home in Dubai because of poor security situation in the country until 2013. But now the situation is fast changing and there is no need to keep expensive houses in the UAE, especially when the investors can get attractive returns in Pakistan.

https://tribune.com.pk/story/1317837/eye-catching-returns-real-estate-sector-set-go-north-back-cpec-trump/

CIVIC ISSUES: KARACHI NEEDS MORE WATER, SAYS PSP CHIEF

The Express Tribune, February 6th, 2017.

KARACHI: Pak Sarzameen Party (PSP) chairperson Mustafa Kamal demanded once again on Sunday that Chief Minister Murad Ali Shah give due powers to Karachi Mayor Wasim Akhtar.

He said the city's problems could not be solved without doing this.

Addressing a press conference at the PSP headquarters Pakistan House, he said that the city, having an approximate population of 23 million people, needs at least 1.24 billion gallons of water per day. "Even the K-IV project cannot cater to this need upon its completion," he said.

Work on the Karachi Bulk Water Supply Scheme, commonly known as K-IV, is under way and it is estimated to add approximately 260 million gallons per day (MGD) of water. The Rs25.5-billion project was expected to be completed by this summer but has yet to be completed.

The former city nazim said that he had already completed the planning for the coming 50 years during his tenure and asserted that work on phase II of the K-IV project should start immediately.

"Another 1.2 billion gallons of water should be allocated [for Karachi]," he said.

According to the Karachi Water and Sewerage Board, the megacity needs 1.1 billion gallons per day while the supply stands at around half of this, not to mention theft by illegal hydrants. The two phases of K-IV are supposed to overcome this shortage.

Urging that the authorities should eliminate illegal water hydrants, he spoke about the Greater Karachi Sewerage Plan, known as S-III, and raised his suspicion over the project's cost swelling from Rs7.9 billion to around Rs43 billion.

https://tribune.com.pk/story/1317958/civic-issues-karachi-needs-water-says-psp-chief/
CHINA ASSURED OF SUPPORT IN FIGHT AGAINST SEPARATISTS
Dawn February 7th, 2017

ISLAMABAD: Pakistan and China on Monday discussed all aspects of bilateral ties with focus on security, economic development and the ChinaPakistan Economic Corridor (CPEC).

The meeting between Special Assistant to the PM on Foreign Affairs Syed Tariq Fatemi and a visiting Chinese security official took place at the Foreign Office. Chinese State Commissioner for Counter Terrorism and Security Cheng Guoping is in Pakistan on a three-day visit, said a press release issued by the FO spokesperson.

The meeting was followed by delegation-level talks and a working lunch.

Both sides noted that the allweather friendship between the two countries had withstood the test of time, notwithstanding changes in international, regional and domestic environments.Noting the importance of CPEC for the economic development of Pakistan, the two sides stressed that timely completion of the economic corridor projects would not only give a boost to Pakistan`s economy but would also significantly contribute to regional connectivity, peace and development.

Mr Fatemi said Pakistan was fully committed to the timely and effective implementation of all projects under the CPEC.

He affirmed that friendship with China was the cornerstone of Pakistan`s foreign policy. Pakistan supports China on all its core issues and opposes any attempt to undermine its sovereignty. Pakistan would continue to support China`s efforts to combat the evils of terrorism, extremism and separatism, he added.

He appreciated China`s forthright position on Pakistan`s counterterrorism strategy andthanked the country for its support to Pakistan`s national security and territorial integrity.

Mr Cheng said that his country attached great importance to its relations with Pakistan, and supported its sovereignty, independence and territorial integrity.

He thanked Pakistan for its consistent support to China on issues of core interest to it. He also lauded the sacriñces rendered by Pakistan andits security forces in its ñght against terrorism, extremism and separatism which had helped maintain regional peace and stability.

The two sides expressed satisfaction at the continued progress in bilateral relations in all Helds and expressed their resolve to work towards solidifying political relations, deepening economic bonds and security cooperation and closer people-to-people contacts.-Agencies

http://www.dawn.com/news/1313134

CHINA TO FUND NEW WEATHER MONITORING SYSTEM, SAYS PMD
The Express Tribune, February 7th, 2017.

ISLAMABAD: China will fund as much as $200 million for upgrading the latest weather equipment for Pakistan Meteorological Department (PMD) after its Rs19 billion plan for upgrading equipment was finally made part of the China-Pakistan Economic Corridor (CPEC), The Express Tribune learnt on good authority on Monday.

Under this plan, the PMD will also be able to procure the latest weather radars, enabling it to replace its obsolete weather radars currently installed at Lahore, Sialkot and Mangla, avoiding reliance on India, officials said.

Currently, Pakistan has to rely on data gathered by obsolete radars.

Officials insisted that India took advantage of this situation and often provided ‘misleading’ or poor data to Pakistani weather authorities.

Recently a comprehensive three-year plan for upgrading the early warning weather system was moved to the Economic Affairs Division after a seven-month-long delay.

In June last year, the prime minister had asked the PMD to submit a report on its failure to inform in advance about the windstorms that slammed into Islamabad and parts of Punjab and Khyber-Pakhtunkhwa on June 1.

The plan was submitted in the same month and the Prime Minister House agreed on acquiring the latest weather radars and asked the PMD to submit a comprehensive plan in this regard.

But no progress was made in this regard till December last year because of financial constraints.

China has now expressed its willingness to finance the entire project, officials in the federal government said.

PMD's Director-General Dr Ghulam Rasul said that the three-year comprehensive plan had now become part of CPEC.

"Recently, Ahsan Iqbal conveyed to the PMD that its plan has been included in CPEC," he said. It is estimated that PMD would get as much as $200 million for purchasing the latest weather forecasting equipment from international market

"Early warning system will be upgraded, effectively reducing human, economic (trade loss) and property losses caused by possible extreme weather events when projects on eastern and western routes of CPEC will be initiated," he said.

Early warnings on climate hazards, such as tsunamis, flashfloods, landslides, fog, tropical cyclones and dust storms, would be issued in vulnerable areas between Gwadar and the Khunjerab Pass, he said.

According to him, 13 new radars would replace five obsolete radar systems under the plan.

"An integrated network will be set up for radar monitoring of all CPEC routes covering almost 95 per cent of the country's geographical area," he said. Weather radars will be installed in Lahore, Sialkot and Mangla covering a radius of at least 400 kilometres, including some parts of India, he said.

https://tribune.com.pk/story/1318987/advanced-tools-china-fund-new-weather-monitoring-system-says-pmd/

CHINA TO BUILD HIGHWAY NETWORK FOR IMPROVED LINKS WITH PAKISTAN
KARACHI: As a number of projects under the China-Pakistan Economic Corridor (CPEC) become a reality, the Chinese government has decided to invest large sums in laying a highway network for improved connectivity between the two countries.

In this regard, the Xinjiang Uygur autonomous region will inject record funds into building new roads this year so it can better serve as China's trade hub linking countries along the Silk Road Economic Belt.

"New infrastructure projects are also expected to bring more job opportunities for the locals," said the region's top economic planning official.

This year, the north-western region will invest 170 billion yuan ($24.8 billion) in new roads, up nearly six-fold from 2016.

"The region has never seen such a huge investment in road construction," Zhang Chunlin, Director of the Xinjiang Development and Reform Commission, said in an interview in the regional capital Urumqi.

The region will also invest 8.1 billion yuan in constructing railways and 4.8 billion yuan in civil aviation projects, both up 50% from last year.

Zhang believes that without the support of transportation, becoming the trade hub on the Silk Road Economic Belt is not feasible, so Xinjiang must face the challenge head-on.

The central government sees Xinjiang, which borders different countries including Kazakhstan, Pakistan and Mongolia, as the key trade centre on the economic belt. The economic belt, part of the One Belt One Road initiative proposed by President Xi Jinping in 2013, is aimed at reviving the ancient trade route.

https://tribune.com.pk/story/1319557/china-build-highway-network-improved-links-pakistan/

PM MAKES BIG CPEC-AIDED BUSINESS PITCH
Business Recorder, Feb 10th, 2017

Madiha Shakeel
Islamabad: Prime Minister Nawaz Sharif has urged the foreign companies to take advantage of the incentives being offered by the government for investment and make investment in Pakistan whose strategic location is gateway to the energy-rich Central Asian states.

Addressing a gathering of 38 chief executive officers (CEOs) of companies from France, Italy, Canada, the UK, the US and other countries here Thursday, the Prime Minister said that Pakistan located on Asias premier trade, energy and transport corridor is also the gateway to the energy rich Central Asian states as well as Gulf States and far Eastern economies.

The Prime Minister said that under the China-Pakistan Economic Corridor (CPEC) an investment portfolio of over $55 billion is being implemented. Of the total, $35 billion investment is being made in the energy sector and apart from energy, road and rail infrastructure, industrial parks and economic zones as well as deep seaport at Gawadar give CPEC the potential of changing the destiny of people in the region and beyond.

The CPEC, he said, is a key regional initiative for connectivity and shared prosperity of nations and Pakistan is uniquely positioned to become a hub to connect a population of over 3 billion, he added.

The corridor will substantially shorten transportation distances between Africa and the Middle East to Central and South Asian regions, he said adding that the CPEC would connect the port of Gwadar to Kashghar and will not only connect Pakistan to China but will also provide connectivity to Central Asia.

He said Pakistan with 80 million middle class people is blessed with rich human and natural resources and offers attractive investment policies to global player. He said the government is well aware of international investors need of stable markets backed by clear and consistent policies. We are committed to maintaining an enabling policy framework to attract foreign direct investment, he added.

He elaborated in detail the policy reforms pursued by the government during the last three years to ensure economic revival and stated that reforms have yielded positive results with a decline in fiscal deficit to 4.2 percent from over 8 percent, inflation to 3 percent and interest rate at the lowest level. Pakistans foreign exchange reserves, he said, have soared for all-time high and tax to GDP ratio from 9.8 percent to over 12.4 percent while investment to GDP ratio from 14.9 to 15.2 percent. Nawaz Sharif said that Pakistan with a 3 percent GDP growth before 2013 is now projected to grow by 5 percent of the GDP in the current fiscal year. As a result, he said international rating agencies are improving Pakistans economic stability ratings while multilateral World Bank projected a GDP growth of 5.2 percent for the current fiscal year.

The Prime Minister said that S&P rating agency also expects that Pakistans debt to fall below 60 percent of GDP by 2018.

The Prime Minister further added that the consumer market in Pakistan is growing at a very fast pace with growing demand of automobiles, housing and electronics, which provides considerable returns to the corporate sector.

Services industry, particularly its sectors such as telecommunication, hospitality and online-retails, is fast growing with new attractive areas for investment, he said adding that Pakistan is emerging as an expanding market for the US and European products.

The Prime Minister said that with a fast growing middle class, increasing urbanisation, growing popularity of international food products, and a rising number of international food chains, Pakistan is poised to become a major destination for international businesses.

Our government has devised a comprehensive plan to create an investment-friendly environment and has liberalised investment policies to welcome foreign investments. We offer incentives to attract new capital inflows, including tax exemptions, tariff reductions, infrastructure, and investor facilitation services, he said, adding that the governments Investment Policy (2013) focuses on reducing the cost of doing business as well. The policy was designed to improve ease of doing business with creation of industrial clusters and special economic zones to attract foreign direct investment. All this is protected by legislations, he added.

The Prime Minister said that Pakistan Stock Exchange (PSX) index PSE100 crossed 49,000 in January 2017, adding that the recent sale of 40 percent strategic shares to a Chinese consortium is the first such sale in a bourse in regional markets. The State Bank of Pakistan and the Securities and Exchange Commission continue to improve regulatory environment and oversight of financial and capital markets.

Nawaz Sharif said the governments Vision 2025 maps Pakistan to join the top 25 economies in the world leading to upper middle income country status by 2025.

IRAN SUPPORTS CPEC
Dawn, February 11th, 2017

LAHORE: Unlike the impression being given by some quarters, Iran says it supports the China-Pakistan Economic Corridor (CPEC).

Speaking at a ceremony to mark the 38th anniversary of the Iranian Revolution, Consul General (CG) Bani Asadi said here on Friday that his country was in favour of the CPEC and considered it an important project for regional development. Tehran also supported Operation Zarb-i-Azb against terrorists.

He claimed some forces did not wish to see Tehran and Islamabad come close for regional peace and development.

Chief Minister Shahbaz Sharif, who was chief guest at the event, welcomed the Iranian desire to join CPEC, saying the joining of hands by Beijing, Islamabad and Tehran would help strengthen the region. He also agreed with Mr Asadi's views that some forces had been making attempts to keep the two neighbours away from each other.

He also lauded the struggle of the Iranian people who foiled all attempts by certain forces to check development in their country.

The Pakistan-Japan Cultural Association with the collaboration of the Japanese embassy also celebrated 65 years of friendship between the two countries.

Wadaiko performance, a popular music of Japan performed by drummers, was the hallmark of the event where Lord Mayor retied Col Mubashir and PML-N Media Coordinator Muhammad Mehdi represented the government and party, respectively.

Traditional Japanese food, including sushi, and dresses were also offered to the participants.

http://www.dawn.com/news/1314074/iran-supports-cpec

SENATE COMMITTEE DISSATISFIED OVER CPEC
Dawn, February 11th, 2017

ISLAMABAD: The Senate Standing Committee on Communications has expressed dissatisfaction over the government's attitude regarding the China-Pakistan Economic Corridor (CPEC) project.

The committee's chairman Muhammad Daud Khan Achakzai of the Awami National Party said on Friday that it was strange that trade convoys had started passing without the completion of the western route of the corridor.

"Whenever we ask about the progress on the western route, we hear the excuse that the funds and workforce are not available," he said.

The chief secretary of Balochistan confessed before the members that a committee formed on the orders of the prime minister to acquire land in Balochistan and Khyber Pakhtunkhwa had not held any meeting, hence no area had been acquired.

Mr Achakzai said it meant that the route existed only on papers and the facts were entirely different as compared to what was being portrayed.

"People should be recruited while considering the length of the National Highway instead of according to quota of the provinces. Otherwise a sense of deprivation will prevail among the people of smaller provinces.

"The parliamentary committee has suggested to the ministry of finance many times to release funds and complete the process of appointments in the Motorway Police. Even a report has been tabled in the Senate but there is no progress over it," he said.

The committee suggested that the salaries of Motorway Police be increased by 20 per cent.

http://www.dawn.com/news/1314142

FINANCING BURDEN OF CPEC
Dawn, February 11th, 2017

Ishrat Husain

The ongoing debate on the impact of CPEC projects on future external payments' obligations is welcome, but should be informed by analysis based on facts rather than opinion.

The total committed amount under CPEC of $50 billion is divided into two broad categories: $35bn is allocated for energy projects while $15bn is for infrastructure, Gwadar development, industrial zones and mass transit schemes. The entire portfolio is to be completed by 2030. Therefore, the implementation schedule would determine the payments stream.

Energy projects are planned for completion by 2020, but given the usual bureaucratic delays, it won't be before 2023 that all projects are fully operational. Under the early harvest programme, 10,000 MW would be added to the national grid by 2018. Therefore, the disbursement schedule of energy projects is eight years (2015-2023). Infrastructure projects such as roads, highways, and port and airport development, amounting to $10bn, can reasonably be expected to be concluded by 2025, while the remaining projects worth $ 5bn would spill over into the 2025-30 period.

Given the above picture, it is possible to prepare a broad estimate of the additional burden on Pakistan's external payment capacity in the coming years. As the details of each project become available, the aggregate picture can be refined further. The margin of error would not cause significant deviation.

The entire energy portfolio will be executed in the IPP mode —as applied to all private power producers in the country. Foreign investors' financing comes under foreign direct investment; they are guaranteed a 17pc rate of return in dollar terms on their equity (only the equity portion, and not the entire project cost). The loans would be taken by Chinese companies, mainly from the China Development Bank and China Exim Bank, against their own balance sheets. They would service the debt from their own earnings without any obligation on the part of the Pakistani government.

Import of equipment and services from China for the projects would be shown under the current account, while the corresponding financing item would be FDI brought in by the Chinese under the capital and finance account. Therefore, where the balance of payments is concerned, there will not be any future liabilities for Pakistan.

To the extent that local material and services are used, a portion of free foreign exchange from the FDI inflows would become available. (Project sponsors would get the equivalent in rupees). For example, a highly conservative estimate is that only one-fourth of the total project cost would be spent locally and the country would benefit from an inflow of $9bn over an eight-year period, augmenting the aggregate FDI by more than $1bn annually. This amount can be used to either finance the current account deficit or reduce external borrowing requirements. Inflows for infrastructure projects for local spending would be another $4bn over 15 years.

Taking a highly generous capital structure of 60:40 debt-to-equity ratio for energy projects, the total equity investment would be $14bn. Further, assuming the extreme case that the entire equity would be financed by Chinese companies (although this is not true in the case of Hubco and Engro projects, where equity and loans are being shared by both Pakistani and Chinese partner companies) the 17pc guaranteed return on these projects would entail annual payments of $2.4bn from the current account.

CPEC’s second component, ie infrastructure, is to be financed through government-to-government loans amounting to $15bn. As announced, these loans would be concessional with 2pc interest to be repaid over a 20- to 25-year period. This amount’s debt servicing would be the Pakistan government’s obligation. Debt-servicing payments would rise by $910 million annually on account of CPEC loans (assuming a 20-year tenor). Going by these calculations, we can surmise that the additional burden on the external account should not exceed $3.5bn annually on a staggered basis depending on the project completion schedule.

As a proportion of our total foreign exchange earnings of 2016, this amounts to 7pc. These calculations do not take into account the incremental gains from GDP growth that will rise because of investment in energy and infrastructure. As the loan amounts would be disbursed in the next 15 years and repayments would be staggered, the adding of the entire $15bn to the existing stock of external debt and liabilities is not an accurate representation. The more realistic approach would be a tapered schedule, with $2bn to $3bn getting disbursed in the earlier years and slowing down in the second half.

The question is: how do we find the extra non-debt-creating resources of $3.5bn to offset this additional burden? If the export slowdown was due to energy shortages, the availability of increased supplies should boost exports fetching higher foreign exchange revenues. Exports have to grow by 14pc annually in dollar terms to compensate for these outflows if all other sources remain unchanged. This is not unprecedented as Pakistan has previously recorded this growth rate. Further, the substitution of imported fuels with domestic ones such as hydro, coal, wind and solar should be able to result in savings of at least $1bn annually. These measures will need concerted action.

To make this happen, Pakistan has to take some policy actions on a priority basis: (a) make coordinated efforts to increase the volume of exports by diversifying product mix, penetrating new markets, revising free trade agreements, reducing transaction costs; (b) attract foreign investment in manufacturing and export sectors and set up joint ventures in the industrial zones; (c) channel workers' remittances though the banking system by reducing the differential between the open and inter-bank market rates;

(d) accelerate training of skilled, technical and professional manpower who can take over jobs from the Chinese, thus bringing cost savings and reduced outflows; (e) reform the power sector by privatising DISCOs, mandating Nepra to develop competitive power markets and power exchanges by providing open access to producers for transmission and distribution, setting tariffs through open and transparent bidding, and introducing smart technologies. These measures would certainly help in easing the pressure on external accounts.

http://www.dawn.com/news/1313992

NEWS COVERAGE PERIOD FROM JANUARY 30TH TO FEBRUARY 5TH 2017
CPEC – THE TRADE DIMENSION
Dawn, Business & Finance weekly, January 30th, 2017

Muhammad Ashraf

The China Pakistan Economic Corridor — with an outlay of $54bn — entails an FDI inflow that is more than the cumulative net FDI inflows of the country.

An extension of China's ambitious One Belt One Road (OBOR) initiative, the CPEC has three major components — an economic corridor comprising a network of highways, railways, pipelines and optical fibre, energy generation and distribution infrastructure, and Special Economic Zones (SEZs).

The sheer size of the project, however propitious it might appear, is fraught with uncertainties. Therefore a dispassionate analysis is required to capitalise on opportunities and mitigate risks.

First, development of road, rail and port infrastructure will reduce the infrastructure deficit that is currently hampering linking the production base with domestic and foreign markets. Internal connectivity increases competitiveness by decreasing internal transportation costs, reducing post-production losses and facilitating optimal industry relocation.

The development of infrastructure under the CPEC will also help rectify Pakistan's suboptimal regional integration. As trade naturally gravitates into the region due to a similarity in consumption patterns, short delivery times and low transportation costs, the country can finally garner economic benefits from its geographical location — being at the crossroads of Central, West and South Asia.

Connectivity will also increase physical access to the huge Chinese market. The challenging part, however, is that connectivity is two-way — it offers at least as much advantage of physical market access and lower delivery costs to Chinese products in Pakistan as vice versa.

A highly competitive Chinese industry with improved connectivity will further strain Pakistan's domestic industry, already reeling under the pressure of the China-Pakistan Free Trade Agreement.

Second, development of energy infrastructure will relieve the persistent energy shortages which shave an estimated 2pc off from GDP growth every year. The addition of nearly 10,400MW in energy generation capacity till 2018, under the Early Harvest Projects, will improve the export sector's access to energy and is estimated to add 2-3pc growth in exports.

However, the cost of energy under the CPEC in the long term will remain a challenge. On one hand, immediate investment is required to bridge the demand-supply gap in energy and on the other hand, the developing renewable energy technology is fast reducing the energy prices.

For instance, the prices of solar energy dropped by 50pc in 16 months till May 2016 when Dubai Electricity and Water Authority received a bid of 3cents per KWH for 800MW electricity. Long-term binding buy-back contracts with energy producers, therefore, need to be avoided.

Third, partnering with China, the world's export juggernaut, offers the opportunity of integration into Chinese value chains by piggybacking on the Chinese export industry.

In a natural cycle of industrial development, the Chinese manufacturing sector — due to increasing labour costs — has already been moving up the value chain by limiting itself to high-tech manufacturing services, while outsourcing medium and low-tech activities to countries like Pakistan and Bangladesh.

The medium to low-tech Chinese manufacturing industry can be attracted to relocate to Pakistan. They bring with them export market linkages and their existing integration into GVCs besides the spillover benefits of technology transfer, development of skilled workforce and snowballing of FDI from other countries.

Lastly, Pakistan can benefit from the Chinese experience of developing the SEZs as competitive export production hubs with allied infrastructure and formation of human capital.

Though the details of the SEZs under the CPEC have not been finalised yet, such zones are envisioned as the instruments to attract investment through a package of incentives and policy interventions.

Such incentives, though essential to attract investment, have a flip side — the provision of excessive incentives to industries in SEZs may cannibalise the mainstream export-oriented industry that is already struggling in an environment ranked dismally low in indicators of competitiveness, ease of doing business and governance.

The industries based in the 'golden industrial triangle' have vociferously expressed their anxiety.

It is also apprehended that the SEZs, instead of becoming production hubs, may turn into warehouses of Chinese products. In case Chinese products are allowed duty-free warehousing in the zones for subsequent export to tariff areas of Pakistan, it would give them an unfair advantage over domestically produced goods which have to pay taxes immediately on entry into the distribution chain, thereby increasing their cost of doing business.

To conclude, the CPEC is termed as a game changer as it has the potential to change the rules of economic engagement in the region. Therefore, it is imperative that we carefully strategise to ensure that the changed rules don't knock us out of the game.

The buy-back arrangements of energy should be carefully crafted to maintain a balance between access to energy in the short term and cost of energy in the long term; SEZs should be designed to integrate with the country's economic structure rather than sidestepping the inefficiencies of the mainstream economic environment; a coherent strategy be implemented to leverage enhanced connectivity for integration into the Chinese and global value chains, and the focus remain on improving the enabling economic environment in the country — at least as much as on designing the SEZ incentive structure.

Public policy has to be alive and vigilant to channelise investment inflow for productive advantage.

https://www.dawn.com/news/1311532/cpec-the-trade-dimension

FARMING: THE MISSING CPEC LINK
Dawn, Business & Finance weekly, January 30th, 2017

Mohammad Hussain Khan

In the sixth Pakistan-China Joint Cooperation Committee recently, Sindh got three projects included in the CPEC: the Keti Bunder port, the Karachi Circular Railway and the Dhabeji Special Economic Zone.

But the farm sector and food processing units are yet to feature in any CPEC programme, though the cooperation for agricultural development is one of the potential areas for inclusion in the project, according to the Planning Commission of Pakistan. Corporate farming is yet an area of possible cooperation, perhaps through joint ventures.

Some Sindh government representatives working on the CPEC projects admit that the agriculture sector does not feature anywhere in the federal government's priority list.

An official — who attended this joint committee meeting along with the Sindh chief minister in December 2016 — says around 50 MoUs have been signed for the development of infrastructure, energy, transport and the industrial sector; and perhaps one or two MoUs on research and development in the farm sector.

According to the Sindh Board of Investment Chairperson Ms Naheed Memon, the provincial agriculture, planning and development departments, public private partnership units (PPPU) and the SBI would have to work together to come up with something beneficial for the local agriculture sector and farming community.

She further said that she would also definitely be working to explore opportunities for this bilateral cooperation in the agriculture sector. "We can propose, to the federal government, projects for technological support or farm sector research etc. Value addition is an important area where we can take initiatives"

According to the SBI, some companies have shown an interest in setting up food processing units in the special economic zones (SEZ). Yusuf Sheikh, Khairpur SEZ's focal person said that infrastructural development has been largely completed in the zone. That includes sewerage, road, water supply etc. However, Dhabeji SEZ, just initiated, would take time to become operational.

Farmers wonder why the provincial government is not coming up with some concrete proposals for the inclusion of agricultural projects in the CPEC.

Agriculture is plagued with issues like low farm productivity, low levels of investment and weak modernisation efforts.

Mahmood Nawaz Shah of the Sindh Abadgar Board suggests that institutions like the SBI should form stakeholder working groups to deliberate on issues that can be addressed under the CPEC.

He added that Chinese companies could be attracted in agro-based processing.

Eminent economist, Kaiser Bengali, analysing the CPEC says most of the observations in the project are made without any substance and groundwork. “To me, recent inclusion of projects like Keti Bunder has been done without homework”. He also feels that China is interested mainly in highways and the Gwadar port.

Referring to China’s investment in Africa’s farm sector, he said the Chinese bought their land to produce grain through their own labourers to feed their large population. “Therefore we need to be cautious whether the Chinese will be interested in any such agricultural projects in our country.”

https://www.dawn.com/news/1311534/farming-the-missing-cpec-link

CPEC: PUNJAB PLANNING MINISTER SAYS ALL CONCERNS MUST BE ADDRESSED
The Express Tribune, January 31st, 2017.

Lahore: Punjab Planning and Development Department hosted a seminar on the China-Pakistan Economic Corridor (CPEC) to discuss the framework regarding industrial cooperation and long-term plan 2030.

Addressing the seminar, Planning and Development minister Malik Nadeem Kamran said that all provincial departments must build their capacity in order to address provincial and CPEC-related issues in a timely manner.

He further stressed on mutual coordination among the government departments to prepare a comprehensive and all-inclusive long term plan by March 15 2017. He also appraised the relevant stakeholders for showing key interest in the seminar and the debate on CPEC.

Punjab Planning and Development Board Chairman Muhammad Jahanzeb Khan described the working of the Joint Cooperation Committee (JCC) on CPEC. He apprised that the first phase of CPEC has been completed which will improve overall connectivity.

He also emphasised that the industrial zones are an important part of CPEC. “All relevant sectors must prioritise projects for inclusion in the long term plan by March 31 2017.”

Minster Industries Shiekh Allauddin emphasised on focus on the industry for relocation from China to Pakistan, which may not hamper the local industry.

https://tribune.com.pk/story/1311822/cpec-punjab-planning-minister-says-concerns-must-addressed/

FRAMEWORK OF CPEC DISCUSSED
Business Recorder, 1 February 2017
Muhammad Saleem

LAHORE: With the completion of China-Pakistan Economic Corridor (CPEC) projects, Pakistan including Azad Jammu & Kashmir will witness an unprecedented era of progress which will make her the most important country in the region.

Speakers said this while addressing a seminar hosted by the Punjab Planning and Development Department on China Pakistan Economic Corridor (CPEC) here on Monday.

The participants discussed the framework of CPEC regarding industrial cooperation and long-term plan 2030. They hoped that the whole country including AJ&K will get rid of the menace of load shedding after completion of the ongoing projects by 2018.

Punjab Minister for P&D Malik Nadeem Kamran, Minister for Industries Punjab Sheikh Allauddin, Minister for Irrigation Punjab Amanatullah Khan, Punjab Minister for Mines and Mineral Sher Ali Khan and Minister for Environment Punjab Begum Zakia Shah Nawaz attended the seminar.

The provincial secretaries of departments concerned, heads of government agencies and representatives from academia also participated in the seminar.

While addressing the seminar, Malik Nadeem Kamran said that all provincial departments must build their capacity to address all provincial and CPEC-related issues in a timely manner. He stressed the need of mutual coordination among the government departments to prepare a comprehensive and all-inclusive long-term plan by 15th March, 2017. He also apprised the stakeholders for showing key interest in the seminar and the debate on CPEC.

Chairman P&D Board Muhammad Jahanzeb Khan highlighted the working of Joint Cooperation Committee on CPEC. The first phase of the CPEC has been completed which will improve the overall connectivity. He also emphasized that the industrial zones are an important part of CPEC. He advised that all relevant sectors must prioritize projects for inclusion in the long-term plan by 31st March, 2017.

Minster Industries Sheikh Allauddin emphasized for focusing on the industry for relocation from China to Pakistan which may not hamper the local industry.

Minister for Irrigation Amanatullah Khan suggested to establish industrial parks and special economic zones on non-irrigated land to avoid wastage of agriculture land.

Punjab Secretary Industries gave a detailed presentation to the participants regarding progress achieved recently and mechanism approved for further approval/inclusion of new projects under the CPEC. He deliberated on the importance of CPEC and highlighted the provincial share of the energy and transport projects under the CPEC.

The seminar was followed by a discussion session. Comments and suggestions were taken from the participants on how to include the priority sectors within the long-term plan favoring the Pakistani side.

http://epaper.brecorder.com/2017/01/31/13-page/845771-news.html

NAB TO WATCH OVER CPEC TRANSPARENCY
The Express Tribune, February 1st, 2017.

Islamabad: The National Accountability Bureau (NAB) signed a Memorandum of Understanding (MOU) with China to enhance cooperation and oversee transparency in China-Pakistan Economic Corridor (CPEC) projects in Pakistan.

NAB chairman Qamar Zaman Chaudhry on Tuesday said corruption was a poison which not only caused delays in the early completion of development projects but also caused huge losses to the national exchequer.

He said NAB had signed a MOU with China to enhance cooperation in eradication of corruption and oversee transparency.

He said the bureau had perfected its procedures and Standard Operating Procedures (SOPs) to rationalise the workload.

Moreover, timelines had been set for efficient and expeditious disposal of cases putting a maximum limit of 10 months from complaint verification-to-inquiry-to-investigation and finally to a reference in the accountability court, he added.

In order to ensure uniformity and standardisation, the Standard Operating Procedure (SOP) in vogue were revised after a gap of 10 years to make these responsive to the needs of changed economic, social and technological realities along with goals and targets for smooth conduct of operational activities in accordance with law and to bring further improvements in the performance of the regional bureaus, he added.

Chaudhry said NAB had devised Partly Quantified Grading System (PQGS) to review and evaluate the performance of all its regional bureaus on annual basis. He said that NAB had also devised Combined Investigation Team (CIT), which had improved the quality of investigations as well as the professional capacity of investigation officers (IOs).

The Internal Accountability Mechanism recently devised would ensure effective monitoring and evaluation of work force in NAB, he added.

The prime minister and the federal cabinet have approved Whistleblower Protection Bill which will now be sent to the National Assembly for further necessary action, he added.

https://tribune.com.pk/story/1313459/enhancing-cooperation-nab-watch-cpec-transparency/

CPEC WILL NOT AFFECT LOCAL INDUSTRY: PUNJAB GOVERNOR
Business Recorder, 1 February 2017

ISLAMABAD: Malik Muhammad Rafique Rajwana, Governor Punjab has said that China-Pakistan Economic Corridor (CPEC) project is a game changer for Pakistan and it would not affect the local industry.

He said Chinese authorities have assured they were interested in joint ventures with Pakistan in CPEC projects and this arrangement would enable local industry to flourish.

He said this while addressing business community at Islamabad Chamber of Commerce and Industry. He said there was a need to provide vocational trainings and skills development of youth to produce skilled labour for CPEC projects and reduce unemployment.

He said business community was the backbone of the economy and government would take measures to create conducive environment for business activities. He said all economic indicators were showing positive trend that have been recognised at international forums.

He said Prime Minister Nawaz Sharif has offered Kissan package and incentive package for exporters and added that government wanted to take further initiatives to facilitate the growth of business activities.

He said ICCI should send a written proposal and he would take up it with relevant authorities for the establishment of a new industrial estate in Islamabad Region.

He said that the FBR should take measures to minimize the trust deficit between tax collectors and taxpayers. He assured that he would take up the highlighted issues of the business community with concerned departments for remedial measures.

According to a press release, speaking at the occasion, Khalid Iqbal Malik, President, Islamabad Chamber of Commerce and Industry said that few years ago, CDA had started to acquire land in Sector I-17 for new industrial estate, but due to lack of funds, the project could not materialize. He said Punjab Government should plan an industrial estate in Islamabad Region under CPEC project as this region offered great potential to promote trade with China, Afghanistan and Central Asian countries.

He was of the opinion that new industrial estate in Islamabad would help in creating more jobs, promoting industrialization and business activities in the region.—PR

http://epaper.brecorder.com/2017/02/01/8-page/845949-news.html

CPEC: MINISTER FOR PROTECTING INTERESTS OF LOCAL INDUSTRIALISTS, TRADERS
Business Recorder, 1 February 2017

LAHORE: Punjab Minister for Industries, Commerce and Investment Shaikh Alauddin has stressed the need for protecting the interests of local industrialists and traders while taking decisions regarding China Pak Economic Corridor (CPEC).

The Minister was speaking at a seminar held to discuss the inclusion of new projects in the CPEC and a long-term plan in this regard here on Tuesday. Punjab Secretary Industries, Commerce &

Investment Dr Mujtaba Piracha delivered a detailed presentation on the provincial framework on CPEC, mechanism for inclusion of new projects of Punjab, long-term plan and way forward on the subject and sought proposals from the participants.

Shaikh Alauddin said that a great responsibility lies on their shoulders as they are the decision makers, so they must be aware that any wrong decision could cause their next generation to repent on what they did for them. After visiting a number of chambers of commerce and industries, it came into their notice that the business community was already feeling disturbance on behalf of China's imports to Pakistan as it was causing a grave set back to the local industry most of which was going to close, he said.

The Minister said under invoicing and Hundi was also one of the major factors causing loss to the national exchequer. "If we want to save our industry from further decay, we should stress that all trade with China should be conducted through banks which is the only way to make our industry viable," the Minister added.

http://epaper.brecorder.com/2017/02/01/11-page/845975-news.html

GOVT TRYING TO GET KCR, ECONOMIC ZONE 'FORMALLY' INCLUDED IN CPEC: MURAD
Dawn, February 3rd, 2017

KARACHI: Sindh Chief Minister Murad Ali Shah said on Thursday that his government was working hard to develop the Dhabeji Special Economic Zone and get the feasibility study of the Karachi Circular Railway (KCR) completed so that both projects could be 'formally' moved for their inclusion in the list of schemes related to the China-Pakistan Economic Corridor.

He said this while presiding over a meeting on CPEC at CM House in which Zafar Mahmood, special envoy of Pakistan in Beijing, was also present and discussed matters pertaining to CPEC projects. The other participants of the meeting included transport minister Nasir Shah, ACS (dev) Mohammad Waseem, principal secretary to the CM Naveed Kamran Baloch, transport secretary Taha Farooqui and secretary for energy Agha Wasif.

Mr Shah said he had directed the chief secretary to convene a meeting of the Land Reserve Committee to allocate 1,000 acres of land for the special economic zone at Dhabeji.

"Once the land is allocated a meeting of the development committee would be convened to plan development of the zone," he said and added that by March the project would be sent to the CPEC projects executing committee.

On KCR, the chief minister said he had held a number of meetings on the project and Rs45 million had been provided to the transport ministry to conduct its feasibility. The work on feasibility was at its final stage. Meanwhile, the meeting was told that the government was going to launch an anti-encroachment drive to remove encroachments along the railway track.

"We are going to install fences along the track of the circular railway so that work on this project could begin without delay," he said.

The chief minister was informed that there were certain issues pertaining to NOCs with the Shanghai Electric Company in finalising the deal with K-Electric. He assured the visiting envoy that he would support them as far as his government was concerned. “I am expecting a huge investment by them in power generation to cater to the needs of the industrial sector of my city,” he said.

The chief minister said his government was going to develop one-window facilities for investment in Sindh. “We are also planning to organise an investment conference to highlight opportunities in the province,” he said.

CM Shah held another meeting for development of the Karachi zoo which decided to redesign the garden and develop it on the pattern of the Singapore Zoo which was almost the same size.

The chief minister was briefed by design director Zain Mustafa and MPA Samar Ali Khan, an architect; they proposed dismantling the cages and developing larger enclosures.

Mr Shah said an enclosure must have natural habitat with animal-centric environment.

The architect told the chief minister the innovative enclosure design was based on research from the designs of 10 international zoos such as in San Diego, Singapore, Bronx, Berlin etc.

The meeting was told the material to be selected for enclosures would be designed for low maintenance, sustainability, and to be animal-friendly. The ground soil would also be changed as per physical needs of animals. Apart from it, there would be a system within the enclosures which would feature animal furniture, hiding dens, raised levels, climbing structures, and perching surfaces. The chief minister asked the city mayor to come up with plans to redesign the Safari Park, which could be taken up in the next financial year.

http://www.dawn.com/news/1312328

SMOKER’S CORNER: ARE WE READY FOR CPEC?
Dawn, Sunday Magazine, February 5th, 2017

Nadeem F. Paracha

Donald Trump is attempting to make real the obscure nostalgia of an isolationist United States, which before the presidency of F. D. Roosevelt over 80 years ago, was a withdrawn giant, consciously cut-off from the happenings of the world at large.

This insulation did not make America safe. In the late 1920s, its economy crashed; then in 1941 it was attacked by Japanese imperial forces and subsequently, Nazi Germany declared war against it. It too an unprecedented three terms of the Roosevelt presidency, some radical economic reforms and a new, more open paradigm of America’s political, economic and social engagement with the world to actually make America ‘great.’

But this piece is not about the aforementioned observation. Because any attempt to figure out the complexities of what Mr Trump is up to, is bound to start sounding like an unintentional satire on populist politics. Of course, one can stand back and smirk at this self-generated satire, but, at the same time, one is certain to also feel a sense of dread.

I'm not sure whether by the time this column goes into print, Pakistan's name too would be put on Trump's ban list. But even if it's not, the state, government and people of Pakistan must seriously become aware of the most recent hypothesis which is predicting the rise of China as a leading superpower in the event of Trump's (rather belligerent) attempt to isolate the US from a number of countries.

I say this because Pakistan is now at the epicentre of China's economic influence and growth in the region. China has positively recognised and responded to the many pecuniary openings available in a growing economy such as Pakistan, despite the fact that these opportunities are often overshadowed in local and international media by the perception of Pakistan being politically unstable.

The China Pakistan Economic Corridor (CPEC) is the result of China's pursuit to utilise these untapped investment opportunities available in Pakistan. China believes that the economic outcome of this investment would have a positive impact on Pakistan's economy, which, in turn, would result in political stability.

Theoretically this makes sense. And if one is to further stretch this theory, the economic progress and the resultant political stability would attract investors from other countries as well. They are then sure to be followed by non-business visitors (i.e. tourists). Now the question is, is the prevalent social milieu of the country or the cultural ethos prevalent in Pakistan for the past three decades conducive to address the needs of such visitors?

Let's look at it this way: CPEC produces good results and Pakistan's economy begins to grow. The economic growth stabilises the country's volatile political scenario. The stability begins to showcase the economic opportunities that had once been obscured by instability. More and more investors from other countries become interested in investing in Pakistan. The physical presence of investors in Pakistan creates an overall positive image of Pakistan which then attracts tourists.

Consequently, the government and state of Pakistan will have to initiate some drastic shifts and changes in the prevailing cultural milieu and ethos. Ideally, economic progress also boosts the tourist industry, which, though influenced by business tourism, eventually becomes the benchmark that foreign investors use to gauge a country's economic feasibility.

For the past 30 years or so, the country's cultural ambiance has become stifling. So, what will a tourist do here? Not all of them are likely to be mountain-climbers. When a country with a stifling ethos becomes a tourist attraction it can create problems. But these problems need to be resolved if that country is to continue being seen as a lucrative economic hub. Especially if that country does not have vast oil reserves like Saudi Arabia.

Travellers from developed countries are the most vital aspects of a country's tourist industry. A majority of them expect easy availability of certain entertainment avenues in a country they have paid good money to travel to and stay. So let's say in the next 10 years or so, CPEC empowers Pakistan's economic growth, which triggers political stability which attracts more foreign investors. This then creates a healthy image and perception of Pakistan which then begins to attract tourists whose entry helps build Pakistan's tourist industry. This further strengthens Pakistan's image and the economic growth is thus successfully sustained by even more foreign investment. It's a circular process.

Such a scenario will require a shift in the way we see ourselves as a nation. To begin with, we will have to bury the following cliché:

“Pakistan is a conservative society.” For years this cliché has been recycled by intellectually lazy western academics and commentators and also by the defeatist and timid mindset of the Pakistani leadership.

Pakistan is not a conservative society. It is not a bastion of liberalism either. Its strength lies in a historically inherent moderate disposition, which, whenever it was given the space to assert itself, exhibited a remarkable aptitude to tolerate a rather fruitful co-existence between conservatism and certain more permissive ideas and antics.

It was the first Muslim-majority country to elect a female prime minister. Twice. And before the 1980s, it was an entirely moderate society where mosques and sufi shrines thrived and so did cinemas, clubs and other vibrant recreational vistas. On most occasions both were at peace with each other, just as they still are in Muslim-majority countries such as Turkey, Morocco, Tunisia, and to a certain extent, Egypt.

Unfortunately some political outfits and eventually the state began to explain economic discrepancies between classes as something to do with the society’s and the rulers’ ‘permissive’ attitude. It was a convenient excuse which then became a cynical political ploy.

Ever since the late 1970s, the state concocted and proliferated a simplistic moral narrative to deflect criticism on economic issues from itself and towards abstract notions of ‘obscenity’, ‘immorality’, ‘impiety’, etc. We have all seen the results of this cynical approach. And when things got complicated, we became apologetic: “Oh, Pakistan is a conservative country, y’know.”

Nonsense. For over 30 years, from the day Pakistan’s founder Muhammad Ali Jinnah announced the creation of a Muslim-majority state, till the 1970s, we were largely a nation of robust and enterprising moderates.

Many years after the state began churning a moral narrative to explain economic and political issues, we are in trouble. What’s more, what was once a project of the state has become a project of the society. This is why now, when the state wants to alter its course in this context, it is finding it tough. Indeed, it has realised that CPEC promises positive change. But to fully benefit from such a change, society and polity needs to change as well. This is what the Pakistani state and government should now be working towards.

https://www.dawn.com/news/1312846/smokers-corner-are-we-ready-for-cpec

March 2017

NEWS COVERAGE PERIOD FROM MARCH 27TH TO APRIL 2 ND 2017

CPEC STUDY CENTRE TO BE SET UP IN TURBAT VARSITY

Dawn, March 28th, 2017

GWADAR: The University of Turbat (UoT) has decided to establish a China-Pakistan Economic Corridor (CPEC) study centre on the Gwadar and Turbat campuses.

Chaired by Vice Chancellor Dr Abdul Razzaq Sabir, the sixth meeting of the academic council of the institute was held at the city campus in Gwadar. The meeting was attended by Dean of the Faculty of Commerce, Law and Management Sciences Dr Munir Ahmed Baloch.

Dr Sabir informed the meeting that Turbat University was working on a comprehensive plan for the promotion of higher education and research culture in the region. He said: "The CPEC study centre will hold a variety of international and national conferences, seminars and programmes on development."

Dr Sabir congratulated faculty members and administrative staff on organising the first convocation of UoT within three years of the institute's inception. The university would be starting a BA programme as well, he added.

https://www.dawn.com/news/1323305

K-P ALLOWS STATE-RUN FIRMS TO WORK ON CPEC PROJECTS
Sohail Khattak

PESHAWAR: The Khyber-Pakhtunkhwa cabinet on Wednesday allowed state-owned companies to conduct business under the Public-Private Partnership Act of 2014 for the China-Pakistan Economic Corridor (CPEC) projects.

Briefing media persons about cabinet decisions, provincial Minister for Public Health Engineering Shah Farman said that cabinet approved an amendment in the act in this regard.

"The amendment is aimed at facilitating projects and investment under the CPEC," Farman said, adding that the cabinet also approved amendments in the K-P Local Government Act, 2013, for legalising commercial activities in Peshawar's posh localities such as the University Town.

Land in the University Town can now be used for commercial purposes for a five-year period, document distributed at the briefing showed.

To reduce workload on the Peshawar High Court, the cabinet also approved amendment in the Section 18 of the West Pakistan Civil Ordinance of 1962, under which the district courts would now be allowed to hear cases worth Rs10 million. Previously, these courts were not authorised to hear any case above Rs1 million. Now, civil suits exceeding Rs10 million can directly be taken up by the high court while trials in cases involving less than Rs10 million would be held at district level courts.

The cabinet endorsed the sale of K-P government's land spread over an area of 25,773 kanals in Bhakkar district of Punjab, besides approving the draft of the K-P Mental Health Act.

Farman urged the Punjab government to release details regarding the extent of usage of the official helicopter and jet by the Punjab chief minister.

He was clarifying his party's position on stories appearing in a section of the media on the use of K-P government's helicopter by Pakistan Tehreek-e-Insaf (PTI) candidate Zar Gul in by-elections for PK-62, Kohistan.

Pictures showing Zar Gul disembarking the helicopter were appearing in the social media and Advisor to Prime Minister Amir Muqam held a press conference and accused the PTI of using the helicopter for running his political campaign.

According to him, helicopters had been used for 1,121 hours during the tenure of the Awami National Party (ANP) government.

During the tenure of the incumbent government, helicopters were used for 569 hours.

Farman said that during the previous government, the governor K-P used it for 257 hours while during the incumbent government's tenure the governor used helicopters for 437 hours.

"Sardar Mehtab Sahib (the former governor K-P) used helicopter because of his ill health … he used to visit his residence in Abbottabad in helicopter," he said, accusing Muqam of making it an issue to settle scores with the former governor. "Muqam wanted to force us to share these details with media to tarnish the former governor's public image," he said, adding that both the governors are nominees of the Pakistan Muslim League-Nawaz (PML-N).

"The governor alone used (helicopters for) 437 hours while the entire K-P government, including the chief minister, his cabinet members, the chief secretary and the IG … used it for 569 hours," he said.

He asked the Punjab government to share similar details of their chief minister's usage of helicopter and official jet.

"Why has Shahbaz Sharif purchased a jet? He and Pervez Khattak hold the same portfolio," he said.

The chief minister expressed his displeasure over the slow progress in addressing issues faced by the officers of the Provincial Civil Services (PCS).

Insiders said that the chief minister had directed the establishment department to submit a written report in this regard.

The establishment department officials had reportedly told the chief minister that they had resolved 70 percent of the issues of the PCS officers as directed by the chief minister.

The chief minister called for full compliance.

https://tribune.com.pk/story/1369196/k-p-allows-state-run-firms-work-cpec-projects/

CPEC — MOVING FROM DISCUSSION TO SOLUTIONS

The Express Tribune, March 30th, 2017.

Zulfiqar Qazilbash

The Express Tribune, March 30, 2017

CPEC is a major Chinese project closely related to its One Belt, One Road initiative that aims to boost Asian trade internally as well as externally. The initiative is ambitious on an unprecedented scale. It dwarfs the Marshall Plan which rebuilt Europe after the Second World War. It will impact about 65 per cent of the world's population, about one-third of the world's GDP, and about a quarter of all the goods and services the world moves. We are fortunate to be part of it.

However, it is time for Pakistan to move from discussions around the project into developing a national vision that takes full advantage of the opportunities presented. Much is at stake if we do not do this in an accelerated time frame. Following are some of the major areas that need to be addressed:

Environmental cooperation is usually a major part of such agreements but this component has yet to be addressed. This is a problem since it has been estimated that once trade starts flowing up to 7,000 trucks a day will pass through the ecologically sensitive Khunjerab Pass and generate up to 36.5 million tons of Co2 emissions en route to Gwadar.

All experts agree that the emissions will melt the northern region's glaciers and negatively impact agriculture and food and water security of our growing population. We need a solution and one that has not been discussed so far is to use the project to facilitate the migration of our transportation sector to first hybrid and then electric power. This will have three major benefits.

The repowering station requirements of CPEC transport vehicles moving to electric power will accelerate and enable the early migration of our remaining transportation infrastructure to renewable energy. Oil-related products currently account for approximately a third of our annual imports.

It will free us from the circular debt problem associated with them. Secondly, it will open up opportunities for the private sector to set up micro hydroelectric plants in G-B, AJK and K-P and small-scale solar and thermal power plants in Punjab, Sindh and Balochistan that generate power for the vehicle repowering stations along the route.

Thirdly, if properly regulated this could allow communities to be brought together in common economic interest to service the traffic passing through their area (repowering stations, food outlets, workshops, hospitals, etc). The vested economic interest will enhance security and provide more confidence to the Chinese sponsors to increase investments along this corridor.

If environmental impact is not addressed then as factories get built in the economic zones, the pollution will further exacerbate our problems of climate change. This is a great concern given that according to PWSER research, Pakistan is on track to experience an African-style, large scale water famine as early as 2025.

The only solution is massive water storage projects which can also generate cheap renewable hydropower electricity for our residential, agricultural and industrial sectors. Currently, 35 per cent of our energy is oil based which requires foreign exchange externally and has led to circular debt internally.

The suggested projects will generate a lot of employment and most of the large-scale construction could be locally managed minimising foreign exchange requirements which depreciate the local currency. We should seek assistance from the Chinese to set up a regional carbon trading market that finances a lot of these renewable energy projects. Ideally we should have been debating and finalising a comprehensive programme put together by our government to address this upcoming crisis before this time.

In our democracy, an endeavour this big will take time to educate and build national consensus and then it will take more than a decade to implement this programme.

CPEC is a game changer and opens up trade between the Central Asia and the Middle East, Africa and Europe. Its major purpose is for China to increase its trade with these regions by improving and simplifying logistics and transportation.

Currently imports into Europe from China account for about $450 billion which has room to grow in a $7 trillion market. As trade increases along this corridor, it would be foolish if Pakistan did not develop its own national strategy to cooperatively capitalise and cash in some of the economic opportunities presented.

However our current exports are dominated by textile and organic commodities with low value addition. Clearly, our current corporate and SME sectors is by and large not ready to address this upcoming opportunity and we are in danger of being swept aside.

An illustration of what can happen is found in many marginalised communities who are situated along the Iran trade corridor in Balochistan or the Afghan trade corridor in K-P and get no visible benefit from the passing trade.

Under the Obama Administration, USAID had announced a $40 million project called SME-A for intervention that provides technical assistance to 6,000 SMEs in the areas of textile, ICT, light engineering, hospitality, minerals, leather, logistics and packaging.

Given what's at stake, the government should seriously consider taking a piggy back ride on this initiative and expand collaboration if it continues in the Trump administration. It should consider taking it over if for some reason the US backs off the project.

CPEC provides an unprecedented opportunity to Pakistan as it fulfills its geostrategic potential as the gateway of trade between Central Asia to the Middle East, Africa and Europe. It is ideally situated to become the defacto maritime trade hub between the Europe and Asia. A regional hub provides many opportunities other than logistics and transportation including legal, financial, marketing, business communication and other services.

China has created the Asian Infrastructure and Investment Bank and the Silk Road fund to support this realignment of global trade with roles loosely defined around the World Bank and IFC.

Many new institutions will be required for instance similar to the World Bank International centres for Settlement of International Disputes. Pakistan is in an ideal position to develop these capacities if our government provides the enabling environment for it through capacity development programmes, enlightened legislation and policies.

Our argument would be that Karachi is more suited location wise than Mumbai or Colombo and cheaper than Singapore to address these needs. Pakistan has in the past shown the ability to set up world-class institutions that serviced global trade and can rise up to the challenge if it puts the right people in charge.

In time, the acquired competencies and broader understanding of the benefits would give us the political will to overhaul our internal justice system and inefficient bureaucracy. Ranked at 106/113 in the WJP Rule of Law Index, this is something we badly need.

In conclusion, CPEC is a game-changing opportunity for Pakistan. Global pundits are looking at the multi-trillion dollar investments being made by China and saying that its effective utilisation is key to the success of this vision.

Similarly, for Pakistan, if we do not evolve a vision of how we use this improved infrastructure and realignment of global trade in this region for our benefit, and execute on it effectively we are in danger of being left behind.

Indeed it will be a shame if we do not rise to the opportunity and fashion national consensus on an inclusive strategy that leverages this project to propel a major part of our population, and not just a few families, into the economy of the 21st century.

https://tribune.com.pk/story/1368953/cpec-moving-discussion-solutions/

SOME POWER FIRMS STUCK IN SLOW LANE ON CHINA'S SILK ROAD
Dawn, March 31st, 2017

KARACHI: Kamal Amjad Mian thought China's decision to invest $36 billion in the Pakistani power sector would benefit his electricity cable business, and, anticipating increased demand, his family spent nearly $30 million on a second plant to double output.

But Mian's Fast Cables and some other Pakistani manufacturers have yet to reap rewards from Beijing's huge "One Belt, One Road" project, a modern-day "Silk Road" network of trade routes across land and sea.

Power stations built as part of the China-Pakistan Economic Corridor (CPEC), a $57bn project involving energy, road and rail infrastructure, are being kitted out with Chinese cables exempt from import duty and sales tax.

Such exemptions, more generous for CPEC projects than others, threaten to undermine local industry, according to Mian, one of a growing number of executives now questioning an initiative long portrayed as the key to Pakistan's prosperity.

"The government, instead of giving us a level playing field, gave them an advantage," Mian said in the eastern city of Lahore.

A Water and Power Ministry official, who declined to be named because he was not authorised to speak to the media, said “there were question marks about whether the local cable industry could fulfil the demands under CPEC and we worried it would slow down projects.”

Beijing’s CPEC splurge and a drop in Islamist militant violence have reinvigorated Pakistan’s sluggish economy, driving growth to about 5 per cent for the first time since 2008.

The public and political parties broadly support Chinese investment, while cement and steel companies who bagged early CPEC contracts are embarking on aggressive expansion. Executives also say Chinese investors are poised for an acquisitions spree in Pakistan.

TROJAN HORSE OR SAVIOUR? But not everyone is happy. Critics say CPEC projects are opaque and expensive, and question Pakistan’s ability to repay the costs over time.

Some firms fear they will struggle to compete with Chinese companies with deeper pockets, economies of scale and vastly cheaper credit lines.

“We have to make sure (CPEC) doesn’t become a Trojan Horse and start hurting existing industry,” said Ehsan Malik, chief executive of the Pakistan Business Council.

There is plenty still up for grabs for local players. The next phase of CPEC involves the creation of Special Economic Zones where Chinese state-run enterprises would open factories and help develop Pakistan’s industrial base.

But Fast Cables’ Mian said that, while domestic producers have been benefiting from broad economic growth, he fears his business will end up “dying a slow and painful death” if Chinese rivals setting up in Pakistan receive preferential tax breaks.

Mian and other cables makers are reviving a defunct industry association in order to lobby Islamabad, amid concerns Beijing will use its leverage over Pakistan to obtain those sweeteners. “Very soon, if we are not nimble enough to recognise the issues, we could be in trouble,” said Fahd Chinoy, whose family runs Pakistan Cables.

China, for which CPEC is a key part of its Silk Road ambitions, sought to assuage such fears.

“The dividend, the well-being delivered by the corridor will benefit the people of both China and Pakistan, as well as of the region,” Foreign Ministry spokeswoman Hua Chunying told a regular briefing, when asked about concerns in Pakistan.

https://www.dawn.com/news/1323918/some-power-firms-stuck-in-slow-lane-on-chinas-silk-road

PAKISTAN, BAHRAIN TO DEVELOP BIG PROJECTS UNDER CPEC
The Express Tribune, April 1st, 2017.

ISLAMABAD: Federal Commerce Minister Engineer Khurram Dastgir has announced that Pakistan and Bahrain will build economic partnership under the China-Pakistan Economic Corridor (CPEC) with mega projects of regional connectivity.

"Pakistan has laid the foundation of economic engagement with Bahrain, which will be transformed into 21st century economic partnership to step up trade and investment opportunities for the two countries," Dastgir said at the Second Pakistan-Bahrain Business Opportunities Conference.

Minister for Commerce and Industry of Bahrain Zayed Rashid Alzayani and business leaders of both countries were present at the huddle.

"We get excellent support and cooperation from Bahrain government. Bahrain is now going through economic reforms envisioned by its leadership," Dastgir said.

Bahrain has an important geographical location which provides a gateway to member countries of the Gulf Cooperation Council (GCC). The conference was aimed at reviving trade and investment ties as well as enhancing confidence of business community of the two countries.

The minister vowed government support and facilitation for the private sector of Pakistan and Bahrain in forging long-term investment and trade relationship.

He particularly highlighted the business growth of Bahrain's Al Baraka Bank in Pakistan, which grew from four to 240 branches.

Dastgir announced that Pakistan would steer out of the energy crisis by mid-2018, adding many foreign companies, including a Netherlands company, would invest in the dairy sector in Pakistan.

Alzayani said Bahrain was committed to enhancing trade and business relations with Pakistan. "We have clear instructions from the leadership to increase cooperation and investment opportunities," he said.

Alzayani pointed out that Bahrain government had followed the policy of trade liberalisation in order to open up the country's economy for foreign trade and investment.

"We are negotiating free trade agreements with the US and regional countries for opening up trade and creating business opportunities; it is also the right time for promotion of trade and economic relations with Pakistan," he added.

He expressed the hope that the private sector would play an important role in enhancing the trade volume between the two countries. He asked Pakistan to conclude free trade talks with the six-nation GCC to pave the way for boosting trade.

https://tribune.com.pk/story/1371055/pakistan-bahrain-develop-big-projects-cpec/

CPEC THE GAME-CHANGER?
Business Recorder,1 April 2017

Farhat Ali

China Pakistan Economic Corridor (CPEC) is all about connectivity, energy availability, infrastructure development and development of special economic zones. And all these are the assets of Pakistan paid for against loans from China. They make Pakistan an attractive place for investors to invest in and to do business with.

CPEC could become a game-changer for Pakistan if it could comprehend CPEC's value and develop the competence to club it together and truly exploit it to draw a wider spread of local and foreign investment to be channeled for the country's economic development, then CPEC can truly come up as a game-changer for Pakistan.

The change starts when the availability of energy, establishment of special economic zones, development of the infrastructure and connectivity in the country and the region is presented to investors as a paradigm shift from the perception of Pakistan, a country riddled with acts of terrorism to a destination conducive to investment with availability of what an investor looks for.

The CPEC, much against the reality, is perceived as a China centric initiative driven by China to its advantage, thereby giving rise to perceptions that it will be another East India Company with political and economic dominance over the affairs of the country.

The only exclusive footprint China so far has in Pakistan is restricted to its domain in an enclave in Gwadar comprising the port, the container terminal and an economic zone leased out to it for a period of 4O years. The rest is all under the influence of Pakistan. The projects awarded to Chinese companies are funded by the Exim Bank of China, while open business is driven on the principles of free market. A free market is where the best wins, in which the Chinese are increasingly competing. This in a nutshell is the political and economic dynamics of CPEC.

Up to now, the government of Pakistan had not been able to present the CPEC in its true perspective, neither domestically nor globally, which is leading to confusion and apprehensions

It is reported that the first think tank under official supervision for undertaking research on different aspects of the China Pakistan Economic Corridor was established this week with the mandate to go ahead with doing research in six major areas.

This is a good step if it is directed towards maximizing and structuring the gains for Pakistan out of CPEC. The Minister for Planning, Development and Reforms, Ahsan Iqbal, inaugurated the CPEC Centre of Excellence in Islamabad last Monday. The Centre will conduct research on six thematic areas of CPEC, including (1) the socio-economic impact of CPEC (2) CPEC Trade and Industry Cooperation (3) Regional Connectivity under CPEC (4) Financing and Financial sector integration under CPEC (5) Urban development in Pakistan under CPEC and (6) Job growth and human resource development.

Speaking on the occasion, China's ambassador Sun Weidong said that supporting Pakistan's economic sector was an important manifestation of CPEC. CPEC, he said, was aimed at modernizing Pakistan with four pillars: Energy, Infrastructure, a state-of-the-art Gwadar port, and industrialisation. He said he hoped that around 11,000MW of electricity would be generated as a result of early harvest energy projects under the CPEC portfolio.

The ambassador also referred to positive reports on Pakistan by international financial institutions and publications which had noted the economic turnaround of Pakistan. He further said that the CPEC Centre of Excellence is going to be an interface that will engage with other research institutions and think tanks with the aim to provide technical input for identifying more potential areas for Sino-Pakistan multi-sectoral cooperation.

Federal Minister for Planning Ahsan Iqbal said that the Centre of Excellence will provide evidence-based policy suggestions to extract maximum benefits out of CPEC.

It will integrate and coordinate the institutions engaged in implementing CPEC by ensuring excellent research, utilising modern techniques to help us in policymaking and achieving our goal of sustainable growth and development, he added.

“The CPEC is an economic big bang which turned Pakistan’s profile from a most dangerous country to a safe haven for billions of dollars of Chinese investment,” he added.

The minister said that those who claim that China would prove to be a next East India Company are giving shallow arguments. “Pak-China relationship is 68 years old and now after CPEC, the friendship is much higher than the stars. So why would China erode this goodwill at the cost of money?” the minister said.

He dispelled the impression that the CPEC would create a burden and would negatively impact the industrial sector, saying that it will restart Pakistan’s export engine. “We should work closely with Chinese to learn innovative techniques and quality. Industry cooperation would double the capacity of Pakistani enterprises.”

The minister’s rhetoric of providing exclusivity to China is restricting Pakistan’s wider exploitation of CPEC and the investment mix to which Pakistan is entitled, as is China. Also, this exclusivity is invoking apprehensions, as highlighted above.

Some of the local and foreign entrepreneurs opted to be proactive and on their own in capitalizing on the business potential offered by CPEC. Habib Bank Limited (HBL), which opened its branch in Urumqi, is eyeing opportunities connected with CPEC. Xinjiang is the starting point of the CPEC, which links the region with the Gwadar Port in Pakistan.

Early this week, the Swiss Business Council (SBC) together with the Swiss embassy in Islamabad, held an event in Islamabad titled “Opportunities for the European Investors in Pakistan,” which brought together ambassadors from most of the European countries, the Sindh, Punjab and KP Boards of Investments and the government functionaries to work out the European participation in CPEC. Europeans are the largest foreign direct investors in Pakistan and the backbone of Pakistan’s economy in terms of FDI, revenue generation for the government, transfer of technology and human resource skill development.

The China Pakistan Economic Corridor offers huge investment opportunities and European investors need to take advantage of opportunities and make investment in the game changer project. Speaking at a media briefing here on Tuesday, Swiss ambassador to Pakistan Marc P George and the president of Swiss Business Council, Farhat Ali, stated that the European investors must capitalize on this opportunity.

They said that the perception that CPEC is a China-Pakistan project has now started changing with foreign investors viewing beyond that as it would provide connectivity to Europe. The Swiss ambassador said that he is a great advocate of Pakistan in his country as well as among European diplomats. He said this is good time to start discussing the project and how Europe can benefit from it. Similar is the thinking of other European and OECD countries.

Pakistan too needs to be proactive to tap these positive developments and achieve a good investment mix.

http://epaper.brecorder.com/2017/04/01/18-page/862930-news.html

NEWS COVERAGE PERIOD FROM MARCH 20TH TO MARCH 26TH 2017
BUSINESS COMMUNITY IN HELD KASHMIR KEEN TO BECOME PART OF CPEC
Business Recorder, Mar 21st, 2017

Leaders of the business community in Indian occupied Kahmsir (IOK) are keen to become part of the multi-billion dollar China-Pakistan Economic Corridor (CPEC). Chairman of Kashmir Economic Alliance (KEA) Mohammad Yasin Khan in a media interview said that the business community of Kashmir had suffered huge losses in recent years and the CPEC provides an opportunity to restart economic growth.
“The project is being constructed in our neighbourhood, so ideally we should be part of it. Every one of us here wants to link with it and make profit out of it. However, it will be fruitful only after a political solution to the Kashmir dispute,” Khan said.

“Thinking positively, I as a Kashmiri and as a businessman, wish that this project becomes a platform for both India and Pakistan to reach consensus on a solution of Kashmir dispute. It is in the interest of economic development of both nations, besides Kashmir,” Khan said.

General Secretary of the Kashmir Traders and Manufactures Association (KTMF) Bashir Ahmad Kongposh said the CPEC is an opportunity for Kashmiris to repair their devastated infrastructure. “The project is being constructed in (Azad) Kashmir. We could have joined this project if India shuns its hard stance and makes efforts for good relations with Pakistan, and vice-versa.

We see in CPEC a chance for Kashmir to become a gateway for India to have billions of trade with central Asia, apart from friendly relations with its rival neighbour, Pakistan,” Ahmad said. Economist Professor Nisar Ali is of the view that the CPEC is the revival of the historical Silk Route that connected Kashmir with Pakistan and Central Asia. “It was the natural route for Kashmirs to connect with the rest of the world.

Kashmiris would export handicrafts to several nations and gain huge returns,” Ali said. “The new corridor is actually the restoration of the old route of which Kashmiris were daily travellers.”

Political analyst Dr Shiekh Showkat Hussain says that unless the Kashmir issue is resolved, there is no possibility of Kashmir joining the CPEC. “This seems a remote possibility, given the fierce rivalry between India and Pakistan.

If a political solution is chalked out, then Kashmir would automatically become part of this grand project,” Showkat said. Director of the Centre for Central Asian Studies, Dr GN Khaki, said that the highway which connects Kashmir with India is historically a route of lower importance than the routes that connected Kashmir to central Asia.

http://fp.brecorder.com/2017/03/20170321156628/

PRESIDENT BRINGS CPEC UNDER THE SPOTLIGHT: 77TH PAKISTAN DAY CELEBRATED
Wasim Iqbal

Business Recorder, Mar 24th, 2017

President Mamnoon Hussain said Pakistan wanted peace and friendship with the whole world, specially with its neighbours, but India"s irresponsible attitude and continuing violations of the Line of Control and Working Boundary have jeopardised peace of the region. Addressing as the chief guest at the Pakistan Day Parade ceremony, Mamnoon Hussain said Pakistan is ready for dialogue with India and wants resolution of the Kashmir dispute, the unfinished agenda of the partition.

President said Pakistan enjoys co-operation in its development of its sincere friends, especially China. He pointed out that China-Pakistan Economic Corridor (CPEC) opened the doors of development not only for Pakistan, but for the whole region. "The country"s conventional and nuclear capabilities are meant to ensure global and regional peace", he said, adding that the nation will not hesitate in rendering any sacrifice for defence, security, development, and prosperity of the country. In his special message for Pakistan Day, Chief of the Army Staff (CoAS) General Qamar Javed Bajwa, called upon the entire nation to "Let us pledge today to clean "our Pakistan" from fasaadis."

The 77th Pakistan Day was celebrated under tight security across the country with national zeal. The day dawned with a 31-gun salute in the federal capital and 21-gun salutes in the provincial capitals.

The important feature of the day was the joint military parade, which was held at the Parade Ground near the Shakarparian hills. This is the first time that tri services of People"s Liberation Army of China, contingents from Saudi Special Force and the Turkish band, popularly known as "Mehteran" participated in the military parade.

Prime Minister Nawaz Sharif, Chief of the Army Staff General Qamar Javed Bajwa, Chief of the Naval Staff Admiral Mohammad Zakaullah, Chief of Air Staff Air Marshal Sohail Aman and Defence Minister Khawaja Asif, also witnessed the parade. Chief of South African National Defence Force General Solly Zacharia also attended the ceremony. The ceremony commenced with the singing of the national anthem, after which the president inspected the parade from a jeep.

Chief of Air Staff, Air Chief Marshal Sohail Aman, led the flypast of the Pakistan Air Force and Pakistan Navy aviation in an F-16 plane. Later, the formations of F-16, JF-17 thunder, Mirage, AWACs, P3-C Orion and F-7 presented salute to the chief guest by flying over the dais during the ceremony.

Troops which took part in the parade included contingents of the Pakistan Navy, Pakistan Air Force, 18 Punjab Regiment, 21 Frontier Force Regiment, 10 Northern Light Infantry Regiment, 760 Mujahid Battalion, Frontier Corps Khyber Pakhtunkhwa, Pakistan Rangers Punjab, paratroopers, Pakistan police (represented by the Islamabad Police), Tri Services Lady Officers, Tri Services Armed Forces Nursing Services, Boy Scouts, Pakistan Girl Guides, Special Services Group (SSG) and bodyguards of President.

Mechanised columns of Armoured Corps, Artillery, Army Air Defence, Signals, Engineers, Army Strategic Force Command also participated. Floats displaying the culture of Punjab, Sindh, Balochistan, Khyber Pakhtunkhwa, Gilgit-Baltistan and Kashmir took part in the ceremony. Para-gliders stunned the crowd with their exhilarating skills.

http://fp.brecorder.com/2017/03/20170324157453/

CENTRE, KP AGREE TO INCLUDE MORE PROJECTS IN CPEC
Dawn, March 25th, 2017

Khaleeq Kiani

ISLAMABAD: The federal and the Khyber Pakhtunkhwa governments on Friday agreed to jointly push forward inclusion of more development projects in the China-Pakistan Economic Corridor (CPEC).

At a meeting here Minister for Planning and Development Ahsan Iqbal and KP Chief Minister Pervez Khattak also decided to finalise by June this year agreements on the Circular Railway Peshawar, Rashkai Industrial Zone and Gilgit-Chitral Road.

The meeting also discussed issues confronting smooth implementation of the $1.8 billion Sukki Kinari Hydropower project of 874MW, Chashma Power Plant and Warsak Canal and asked the agencies concerned to address whatever hiccups there might be.

The meeting also approved revised and remodelled design and project details of the Warsak Gravity Canal and Warsak Left Canal system.

The project is aimed at increasing the water flow from 500 cusec to 810 cusec and help irrigate thousands of acres of lands and provide clean drinking water to Peshawar City and Hayatabad Township.

According to an official statement, Mr Iqbal expressed satisfaction over the pace of development in new KP-based projects that were made part of the CPEC during the Pak-China Joint Cooperation Council (JCC) meeting in Beijing in December last year.

He told the chief minister that had his government opted to become part of the CPEC framework at the early stage instead of joining the Pakistan Tehreek-i-Insaf's protest sit-in in Islamabad, these projects would have reached an advanced stage by now.

The chief minister, however, complained that Mr Iqbal had not attempted to convince the provincial government about the CPEC and how his province could benefit from it.

Mr Iqbal informed Mr Khattak that the CPEC had already started linking various parts of the country and these linkages would tremendously contribute to the country's uplift, economic development and trade promotion. For example, he said the travel time between Quetta-Gwadar had been reduced to eight hours now instead of a tedious travel that took a couple of days earlier.

He said conspiracies to pitch the centre and provinces against each other had now been foiled with cooperative attitude and understanding shown by both the Centre and provinces, adding that it would now lead to advancement of the agenda of development.

He said the special industrial zones to be set up by Chinese in Pakistan would absorb local raw material and Pakistan would emerge as an industrial and commercial hub in the region.

The chief minister invited the federal ministry to join his provinces' road show in Beijing next month. The minister agreed to attend the event.

Informed sources said the provincial government had identified 6-7 power hydropower projects of about 2,000MW generation capacity for inclusion in the CPEC framework going forward. These projects had an estimated cost of about $7 billion besides setting up of an oil refinery in Kohat.

These sources said the KP government had planned to present about 80 development projects, including those discussed and cleared at the Friday meeting in the Beijing Road Show. The Greater Peshawar Circular Railway Project of about $1.6 billion will be presented in the Beijing Road Show next month. The 200km project is expected to link Peshawar, Charsadda, Nowshera and Mardan triangle.

https://www.dawn.com/news/1322686/centre-kp-agree-to-include-more-projects-in-cpec

CHINA READY TO TAKE CPEC FORWARD: SPOKESPERSON
Dawn, March 25th, 2017

BEIJING: A spokesperson for the Chinese foreign affairs ministry said on Friday that her country stood ready to work with Pakistan to take forward the China-Pakistan Economic Corridor (CPEC) to benefit the people of both countries.

"The CPEC is a new cooperation framework set up by China and Pakistan to pursue long-term development. It is also an important project of the Belt and Road Initiative," spokesperson Hua Chunying said during her regular press briefing.

She said it was important not only in promoting common development for China and Pakistan but also regional connectivity and prosperity of regional countries.

In advancing the CPEC, both Pakistan and China had adhered to the principle of extensive consultation, joint contribution and shared benefits, she said.

The spokesperson said the dividends and benefits brought by the CPEC would be shared by people in China and Pakistan and in the region.

Replying to a question, she rejected apprehensions that once the CPEC trade routes officially opened, Pakistan would be flooded with cheap Chinese products, which would make it hard for local companies to survive.

At the invitation of the Pakistani military, honour guards of the three services of the Chinese People's Liberation Army had sent a formation to march in the military parade marking Pakistan Day, she said.

"China and Pakistan are all-weather strategic cooperative partners, and the Chinese and the Pakistani military maintain traditional friendship," she added.

The spokesperson that that in 2015 Pakistan sent a formation to take part in China's military parade celebrating the 70th anniversary of the victory of the Chinese People's War of Resistance against Japanese aggression and the World Anti-Fascist War.

Joining the Pakistani side in its military parade this time was another vivid testament to the epitome of the high-level strategic mutual trust and friendly relations between the two countries and their militaries, she added.

https://www.dawn.com/news/1322683/china-ready-to-take-cpec-forward-spokesperson

CPEC: THE GOOSE WITH THE GOLDEN EGGS
The Express Tribune, March 26th, 2017.

Naveed Ahmad

Betting its fate on Pakistan with a $51-billion investment in infrastructure, China remains wary of its neighbour's squint-eyed politicians who have proven their lack of vision over the years. Many of these politicians can't see beyond the impending election woes. Since May 2013, the country has been on a dizzying political rollercoaster. Beijing has been observing the incidents with unusual persistence.

Since the visit of the Chinese president and the unveiling of the China-Pakistan Economic Corridor (CPEC), the waters have become murkier with the federation and the provinces slinging mud at each other. The Pakistan Tehreek-e-Insaf (PTI) has been on the offensive against the Nawaz government and actively criticising it for ignoring the western route or misleading the Chinese about it.

The fierce debate on CPEC undermined Beijing's view that investment of such scale may bring unity within Pakistan. They were disappointed, at many levels.

CPEC and CPAC

Considering its high stakes, Beijing decided to iron out the issues with the stakeholders in the southwest. On October 18, the Chinese ambassador had a detailed meeting with PTI Chairman Imran Khan at Bani Gala. The frank discussion resulted in Imran almost giving an undertaking of not attacking CPEC. Within days, he spelled it out in a public rally too. "Our differences on CPEC are not with China but the federation." There has been no volte-face on this one, at least.

On December 29, the federal minister and Pakistan's point-man on CPEC affairs, Ahsan Iqbal, led the chief ministers of all the four provinces and the premier's special assistant on foreign relations at the sixth meeting of the Joint Cooperation Committee (JCC). The two sides reviewed progress and irritants on the ongoing projects. The highlight of the agenda was investment in the industrial sector, fine-tuning new transportation projects and upgrading and expanding the Karakoram Highway. Convening of such a forum in China points to the seriousness with which it is taking all stakeholders along with transparency and confidence and Beijing's own capacity of dealing with the intricacies in Pakistan.

On the contrary, Modi's India has been desperately playing all its cards, from fuelling insurgency in Balochistan to sabre-rattling on Kashmir and threatening to divert rivers in contravention of the Indus Waters Treaty. Delhi's frustration at CPEC reassures Pakistan and China of the promise that the logistical economic corridor and strategic partnership hold.

Given the chequered history of civil-military relations, the decision-making concerning CPEC-related affairs and the execution of projects can have multifaceted implications for the country. Now that the premier has appointed the second set of four-star generals, the comfort level and self-confidence might have been boosted. On the flip side, what about the temptation of hiring favourites for coveted jobs instead of merit?

There are also questions about the route of motorways. How far political or institutional influence worked in determining which cities, towns and villages will the road pass through or simply bypass? It does not take a genius to figure out as to why the Lahore-Islamabad Motorway is 100 kilometres longer than centuries-old Grand Trunk Road.

Is it not true that certain individuals bought vast swathes of land exactly where the motorway interchanges are to be built or the industrial estates will be set up? The spin-off benefits of CPEC are being sucked away by the powerful with little regard for principle of conflict of interest or rights of the locals.

The culture of investing in land and gold has hindered the nation's imagination and creativity. The bonanza of CPEC carries is blinding the state functionaries to their responsibilities of safeguarding the state interest.

Let's hope that the suspicion of its 'mismanagement' becoming another pretext for the military to dominate Pakistan's civilian administration proves to be a figment of the imagination. Optimism, however, wanes when looking at corruption-tainted politicians and bureaucrats working in the power circles.

How far can CPEC tip the balance in favour of Pakistan's armed forces? Will authoritarian China endorse such a gradual shift in the power equilibrum. There can't be a straight answer to such complex problems.

While China has repeatedly emphasised that CPEC will be a win-win for both the countries as well as the region, it has never shied away highlighting the significance of security. That's where the role of military comes in.

To ensure four-layered security to the corridor and its related projects, Pakistan has already raised a Special Security Division (SSD) at a cost of Rs23 billion. The force, comprising some 14,000 security personnel, will not only safeguard around 10,000 Chinese workers in over 330 small and mega projects but also ensure safety from Gilgit to Gwadar besides dealing with emergencies. In the long run, the task is supposed to be transferred to the civilian security institutions after requisite capacity-building.

Will the government relinquish the management of CPEC to the military in some form beyond security? So far, Islamabad has not passed on any tasks beyond the security assignment. Given increasing tension along the eastern and western borders, the military is less likely to be engaged in apex committees taking vital decisions regarding the corridor. While China won't be comfortable without it, Beijing has shown the will to work with the democratic institutions while building their capacity and sustaining smooth coordination. Within some time, the country's CPEC secretariat must evolve with specialised manpower chosen above and beyond political leanings and nepotism.

https://tribune.com.pk/story/1365511/cpec-goose-golden-eggs-opinion/

NEWS COVERAGE PERIOD FROM MARCH 13TH TO MARCH 19TH 2017
MAKING CPEC INCLUSIVE AND SUSTAINABLE
Dawn, Economic & Business, March 13th, 2017

Zulfiqar Qazilbash

The CPEC project has the potential to change the country's economy. However, viewed in the current global rejection of elite economics, some areas need to be addressed so its impact benefits a broader segment of our society.

Ecological: One estimate often heard is that of 7,000 long haul container trucks passing, every day, through ecologically sensitive areas, such as those of Gilgit Baltistan. These will spew an estimated annual 36.5m tonnes of CO_2 into the atmosphere, equal to 25pc of Pakistan's current overall emissions.

Many experts think that unless managed, these emissions will melt the GB glaciers and make the area a high altitude desert, have an adversely affect the locals' health and disrupt tourist traffic.

The trucks will also widely disturb water patterns in the rest of the country and impact agriculture.

Containing this problem will require mandating emission control standards and shifting to hybrid and electric power. Doing so will unlock entrepreneurial opportunities as locals can setup micro-hydel stations to service electric vehicles, repowering stations in the GB and KP areas and similar mini solar powered repowering stations in Punjab and Balochistan.

Furthermore, factories in the economic zone will add even more CO_2 than that emitted by transport vehicles. The country could avail carbon credits, seek foreign assistance, and setup a regional market for trading carbon credits.

Employment: The project will account for massive employment in the transportation and logistics sector (potentially more than 50,000 truck drivers). It will also employ many skilled workers in factories.

However, it is logical to assume, unless planned otherwise, most of the skilled work will go to the Chinese. They will likely relegate to Pakistan, less exciting employment opportunities of cheap unskilled and part time labour.

Operating in Pakistan, unskilled labourers cannot even expect the increment they get in GCC countries.

It is imperative that the true value of this project, to the Chinese economy and global trade, be understood so that we can agreeably negotiate our fair share of benefits in line with our role in

Loans used to fund energy and infrastructure projects for the CPEC should have a stipulation safeguarding Pakistani skilled employment. Such a requirement should not be that difficult to negotiate as the project's manufacturing and value addition benefits should also reaped by the country.

One of the major criticisms of western development organisations was that most of the aid provided by them was ultimately given back to their own consultants and contractors. Not much attention was given to the transfer of skills that would help locals develop the ability to sustain projects in a changing and dynamic world.

Only recently have they begun taking steps in the right direction. The Chinese have an opportunity to address this issue from the inception and benefit from the goodwill created in the long term.

Economic impact: A game changing project like the CPEC should not be negotiated in secrecy.

Ideally each chamber of commerce, and the elected representatives of each affected region, should study the project's role and develop an understanding of what their region's due share of benefits are for the right of way provided and as compensation for ecological and other adverse impacts.

These need to be addressed by the government on merit and in accordance with project economics.

The project should sponsor social uplift programmes that educate locals on how to benefit from the improved transportation and logistics in their region and the new opportunities for locally owned businesses (refuel stations, workshops, hospitals, food outlets).

Citizens need to develop their own activist groups and watchdog mechanisms while the media needs to play its part to ensure that economic opportunities flow in a way beneficial to communities rather than individuals.

As often happens in Pakistan, if things are left as they are, few business families will abuse their access to information and benefit themselves or their kin from the opportunities available.

Others are in danger of being left behind unless they stand up, ask for greater transparency in what's being negotiated and take the time to understand and demand their fair share of opportunity based on merit.

Economic zones are another case in point. Without competent foresight and negotiations, these zones can be used by Chinese entrepreneurs to setup and operate their factories without paying taxes to Pakistan, with most of the skilled employment going to their own countrymen.

The few opportunities that come will make a select few families richer. This is not a far off scenario — there are plenty of global examples of acceleration in economies that have left the majority behind. The reasons behind the Trump phenomenon and Brexit are lessons we need to learn from.

Let's be clear — the CPEC is a wonderful project. We are excited about the energy and transport infrastructure it will build. But unless properly managed it will not benefit this country as inclusively as people are expecting.

A good perspective is perhaps attained in the Khyber Pass highway that links Peshawar to Kabul, or the Chaman highway that links Iran trade with Pakistan. One has to go along the major trade highway routes where they will find many communities that are still lagging behind the rest of the country.

Long term sustainability: The last 70 years of US hegemony in this part of the world has proved one thing: if operating in this area is important to a foreign power, it does not pay to exclusively focus on the elites to further your interests. You need to involve communities at the grassroots otherwise you generate hostility of the masses.

All nations operate according to their own interests and it is wrong to assume that they will act as a proxy for your interests, saving you from your own mistakes. Even USAID was beginning to focus on this under the Obama administration.

China with its populist history should understand that although it is easier and less expensive to work with the 'elite', the long term price of that is the resentment caused in those left behind.

China currently has the ability to use its lead position in the project to ensure that some of the areas of cooperation are handled in an inclusive manner and not just with a few families.

This will strengthen our relationship for the next century in a sustainable manner which is in the long term interest of both countries.

https://www.dawn.com/news/1320015

PUBLIC-PRIVATE PARTNERSHIP ON CPEC VITAL FOR SUFFICIENT FUNDING
The Express Tribune, March 13th, 2017.

Faran Mahmood

ISLAMABAD: Imagine that you land at a gleaming airport terminal in Gwadar – funded by the Chinese government; built and run by Chinese contractors. You are then taken to the hotel by a bus that is again funded by a foreign loan.

Clearly, it seems that when it comes to infrastructure financing in Pakistan the role of private players seems to be missing and there is an inherent disconnect between what investors want and the wildly unpredictable way government does business in getting projects done.

Contrary to the popular practice, majority of infrastructure funding is still arranged through borrowing and Public-Private Partnership (PPP) models have not taken off despite a strong 'push' from the China-Pakistan Economic Corridor (CPEC).

So lots of super roads shall be built during the CPEC bubble but it is not clear whether building and levying tolls on new projects will help recover even project costs.

High debts of acquiring land and construction in conflict-hit areas mean that there is little flexibility to cope when things go off plan. In fact, our national strategy towards infrastructure planning using PPP instruments is geared more towards the Mexican model.

Mexican government awarded more than 30 projects with $10 billion in private investments as part of its largest PPP toll road programme. It did not work out very well for anyone as there were cost overruns by 25% and revenue targets were not met.

Due to less than expected traffic density, the average road toll fee needed to be increased by seven fold. Eventually the government had to bail out and pay outstanding debt by taking over the majority of projects.

Similarly Hungary M1/M15 was the first motorway in Eastern Europe that was completed on time and within budget. It also falls prey to lower traffic volumes despite meticulous forecast prepared by independent consultants.

The resulting high road tolls led to a law suit by various stakeholders and disgruntled road users. Eventually the government had to take over the project as the concessionaire could not pay high litigation fees involved.

One critical factor in ensuring success of any PPP road project is removal of local roads that are toll-free and compete with toll revenues. Due to political reasons, we often see toll free roads going parallel to concessional roads that take a hit on revenue streams of such PPP projects. A comprehensive legal framework for PPP can help improve the success ratio of such projects. Poland’s A1 motorway project was delayed for seven years as PPP legislation was not complete and several rounds of talks were held between the government and Gdansk Transport Company.

However the most effective public-private partnerships are demand-driven and have a mission focused on meeting specific market needs. As a best practice, even the bid process is driven by key performance indicators for instance in water projects sponsored by the Indian government, the key objective is to reduce tariff, so tariff is the key bid parameter in its water supply and sewerage projects.

Think-tanks in Q-block are cock-a-hoop and advocate that state is more than capable of managing infrastructure road projects. However a deep-dive analysis reveals the total opposite. Lahore metro was quickly built but it loses money. Every other project awarded by NHA requests variation orders and exceeds the baseline budget. The banking system is grappling with dodgy loans.

In order to make a business case for a winning PPP, there is a need to emphasise on ‘patient capital’ or long-term capital as public-private partnerships should not expect overnight returns.

The upshot is that though PPP have always worked for airports and ports but for motorways, there have been mixed results. Long distances and difficult terrain in CPEC routes mean that many PPPs won’t be able to pay themselves through tolls. So PPP should be a complement to and not a substitute of government funding for construction of road links.

The writer is a Cambridge graduate and is working as a management consultant.

https://tribune.com.pk/story/1353694/public-private-partnership-cpec-vital-sufficient-funding/

NA INFORMED: PAKISTAN-CHINA TRADE VOLUME REACHES $13.77BN IN 2015-16
Aamir Saeed

ISLAMABAD: Pakistan-China volume of trade which was $4 billion in 2006-07 reached $13.77 billion in 2015-16 while Pakistan's exports have jumped to $1.69 billion from $575 million in the same period.

Parliamentary Secretary for Commerce Najeebuddin Awaisi informed this to National Assembly on Monday during the question hour.

He said that China's exports to Pakistan have increased to $12.1 billion in 2015-16 from $3.5 billion in 2006-07, adding that his ministry has initiated numerous steps for balance of trade with China.

Minister for Commerce Khurram Dastgir Khan informed the House through a written reply that the import of goods for projects related to China-Pakistan Economic Corridor (CPEC) amount to Rs97.9 billion, which is 3.8 percent of total imports of Pakistan (Rs2565.5 billions) in the last six months of the current financial year.

He said that total imports under CPEC projects do not constitute a major portion of Pakistan's total imports and thus will not have a significant impact on the balance of payments of the country.

The import of goods falling under the umbrella of CPEC related projects may not be termed as commercial imports, rather they fall in the category of investment, he said.

The minister said that the investment in any from contributes to the economic development of the country.

To another question, the parliamentary secretary for commerce informed the House that during the last four years, 2.24 million metric tons of urea, worth $876 million, has been imported and no urea was exported from the country during the last four years.

He said that new factories of urea are being set up to meet the increasing demand of the fertilizer in the country.

There is no restriction on import of rice from Pakistan by the United Arab Emirates and Iran, he said, adding the Iranian government imposes a seasonal ban on the import of rice every year from July to December in order to protect its domestic growers but this year due to unknown reasons, the ban was lifted last month.

The parliamentary secretary said that Pakistan has not signed any trade agreement with the United Kingdom during the last three years. He said owing to the GSP Plus arrangement between Pakistan and European Union, Pakistani exports enjoy duty free access in all member states of the EU including the UK.

He informed the House that Trade Development Authority of Pakistan will participate in Comex Oman Exhibition of IT products in May this year in Oman. He said that a memorandum of understanding between Omani Centre for Investment Promotion and Export Development of the Sultanate of Oman and TDAP is under process.

He said that Federation of Pakistan Chambers of Commerce and Industry has agreed to sign an MoU for the establishment of a joint business council.

Minister for Inter-Provincial Coordination Riaz Hussain Pirzada informed the House that test ranking of Pakistan Cricket team is 6th in the world, while its ranking is 8th and 6th in the One-Day International and T-20 respectively.

Responding to a question, Advisor on Foreign Affairs Sartaj Aziz told the House that there are 126 diplomatic missions of Pakistan abroad consisting of embassies and consulates. He said the allocated budget for the embassies and consulates last year was Rs 11.67 billion while the expenditure of last year was Rs11.72 billion.

http://epaper.brecorder.com/2017/03/14/5-page/857410-news.html

CPEC: IS THERE CAUSE FOR ALARM?
Dawn, March 16th, 2017

Khurram Husain

A number of articles in the past week have created some undue anxiety about the China-Pakistan Economic Corridor. Let us put it in plain English at the outset: CPEC is not another East India Company. That comparison is specious and entirely unhelpful, even if some find it useful purely as a metaphor.

There are two reasons why the comparison is unhelpful. First, the East India Company had an element of force, something totally absent in the present case. Second, the East India Company gradually shed its trading activity and acquired governance responsibilities, taking on the administration of land revenue and justice, as well as education and the maintenance of an armed force. CPEC is moving in an entirely different direction.

The only area where the comparison might work is in the extraction of a surplus from Pakistan and its transmittal to China. But, even here, it must be kept in mind that the surplus is not being extracted through the use of force or from land revenue (or taxation in the present case), but purely from debt servicing and the repatriation of profits. All foreign investment involves these elements, not just the one coming from China. So at the same time that we are hearing about the arrival of Chinese investment under CPEC, we also have auto makers entering the Pakistani market from Korea and Europe, as well as a Dutch company acquiring stakes in the food sector. This is not necessarily a ‘creeping colonisation’.

News about a research report put out by Topline Securities, which claimed that Pakistan will repay $90 billion on CPEC investments of $50bn, sparked a new round of anxiety-laden commentary on social media and television. The report itself is sound, and the figure of $3bn per year as repayment obligations is similar to what others have calculated. My own calculation on CPEC repayments, published in this column a few weeks earlier, gave me a figure of $3.5bn, while former State Bank governor Dr Ishrat Husain calculated $3bn.

But that is not a colonial level of surplus transfer. It certainly means that the projects being set up under CPEC are not for free, nor should they be seen as ‘concessional’. This is not a ‘gift horse’ that we are dealing with. The most that this figure ought to tell us is that we need to be careful in negotiating the terms, and ensuring that appropriate reforms to boost the economy’s productivity and competitiveness accompany the implementation of the project.

CPEC is best seen as an opportunity, not as some sort of manna from heaven that will come and solve all our problems. The worst mistake is to view CPEC as some sort of self-paying enterprise, as if the investments will somehow generate the required level of economic activity to automatically fulfil all the repayment obligations that they bring. This is a mistake because it cannot be taken for granted, and since it appears the government is indeed proceeding under this assumption, it is imperative for us to ask how they have calculated the returns from the investment.

The important question to ask is what will be the impact on domestic industry of the special incentives being given to Chinese investors. And connected with this question is the larger question of transparency. Thus far, too much of the project is shrouded in secrecy, and whatever information is being released appears to be carefully vetted.

Take as an example the question of repayment obligations. Thus far the only figures we are seeing are rough calculations produced by independent observers. The State Bank has told us nothing about the projected burden on the foreign exchange reserves due to CPEC outflows, and the IMF has given us a rough estimate that the total could add up to 0.4pc of GDP per year. It appears the government is not sharing the requisite project details with either of the two institutions, nor is it saying anything meaningful about how it has calculated the repayment obligations connected with the projects. All we have is a misleading statement from Sartaj Aziz that CPEC project loans will be serviced at 2pc, which is true for about a quarter of the total projects at best.

Minister for Planning and Development Ahsan Iqbal put up an indignant Facebook post saying he is “amazed at baseless and myopic propaganda against CPEC” by those who are asking “why special zones for Chinese companies” are being created. He points out that China is relocating much of its industry to other countries due to rising wages in China. “If those companies are being attracted to come to Pakistan what is the harm?”

The harm, Mr Minister, is when your own government is putting out mixed messages. In one place we hear that the zones are for the Chinese companies, and in another we are reassured that they will be open to all. So what exactly is ‘baseless’ here, the ‘propaganda’ of those who are asking this simple question or the assurances being put out by your own government? And who is more myopic, the one gorging himself on foreign debt comfortable in the assurance that the future will pay for itself, or the one asking what repayment obligations come with these inflows and what is the plan for meeting them?

We don’t need more anxiety concerning CPEC, but we do need answers. When we frame our understanding of the enterprise in terms like ‘East India Company’, it warps our perception of the whole thing, and does not help in framing the right questions. The government can help allay some of this growing scepticism and anxiety by being more forthcoming with the details, and certainly a lot straighter with its answers. Snapping at the questioner is no way for a government minister to behave.

https://www.dawn.com/news/1320670

CPEC HAILED AS MAJOR GAME CHANGER IN REGION
The Express Tribune, March 15, 2017

KARACHI: Sindh Chief Minister Syed Murad Ali Shah has said that he has the honour to be associated with the China-Pakistan Economic Corridor (CPEC) from its very beginning when it was conceived.

"Today, with the grace of God, I am part and parcel of the process under which it is implemented. Its largest portfolio is the energy sector which is bigger in terms of the allocation of funds," the chief minister said while addressing a seminar on CPEC organised by The Express Media Group.

Also invited on the occasion, besides others, were Sindh Governor Mohammad Zubair, MQM-P convener Dr Farooq Sattar, Consul General of China Wang Yu, Shamsuddin Shaikh of the Sindh Engro Coal Mining Company and others.

The chief minister said the foundation work of CPEC was laid by former president Asif Ali Zardari and Prime Minister Nawaz Sharif signed the MoU for the corridor in July 2013.

"Therefore, we say that the wisdom of our leadership, our hard-work and our close relationship with China founded by Shaheed Bhutto, and cemented by Shaheed Benazir Bhutto and Asif Zardari translated into CPEC," he said.

Shah said: "China looks into the future and plans accordingly. They have worked a 1000-year plan and the plan is known as `One Belt, One Road' through which they have connected more than 64 countries – physically, commercially, culturally and other links.

"CPEC is not simply a road from China to Gwadar, but it has a vast connectivity with other projects of One Belt, One Road," he said and added that it would prove to be a game-changer in true letter and spirit.

Shah said the southern corridor begins from Guangzhou, city in South Central China. This route connects Kashghar with Pakistan at Khunjerab. The central corridor starts from Shanghai and connects with Tashkant, Tehran and onwards to Bandar Imam Khomeini on the Persian Gulf.

"One of its branch goes towards Europe up to France. The northern corridor starts from Tianjin and Beijing passes through Moscow and links it to Berlin and Rotterdam," added Shah.

He also disclosed that nine CPEC energy projects were/are installed in Sindh. They are the PQA electric Company Coal-fired (1320 MW), SECM coal mine Block-II Thar Coal Filed (7.6 metric tonnes per annum), SSRL Thar Coal Block-1 (6.5 MTPA) and 1,320 MW Power Plant, Thar.

The 50MW Dawood wind farm Bambhoro, 100 MW UEP wind farm, Jhimpir; 50 MW Sunnec wind farm, Jhimpir; Oracle Thar coal mine and power plant of 1320 MW.

Shah also said that he attended the JCC meeting in December 2016 in China in which he successfully managed to include three important projects – the Karachi Circular railways of $2.609 billion, Keti Banadar Power Park, Transmission Line, Road, railway and jetty for $5,000 million and Dhabeji Exclusive Economic Zone for which feasibility is underway.

"These projects would change the face of Karachi, but of the entire Sindh in terms of transport facilities and power generation."

"Sindh has also launched its Transmission and Dispatch Company, which would transmit power from Nooriabad to Karachi for K-Electric and we are going to inaugurate it shortly," he announced.

MQM-P convener Dr Farooq Sattar added in a lighter vein that the country lacked census and consensus, but now we had consensus on CPEC and fortunately census was also being held in the country.

Sattar lauded the efforts of the Sindh chief minister and added that he had shown great interest in including Sindh in the CPEC project and every party should support him.

"It is a game-changer and the whole world is observing us," he said and added: "It is our duty that we should protect this project and make it even more successful."

Sattar also emphasised the need of connecting it with every person in the country, as "real beneficiary of the project should be the people of Pakistan and by this we can bring social and economic change in their lives".

Chinese Consul General Wang Yu said through CPEC, China and Pakistan would bring back peace in the region.

"CPEC will ensure prosperity in the region and with this definitely peace will get a chance."

Yu added that not only China and Pakistan, but other countries would also benefit from CPEC in the region.

Sindh Governor Mohammad Zubair, while addressing the seminar, said: "This is an era of interdependence. Therefore peace in Afghanistan is necessary for Pakistan's economic prosperity, and similarly stability in Pakistan is vital for India's long term economic growth."

"CPEC is by far the most important project Pakistan has ever had," said Zubair.

Up until 2013, Pakistan was not able to benefit from China's economic rise, but the situation changed after that and the two countries decided to turn their excellent political relations into a strong economic partnership through CPEC, he added.

"Pakistan is not only depended on CPEC and its projects, it is also working on mega projects like Tajikistan-Afghanistan-Pakistan-India (TAPI) projects that will also usher in economic growth in the region," he said.

The governor said mega infrastructure projects had already attracted foreign Information Technology (IT) companies to Pakistan because they were getting huge projects in the country.

He said the on-going dialogue on CPEC's western and eastern routes was a not negative and added "it is a healthy activity that promotes dialogue in the country".

"Do not hesitate, do not panic," stressed Zubair on the CPEC's different routes.

Sindh Engro Coal Mining Company CEO Shamsuddin A Shaikh said the Thar Coal projects were running ahead of time and the company was expected to complete the first project by June 2019.

"We will be able to reduce electricity cost considerably once we are able to increase coal production to [a] certain level.

"We will be able to produce electricity at 6 cents per units once we reach our production capacity of 4,000MW," he informed the seminar.

Karachi Chamber of Commerce and Industry (KCCI) President Shamim Ahmed Firpo commented that due to the improvement in the security situation, more foreigners were now coming to Pakistan.

"CPEC is already helping Pakistan because it has improved the image of the country in the world as a safe destination for investment," he added.

Just a few years ago, five-star hotels in Pakistan were not able to attract customers even at Rs4,000 per day, he said.

"Now you do not get rooms even in Rs20,000 per day partly because of the influx of foreigners in the country."

Firpo said: "CPEC is a huge project of national importance; therefore, all political parties should stand behind it and make it a successful venture for both economic and social development of Pakistan."

https://tribune.com.pk/story/1356272/cpec-hailed-major-game-changer-region/

COURT ASKS IF CPEC ISSUES IN ITS DOMAIN OR CCI'S
Dawn, 17 March 2017

PESHAWAR: A Peshawar High Court bench on Thursday asked whether the issues raised in the petition of Khyber Pakhtunkhwa Assembly Speaker Asad Qaisar regarding the alleged unjust distribution of development schemes China-Pakistan Economic Corridor (CPEC) falls in the domain of the Council of Common Interest or the high court.

Chief Justice Yahya Afridi and Justice Ikramullah Khan directed deputy attorney general Manzoor Khalil appearing for the federal government and lawyers for the relevant parties to assist the court on the issue as to whether the matter falls within the exclusive jurisdiction of the CCI and if so, whether the same was duly deliberated upon by the said constitutional organ.

The bench fixed Apr 27 for the next hearing into the petition wherein Speaker Asad Qaisar has sought multiple directions from the court for the federal government to develop the western route of the CPEC and execute several other development projects in the province.

The bench observed: “This court would like to know as to whether the matter agitated in the instant petition falls within the domain of Council of Common Interest, under Articles 153 and 154 of Constitution of Islamic Republic of Pakistan 1973 or this court.”

Senior advocate Qazi Mohammad Anwar appeared for the petitioner, additional advocate general Syed Qaiser Ali Shah for the KP government, Manzoor Khalil for the federation, and Jahanzeb Mehsud for the National Highway Authority.

At the beginning of the hearing, the bench observed it would first see which forum was the proper one for deciding the matter.

The respondents in the petition are the federation of Pakistan through principal secretary to the president; prime minister through his principal secretary; planning, development and reforms division through its secretary; federal communication secretary; NHA chairman; Pakistan Railways through the railways secretary, and federal finance secretary.

Speaker Asad Qaisar claims that he is the custodian of the provincial assembly, which represented the collective will of the people of Khyber Pakhtunkhwa and therefore, he was duty bound to follow unanimous resolutions passed by the assembly regarding the CPEC.

He said there were five unanimous resolutions passed by the KP Assembly requesting the federal government to develop the CPEC’s western route along with all other development components.

The petitioner prayed the court to issue directions or appropriate orders for the respondents to honour the commitments of the prime minister made on May 28, 2015, in the APC meeting on the CPEC and allocate funds and commence the development projects on the western route of the CPEC.

He requested the court to direct the respondents to make an unqualified commitment that the CPEC’s western route would receive the same quantum of funds which were being spent on the eastern route and that the share and development of western route would in no way be allowed to be usurped by the western route.

The speaker further prayed the court to direct the respondents to provide funds for establishment of eight Industrial Parks under CPEC, provide electricity, gas, telephone lines, fiber optics, railway lines and all other relevant services to the aforesaid industrial parks, include the industrial parks in economic, transport and social sector policy, and establish IT development programs at the sites.

https://www.dawn.com/news/1321032/court-asks-if-cpec-issues-in-its-domain-or-ccis

POSITION ON KASHMIR NOT AFFECTED BY CPEC: CHINA
Dawn, March 18th, 2017

KARACHI: The Chinese foreign ministry has called for the settlement of the Kashmir issue through dialogue between Pakistan and India.

Chinese Foreign Ministry spokesperson Hua Chunying said this while addressing a regular press conference in Beijing on Friday.

Answering a question regarding India's objection to Pakistan's plan to declare Gilgit-Baltistan, part of Kashmir, its fifth province and the China-Pakistan Economic Corridor going through these areas, Ms Hua said China's position on the Kashmir issue was consistent and clear-cut.

"As a leftover issue from history between India and Pakistan, it needs to be properly settled through dialogue and consultation between the two sides," she said, adding that development of CPEC did not affect China's position on the Kashmir issue.

https://www.dawn.com/news/1321184

A WELCOME CPEC BENEFIT
Abbas Nasir

GIVEN its magnitude, the China-Pakistan Economic Corridor (CPEC) remains the subject of considerable debate in the country, with several experts weighing in with their figures of how much the $50 billion-plus projects are going to eventually cost Islamabad.

Over a 30-year repayment period, these figures, which do not differ wildly from one another, put the cost of CPEC at around 4.5 to five per cent per year. This means Pakistan will have to repay the $50bn plus interest at around $3bn to $3.5bn a year for the period.

Experts are right in asking whether the projected growth in economic activity as a result of CPEC generate enough national wealth for the country to service and repay annually for 30 years what seems not an insignificant amount of money, totalling about $90bn.

The Sri Lankan example has also been pointed out, where a large Chinese investment did not necessarily generate enough income or revenues for Colombo to successfully service the debt. This led to erosion of ownership of key assets such as a seaport and loss of 'sovereignty' over some 15,000 acres (6,070 hectares) of land earmarked for an industrial zone.

Apart from raising the matter of annual cost, my Dawn colleague Khurram Husain, with an enviable grasp over economic and business issues, has also highlighted the matter of 'exclusive' economic zones for Chinese companies along the corridor and asked whether such exclusivity is desirable from the Pakistani point of view.

Social media has taken this debate to a different level altogether, where some analysts have asked if the large sums to be repatriated mean that China may come to represent in Pakistan in the 21st century what the East India Company was to India in the 19th.

Whether this argument is valid or alarmist I will leave to the reader. What I do wish to say is that there can be no denying that Pakistan, with its huge defence and debt-servicing allocation, has very little left over for infrastructure development.

And it is also not rocket science to say that an economy can only grow to a point with poor or obsolete and creaky infrastructure in this day and age, and no more. Nawaz Sharif critics may deride the prime minister for being obsessed with building multi-lanes motorways. But they will also acknowledge that even with the major ports in the country, the road and rail infrastructure along the north-south axis exists more or less in a time capsule.

This may have been expanded but nowhere near the needs of a country with a population of 200 million. One need only drive from Karachi to Peshawar, for example, or take a train to understand how little has been done in any real way since the colonial plunderers left over 70 years ago.

Also important is to examine how many investors were prepared to sink in the required investment of the magnitude that the Chinese are pledging. China's imperative for doing so is clear as its western part lags in the pace of development attained by the rest, particularly its east.

CPEC provides western China with a quick connection, access to the rest of the world via Pakistan and, therefore, it is sinking in what from Islamabad's perspective is an unimaginably huge investment.

However, for any cost-benefit analysis of this investment to be all-encompassing and meaningful it needs to include factors generally excluded from such analyses. The benefits of this investment can only be accurately assessed if its impact on religious militancy, even terrorism, can be calculated.

The Chinese have long been concerned with the extremist Islamic movement in the western reaches of the People's Republic and also understand where some of its own militants find common cause, go and train themselves only to return and cause unrest.

Sources say the Chinese leadership has repeatedly raised this issue with both civilian and military leaders in Pakistan. Although they have found sympathetic ears, they also realise that this is one area where the civilians' ability to deliver is very limited.

Against the backdrop of newly shaping realities in the region, where India sees itself as equal to China regionally (of course with Washington's encouragement), the Chinese leadership is moving closer to Pakistan, particularly in military cooperation.

As western sources of armaments appear more and more challenging and expensive for Pakistan, its reliance on China is increasing. Latest reports in the media suggest a deeper commitment between the two to enhanced defence production, among other areas.

Who would have been surprised to see the photo of Chief of Army Staff General Qamar Javed Bajwa meeting his counterparts in the People's Liberation Army high command? But the fact that he also met the foreign minister for face-to-face talks is significant.

One can (and with justification) just focus again on the civil-military balance in the country's power structure, or perhaps look at a wider, global perspective and its impact on us. To me, the only institution in the country capable of taking religious extremism and terrorism head-on is the army.

After all, for years and years, GHQ has nurtured and used such elements to project its power beyond our borders and considered them as a second line of defence for our nuclear-armed country. In the process we have all witnessed the disaster that has unfolded.

If it takes Chinese persuasion to convince our key decision-makers that it may have been a bad idea all along and, in any case, that it is definitely not viable any longer, it would be a huge, possibly incalculable, benefit of CPEC. Who would not welcome it?

https://www.dawn.com/news/1321119

‘CPEC HAS POTENTIAL TO BOOST ECONOMY’
N H ZUBERI

KARACHI: The China Pakistan Economic Corridor (CPEC) has high potential to jump start Pakistan’s economy and leapfrog it many places in front of its competitors. In fact, if sensibly utilized, it provides Pakistan with an exceptional opportunity to make itself count as a developed nation.

This was stated in a report of Karachi Chamber of Commerce and industry (KCCI) Research and Development Cell.

The report mentioned that better connectivity would also allow Pakistan to offer its perishable good quality agricultural products in the global markets, which were not being exported till now due to high air-freight costs.

The report looks at a number of ways how CPEC is to favourably affect Pakistan:

Power shortage is plaguing the economy since many years and to be eliminated resulting in high productivity and reduced production costs. The 7 percent estimated GDP loss attributed to power outages would now be catered to travel time and costs of exportable goods from up-country to ports will be greatly reduced.

The huge trade volume to be generated through CPEC would significantly add to diverse economic activities including clearing, shipping services and other allied services.

Direct job creation in almost all sectors of the economy, including transport, construction and power. Construction of SEZs and manufacturing setups therein would ignite secondary and tertiary rounds of employment generation.

Cargo movement on roads trigger lots of economic activities through vehicle maintenance shops and road-side restaurants, estimated to be Rs 50 billion annually.

CPEC would allow small scale production to be outsourced to suppliers having access to cheap labour in remote areas.

CPEC will immensely help the country’s real estate sector running along the trade corridor.

CPEC will bring better trade integration with China.

CPEC will link Pakistan to the One-Belt-One-Road (OBOR) project and provide direct access to the markets of Central Asia and Europe.

About 97 percent of the $10 billion Pak-China trade occurs through the sea route. Trade through CPEC would certainly lead to a shift towards road transportation and a substantial increase in bilateral trade.

CPEC is garnering attention of many a foreign firms in the country.

Shanghai Electric's buying of K-Electric for a record $1.67 billion has made headlines across the investment world and global companies in diverse sectors from Automotive (Renault, KIA, Hyundai), Cement (Anhui Conch of China, Asian Precious Minerals of UK), Dairy (FrieslandCampina buying Engro Foods) to Electronics (Turkey's Arcelic $258 million buyout of Dawlance) are fast choosing Pakistan as an investment destination.

http://epaper.brecorder.com/2017/03/19/3-page/858622-news.html

NEWS COVERAGE PERIOD FROM MARCH 6TH TO MARCH 12 TH 2017
RULERS NEVER GAVE BALOCHISTAN'S PEOPLE THEIR DUE RIGHTS, SAYS MENGAL
Dawn, March 6th, 2017

Ali Jan

DERA MURAD JAMALI: Balochistan National Party-Mengal (BNP-M) president Sardar Akhtar Jan Mengal has claimed that successive rulers of the country during the past 70 years have given nothing to the people of Balochistan, except hunger, poverty, unemployment and lawlessness.

Addressing a public meeting here on Sunday, he alleged that the rulers had deliberately kept Balochistan backward.

Mr Mengal said his party would never support a government under which bullet-riddled bodies were found and atrocities against the people of the province continued.

BNP-M senior vice president Abdul Wali Khan Kakar, former senator Sana Baloch, former MNA Abdul Rauf Mengal, Advocate Sajid Tareen, Mir Mohammad Ismail Mengal, Dr Shahnaz Baloch, Jamila Baloch and other party leaders also spoke.

Mr Mengal said the rulers had never paid attention to the development of Balochistan and deprived its people of their due rights, including their share in natural resources of their own province.

He claimed that no development could be seen in Balochistan under the China-Pakistan Economic Corridor (CPEC). The CPEC, he added, would not benefit the people of Balochistan as not a single development project had been launched in the province as part of the mega project.

The BNP-M chief opposed the upcoming population census in the country, claiming that it would convert the majority of Baloch people into a minority in their own province. Taking part in the census in the presence of Afghan refugees in the province would be what he called a suicide for the Baloch people.

He claimed that development schemes for Punjab, such as power projects, rail and road networks and other big projects under the CPEC, were under way with full swing, but nothing was being done for Balochistan.

He said majority of people in Balochistan had been yearning for decades for potable water, electricity, roads and education and health facilities.

Mr Mengal, who had remained chief minister of Balochistan, said that the oppression against Balochistan's people was now touching its peaks.

He said no one was safe in Balochistan today, adding that hundreds of young people had gone missing and their families did not know whether their loved ones were alive or dead.

Mr Mengal rejected the allegation that his party was against development. The BNP-M, he added, called for just distribution of resources.

He said the Uch power plant was installed in Balochistan, but a large part of the province was without electricity. The people of Balochistan were not provided gas being extracted from their own province. They were not provided jobs in projects being launched in their province, he added.

He asked which Sardar had stopped the federal government from supplying electricity to Nasirabad.

The rulers, he said, were only interested in the resources of Balochistan and they were not ready to give people of this province their due share.

https://www.dawn.com/news/1318710

CPEC: OVERLOOKED OPPORTUNITIES
Dawn, Business & Finance weekly, March 6th, 2017

Dr Abdur Rehman Cheema , Muhammad Haris

The Triple Helix concept, introduced in the late 1990s, embodies a more prominent role for universities in innovation, at par with both industry and government, in a knowledge-based society.

This collaborative relationship and interaction among the three institutional spheres is increasingly producing innovation policies.

The production of new knowledge has to be relocated in shared spaces featuring inter-disciplinarily and economically and socially-relevant research themes. It cannot remain strictly in universities and within inflexible scientific domains and laboratories.

Studies about developing countries adopting the Triple Helix approach has shown that it leads to an increase in scientific productivity.

Within the CPEC framework, hardly any attention has been paid to leveraging this economic opportunity for building the technological capacity of the country's universities.

While in developed countries, many tertiary education institutions have adapted the triple helix approach — building academic institutions that partner with the government and industry to generate new knowledge, innovation and economic development — many developing countries have yet to fully apply this concept.

The internationalisation of business envisaged in the CPEC offers new opportunities for Pakistani universities if they realign themselves on the basis of the triple helix model.

By building multiple partnerships with government departments, the new Chinese and Pakistani universities can develop their technological capacity by setting up socially useful ventures, technology parks and international research and development centres.

Such initiatives will reshape the relationship of the universities with society by turning the former into an active player in economic development through creating scientific and technological knowledge and innovation that goes beyond mere teaching and research.

To begin with, the Chinese are strong in the information technology, railways, manufacturing and energy sectors. Collaborative leadership built through multiple partnerships with the government, national and international firms could play an important role in pursuing the common goals of academia and industry.

Through networking, the country’s academia can focus their research on the problems faced by the Chinese companies operating under the CPEC.

Pakistan’s Higher Education Commission should incentivise the interaction between firms, public universities and research centres, set up private firms’ incubation facilities at public universities and shared usage of universities’ facilities.

In universities of less developed Balochistan, inclusive entrepreneurial business incubation centres should be set-up so that they can create customised socially useful business approaches.

Learning and building with the Chinese experience of reducing poverty, these universities need to prepare skilled human resource that contributes to local economic development.

With internationalisation experience, universities become open to experimentation, allowing the evolution of indigenous business and social solutions overtime along with building talent for the global industry.

For example, skills development in copper processing, a precious metal extracted from Balochistan, can help Pakistan save the cost of repurchasing the same after refinement from China.

Through networking, the country’s academia can focus their research on the problems to be faced by the Chinese companies under the CPEC and develop home-grown solutions.

The federal Higher Education Commission and provincial governments along with regional universities must offer Chinese language courses for this concept to integrate seamlessly with the companies.

Universities can approach Chinese entities and the government to identify those technical skill areas which are expected to be needed and, accordingly, design diplomas and short courses to develop required human resource.

One could even anticipate the importance of teaching Chinese language to locals along the CPEC route that may become useful for the hospitality industry.

While COMSATS Institute of Information and Technology has pioneered the China Study Centre in Pakistan solely dedicated for China-centric research and related educational and cultural activities; there is also a room for collaboration at the university level with Chinese private sector firms. This can foster research on the social, economic, environmental, and political impacts of the CPEC at the local and regional level.

https://www.dawn.com/news/1318671

PSM BOARD MEETS NEXT WEEK TO ALLOCATE LAND FOR CPEC
Dawn, March 7th, 2017

Khaleeq Kiani

ISLAMABAD: Moving swiftly to implement the prime minister's orders, the government has reconstituted the board of directors of the Pakistan Steel Mills (PSM) and convened its urgent meeting next week to allocate about 1,500 acres of land for the China-Pakistan Economic Corridor (CPEC) amid opposition by the Sindh government.

The board was dissolved soon after the Pakistan Muslim League-Nawaz came to power in 2013. Since then the country's largest industrial complex continued to operate without a statutory supervision and with a broken down management structure and the mill kept piling up its losses and liabilities.

The board meeting was originally scheduled for March 7 but some nominees are reported to have shown reluctance to take up critical issues so quickly. Some of them were dropped and the board meeting was rescheduled for March 16-17, according to informed sources.

The government on Monday notified an 11-member board that includes six fresh inductions from the private sector. With the approval of the prime minister, the government has inducted Raziuddin (Razi), Munir K. Bana, Ashique Ali, Aamir A. Allawala, Asif Khan and Sheikh M. Asif. M.A. Jabbar will continue on the board as a private sector member besides four government nominees — senior officials of ministries of finance and industries and the Privatisation Commission.

The 10-item agenda for the first meeting of the board will include election of the chairman and the meeting will mostly take up land-related issues besides review of some follow-up actions of past transactions.

The first item on the formal agenda will be establishment of a special economic zone near the PSM in the context of the CPEC, a federal government official told Dawn. He said that the Sindh government had reminded the Centre that the PSM land, estimated to be more than 17,000 acres, belonged to the province and had been given to the mill for operational purposes.

In a letter, the provincial government said the land would legally stand returned to the province if it was utilised for any other purpose or given to a third party.

Besides the land allocation for the CPEC as desired by Prime Minister Nawaz Sharif, the board will also consider fixation of the cost of another 930 acres of land handed over to the National Industrial Park for development of an industrial park at Bin Qasim.

Another land-related issue on the agenda will be revaluation of 1,508.65 acres classified under 'investment property' to be incorporated in the PSM accounts as on June 30, 2015.

Interestingly, the board will also discuss reduction in gas pressure and subsequent interruption in supply since June 10, 2015.

"The successive governments have been very slow in constituting the board, appointing full time management and taking strategic decisions about privatisation or revival of the PSM. But now quick decisions are being made to get rid of its goldmine — the land," commented an insider.

The ministry of industries and production notified about a month ago that the prime minister had approved allocation of 1,500 acres of PSM land for the CPEC industrial park and ordered that the matter be taken up with the Privatisation Commission and the PSM board for completing formalities.

It said that the land was originally meant for investment as per PSM book of accounts and could be utilised for development of an industrial park under the CPEC.

Finance Minister Ishaq Dar had given an undertaking to the International Monetary Fund on Aug 19, 2013, that the government would immediately appoint a professional board but it was never reconstituted with full 12-member strength.

A prime 220-acre plot of the PSM was given to the Al Tuwairqi Steel (ATS) during the tenure of former president Pervez Musharraf at a total lease value of about Rs261 million for 60 years at a meagre average rate of Rs118,000 per acre. The ATS management told Dawn that the land was 'assigned' to a consortium of banks led by the Islamic Corporation for the Development of private sector. It still remains so though a plant installed by the ATS has been non-operational due to refusal by the PML-N government to provide subsidised gas to it.

The PSM has been continuously losing its land to different institutions, private investors and encroachers with political support.

The Sindh Board of Revenue is reported to have reclaimed about 1,770 acres from encroachers during the PPP government's tenure. But a major part of the land was leased out for 99 years to investors at times at a rate as low as Re1 per square yard a year. Some other parts of the land were again encroached upon by land mafia and sold out to individuals.

Former prime minister Shaukat Aziz had approved allocation of about 930 acres for the National Industrial Park on lease, but the PSM could not recover the lease amount.

https://www.dawn.com/news/1318937

CHINESE ENVOY SAYS CPEC HAS CREATED 13,000 JOBS
The Express Tribune, March 7, 2017

Shahbaz Rana

Islamabad: Projects under the China-Pakistan Economic Corridor (CPEC) are moving ahead of schedule and so far these schemes have generated 13,000 local jobs, China's Ambassador to Islamabad Sun Weidong told participants at a forum organised by the Express Media Group on Monday.

Developments in relation to CPEC were occurring rapidly and both countries recently made minor adjustments to the priority list by upgrading schemes placed under 'actively promoted projects', said Ambassador Sun.

Speakers highlighted challenges and opportunities that the $54 billion investment package brought for Pakistan.

Last month, the Energy Expert Group agreed to upgrade another 660-megawatt (MW) Hubco coal-fired power plant to the prioritised list but downgraded the 1,320MW Rahim Yar Khan power project on its actively promoted list, which catalogues projects to be completed over the next five years. The group also upgraded the Oracle power project to the priority list.

The CPEC was 'open and inclusive' and other countries could benefit, said Ambassador Sun Weidong while responding to a question about linking Gwadar port with Iran's Chabahar port.

Before the ambassador's address, Ports and Shipping Minister Hasil Bizenjo said that Pakistan had proposed building an 85-kilometre-long road, creating a road link between Gwadar and Chabahar ports.

"Chabahar port cannot survive without Gwadar and both ports can complement each other," said Bizenjo. The minister also underscored the need for prioritising railways projects, which are not progressing at a quicker pace. "Without a rail connection, CPEC is incomplete", said Bizenjo.

The Chinese ambassador said that CPEC had already entered the implementation phase, and so far 18 under-construction projects generated 13,000 new jobs for local people. Sun said in its last meeting of Joint Cooperation Committee (JCC) of the CPEC, both countries had agreed upon a new list of priority projects, medium- and long-term plans. He said this had given a new impetus to the CPEC implementation.

The ambassador said that many energy projects would become operational this year and the next year while construction of industrial zones was also set to begin soon. He said that a medium-term plan would be finalised this year.

However, the ambassador pointed out that action was key to CPEC construction.

Planning Minister Ahsan Iqbal stressed upon the need for early groundbreaking of the New Gwadar International Airport and Eastbay Expressway – both projects are critical for making Gwadar port fully operational.

The Chinese authorities have not yet cleared these two projects, although they are part of the priority list.

Iqbal said that the groundbreaking ceremonies of the Gwadar International Airport and Eastbay Expressway would take place in a few months – this was also stated by the minister last year.

Pakistan Tehreek-e-Insaf's lawmaker Asad Umar highlighted risks to the CPEC and the implications of the CPEC financial deals on the country's economy.

The repayments of the CPEC loans may expose the country to yet another balance of payments crisis, if Pakistan did not improve its competitiveness, said Umar. He said that the loans obtained for CPEC projects were more expensive than other international loans obtained for various purposes.

Asad Umar said that Pakistan had become extremely uncompetitive in the world and projects initiated under the CPEC like energy and infrastructure schemes cannot help improve competiveness. "The signs of chronic external imbalances have already started appearing," said Umar.

The CPEC is not solution to all the ills of Pakistan's economy, he added.

Umar said that Pakistan's businesses have also started feeling that the Chinese companies that are very competitive might overtake them. The involvement of Pakistani companies and labour is very less, which has given an impression that Pakistani companies are not part of the CPEC development, said Umar, who also heads National Assembly Standing Committee on Industries and Production.

However, the planning minister termed concerns of the business community "another conspiracy against the CPEC".

The Islamabad Chamber of Commerce and Industry president Khalid Iqbal also expressed concerns about adverse implications of preferential treatment to Chinese companies on local businesses.

https://tribune.com.pk/story/1347998/chinese-envoy-says-cpec-created-13000-jobs/

NO DELAY IN PROJECTS UNDER CPEC, SAYS ZEHRI
Dawn, March 10th, 2017

Saleem Shahid

QUETTA: Discussing progress on development projects in the province, Balochistan Chief Minister Nawab Sanaullah Zehri said here on Thursday that he would not tolerate negligence or delays in the completion of initial work and implementation of development projects included in the China-Pakistan Economic Corridor (CPEC).

"I will supervise and monitor the projects approved in the Beijing meeting for Balochistan," Mr Zehri said, adding that the Quetta Mass Transit project was also included in the CPEC. He said that Chinese engineers and experts had arrived in Quetta to survey and prepare a feasibility report of the mega project. “The relevant authorities must extend all help and cooperation to Chinese engineers in their work,” ordered the chief minister.

He said all available resources would be utilised to launch development projects under the CPEC and that they would bring about a substantial change in the living standards of the people of Balochistan.

Mr Zehri also issued directions to speed up work on the laptop distribution scheme in which 10,000 deserving students will get free laptops. The government has allocated Rs500 million for the project and is expected to provide more funds for it in the next year’s budget.

While discussing development projects in divisional and district headquarters, the chief minister stressed that they must be completed by June this year. The funds for the projects, amounting to Rs100m, have been released. “I will review the pace of work on these schemes during my visits to the divisional and district headquarters,” said the chief minister.

https://www.dawn.com/news/1319560

PAKISTAN WILL BE PAYING CHINA $90B AGAINST CPEC-RELATED PROJECTS

The Express Tribune, March 12th, 2017.

Salman Siddiqui

KARACHI: 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 China-Pakistan Economic Corridor (CPEC), report of a brokerage house estimated.

The estimated return – sum of principal and interest on foreign currency debt and repayment of profits/dividend on equity investment – shows 40% return on investment.

The amount increased to $54 billion after the inclusion of more projects in CPEC such as investments in Pakistan Railways and financing of the Karachi Circular Railways project. The volume of return would increase accordingly. Infrastructure and power projects – part of the CPEC portfolio and divided across time in terms of priority – are expected to be completed by fiscal year 2030.

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’.

Another valid concern is over the repayment of CPEC-related projects. This is because most projects are being funded abroad and Pakistan is not seeing any significant inflow of foreign exchange.

"It should be noted that project financing for CPEC is being done between Chinese companies and banks and around 25% of CPEC investment is expected to come in Pakistan," he said. The report argued the repayment would remain manageable despite additional burden of debt servicing and repatriate of profits on equity investment in CPEC. The amount for additional repayment would be generated from the expected surge in exports, drop in imports and increased inflow of remittances.

The brokerage house assumed exports to grow by 4.5% a year till fiscal year 2025, which is higher than the previous decade's average of 3%. This is because of expectation of CPEC-led higher GDP growth in the coming years and positive impact on local industry.

Imports are expected to grow by 4% in line with last decade's average. Further, remittances are expected to grow within 4-4.5%, which is lower than last couple of decade's average of over 7% as Pakistani diaspora has to a great extent shifted to official channels of transferring money.

"We expect current account deficit to remain on average at 1.5% of GDP between FY20-25 at a range of 1.2%-1.8%," it said. In addition, Arif Habib Limited estimated, CPEC-related transportation would earn $400-500 million per annum to Pakistan, which would be sufficient for repayments.

At the same time, Topline Securities said Pakistan's current account deficit (CAD) in the first seven months of current fiscal year 2017 remained much higher than expectation at $4.7 billion, which is 88% higher than last year.

"The higher CAD was mainly on account of weak exports of $12.3 billion, which posted a decline of 1.3% while imports of $25.5 billion increased by 9%," it said. "Given the large CAD…, we are revising up our CAD forecast to $6.6 billion (from previous $4.7 billion), which is 2.2% of GDP," it added.

"Given higher CAD, we are revising down our year end forecast of foreign exchange reserves to $22-23 billion from previous estimate of over $25 billion. "These are all time high foreign exchange and provide 4-5 months of import cover (accounting for only reserves with State Bank of Pakistan of $17-18 billion)," it said.

https://tribune.com.pk/story/1352995/pakistan-will-paying-china-90b-cpec-related-projects/

COAS VOWS TO MEET CPEC PROJECTS' SECURITY CHALLENGES
Dawn, March 12th, 2017

Baqir Sajjad Syed

ISLAMABAD: Army Chief Gen Qamar Bajwa on Saturday said that security forces were "fully prepared" to meet all security challenges to projects of the China-Pakistan Economic Corridor (CPEC) and Chinese nationals living in the country.

He made these remarks during a visit to the headquarters of the 15,000-man newly-created Special Security Division (SSD), charged with the "security of Chinese on CPEC and non-CPEC projects".

Gen Bajwa recalled the "hostile agenda" of forces opposed to the mega-connectivity and infrastructure project, which still faces threats from both regional and external players.

The military had announced the raising of the SSD soon after President Xi Jinping's visit to Islamabad in 2015 for the groundbreaking of CPEC projects. The division will provide security to Chinese personnel and projects throughout the country. It has been established in close collaboration with China and the two sides are also cooperating in the implementation of a multi-layered security plan.

The SSD consists of nine army battalions (9,229 personnel) and six civil armed forces wings (4,502 personnel), which have been raised at a cost of over Rs5 billion.

The Ministry of Planning, Development and Reforms has allocated one per cent of the total cost of CPEC projects for the running expenditure of the SSD to provide security for the corridor, project sites and Chinese nationals in the country.

The interior ministry finalised the SSD's terms of reference (TOR) in January and sent them to provinces. The force will be deployed in accordance with Articles 147 and 245 of the Constitution and under the Anti-Terrorism Act 1997.

During the visit, Gen Bajwa was given a detailed briefing on the Integrated Security Mechanism, run by the SSD.

Speaking on the occasion, he said the army remained committed to ensuring security for CPEC and the workforce involved. "He appreciated SSD for their state of preparedness and arrangements for execution of the assigned mission and tasks," an ISPR statement said.

Security has been a major concern for the Chinese and they have emphasized this in their public statements time and again, shrouding their emphasis in phrases such as "should create a good environment [for] security" and "look forward to creating a more secure and sound environment".

Apart from security incidents involving the construction of roads, three attacks on Chinese workers were reported last year.

Also on Saturday, members of Peshawar Zalmi — the Pakistan Super League champions — met Gen Bajwa at the General Headquarters.

"The COAS congratulated [the] team and the management on their performance and success. He appreciated efforts by PSL, all teams and the management for bringing back cricket to Pakistan. He made a special mention and conveyed thanks for foreign players and guests who came to Pakistan," an ISPR statement said.

Gen Bajwa said Pakistan was a peace-loving country and cricket was the most favourite game here and a binding force for the nation, hailing the foreign players who came to Lahore as "national heroes".

Video footage of the meeting released by ISPR showed the army chief handing out souvenirs to Zalmi players, including Mohammad Hafeez, Umer Akmal and team owner Javed Afridi.

Following the meeting, several players from the squad — including DJ Malan and Marlon Samuels — posted messages on social media thanking the army chief for his gesture.

https://www.dawn.com/news/1319964/coas-vows-to-meet-cpec-projects-security-challenges

NEWS COVERAGE PERIOD FROM FEBRUARY 27TH TO MARCH 5TH 2017
'CPEC TO HELP ACHIEVE CORE OBJECTIVES OF ECO'
Dawn, February 27th, 2017

ISLAMABAD: Foreign Secretary Aizaz Ahmad Chaudhry on Sunday highlighted the need to create a world-class logistics infrastructure within the Economic Coordination Organisation (ECO) region for speedy movement of goods and people at a reduced cost that would stimulate investment and growth.

Addressing the Senior Officials Meetings, he said Pakistan had always attached immense importance to the organisation and its objective as demonstrated by the country's active role in the ECO.

Mr Ahmad said the China-Pakistan Economic Corridor (CPEC) was a major initiative that would help achieve the core objectives of the ECO. This is a mega project which would benefit the entire region. The CPEC is anticipated as a game-changer not only in Pakistan-China context, but it would also complement the economies of the entire neighbourhood, especially the ECO region.

He said the 13th ECO summit had adopted the topical theme of "Connectivity for Regional Prosperity" as its key focus. The economic integration and connectivity were main pillars to galvanise economic growth, create job opportunities, expand trade, improve competitiveness and usher prosperity in the region.

He said the importance of trade figures showed that ECO countries could not be over-emphasised. Pakistan attaches great importance to its trade relations with ECO countries and desires to significantly raise the volume of its trade with the member states.

ECO Vision 2025, he said, was an important document which would steer the organisation and serve as a roadmap for its success in the coming years.

Its emphasis on infrastructure development, facilitation of transit among member states and free trade would offer potential and practical remedies for the region's socio-economic development. "We see the adoption of Vision 2025 as a step in the right direction," he said.

"Peace in Afghanistan is very dear to us," he said. Pakistan had been affected badly by instability in Afghanistan although it considered Afghanistan as its brotherly neighbour and fully supported the peace process in the war-torn country, he added.

https://www.dawn.com/news/1317278

NO CPEC BENEFIT FOR BALOCHISTAN, SAYS MENGAL
Dawn, February 27th, 2017

QUETTA: Sardar Akhtar Jan Mengal, president of the Balochistan National Party (BNP-M) has said that he sees no benefit for his province from the implementation of the China-Pakistan Economic Corridor (CPEC) projects.

Addressing a public meeting at Nawab Akbar Khan Bugti Football Stadium in Kharan, he alleged that plunder of billions of rupees had been continuing in the name of Balochistan's development for the past 70 years and the people of the province were even deprived of drinking water, basic health and education and other facilities.

He said the rulers termed the CPEC a game changer for the entire region, but "it will only benefit the province of Punjab and its people for whom development projects have already been launched in different areas that would provide jobs and economic development".

https://www.dawn.com/news/1317277

NA PANEL CAUTIONS GOVT OVER CPEC USE BY CHINESE TRUCKS
Dawn, February 28th, 2017

Syed Irfan Raza

Islamabad: A parliamentary committee on Monday warned the government against the Nato supplies-like deal for allowing Chinese trucks to ply the China-Pakistan Economic Corridor (CPEC).

"We are giving roads, land and the entire route to Chinese trucks as they were utilised by Nato (North Atlantic Treaty Organisation), but on what terms and conditions," chairman of the National Assembly's Standing Committee on Planning and Development Abdul Majeed Khan Khanan Khail said while presiding over a meeting of the committee.

He asked what China would give Pakistan for using the corridor for trade. "Something would have been decided definitely."

Expressing concern over the safety of roads and their users, he wondered who would bear the cost of maintenance of roads and security on the corridor.

Media reports suggested that Nato logistics had badly damaged the country's road network, but Pakistan could not get any significant benefit from these supplies to Afghanistan.

Former chairman of the National Highway Authority (NHA) Mohammad Ali Gardezi told the Public Accounts Committee in May 2012 that the country had suffered a loss of Rs100 billion due to Nato supplies to Afghanistan via Pakistan, but not a single penny was paid to it for repairing the damaged highways.

In reply to a question during the standing committee meeting, the secretary for planning and development said: "Although it is a big challenge for the government, we will safeguard our interests."

The secretary did not define who would bear the cost of maintenance of roads but said the cost of security arrangements on the CPEC would be borne by the Pakistan government. He said that whatever arrangements to be made for maintenance of the corridor and security would be mutually decided by Pakistan and China. "The recently held 6th Pak-China Joint Cooperation Committee (JCC) meeting in Beijing has addressed almost all such concerns," he added.

The secretary said 10,000 military personnel had been deployed for the security of projects launched under the CPEC and people working on them. "In fact security is our job for which it has been decided that one per cent of (earning from) CPEC projects will be spent on security," he said.

The committee expressed dissatisfaction over the road safety arrangements made by the National Highway Authority to avoid fatal accidents on the Grand Trunk (GT) Road. The committee directed the NHA to conduct a comprehensive study on accidents on the road.

Chaudhry Jaffar Iqbal, a member of the committee from the ruling PML-N, said the NHA had failed to provide pedestrian bridges, underpasses, zebra-crossings and proper service roads along the GT Road, especially between Lahore and Rawalpindi.

He said that 17 districts and a number of towns and villages were located along the GT Road from Lahore to Rawalpindi but there was no zebra-crossing for pedestrians.

In a separate briefing on railway projects to be executed under the CPEC, the planning and development secretary said the existing railway track ML-1 would be made dual from Karachi to Peshawar under a $20 billion investment.

"Once the existing track is dualised, the department will be able to stand on its own feet and then medium- and long-term projects will be launched, including laying of railway tracks from Gwadar to Quetta and from Peshawar to Torkham and Jalalabad," he added.

https://www.dawn.com/news/1317462

CPEC AND INDUSTRIAL POLICY
Dawn, February 28th, 2017

Azam Amjad Chaudhry

AS Pakistan enters the CPEC era, it is important we take a moment to reflect. Most people believe the initiative offers both Pakistan and China a unique opportunity to reshape the region's economic dynamics. For this reason, there is, rightly, great excitement among academics, policymakers and the public. As Pakistan embarks on this journey, it is worth examining the direction its industrial policy should take.

The most obvious question is this: why worry about industrial policy now? To begin with, the sheer scope of CPEC means that decisions made now will have consequences in the long term. Also, the experience of most industrially developed countries shows that a coherent, well-functioning industrial policy can accelerate industrial growth, lead to higher long-term growth and improve living standards. This is important because the lack of an industrial policy, compounded by free-trade agreements hastily cobbled together, has led to low industrial growth in Pakistan. Unsurprisingly, this means that the business community still has several concerns about the impact of CPEC on their own ventures.

Having accepted the need for a coherent industrial policy, how should it be structured? The first step is getting the fundamentals right: ensuring an uninterrupted supply of electricity and gas, rationalising taxes and easing regulations. So far, the government's focus on these areas is well placed and a good starting point for industrial policy.

At the same time, CPEC-related industrial activities must have well-defined local stakeholders. This could be done easily by instituting a minimum requirement for local partner involvement and ensuring that each is allocated a minimum financial share of that project. Another concern is Chinese versus local ownership of resources. One way to allay this fear would be to guarantee that all CPEC industrial projects involve long-term leases for land as opposed to sale.

Having come this far in theory, policymakers will need to make pragmatic decisions about which sectors to focus on. The idea is to not choose 'winners', but rather 'winning sectors'. Most sensible people understand that, in Pakistan's case, the domestic production of textiles is more important than that of supercomputers. Policymakers need to identify which industries make sense in the context of CPEC and target them accordingly.

Continuing this thought experiment, let's say that policymakers manage to pinpoint which sectors to focus on. The next step would be to decide what level of industrial technology and sophistication of goods is most appropriate. If policymakers choose to focus on textiles, does this mean high-value-added textiles? Should Pakistan produce low-end or high-end sports goods? Does focusing on surgical goods mean continuing to produce low-value-added items that fetch low prices and, in many cases, carry foreign brand names?

The bottom line is that policymakers must make a conscious decision to move up the technology ladder. One way of doing this is for the government to create firm level incentives for investment in advanced machinery based on the technological sophistication of output.

Another way to ensure that Pakistan's technology is upgraded is to focus on technology transfers. It doesn't make sense for Chinese companies producing the lowest-value-added textiles to shift to Pakistan and continue producing at this level while taking advantage of Pakistan's cheap labour and raw materials. Pakistan will merely end up producing the same goods as now, but on a higher scale. Consequently, all CPEC project agreements — including those on establishing industrial zones — should make it mandatory for a minimum level of technology transfer to take place over the life of the initiative.

One perception is that industrial policy (and industry itself) is concerned solely with the welfare of the elite, while any benefits to ordinary citizens are simply a by-product of industrial success (implying, for instance, that more factories mean more jobs). To many so-called proponents of growth, this makes sense: lower labour costs lead to lower production costs, enabling firms to compete internationally. But this loses sight of the fact that a weakened, low-skilled, low-wage labour force will prevent firms from moving beyond the production of low-value-added goods. Both policymakers and industrialists must realise that immediately investing in labour is the only way to adopt new technologies successfully and drive higher growth.

This means that Pakistan's industrial policy model must enable industry to switch from low-skilled to high-skilled labour. In the context of CPEC, policymakers should consider the following. First, stipulate a minimum level of domestic labour for all joint industrial initiatives. Second, create a model that improves working conditions and thereby workers' productivity. Third, ensure that all industrial zones and joint projects automatically include training facilities, with a minimum proportion of these devoted to training women. Fourth, make it mandatory for all industrial zones and joint projects to provide their workers with insurance benefits. In doing so, CPEC could revolutionise a new model of labour in Pakistan.

Finally, CPEC gives both Pakistan and China an opportunity to be at the forefront of a sustainable industrial policy. Despite widespread misconceptions, the fact is that protecting the environment is not only an overwhelming social concern, but also affects bottom-line businesses.

This makes it critical to institute a well-thought-out environmental protection strategy for all CPEC-related industrial projects and activities at the outset. Such initiatives could include imposing a minimum renewable energy requirement as well as very clear environmental requirements.

Equally important would be to develop a separate EPA evaluation process — one that would ensure that all such environmental safeguards remain in place while also fast-tracking CPEC-related projects and activities.

The CPEC initiative could, potentially, transform Pakistan — and its industry in particular. That said, now is the time to sit down and formulate a coherent industrial policy or we may find ourselves trapped in producing the same, low-value-added goods in the future.

https://www.dawn.com/news/1317392

'CPEC TO BRING PEACE, PROSPERITY TO COUNTRY'
Dawn, March 02, 2017

PESHAWAR: China-Pakistan Economic Corridor (CPEC) project was a game changer for the entire region as it would bring peace, prosperity and political stability to the country, said University of Peshawar Vice-chancellor Prof Mohammad Abid.

Addressing a one-day conference organised by China Studies Cell at UoP here on Wednesday, he said that the project would not only generate thousands of jobs for educated and skilled youth but it would also help in generating thousands of megawatts power.

He said CPEC would help in establishing strong academic linkages between the universities of Pakistan and China, according to a statement.

The conference was also addressed by Prof Zahid Anwar, the coordinator of China Studies Cell; Dr Minhas Majeed Khan; Dr Khalid Khan, additional secretary of higher education department; Prof Noor Mohammad, the vice-chancellor of University of Engineering and Technology Peshawar; Prof Naushad Khan, pro vice-chancellor of Islamia College University; Prof Taj Muharram Khan, dean of social sciences; and Dr Mohammad Muhsin, the director of Institute of Management Sciences Peshawar.

The speakers said that China wanted close relations with Pakistan and by 2025 nearly three-fourth of China's petroleum imports would traverse the Indian Ocean and the piracy-plagued Straits of Malacca.

They said that China was helping Pakistan in turning Gwadar into a transit terminal for African, South American and Middle Eastern oil imports.

They said that China's modernisation strategy required access to abundant supplies of energy.

"This context fully highlights the significance of Gwadar, CPEC and One Belt One Road. It will economically integrate Pakistan," they added.

The speakers said that Khyber Pakhtunkhwa was the frontline province in the war against terrorism as its government, citizens and security forces performed duty amid blasts, tears and funerals.

"In this bleak environment CPEC has emerged as a good opportunity. Keeping in view these sufferings, Khyber Pakhtunkhwa deserves to get benefited from the opportunities provided by CPEC," they added.

https://www.dawn.com/news/1317938/cpec-to-bring-peace-prosperity-to-country

CPEC CLAIMS AND DOUBTS
Dawn Mar 02, 2017

On Tuesday, Islamabad heard a series of perspectives on the China-Pakistan Economic Corridor that could be viewed as a case study on the gap between the claims and apprehensions about the project.

At the Council of Ministers' meeting before the formal opening of the 13th summit of the Economic Cooperation Organisation, foreign affairs adviser Sartaj Aziz claimed that CPEC could "galvanise trade opportunities with the ECO region" by acting as a catalyst to boost intra-region trade through greater connectivity. He claimed that CPEC could help the entire ECO region emerge as a "formidable economic bloc" in the world as greater connectivity promoted greater trade and investment flows amongst its member countries.

This is how the tale of CPEC has grown with the telling. What was originally presented as a 'game changer' for Pakistan is now being touted as a 'game changer' for a region consisting of 10 countries.

In the official version, it appears there is no limit to how much change and benefit CPEC promises, while the costs and pitfalls in such a large undertaking are dismissed as the musings of sceptics and pessimists.

But on the same day, across town in Islamabad, two other discussions were under way on the promise and perils of CPEC that had decidedly less ambitious undertones.

In the Senate, during a hearing of the Planning and Development Committee, the chairman voiced apprehension that CPEC may or may not bring the promised benefits, saying "China is our brother, but business is business".

Amongst the many things his committee was told, by staff from the Planning Commission that is tasked with overseeing the details of all CPEC projects, was that only Chinese investors would be allowed to invest in the proposed special economic zones being created under the corridor umbrella. No assurances could be given that Pakistani labour would be recruited to work in the Chinese projects, or that the country would see a revenue windfall.

At another event, organised by a think tank, a Chinese speaker highlighted the “enormous challenges” both China and Pakistan should expect to face, while adding that China would “never like it [CPEC] to fail”. Another speaker underlined the disproportionately expensive financing conditions that come with CPEC projects, adding that these are higher than the conditions at which China has lent to other countries such as Myanmar.

This is where our CPEC conversation stands today. The official claims are almost always met with deep apprehensions about the costs of CPEC financing as well as purported benefits for Pakistan’s economy.

Thus far, official quarters have not been able to put these apprehensions to rest. The government has surmounted much of the route-related controversy that erupted in the early days of the CPEC initiative, but these concerns regarding financial costs and economic benefits continue to bedevil the project.

https://www.dawn.com/news/1317784/cpec-claims-and-doubts

LOCAL INDUSTRY AND THE CPEC PROMISE
The Express Tribune, March 2nd, 2017.

Hasaan Khawar

The China-Pakistan Economic Corridor (CPEC) — a $54 billion portfolio of energy and infrastructure projects — promises to usher in a new era of economic development and growth for Pakistan. However, this could only be possible if Pakistan’s industry reaps benefits from this enhanced connectivity, creating new jobs and boosting exports. Industrial cooperation therefore forms the crux of CPEC and any promised growth in domestic economy hinges on it.

Ironically, industrial cooperation is one area where Pakistan seems least prepared. While policymakers are overly optimistic on CPEC and its potential benefits, local manufacturers, chambers and industry associations appear to be seriously concerned about their future.

The textile industry, for instance, fears the glut of textile goods from Xinjiang to create serious competition in future. The local industry already had to rely on expensive raw material imports in the wake of recent cotton crisis and any increased demand for raw material from neighboring China is going to further raise prices and limit availability.

Similarly, other industries feel that they are going to be eaten up by large-scale Chinese enterprises with significant economies of scale. On environmental front, experts fear that an open-gate policy towards China may bring in dirty industries to Pakistan, resulting in environmental degradation.

While some of these concerns may be well founded, these industries need to realise that openness and globalisation has its own perils and sooner or later they would have to be competitive to withstand any such global threats. But for the government, it is also equally important to think through its own priorities and further the national agenda through a well-articulated industrial policy.

China has developed a long-term plan, encapsulating how it views CPEC. The plan, which seems quite broad and has a positive undertone, is an enabling document merely laying out the general principles of industrial cooperation. If approved without specific details, however, this plan is likely to give significant space to China to pursue its interests.

A closer look at this long-term plan reveals two clear emerging priorities for the Chinese industry — using Pakistan as the source for cheaper raw material and deepening Chinese access to Pakistan's burgeoning middle class turning into an attractive consumer market.

China is planning to simulate textile-led growth in the under-developed province of Xinjiang, where billions of dollars have already been pumped in. Pakistan can very well be a source of raw material for the textile and garments industry cluster in Kashgar Economic Zone.

Not only the CPEC plan makes a mention of it but also emphasises the need for Pakistan to focus on producing top grade cotton yarn to enrich cotton textiles varieties. China has also asked Pakistan for multiple concessions in this regard, such as reduction of border import taxes by half as well as cancellation of export restrictions for products produced in Kashgar and exported via Khunjerab.

In return, China is expected to relax import and export restrictions on Pakistani commodities entering the Kashgar Economic Zone. This would essentially result in seamless flow of cotton crop and yarn into Kashgar, turning into finished goods entering Pakistan destined for international markets. Construction and real estate sector is another area where Pakistan's cement and construction material can be used.

Accordingly, the CPEC plan includes replacing outdated equipment in cement plants in Pakistan, while also focusing on enhancing Pakistan's marble and granite exports feeding into China's construction boom.

To target Pakistani consumers, China is looking to scale up its investment in household appliances sector and under CPEC, a household appliance industrial park is already being planned with Chinese investment near Lahore to produce refrigerators, washing machines, air conditioners, TVs and other small appliances for the Pakistani market. Similarly, China is looking for increasing its exports of finished construction goods such as ceramic tiles to Pakistan, where Chinese tiles already claim more than 50% market share.

These priorities are well aligned with China's own national interests and are part and parcel of its industrial policy. For Pakistani side, however, there is a need to develop a clear understanding of these Chinese priorities amongst policymakers and to form a view on how to safeguard interests of local industries.

For instance, if Pakistan makes timely investments in increasing cotton productivity and starts producing enough cotton to cater for local industry as well as for Kashgar textile cluster, the threat for local industry can very well be turned into an opportunity. Similarly, if local industries are prepared to get into joint ventures with Chinese enterprises, this can result in technology transfer and broadening of industrial base.

There is also a need to look at Pakistan's own industrial clusters and assess how they can benefit by CPEC through potentially accessing Chinese markets and beyond. This should then lead to Pakistan negotiating for preferential access to Chinese consumer markets, as granted to the ASEAN countries. Furthermore, for any industries relocating to Pakistan, there should be an effective environmental safeguards regime in place.

Going forward, the government should adopt a three-pronged strategy for industrial cooperation, focusing on expansion and upgrading of existing industries; deepening the industrial base aiming at creating better forward and backward linkages; and industrial diversification, nurturing new industries leading towards sophistication of export base.

Furthermore, any investment incentives given by Pakistan should prioritise the movement of high value addition and innovative industries and employment to Pakistan, rather than blanket incentives. All of this should then form part of a green industrial policy, promising a sustainable future for Pakistan.

https://tribune.com.pk/story/1343274/local-industry-cpec-promise/

MOOT URGES VILLAGERS TO END PROTEST IN LARGER INTEREST OF THAR
Dawn, March 4th, 2017

MITHI: Speakers at a moot on the China-Pakistan Economic Corridor (CPEC) held here on Friday requested the villagers protesting against Gorano water reservoir to call off their agitation in the larger interest of the region as Tharis would get the most benefit from the project.

They were speaking at the workshop on 'Thar coal and CPEC's social, political and economical effects on Pakistan' organised by the Tharparkar education department at Shaheed Benazir Bhutto auditorium.

PPP MPA Dr Mahesh Kumar Malani said that besides Sindh and Pakistan, Thar itself would get the most benefits from CPEC and expressed the hope that the huge coal deposits and the allied projects would not only help overcome energy crisis, but also usher in a new era of prosperity and progress in the desert region.

He urged people to avoid creating mistrust among general public about the CPEC projects and requested the protesting villagers to end their agitation. He admitted the water reservoir might cause some problems for the villagers but advised them that "we should be prepared to lay down some small sacrifices in the larger interests of Thar".

PPP MNA Faqeer Sher Mohammad Bilalani said that it was the dream of their slain leader Benazir Bhutto to bring prosperity to Thar by exploiting its coal reserves. He hoped that thousands of people would get jobs in the projects being undertaken at Thar coalfields spread over 9,100 square kilometres.

Dr Ghulam Haider Samejo, chairman of the Tharparkar district council, said the time was not far when Thar would turn into a modern region of Pakistan.

He urged Tharis to reject rumours about negative impacts of projects being executed under CPEC and claimed the PPP leadership was trying to allay fears of locals who were protesting against the controversial reservoir.

Retired Brig Tarique Ahmed Lakheer of Sindh Engro Coal Mining Company said the mining firm was busy round the clock to extract coal from Block II of the coalfield and claimed nobody would be affected by the projects, including water reservoir at Gorano village.

He requested elected representatives and members of civil society to encourage the firm's 'sincere endeavours' in coal exploration. The population displaced from Tharyo Halepoto and Sinhari Dars villages would be resettled in model villages being constructed by the firm, he said. He said the villages would have hospitals, schools, reverse osmosis plants and other projects to provide maximum facilities to the local population.

Tharparkar district education officer Naseer Ahmed Jogi briefed the participants about the positive effects of CPEC and urged them to strive for bright future of Thar and the country.

https://www.dawn.com/news/1318230/moot-urges-villagers-to-end-protest-in-larger-interest-of-thar

CORPORATE GOVERNANCE AND CPEC
Business Recorder, 5 March 2017
Azhar Zia-ur-Rehman

The China Pakistan Economic Corridor (CPEC) brings to Pakistan an unprecedented opportunity for not only a turnaround of the economy but also for a great take-off. However, this opportunity does not turn into reality without our determination to overcome a massive challenge. This challenge is competition with the Chinese and other international companies that will come to Pakistan to reap the benefits from CPEC.

The CPEC is much more than a simple network of roads and railroads. Even if it is taken to be just a network of roads and railroads, there will be a huge upstream and downstream set of services and industries that will be required to construct, run, maintain and enhance this network. While Pakistani companies may be dreaming of setting up these industries and offering these services, they are far from capability of doing it.

This capability is despite the financial strength that Pakistani investors may have – it is because of the lack of corporate governance and quality practices and culture in Pakistan and other countries in the region. The laws and codes required for implementing and assuring corporate governance are non-existent in Pakistan. However, Pakistan is not alone in this regard.

The companies laws and corporate governance codes of most countries around the world are weak and concentrate only on legal and financial aspects. The country most advanced in this regard is South Africa. The corporate governance code defined by the South Africa Institute of Directors is commonly known as King IV and has been updated in November 2016.

The other pressing need of the hour is strong information security to protect the government and the corporates from information and cyber warfare. Pakistan does not have an information security framework or even an information security policy.

In the absence of these three vital statutes – a modern company law, a comprehensive code of corporate governance and an information security policy/framework – Pakistani companies cannot compete the foreign companies to win the projects related to the CPEC. In fact, this has already started to happen and there are numerous examples of awarding the vital projects to foreign companies.

Pakistan, therefore, needs a modern companies law, a comprehensive code of corporate governance and an information security policy/framework to enable its corporates to stand up and face the CPEC challenge. The government, in its present state of confusion, can hardly be expected to come up with any of these statutes.

Secondly, even if the government starts working on these statutes, the bureaucracy will take years to frame them and get them approved as laws. Then the setting up of the infrastructure towards implementing these statutes will take a long time. Pakistani companies do not have this luxury of time. They will be wiped out in months. This vanishing of Pakistani companies has started.

The solution is simple. Professionals and trade associations should stand up and make it mandatory for their members to adopt and conform to the international standards and best practices. This is highly achievable. The recent example of mango exporters adopting the international standards could be followed. Similarly, the example of the exporters of surgical instruments of Sialkot is the one, which is worth learning.

What are the minimum set of standards and best practices that Pakistani companies should adopt and implement to be able to compete with international competition?

The first standard is BS 13500:2013 – the code of practice for delivering effective governance of organisations. This is a very simple and effective code that is the only standard for corporate governance and is becoming popular worldwide. This scribe has been involved in the audit and implementation of this code and has witnessed considerable gains in companies that have adopted and implemented it.

The second statute worth adopting is the OECD Principles of Corporate Governance. These six principles were revised as recently as 2015 and help form the basis of the corporate governance framework of any enterprise. It should also provide the basis for the corporate governance code that the government may choose to devise.

The third statute is King IV, the corporate governance code from South Africa. This is a very advanced code and ensures ethical and moral standards that most governments and corporates will not like to come near to. However, companies, specially conglomerates, that adopt it, are bound to experience big benefits.

The above three statutes relate to corporate governance and are listed in increasing level of sophistication. However, even if only the least sophisticated and the minimum statute – BS 13500 – is selected for adoption, it needs some degree of automation to ensure monitoring and control. This scribe has helped automate the corporate governance infrastructures and processes in many companies of various sizes and in some large conglomerates and has witnessed the sighs of relief from respective members of the governing bodies.

Whereas the adoption of and compliance to statutes related to corporate governance is vital, it is not enough in this information age. The most valuable asset of an enterprise is not its tangible assets, nor its human assets – it is its information assets that can be in any form, even human. Weak information security may harm an enterprise more than any other threat may.

All countries are formulating and implementing information/cyber security frameworks. These frameworks contain guidelines not only for the government institutions but also for different sectors of the industry, trade and services. With the present state of affairs in Pakistan, and despite the creation of a new Ministry of National Security, this seems to be a distant happening in Pakistan. The private sector, therefore, must act on its own.

The ISO 27001:2013 standard and its supporting standards provide an excellent starting point for the implementation of information security. However, a flag of caution needs to be raised here. Many certification bureaus have mushroomed in Pakistan as in other countries, that provide ISO 27001 certification in less than a week at a paltry amount. The objective for any company that is serious in safeguarding its information assets should not be the acquisition of ISO 27001 compliance certification, but the genuine protection of its vital information.

This scribe has been involved in the audit and implementation of the statutes mentioned above in many countries and has seen tremendous benefits being derived therefrom. Pakistani companies have no choice but to follow the suit. It is not only a matter of their survival, it is vital for the prevention of a recurrence of the East India Company phenomenon.

http://epaper.brecorder.com/2017/03/05/16-page/855318-news.html

April 2017

NEWS COVERAGE PERIOD FROM APRIL 24TH TO APRIL 30TH 2017

CPEC PORTFOLIO KEEPS INCREASING, BUT DOES IT REALLY ADD VALUE?

The Express Tribune, April 24, 2017

Faran Mahmood

ISLAMABAD: It was January 2017 and a big day for China as the island nation Sri Lanka handed over the Hambantota deep sea port as well as 15,000 acres of its rich agricultural land to establish a new Chinese-operated industrial zone – in exchange of writing-off its $1.1 billion debt.

Sri Lanka’s premier called it a “once in a lifetime opportunity” but there were scores of Buddhist Monks protesting against conversion of their land into a Chinese Colony.

In Myanmar, anti-Chinese sentiments are growing as the Chinese-financed landmark $3.6 billion Myitsone Dam project would cause permanent harm to the dynamic of river settlements – destroying fishery stocks and displacing thousands of villagers.

The question of the hour is: What goes wrong with these billion dollar infrastructure investments by China?

China has emerged as the leading source of development assistance with a focus on infrastructure and energy sector. Developing countries with diminishing foreign reserves are eager to accept such investments without thoroughly working out the business case.

Now we see that in Hambantota, Chinese construction companies have built the world's emptiest airport – not to mention other white elephants such as a five-star hotel, world-class convention centre and a cricket stadium. It is still unknown if these infrastructure investments provided any economic uplift to this poor region.

Similarly, in Myanmar, the wrong dam project was given the go-ahead and by the time the government realised its mistake, it was too late. Now if the project is scrapped, the government has to pay a whopping $800 million to Chinese against costs for conducting feasibility studies. Moreover, China is its biggest trading partner so backing-off from a megaproject deal might not be a good idea.

Similarly, Africans have reservations too, that China has taken proprietorship of their resources without transferring skills and technology and they take away primary goods to sells back manufactured ones.

The key to take away here is to realise that China is no doubt a specialist in building infrastructure but it is primarily the responsibility of the loan-recipient country to conduct extensive project appraisal and feasibility studies.

One solid symptom of a weak business case is a lack of any Private-Public Partnership (PPP) based arrangements in project financing. If the primary funding of any infrastructure project involves only sovereign guarantees with no Special Purpose Vehicle (SPV) to isolate project-based cash flows, it is a 'red flag' that the business case is not market-driven and not lucrative enough for investors.

When it comes to finalising the scope of the China-Pakistan Economic Corridor (CPEC), the government seems to be kicking the can down the road. The portfolio cost has already increased to $62 billion as the brand CPEC has become a magic word that ensures acceptance of any project – relevant or not.

The portfolio is losing its focus and costs are spiralling out of control. We don't see any focus on designing a set of enabling policies that will ensure organic growth (not Chinese-led) of special-economic zones on CPEC routes. At the same time, we also see that projects with good business case (such as Tarbela extension and motorways) are not a part of CPEC but funded by the likes of Asian Development Bank.

Adopting a corridor approach to CPEC means that the government has to engage a wide array of regional stakeholder with possibly conflicting interests. The key strategic bits of the CPEC master plan should be based on our regional trading partners and identifying trade bottlenecks – both hardware (infrastructure) and software (policy blueprints).

This thought process should become a litmus test for proposing a new project in CPEC portfolio. For example, before approving a cricket stadium project as part of CPEC, it is important to ask the question whether developing a stadium add to the CPEC vision of eliminating trade bottlenecks.

https://tribune.com.pk/story/1391814/cpec-portfolio-keeps-increasing-really-add-value/

A GOLDEN OPPORTUNITY
Dawn, April 25th, 2017

Ishrat Husain

INFRASTRUCTURE projects all over the world have a tendency towards cost overruns and schedule delays. Pakistan's implementation record has been relatively worse, irrespective of the form of government or party in power. It is characterised by sluggishness, frequent change of managers, passing on the buck and not accepting responsibility. The recent increase in load-shedding epitomises this trend as the planned addition to generation could not be achieved on time.

To be successful, the China-Pakistan Economic Corridor requires an entirely different approach, ie clear delineation of responsibilities, specific goals and targets, a defined set of indicators along with incentives and penalties for performance and non-performance and finally, transparent accountability. If a beginning is made with CPEC under the sharp scrutiny of the Chinese as well as our own political leaders — both in government and in the opposition — this new paradigm might gradually permeate our bureaucratic nervous system.

At present we have the 'too much too little' accountability syndrome. Honest and competent officers have given up doing their best because of the constant fear of their names and reputations being unnecessarily tarnished by the FIA, NAB, Public Accounts Committee and media, particularly the free-for-all social media. Taking cognisance of these 'allegations and accusations' suo motu, the courts step in and drag the officers into the fray. For such officers, the sensible choice is 'do not commit' and 'do not take any decision'.

On the other hand, those who are complicit in corruption go scot-free with the help of their political godfathers. The National Reconciliation Ordinance, various implicit or explicit compacts, open or secret deals between major political parties, etc have impaired the credibility and the deterrent effect of the accountability process.

In the ultimate analysis, the officers belonging to the group of 'actor officers' may in the short run suffer some temporary inconvenience or dislocation but in the long run, they are better off having amassed so much wealth that they and their next generations can live comfortably in Canada, Dubai and London, etc.

In the event their political godfathers are back in power, they can return and resume their activities. The country hence suffers both ways: firstly, competent and honest officers shy away from doing their jobs leading to a paralysis in decision-making and suboptimal results, and secondly, public resources are utilised for ‘personal gain’ rather than the public good. Implementation is thus either paralysed or attained at a huge cost to the public exchequer.

What needs to be done is well known and documented but no action has been taken by successive political leaderships. Short-sighted leaders with an eye to the next electoral cycle do not find it in their interest to undertake ‘unpopular’ reforms. Only a visionary leader, whose aim is to lift Pakistan into the upper tiers of economic ascendency and make it competitive in the global economy, is capable of bringing about these changes.

Unfortunately, external pressures from the US, World Bank, the Asian Development Bank and IMF have not made much of a dent on our institutions of governance. CPEC provides such an opportunity. Whether it is the ministries, provincial departments or executing agencies, they have to deliver within the time-bound, resource-specified plan agreed with the Chinese government. To meet this goal officials responsible for planning, coordination, regulation and execution of CPEC projects should be:

Selected on merit, technical and/or managerial competence, and integrity rather than on loyalty and connections.

Assured security of tenure until the project’s completion and not at risk of being transferred on the whims of the “competent authority” while the project is being implemented.

Provided requisite resources, autonomy to operate without too much interference, monitored regularly and their performance evaluated against pre-agreed indicators.

Given full support and protection against frivolous accusations and character assassinations.

Held accountable for results and outcomes.

As institutional reforms across the board have been stymied by lack of political will, a more selective approach may be adopted, targeting the ministries, provincial departments and executing agencies involved in the planning, coordination, regulation, supervision and implementation of CPEC projects.

For example, it is a gigantic undertaking to lay the track, and rehabilitate, upgrade and construct the double track extending several thousand kilometres on BOT (build, operate, transfer) basis. This undertaking exceeds Pakistan Railways’ present capacity. Until it is completely restructured and reorganised, and the reforms outlined here put in place, the risks of non-completion, shoddy work and cost and time overruns would remain elevated.

It is useful to remind the political parties that CPEC timelines extend over 15-20 years, and the impact of these reforms may be felt when any of these parties is in power. The consensus reached on them now can benefit almost all the political parties in the form of efficient and expeditious completion of projects without much effort on their part when they assume power. As they say in Urdu: “Paki pakai kheer khanay ko mil jae gee” (we will get ready-made pudding to consume).

These reforms have to be institutionalised and given broad political support and approved by parliament to ensure their continuity even when there is a regime change. They will take an extended period of time to get rooted and any attempt to derail them prematurely would have highly pernicious effects. CPEC projects in the absence of these reforms may cost the nation way beyond current estimates with much lower benefits.

It is important to recognise that the risks are quite high. The reforms will meet obstruction, resistance and may be accepted in principle and on paper, but their substance may be deformed and obfuscated in actual practice. T

hose glib talkers who are going to be the losers in this game may find all kinds of flaws and loopholes in them. They may try to convince the decision-makers that they are being taken for a ride as their powers and authority are being curtailed, that the people of Pakistan have given them the mandate to do whatever they wish and these reforms are in fact an abridgement of that mandate. But my hope against hope is that our leaders will be able to see through this game.

https://www.dawn.com/news/1329120

‘NAVY READY TO FACE CPEC MARITIME CHALLENGES’
Dawn, April 30th, 2017

TAXILA: Chief of the Naval Staff Admiral Mohammad Zakaullah has said that the navy is ready to face challenges in the Indian Ocean after the completion of the China-Pakistan Economic Corridor (CPEC) to ensure a safe and secure maritime environment.

He was talking to newsmen at Cadet College Hasan Abdal on Saturday during the launch ceremony of Captain Asfandyar Ahmad Bokhari’s biography — “Marka-i-Badaber ka Hero (the Hero of Badaber Attack)”.

The late Captain Bokhari was a former cadet of the college, who laid down his life while leading the Quick Response Force in the PAF Camp Badaber operation in September 2015.

The naval chief said trade through the CPEC would place additional premium on Pakistan Navy to ensure uninterrupted maritime activities by protecting flow of maritime traffic and provision of security to sea lanes. A special task force with the title of “Task Force 88” was established to ensure maritime security of the CPEC and the force would protect the port from formal and informal threats, he added.

Admiral Zakaullah said “we are working on capacity-building of manpower and resources as well as collaboration with other countries for joint task forces as the CPEC will magnify the significance of Pakistan’s Navy jurisdiction”.

He said the life and personality of young Bokhari is a role model for the youth, especially those enrolled in military cadet colleges.

https://www.dawn.com/news/1330133

NEWS COVERAGE PERIOD FROM APRIL 17TH TO APRIL 23RD2017
KP, CHINESE FIRMS SIGN 11 AGREEMENTS
Dawn, April 18th, 2017

BEIJING: The Khyber Pakhtunkhwa government on Monday signed 11 memoranda of understanding (MoUs) with Chinese companies for development projects in the province under the China-Pakistan Economic Corridor (CPEC).

According to a press release, MoUs were signed for five projects costing up to Rs60 billion. These projects are related to CPEC Tower, construction of a new bus terminal at Chamkani, Ring Road missing link, Health City at Regi Model Town, and Commercial and Residential Reconstruction Centre.

Local Government Secretary Jamal Shah signed the MoUs on behalf of the KP government. Chief Minister Pervez Khattak, Minister for Local Government Inayatullah and Peshawar Development Authority (PDA) Director General Salim Watto were also present on the occasion.

These projects will be jointly executed by PDA and Chinese companies, the press release said.

The construction of the Ring Road missing link will cost up to Rs12bn while that of the new general bus stand at Chamkani will cost Rs10bn. The construction of CPEC Tower will be carried out at Rs5bn while that of Health City at Regi Model Township is estimated to cost up to Rs22bn.

The initial estimate for the construction cost of Commercial and Residential Reconstruction Centre is around Rs11bn.

PC-1s of these projects are complete, it said. The Chinese authorities will soon visit Pakistan to finalise the execution process, said Mr Watto.

Other development projects are related to information technology, special economic zones, power plants, oil refinery, infrastructure and e-commerce.

Speaking at the MoU signing ceremony, Mr Khattak invited Chinese companies to take advantage of the investment-friendly environment in KP.

“We have set the stage to begin the journey of industrialisation in the province. We need the support of our iron brothers to put the province on the path of development and economic growth,” he said.

Appreciating the One Belt, One Road Initiative, he said the CPEC is its flagship component and stressed that business, cultural and social cooperation between Pakistan and China should be further enhanced.

Mr Khattak said a strong security force comprising 4,500 personnel has been established for the protection of foreign workforce, including Chinese nationals.

While emphasising the importance of the CPEC, China-Pakistan Friendship Association President Sha Zhu Kang said the success of One Belt, One Road initiative is linked with the CPEC, which he termed the pilot project of the grand scheme.

He said the proposed corridor stretching from Kashgar to Gwadar will bring about economic and social progress.

He said Chinese companies are already working in KP and providing job opportunities to a large number of locals.

Ambassador Khalid said that around 86 projects, including those in energy, agriculture and infrastructure sectors, will be presented for investment and cooperation. He said the KP chief minister's visit to China, second in the last four months, underscores the importance of the CPEC and Sino-Pak relations.

The ambassador said all political parties in Pakistan are on the same page as far as Sino-Pak relations are concerned.

He said the CPEC is showing steady progress. Now the Gwadar port is operational and energy and infrastructure projects are being completed in time, he added.

https://www.dawn.com/news/1327627

GOVT, VARSITIES URGED TO PRODUCE SKILLED MANPOWER FOR CPEC
Dawn, April 20th, 2017

HYDERABAD: Experts have urged the Sindh government and public-sector universities to produce skilled manpower for the China-Pakistan Economic Corridor (CPEC) in order to get more benefits of employment opportunities.

They attached great importance to CPEC, saying that it was a game-changer for Pakistan and key to economic development and prosperity of the entire region.

In their presentation of research papers on the second day of the three-day international conference on the "China-Pakistan Economic Corridor: Political, Economic and Social perspectives" at the University of Sindh, Jamshoro, they discussed infrastructural development in villages and remote areas as the corridor plays an important role in connecting communities, markets and institutions.

Noted scholar and analyst Dr Rasul Bukhsh Rais said roads, highways and railways were primary sources for building a nation, but in Pakistan, they were unfortunately ignored in the past. Infrastructure connected people and communities in villages and remote areas with markets, state institutions and the world at large, but it had generally been ignored in the study of national integration, he said.

He pointed out that CPEC had the potential of integrating national economy, generating social and economic mobility for deeper national integration. He said: "We plan to focus on national migration, investments, industrialisation and urbanisation themes as spin-off effects of Pakistan's connectivity with China, Central Asia and the world beyond the Arabian Sea".

Another researcher from Quaid-i-Azam University, Islamabad, Dr Mohammad Ali, said the projects included in CPEC were urban based and the federal government had not taken measures to produce essential human force required to handle this rapid development.

He observed that Pakistan had not identified projects under CPEC to focus on agricultural development. He said: "Pakistan's agriculture sector is nearly stagnant." He said the CPEC projects consisted of energy sector, infrastructure area and economic zone. “CPEC will boost trade activities and create job opportunities in Pakistan,” he added.

Taiwan’s National University Prof Dr Chih-yu Shih talked about how CPEC defies Western international relations theory. He said the sense of togetherness conceived and reproduced by the economic corridor did not reflect Western assumption of anarchy; rather it demonstrated transcendence of sovereign nationhood through reciprocating mutual role expectations.

He said CPEC testified to formation of customised bilateral identities, enabling reciprocity in action, mutuality in self-constitution and togetherness in collective identity that were all increasingly intrinsic to evolving strategic partnership.

Zhejiang Normal University China’s Prof Dr Zhao Zhihui said that Pakistan as China’s neighbour had important strategic meaning to China.

Others who also presented their papers were Dr Charles H. Kennedy from the US, Dr Fazalur Rehman from the Pakistan Council of China (Islamabad), Dr Sarfraz Khan from the Area Study Centre (University of Peshawar), Dr Ngeow Chow Bing from the University of Malaysia, Prof T.U. Erwenjlang T.U. Erxun from the Zhejiang Normal University China and many other national and international scholars.

https://www.dawn.com/news/1328041

‘CPEC TO FILL INFRASTRUCTURE GAP ACROSS ASIA’
Dawn, April 21st, 2017

HYDERABAD: Discussing benefits of the China-Pakistan Economic Corridor (CPEC), speakers on Thursday, the concluding day of a three-day conference, said the corridor would equally benefit Pakistan and China, which would develop their undeveloped provinces of Balochistan and Xinjiang respectively.

Addressing the concluding session of the international conference on the “China-Pakistan Economic Corridor: Political, Economic and Social Perspectives” organised by the Sindh University (SU), they observed that this project would not only lead to prosperity, but also strengthen the economic ties between the two nations.

Addressing the session, Vice Chancellor Prof Dr Fateh Mohammad Burfat said the conference remained successful and it had achieved its objectives as was evident from research and valuable inputs of scholars. He said the SU was focusing on CPEC and producing skilled graduates to accommodate them in the related projects.

“If academic environment in varsities is enabling, it will bring about a change in the attitude of students and take them to the heights of academic and research activities,” he said. He said federal minister for planning and development Ahsan Iqbal on the first day of the conference had promised that he would get mega projects for Sindh University’s development and progress.

Earlier, presenting his research, Dr Shabbir Ahmed Khan of the Area Study Centre, Peshawar University, said CPEC was an important component of China’s version of One Belt One Road (Obor) initiative aimed at filling infrastructure gap across Asia through roads' network, highways, rail links, energy pipelines and seaports by spending around $600 billion to link Asia, Africa and other European countries. He said that Chinese aim was access to Europe by the land route as well as maritime routes.

"China believes relations with emerging powers are important," he said and added that Obor would eventually provide China with overland and maritime access to Europe.

He said: "CPEC would benefit both countries because China and Pakistan intend to develop their underdeveloped areas of Balochistan and Xinjiang."

Another scholar, Mariyam Siddique, said CPEC would bring peace and prosperity and mark an era of affluence as both countries would strengthen economic ties.

"After 2008 financial crises, China had a chance to rebalance its economy and made a shift in economic strategy to move towards 'new normal' to transform economy for suitable growth," she maintained. She said CPEC would be a beneficial tool of China for practical implementation of its dream.

Others who spoke on the occasion were Dr Ravichandran Moorthy, Ross Masood Hussain, Dr Mussarat Jabeen, Dr Ngeow Chow Bing, Dr Chih-yu Shih, Dr Zhao Zhihui and Dr Hamadullah Kakepoto.

Later, the VC gave away shields to scholars and conference's organising committee members.

https://www.dawn.com/news/1328207

'CPEC SERVES IDENTICAL INTERESTS FOR PAKISTAN, CHINA'
Business Recorder, April 21st, 2017

Speakers on Thursday have said that China-Pakistan Economic Corridor (CPEC) serves identical interests for Pakistan and China as both the countries desire to develop their provinces Balochistan and Xinjiang through this project.

They said CPEC construction will bring peace, affluence and prosperity by securing economic ties on the basis of economic interests.

They were addressing at the concluding session of the 3-day international conference on "China-Pakistan Economic Corridor: Political, Economic and Social Perspectives" organized by the University of Sindh Jamshoro.

While addressing the concluding ceremony SU Vice Chancellor Prof Dr Fateh Muhammad Burfat termed the conference as successful and said that he was glad to know from the conclusion report that the moot had achieved its desired objectives as endorsed by the research and policy inputs of various presenting scholars and the ensuing interaction on their presentations.

He said that his university was focusing on CPEC and producing the skilled graduates in order to accommodate them on various projects of the corridor. He said that the culture and environment were man-made which could be changed into a better atmosphere that might benefit the youths.

“If the academic atmosphere in the varsities is made better, it will definitely bring a positive change in the attitude of students and will take them towards academic and research activities”, he said.

Earlie, while presenting his research paper Dr Shabir Ahmed Khan of Area Study Centre, Peshawar University said that CPEC was an important component of China’s version of One Belt One Road initiative which aimed at filling the infrastructure gap across Asia through a network of roads, highways, rail links, energy pipelines and sea ports and to link the Asia, Africa and other European countries.

Another scholar Mariyam Siddique said that the construction of CPEC will bring peace, affluence, prosperity by securing economic ties on the basis of economic interest.

http://fp.brecorder.com/2017/04/20170421171344/

ENEMIES ARE AFRAID OF RAPID IMPLEMENTATION OF CPEC: SHAHBAZ
Business Recorder, April 23rd, 2017

Muhammad Saleem

Punjab Chief Minister Muhammad Shehbaz Sharif Saturday said that work on China-Pakistan Economic Corridor (CPEC) is being carried out speedily but the internal and external enemies of CPEC are afraid of rapid implementation of this game-changer project. While addressing the Punjab-Jiangxi Business Forum-2017 at a local hotel here on Thursday, Shehbaz said, “The critics of CPEC are afraid of development and prosperity in Pakistan. Our neighbor in the eastern border, and some other countries, are unnerved but the CPEC is replying them with its transparency and speed.” Shehbaz said the enemies of the mega project of CPEC should hold their tongues and shut their mouths as it would ensure development in the region. The enemies should listen that we will make this project a success at every cost as it is a guarantor of development and prosperity of Pakistan and the region. Insha’Allah, the CPEC projects would be completed and Pakistan shall complete its journey of development and prosperity and shall also win economic wars with the neighboring countries.

During the Punjab-Jiangxi Business Forum, economic cooperation agreements were signed between the two provinces. Agreements were also signed between the industrialists of both the provinces for promoting bilateral cooperation. Shehbaz said Pakistan and China are great neighbors.

It is devoid of every pressure and constraints and has come up to the expectations every time. China has supported the viewpoint of Pakistan at the UN and other international forums. She is fulfilling its friendship with Pakistan from the day first. During the last 70 years, China has presented different big gifts in the shape of projects, he added.

Shehbaz said holding of business forum is a welcome step as feasible suggestions would come out for the promotion of economic cooperation between Punjab and Chinese province of Jiangxi through this business forum. He said agreements for the promotion of economic cooperation between the two provinces is a welcome step and added that mutual cooperation agreements between the businessmen of both the provinces is also a positive development which would definitely promote economic relations between the countries.

Shehbaz said due to great investment of China, new projects have been initiated to promote infrastructure, transport and other sectors in Pakistan. Similarly, China has also planned Peshawar-Karachi Railway line project.

He said due to the completion of energy projects, the energy crisis would come to an end by the end of this year, ample electricity would be available for the industry, agriculture, livestock and other sectors. He said 1320 MW Sahiwal Coal Power Plant would be inaugurated next month.

This project has broken the Chinese record with regard to its completion in the minimum period of time. He said 250 students are learning Chinese language in Beijing University at the expenses of the Punjab government. These students would act as a bridge after their return to Pakistan between Beijing-Islamabad, Beijing-Lahore, and Beijing and other provinces.

Shehbaz said that Punjab and Chinese province of Jiangxi would be great partners in journey of development and prosperity. Mutual cooperation between the two provinces would be extended in different fields including education, industry, energy, livestock, agriculture and pharmaceutical. He said huge investment options are available in different sectors in Punjab.

Chinese investors can invest in industrial park projects in the Punjab. Textile is an important sector which carries huge investment options. Cooperation can also be extended in pharmaceutical and manufacturing sectors. “We want to collaborate with you which will leave positive impacts on the economic relations of both the countries,” he said.

Member Central Committee of Communist Party of China Lu Xinshe said that economic cooperation between Punjab and Jiangxi should be promoted rapidly as vast options of mutual cooperation are available between the two provinces in different sectors including agriculture, industry and energy. He said Punjab and Jiangxi are both agricultural provinces and they can benefit from each other’s’ experiences. Cooperation in the industrial sector can also be promoted between Punjab and Jiangxi.

“It is my first visit to Pakistan and I have been given tremendous love and affection wherever I have gone. I cannot forget the hospitality and affection of the people of Punjab,” he said. He said that Chief Minister Muhammad Shehbaz Sharif has sped up the work on CPEC and other projects. He said it is the best time to promote economic and trade relations between the Punjab and Jiangxi because time is right, place is right and the leader in the shape of Shehbaz Sharif is also right.

He said that time is right because work is being done on CPEC and One Belt One Road projects. Place is right because Punjab is the most developed province of Pakistan and the best leader is available before us in the shape of Shehbaz Sharif. He said the agreements between the two provinces would promote bilateral economic cooperation. Provincial Minister for Finance Dr Ayesha Ghaus Pasha and DG Commerce of Jiangxi Wang Shui Ping also spoke on the occasion.

http://fp.brecorder.com/2017/04/20170423171932/

NEWS COVERAGE PERIOD FROM APRIL 10TH TO APRIL 16TH 2017
POLICY IMPERATIVES FOR CPEC
Dawn, April 10th, 2017

Ishrat Husain

MOST of the discussion about CPEC has so far focused on financing and future indebtedness but the success of this initiative lies in successful interaction between investment, institutions and policy. What policies are needed to maximise benefits and minimise costs to the country? There are several, but at least six areas need careful design and execution.

Energy policy: The addition of 10,000MW of electricity to the national grid by 2018 would overcome energy shortages. However, it may create unintended adverse consequences for public finances and the liquidity of companies involved in the energy supply chain if other components of the energy policy are not put right.

The circular debt would get worse if the gap between the purchase price of power paid by the distribution companies (DISCOs) and the sale revenues collected by them is not bridged. The uniform tariff rate, transmission and distribution losses and energy thefts, discrepancy in the amounts billed and recovered, and the growing account receivables underpin this problem.

Unless DISCOs are either privatised or restructured as commercial organisations free from political interference, this growing circular debt would end up widening the fiscal deficit. The cost of generation to the end users can be reduced if competitive energy markets and energy exchanges are set up, auctions are held for tariff determination and multiple buyers are introduced instead of the present single buyer model. The National Transmission and Despatch Company would recover only the wheeling charges for the use of their transmission infrastructure.

Industrial policy: The Special Economic Zones (SEZs), industrial parks, etc to be set up along CPEC should be open to Pakistani firms on the same terms as to the Chinese. Land should be allotted on long-term lease rather than outright purchase and the leases auctioned only to genuine, prequalified bidders to eliminate land grabbers and speculators.

In Balochistan, some portion should be reserved for local investors wherever feasible. The lease should incorporate a provision that the allotment would be cancelled if the project is not operational within three years. All infrastructure works — power, gas, water, roads, effluent plants, amenities — should be in place before the possession is passed on.

Pre-feasibility studies should be carried out by SEZ authorities through expert consultancy firms or universities, to provide baseline data and information about the kind of projects that can be established in different zones.

Trade policy: External payments on account of repatriation of profits and debt servicing of CPEC projects would put pressure on the current account. Exports must grow at least 15 per cent annually to meet these new obligations, and remittances have to increase at their historical level.

The exchange rate has to be managed deftly to stimulate new export products, new firms and penetration into new markets, while ensuring that prices of imports of capital goods, machinery and equipment are not hiked up, which would make new investments unattractive. Pakistani and other foreign companies winning competitive bidding should have a level playing field.

Free trade Agreements have to be renegotiated to preserve the comparative advantage of Pakistani exports and tariff quotas introduced to safeguard against material injury to Pakistani manufacturers. Import tariff rates must be gradually reduced to enable Pakistani companies to participate in the global supply chain.

Foreign exchange regime: The current foreign exchange regime is becoming too restrictive for making timely payments to suppliers, vendors and financiers. Further restrictions would only divert inflows towards informal channels, resulting in a vicious cycle. As inflows through official channels recede, and demand for outflows through banking channels at interbank rates rises, the State Bank would have to further tighten external payments, prolong the timing and disallow certain genuine payments to conserve their reserves.

As more payments are pushed to the kerb market, the differential between the official and open market rates would widen. Exporters and remitters would channel their earnings at the higher open market rate, reducing the supply in the interbank market. The increased demand by importers and other consumers of foreign exchange at the lower official rate would lead to a demand-supply disequilibrium.

Market sentiment plays an important role in determining the exchange rate; any hint that outflows on account of payments to the Chinese would lead to further restriction in the foreign exchange regime would erode market players' confidence.

Financial policy: Commercial banks should finance Pakistani companies, either stand alone or in joint ventures with the Chinese companies in collaboration with the infrastructure development fund. This would carefully scrutinise proposals from potential investors, calculate future cash flows, and carry out scenario analysis for risk mitigation. For small and medium enterprises working as sub-contractors to large firms or providing goods and services for CPEC projects, or to establish start-up businesses, existing funds by DFID, USAID, etc should meet this demand.

In Balochistan, southern KP and Gilgit-Baltistan, urban and rural infrastructure projects that link the main highways and motorways under CPEC with the communities should be given priority by their respective set-ups in allocation of development budgets.

Skill development policy: One of CPEC's benefits would be the training and development of skilled manpower. Plans have to be made to assess long-term manpower requirements, both for construction as well as the operational phases of CPEC projects.

Various categories and levels of training programmes have to thus be designed and then assigned to credible, prequalified providers. Particular attention should be given to train youth from backward areas, starting with Gwadar all the way to the Karakoram Highway.

A number of private and non-profit organisations are actively engaged in quality vocational and technical training, mainly in Karachi and Punjab. These organisations should be invited to set up similar facilities in other parts of the country where CPEC projects are being executed.

In addition to this formal training, internships and attachments with Chinese companies working on the projects should be made an integral part of the curriculum. If there is one lasting legacy for which

CPEC should be remembered, it is investment in producing skilled and trained technical manpower with different levels of expertise.

The other missing link in which Pakistan is weak is the institutional capacity, for which a separate analysis would be required.

https://www.dawn.com/news/1325958

GAP IN CPEC PAYMENTS
Dawn, April 11th, 2017

The unusually wide gap in import payments recorded by two different government departments needs an explanation — especially since it appears to be related to CPEC machinery imports. The State Bank has highlighted the discrepancy in its latest quarterly report, saying that the gap between imports recorded at the port, and import payments made from the banks has widened to $3bn for the first half of the fiscal year, where the 10-year average for this gap is more like $1.6bn.

Since a large part of the gap owes itself to the import of machinery for power generation, “it is highly probable that the widening gap between the two import datasets is linked with the CPEC accord” says the report. On the surface, this may appear a somewhat technical issue to most people, but it has deeper meanings, some of which could border on the sinister.

For one, the gap and the subsequent reconciliation exercises launched to bring clarity to it are evidence that the State Bank does not have a clear picture of the inflows and outflows associated with CPEC’s growing presence in the country. This could be one reason why we are unable to generate a clear picture on what liabilities and future outflow burdens are being taken on under the CPEC umbrella.

The lack of transparency is evident because even the central bank, the custodian of the country’s foreign exchange reserves, cannot make the projections so vital to building a medium-term view on the viability of the external sector. But more troubling are the deeper ramifications. How much of this gap is covering misdeclarations in CPEC imports through over-invoicing? The matter is of urgent public interest because ultimately these imports will be paid back from money collected through the power tariffs to be paid by the consuming public.

Once the data is reconciled, there is going to be a large jump in the current account deficit of the country, which has already ballooned to troubling levels. We are assured that the net effect on the balance of payments will be zero, since this will be covered by a corresponding increase in financial account inflows, but those are debt-creating and we will still need a clearer picture on how their repayment obligations will be met.

Meanwhile, a significant amount of damage has already been done to the integrity of our data, and by extension, to the financial credibility of the projects whose import requirements are responsible for this discrepancy. The finance ministry and Planning Commission must do more to ensure that all inflows and outflows under the project are in compliance with the country’s data reporting requirements because they are the primary stakeholders in the economic picture that CPEC is working to build.

If Chinese enterprises have been given a free hand to bypass Pakistani reporting requirements, then this allowance must be withdrawn.

https://www.dawn.com/news/1326132/gap-in-cpec-payments

PRESIDENT MAMNOON INVITES BELARUS TO JOIN CPEC
The Express Tribune, April 12th, 2017.

ISLAMABAD: Pakistan regards Belarus as an important country and is keen to further bilateral relations in various sectors to the mutual benefit of both countries, said Pakistan President Mamnoon Hussain on Tuesday.

Talking to Belarus National Assembly House of Representatives Chairman Vladimir Andreichenko, Hussain welcomed Belarus to join the China-Pakistan Economic Corridor (CPEC) hoping it would quicken the pace of development in the region.

He appreciated efforts of the political leadership of Belarus to promote bilateral relations with Pakistan and hoped that the anticipated visit of Pakistan prime minister to Belarus in August this year would be instrumental in furthering bilateral ties between the two countries.

He said positive developments on economic and political fronts between the two countries had provided solid basis to bilateral cooperation, adding that regular exchange of high-level visits and parliamentary delegations was reflective of growing partnership between Pakistan and Belarus.

The president underlined that there was scope for mutual cooperation in agriculture, pharmaceutical, manufacturing of light machinery, oil and gas sectors between the two countries.

Also speaking on the occasion, Andreichenko said his country was desirous of enhancing bilateral relations with Pakistan and called for launching joint ventures in various sectors to the mutual benefits of the two countries.

He said there was a lot of scope for investment in pharmaceutical sector of Belarus and invited Pakistani pharmaceutical companies to take advantage of the opportunities.

Both countries should work together for increasing bilateral trade as envisaged by the leaders of two countries, the Belarus representative added.

National Assembly Speaker Sardar Ayaz Sadiq, Standing Committee on Foreign Affairs Chairman Sardar Awais Ahmed Khan Leghari and other senior officials were also present.

https://tribune.com.pk/story/1381013/president-mamnoon-invites-belarus-join-cpec/

K-P APPROVES SPECIAL FORCE FOR CPEC
The Express Tribune,13 April 2017

Khyber-Pakhtunkhwa Chief Minister Pervez Khattak has approved the setting up of a security force to protect CPEC and non-CPEC projects and also to provide security cover to all foreign investors landing in the province.

The force would cousist of 4,200 security personnel that would be drawn from the police and various security formations. There would be dedicated perosnnel, while others would be hired on temporary/contractual basis and as the need arises.

The approval was given during a meeting on Wednesday which was chaired by the chief minister during which arrangements for the separate force were finalised.

The force would provide security cover to all foreign investors landing in Khyber-Pakhtunkhwa, escort them during their travel, esure safe journey to their destinations, etc.

Khattak emphasised the need of maintaing close liaison with the security division of Pakistan Army in this regard and directed the authorities concerned to set up cells at the provincial home and tribal affairs department, IGP office and at the offices of DIGs in all districts of the province.

The chief minister tasked the home secretary and IGP to finalise all arrangements required for the establishment of the security force.

He also directed to firm up the cost supported by cogent reasons and assured to clear it within no time.

Khattak said the new force should be organised on the pattern of the Rapid Response Force and it should have a rapid response strategy.

The new force would maintain a linkage with the regular police force and there should be a clear vision for the deployment of the force in all districts.

The force would provide security to investors, industrial zones of the province and need-driven security throughout the province.

The chief minister directed the IGP and home secretary to come up with a clear strategy for raising, rationalising and filling vacant posts and relocation of security personnel from various departments for their induction into the new force.

The provincial government, he assured, would provide resources for force multipliers and necessary equipment.

"The provincial government will give a sketch of the security paradigm in the upcoming road-show in Beijing where it will market its different projects to foreign investors," he said.

https://tribune.com.pk/story/1382217/k-p-approves-special-force-cpec/

CPEC PROMISES THE MOON BUT GWADAR JUST WANTS WATER
Shezad Baloch

The Express Tribune, April 13, 2017

It is hard to imagine going without clean drinking water for 15 to 20 days consecutively, but for the citizens of Gwadar, it is a fact of life. Residents of this coastal city get clean drinking water for just one hour, every two to three weeks. For poor people this means rationing potable water to make it last from one distribution to the next, while for others, those who can afford it, it means forking out six to ten thousand rupees for a water tanker.

“If you come to Gwadar, bring clean drinking water. These days it’s the most valuable gift you can give,” a friend from Gwadar messaged recently. He was joking, of course, but in truth the problem of access to potable water is no joke. And the citizens of Gwadar have been in this situation for decades.

The powers that be in Islamabad seem to think that the multibillion CPEC projects will somehow transform Balochistan and free it from the dual scourges of poverty and insurgency that have plagued the province for years. Politicians and the military establishment initiate ambitious projects with great fanfare, claiming that they will turn Pakistan into the next Asian tiger. If they are to be believed, these $46 billion initiatives have the potential to change the life of every single Pakistani, and the citizens of Balochistan stand to gain the most. Any expression of doubt as to the feasibility of these claims is met with accusations of conspiracy. One notable “wonder project” is Gwadar International Airport. Started in 2002, it is yet to be completed. For the residents of Gwadar the project has yielded nothing but empty promises for over a decade. Is it any wonder that people are skeptical?

At this point, when it comes to such elaborate, ambitious projects, the reservations of the people of Balochistan could fill an entire book. And yet, incredibly, not even the concerns of the elected representative of Gwadar, Mir Hamal Kalmati, are heeded. Islamabad views such reservations as proof that even in the 21st century the people of Balochistan resist development, preferring to place their trust in the tribal system. When it comes to Gwadar, however, such opinions are neither here nor there, since Gwadar is in Makran, a mostly middle class area where there are no tribal chieftains or Nawab Sardars.

Over the years, many people have sought to draw attention to the gravity of the water supply issue in Gwadar. The problem is not new. In fact, it has a decades long and sometimes bloody history. On February 21st1987, three people — a man, a woman, and a child — were shot dead while taking part in a protest to pressure the administration into providing clean drinking water.

Why does this untenable situation persist year after year? It’s not too difficult to comprehend. It can be stated in a single sentence: Over 200,000 people in this port city are in desperate need of access to clean drinking water. And yet for some reason, a solution to this very basic problem has not been forthcoming. Let’s take a look at what the government has been doing to address it.

When the water shortage was brought to the attention of the mainstream media — itself a rare occurrence when an issue concerns Balochistan — the PML-N’s senior leader Ahsan Iqbal responded, rather naively, that his government had approved the construction of a desalination plant capable of producing five million gallons of water per day. That would certainly be an adequate supply of water and the idea itself is a sound one.

If only Ahsan Iqbal had been the first official to announce such a plan. Maybe then people would actually have believed him. What he would have discovered, had there been someone there to enlighten him, is that there were already four desalination plants lying idle in Gwadar district — one each in Jiwani and Pasni, and two in Gwadar city — installed by the PPP-led government back in 2008.

The Balochistan Development Authority (BDA), a department notorious in the province for incompetence, dysfunction and corrupt practices, was assigned the job of installing these plants. The cost for the plant in Gwadar's industrial area was Rs1 billion. It had a capacity of two million gallons of water per day. The other three plants, each with a capacity of 200,000 gallons per day, were installed in the relatively prosperous areas of Pasni, Jiwani and Singhar Housing Scheme, at a cost of Rs200 million each.

The BDA awarded contracts for the plants, machinery was purchased and shifted to Pasni and Jiwani for installation, and work began. But, in typical BDA fashion, the installation itself is yet to be completed. The National Accountability Bureau (NAB) launched an inquiry into the delay in the installation of machinery in the plants, but to no avail.

That was not the end of the incompetence. The government also spent 4.4 million rupees to send four officials to Dubai for training. The plan was that they would return to operate the plants. It has now been nine years and the whereabouts of these trained officials remains a mystery.

And yet the fancy Pearl Continent Hotel in Gwadar has somehow managed to have a desalination plant working successfully for years and is selling 100,000 gallons of drinking water a day to the public health engineering department so that they can supply the people of Gwadar with drinking water.

Ankra Dam, the one dam serving Gwadar and its population of 200,000, dried up and silted years ago. Constructed in 1992 on 17,000 acres, the area it draws from has since shrunk to less than 8,000 acres. Since neither provincial nor federal governments have bothered to construct another dam in the more than two decades since the Ankra Dam began to fail, precious and desperately needed rainwater is left to flow into the sea and goes to waste. Though the government of the day announced plans for the construction of multiple small dams in the Makran region, actual work on those projects never really got off the ground.

The infrastructure in Gwadar is quite primitive, closer to the 19th century in places than the 21st. Electricity is supplied by Iran, people go to Karachi for treatment of even minor diseases, and there are not enough schools and colleges to educate the youth of the region. This begs the question: What exactly is being built in Gwadar? If economic zones, then surely they need electricity for that? And yet the local people don't even have potable water.

It is easy to sit in a mansion in Islamabad, making empty promises. It is even easier to dismiss expressions of genuine concern and criticism as an international conspiracy. The people of Gwadar are in urgent need of water. It is their constitutional right and the government is failing to provide it. Transforming Gwadar into a Pakistani Dubai, New York, or Shanghai can wait. Drinking water for the people of Gwadar cannot.

https://tribune.com.pk/story/1381944/cpec-promises-moon-gwadar-just-wants-water/

GOVT APPROVES $1 BILLION ROAD PROJECTS UNDER CPEC
The Express Tribune, April 13th, 2017.

ISLAMABAD: The federal government approved three new road infrastructure projects of the China-Pakistan Economic Corridor (CPEC) on Wednesday, which will be built at a cost of $1 billion, with the aim of completing the missing links to connect the Gwadar port with Kashgar.

The Executive Committee of National Economic Council (Ecnec) – the body empowered with the highest economic decision-making authority – sanctioned these projects, which will assist in finalising loan agreements with the Chinese authorities.

The projects include a 280km road from Raikot to Thakot at a cost of Rs8 billion, a 210km dual carriageway from Yarik to Zhob worth Rs76.5 billion and a 110km road from Basima to Khuzdar which will cost Rs19.2 billion.

The Joint Cooperation Committee – the CPEC's decision-making body – has already cleared these projects in its sixth meeting held in Beijing. Subsequently, Pakistan submitted a loan request to China for financing of these projects.

Meanwhile, the Ecnec approved two power transmission line projects to evacuate electricity generated at two nuclear power plants in Karachi, along with 1,320 megawatts from Thar coalmines power plant. It sanctioned to lay a transmission line at a cost of Rs21.8 billion for the evacuation of power from Thar's coal-based power plant.

The committee also approved another transmission line project at a cost of Rs5.6 billion to connect Karachi nuclear power plants having 2,200 megawatts generation capacity with the national grid. The two nuclear plants are planned to be completed by 2022-23 under a government-to-government deal with China. Additionally, the Ecnec approved land acquisition project for construction of Faisalabad-Abdul Hakeem motorway at a cost Rs4.3 billion. It also cleared improvement and construction of Jalkhad-Chilas road project worth Rs7.8 billion.

Regarding the Green Line Bus Rapid Transit project, the committee approved a revised proposal at a cost of Rs24.6 billion. The Central Development Working Party had increased the cost of the metro bus project by 52%, in addition to approving changes in its design. The project starts from Karachi's Surjani Town and will go all the way to Saddar, with the federal government funding the undertaking.

Previously, the Ecnec approved 15 projects costing Rs261 billion, including two metro bus projects in Islamabad and Karachi.

The Ecnec also approved Rs16.5 billion project for the construction of a 26km long signal-free road that will connect the city of Islamabad with its new international airport that is being constructed in the suburbs. There will be 10 metro bus stations at regular intervals, while four will be added at a later stage. Even though the new will become operational by August, the metro bus extension project will take an addition 18 months. Furthermore, the committee approved dualisation of the Indus highway from Sarai Gam¬bila to Kohat at a cost of Rs30 billion. At present, the highway is a one-lane road, but is planned to consist of four lanes.

The body also cleared 500-kilovolt Chakwal substation at a cost of Rs6.7 billion, which includes Rs3.8 billion from foreign loans. For the enhancement of transformation capacity, the committee approved a project at a cost of Rs16.5 billion including Rs12 billion for loan.

Meanwhile, compensation of Rs3.5 billion was approved to the affected people of the Mirani dam which was struck by flood of 2007.

https://tribune.com.pk/story/1382029/govt-approves-1-billion-road-projects-cpec/

INDIA 'MUST ADDRESS KASHMIR ISSUE TO BECOME PART OF CPEC'
The Express Tribune, April 15, 2017

Saadia Qamar

KARACHI : National Security Adviser (NSA) Lt-Gen (retd) Nasser Khan Janjua on Friday conditioned India's inclusion in the multibillion dollar China-Pakistan Economic Corridor project to the resolution of outstanding dispute on Kashmir.

"If India wants to become part of the corridor, it must first step forward and resolve Kashmir issue," said Janjua while speaking at the Pakistan Institute of International Affairs.

The topic was: 'Pakistan's Security Environment and Future Projections'. The adviser also addressed the issues of how we are seen in the world, what is the reality behind it, what are our main security challenges and responses and what are the state's future projections.

A large gathering of diplomats, foreign policy analysts and media personnel attended the function.

Janjua said: "The world must tell India to do so. The animosity has to go out of the window – for the sake of wellbeing of the people.

"How long do we need to fight and struggle against the other? Before (eyeing) military and economic interest, it must see and address the human interest and resolve the Kashmir dispute."

The adviser called out for cooperation and not competition, stressing, "The next generation will do it, I hope."

Going further into his talk, he said, CPEC will provide great connectivity to the world.

While addressing the Balochistan issue, he said there had been a change in heart and mind of the people of Balochistan, because of the power of love.

"We address their issues; lick their wounds and concerns of sense of deprivation. These are honoured, valuable people. The insurgents are sitting abroad. They are the only ones left to win over."

Janjua said the government had addressed the root cause of the Balochistan issue which was 'sub-nationalism' and added that while picking up the 'head of the octopus', "we have resolved the issue of lack of integration, sense of deprivation, insurgency and terrorism".

"Largely, as I see insurgency has been marginalised. The state is ready to reconcile with such people, if they come forward and don't hedge on it. They should come forward and equally play their part in the country's politics."

He said Balochistan was the area where the national flag was being burnt, but now once again it was being raised, and added that "we have connected with the people".

Janjua said: "We are a Muslim country, suffering from extremism. Terrorism has made us an insecure county, at the global level. Because we are a nuclear state, other world countries fear that our nuclear weapons may fall in terrorists' hands. Also, we are poor economically. Some view us as playing a double game in case of Afghanistan and by claiming we are supporting the Taliban."

Through the slides, he proved what a beautiful country this is, with mountains, hills and its people. He said, "We are largely misunderstood. We are acting as a frontline state of the world, rendering sacrifices since the last four decades, from the times Afghanistan was invaded and the demise of USSR."

He asked the audience a simple question, "Did we ask the Soviets to invade Afghanistan? Surely, we had nothing to do with that."

On the same note he said, "Nobody send their soldiers to fight the USSR in Afghanistan. Pakistan stood by its neighbour."

Addressing the issues of Fata, Karachi and Balochistan, he said the operations carried out by the armed forces has resulted in lessening terrorists activities like bombings, with great many of these happening in February 2014.

Earlier on he claimed, "Had Taliban been made part of the election process, would they be counting votes or fighting as terrorists? Who lost that opportunity?"

Janjua said, "The fallout of the war against terrorism has greatly affected Pakistani, in huge numbers, with losing as many as 40,000 of its civilian to 5,000 of its armed forces."

https://tribune.com.pk/story/1384233/india-must-address-kashmir-issue-become-part-cpec/

CABLE, WIRE MANUFACTURERS SAY TAX BREAKS UNDER CPEC HURTING INDUSTRY
Dawn, April 16th, 2017

Mubarak Zeb Khan

ISLAMABAD: Cable and wire manufacturers have demanded tax exemptions similar to ones offered to Chinese and other importers.

They said the current exemptions from customs duty and sales tax on the import of wire and cable for CPEC projects promoted imports from China at the cost of local industry.

In the first quarter of the current fiscal year, 88 per cent (or $21 million) of wire and cable imports were originated from China, according to official data.

In the latest budget the government exempted imports and supply of materials and equipment, including electrical wire and cable, for the development of Gwadar port and free economic zones. But these exemptions were not extended on goods produced locally.

Furthermore, the benefits provided to companies in special economic zones only apply to joint venture companies with foreign partners.

Certain customs general orders also discriminate between local and imported wires and cables.

The local manufacturers who have approached the government include Allied Industries (Pvt), Ltd, Atta Cables (Pvt), Ltd, Eagle Cables (Pvt), Ltd, Fast Cable Ltd, H.M. Esmail & Company, Newage Cables (Pvt), Ltd, Pakistan Cables Ltd, Steel Complex (Pvt), Ltd, and Universal Cable Industries.

At the launch of the CPEC, it was announced that China will invest $36bn in the power sector which will benefit electricity cables businesses in Pakistan.

Power plants of 25 megawatts and above are allowed to import wires and cables at a reduced rate of customs and zero sales tax. However, these power projects will have to pay 17pc sales tax in case they buy from local manufacturers. The local manufacturers have also sought zero sales tax to plants of over 25MW.

Most of the primary raw materials for the cable and wire industry are not produced in Pakistan. Duties on raw materials have been on the rise over the years. This has made the local industry less competitive as compared to imports. For example, the customs duty on base metals — copper cathode and aluminum ingot — was 3pc along with additional customs duty of 1pc.

The local industry is also facing low cash flows due to advance tax of 5.5pc at import stage. Since the majority of raw materials are imported and are of high value, advance tax import stage on these items result since huge cash flow blockage.

The industry demands relaxation in this regard to overcome the cash-flow problems.

The local manufacturers also demand 10pc regulatory duty on certain products to provide protection to local manufacturers.

https://www.dawn.com/news/1327208

WHAT CAN GUARANTEE CPEC’S SUCCESS
The Express Tribune, April 16th, 2017

Muhammad Anwar

Every day we read and hear copious media reports about the China-Pakistan Economic Corridor (CPEC) by government agencies and ministries, politicians, economists, businessmen and even common people who aren’t directly doing anything under CPEC. Everybody is concerned about this multibillion-dollar project in Pakistan. We are expecting the Chinese to invest and us Pakistanis to enjoy the fruits of its success.

Many development organisations and agencies are taking part in infrastructure building and many others are taking part in developing energy and other projects to make money in the coming years. When we see the reality of CPEC, prima facie it looks great for the future of Pakistan. But upon careful examination, we can see there are several tricky issues to settle first. It may be hard to believe but the very agencies involved in the development of infrastructure have somehow become a hurdle in the way of smooth flow of trade between China and Pakistan.

Let us take a look at the recent past. In September 2015, Prime Minister Nawaz Sharif inaugurated the Pakistan-China Friendship Tunnels which were constructed by China over the Attabad Lake in Gilgit-Baltistan's Hunza Valley. The Attabad tunnel was supposed to have opened the all-weather road for trade and transit with China. But in less than two months, the border management agencies closed the Pak-China border for four months, disrupting trade and movement of people as per their past practices. Because of harsh weather conditions there isn't sufficient machinery and manpower to keep the road open.

From 1st April 2016 the road to China was expected to be kept open for trade and transit. This border generates massive sums of money in revenue for the government. But since the expected time for opening the border got delayed the Frontier Works Organisation (FWO) was asked to help clear the road. The road was later opened for traffic so that trade cargoes and people could get through.

It is important to recall that during that period of 2016 hundreds of Pakistani citizens were stranded on the Chinese side of the border. The Pakistan Embassy in Beijing had to evacuate them by air and spent millions of rupees in terms of airfare, financial support and hotel accommodation in Kashgar, China. I also found myself stuck in Kashgar for over a week and had to change my travel plans as a result.

It was not until the first week of May 2016 that the road was cleared for traffic. Both traders and the government lost millions of rupees in the wake of this blockade. For at least six months the movement of cargo and people was smooth. The traders in China and Pakistan were thrilled at the prospect of full-time border opening. Many Pakistani and Chinese traders planned their cargo movement via the Sost border.

The cargo movement of many CPEC-related projects was also planned to be carried along the Karakoram Highway through the Sost border. As the season of Kinnow and potato was in full swing, a rich bonanza of export orders from Central Asian Republics was generated which could potentially bring in a huge influx of cash.

Then all of a sudden it was announced that the border would be closed for four months and would next be opened in April 2017. All the export shipments to Central Asian Republics were cancelled and Pakistan lost money as well as opportunity. The Lahore Chamber of Commerce and Industry was cut up over the border closure but no action was taken by the government.

We are already in the middle of April and there is little sign of the border being reopened. Like the previous year, border management agencies are still clearing the road for traffic. The shipments that were supposed to reach Sost on April 1 remained suspended due to uncertainty over the border opening. Truckers on both sides of border are still waiting to get a go-ahead notice.

Similarly, vital cargo of the Dasu dam project could not be transported via the Sost border. And now it will come by sea to Karachi and then move to the project's site. All this means increased transportation costs and longer transit time. Who will pay for this increase? Will it be the Chinese, who are investing in CPEC projects, or the people of Pakistan? The answer is ultimately the people of Pakistan, who will have to bear the extra cost plus bank interest on it.

Several other troubling questions also arise. Why have the country's border management agencies and the FWO not been able to keep the road open during the winter? Though billions of dollars have been invested in the Karakoram Highway infrastructure it seems there are not enough funds available for maintaining safe road conditions. Is the federal government turning up its nose at the prospect of earning millions of rupees every day in terms of revenue? Aren't the trade and transportation activities between China and Pakistan important for the economies of the two states?

What needs to be done is simple. Proper machinery and equipment, in sufficient quantities, should be provided to the border management agencies. Weather-proof living at the border post and other places for the security and management agencies in that area will boost the morale of security officials. It will strengthen their resolve to keep the road open and safe. Pakistan will see huge benefits in terms of revenue. It will also help improve the country's position in the region as an emerging economy.

https://tribune.com.pk/story/1384755/can-guarantee-cpecs-success/

NEWS COVERAGE PERIOD FROM APRIL 3 RD TO APRIL 9 TH 2017
CPEC HAILED AS 'MASTERPIECE' OF PAK-CHINA FRIENDSHIP
Dawn, April 5th, 2017

KARACHI: Sindh Governor Mohammed Zubair has said that the friendship of Pakistan and China will strengthen and grow stronger. He added that the China-Pakistan Economic Corridor project was the great masterpiece of Pak-China friendship and the inclusion of the Karachi Circular Railway in it would contribute to its early and quality completion.

These views were expressed by Gov Zubair while addressing a reception in honour of former chief economist of the World Bank Prof Justin Yifu Lin here at Governor House on Tuesday.

Others who attended the reception included Chinese Consul General Wang Yu, Port Qasim Authority chairman Agha Jan Akhtar and business community members.

Speaking on the occasion, Prof Lin, who is also vice president of the All China Federation of Industries and Commerce, said with the completion of CPEC Pakistan would enter an era of swift economic progress.

Earlier, recalling the role of China, Gov Zubair said that on every trial and tribulation China had not only given assistance to Pakistan with an open heart, but also extended full cooperation and that was why both countries took pride in their exemplary friendship.

"CPEC is the project of development and prosperity of two countries which will also eliminate poverty and unemployment from the region," he said and pointed out that Karachi, due to its important location in the region, would also get many benefits from CPEC.

Karachi being the economic hub of the country was quite conducive for investment he observed.

He said with the restoration of law and order particularly in Karachi, investment was increasing while the government was also extending full cooperation and assistance to businessmen in the province.

He said for the protection of Chinese investors, the government had formed a special security unit.

Meanwhile, Commander of Karachi Rear Admiral Ather Mukhtar called on Sindh Governor Mohammad Zubair at Governor House on Monday, adds PPI.

Speaking on the occasion, the governor said that Pakistan Navy had a great status in the world for its innovative expertise. It was performing duties with sincerity and protecting the ocean borders, besides stopping the drug menace and preventing spread of terrorism in the region, he said.

The governor said that Pakistan's enemies did not want to see CPEC materialise and were trying to spread terrorism in the country through the ocean in an effort to achieve their nefarious designs, but Pakistan Navy was fully capable of frustrating such attempts.

"Pakistan Navy is like strong walls of the ocean, and that is why our ocean boundaries are safe," he added.

He said Pakistan Navy was most sincere and the world respected its professional and technical expertise.

https://www.dawn.com/news/1324859

SEZ NEAR PSM: VALUATION OF LAND TO BE DETERMINED IN CPEC CONTEXT
Business Recorder, Apr 6th, 2017

Mushtaq Ghumman

Pakistan Steel Mills (PSM) Board of Directors (BoD) is scheduled to meet on Thursday (today) in Islamabad to finalise the valuation of 1500 acres of land for establishment of Special Economic Zone (SEZ) near PSM in the context of China Pakistan Economic Corridor (CPEC).

Well-informed sources told Business Recorder that the Board will consider the valuation of land both in accordance with book value and utilisation purposes and it will be up to the board to finalise the price of land.

This issue also came under discussion at a recent meeting of the National Assembly Standing Committee on Industries and Production headed by Asad Umar. There was a general consensus in the meeting that the price of land meant to establish SEC under CPEC was around Rs 7 million per acre.

However, both the Privatisation Commission and Ministry of Industries and Production have left it to the board to take this critical decision as nobody is ready to face National Accountability Bureau (NAB) on this account. The government recently reconstituted PSM Board (after 2013) with participation from the private sector aimed at resolving different pending issues.

PSM management's adhocism shows that the government is not interested in stopping financial bleeding of Rs 3 million per hour and paying salaries to employees without the Mills being in operation. According to the Privatisation Commission, the government is now working on new integrated model to privatise PSM which would comprise settlement of liabilities hovering around Rs 200 billion and make the mill operational.

Insiders claim that federal government is not taking up the issue of 1,777 acres of land allegedly taken over by the Sindh government at National Highway, the market value of which is around Rs 40-50 million per acre). The case of this land is in court and PSM management is reportedly not pursuing it properly.

The Board will also go for revaluation of PSM land measuring 1,508.65 acres classified under “investment property” to be incorporated in the PSM accounts as on June 30, 2015. The Board will also approve appointment of Auditors for the year 2015-16.

PSM has sought permission from the Board to hand over electrical network system of Steel Town and Gulshan-e-Hadeed phase-1 to M/s K Electric with all existing installations free of charge. The board has also proposed handing over water supply to M/s KW&SB with existing water supply network along with installations.

According to sources, the Board will discuss, follow up action on the following points arising out of previous board of directors meetings: (i) natural gas supply pressure reduction/ interruption since June 10, 2015;(ii) fixation of the cost of 930 of acres land handed over to M/s NIP for development of an industrial park at Bin Qasim Karachi;(iii) judgement of June 2, 2014 passed by court of appeal for British Columbia in appeal filed by M/s Sociedade-de-Fomento Industrial Private Limited vs. Pakistan Steel Mills Corporation (Private) Limited; (iv) arbitration case between M/s Sesa Goa and Pakistan Steel Mills before Sole arbitrator appointed by ICC;

(v) payment of outstanding dues of M/s Concord and handing over of COB-1 to COBP;(vi) revision of pay scales and grant of Adhoc Relief Allowance 2015 of Management/ Executive Grade officers of Pakistan Steel effective from July 1, 2015;(vii) revision of basic pay scales and allowances of Management/ Executive Grade officers of Pakistan Steel effective from July 1, 2016; and (viii) payment of ad-hoc relief allowances/ ad-hoc allowances.

The new Board comprises Mumtaz Ali Shah, CEO PSM, Zahoor Ahmad Joint Secretary Finance, Engineer Abdul Jabar Memon, incumbent Chairman BoD who is in mills’ affairs for the last several years, Aamir A. Allawala CEO Techno Pak Telecom (Pvt) Ltd, Raziuddine Chairman BoD KP Oil and Gas Company, Engineer Ashique Ali, General Manager Al-Tech Engineers and Manufacturers Lahore and Asif Khan.

http://fp.brecorder.com/2017/04/20170406164496/

‘CPEC WILL HELP DEVELOP SINDH AND BALOCHISTAN’
Dawn, April 7th, 2017

Shazia Hasan

KARACHI: “We need to focus on three Is — institution, infrastructure and investment,” said Dr Tanveer Ahmed Qureshi, Director General Sindh Board of Investment, while speaking about the per capita GDP being $1,400 while the market size of Pakistan comprises 220 million consumers.

He was speaking at a seminar titled 'Sindh at the crossroad of success through CPEC' aimed at clearing up misconceptions about the China-Pakistan Economic Corridor and also explaining its various aspects.

Held at the Institute of Sustainable Halophyte Utilisation (ISHU), University of Karachi (KU) on Thursday, Dr Qureshi said that Karachi was the backbone of the financial structure of Pakistan since it has two seaports making it a gateway to Central Asia, Africa, Europe and China. He also discussed the special economic zones situated in Khairpur, Bin Qasim, Korangi Creek, Dhabeji, Keti Bandar, etc.

"Pakistan will benefit from investing in transport, energy and industrial sector," he added. "CPEC will not act as a concrete game changer alone. It will bring opportunities for the common people who can then grab them and change the game themselves."

Former federal secretary Fazlullah Qureshi spoke about the railway and sea routes covered by CPEC and their influence on development and improvement of the routes. He mentioned various power projects and transport infrastructure projects including 10 transport projects out of which only two are in Sindh.

"Sindh is a like a surrogate mother, producing power from Thar coal and Bin Qasim, that is being utilised by Punjab," he said.

He talked about the scarcity of quality water available to the people of a province that is producing 70 per cent of the total revenue for Pakistan. "Why can't we divert resources in the social sector? Where does the common man of Sindh lie?" he asked.

He added that CPEC will prove to be a great and historic milestone in the history of Pakistan-China relations, which will not only bring extensive job opportunities to the locals but also bring development in the underdeveloped areas of the country, especially Balochistan and Sindh.

https://www.dawn.com/news/amp/1325356

CPEC A GATEWAY TO PROSPERITY: IQBAL
Dawn, April 9th, 2017

Gwadar: At a seminar organised here on Saturday, Federal Minister for Planning, Development and Reforms Ahsan Iqbal highlighted the policies the government had introduced in the past few years to improve infrastructure, reduce unemployment and end loadshedding, and expressed hope that the China-Pakistan Economic Corridor (CPEC) would be a gateway to Pakistan's prosperity and peace in Balochistan.

"When we came to power in 2013, the infrastructure of the country was in terrible state. There was an energy crisis and a rising unemployment rate. All the roads were in pitiable condition," he said, adding that the government had dealt with these challenges to a large extent.

He said that in 2015, the world believed that Pakistan was the epicentre of global terrorism but that perception changed following an economic overhaul in the country.

"We have changed [much] in Pakistan… from geopolitics to geo-economics… regrettably, this region has been plunged into wars of geopolitics for over 70 years," he said.

Mr Iqbal lamented that nothing could be provided to the masses during these wars.

https://www.dawn.com/news/1325811

KP EYES CHINESE FUNDING FOR CHASHMA IRRIGATION PROJECT
Dawn, April 9th, 2017

Manzoor Ali

PESHAWAR: The Khyber Pakhtunkhwa government is looking to Chinese investors for funding the much-delayed Chashma Right Bank Canal irrigation project in DI Khan district.

The project is among several others to be highlighted during the investment road show to be held in China later this month.

Around 78 projects of 14 sectors and valuing billions of rupees will be presented during the event slated to take place on April 16 and 17 to attract Chinese investors.

The CRBC, a lift-cum-gravity project, will provide perennial irrigation discharge of 73.98 cumecs (cubic meter per second) to irrigate 115,846 hectares of land in DI Khan district.

The project has seen persistent delays over past several years due to lack of funding. Though the project continued to appear in the federal Public Sector Development Programme for many years, allocations for it were nominal.

A project brief available with Dawn says work on the scheme will begin from Chashma barrage and feeder channel and that it will run parallel to the existing Chashma Right Bank Gravity Canal up to 59 kilometers where a pumping station will be installed.

The overall pumping capacity will be 71.72 cumecs of water and that it will be lifted to 19.50 meters for irrigating the land situated at higher elevation on the right side of existing CRBC Gravity Canal up to the border line of Punjab province.

The length of main canal will be 111.25 kilometers and the distributaries network 410 kilometers. Besides, 26 floods carrier channels will also be constructed having a total length of 306 kilometers.

The estimated cost of the project is said to be Rs119.6 billion, while it will be executed in around five years.

The project brief says the KP government can't finance the project on its own due to shortage of funds and therefore, it is looking to donors for assistance to complete the project.

The details show that the 'payback period' of the project will be around eight years.

It says that the feasibility of the project has already been conducted and after completion it would increase agricultural produce in the area and also generate employment opportunities.

It says that the project provides an opportunity for the donor agencies/investors for investment and to recoup the capital investment with healthy profits.

It can be executed through preferably Public Private Partnership (BOOT/BOT) or any other mode mutually agreed by both the parties and this project is open for all the state-owned, state-supported and private entities.

KP will facilitate investors for interaction with relevant agencies and is committed to be the partner of investor by providing all basic infrastructures in execution of the project, it added. On Feb 25, 2016, the Khyber Pakhtunkhwa and federal governments had signed a memorandum of understanding to resolve several contentious issues, including the one about the CRBC project.

Under the agreement, the federal government is to provide 65 percent of the project's funding, while the rest will come from the province's own resources.

https://www.dawn.com/news/1325873

CPEC FEARS
Dawn, April 9th, 2017

Moazzam Husain

AT the start of this year I had raised the question whether the CPEC projects are loans or FDI. My January column in this paper titled 'Chinese investment' had gone on to conclude that overwhelmingly the CPEC funds fell within the definition of FDI.

The successive weeks saw a series of opinion pieces (including some in this newspaper) extensively discuss the loans and repayment obligations 'arising from CPEC' and whether or not the country will be able to afford these. The writers went on to calculate year-wise loan repayment instalments, repatriation of earnings as well as the cost of importing fuel for the power plants.

To my mind these reflect an unnecessary phobia we have in this country about anything involving foreign loans. But more importantly these are trifling details which — regardless of what conclusion the writers reached — potentially take the CPEC discussion in the wrong direction.

To develop a robust and meaningful standpoint on any issue one needs to frame the right questions. So let's look at the strategic logic of these projects once again. As a developing country, Pakistan is going to need tens of billions of dollars of investment to build power generation and transmission capacity. This is not a choice but an urgent and pressing need. In the world of corporate finance, investment projects involve three types of decisions and these decisions are independent of each other.

In other words, each decision is made on its own merit and is self-supporting. The first is capital budgeting where the decision is made (in principle) to buy a capital item (like a power plant). In the next step, the capital structuring is determined, ie what ratio of debt and equity is going to be optimal.

And finally, the financing decision asks who will invest. The project developer's job is to locate equity investors and lenders.

The question of whether the power plants should be in the private or public sector has already been settled in our successive IPP policies many years ago.

The third question is what plant and equipment is needed and whether Pakistan manufactures power generation and transmission equipment? If not, then there should be no quarrel with the fact that the equipment would have to be bought from somewhere abroad.

The fourth question is, what is our preferred choice of fuel? To a large extent, we have opted for natural gas- and coal-fired plants and till such time that new domestic reserves of these resources are discovered, these fuels would need to be imported.

The fifth question is that if you do not wish to create long-term, cross-border debt obligations then there is the option to pay for the equipment up front.

In that case the project developers could be asked to raise local debt to the extent required according to the capital structure, and pay off the equipment supplier all at once and in foreign currency. Equity is always the more expensive form of financing because equity investors seek higher returns than banks. The world over, power projects can only be commercially viable if heavily leveraged.

But as can be seen, the question of debt comes very low down in the investment decision process. And by that time it is almost a foregone and inescapable conclusion that there would be heavy debt involved regardless of whether it comes from Chinese financial institutions or elsewhere.

This cross-border debt comes tied with the equipment. The foreign currency requirements for repayment would be spread over 10 years or so. It carries a reasonable interest rate so there is no cause for alarm.

Tailpiece: Recently in conversation with a prominent economic journalist, I mentioned that Chinese steel giant BaoSteel was planning an industrial park in the Gwadar Special Economic Zone to manufacture and export stainless steel.

The apprehension came back immediately: "How can we be sure they will receive the export revenues in Pakistan and not in China?" This again echoed some of the unfounded fears one hears among our business community. Let me explain why this particular one is untenable.

Most of the costs would need to be borne locally. The cost of the finished product would include ore extraction and haulage of raw material to Gwadar, where it would be melted, rolled and drawn into refined finished product.

All this involves substantial energy, capital and labour costs, most of which which would need to be paid locally. In this type of industry, where margins are wafer thin, these costs may be upwards of 90 per cent of the sales value. Hence it would make little sense for the steel manufacturer to receive payments for sales proceeds in China when most expenses are to be paid in Pakistan.

https://www.dawn.com/news/1325747/cpec-fears

May 2017

NEWS COVERAGE PERIOD FROM MAY 29TH TO JUNE 4TH 2017

DG CPEC CREATED FOR CROSS-BORDER TRANS SHIPMENTS

Sohail Sarfraz

Business Recorder, May 29th, 2017

The Federal Board of Revenue (FBR) has created the Directorate General of China Pakistan Economic Corridor (CPEC) to monitor cross-border transhipments of Chinese imports coming into Pakistan through CPEC to avoid incidences of pilferage during movement of goods meant for such projects. Sources told Business Recorder that the Finance Bill 2017 has proposed setting up Directorate General of China Pakistan Economic Corridor (CPEC).
The role customs department has been considerably enhanced following implementation of CPEC. Directorate General of China Pakistan Economic Corridor would have the mandate to expedite clearances of Chinese imports; exchange of data between Pakistan and China and monitor cross border shipments and transportation of goods under the said project.

One of the key features of setting up Directorate General of China Pakistan Economic Corridor is to check any illegal trade and pilferages during transportation of goods coming for CPEC projects. According to Finance Bill 2017, amendment has been made in Customs Act: (3) after section 3AA, the following new section shall be inserted, namely:-

"3AAA. Directorate General of China Pakistan Economic Corridor.- The Directorate General of China Pakistan Economic Corridor shall consist of a Director General and as many Directors, Additional Directors, Deputy Directors, Assistant Directors and such other officers as the Board may, by notification in the official Gazette, appoint.", it added.

http://fp.brecorder.com/2017/05/20170529183056/

TOP NATIONAL SECURITY BODY REVIEWS CPEC PROJECTS
Dawn, June 1st, 2017

Baqir Sajjad Syed

ISLAMABAD: Amid Beijing's growing concerns about the safety of two of its abducted nationals, the National Security Committee (NSC) on Wednesday reviewed the security of China-Pakistan Economic Corridor projects and Chinese nationals based in the country.

A meeting of the NSC presided over by Prime Minister Nawaz Sharif was briefed about the efforts being made for the recovery of two Chinese-language instructors, who were kidnapped from Quetta's Jinnah Town last week (May 24).

A press statement issued by the PM Office on the committee's meeting did not give the details except for noting that "security for CPEC projects also came under discussion".

The NSC is the highest civil-military coordination forum on matters of national security and defence.

The committee, which besides the prime minister as its head has foreign, defence, interior and finance ministers, National Security Adviser and services chiefs and Chairman Joint Chiefs of Staff as its members, was specially attended by Minister for Planning and Development Ahsan Iqbal and Director General FWO Lt Gen Muhammad Afzal, both of whom are related to CPEC projects.

"The Chinese government attaches great importance to the safety of overseas Chinese citizens and condemns the abduction of personnel in any form," Chinese Foreign Ministry spokesman Lu Kang had said after the abduction incident last week.

The Chinese diplomatic mission in Pakistan had soon after the incident activated its "emergency response mechanism" — an internal response mechanism. The Chinese embassy in Islamabad and the Consulate General in Karachi are working with Pakistani authorities for rescuing the kidnap victims.

Security has been a major concern for the Chinese ever since the CPEC was launched. The establishment of the Special Security Division to a certain extent assuaged the concern. However, those have been renewed after the latest kidnapping episode. The fears have been further reinforced by killing of 10 labourers in Gwadar in a terrorist attack claimed by the Balochistan Liberation Army. The labourers were, however, employed with a non-CPEC project.

The NSC, moreover, discussed internal and external security situation of the country, the press statement said, adding that it expressed satisfaction over the sustained gains achieved from antiterrorism operations, particularly Operation Radd-ul-Fasaad. The NSC expressed serious concern over the atrocities by Indian forces against innocent people of occupied Jammu and Kashmir and resolved to continue its moral and diplomatic support to the Kashmiris.

Earlier, Chief of the Army Staff General Qamar Javed Bajwa called on the prime minister and discussed matters pertaining to operational preparedness of the Pakistan Army.

https://www.dawn.com/news/1336674

CPEC: CALLING THE SHOTS
The Express Tribune, June 2nd, 2017.

Since 2013 when the idea of a China-Pakistan Economic Corridor (CPEC) was first conceived till date, naysayers have directed quite a bit of criticism at this mammoth set of landmark projects. By the time Beijing hosted the 'Belt and Road Forum' much of that criticism began to implode, leaving behind a trail of far-fetched fears.

Calling CPEC a 'debt-trap', the detractors continued to inject toxic trepidations into people's minds. These adverse views — which are lapped up by our antagonistic neighbour — threaten to disrupt Pakistan's economic leapfrog. In this piece I will endeavour to assess some of the broader contours of CPEC's cost-benefit analysis without referring to the economic and financial jargon and make it understandable to the masses and cast off any misgivings about CPEC.

To begin with, the critics must admit, the internationally well-established economic truism, that an underdeveloped and middle-income country must attract foreign direct investment (FDI) to strengthen its ability of producing both exportable merchandise and import substitution products.

This serves as the most significant economic tool for any developing economy, including Pakistan, to overcome the economic shortfalls and address the adverse situation of mounting deficit in its balance of payment schedule.

Pakistan is on the deciding juncture to encourage and promote small and medium size entrepreneurship to flourish under the banner of CPEC. This economic boom will bolster work opportunities for all segments of human resource in Pakistan.

To counter the nefarious narratives of the critics against CPEC, let's first understand that the inflow of the funds from China, now estimated to be $62 billion: (a) $36 billion as Chinese investment in power projects which will add up 7,000-11,000 MW to the national grid by 2018.

This sum will have no direct financial implications on Pakistan's external payment obligations and; (b) $26 billion in a Chinese government loan, dedicated to building infrastructure. Since the inflow of funds as loans and FDI has dissimilar financial implications; therefore, a separate evaluation is direly needed to compute some of the major benefits as under.

Pakistan's economy has severely suffered because of the energy crisis over the last decade or so. A much-needed uptick in power generation under CPEC will help revitalise the worst-affected industrial sectors.

And particularly the cotton textile production and apparel manufacturing, which are the country's largest industries, accounting for about 66 per cent of the merchandise exports and almost 40 per cent of the employed labour force.

It will also help rejuvenate the remotely located cottage industry, small size manufacturing, agriculture and mining industry businesses to become commercially viable and contribute its due share of the GDP, on the one hand, and create more job opportunities in the far-flung areas on the other.

It is a misgiving that the Chinese power companies would be availing higher tariff rates. The National Electric Power Regulatory Authority (Nepra) has not mentioned any such concessions or exemptions and has to act according to its jurisdiction to maintain uniformity.

Similarly, other regulatory bodies will also look after the environmental hazards, avert abuse of dominant positions, ensure recovery of other levies, implementation of labour laws, and above all, the vibrant and robust courts can swiftly act to protect the constitutional rights of the general public as per laws of the land.

The second part, which will be an interest-bearing loan, that constitutes about 40 per cent of the total $62 billion chunk under the CPEC framework will not overburden Pakistan's ballooning current and future foreign payment liabilities, as dreaded by some critics unfamiliar with repayment dynamics.

Pakistan has been borrowing from the IMF at an interest rate ranging from 5 to 10 per cent just to avert the default on external payments in time. Whereas CPEC loan will be carrying an aggregate interest rate of not more than 1.9 per cent per annum and even below, repayable in a period stretched over 25-30 years and even more.

Reimbursement of the loan with markup, which is estimated to be around $1.5 billion per annum, will start in 2019 and after gradual increase would remain within the range of $4.5 to $5 billion even in the peak years. This additional burden on account of CPEC's loan would be quite nominal when compared with its eventual upshots — briefly calculated below.

Pakistan's existing transportation network is quite dilapidated and causing a huge loss of around 3.5 per cent of the country's annual GDP as estimated by the government. According to the IMF, Pakistan's total GDP in 2016 was around $285.153 billion of which 3.5 per cent amounts to $9.98 billion.

Improvement in the transportation network under CPEC will considerably cut down such losses, thereby reducing Pakistan's oil import bill and related transport equipment. Similarly, Pakistan's national exchequer will be earning around $6 to $8 billion a year under toll tax revenue, etc.

Put together, the above two explained sources of income and savings alone will be substantially higher, when matched with the disbursement of loan and debt service liability to China and that too insignificantly spread over a period of 25-30 years and even more.

Furthermore, under the CPEC portfolio, a tourism corridor stretching across 190 kilometres would be constructed in Azad Kashmir — a valley with mesmerising scenic beauty. The CPEC long route — passing through a magnificent landscape in the south and some of the world's most scintillating peaks in the north — will be a great source of tourism. Travel tourism of Pakistan was estimated to the tune of $18.471 billion in 2015, which is likely to swell to $32.702 billion (7.0 per cent of the GDP) and even much more in a few years.

On May 13, China and Pakistan signed a MoU to fund and develop Pakistan's Indus River Cascade which has a potential of producing 40,000MW of power. For CPEC's naysayers, this is yet another rebuttal of their fallacious arguments.

Pakistan is on the cusp of changing its fortunes through the bounties of CPEC and opposing such a colossal economic turnaround on any grounds would be just plain silly.

https://tribune.com.pk/story/1425075/cpec-calling-shots/

NEWS COVERAGE PERIOD FROM MAY 22ND TO MAY 28TH 2017
OPENING UP CPEC
Dawn, May 22nd, 2017

Umair Javed

LAST week, an exclusive published in this newspaper gave some insight into what the Chinese want from CPEC. Furnishing the story are details from a 231-page plan, ostensibly authored by the National Development and Reform Commission of the Chinese government. Once the story broke, it didn't take long for the Pakistani government to issue a vehement denial. The minister for planning and development, and CPEC focal person, Ahsan Iqbal, shot it down, while questioning its veracity and its intention. This, needless to say, was an overreaction; that too is based on a misreading.

The government's reaction to any such story, or more generally all things CPEC, is now fairly predictable. There is a deep-seated desire to regulate the conversation by sharing information as and when considered necessary. Part of this is understandable: large segments of the Pakistani media sphere are perversely irrational and woefully unequipped to discuss economic matters. This will be adequately demonstrated by the ignorance on display in a week's time during the budget session. To avoid what it deems is unnecessary controversy, the government has opted for selective dissemination.

This regulation of discussion is built into the way CPEC has been conceived. It is a top-down plan being financed by an allied country that knows only top-down planning. For it to succeed, noise has to be minimised and institutional hurdles (such as PPRA rules for procurement) need to be limited.

Both the relative secrecy and the almost sacred status of CPEC in Pakistan's policy space are supported by all decision-makers. While there were quibbles around regional inequalities in an initial phase, those conversations have largely been silenced through a combination of partial disclosure and constant back-channel talks, including by Chinese authorities. To use a tiresome cliché, the Pakistani political and military elite appear on the same page when it comes to the corridor and the conversation around it.

It is also easy to understand why all major parties and the military are on board with this strategy: CPEC enables the Pakistani state to bypass a historical roadblock — sufficient mobilisation of capital. To put this into perspective, Pakistan's private-sector investment as a percentage of GDP has averaged around 12 per cent for many years. This is demonstrably insufficient to kick-start growth and provide dignified employment to two million annual labour force entrants. The absence of capital for productive use in Pakistan compares unfavourably to other South Asian economies. Last year, India's investment to GDP ratio was 29pc, while Bangladesh's was 27pc.

Simultaneously, the Pakistani state has also struggled to raise sufficient public-sector investment to address development needs. A persistent lack of bureaucratic capacity and competence, combined with perverse incentives and insufficient political will, means rent-seeking and extraction prevail over systematic, broad-based taxation. Therefore, as a positive shock of sorts, CPEC offers an opportunity to break out of this low equilibrium through its sheer scale and helps resolve a central problem for our governing elite.

By exercising a CPEC-centric vision, and by regulating the conversation around it, leaders from all major parties in Pakistan are fulfilling the paternal aspect of their overall job. This aspect, exhibited by political elites the world over, involves providing a general direction for socioeconomic development, somewhat free from societal demands and interests.

However, paternal guidance in setting the national agenda is only one part of a political party's job. The other, and some could argue, more central task is tempering that paternalism through the representation and aggregation of their electorate's interests. This is particularly true for a country that constitutionally claims to be a federal democracy.

From what we've seen of CPEC so far, the aggregation and input of domestic interests looks to be largely absent. This is worrying for both the moral-ethical foundations of our political system, and for the eventual health of our economy. Recent reports cite growing fears of local businessmen, worried about the influx of Chinese capital and goods. Already smarting from several free-trade agreements, greater integration with the Chinese economy could hamper several segments of domestic manufacturing. There is also mounting concern from labour activists, unclear about the kind of wage and workplace regimes incoming Chinese investment will generate.

Finally, the swiftness and vehemence with which government officials rejected last week's story on the CPEC plan suggest they want to keep a lid on another, far more volatile front: agriculture. If the current version of the plan retains the same core priorities, it means Chinese investment in agriculture, so far kept out of the discussion, will be central to CPEC. It means there will be large-scale land appropriations, new interventions in the agriculture supply chain, and possible disruptions in the way the rural economy currently works.

Unlike businessmen and labour, our governing elite — for better or for worse — cannot ignore a sector that still employs 40pc of the labour force, and still remains the lynchpin of electoral politics.

By refusing to elaborate on CPEC's rollout in Pakistan's rural economy, the ruling party through its lead, and all other political parties, through their pliant acquiescence, are shutting out a politically potent segment of the population. If this continues, the gulf between all those tasked with governing and those they're supposed to represent will widen, opening up the possibility of political instability and conflict.

I am partially sympathetic to the argument of keeping sectional interests (especially privileged ones) out of policymaking. For too long, Pakistan's development agenda has remained hijacked by industrial rent-seekers, tax-evading traders, and rural parasites, who combined have prevented equitable growth and greater redistribution. But the alternative of a Pakistani state elite working behind a paternalistic shroud of secrecy does not inspire much confidence either. CPEC's potential will, in all likelihood, be better harnessed through a more transparent conversation; especially one that offers greater room for discussion and critique.

https://www.dawn.com/news/1334645/opening-up-cpec

CPEC TO PROMOTE MUTUAL TRADE TIES BETWEEN PAKISTAN, CHINA: DASTGIR
Business Recorder May 23rd, 2017

Federal Minister for Commerce Engineer Khurram Dastgir Khan on Monday said that the grand project of China Pakistan Economic Corridor (CPEC) was opening the possibilities of promotion and strengthening mutual trade ties and business activities between businessmen of Pakistan and China.

"The government would soon organise awareness-raising seminars on CPEC project in all the main industrial cities," he said while addressing a meeting of Sialkot business community at Pakistan Sports Goods Manufacturers and Exporters Association (PSGMEA). The Association Chairman Khurram Aslam presided over the meeting. He said, "Promotion of trade and exports was top priority of the country, as the government was successfully removing all the hurdles from smooth way of national economical stability." He announced to facilitate Sialkot exporters at maximum level for arranging foreign trade delegation, besides encouraging them to participate in all the international trade fairs and exhibitions including International Trade Fair to be held in January 2018 in Munich-Germany.

He said, “The government was providing uninterrupted electricity to the industry, and pledged to provide further cheap electricity to them with completion of several new power generation projects. The government is implementing its top agenda of economic growth under dynamic leadership of Prime Minister Nawaz Sharif.”

He said, “Pakistan was negotiating with Ali Baba business company and discussing with the officials concerned to reduce the registration fees for the Sialkot businessmen.” Engineer Khurram Dastgir Khan said, “The government is also making all out sincere efforts to bring international PayPal and other payment gateways to Pakistan very soon, saying that international payment gateway PayPal will start its regular services in Pakistan very soon, as the necessary legislation was being made here under the supervision of State Bank of Pakistan (SBP).”

He also pledged to provide advanced drugs checking scanners to all dry ports in the country, adding that government is taking a very lenient view for exporters and export sector.

Engineer Khurram Dastgir Khan narrated, “The government was also upgrading and updating the old manufacturing technology to flourish and boost export-oriented industries of Sialkot on modern lines as well.”

Central Chairman of Pakistan Readymade Garments Manufacturers and Exporters Association (PRGMEA) Ejaz A Khokhar, PSGMEA Chairman Khurram Aslam, Chairman Sialkot International Airport Limited (SIAL) Malik Muhammad Ashraf, Chairman Sialkot Dry Port Trust (SDPT) Muhammad Haneef Khan, Sialkot business community’s leader Riaz Ud Din Sheikh, former SCCI President Khawar Anwar Khawaja, Haji Aftab Barlas(former SVP of FPCCI) and Professor Safdar Sandal were also present.

http://fp.brecorder.com/2017/05/20170523181207/

CPEC AN OPPORTUNITY TO CONNECT PAKISTANI CULTURE WITH WORLD: MARRIYUM
Business Recoreder, May 24, 2017

ISLAMABAD: Minister of State for Information and Broadcasting, Marriyum Aurangzeb has said that China-Pakistan Economic Corridor (CPEC) is not just a route but an opportunity to connect national heritage and Pakistani culture with the world.

Talking to media persons here at an exhibition on Tuesday, she said that CPEC is an opportunity to take the country to new heights of progress and development, adding that the CPEC will secure the future of youth of the country.

Marriyum Aurangzeb said that provincial governments should join hands with the federal government to portray positive image and national narrative of Pakistan before the world.

She said that terror incidents have increased intolerance among the people affecting the country's national narrative, adding it is time to revive cultural, tourism, heritage and sports of the country. Teachers, media persons and other stakeholders should play their due role in this regard, she added.

The minister said that the government is working for preservation and promotion of national heritage of the country.

Highlighting the role of media, she said it is media which brings Pakistani tradition and cultural to light. She also acknowledged the role of the media in the war against terrorism.

The minister said that promotion of literary and cultural heritage has become the need of the hour as it is the best way to eliminate intolerance and extremism from the society.

She said this year marks the 70th birth anniversary of the country for which the government is implementing a comprehensive plan based on promotion of the national narrative that faded away in the wake of extremism and terrorism.

She said little attention has been paid in the past to children-friendly contents on media which led to a dearth of knowledge among the children of the country.

The minister of state said the incumbent government is laying special emphasis on inculcating cultural and literary heritage of the country in the youth.

She said Pakistan is the land of diverse culture and appreciated valiant people who have courageously fought with the menace of terrorism over years.

Marriyum Aurangzeb said the security situation in the country has significantly improved during the last four years in the wake of incumbent government's policies and sacrifices rendered by the Armed Forces of the country.

http://epaper.brecorder.com/2017/05/24/9-page/877232-news.html

DEBUNKING MYTHS ON CPEC
The Express Tribune, May 25th, 2017.

Recently, quite a few stories have appeared on the China-Pakistan Economic Corridor (CPEC) in both local and international publications. A lot of traction was gained by the cynics of CPEC by reporting factually incorrect information. Consequently, myth spurring on CPEC is on the rise. I am going to take this opportunity to debunk these myths by stating the facts.

A pointless controversy was created on the Long Term Plan (LTP) by a recent article featured in a local English-language newspaper. The report published as 'LTP' in that article was an initial draft by the China Development Bank (CDB) and not a part of the agreed LTP. That article basically cherry-picked information from different sources to present a distorted picture of the LTP. The fact is that the government of Pakistan has prepared its own plan after multiple stages of consultation with provinces, federal ministries and their respective technical groups.

The LTP has been prepared to develop Pakistan in line with the seven pillars of Vision 2025 which are predicated on the notion of inclusive and sustainable development. The main pillars of LTP are connectivity, energy, industries and industrial parks, agricultural development and poverty alleviation, tourism, cooperation in areas concerning people's livelihood and financial cooperation. It was shared with the Chinese authorities following approval by the cabinet.

The Chinese side has given its approval in principle, however, its formal approval is expected by the end of this month, as our Chinese counterparts were occupied by the Belt Road Forum. As soon as we get the official approval from the Chinese side, we will put the LTP on the CPEC website.

One of the biggest myths propagated on CPEC is that Pakistan might become a colony/province of China. Any historian would tell you that colonialism and imperialism are legacies of countries of the global north. China has never invaded any country nor harboured any imperial designs. Cynics point out towards rising trade deficit with China as a reason to show concern on CPEC. The reality is that China's competitiveness in exports is universal and not idiosyncratic to Pakistan. Pakistan's current trade deficit with China is $6.2 billion. In comparison, India's trade deficit with China stands at $47 billion. The US trade deficit with China is $347 billion. Based on these trade deficit numbers, is it appropriate to infer that the US or India are becoming colonies/provinces of China? Certainly not. Similarly, it is ludicrous to make such claims about the Pakistan-China relationship. Both countries respect the sovereignty of each other and CPEC is based on the shared vision of both countries: Vision 2025 and OBOR.

At present, only a few thousand Chinese nationals are living in Pakistan and making a positive contribution towards our economy, the majority of them fall in the category of temporary labour migrants who will return back upon completion of the projects.

In contrast, around 8 million Chinese are living in Malaysia, 400,000 in France; 600,000 in Japan; 900,000 in Canada and over 2.5 million are living in the US. Therefore, to say that Chinese are overtaking Pakistani society is nothing but a farce. Chinese nationals working in Pakistan are our national guests as they are helping us to build a developed Pakistan.

Another myth spread on CPEC is that China is dictating terms to Pakistan and the federal government is not consulting the provinces. The reality is quite the opposite. China and Pakistan work jointly in making an overall planning for a unified development of CPEC projects. In this regard, the Long Term Plan, Transport Monographic Study and respective MoUs guide the policy for CPEC.

All provinces have been consulted and invited to all meetings within Pakistan and abroad for their recommendations and review of CPEC projects. Earlier this month, the chief ministers of all four provinces under the leadership of PM Sharif attended OBOR Summit in China. On 29th December 2016, all CMs participated in the 6th JCC meeting which was held in Beijing.

For institutional arrangement and development of CPEC, the National Development and Reform Commission (NDRC) of China along with the Planning, Development & Reform Ministry of Pakistan have constituted subsidiary working groups of the Joint Cooperation Committee (JCC) on planning, transport infrastructure, energy, Gwadar and industry cooperation.

Since the signing of the MoU in July 2013, six meetings of the JCC have been held. The highest officials of every provincial government are represented in JCC meetings. It is impossible to hide or misrepresent any information on CPEC from provinces. Information on ongoing and agreed CPEC projects is available on the official website of CPEC.

Moreover, the planning ministry is always available to address any queries regarding CPEC. All the Chinese companies involved in CPEC projects are nominated by their government. Therefore, there is no question of favouritism on the part of the government of Pakistan.

Another myth propagated around is that Pakistan is not going to gain any economic benefits from CPEC and it is tantamount to the 2006 Free Trade agreement (FTA) with China. First of all, let me explain that an FTA works out on the basis of demand and supply of market forces.

China enjoys a competitive edge in exports vis-à-vis all other economies of the world, including Pakistan, whereas CPEC is qualitatively different from an FTA. It provides necessary stimulus to kickstart the processes of industrialisation in Pakistan. Without sufficient electricity and adequate infrastructure, it is not possible to carry out industrialisation.

CPEC brings $35 billion investments in energy projects. Alongside coal, clean and renewable energy projects are part of the CPEC energy portfolio. The existing energy policy was made before the CPEC MoU was signed between China and Pakistan. Prior to CPEC, nobody was interested in making investments in our energy sector. At that crucial time, China took a lead and demonstrated to the world that Pakistan is a reliable and secure destination for foreign investments.

Energy investments under CPEC will remove a major bottleneck that is in the way of realising high economic growth. It will reinforce the main grid structure, power transmission, distribution network, and improve power supply. Currently, 14 energy projects are in the implementation stage.

Through CPEC projects, 10,000MW of electricity will be added to the national grid. Only 16,000MW was added to the national grid from 1947 to 2013. Moreover, energy projects under CPEC are not funded by Chinese loans instead they are undertaken in the IPP mode regulated as per NEPRA tariffs. Average cost of these projects is lower than the current cost of production of energy.

Under CPEC, new road and rail networks are to be built in all four provinces to enhance and improve connectivity within Pakistan. In addition to economic benefits of connectivity, social and regional cohesion will increase within Pakistan and in the region. Once energy and infrastructure bottlenecks are addressed, it is estimated that GDP will at least increase by more than 2 per cent from its current trend.

Similarly, one of the important components of the CPEC framework is industrial cooperation. Nine industrial zones were included in it with equal representation of all provinces. The cost of production is steadily increasing for many industries in China due to increase in wages. It is estimated that 85 million jobs will be relocated and countries in the Far East, Asia and Africa are competing for these jobs. Pakistan wants to secure a big share of the relocation of these industries and jobs. Once relocated, this will create a huge demand for labour in Pakistan and enormous employment opportunities will be available for Pakistanis.

In the current projects of CPEC, two thirds of the workforce is Pakistani and only a critical mass of labour force comes from China. This is a great opportunity for the Pakistani workforce to learn and update their skills from their Chinese counterparts. Already a boom in steel, cement and construction industries has created multiplier effects in the overall economy.

Economic benefits of CPEC are net positive for Pakistan. CPEC is a golden opportunity for Pakistan to undo the mistakes of the past and we, as a nation, cannot afford to be complacent about it.

https://tribune.com.pk/story/1418270/debunking-myths-cpec/

NEWS COVERAGE PERIOD FROM MAY 15 TH TO MAY 21ST 2017
CPEC MUST NOT BE POLITICISED, SAYS SHARIF
Dawn, May 15th, 2017

BEIJING: Prime Minister Nawaz Sharif said here on Sunday the China-Pakistan Economic Corridor (CPEC) was open to all countries in the region and it "must not be politicised" as China's President Xi Jinping opened the Belt and Road Forum for International Cooperation by pledging $124 billion for his ambitious new Silk Road plan "to forge a path of peace, inclusiveness and free trade".

Speaking at the plenary session of the two-day forum, themed "Cooperation for Common Prosperity", the prime minister called for building a peaceful, connected and caring neighbourhood by shunning mutual differences.

"It is time we transcend our differences, resolve conflicts through dialogue and diplomacy and leave a legacy of peace for future generations," he said at the gathering, with 29 heads of states and governments and 1,500 delegates in attendance.

Prime Minister Sharif said peace and development went hand in hand, and nothing could pave the path to peace and security more than economic development achieved through regional collaboration.

"The One Belt, One Road (OBOR) signifies that geo-economics must take precedence over geo-politics, and that the centre of gravity should shift from conflict to cooperation," he said.

Mr Sharif emphasised that OBOR negated the logic of polarisation and rejected the encirclement of any country.

Earlier, opening the forum, President Xi Jinping called for abandonment of old models based on rivalry and diplomatic power games.

He used the summit, attended by leaders and top officials from around the world, to bolster China's global leadership ambitions as US President Donald Trump promotes "America First" and questions existing global free trade deals.

"We should build an open platform of cooperation and uphold and grow an open world economy," President Xi said.

China has touted what it formally calls the Belt and Road initiative as a new way to boost global development since President Xi unveiled the plan in 2013, aiming to expand links between Asia, Africa, Europe and beyond, underpinned by billions of dollars in infrastructure investment.

“We must promote the multilateral trade system, establishment of free trade regions and the facilitation of free trade,” the Chinese president said.

President Xi pledged a major funding boost to the new Silk Road, including an extra 100 billion yuan ($14.50 billion) into the existing Silk Road Fund, 380 billion yuan in loans from two policy banks and 60 billion yuan in aid to developing countries and international bodies in nations along the new trade routes.

The heads of the United Nations, the International Monetary Fund and the World Bank are also attending the gathering.

Britain’s Chancellor of the Exchequer (finance minister) told the summit his country was a “natural partner” in the new Silk Road.

India refused to send an official delegation to Beijing, reflecting displeasure with China for developing a $57 billion trade corridor through Pakistan that also crosses the disputed territory of Kashmir.

“No country can accept a project that ignores its core concerns on sovereignty and territorial integrity,” said Indian foreign ministry spokesman Gopal Baglay, adding that there were concerns about host countries taking on “unsustainable debt”.

China plans to import products worth $2 trillion from countries participating in its Belt and Road initiative over the next five years, Commerce Minister Zhong Shan said.

But some Western diplomats have expressed unease about both the summit and the plan as a whole, seeing it as an attempt to promote Chinese influence globally. They are also concerned about transparency and access for foreign firms to the scheme.

“China is willing to share its development experience with all countries. We will not interfere in other countries’ internal affairs. We will not export our social system and development model, and will not impose our views on others,” President Xi said.

“We need joint efforts among Belt and Road countries to boost financing cooperation,” said Zhou Xiaochuan, the governor of China’s central bank. “To sustain the projects, Belt and Road nations should allow companies to play a key role as government resources are limited.”

At the forum, finance ministers from 27 countries, including China, approved principles that will guide project financing along the new Silk Road.

Germany, which was not among the countries that approved the financing guidelines, said its firms were willing to support the Belt and Road initiative, but more transparency was needed.

China has rejected criticisms of the initiative and the summit, saying the scheme is open to all, is a win-win, and aimed only at promoting prosperity.

Some of China's most reliable allies and partners are at the forum, including Russian President Vladimir Putin. There are also several European leaders attending, including the prime ministers of Spain, Italy, Greece and Hungary.

https://www.dawn.com/news/1333247

EXCLUSIVE: CPEC MASTER PLAN REVEALED
Khurram Husain

Dawn, May 18, 2017

The floodgates are about to open. Prime Minister Nawaz Sharif arrived in Beijing over the weekend to participate in the One Belt, One Road summit, and the top item on his agenda is to finalise the Long Term Plan (LTP) for the China-Pakistan Economic Corridor. [See next tab for details on how the plan was made].

Dawn has acquired exclusive access to the original document, and for the first time its details are being publicly disclosed here. The plan lays out in detail what Chinese intentions and priorities are in Pakistan for the next decade and a half, details that have not been discussed in public thus far.

Two versions of the Long Term Plan are with the government. The full version is the one that was drawn up by the China Development Bank and the National Development Reform Commission of the People's Republic of China. It is 231 pages long.

The shortened version is dated February 2017. It contains only broad brushstroke descriptions of the various "areas of cooperation" and none of the details. It was drawn up for circulation to the provincial governments to obtain their assent. It is 30 pages long. The only provincial government that received the full version of the plan is the Punjab government.

For instance, thousands of acres of agricultural land will be leased out to Chinese enterprises to set up "demonstration projects" in areas ranging from seed varieties to irrigation technology. A full system of monitoring and surveillance will be built in cities from Peshawar to Karachi, with 24 hour video recordings on roads and busy marketplaces for law and order. A national fibreoptic backbone will be built for the country not only for internet traffic, but also terrestrial distribution of broadcast TV, which will cooperate with Chinese media in the "dissemination of Chinese culture".

The plan envisages a deep and broad-based penetration of most sectors of Pakistan's economy as well as its society by Chinese enterprises and culture. Its scope has no precedent in Pakistan's history in terms of how far it opens up the domestic economy to participation by foreign enterprises. In some areas the plan seeks to build on a market presence already established by Chinese enterprises, eg Haier in household appliances, ChinaMobile and Huawei in telecommunications and China Metallurgical Group Corporation (MCC) in mining and minerals.

In other cases, such as textiles and garments, cement and building materials, fertiliser and agricultural technologies (among others) it calls for building the infrastructure and a supporting policy environment to facilitate fresh entry. A key element in this is the creation of industrial parks, or special economic zones, which "must meet specified conditions, including availability of water…perfect infrastructure, sufficient supply of energy and the capacity of self service power", according to the plan.

But the main thrust of the plan actually lies in agriculture, contrary to the image of CPEC as a massive industrial and transport undertaking, involving power plants and highways. The plan acquires its greatest specificity, and lays out the largest number of projects and plans for their facilitation, in agriculture.

The plan states at the outset that the corridor "spans Xinjiang Uygur Autonomous Region and whole Pakistan in spatial range". It's main aim is to connect South Xinjiang with Pakistan. It is divided into a "core area" and what they call the "radiation zones", those territories that will feel the knock on effects of the work being done in the core area. The core area includes "Kashgar, Tumshuq, Atushi and Akto of Kizilsu Kirghiz of Xinjiang" from China, and "most of Islamabad's Capital territory, Punjab, and Sindh, and some areas of Gilgit-Baltistan, Khyber Pukhtunkhwa, and Balochistan" from Pakistan. It has "one belt, three passages, and two axes and five functional zones", where the belt is "the strip area formed by important arterial traffic in China and Pakistan".

For agriculture, the plan outlines an engagement that runs from one end of the supply chain all the way to the other. From provision of seeds and other inputs, like fertiliser, credit and pesticides, Chinese enterprises will also operate their own farms, processing facilities for fruits and vegetables and grain. Logistics companies will operate a large storage and transportation system for agrarian produce.

It identifies opportunities for entry by Chinese enterprises in the myriad dysfunctions that afflict Pakistan's agriculture sector. For instance, "due to lack of cold-chain logistics and processing facilities, 50% of agricultural products go bad during harvesting and transport", it notes.

Enterprises entering agriculture will be offered extraordinary levels of assistance from the Chinese government. They are encouraged to "[m]ake the most of the free capital and loans" from various ministries of the Chinese government as well as the China Development Bank. The plan also offers to maintain a mechanism that will "help Chinese agricultural enterprises to contact the senior representatives of the Government of Pakistan and China".

The government of China will "actively strive to utilize the national special funds as the discount interest for the loans of agricultural foreign investment". In the longer term the financial risk will be spread out, through "new types of financing such as consortium loans, joint private equity and joint debt issuance, raise funds via multiple channels and decentralise financing risks".

The plan proposes to harness the work of the Xinjiang Production and Construction Corps to bring mechanization as well as scientific technique in livestock breeding, development of hybrid varieties and precision irrigation to Pakistan. It sees its main opportunity as helping the Kashgar Prefecture, a territory within the larger Xinjiang Autonomous Zone, which suffers from a poverty incidence of 50 per cent, and large distances that make it difficult to connect to larger markets in order to promote development. The prefecture's total output in agriculture, forestry, animal husbandry and fishery amounted to just over $5 billion in 2012, and its population was less than 4 million in 2010, hardly a market with windfall gains for Pakistan.

However, for the Chinese, this is the main driving force behind investing in Pakistan's agriculture, in addition to the many profitable opportunities that can open up for their enterprises from operating in the local market. The plan makes some reference to export of agriculture goods from the ports, but the bulk of its emphasis is focused on the opportunities for the Kashgar Prefecture and Xinjiang Production Corps, coupled with the opportunities for profitable engagement in the domestic market.

The plan discusses those engagements in considerable detail. Ten key areas for engagement are identified along with seventeen specific projects. They include the construction of one NPK fertilizer plant as a starting point "with an annual output of 800,000 tons". Enterprises will be inducted to lease farm implements, like tractors, "efficient plant protection machinery, efficient energy saving pump equipment, precision fertilization drip irrigation equipment" and planting and harvesting machinery.

Meat processing plants in Sukkur are planned with annual output of 200,000 tons per year, and two demonstration plants processing 200,000 tons of milk per year. In crops, demonstration projects of more than 6,500 acres will be set up for high yield seeds and irrigation, mostly in Punjab. In transport and storage, the plan aims to build "a nationwide logistics network, and enlarge the warehousing and distribution network between major cities of Pakistan" with a focus on grains, vegetables and fruits. Storage bases will be built first in Islamabad and Gwadar in the first phase, then Karachi, Lahore and another in Gwadar in the second phase, and between 2026-2030, Karachi, Lahore and Peshawar will each see another storage base.

Asadabad, Islamabad, Lahore and Gwadar will see a vegetable processing plant, with annual output of 20,000 tons, fruit juice and jam plant of 10,000 tons and grain processing of 1 million tons. A cotton processing plant is also planned initially, with output of 100,000 tons per year.

"We will impart advanced planting and breeding techniques to peasant households or farmers by means of land acquisition by the government, renting to China-invested enterprises and building planting and breeding bases" it says about the plan to source superior seeds.

In each field, Chinese enterprises will play the lead role. "China-invested enterprises will establish factories to produce fertilizers, pesticides, vaccines and feedstuffs" it says about the production of agricultural materials.

"China-invested enterprises will, in the form of joint ventures, shareholding or acquisition, cooperate with local enterprises of Pakistan to build a three-level warehousing system (purchase & storage warehouse, transit warehouse and port warehouse)" it says about warehousing.

Then it talks about trade. "We will actively embark on cultivating surrounding countries in order to improve import and export potential of Pakistani agricultural products and accelerate the trade of agricultural products. In the early stages, we will gradually create a favorable industry image and reputation for Pakistan by relying on domestic demand."

In places the plan appears to be addressing investors in China. It says Chinese enterprises should seek "coordinated cooperation with Pakistani enterprises" and "maintain orderly competition and mutual coordination." It advises them to make an effort "seeking for powerful strategic partners for bundling interest in Pakistan."

As security measures, enterprises will be advised "to respect the religions and customs of the local people, treat people as equals and live in harmony". They will also be advised to "increase local employment and contribute to local society by means of subcontracting and consortiums." In the final sentence of the chapter on agriculture, the plan says the government of China will "[s]trengthen the safety cooperation with key countries, regions and international organizations, jointly prevent and crack down on terrorist acts that endanger the safety of Chinese overseas enterprises and their staff."

For industry, the plan trifurcates the country into three zones: western and northwestern, central and southern. Each zone is marked to receive specific industries in designated industrial parks, of which only a few are actually mentioned. The western and northwestern zone, covering most of Balochistan and KP province, is marked for mineral extraction, with potential in chrome ore, "gold reserves hold a considerable potential, but are still at the exploration stage", and diamonds. One big mineral product that the plan discusses is marble. Already, China is Pakistan's largest buyer of processed marble, at almost 80,000 tons per year. The plan looks to set up 12 marble and granite processing sites in locations ranging from Gilgit and Kohistan in the north, to Khuzdar in the south.

The central zone is marked for textiles, household appliances and cement. Four separate locations are pointed out for future cement clusters: Daudkhel, Khushab, Esakhel and Mianwali. The case of cement is interesting, because the plan notes that Pakistan is surplus in cement capacity, then goes on to say that "in the future, there is a larger space of cooperation for China to invest in the cement process transformation".

For the southern zone, the plan recommends that "Pakistan develop petrochemical, iron and steel, harbor industry, engineering machinery, trade processing and auto and auto parts (assembly)" due to the proximity of Karachi and its ports. This is the only part in the report where the auto industry is mentioned in any substantive way, which is a little surprising because the industry is one of the fastest growing in the country. The silence could be due to lack of interest on the part of the Chinese to acquire stakes, or to diplomatic prudence since the sector is, at the moment, entirely dominated by Japanese companies (Toyota, Honda and Suzuki).

Gwadar, also in the southern zone, "is positioned as the direct hinterland connecting Balochistan and Afghanistan." As a CPEC entreport, the plan recommends that it be built into "a base of heavy and chemical industries, such as iron and steel/petrochemical". It notes that "some Chinese enterprises have started investment and construction in Gwadar" taking advantage of its "superior geographical position and cheap shipping costs to import crude oil from the Middle East, iron ore and coking coal resources from South Africa and New Zealand" for onward supply to the local market "as well as South Asia and Middle East after processing at port."

The plan shows great interest in the textiles industry in particular, but the interest is focused largely on yarn and coarse cloth. The reason, as the plan lays out, is that in Xinjiang the textile industry has already attained higher levels of productivity. Therefore, "China can make the most of the Pakistani market in cheap raw materials to develop the textiles & garments industry and help soak up surplus labor forces in Kashgar". The ensuing strategy is described cryptically as the principle of "introducing foreign capital and establishing domestic connections as a crossover of West and East".

Preferential policies will be necessary to attract enterprises to come to the newly built industrial parks envisioned under the plan. The areas where such preferences need to be extended are listed in the plan as “land, tax, logistics and services” as well as land price, “enterprise income tax, tariff reduction and exemption and sales tax rate.”

Chinese troops march as they take part in Pakistan Day military parade. — AFP

One of the oldest priorities for the Chinese government since talks on CPEC began is fibreoptic connectivity between China and Pakistan. An MoU for such a link was signed in July 2013, at a time when CPEC appeared to be little more than a road link between Kashgar and Gwadar. But the plan reveals that the link goes far beyond a simple fibreoptic set up.

China has various reasons for wanting a terrestrial fibreoptic link with Pakistan, including its own limited number of submarine landing stations and international gateway exchanges which can serve as a bottleneck to future growth of internet traffic. This is especially true for the western provinces. “Moreover, China’s telecom services to Africa need to be transferred in Europe, so there is certain hidden danger of the overall security” says the plan. Pakistan has four submarine cables to handle its internet traffic, but only one landing station, which raises security risks as well.

So the plan envisages a terrestrial cable across the Khunjerab pass to Islamabad, and a submarine landing station in Gwadar, linked to Sukkur. From there, the backbone will link the two in Islamabad, as well as all major cities in Pakistan.

The expanded bandwidth that will open up will enable terrestrial broadcast of digital HD television, called Digital Television Terrestrial Multimedia Broadcasting (DTMB). This is envisioned as more than just a technological contribution. It is a “cultural transmission carrier. The future cooperation between Chinese and Pakistani media will be beneficial to disseminating Chinese culture in Pakistan, further enhancing mutual understanding between the two peoples and the traditional friendship between the two countries.” The plan says nothing about how the system will be used to control the content of broadcast media, nor does it say anything more about “the future cooperation between Chinese and Pakistani media”.

It also seeks to create an electronic monitoring and control system for the border in Khunjerab, as well as run a “safe cities” project. The safe city project will deploy explosive detectors and scanners to “cover major roads, case-prone areas and crowded places…in urban areas to conduct real-time monitoring and 24 hour video recording.” Signals gathered from the surveillance system will be transmitted to a command centre, but the plan says nothing about who will staff the command centre, what sort of signs they will look for, and who will provide the response.

“There is a plan to build a pilot safe city in Peshawar, which faces a fairly severe security situation in northwestern Pakistan” the plan says, following which the program will be extended to major cities such as Islamabad, Lahore and Karachi, hinting that the feeds will be shared eventually, and perhaps even recorded.

One of the most intriguing chapters in the plan is the one that talks about the development of a “coastal tourism” industry. It speaks of a long belt of coastal enjoyment industry that includes yacht wharfs, cruise homeports, nightlife, city parks, public squares, theaters, golf courses and spas, hot spring hotels and water sports. The belt will run from Keti Bunder to Jiwani, the last habitation before the Iranian border. Then, somewhat disappointingly, it adds that “more work needs to be done” before this vision can be realized.

The plans are laid out in surprising detail. For instance, Gwadar will feature international cruise clubs that "provide marine tourists private rooms that would feel as though they were 'living in the ocean'". And just as the feeling sinks in, it goes on to say that "[f]or the development of coastal vacation products, Islamic culture, historical culture, folk culture and marine culture shall all be integrated." Apparently more work needs to be done here too.

For Ormara, the plan recommends building "unique recreational activities" that would also encourage "the natural, exciting, participatory, sultry, and tempting characteristics" to come through. For Keti Bunder it recommends wildlife sanctuaries, an aquarium and a botanical garden. For Sonmiani, on the eastern edge of Karachi, "projects like a coastal beach, extended greenway, coastal villa, car camp, SPA, beach playground and a seafood street can be developed."

It is an expansive vision that the plan lays out, and towards the end, it asks for the following: "Make the visa-free tourism possible with China to provide more convenient policy support for Chinese tourists to Pakistan." There is no mention of a reciprocal arrangement for Pakistani nationals visiting China.

In any plan, the question of financial resources is always crucial. The long term plan drawn up by the China Development Bank is at its sharpest when discussing Pakistan's financial sector, government debt market, depth of commercial banking and the overall health of the financial system. It is at its most unsentimental when drawing up the risks faced by long term investments in Pakistan's economy.

The chief risk the plan identifies is politics and security. "There are various factors affecting Pakistani politics, such as competing parties, religion, tribes, terrorists, and Western intervention" the authors write. "The security situation is the worst in recent years". The next big risk, surprisingly, is inflation, which the plan says has averaged 11.6 per cent over the past 6 years. "A high inflation rate means a rise of project-related costs and a decline in profits."

Efforts will be made, says the plan, to furnish "free and low interest loans to Pakistan" once the costs of the corridor begin to come in. But this is no free ride, it emphasizes. "Pakistan's federal and involved local governments should also bear part of the responsibility for financing through issuing sovereign guarantee bonds, meanwhile protecting and improving the proportion and scale of the government funds invested in corridor construction in the financial budget."

It asks for financial guarantees "to provide credit enhancement support for the financing of major infrastructure projects, enhance the financing capacity, and protect the interests of creditors." Relying on the assessments of the IMF, World Bank and the ADB, it notes that Pakistan's economy cannot absorb FDI much above $2 billion per year without giving rise to stresses in its economy. "It is recommended that China's maximum annual direct investment in Pakistan should be around US$1 billion." Likewise, it concludes that Pakistan's ceiling for preferential loans should be $1 billion, and for non preferential loans no more than $1.5 billion per year.

It advises its own enterprises to take precautions to protect their own investments. "International business cooperation with Pakistan should be conducted mainly with the government as a support, the banks as intermediary agents and enterprises as the mainstay." Nor is the growing engagement some sort of brotherly involvement. "The cooperation with Pakistan in the monetary and financial areas aims to serve China's diplomatic strategy."

The other big risk the plan refers to is exchange rate risk, after noting the severe weakness in Pakistan's ability to earn foreign exchange. To mitigate this, the plan proposes tripling the size of the swap mechanism between the RMB and the Pakistani rupee to 30 billion Yuan, diversifying power purchase payments beyond the dollar into RMB and rupee basket, tapping the Hong Kong market for RMB bonds, and diversifying enterprise loans from a wide array of sources. The growing role of the RMB in Pakistan's economy is a clearly stated objective of the measures proposed.

It is not clear how much of the plan will be earnestly followed up and how much is there simply to evince interest from the Pakistani side. In the areas of interest contained in the plan, it appears access to the full supply chain of the agrarian economy is a top priority for the Chinese. After that the capacity of the textile spinning sector to serve the raw material needs of Xinjiang, and the garment and value added sector to absorb Chinese technology is another priority.

Next is the growing domestic market, particularly in cement and household appliances, which receive detailed treatment in the plan. And lastly, through greater financial integration, the plan seeks to advance the internationalization of the RMB, as well as diversify the risks faced by Chinese enterprises entering Pakistan.

Gwadar receives passing mention as an economic prospect, mainly for its capacity to serve as a port of exit for minerals from Balochistan and Afghanistan, and as an entreport for wider trade in the greater Indian Ocean zone from South Africa to New Zealand. There is no mention of China's external trade being routed through Gwadar. Judging from their conversations with the government, it appears that the Pakistanis are pushing the Chinese to begin work on the Gwadar International Airport, whereas the Chinese are pushing for early completion of the Eastbay Expressway.

But the entry of Chinese firms will not be limited to the CPEC framework alone, as the recent acquisition of the Pakistan Stock Exchange, and the impending acquisition of K Electric demonstrate. In fact, CPEC is only the opening of the door. What comes through once that door has been opened is difficult to forecast.

Addendum: Apropos a story titled "CPEC master plan revealed" appearing in Dawn on May 15, Minister for Planning, Development and Reform Ahsan Iqbal has said that CPEC's Long Term Plan is not a project document, rather it "delineates the aspirations of both sides".

"It is a live document and both sides [China and Pakistan] have an understanding to modify it as per the need besides reviewing it periodically," Mr Iqbal claimed on Monday.

https://www.dawn.com/news/1333101

PROTECTING THE CPEC WORKFORCE
The Express Tribune, May 16th, 2017.

It may seem a tad premature to blame last week's back-to-back terror attacks in Balochistan's Gwadar and Mastung districts on India in view of that country's open hostility to the China-Pakistan Economic Corridor (CPEC) and its refusal to be part of it, despite the goodwill shown by Beijing. Such contentions — as made by Defence Minister Khawaja Asif before media representatives on Sunday — usually miss the mark, because historical records indicate that there are several locally-based outlawed groups working to sabotage not just CPEC but everything remotely connected to development in the province.

Whether these groups are linked to India or not, we must first satisfactorily determine who executed the 10 ethnic Sindhi labourers in Gwadar as well as the suicide attack earlier on a convoy of the Jamiat Ulema-e-Islam-Fazl in Mastung that targeted the deputy chairman of the Senate. And if the investigations and evidence prove the defence minister's suspicions right, Islamabad would be well within its rights to point the finger at New Delhi and take up the case at international forums.

Until then, however, it would be advisable to tamp down any suggestion of foreign involvement — a tactic more suited to a political constituency than a diplomatic platform. It is critical for Pakistan to be seen as a credible and responsible state that would only make claims about its hostile neighbours if the same were verifiable.

Much has to be done about the safety of workers, both local and foreign, in Balochistan especially those engaged in CPEC-related projects. The head of the Pakistan Institute of Labour Education and Research has recommended that the provincial authorities in Sindh and Balochistan work out an agreement in conjunction with nationalist groups so as to ensure no harm comes to migrant workers as they perform duties in other provinces.

The law-enforcing agencies will have to play their part and their job description will have to be expanded to cover life and property protection of the CPEC workforce. The labourers slain in Gwadar were working on a road project linked with CPEC. Prime Minister Nawaz Sharif has vowed to foil all conspiracies against the economic corridor and provide foolproof security to the Chinese personnel working in Pakistan. A similar pledge should also be made for local workers.

https://tribune.com.pk/story/1410477/protecting-cpec-workforce/

CPEC SHOULD NOT BE MADE CONTROVERSIAL: AHSAN

Dawn, May 19th, 2017

LAHORE: Federal Minister for Planning and Development Ahsan Iqbal says the China-Pakistan Economic Corridor (CPEC) shouldn't be made controversial as it will bring about sustainable prosperity in Pakistan.

"CPEC should be implemented in letter and spirit instead of being made controversial," the minister said while talking to the media after attending the 14th CEO Summit Asia, titled "Reshaping the Future: Build Greater Pakistan—Success Story of Punjab" organised by the CEO Club Pakistan, in collaboration with the Board of Investment and Planning Commission, here at a local hotel.

Responding to the media queries, the minister said Pakistan had presented a long-term plan on CPEC that would be approved by China. It's mega project that would give a boost to the country's development. He termed presence of all the four chief ministers in China during the recent visit of Prime Minister Nawaz Sharif a good sign.

Mr Iqbal said the government had allocated Rs100bn for the public sector development programmes.

Earlier, speaking at the conference, he dispelled various misconceptions about CPEC and requested the business community to actively take part in the plan.

In her address, Punjab Finance Minister Dr Ayesha Ghaus Pasha termed the unity of all provinces and stakeholders necessary to get real benefits of CPEC. She said due to better security and law and order situation, gradual decrease in the energy crisis, good infrastructure and provision of skilled labour force in Punjab had increased confidence of investors in the government.

"There is a rising trend of public-private partnership in Punjab that is playing a major role in its growth," she said.

Other speakers included Governor Rafique Rajwana, CEO Club's President Ijaz Nisar, Kansai Paint Chairman Agha Zafar Abbas, Descon CEO Amir Niazi and TCS chief Khalid Nawaz.

https://www.dawn.com/news/1334006

CONNECTING THROUGH CPEC
Dawn, May 21st, 2017

Muhammad Amir Rana

THE Belt and Road Forum held in Beijing was an international media highlight. Meant to increase international cooperation, the event has triggered debate on the prospects and challenges for nations that may potentially join the One Belt, One Road (OBOR) initiative — a debate that will shape policy opinions in those countries in the coming weeks and months.

The forum was also an important occasion for Pakistan; the China-Pakistan Economic Corridor was highlighted as a flagship project of the larger OBOR initiative. The upcoming summit in Astana of the Shanghai Cooperation Organisation (SCO) in June will be another such occasion for Pakistan. Many in Pakistan have already started reviewing CPEC and the Pak-China geo-economic alliance afresh. It seems that Pakistan will remain a key focus in the discourse on regional economic and political affairs and alliances.

In his keynote address at the Belt and Road Forum, President Xi Jinping stressed that OBOR is for economic development and free of any political agenda. Prime Minister Nawaz Sharif's speech echoed this stance when he invited other countries to join CPEC. These assertions notwithstanding, the strategic aspects of OBOR are still expected to dominate the debate on this forum as well as the upcoming SCO summit, which primarily aims at dealing with common security challenges.

The SCO summit will be significant because India and Pakistan are likely to become full members this year — an interesting development in many ways, particularly in the context of the China-led OBOR initiative. India and Pakistan have divergent positions on OBOR. Pakistan sees CPEC as a flagship project of the Chinese dream of connectivity. India boycotted the Forum in Beijing, failing to conceive of an idea parallel to competing with China. It is not certain if the Indian and Pakistani prime ministers will meet on the sidelines of the SCO summit, but if it happens it will be a major highlight of the event.

OBOR is a non-political development initiative. But when President Xi declares that a peaceful and stable environment is essential for success, it brings strategic questions into the debate. The SCO is not a strategic forum; it was created to respond to non-traditional security threats. Dominated by China and Russia, the SCO scope has expanded to pacify interstate tensions as it has some leverage in Central and South Asia.

The SCO summit will mean different things to different nations. For China, it's another opportunity to take into account the other countries' concerns and interests. India will come with a diplomatic posture compatible with that of a big power, and may try to reduce the deficit of not attending the OBOR forum. India will obviously try to assert diplomatic pressure on Pakistan, and it has specific issues for this purpose. Iran, an observer in the group, will continue lobbying for the full membership, which Russia will support. President Tayyip Erdogan is also willing to have Turkey join the organisation. If he succeeds, it will be another step towards transforming SCO into a strategic alliance.

For Pakistan, the summit in June is another opportunity to capitalise on its geo-economic and political interests by expanding cooperation with SCO states to combat common security threats including the militant Islamic State group and other terrorist outfits. Most importantly, it can showcase CPEC as a joint economic venture to the Central Asian states. In terms of trade cooperation between China and OBOR countries, Pakistan stands among the countries with high potential in terms of trading volume and rapid growth — it should focus on this economic potential.

India and Afghanistan are two major challenges that make it difficult for the country's establishment to put geo-economics ahead of geostrategic considerations. Pakistan's security and political leaderships have offered India the opportunity to join CPEC. Whether or not India responds positively, a debate on CPEC's prospects has already started in India. The leadership of India-held Kashmir also sees CPEC as an opportunity for economic growth and expansion of its markets to Central Asia. Chief Minister Mehbooba Mufti has already stated that CPEC could make the region a hub of emerging economic opportunities.

For Pakistan, connectivity with India through CPEC can also help it to make progress on contentious issues, including Kashmir. Afghanistan, being central to Pakistan's future geo-economic prospects, can still be engaged — although it has shown interest in joining CPEC, the full potential of this has yet to be explored. Iran and the Central Asian states can also become part of CPEC, activating a portion of the Silk Route via the Karakoram Highway and railway links, which will require new transit agreements.

For China, CPEC is important for the OBOR initiative. Regional peace with a stable Afghanistan is a prerequisite for its success, which is why it was helping Kabul in the peace process. Although Pakistan cannot guarantee peace in Afghanistan — the country has many destabilising factors other than the Taliban — it can at least extend full support for peace negotiations, which is important for Pakistan's own global image. Pakistan can negotiate joint transit trade agreements with Afghanistan, Tajikistan, Uzbekistan and China. It will provide some alternative economic vision to Afghanistan. Once, this was the dream of Afghan president Ashraf Ghani as well, but Pakistan was not a part of it.

For Pakistan, CPEC is important for economic connectivity with South and Central Asia, and the SCO is essential for security connectivity. One cannot ignore the internal dimensions either. CPEC can become an economic development model for OBOR countries, but only if internal consensus remains intact. The government is responsible for chalking out a strategy to keep all of the country's stakeholders on board and make all of the processes transparent. The Ministry of Planning, Development and Reform has to arrange weekly or fortnightly media briefings on developments of CPEC projects, and it would be more productive if such briefings were arranged at different chambers of commerce rather than in the bureaucratic atmosphere of the official secretariats. The government must not ignore the internal front if it wants to maximise the advantages of CPEC at the regional level.

https://www.dawn.com/news/1334436

NEWS COVERAGE PERIOD FROM MAY 8TH TO MAY 14TH 2017
LINKING CPEC TO SUSTAINABLE NATIONAL DEVELOPMENT
Dawn, The Business and Finance Weekly, May 8th, 2017

Zulfiqar Qazilbash

The much improved CPEC-related infrastructure projects will help develop industrial capabilities that can provide large-scale skilled employment, increase manpower productivity and raise per capita earnings.

The improved infrastructure will increase trade and cause an economic boom but, in the absence of enlightened legislation and structural changes in the economy, most of this will benefit a very narrow and connected business class.

Infrastructure spending alone cannot be relied on to move an economy of 200 million into the middle to high income territory in an inclusive manner. That requires masterminding a consistent increase in manpower productivity and orchestrating the transition from an agriculture-led, low value addition, economy to an industrialised one with higher value addition achieved though enlightened interventions.

For this systemic societal issues which restrict productivity must be addressed. These issues consist of education, skills development and healthcare; enabling policies that improve the ecosystem and encourage private sector investment; increasing the size of the formal economy; empowering women empowerment, etc.

For national development in key elements the development plan could include:

Public private partnerships: Improving infrastructure in Punjab and Sindh makes economic sense if you want to leverage what already exists. However you can't write off the lesser developed areas and the government needs to propose a plan on how these will catch up.

Private sector participation will guarantee sustainability but our private sector doesn't have the investment capacity or risk appetite to do it alone. The government needs to play its part to make the investment environment for industries more attractive than the real estate and stock market.

This includes providing research and development credits and technical assistance for existing SMEs that want to upgrade.

Inclusive agenda: The best way to ensure security and sustainability of CPEC projects is by vesting economic interests in local communities. Some of the gains from the industrial zones and transportation hubs need to flow into local communities perpetuating inclusivity.

There are now many successful internationally applied partnership models that involve community participation for infrastructure development which have reduced labour and other costs.

Brain drain: Pakistan has suffered from brain drain with its best educated minds being forced to go abroad due to the paucity of opportunities in the country. It would do well to offer incentives to harvest the crop of many senior, internationally experienced, expatriates who would be willing to relocate to Pakistan for the right opportunity.

Taiwan is one of many examples of a country that successfully created a whole new industrial sector that propelled its economic growth and for which it primarily depended on its returning expatriates for technical and managerial know how.

Energy: To reduce the import bill hydro and solar projects must be preferred, particularly hydroelectric projects that help build water reservoirs to address increasing water scarcity issues. In ten years' time, Pakistan is projected to face severe water scarcity which has yet to be effectively addressed.

An increasing quota on CPEC transportation should be set for hybrid and electric vehicles so that the project can be used to reduce dependence on oil which will otherwise drag on our foreign exchange reserves and hence, the economy.

The present opportunity to bundle CPEC projects with a coordinated national development plan that provides solutions to Vision 2025, should not be missed.

https://www.dawn.com/news/1331734

CPEC COST-CUTTING
The Express Tribune, May 8th, 2017.

The Pakistani government has concluded that it is paying its contractual employees too much money for their expertise and labour on projects related to the China-Pakistan Economic Corridor (CPEC).

The Accountant General of Pakistan Revenue (AGPR) and the finance ministry have begun implementing a maximum salary cut of 33 per cent, which yields a high range. This is a prime example of a backwards government; instead of incentivising jobs for recruiting top talent and promising opportunities for growth — which is in the best interest of a developing country — the message being projected is that the government has little respect for talent and expertise.

Unjustifiable practices by the government continue: regular government employees are expected to receive 10-15 per cent salary increases in the 2017-2018 tax year. This is a high increase and seems like another ad hoc policy by the government without much rhyme or reason.

Pay scales should be revised annually for all employees. Updated rates, in all fairness, should be comparable to market rates and based on rises in inflation, which the Nawaz Sharif administration has hardly been able to control. Spontaneous salary revisions suggest the government is disorganised and lazy — but that was predictable. Fair salary packages should have been offered in the first place so as not to compel employees to consider giving up their contracts. On the contrary, surely a cut from contractual employees' salaries means a larger share of the $46 billion investment from China is falling into someone else's pocket.

It is rather asinine to reduce contractual employees' salaries — in breach of contract — when the CPEC Secretariat is already short of talent. The move raises questions as to whether CPEC projects will be successfully concluded. The PM and his followers speak in glowing terms about the planned projects but their actions suggest their intentions might be different from what they portray on mass media to the people.

https://tribune.com.pk/story/1404022/cpec-cost-cutting/

IS CPEC ALSO A GAME CHANGER FOR BALOCHISTAN?
The Express Tribune, May 8th, 2017.

ISLAMABAD: A beautiful view from the Gwadar PC showing the arch of the East Bay of Gwadar to catch a photographer's eye displays the contrast between the New Gwadar Port and the adjoining shanty town that has been there for centuries.

With my mother tongue as Balochi, I had an advantage to visit the fish harbour and speak to the fisher-folk to hear their views regarding the China-Pakistan Economic Corridor (CPEC), perhaps a game changer for the country.

The fishermen did not express much hope, but rather their concern was their rehabilitation at a new location after being uprooted from their present locality as the new location may lack the necessary infrastructure to maintain their livelihood from the fishing business that they only know.

A seminar organised by the Gwadar Chamber of Commerce was quite conspicuous with the presence of the minister for port and shipping and the federal planning minister. The port and shipping minister, a senator from Balochistan, surrendered the rostrum to the planning minister who spoke on the occasion.

Since the obsession of roads and motorways persists with the president of the Pakistan Muslim League-Nawaz, its party members and ministers profusely advocate the contention to toe the line of their leader. Most of the emphasis was on roads and motorways, but nothing was said about a plan or a road map of how to improve the livelihood of the population of Gwadar, or if there was any such plan in the offing.

Nonetheless, there was no mention of how Balochistan and its people would benefit from the fruits of CPEC. It was told that 35% of the funds would be earmarked for the power sector. Great, but most of the grids in Balochistan are already overloaded and even when the power is available (wishful thinking), there is no infrastructure to transmit it, how then will Balochistan benefit?

The Board of Investment of Balochistan has remained dormant since a controversial appointment.

The seminar was an opportunity for the Gwadar Chamber to place before the federal minister justified demands not only for Gwadar, but also for Balochistan as a whole.

But the speeches ended with all praise and no emphasis on the important aspects that could bring a turnaround to the most dilapidated, largest and most backward province of the country.

Either out of selfishness, ignorance or incapacity or all three of these, the government of Balochistan and those at the helm of affairs lost this last opportunity from CPEC to bring in investment in the province to become a source of livelihood for its people.

Of the $46 billion funded by the Chinese government, only $7 billion is being invested in Balochistan in the following manner according to the information from the Planning Commission’s CPEC website.

New Gwadar International Airport, which benefits mainly CPEC and partly Balochistan
Gwadar-Turbat-Hoshab section of Gwadar-Rathodero Road (892 km), which is the need of CPEC
Widening and improvement of N-85 Hoshab-Nag-Basima, Surab Road (459 km), which is the need of CPEC
Water treatment, supply and distribution, which is the need of CPEC and partly locals
Establishment of CPEC Support Unit for projects and activities in Gwadar Port Authority, which benefits CPEC
Feasibility study for the construction of break waters, which is the need of CPEC and Gwadar Port
Infrastructure development for EPZA and GIEDA, which benefits Gwadar Port
Pak-China Technical and Vocational Institute at Gwadar, which benefits Balochistan
Up-gradation of existing 50-bed hospital to 300 beds in Gwadar, which benefits Balochistan and locals
Connecting Gwadar with Karachi by rail, which benefits only CPEC
300MW coal-fired power plant at Gwadar, which gives no benefit to Balochistan that lacks infrastructure
Following investment opportunities and development prospects are available in Balochistan, but these are being neglected or avoided.

Mineral mapping of the province needs to be undertaken.
There are seven wind corridors in Balochistan, which are at least 60% better than those of Gharo in Sindh, but none are being developed as wind farms. (Source: NASA Wind Map)
Potential for solar energy throughout the northern belt of Balochistan from Taftan to Zhob. (Source: NASA Solar Map)
Potential for geo-thermal energy near Naukundi. (Self-discovery)
Potential for development of coastal fish wealth and support to the local fishermen within 750 km of the coastline to produce quality catch and quality fish for export.
Potential for development of date farms and processing of date as syrup, etc in Makran.
Potential for fruit canning and dehydrated agriculture products for the local and international markets.
Mineral mining and value added upgrading of minerals for export.
Roads from mines and agriculture farmlands linked with the main highways.
Upgrading of existing grid stations in Balochistan.
Development and control of wildlife.
Subsidies and technical support to farmers for agriculture and livestock.
And many more.

Bestial bragging of the federal and provincial governments should stop forthwith. The provincial government of Balochistan should seek the help of experts from various universities of the province, who are restricted within the boundaries of their universities to hold seminars, etc, but their proposals and recommendations are dumped.

It is surprising to note that the Chinese are more concerned than the federal or provincial governments.

It is, therefore, an obligation of the federal government to revisit its plans and recommendations and for the Balochistan government to avail itself of this one-time opportunity from CPEC.

Progress in Balochistan will only be seen if a major portion of CPEC funding was invested in the above projects to bring the province if not at par, but close to other provinces of the country in terms of development.

The writer is the former project director and deputy managing director of Saindak Copper and Gold Project, Chagai district, Balochistan

https://tribune.com.pk/story/1404001/cpec-also-game-changer-balochistan/

IMF REGIONAL OUTLOOK: CPEC TO BOOST INVESTMENT
Business Recorder, May 10 2017

WASHINGTON: A new IMF report on regional outlook noted foreign-financed infrastructure spending as a key driver in propelling growth in oil importing countries, including Pakistan where implementation of the China-Pakistan Economic Corridor will boost investment.

Pakistan is clubbed with MENAP region that includes Middle East, North Africa, Afghanistan and Pakistan in IMF Regional Outlook report released on Monday.

The report noted that among the regional countries, growth will be particularly robust in Djibouti and in Pakistan, mainly owing to the investment under CPEC.

Overall, regional growth in MENAP region is expected to increase from 3.7 percent in 2016 to 4 percent in 2017 and to 4.4 percent in 2018.

“More generally, the improved outlook reflects the continued dividends from past reforms, which have reduced fiscal deficits and improved the business climate (Morocco, Pakistan), supported by a scaling up in public investment (Pakistan),” the report noted.

Global growth is gaining momentum and is projected to reach 3.5 percent in 2017 and 3.6 percent in 2018, a steady improvement over the 2016 growth rate of 3.1 percent.

Although, the savings from low oil prices and reduced subsidies have allowed for increased spending on infrastructure, health care, education, and social services in countries including Egypt, Morocco, Pakistan, Tunisia, it will be increasingly difficult to maintain this spending now that oil prices are expected to be higher.

The report said that in the light of the expected rise in oil prices, there was a need to push subsidy reforms through to completion and to contain losses from state-owned enterprises.

More generally, a key priority for oil-importing countries is to generate higher revenues by broadening the existing tax base, the report said adding that it will require simplifying the tax rate structure and eliminating exemptions in countries including Djibouti, Egypt, Jordan, Lebanon, Morocco, Pakistan, Sudan, Tunisia.

“Across MENAP oil importers, growth rates are too low to reduce unemployment or provide a broad-based and resilient improvement in incomes. And fiscal constraints will prevent country authorities from boosting growth through public spending alone”.

The outlook remains vulnerable to changes in oil prices and the global outlook, and to geopolitical developments.

US interest rates have risen, and tighter and more volatile global financial conditions could increase borrowing costs for MENAP oil importers and their banks, adding to fiscal sustainability concerns, weighing on bank balance sheets, and undermining private sector activity.

“Such tightening could be particularly challenging for countries such as Egypt, Jordan, Lebanon, Pakistan, and Tunisia, which will be competing for funds in international markets,” the IMF Regional Outlook observed.—APP

http://epaper.brecorder.com/2017/05/10/1-page/873756-news.html

EARLY HARVEST PROJECT OF CPEC: WIND POWER PLANT NEAR COMPLETION, BUT TRANSMISSION LINE NOT READY
The Express Tribune, May 10th, 2017.

Zafar Bhutta

ISLAMABAD: A 99-megawatt wind power project being developed in Sindh under the China-Pakistan Economic Corridor (CPEC) has suffered a setback as the existing transmission system lacks the capacity to carry this additional load.

Apart from this, the state-run power purchaser has threatened to slap penalty on project sponsors if the plant starts commercial production because the infrastructure is not ready, an official discloses.

After being apprised of the delay, Prime Minister Nawaz Sharif has ordered an inquiry into the conduct of officials of the Ministry of Water and Power and allied companies to fix responsibility and hold the persons accountable. The project is already late and it will now be ready in June this year compared to the earlier deadline of September 2016.

Interestingly, the Central Power Purchasing Agency (CPPA) has threatened to impose a penalty if the plant starts production in June as the existing system is not capable of receiving electricity. In a high-level meeting held last month, Secretary to the Prime Minister Fawad Hassan Fawad revealed that United Energy Pakistan (UEP), an early harvest project of CPEC, had recently completed its 99MW wind power plant in Sindh and it wanted to set the commercial operation date by the first week of June following a test run.

However, since the grid station of the National Transmission and Despatch Company (NTDC), which would transmit electricity from the wind project, was not yet completed, the supply of power through the Hyderabad Electric Supply Company (Hesco) would pose a threat to the company's existing distribution system.

To make matters worse, the CPPA told the project management not to press for the beginning of commercial operations by June 2017 and if it happened, it would impose liquidity damages on the ground that the project was supposed to start production in September 2016.

"This was a case of sheer blackmailing as the ministry and all related bodies knew very well that the delay was caused by the double lease of land by the Sindh government and the matter was resolved on the intervention of Prime Minister's Office in October 2016," it was observed during the meeting.

Meeting participants also noted that although project sponsors repeatedly approached the CPPA for setting a new commercial operation date by June 2017, the agency kept the matter pending.

The NTDC also failed to complete the transmission infrastructure. The case clearly underlined the need for revisiting the plans to improve the transmission and distribution system and to carry out third-party validation, they added.

The prime minister was of the view that the power ministry should have taken care of the issue of electricity transmission from the UEP plant. The role of NTDC and CPPA should also be investigated for not fulfilling their responsibility, he said.

The premier directed the water and power secretary to initiate an inquiry into the conduct of officials for fixing responsibility on those who caused the delay.

https://tribune.com.pk/story/1405636/early-harvest-project-cpec-wind-power-plant-near-completion-transmission-line-not-ready/

CPEC REPAYMENTS TO HIT $5BN A YEAR, SAYS PM ADVISER
Dawn, May 11th, 2017

ISLAMABAD: Pakistan's debt and other repayments on China's "Belt and Road" initiative will peak at around $5 billion in 2022, but will be more than offset by transit fees charged on the new transport corridor, says the Pakistan government's chief economist.

China has pledged to invest up to $57bn in Pakistan's rail, road and energy infrastructure through its vast modern-day "Silk Road" network of trade routes linking Asia with Europe and Africa.

Officials expect a huge uptick in trade between the two nations once Gwadar port is functional and work on motorways is finished allowing goods to cross the Himalayas to and from China's western Xinjiang province.

The China-Pakistan Economic Corridor (CPEC), a flagship “Belt and Road” project, has been credited with helping revive Pakistan’s sluggish economy, but investors have raised concerns that Pakistan’s currency could come under severe pressure once debt repayments begin and Chinese firms start taking profits home.

Nadeem Javaid, who advises Prime Minister Nawaz Sharif’s government and works closely on the CPEC programme, told Reuters that such fears are misplaced as Islamabad would earn vast fees from charging vehicles moving goods from and to China.

Javaid said the Gwadar-Xinjiang corridor should be operational from June next year, and Pakistan expects up to 4 per cent of global trade to pass through it by 2020.

“The kind of toll tax, rental fees that the Pakistani system will gain is roughly $6-$8bn a year,” Javaid, chief economist at the Planning Ministry, said in an interview. “By 2020, I expect we will get this much momentum.”

He said China has huge incentives to transport oil and other goods bound for its western regions through Pakistan as the Gwadar-Xinjiang corridor shaves some 15,000 kilometres off other traditional routes.

It doesn’t take long to imagine the savings on the many millions of litres of fuel, he said.

Predicting future trade is, of course, an inexact science, as is predicting toll income, and Pakistan’s ambitious targets could unravel if its improved security situation deteriorates.

Chinese officials have urged Pakistan to improve security, and Islamabad now restricts movement of foreigners to its vast western Baluchistan province that will host a key transport artery.

BALANCE OF PAYMENTS RISK? Investors, too, are watching Pakistan’s ballooning current account deficit, which widened by more than 160pc to $6.1bn in the nine months to March, largely due to imports of machinery for big CPEC projects.

Javaid said debt repayments and profit repatriation from CPEC projects will begin in 2019, totalling about $1.5-$1.9bn, and rising to $3-$3.5bn by the following year.

“It would be low in the beginning, and in 2022 it will peak at around $5bn — not more than that,” he said, adding the government does not think it likely that Pakistan will face a balance of payments crisis.

The last such crisis in 2013 saw Islamabad turn to the International Monetary Fund for help.

Javaid said the CPEC should boost economic growth, which he expects to hit 5.2pc in 2016-17. Exports should also pick up once CPEC power projects totalling 7,000 megawatts come online and reduce often crippling energy shortages.

Deepening political and military ties between Pakistan and China have helped closer financial integration, too, with Chinese companies starting to buy Pakistani firms and land.

Javaid said the two countries have also discussed using a currency swap agreement between their central banks to create a mechanism to avoid any third currency in international transactions.

“If some mechanism is going to be finalised on that, it will work as a buffer or a cushion that’s going to basically avoid or prevent any kind of default that could happen in unforeseen circumstances,” he said.

But he added: “It’s only a contingency arrangement in case something bad happens.”

https://www.dawn.com/news/1332312/cpec-repayments-to-hit-5bn-a-year-says-pm-adviser

CPEC IS A LONG-TERM STRATEGIC DEVELOPMENT AGENDA: SINDH CM
Dawn, May 11th, 2017

Habib Khan Ghori

KARACHI: Sindh Chief Minister Syed Murad Ali Shah has said that the Chine-Pakistan Economic Corridor is not merely a road construction project, rather a long-term strategic development agenda as it includes the Karachi Circular Railway, Keti Bandar Power Park and China Special Economic Zone at Dhabeji.

“I am going to China in the delegation of the prime minister tomorrow and these projects would be approved there,” the chief minister said while speaking at a programme held by the Chinese Consulate at a local hotel on Wednesday to launch a documentary titled CPEC, a real transformation to people’s life in Karachi.

The programme was attended by leading businessman, diplomats and notables in a large number. The chief minister said the documentary showed a strong partnership between Pakistan and China in different sectors such as ports and shipping, wind energy, finance, construction and cultural activities under which Chinese were learning Urdu and Pakistanis learning Chinese. “This is a new change under which friendship between the two nations would further cement,” he said, recalling that the relationship between the two countries was one that had been established by trust, interwoven with friendship, and cemented with confidence and pride.

He said the Pakistan Peoples Party believed that CPEC could act as a force multiplier for Pakistan. “It is not merely a road construction project, rather a long-term strategic development agenda. I would say that our relationship with China is beyond CPEC.”

Talking about his government’s stance, the chief minister said the Sindh government was fully supportive of all CPEC projects. “I am happy to report that the major projects located in Sindh have not only achieved financial close but some are on the verge of beginning commercial operations,” he said, adding that the Thar coal mining and power plant was the flagship project of the Sindh government. “Like CPEC, Thar coal development is a defining moment for Pakistan’s economy. After achieving financial close in April 2016, the project is progressing swiftly, and soon we are going to expand coal mine in order to achieve economies of scale and bring the coal price down. Additionally, another CPEC project (Thar coal block-I) is expected to achieve financial close by March 2017,” he announced.

He said that in addition to coal, one CPEC wind power project (Hydro China Dawood-50MW) was complete and two more (UEP-100MW and Sachal-50MW) would be completed by June this year.

Similarly, he said, China Three Gorges (100MW) company would achieve financial close by April 2017. “There is a huge potential to develop wind energy and we have received tremendous response as a direct result of our favourable policies.”

The chief minister said the Sindh government had allotted 30,000 acres of land for renewable energy projects.

Talking about the security of Chinese citizens, he said it was a top priority of the government. “We are amassing a dedicated force of 2,000 former soldiers for this purpose. This would be in addition to 4,000 policemen who are already being trained by the Pakistan Army. I have set up a special desk at my office and central police office for CPEC security,” he added.

Earlier, Chinese Consul General Wang Yu delivered the welcome speech and highlighted some facts about the documentary.

https://www.dawn.com/news/1332327

CPEC A GOLDEN OPPORTUNITY TO ENHANCE AGRI EXPORTS: BOSAN
Business Recorder, May 11 2017

lahore: federal minister for national food security and research sikandar hayat bosan has said that the government was focusing on adoption of modern practices and technology in agricultural sector to boost country’s economy.

He was addressing national agribusiness conference on ‘green punjab and cpec’ organized by punjab university institute of agricultural sciences on wednesday.

Punjab university vice chancellor prof dr zaffar mueen nasir, dean faculty of life sciences prof dr naeem khan, director institute of agricultural sciences prof dr saleem haider, president lahore chamber of commerce and industry abdul basit, chairman pakistan crops protection association saad akbar khan, additional secretary agriculture punjab dr ghazanfar ali, representatives of various firms dealing in agri-business, faculty members and a large number of students were present on the occasion.

Addressing the ceremony, bosan said that agriculture plays an important role in boosting our economic growth, development and alleviation of rural poverty.

He said that cpec is a golden opportunity to enhance agricultural exports and generate revenue. He said that as per a rough estimate, we had around 800,000 agribusiness firms working in different sectors of our country and there was a dire need to strengthen them.

He said that agribusiness firms needed to explore other ways to maximize profit like exploitation of niche markets, product innovation, market segmentation, targeting specific customers, and product differentiation.

He said that our inability to realize full potential was rooted in a number of contributing factors, including: slow adoption of technology and modern practices, inefficient management, infrastructural and supply-chain bottlenecks, financing, economic and policy lapses.

He said that free flow of information, related product attributes, increasing sources of raw materials, competitors and customer characteristics are enigma of a developed agribusiness sector. As a result, an information intensive food production system has emerged at global level, he added. " the global trends in agribusiness have also changed as the traditional practices in agriculture seem obsolete today. Now global market is more concerned with delivering customer value and diversification rather than increasing quantity of production only. Today's consumer is also more conscious of a number of product attributes before making a decision about the product like low nutritive value, good taste, convenient packaging, easy availability and "green" products," the minister said.

Bosan also said that the ministry of national food security and research continued to help boost sustainable agricultural development in collaboration with all stakeholders and heavy budget had been allocated for the livelihood, uplift and betterment of the country's farmers.

President lcci abdul basit said that pakistan could become food basket for the world if we paid proper attention to agri sector as 80 percent of our industry was connected with agricultural. He said that we must remove deficiencies and make wise policies to uplift agri-businesses.

He said that the volume of global halal food business was around 300 billion dollars and we had a very low share in that. He said that we must take steps to get at least 10 percent share globally in halal food business.

Chairman pakistan crops protection association saad akbar khan urged the need to build dams for resolving water problems for agriculture. He appreciated the federal minister for supporting farmers and taking steps for the betterment of farmers' community. Pu vice chancellor prof dr zaffar mueen nasir said that pakistan had excellent export potential in agri-business. He said that the labor cost was still low in pakistan however we have to be competitive in international market and provide quality products at reasonable rates. He said that punjab university was developing strong linkages with industry and an incubation centre had also been established at institute of agricultural sciences.

http://epaper.brecorder.com/2017/05/11/13-page/874132-news.html

CPEC PROJECT TO TAKE FORMATIVE SHAPE BY 2020
Dawn, May 12th, 2017

Manzoor Ali

PESHAWAR: The China-Pakistan Economic Corridor project is likely to take initial shape by 2020 and start boosting economic growth in both countries, suggests the multibillion dollars initiative's draft long-term plan.

The federal government had recently shared the draft LTP with the provinces for feedback. The LTP will remain operative until 2030 after its approval by both Pakistan and China.

The draft LTP, a copy of which is available with Dawn, says the CPEC covers China's Xinjiang Uyghur Autonomous Region and whole territory of Pakistan and its coverage is divided into core and radiation zones.

It says the core and radiation zones present the spatial layout of the 'one belt, three axes and several passages'.

"By one belt, we mean the belt area composed of core zone of CPEC including Kashgar, Tumshuq city, Atushi city and Atko county in Kizilsu Kirghiz autonomous prefecture of Xinjiang as well Islamabad, parts of Punjab, Sindh, Khyber Pakhtunkhwa, Balochistan, Azad Jammu and Kashmir, and Gilgit-Baltistan," it reads.

On the other hand, three axes refer to three horizontal axes connecting Lahore and Peshawar, Sukkur and Quetta, and Karachi and Gwadar.

The CPEC is also divided into five functional zones from north to south.

The document mentions the geopolitical and security risks, restraints of natural and geographical factors and restraints to economic growth prospects as the possible challenges to this venture.

"China is responsible for planning, financing, building and operating projects within its territory and for those in Pakistan, both the countries shall jointly prepare plans, divide financing responsibilities based on project situation and their respective investment and financing strength," it says.

The key cooperation areas identified in the document include transport, information network infrastructure, energy, industries and industrial parks, agriculture development and poverty alleviation, tourism and financial cooperation.

The plans for construction of integrated transport system include construction of Kashgar-Islamabad, Peshawar-Islamabad-Karachi, Sukkur-Gwadar Port and Dera Ismail Khan-Quetta-Sohrab Road infrastructure, capacity enhancement of existing railway lines and construction of new projects and construction and development of Gwadar port and port city.

In the information network sector, it envisages the construction of cross-border optical fiber cables between China and Pakistan and construction of backbone optical fiber cable networks in Pakistan, upgrading of Pakistan's network facilities, including national data centre and second submarine cable landing station and to expedite Pakistan to adopt China's Digital Terrestrial Multimedia Broadcasting standard.

The plans for the energy sector include research and cooperation development of oil and gas resources and conduct preliminary research on China-Pakistan oil and gas pipeline projects, optimise layout of imported coal and utilisation of Pakistan's own coal for power plant and developing technologies for surface coal gasification.

In the industries and industrial park sector, the plans include expansion of the cooperation in appliance industry, promotion of local industries from assembling imported parts to localised production of parts and encouraging of various forms of Chinese enterprises to enter Pakistani market to improve the development of energy efficient appliance industry.

The tourism sector plans call for exploiting the potential tourism advantages of the border areas and construction of cross-border tourist routes along the railways and highways.

It also proposes the construction of tourism spatial structure in the Pakistan coastal belt, including two centers, one axis and five zones. Karachi and Gwadar ports would serve as two centers, while the coastal tourism belt as development axis and five tourist zones include Jiwani, Jiedijiao, Ormara, Sonmiani and Keti Bander.

The chapter about the investment and financing mechanism says the both countries bear the responsibility for investment and financing purely public welfare projects.

"The Pakistani federal government and provincial governments along the CPEC should try to assume some investment and financing responsibilities by various means, such as earmarked budget funds at all levels for the China-Pakistan Economic Corridor building and allowing provincial governments to issue financial bonds in domestic and foreign capital markets," it reads.

Both countries also shall encourage Chinese enterprises, private sector, and private sector funds of the other economic entities to make various forms of direct investment, welcome Pakistan private capital in the participating in the CPEC projects.

It also says both countries welcome the World Bank, Asian Development Bank, Asian Infrastructure Bank and other international financial institutions to provide long-term concession loans to the support the investment and financing the projects along the CPEC.

https://www.dawn.com/news/1332640

OVERSELLING CPEC
Dawn, May 12th, 2017

It is easy to understand that the volume of trade going through the ports of Pakistan will increase once the CPEC project gains momentum. But when the chief economist of the Planning Commission claims, as he did in a recent interview with Reuters, that 4pc of global trade will pass through this route, it can only be called a gross exaggeration.

In fact, that figure is absurd since it implies that approximately $700bn could be flowing through the CPEC infrastructure, going by figures of global merchandise exports alone. Clearly, this is an overstatement of colossal proportions.

The same individual then went on to claim that Pakistan could earn up to $8bn a year just from toll taxes and 'rental fees' from this traffic, helping it to easily tide over the repayment obligations from the various investments that have come in under CPEC, and which he claims will peak at $5bn per year.

Once again, this sounds like an overly optimistic assessment. First of all, nobody is sure of what toll taxes and 'rental fees' he is talking about, and, secondly, whether his projections of the volume of traffic that would be generated by CPEC are realistic. Thirdly, who will be responsible for the cost of maintaining the road infrastructure in the years to come?

For a long time now, there have been calls for more transparency in CPEC implementation, particularly regarding the financing arrangements. Thus far, the government has kept silent. If this is the best that the Planning Commission has to offer in response to repeated calls for more disclosure, then it suggests that the government itself does not know what it is getting involved in.

Ahsan Iqbal, the deputy chairman of the Planning Commission, has repeatedly urged those who are asking questions about CPEC to avoid "negative propagation", hinting that doing so plays into the hands of Pakistan's enemies. But what else are we supposed to do when we are fed this sort of overoptimistic information, if not ask questions?

https://www.dawn.com/news/1332543/overselling-cpec

PM TELLS CHINESE PRESIDENT ABOUT CPEC EFFORTS
Dawn, May 14th, 2017

BEIJING: Prime Minister Nawaz Sharif told Chinese President Xi Jinping on Saturday that extensive efforts were being made for the implementation of the China-Pakistan Economic Corridor (CPEC) project.

"The CPEC is a core component of your visionary initiative of the One-Belt-One-Road project. We sincerely appreciate your commitment and leadership for the realisation of CPEC projects," he said during a meeting with President Xi on the sidelines of the Belt and Road Forum for International Cooperation.

The May 14-15 forum is being attended by 29 heads of state and government, besides delegates from around 130 countries.

Pakistan and China signed six accords of cooperation in diverse fields.

Mr Sharif and his Chinese counterpart Li Keqiang witnessed the signing ceremony at the Peoples Great Hall of China.

The memorandums of understanding reached countries pertain to: framework of the Silk Road Economic Belt and the 21st Century Maritime Silk Road initiative and agreements on economic and technical cooperation (1.5 billion RMB for Gwadar Airport, etc and 1.1bn RMB for East Bay Expressway).

The worth of the accords is about $500 million. The MoUs add to $57bn already pledged for the CPEC.

According to the Prime Minister Sharif's office, following deals are among the accords signed on Saturday:

Two cooperation agreements worth $333m for an airport in Gwadar, site of a deepwater port that is to provide an outlet to the Arabian Sea from the far western Chinese province of Xinjiang.
Establishment of the Havelian dry port in Pakistan.

Agreement on economic and technical cooperation ($160m) for the East Bay Expressway linking Gwadar to Pakistan's highway network.
During the meeting with President Xi, the prime minister was accompanied by Punjab Chief Minister Shahbaz Sharif, Sindh CM Murad Ali Shah, Khyber Pakhtunkhwa CM Pervaiz Khattak and Balochistan CM Sanaulllah Zehri, besides Planning Minister Ahsan Iqbal, Finance Minister Ishaq Dar, Railways Minister Khawaja Saad Rafiq, Minister of State for Information Technology Anusha Rehman and Adviser to the PM on Foreign Affairs Sartaj Aziz.

President Xi was accompanied by a nine-member delegation.

Mr Sharif, who earlier met the Chinese premier, called for accelerating the implementation of projects in Gwadar and establishment of special economic and industrial zones.

"The presence of all four provincial chief ministers symbolises the broad-based support in Pakistan for cooperation with China and the CPEC," he said.

Welcoming PM Sharif, President Xi expressed satisfaction over the pace of growing bilateral ties and resolved to cement the relations by enhancing cooperation in multiple spheres.

Meanwhile, addressing a Bhasha project conference organised by China's National Energy Administration (NEA), Prime Minister Sharif said that NEA had been an effec-tive partner in Pakistan's fight to cope with the energy crisis.

The premier said that development of the North Indus Cascade is a major focus of his government, and the construction of Bhasha dam is the single most important initiative in this regard."

Heads and representatives of power companies of China gave presentations on their study of the dam project and called for a deeper study on the project owing to its crucial nature for Pakistan.

Later, the prime minister witnessed the signing of an MoU on the roadmap for power projects by Water and Power Secretary Yousuf Naseem Khokhar and Chinese Ambassador to Pakistan Sun Weidong.

Besides, Prime Minister Sharif and Turkey's President Recep Tayyip Erdogan met on the sidelines of the OBOR Forum and discussed issues of bilateral interests and matters of regional and international importance.

https://www.dawn.com/news/1333040

NEWS COVERAGE PERIOD FROM MAY 1ST TO MAY 7TH 2017
CALL FOR TRAINING TO AVOID 'RESOURCE CURSE' IN VIEW OF CPEC PROJECTS
Dawn, May 1st, 2017

Saher Baloch

KARACHI: Pakistan needs to focus on technical training and skills development on an urgent basis in order to get maximum return from China-Pakistan Economic Corridor (CPEC) or else China would continue to bring in its own labour, said Dr Shahida Wizarat, an independent economist and academic, at a seminar on Saturday.

“We need to be technically trained in order to get as much return from the project as we can. We can’t expect a return if China brings in its own labour and we don’t have the skills to contribute,” she said while highlighting the need for analysis of Pakistan’s requirement in changing scenario.

The requirement must be evaluated immediately so that Pakistan could negotiate well with China, she added.

Dr Wizarat was part of a panel of experts on economics and infrastructural study of ongoing projects in Pakistan. The seminar was organised by Szabist to discuss concerns and opportunities related to CPEC and the often ignored aspects of the multi-billion dollar project between the two countries.

Earlier, Dr Wizarat said for Pakistan, CPEC was a departure from following the existing international order. She said similar to other economies, China faced an economic meltdown as well. But rather than investing in wars in foreign locations, it invested in establishing infrastructure bolstered by collaborating with regional and international investors, she said.

Sharing her concern related to mega projects, she said: “Now what needs to be seen is whether we get back as much as we are investing. Pakistan has never had good bargaining skills especially at international level. This leads to the concern that the multi-billion project might not be able to create linkages needed to generate demand for labour skills and training,” she added.

In order to avoid what she called the “resource curse” of huge projects, the seasoned economist suggested that analysis of Pakistan’s requirement including technical skills training should be focused on. Besides, Pakistan must also invest in mineral-based industries along the CPEC route, she added.

Economist Moazzam Hussain said there was a need to look at the CPEC beyond the spectrum of a long-term infrastructure development project and to examine the ignored aspects.

He spoke of the nine Special Economic Zones (SEZ) which are to be established as part of the project. Mr Hussain explained that China began investing in SEZs in 1979. The combined export earnings of its six economic zones which were established at the time was more than the Indian economy.

For Pakistan, he categorized the expected investments in three types. It would be based on China relocating its management companies, non-Chinese, North American enterprises would invest and the Pakistani enterprises who would want to invest as well.

However, he laid emphasis on the need to look back at previous investment opportunities and conduct an impact analysis of how economic zones fared in the past. He said: “The failure rate is higher than the success rate. It requires objective analysis of successful economic zones and what worked and what did not.”

Abrar Sheikh, the director of the Sindh Board of Investment, presented his point of view trough a slide show of what could work with the CPEC. He said that Pakistan was a resource-rich country and that the investment between the two countries would open many economic doors.

https://www.dawn.com/news/1330247

PAKISTAN, CHINA FINALISING LONG-TERM PLAN FOR CPEC
Dawn, May 2nd, 2017

ISLAMABAD: Pakistan and China are working towards early finalisation of a Long-Term Plan (LTP) for the China-Pakistan Economic Corridor (CPEC), a Chinese diplomat confirmed on Monday.

There are expectations that it could be finalised during the Belt and Road summit being hosted by China on May 14 and 15. Pakistan is participating in the summit.

The LTP, which covers the projects to be undertaken till 2030, has been behind the timeline set for its adoption. Currently, short-to-medium term projects are being pursued under CPEC, which relate to energy, infrastructure and connectivity. The LTP, officials say, defines the overall direction, ideas and goals of cooperation from present till 2030.

Earlier, Political and Press Counsellor at the Chinese Embassy Jian Han, speaking at a roundtable conference on 'OBOR and CPEC from the Prism of China-Pakistan Bilateral Relations' organised by the Strategic Vision Institute (SVI), had said that the LTP "would set the focus for CPEC construction in future".

CPEC project director Hassan Daud Butt on the occasion said that Pakistan had already shared the draft LTP with China's National Development and Reform Commission (NDRC) for approval and consideration for signing during the Belt and Road summit.

Mr Butt was also hopeful that Pakistan and China would soon conclude agreements for financing and construction of the Gwadar International Airport and East-Bay Expressway.

A Chinese diplomat separately told Dawn that PC-1 for both projects had been approved and an agreement was now being negotiated by the two governments.

At the seminar, the CPEC director said that the project was set to enter the industrialisation phase.

Nine economic zones have been identified to be set up in different parts of the country. Currently feasibility studies are being undertaken and financial agreements are expected to be concluded by the next Joint Cooperation Committee meeting to be held later this year.

"We are expecting that by 2018 about 7,000MW of energy would be added to the national grid and linkages of eastern and western routes would be completed," he said.

"The western route would be completed by July 2018, whereas eastern route would be ready by December 2018," he said.

https://www.dawn.com/news/1330502

CPEC FACING NO CENTRE-PROVINCES BICKERING: AHSAN

Business Recorder, May 5 2017

Naveed Butt

ISLAMABAD: Federal Minister for Planning, Development and Reform Ahsan Iqbal has said that the federal government will work together with all stakeholders and remove all concerns of the provinces.

The minister expressed these views while addressing a meeting held to review the progress of ongoing projects under China-Pakistan Economic Corridor (CPEC) in various sectors. The meeting was chaired by Ahsan Iqbal and attended by Secretary Planning Shoaib Ahmed Siddiqui, high officials from Chinese embassy and the concerned provincial and federal ministries.

The meeting discussed the projects of various sectors including communication, railways, infrastructure, energy, Gwadar Port and special industrial zones.

The minister said that federal as well as provincial governments are working on CPEC projects together like one team. He said the timely completion of CPEC projects would be a success for the people of Pakistan. He said that new technologies are being introduced in infrastructure, transportation and engineering sectors due to CPEC projects.

Similarly, the federal government is committed to providing all resources to provinces if they face lack of capacity. He said the federal government and provinces are already working as a team and group harmony can be witnessed throughout the implementation on the CPEC projects, which indeed, is the biggest achievement and a milestone to guarantee the success at all levels. He directed the federal departments to cooperate with the provincial governments in order to ensure smooth working on the under-construction CPEC projects.

He said the CPEC would help Pakistan and it is great opportunity to learn the state-of-the-art knowledge and technologies in various sectors. He said Pakistani universities and research institutes should tap those opportunities by making comprehensive planning in this regard.

The minister directed the federal departments to cooperate with the provincial governments in order to ensure smooth working on the under-construction projects. He also directed the Higher Education Commission to prepare a comprehensive report for this purpose with the help of all universities and research institutes across the country. The minister said that improving capacity building of the concerned institutes and the individuals is also an important goal of the government.

He also stressed the need to improve the educational curricula in line with modern trends and research.

http://epaper.brecorder.com/2017/04/30/1-page/872484-news.html

GOVT DECIDES TO CUT SALARIES OF EMPLOYEES LINKED WITH CPEC
The Express Tribune, May 6th, 2017.

ISLAMABAD: The federal government has decided to cut salaries of contractual employees hired to execute various projects after the finance ministry refused to pay them as per their agreements.

The contractual employees of development projects may face up to a 33% cut, depending upon their salary packages. The decision has been taken at a time when the federal government is considering giving a 10% to 15% increase in salaries to its regular employees from next fiscal year 2017-18, starting from July.

The decision has been taken after Accountant General of Pakistan Revenue (AGPR) objected over fixing their salaries over and above the Standard Pay Package of 2009 for project staff, according to a notification of the Ministry of Finance that it issued to cut the salaries of China-Pakistan Economic Corridor (CPEC) project employees.

These affected contractual employees are getting salaries approved in the PC-I of the projects. But the AGPR does not recognise the PC-I approved salaries. The employees had been offered appointment letters on the basis of salaries mentioned and approved in the PC-Is.

However, the finance ministry may face a legal battle as these pay packages have been approved by the Central Development Working Party (CDWP), which is headed by Minister for Planning and by Executive Committee of National Economic Council (Ecnec), headed by the finance minister.

"The pay of the project staff should be made as per the Standard Pay Package 2009 and was revised from time to time and not on the basis of emoluments approved in the PC-I," according to a notification issued by the Regulation Wing of Ministry of Finance. The notification has been issued to cut the salaries of the CPEC Project, which has been approved by this government to execute Chinese investments worth $46 billion.

In the notification, the Ministry of Finance endorsed the AGPR's point of view, which believes that there should not be two different pay packages for project employees.

Taking it as a precedent, the administration of the Ministry of Planning has also decided to cut the salaries of the employees of other projects, which could affect thousands.

However, this has created serious issues for those employees who had accepted jobs on the basis of offer letters that mentioned salaries approved by the CDWP and Ecnec.

The 2009 Standard Pay Package salaries are very low compared with market rates. Even the PC- I approved salaries are significantly lower than market rates. In November 2016, the President of Pakistan approved a 20% ad-hoc increase in 2009 Pay Package. The 2016 revision came after a gap of about three and a half years, which suggested that the Standard Package is not revised on regular basis.

Officials of the AGPR told The Express Tribune that the government has already started implementing the decision. They said that in those cases where the government is giving extensions, the AGPR is sending downward revised salaries as per 2009 Standard Pay Package for project staff.

In new cases, the AGPR is sending downward revised salaries despite the PC-I offering higher salaries, said the officials.

Sources said that Planning Minister Ahsan Iqbal has referred the matter to Secretary Planning for immediate resolution. But usual bureaucratic hassles coupled with biases against contractual employees suggest that the matter may linger on for months. In his note, the planning minister has acknowledged that the Standard Pay Package of 2009 is not in line with market rates and should be made compatible with 2017 ground realities.

Although the PC-I pay packages are relatively better, the government still faces challenges to attract the best talent due to higher market salaries. This has already affected many projects, including CPEC.

The CPEC Secretariat is facing an acute shortage of human resource and expertise. There is no project director for CPEC for the last several months while many posts of specialists are also vacant. A Deputy Director level official is looking after the work of the CPEC Secretariat.

https://tribune.com.pk/story/1402343/govt-decides-cut-salaries-employees-linked-cpec/

June 2017

NEWS COVERAGE PERIOD FROM JUNE 26TH TO JULY 1 ST 2017

CPEC GOING SMOOTHLY DESPITE CHALLENGES: MINISTER

Dawn, June 29th, 2017

DALIAN: Pakistan has been smoothly implementing an ambitious plan to build an economic corridor with China, despite experiencing some challenges, Planning Minister Ahsan Iqbal said on Wednesday.

China has promised $57 billion in investment in projects along the China-Pakistan Economic Corridor (CPEC), part of its ambitious Belt and Road plan linking China with the Middle East and Europe.

Chinese President Xi Jinping proposed the Belt and Road project in 2013, but it is still short on specifics.

“We are smoothly implementing and we are very satisfied with the speed of the implementation,” Mr Iqbal, the Islamabad lead on the project, told Reuters on the sidelines of the World Economic Forum in the Chinese city of Dalian.

In addition to the investment pledges from China, Pakistan would invest close to $10bn, he said.

The economic corridor, to be completed in three phases by 2030, will boost Pakistan’s energy security and infrastructure, helping it attract more foreign investment, he said.

Mr Iqbal told the forum there were some challenges to be addressed, including on coordination among different government ministries and among “internal and external stakeholders”.

“There are a number of challenges which have to be addressed,” he said.

“There are actually many gaps that we have to correctly address. First and foremost is the coordination gap,” he said.

Pakistan and China aim to build a network of rail, road and energy infrastructure as part of the Belt and Road initiative. Pakistan has been one of the most enthusiastic supporters of the initiative, in part because many projects are for power plants to alleviate its chronic energy shortage that leads to frequent blackouts.

Addressing the 11th Annual Meeting of New Champions, also known as the Summer Davos, Mr Iqbal said that CPEC was creating opportunities for sustained growth by breaking cycles of poverty and under-development.

“CPEC is the flagship project of the Belt and Road initiative, which has turned an idea into a $50bn plus portfolio within a span of two years,” the minister said, adding that it would bring together the growth engines of South Asia, China and Central Asia, thereby leading to tangible economic benefits to three billion people of the region.

He explained that CPEC was bringing much-needed investment into the energy and infrastructure sectors, which had become investment starved and bottlenecks for faster growth.

“The investments are going to under-developed areas and connecting hinterlands with coastal areas. It is creating opportunities for sustained growth by breaking cycles of poverty and under development,” he said.

In response to a question, Mr Iqbal said that Pakistan’s macroeconomic indicators had witnessed across-the-board improvement in recent years. The budget deficit has been cut from 9 per cent of the GDP to less than 4.5pc, foreign reserves have doubled, GDP growth is at highest level in ten years, he added.

“This fact has been noted by international financial institutions and is evidenced by the increasing foreign investment in Pakistan — both from China and other countries,” according to Mr Iqbal.

“Investors are finding it impossible to overlook Pakistan’s 200 million population-market, with 60-80 million growing class of affluent consumers, and the government’s business-friendly policies,” he added.

The minister said that the increasingly visible success of the CPEC reflected the shared commitment of Pakistan and China to the project’s early and effective realisation.

“The fruits of CPEC are beginning to deliver instant results with reduction in power shortages and providing connectivity between remote places and developed areas, bringing economic opportunities for people,” he added.

Separately, Mr Iqbal also addressed a gathering titled ‘New Roads to Globalisation’ alongside senior representatives of the governments of Russia, Singapore and Moldova, as well as leading figures from international financial institutions and the private sector.

https://www.dawn.com/news/1342028

CPEC INVESTMENTS LIFT PAKISTAN'S HOSPITALITY INDUSTRY

The Express Tribune, June 29th, 2017.

Farhan Zaheer

KARACHI: Infrastructure investments for the China-Pakistan Economic Corridor (CPEC) have given a helping hand to Pakistan's hospitality industry as new hotels and guest houses are emerging in different parts of the country, said Jovago Asia Chief Executive Officer Nadine Malik.

"Pakistan's middle class is growing and with higher disposable incomes, people are shelling out more money for leisure activities," she said in an interview with The Express Tribune. "This is expected to further grow in coming months."

Pakistan has achieved 5.3% gross domestic product (GDP) growth – the highest in a decade – in the outgoing fiscal year 2016-17. Gradual improvement in macroeconomic indicators and security situation since 2013 has helped all important sectors in the country.

Jovago.net, an online hotel booking website launched in 2014, has now over 2,000 partner hotels across Pakistan and 225,000 hotels around the world.

Jovago Pakistan (Private) Limited is owned by Rocket Internet SE, a Berlin-based company, which invests in internet companies and provides operational support for its firms to help them grow internationally.

"Chinese are coming to Pakistan in big numbers, which is also an opportunity for us," she said, adding though most of them are coming to work on mega projects where they have company accommodations, there is still potential for the hospitality industry as new guest houses are being constructed in the country.

While refusing to share the exact data of annual hotel bookings, Malik said the total number of visitors on the hotel booking portal jovago.net has crossed 3 million since the website's launch in 2014.

Jovago caters to domestic tourists while only 2% of its customers are foreigners. Its top season is June and July mainly due to summer vacations. In its first year of operations, most of its clients travelled to Naran and Kaghan in Khyber-Pakhtunkhwa, but later people also took interest in Muzaffarabad, Azad Kashmir, Hunza, Skardu and Gilgit-Baltistan. She said places like Naran, Kaghan, Hunza, Skardu and Muzaffarabad are open only for four to five months from April to August, so a lot of Jovago's traffic is also concentrated in these months.

The second busy season is December during which families travel mostly from one big city (like Karachi, Lahore and Islamabad) to another due to winter vacations. A lot of travellers from mid-tier cities (like Faisalabad) also go to Islamabad and Lahore.

Most of the portal's clients make business trips to Karachi, typically for just a few hours. However, due to improving security conditions in the city, a lot of them are now bringing their families with them to stay for a few days.

For instance, Malik said Arabian Country Club – a sprawling place with sports facilities such as golf and others about 45 kilometres east of Karachi – is usually booked out all the time.

"Our hotel partners in Karachi say that their occupancy rate, which was not more than 50% in 2014 on a good day, is now in the range of 70-80% mainly due to improving security situation in the financial capital of Pakistan."

According to the Jovago CEO, the concept of long weekends is gaining momentum in Pakistan. For instance, a considerable number of people travelled around March 23 – a national holiday – that has been falling around weekends for the last two years.

Malik said a lot of people still hesitate to travel inside the country due to perceived security threats. Apart from this, she added, there is a lot of room for improvement in terms of roads and other infrastructure facilities that could increase domestic tourism.

She felt that Pakistan needs more four and five-star hotels because the country has many two and three-star hotels but it lacks big ones.

According to Jovago Pakistan estimates, Pakistan's annual travel, tourism and business travel spending exceeds over $12 billion. Leisure travel spending is expected to grow from $10.3 billion in 2016 to $17.6 billion in 2026 while business travel spending is expected to jump from $1.9 billion in 2016 to $3.3 billion in 2026.

https://tribune.com.pk/story/1445622/cpec-investments-lift-pakistans-hospitality-industry/

NEWS COVERAGE PERIOD FROM JUNE 19TH TO JUNE 25 TH 2017
'MOTORWAY POLICE HAVE NO CAPACITY TO PATROL ALL OF CPEC'
Dawn, June 20th, 2017

Syed Irfan Raza

ISLAMABAD: The National Highways and Motorway Police (NH&MP) has expressed its inability to police the length of the China-Pakistan Economic Corridor (CPEC) with the existing force and resources at its disposal.

The department revealed that it had insufficient manpower and resources to do the job during a meeting of National Assembly Standing Committee on Communication, held at the NH&MP office in Sector G-13, on Monday.

The NH&MP informed the meeting that almost double its existing force would be required to effectively police the new and under-construction motorways that were part of CPEC. It was also informed that a demand for additional 10,000 officers had been sent to the federal government for their induction, but nothing had been done in this regard so far.

"The committee was told that NH&MP has been asked to appoint the required staff by Dec 2017, as CPEC will be fully operational by next year," Pakistan Tehreek-i-Insaf (PTI) MNA Salim Rehman — a member of the committee — told Dawn after the meeting.

The NH&MP also demanded more resources, an office building and state-of-the-art equipment to perform their duties on the new roads and CPEC motorways, the MNA said.

Officials from the communications ministry said the federal government had approved the required budget, posts and new inductions for the motorway police, adding that a new director had been appointed to complete the process of fresh inductions by December this year.

The officials said the required funds had already been allocated in the recently passed budget for FY2017-18.

An official statement, issued after the meeting, said that participants also called for the swift completion of work on CPEC's western route.

The committee was told that around 4,000km of new roads had been built under CPEC and after the completion of the western route, another 2,600km would be added to the country's road network, the statement said.

According to the official statement, committee members directed that new officers should be inducted and trained by the end of the year.

The committee also took notice of frequent traffic jams on the under-construction M-9 Hyderabad-Karachi Motorway and directed the Frontier Works Organisation — the contractor — to provide an alternate route to ensure the smooth flow of traffic on this busy thoroughfare.

The NH&MP said that it faced hardship and was unable to control traffic on M-9 due to the mess created there by the construction work. The committee was informed that more than 50,000 vehicles ply on this road every day.

Meanwhile, a senior NH&MP officer said the department was facing several problems due to "mismanagement".

He said the existing motorway police force was also performing its duty on new roads, including the Murree Expressway, Multan-Khanewal motorway, Faisalabd-Gojra motorway and a few new roads in Balochistan.

In addition, the department has done no work on road safety measures for the past few years, which has led to a decline in awareness of motorway traffic rules among motorists.

https://www.dawn.com/news/1340634

NEED FOR TIMELY IMPLEMENTATION OF CPEC PROJECTS STRESSED
Dawn, June 21st, 2017

ISLAMABAD: Senior officials associated with China-Pakistan Economic Corridor (CPEC) have called for enhanced security measures for timely completion and implementation of projects.

"Effective and timely implementation of CPEC projects is crucial … the importance of internal security environment, especially in areas where CPEC projects are being undertaken is of paramount importance," Planning Division Secretary Shoaib Siddiqi said at a conference organised by the Strategic Vision Institute (SVI) during the inauguration of China Studies Centre.

Meanwhile, CPEC Project Director Hassan Daud Butt called for "doubling the efforts to eradicate terrorism".

The government has already set up a Special Security Division (SSD) comprising 15,000 personnel from Army and civilian law enforcement agencies for the safety and security of the projects.

The SSD has deployed its personnel on four projects in Punjab and seven in Sindh, in addition to Gwadar which in fact has, to some extent, addressed the Chinese government's security concerns.

However, killing of labourers working on road projects and the reported slaying of a Chinese couple in Balochistan, and most recently the martyring of two Navy personnel in an ambush in Jiwani has renewed security fears.

Meanwhile, Pakistan and China who have been cooperating on the security issue are jointly investigating the killing of the Chinese couple, which otherwise has been claimed by the self-styled militant Islamic State group.

Chinese Deputy Chief of Mission Zhao Lijian did not speak about the terrorism threat but praised the CPEC as the "fastest and most effective project under the Belt and Road Initiative (BRI)". Some 19 early harvest projects worth $18.5 billion were making smooth progress, he added.

Mr Zhao said that out of the two units of 1320MW Sahiwal Coal-Fired Power Plant, the second 660MW unit had completed the test-run and would soon become operational, while the first unit was already inaugurated by Prime Minister Nawaz Sharif last month. Another such plant in Port Qasim is expected to be completed this year.

Mr Zhao further said that the bidding process of the Eastbay Expressway project, linking Gwadar port with the network of the main National Highway, was in the final stages and its groundbreaking was expected to be performed by the end of the year. Besides, work on Gwadar International Airport would also commence this year, he said.

The Grant Agreement on Gwadar Airport and Framework Accord on Eastbay Expressway were signed during Nawaz Sharif's visit to China last month.

President, Strategic Vision Institute, Dr Zafar Iqbal Cheema said that China was not only playing an important role in the development and security of Pakistan, but also had an important influence in the entire region and beyond. He said the CPEC was an unparalleled plan for the development, regional connectivity, industrialisation and infrastructure development.

Introducing the think-tank's China Studies Centre, Dr Cheema said, it would endeavour to study Pakistan-China relations, role of China in South Asia and beyond, besides carrying out an in-depth research on security, economic, development, political aspects of the BRI and the CPEC and its impact on regional integration.

https://www.dawn.com/news/1340857

DHABEJI ECONOMIC ZONE TO BE MADE PART OF CPEC: NAHEED
Business Recorder, 23 June, 2017

KARACHI: Chairperson Sindh Board of Investment (SBI) Naheed Memon on Thursday said that the Chinese Special Economic Zone which will be built on 1000 acres at Dhabeji near Karachi will be incorporated in the Pakistan China Economic Corridor (CPEC) on priority basis.

She was talking to Chinese Economic and Commercial Counsellor in Karachi, Guo Chunshuo at her office.

The Chairperson SBI said, “The feasibility report of the economic zone will be prepared within 90 days for which contract has already been awarded.”

She said, “The Chinese Commercial Office should promote and publicize the project of Chinese Special Economic Zone Dhabeeji in China so as to create awareness among Chinese companies regarding incentives and benefits which are being offered to the industrialists in the Zone.”

She said, “We want that a cluster of various industrial units should be established at the Special Economic zone.”

She also expressed her desire, “The Special Economic Zone should appear as a great model of cooperation between the companies of Chinese and Pakistan.”—NNI

http://epaper.brecorder.com/2017/06/23/8-page/884509-news.html

NEWS COVERAGE PERIOD FROM JUNE 12TH TO JUNE 18 TH 2017
EYEING CPEC-RELATED EXPORTS
Dawn, The Business and Finance, June 12, 2017

Amjad Mahmood

PUNJAB is trying to develop its farm sector in a bid to claim a reasonable share in more than $111bn per annum farm imports of China.

The provincial government has created a special China-Pakistan Economic Corridor-related cell in the agriculture department and earmarked specific areas with budgetary allocations while according priority to projects like promoting high-value agricultural products along the CPEC route.

“To harness the potential of CPEC, we’ve have set up a full-fledged CPEC Unit in the department tasking it with not only identifying potential areas of partnership with China but also suggesting development along the western route of CPEC,” says a top official involved in planning for the CPEC-related projects.

He says the government has asked the department to work on projects that may tentatively fetch at least $1bn in agriculture exports to China at the earliest.

He says some planners believe that Punjab's share in Chinese agricultural imports can be easily raised up to $10bn by investing in high-value agriculture on a sustained basis. The government plans to establish seven agro-economic zones along the CPEC route.

The Zone-1 comprises Talagang tehsil of Chakwal district, which has been identified mainly to promote farming of peanuts and grapes along with several other fruits, vegetables and allied businesses. In the Zone-2, that encompasses Chakri tehsil of Rawalpindi, olive cultivation will be encouraged.

Citrus and allied businesses will be promoted in Bhalwal tehsil of Sargodha, whereas grapes farms and allied industry will be developed in Bhakkar.

Mango, citrus, tomato and related businesses will be focused in Multan zone; guava and strawberry in Lahore, while potato and other vegetables will be promoted in the Okara zone.

Over 150,000 acres of land will be made cultivable in Chakwal, Attock and Mianwali districts by investing in small dams and reservoirs for harvesting rain water.

An official of the on-farm water management directorate says they have been asked to explore possibilities of water availability in 10km area along both sides of the CPEC route in the three districts. "As subsoil water yield in the region is not promising we are focusing on harvesting rainfall. There are already some mini dams in the area and a hefty amount of around Rs10bn is likely to be apportioned for constructing more such reservoirs."

To promote corporate farming, contract farming and agro processing, the CPEC Unit has also identified projects for setting up cold chain and warehouses etc.

"We've prepared pre-feasibility studies of some value addition projects like batch dryer, quick freezing process, olive oil extraction and solar dehydration of vegetables and presented them to participants of the international seminar on Business Opportunities in Punjab recently held in Lahore," says special secretary, planning, Dr Ghazanfar.

Referring to the over $25bn per annum imports of soybean (oil and by-products) into China, he says Punjab has set up a centre of excellence for soybean while a project is also underway to develop new and better varieties of the crop.

Dr Ghazanfar says the department is working on removing supply chain bottlenecks as well as introducing and promoting traceable farming and food certification system to bring the local agro-business at par with international standards.

The department is also trying to wooing investment from China, in the agriculture sector by offering partnerships. The potential areas of partnership include promotion of organic farming; introduction of collective/cooperative farming; establishment of hi-tech agricultural mechanisation industry; development of precision and high-value agriculture; development and production of seed and seed technology (hybrid and open pollinated varieties); manufacturing of pesticides and fertiliser units, and processing units for value-addition of agriculture products along the CPEC route.

At least eight MoUs were signed during the two-day international moot. Three of these were between government-to-business and five between business-to-business or for joint ventures between local, Chinese and Turkish companies, says an official of the Punjab Board of Investment.x

https://www.dawn.com/news/1338867

'CPEC TO BE FATE CHANGER'
The News, June 18, 2017

ISLAMABAD: China-Pakistan Economic Corridor (CPEC) is a fate changer for the people of Pakistan, said Dr Murtaza Mughal president of the Pakistan Economy Watch on Saturday.

The investment of $46bln under CPEC had increased up to $56 billion now, he said, adding, of this $35 billion will be invested on energy projects and the remaining on infrastructure improvement.

This would help overcome energy crisis in the country, he added.

CPEC project would generate more than 700,000 new jobs in Pakistan, he said, adding that the exports of the country would also increase, which would lead to prosperity.

Under CPEC, special economic and industrial zones would be established in provinces and under the control of centre in Pakistan, he said.

Economic expert Dr Gulfaraz Ahmed said that the government has been focusing on building new energy projects under CPEC.

The distribution of energy is another challenging issue for Pakistan, he said, adding that it is required to improve the efficiency, decrease the losses and modernise the process of distribution of energy.

The Asian Development Bank's loan for this purpose would be very much useful, he said, adding that it would improve the country's energy distribution system.

https://www.thenews.com.pk/print/211189-CPEC-to-be-fate-changer

NEWS COVERAGE PERIOD FROM JUNE 5TH TO JUNE 11 TH 2017
CPEC OPENS AVENUES FOR AGRI-EXPORTS
The Express Tribune, June 5th, 2017.

The China-Pakistan Economic Corridor (CPEC) is expected to significantly improve economic conditions in Pakistan.

The major projects listed on the CPEC portal, developed by the Pakistan-China Institute, include transportation infrastructure, energy production, industrial cooperation and the Gwadar port city.

However, surprisingly, the potential impact of CPEC on the agricultural sector is rarely discussed in major economic forums.

Recent media reports on CPEC's long-term plan, a study by the National Development and Reform Commission and China Development Bank, emphasise that the agricultural sector is a major beneficiary of CPEC. Though regarded as a 'redundant document' by government officials, the long-term plan introduces public discourse on the impact of CPEC on the agricultural sector. CPEC will provide a vast transportation network that will connect Khunjerab in the north to Gwadar in the south-west. This will automatically boost the economy of several remote rural towns located on the network as the transportation time to urban centres and markets will shrink considerably.

Furthermore, this network will provide agricultural producers an opportunity to export not only to China, but also to other countries as CPEC improves Pakistan's trade integration into the global economy.

As rural employment and agro-based industrial output rely heavily on the agricultural sector, it is essential to determine the impact of CPEC on the sector and the existing trading patterns of agricultural products.

Agriculture contributes approximately one-fifth to Pakistan's gross domestic product (GDP) at constant base prices of 2005-06. About $3.7 billion was generated from food products in FY16. The major contributor was rice, which contributed around $1.8 billion.

Total export receipts from the food product dropped more than 15% between FY15 and FY16. Exports of basmati rice, which contributed 32% to overall rice export receipts in FY16, declined more than 31% in the year. However, exports of other types of rice increased 7%. The textile sector recorded a decline of 5.8% in export receipts between FY15 and FY16. Receipts from raw cotton, which stood at $153 million in FY15, fell more than 49% between FY15 and FY16.

Though total export receipts dipped approximately 8.8% between FY15 and FY16, the agricultural sector reported a greater fall. The total output of the agricultural sector, in constant prices, dropped between FY15 and FY16. Other sectors of the economy reported positive growth rates.

Although export receipts for agricultural products are sensitive to price fluctuations in the world market, it is imperative that the government develops domestic and international production linkages in order to reduce the volatility in total exports and the income earned by farmers.

Agricultural products accounted for less than 8% of the global trade in 2015, but constituted approximately 22% of total exports from Pakistan. Around 43% of the agricultural products exported globally in 2015 were raw material and 42% were consumer goods.

On the other hand, around 53% of the agricultural products exported from Pakistan were consumer products and 29% were raw material.

The agricultural goods produced in Pakistan typically have lower linkages with the manufacturing sector. The lower percentage of agricultural raw material exported from Pakistan indicates that the domestic agricultural producers are not likely to participate in global production linkages.

Unlike manufactured consumer products that may involve substantial value addition through different stages, agricultural consumer products are likely to be of low value and be sensitive to fluctuations in global commodity prices. Given that geographical and climatic constraints may limit diversification of agricultural products, it is important to determine specific products that will increase the integration of the agricultural sector into the global economy.

Approximately 6.5% of agricultural products exported from Pakistan were destined to China. Agricultural products accounted for 15% of total exports to China from Pakistan in 2015.

Approximately 56% of agricultural products exported to China were consumer goods, 29.6% were intermediate goods and 14.7% were raw material. On the other hand, agricultural products accounted for 6.5% of total imports into China in 2015. However, 71.2% of agricultural products imported by China were raw material and 18.1% were consumer goods.

The top three exports of agricultural products to China from Pakistan constitute less than 2% of China’s total world import demand of agricultural products.

One of the biggest challenges exporters of agricultural products may face are the non-tariff measures, primarily in the form of sanitary and phytosanitary (SPS) and technical barriers to trade (TBT), imposed by destination markets.

Importing countries impose such measures to not only increase consumer awareness of the quality of products imported through proper labelling, marking and packaging, but also prohibit the imports of products harmful for human consumption.

Agricultural products typically face higher incidence of SPS and TBT measures than manufactured products. For instance, exports of rice to China face several measures such as microbiological criteria of final product, certification and testing requirements and geographical risk eligibility that can substantially influence the cost of exporting the agricultural goods.

Without a plan to support the agricultural sector, their exports may further stagnate.

The writer is Assistant Professor of Economics and Research Fellow at CBER, IBA

https://tribune.com.pk/story/1427500/cpec-opens-avenues-agri-exports/

KP SEEKS TO MAKE THE MOST OF CPEC
Business Recorder,June 8, 2017

PESHAWAR: Pakistan Tehreek-e-Insaf-led coalition government of Khyber Pakhtunkhwa on Wednesday unveiled a tax-free budget of Rs 603 billion, including an allocation for as many as 84 China Pakistan Economic Corridor (CPEC)-related schemes, and a 10 percent increase in the salaries and pensions of the government employees after the merger of ad hoc relief of 2010. Provincial Finance Minister Muzaffar Said presented the fifth budget of the provincial government in the special budget session of KP assembly with Speaker Asad Qaiser in the chair.

The province is estimated to receive Rs 247.876 billion from the Federal Divisible Pool in 2017-18 and Rs 107 billion as one percent share of the province in war against terror from the federal divisible pool and Rs 49.806 billion as straight transfers from the federation.

The province will also get an estimated amount of Rs 21.774 billion in head of net hydel profit and its arrears from the federal government and Rs 114.535 million as arrears of the net hydel profits. The province’s own receipts have been pitched at Rs.68.31 billion for 2017-18. The current expenditure has been estimated at Rs.388 billion to meet the provincial expenditure to be incurred next year, he said.

The Finance Minister said the provincial government will generate Rs 126 billion from its own sources for the development programme whereas Rs 82 billion would be realised through foreign donor agencies for feeding the development programmes.

The Finance Minister said it is a balanced budget as the receipts and expenditures have been pitched at Rs 603 billion for the year 2017-18. The province will get 11 percent more in next year from the federal divisible pool. However, he told the house to ensure implementation of schemes under the development outlay. He also said that the province has decided to obtain Rs 10 billion internal loan. The province is also expected to generate Rs 15 billion from the hydel development fund for financing the hydel power projects. Similarly, Rs 82 billion is expected to be received from the foreign project assistance.

The finance minister said that Rs 3.63 billion would be generated in 2017-18 from the hydel power stations setup by the KP government besides the province will obtain Rs 45.21 billion from the tax and non-tax receipts during the next fiscal, which also included Rs 12.65 billion from service on the general sales tax.

The province will generate an estimated amount of Rs 24.68 billion through the oil and gas royalty deposits of southern districts which is 43 percent more than what was estimated for the outgoing fiscal year.

The Finance Minister announced that the government has proposed to exempt government employees from Grade-1 to Grade-5 from house rent deduction while rate of the daily allowance was being increased to 60 percent. The allowance of the Urdali is increased from Rs 12000 to Rs 14000.

Similarly, expenditures incurred on shifting and burial rites of dead bodies were being increased to Rs 4800 and Rs 15,000, respectively.

The finance minister informed the house that Rs8 billion allocated for payment on markup of the loans obtained by the province. Rs53 billion have been allocated for pension payment, which is 30 percent more than the current fiscal year’s allocation, and Rs 2.90 billion has been set aside for subsidy on wheat. Rs 7 billion earmarked for retirement of external and internal debts, house building and motorcycle advances to government employees.

Unfolding the details of the expenditures for 2017-17, the Finance Minister said that Rs.395 billion have been allocated for current expenditures which are 15 percent more than the outgoing fiscal year’s.

Rs 127.90 billion has been allocated for education including Rs115.92 billion for the primary and secondary education sector and Rs11.92 billion for higher education showing an 18 percent hike over the current fiscal year’s.

Similarly, Rs49.27 billion has been allocated for health sector, reflecting a 31 percent increase over the current year's. Social Welfare, special education and women development sector to receive Rs1.85 billion, showing a seven percent increase.

The police department's budget has been enhanced by 21 percent with an allocation of Rs 3973 billion. Irrigation sector will get Rs 3.76 billion, showing a ten percent rise. Technical Education and Manpower Training will get Rs 2.25 billion in the next fiscal, showing a 14 percent hike.

The government has proposed certain minor readjustments in the provincial taxes to generate revenue for meeting the current development expenditure. Referring to adjustments in the provincial taxes, he said the ratio of property tax, professional tax and motor vehicles tax was being increased whereas it was also proposed to increase the annual tax on tailors from Rs2000 to Rs10000 per year.

He informed the house the KP Government is engaged in obtaining Rs50 billion from Asian Development Bank for construction of Peshawar Rapid Bus Project.

He said the province is likely to receive Rs39.17 billion from federal government as a share in the war against terror. Similarly, the province is likely to obtain Rs20.78b as annual profit under net hydel power profit whereas the province-owned receipts stood at Rs45 billion.

The finance minister said the government would complete mega Swat Motorway Project through its own resources in the next fiscal year.

About the development outlay he said the ADP 2017-18 comprises 1631 schemes: 1182 ongoing and 449 new schemes would be executed in 2017-18. As many as Rs95 billion would be spent on Provincial Development Schemes whereas Rs30 billion allocated for district development programme.

The Minister said Rs14.28 billion has been allocated for primary and secondary education and 410 new primary schools would be constructed during the next fiscal year.

As many as Rs6.25b allocated for 63 schemes of higher education department, Rs12.23b for 101 schemes of health department, Rs460m for 33 social welfare department schemes, Rs14b for construction of highways and roads, Rs1.64b for 27 schemes of industry department, Rs2b for 38 schemes of environment department, Rs2.42b for 59 schemes of home department and its attached bodies, Rs4.5b for schemes of LG department and Rs2billion for 30 schemes for relief and rehabilitation.

As many as 30 new schemes have been included for agriculture department in the next budget, 12 for food department, 53 for sports, culture and tourism department, 19 religious affairs, 54 for energy dept, 19 for IT and 16 for Mineral Department.

The Seht Insaf Card scheme would continue in next fiscal year as well and solarization of 4000 mosques in the province also included in the budget.

The provincial government would also provide Rs 30,000 monthly stipends to poets, writers and artists of the province. Health insurance schemes for government employees are likely to be announced in the budget as its allocation is being enhanced from Rs1.8m to Rs2.4m.

Likewise, 10 post-graduate colleges would be established in next fiscal year in addition to completion of Peshawar Zoo and Arbab Niaz Cricket stadium. He informed the House that as many as 4000 mosques would be connected with solar energy. He also told the House that health insurance scheme of government employees would be part of the new programme.

Similarly, construction of bomb proof boundary walls would be carried out around police stations. Rs1mln has been allocated to 84 CPEC-related schemes in the province. Rs4 billion has been allocated for 35 projects of the local government departments and Rs13 million allocated for construction and widening of roads and Rs1b earmarked for 24 industrial projects.

The KP Government has allocated Rs65.7billion for health sector in the budget 2017-18, showing a 20 percent increase over the outgoing fiscal 2016-17. He said the total volume of health sector was 11 percent of total budget volume of Rs603 billion for the year 2017-18.

He said as many as 394 posts were created in the current fiscal year. As many as 1149 posts were created at provincial and 2793 at district levels in the outgoing fiscal.

Likewise, 1140 posts have been proposed to be created in 2017-18 and 674 posts proposed to be created at provincial and 466 in district levels in 2017-18. A sum of Rs13.780 billion has been estimated for 2017-18 to be transferred to district health offices including medical teaching institutions (MTIs) for smooth health delivery system.

Grant-in-aid to be provided to health institutions across the province including Rs963 million for Ayub Medical College, Rs1594 for Ayub Teaching Hospital Abbottabad, Rs248 million for DHQ hospital Bannu, Rs144m for women and children hospital Bannu, Rs587m for Khalifa Gulnawaz teaching hospital Bannu, Rs278m for Bannu medical college, Rs232m for Gomal Medical College DI Khan, Rs313m for Mufti Mehmood Memoral Hospital DI Khan, Rs 628m for DHQ Hospital DI Khan and Rs772million for Mardan Medical Complex Mardan.

The Finance Minister said the scope of emergency services RESCU 1122 and Urban Services was being extended to the entire province from the next fiscal year.

He said that 15000 to 20000 new recruitments would be made, including 14000 posts of teachers. The minister further told that the government would continue to provide better facilities to public sector schools while schools are also being shifted to solar energy system.

To provide better facilities in health institutions, Rs14 billion would be spent on the purchase of state of the art medical equipment.

The finance minister said that Rs400 million allocated for 45 energy sector projects in the budget, which included both ongoing and new ones. Various small hydropower stations would be set up in Moji Gram, Shoghur, Astore Bony, Barikot, Patrak, Shringle, and Swarlasht areas, which will generate up to 1233MW of electricity.

As many as twenty new small dams would be constructed in the province at feasible sites, he said, adding the construction work on Chashma Right Bank Canal Lift Cum Gravity scheme would be initiated next year.

The Finance Minister said that the volume of the administrative budget has been pitched at Rs58.73 billion which is ten percent of the total annual budget and 18 percent more than the outgoing fiscal year's.

He maintained that province's own receipts were meager and making slight upward readjustments in it was unavoidable. The government was well aware of peoples' problems and did not want to put more burden them in the shape of new taxes. The government proposes slight increase in the UIP (Urban Immovable Property) tax on five Marla houses which are in the possession of tenants. The self-occupied house of five Marla will remain exempted from the UIP tax.

A new service has been incorporated in the sales tax schedule named 'Ride Hailing Service'. Similarly, an upward revision has been proposed in stage carriage route permit, goods forwarding agency, bodybuilding licence fees and fitness fees. Adjustment in the fees of restaurants, hotel registration and licence of the tourism department also proposed in budget 2017-18.

At the outset of the his budget, the Finance Minister dwelt at length on the achievement of the present KP government, it made during the outgoing fiscal 2016-17. The performance of the KP government mainly revolved around elimination of corruption, enactment of necessary legislations for reforming the government institutions and creating a conducive environment for investment in the province.

For making the financial discipline on modern lines, he said the government approved a comprehensive PFM Reform Strategy with the cooperation of the DFID.

He also took the credit for uncapping the net hydel profits under the leadership of the Chief Minister. The government after untiring efforts succeeded in making the Western route part of the CPEC and successfully made 82 projects part of the corridor. The KP government is expecting a 24 billion dollars investment from the CPEC-related projects in the province.

The government constructed 43 colleges in the current fiscal and 17 more will be completed by June 2017 while work on 62 more colleges was under way. Rs 140 million was spent on capacity building of college teachers from 2013-17. The number of commerce colleges increased from 25 to 31 while the number of commerce college students increased to 18500.

http://epaper.brecorder.com/2017/06/08/1-page/880461-news.html

CENTRE HAS NOT TAKEN SINDH INTO CONFIDENCE ON CPEC PROJECTS, SAYS MURAD
Dawn, June 9th, 2017

THATTA: Sindh Chief Minister Syed Murad Ali Shah has complained that the federal government has not taken the provincial government into confidence over the Sukkur-Multan highway and other projects being executed under the China-Pakistan Economic Corridor (CPEC).

He had recently written a letter to federal ministers Ishaq Dar and Ahsan Iqbal, asking them to keep the Sindh government on board over the execution of main CPEC projects but the Centre usually avoided bringing the province in the loop, said the chief minister.

He was speaking to journalists at Jilani House in Makli on Thursday afternoon where he had arrived to offer his condolences on the death of spiritual leader of Jamaat Qadri Jilani, Pir Ghulam Jilani.

The chief minister said the huge funds being spent on CPEC projects were taken from the exchequer of the province. His government would, therefore, raise its voice at all available forums and keep protesting if the federal government refused to change its attitude, he said.

He said the Sindh government had given priority to the execution of CPEC projects and launched three gigantic wind mill projects in Thatta and Jamshoro districts and power generation projects at Thar coal block II. Consultants had also started work on Keti Bandar port project, he said.

Mr Shah said the federal government had continued to show step-motherly attitude towards Sindh over the sensitive issues of just distribution of irrigation water and funds divisible under the National Finance Commission Award. The step-motherly attitude was evident from frequent and prolonged power loadshedding and failure to release water to Sindh for Kharif season, he said.

He dismissed the federal government’s claim about production of excess electricity as baseless and said it either wanted to befool the masses or deliberately create problems for Sindh.

He said the federal government had released Rs68 billion less than the amount it had announced for Sindh’s development schemes while the province had not yet received even the Rs108bn the federal government had to pay Sindh till the end of the current month.

It was not the federal government’s money but of the public of Sindh and he would, therefore, get this amount at all costs, he said.

The chief minister said the recent Sindh budget was completely tax-free and he had already proved rivals’ claims false who had been clamouring all along that the provincial government would impose new taxes.

Praising services of late Pir Ghulam Jilani in the field of literature and spirituality, he said late Jilani was a religious scholar and an intellectual par excellence as well as writer of more than 40 books on literature, religion and poetry.

Earlier, a large number of people including disciples of late Jilani, former and current parliamentarians as well as socio-political activists from across the province attended funeral rites at Jilani House.

The chief minister was accompanied by provincial ministers Nasir Shah, Imdad Pitafi, Fayaz Bhurt and former MNA Dr Wahid Soomro, Imtiaz Qureshi, Mohammad Ali Malkani, Sadiq Memon and other PPP leaders.

https://www.dawn.com/news/1338295

July 2017

NEWS COVERAGE PERIOD FROM JULY 24TH TO JULY 31ST 2017

BUSINESSMEN SEEK LEVEL PLAYING FIELD TO BENEFIT FROM CPEC

Dawn, July 29th, 2017

PESHAWAR: The Sarhad Chamber of Commerce and Industry (SCCI) has sought a level playing field and incentives for the businessmen of Khyber Pakhtunkhwa like those in other parts of the country to benefit from the China-Pakistan Economic Corridor. It also called for formulating a policy framework to protect the indigenous industry and to compete with the Chinese investors.

The chamber members expressed these views during a consultative meeting titled 'CPEC – challenges and opportunities', organised jointly by the Federal Board of Investment (BoI) and Ministry of Planning and Development in collaboration with SCCI at the Chamber's House here on Friday.

Jiang Han, deputy consul general of Chinese Embassy in Islamabad, was the chief guest on the occasion. The speakers included BoI director general Riffat Pervez, Shaukat Khattak from the Ministry of Planning and Development, chief strategic of KP Economic Zones Development and Management Company Hassan Ansari, SCCI president Mohammad Afzal and others. Office-bearers of the chambers from Swabi, Charsadda, Swat, Dir and Peshawar were also present on the occasion.

Zahid Shinwari, ex-president of SCCI, said that the industry and people were still in the dark about terms of the deal of CPEC signed almost two years ago. He said that this had generated apprehensions about the multi-billion dollars project.

"We demand a level playing field and equal incentives besides protection of local industries," he said and added that the export of local manufacturing products had already plunged, while it would go further down with the advent of Chinese investors due to lack of uncompetitive conditions.

He said that the Free Trade Agreement and preferential trade agreements with other countries had affected the local industries, while the market would be flooded with Chinese products as there was still no policy to protect the local industries.

Babar Hamayun, a vice-president of Swabi Chamber of Commerce and Industry, said that he did not know about any policy to facilitate the existing industrial units and Small and Medium Enterprise in the CPEC. He suggested forming a committee to put forward the business community's reservations to the federal government in this regard.

Malik Awan Ishaq said that the local industries were paying 8 to 9 per cent markup on loans and it would be difficult for them to compete with the Chinese companies.

Addressing the participants, Chinese diplomat Jiang Han said that CPEC would further boost the economic and trade relations between China and Pakistan. He said that about 18-20 projects had been executed which would bring economic development in Pakistan. He hoped that CPEC would strengthen local economy and create maximum jobs for the people of Pakistan.

Mr Pervez said that the industries could not flourish without electricity and infrastructure development, which were the key components of CPEC. He said that 46 potential sites had been identified for Special Economic Zones (SEZs) alongside CPEC in consultation with the provincial governments.

Mr Ansari said that KPEZDMC had planned to develop over 18 economic zones across the province which would be later elevated to special economic zones.

He said that the KP government had so far signed deals with the Chinese government for development of five economic zones under CPEC.

https://www.dawn.com/news/1348373

CPEC'S UPLIFT WORK UNDER WAY IN A TRANSPARENT MANNER: BOI CHIEF
Business Recorder, 30 July 2017

KARACHI: The Additional Secretary and Executive Director General of the Board of Investment (BoI), Shahjahan Shah, has assured the business and industrial community that the entire development work of the game-changer China-Pakistan Economic Corridor (CPEC) project was being carried out transparently at all stages and that there was absolutely no discrimination between the local and foreign investors who intend to participate in this project.

Speaking at a seminar titled "CPEC – Opportunities and Challenges" held jointly by the Karachi Chamber of Commerce and Industry (KCCI) in association with the Board of Investment and the Ministry of Planning, Development and Reforms at the KCCI, he said that there was no secret about the CPEC project which offers equal opportunities to local and foreign investors.

Highlighting the progress on CPEC, he said that an Experts' Groups was being formed by the Board of Investment for the CPEC project, which will deliberate on how to build the numerous economic zones.

The Karachi Chamber, the largest chamber of the country, will also be given due representation in the Groups, he said.

He said that the government plans to establish 46 Special Economic Zones (SEZs) alongside the route of the China Pakistan Economic Corridor, of which nine zones have already been declared prioritized, while the remaining zones would also be established under CPEC's long-term plan.

The additional secretary said that besides establishing a huge infrastructure of roads, highways, railway links and economic zones, CPEC particularly focuses on the energy sector, as many projects have been undertaken, of which some projects have already started production whereas other projects were also nearing completion and will collectively produce 10,400 megawatts of electricity upon completion.

Speaking on the occasion, the Chairperson of the Sindh Board of Investment (SBI), Naheed Memon, stated that the province of Sindh, particularly Karachi, can provide the best connectivity to CPEC, and therefore the Special Economic Zones in Sindh will prove more beneficial for this project.

She said that two special economic zones were proposed for Sindh under CPEC, at Dhabeji and Keti Bandar, but the Dhabeji Special Economic Zone is the top priority as it makes more commercial sense. “Dhabeji Special Economic Zone, which is currently spread over 1,000 acres of land, will showcase the cooperation between Pakistan-China industries. The Dhabeji SEZ will not remain limited to just 1,000 acres as we intend to establish more such economic zones in this area,” she added.

She said that in the first phase the Dhabeji SEZ, located on the National Highway 50 kilometers off Karachi Airport, has been incorporated in CPEC and has received a very positive response, especially from Chinese investors who were keen to undertake joint ventures with their Pakistani counterparts.

Karachi would be a very large market as, after the recent census, its population was expected to increase to 30 million, Naheed Memon said, adding that Karachi was the fifth-largest city of the world and it has great potential for different businesses. She was of the opinion that Pakistan has the most liberal investment regime in the region anyone can easily set up their businesses in this country.

But over the years nobody has ever come forward to invest in Pakistan except China, which clearly indicates the strong ties between the two neighbouring countries. “We couldn’t have established such a huge infrastructure comprising roads, highways, railway links and special economic zones without Chinese support,” she added.

The president of the KCCI, Shamim Ahmed Firpo, pointed out that as CPEC has been termed a game-changer on various occasions, it seems that this change has already begun.

Many countries around the world which had been issuing negative travel advisories about Pakistan are now taking keen interest in the CPEC project and delegations from these countries have started visiting Pakistan to look at the possibility of participating in the mega-project.

“Frequency of foreign visitors has risen sharply nowadays, which can be gauged from the hotel occupancy in Pakistan, particularly Karachi, where most of the hotels remain fully booked. CPEC is undoubtedly helping us in cleansing the terrorism stains,” he added.

He said that although efforts are being made to clarify many misconceptions about the CPEC project the government will have to act more aggressively and it must take all stakeholders on board so that their concerns about China’s excessive intervention in Pakistan’s economic scenario could be efficiently addressed.

Shamim Firpo said that CPEC will open up infinite trade and investment opportunities across the country and pave the way for improved foreign trade relations, not only with China but also with many other countries across the region.

The former president of the KCCI, A Q Khalil, expressed deep concern over the future of this project and the impact of excessive debts on Pakistan’s economy, particularly in a situation where the country was already suffering badly due to political uncertainty, with the general elections due next year.

“How are we going to clear all these foreign debts, including loans given by China under the CPEC project, particularly in a situation where the lawmakers in Islamabad remain busy in politics only and were not paying any attention to some of the poor economic indicators,” he added.

http://epaper.brecorder.com/2017/07/30/5-page/893545-news.html

NEWS COVERAGE PERIOD FROM JULY 17TH TO JULY 23RD 2017
OPPOSITION CONSPIRING AGAINST CPEC, ALLEGES MUQAM
Dawn, July 17th, 2017

Ali Hazrat Bacha

PESHAWAR: Adviser to Prime Minister Amir Muqam has blamed the opposition parties for hatching conspiracy against China-Pakistan Economic Corridor (CPEC) project.

Addressing a public meeting in Bazidkhel area to inaugurate supply of natural gas to the rural localities here on Sunday, he said that no one would succeed to topple the federal government through rallies, sit-ins and protest demonstrations.

He said that Prime Minister Nawaz Sharif was not against any individual rather he was fighting anti-state elements that could not see Pakistan as a prosperous country.

Several other PML-N leaders including Nasir Khan Musazai, Raees Khan Achar, Haji Sifatullah and Raham Dilnawaz spoke on the occasion.

Mr Muqam said that running affairs of the country was not an easy task. He said that playing cricket and ruling a country were two different things. He added that PTI always talked against corruption but it never took the issue serious because the menace was widespread in Khyber Pakhtunkhwa were PTI was in power.

Mr Muqam said that PTI leaders were pressuring Supreme Court to decide the Panama Papers case as per their wishes to disqualify the prime minister otherwise they would allow corruption. He said that a statement was also issued by Chief Minister Pervez Khattak, who asked Supreme Court to disqualify Nawaz Sharif or he (Mr Khattak) would allow corruption.

The PML-N leader demanded of Supreme Court to take suo motu notice of the irresponsible statements and speeches of the opposition parties. He said that politicians should avoid confrontational politics, dragging families of each other's and using derogatory language.

Mr Muqam, who is also provincial president of PML-N, said that Nawaz Sharif should remain prime minister to complete all the ongoing development schemes in the country.

He said that the opposition's campaign against the federal government was meant to oppose CPEC. He said that development of the country had baffled leaders of opposition parties and they were out to oust the government at all costs.

The PML-N leader also came hard on provincial government, saying it failed to ensure provision of proper health and education facilities to the people. He said that on one hand PTI claimed to have declared education emergency in the province while on the other hand it was closing educational institutions.

He said that provincial government issued notification about closure and merger of 30 schools for girls with others in PK-8 constituency in Peshawar under its rationalisation policy.

Mr Muqam said that the recent rains of few hours exposed performance of PTI government where shopping centres remained submerged but the civic agencies failed to facilitate people. He said that provincial government should launch ‘metro boat service’ before the start of metro bus in the city.

https://www.dawn.com/news/1345839

UNDERSTANDING CPEC
Dawn, July 17th, 2017

Shahid Kardar

Common sense would suggest that investments under the CPEC banner present an enviable opportunity for our economy to jump onto a significantly higher growth path on a sustainable basis. Is this logic and the envisaged gains valid allowing for the terms and conditions governing these ventures and the capability of Pakistan’s economy to exploit its potential?

The principal constraint in conducting a fair assessment of the latent returns to our economy from CPEC is the general opaqueness of the provisions driving these investments. Officialdom assures us that only a part of the funds are being provided in the shape of loans (and at affordable rates of interest). The rest of the financing is in the form of investments in energy and does not carry debt liabilities.

It can be argued, with some justification, that beggars are not choosers and these loans are on terms that are the best we could hope for under present conditions. But, if indeed they are (although warped domestic tax structures and distorted priorities make it difficult to raise and allocate resources for such investments) why are the details not in the public domain as is usual these days even in the case of a hitherto secretive institution like the IMF?

Furthermore, how are the investments in the power sector logically different from a debt-related commitment, considering that the returns have been guaranteed by the government? What is the practical difference between these categorisations? From the information one has been able to glean, the guaranteed returns range from 17 per cent to 20pc in dollar terms on the investment/equity in the power sector (rising to more than 25pc if we add on all the exemptions granted on customs duties, both federal and provincial GSTs and other allied taxes).

Other special terms have also to be accorded. These include a three-month cash escrow for the electricity generated; they will have the right to suspend operations and still be paid if their payments are delayed. Whereas in the case of existing IPPs the National Transmission & Despatch Company can impose damages even if these units close down on account of non-payment for an extended period. The generous concessions (not available to domestic investors) showered on the Chinese have surely set a benchmark that other investors could validly demand.

These high guaranteed returns, complemented by our poor governance of the energy sector, will keep the price of energy high, affecting adversely the competitiveness of the economy in general and the exporting sectors in particular.

The cost per megawatt of these coal-based power plants has also not been shared to enable a comparison with international standards. This is important because, as explained, the returns are a guaranteed percentage of the equity, incentivising over-invoicing of imported equipment, enabling not just the recovery of the investment upfront but also furnishing a guaranteed return on this over-invoiced amount!

Another unknown is the cost per kilometre of road in highway projects. Market sources also claim that barely 25pc of the work has been outsourced to Pakistani engineering consultants and contractors. And they are being paid around 40pc of the cost for these services that the Chinese are being compensated for. Moreover, not only do they bring their own cement and steel but also their own labour (even of the unskilled variety on the plea that they speak Chinese); even paint produced by a multinational based in Pakistan is bought from the office of the same company in China.

In any case, as global experience tells us, connecting developed regions with those that are relatively backward doesn’t necessarily stimulate sustainable growth in the latter. The connectivity may well make it easier for capital and skills to flow to the more endowed regions because of better opportunities.

For the Chinese, the benefits of improved connectivity of their province of Xinjiang with the Gulf and beyond will come in the form of safe and secure connectivity to suppliers of energy in the Middle East and consumers in these and African markets.

What is uncertain is the impact that CPEC could have on our growth rate, given our weak global competitiveness owing to our deformed tax structure, poor governance and lack of skills. It limits our ability to integrate into Chinese-driven value chains. A greater worry would be the possible folding up of many of our businesses, not being competitive.

As things stand, without a competitive industrial (perhaps even the agricultural sector), we may have to be content with, like the good ‘rentiers’ that we are, simply collecting toll taxes for our much-marketed ‘strategic location’.

Much of the CPEC-related discussion is around projects. But for achieving its objectives in a sustainable manner recurrent expenditure on repairs and maintenance is critical; these affect the economy’s efficiency. With large budget deficits and rigidity of expenditure, this requirement will pose formidable challenges.

Finally, given the precarious health of our external sector (with the current account deficit accumulating at a frightening billion dollars a month and the import bill programmed to increase by an additional $3bn by end 2018 on LNG/coal projects) and no visible signs of possible improvement, we would, as night follows day, be negotiating a new IMF programme, latest by the second half of 2018.

The outcomes of these deliberations could introduce an intriguing twist to our strategic policies for the region as we seek funding to service our debts and commitments under CPEC — with a dreaded currency mismatch resulting from most earnings in rupees servicing dollar liabilities.

Lest we forget, the IMF has no currency of its own, nor does it manage one. It essentially lends in US dollars which is also the currency for discharging CPEC-related obligations. If political analysts are right in asserting that the Americans are not happy with our Afghan and regional policies and our attempts to get closer to the Chinese, will their monopoly over their currency and their clout in the Fund provide them a leverage beyond just a role in the finalisation of IMF conditionalities?

https://www.dawn.com/news/1345741

‘CPEC TO INTEGRATE REGIONAL ECONOMIES’
The Express Tribune, July 17th, 2017.

LAHORE: China-Pakistan Economic Corridor (CPEC) is a unique opportunity to integrate with regional economies and will become a hub of trade and manufacturing after the Gwadar Port developed as free port.

Noted analyst on contemporary politics and international relations Dr Saad S Khan said emerging opportunities with facilitation such as extensive roads, railways, ports and energy infrastructure, the project was being perceived as a ‘game changer’ in the context of regional geo-economic and political realities. He said the CPEC would open attractive avenues for investment emerging from economic cooperation between the two rising powers of Asia.

Veteran economist Dr Ashfaq Hassan said the CPEC project would prove to be a harbinger of economic development. He said the PML-N government was paying special attention to development of different sectors including power, gas, education, health and roads infrastructure.

“People of all provinces will benefit from CPEC projects,” he added.

Sustainable Development Policy Institute (SDPI) Executive Director Dr Abid Qaiyum Suleri said the historic project would also ease the lives of people and also help bring prosperity in the country. He said CPEC must not be politicised. Chairman National Parliamentary Committee on CPEC senator Mushahid Hussain Syed said CPEC which would connect Pakistan to East and West Asia, will help make the country a destination for cross-regional trade.

Evacuee Trust Property Board (ETPB) Chairman Siddiqul Farooq said Pak-China relations were touching new heights after the CPEC, as the project had created tremendous opportunities of investment in Punjab and other areas of the country. He said the PML-N government had given solid economic shape to Pak-China friendship at the large scale. He added that China Pakistan Economic Corridor (CPEC) had ushered in a new era of durable Pak-China relations.

“We will also give the legacy of a better future to our future generations in shape of CPEC,” he said and added that officials of China and Pakistan were working as a team to move forward the project.

https://tribune.com.pk/story/1459551/corridor-development-cpec-integrate-regional-economies/

PBIF PROPOSES COTTAGE INDUSTRIAL ZONES ALONG CPEC
Business Recorder 18 July 2017

KARACHI: President of Pakistan Businessmen and Intellectuals Forum (PBIF) Mian Zahid Hussain has emphasized that cottage industrial zones should be established across the country and particularly along the CPEC to improve productivity, exports and employment in Pakistan.

“Needed steps should be taken for promotion of small and medium enterprises. Cottage industry can reduce poverty and bailout country from the economic problems,” he said.

Mian Zahid said that the majority of the population comprises of women therefore they should be included in the national mainstream to ensure rapid progress.

“Cottage industry, small traders and women entrepreneurs should be given more attention to ensure rapid development,” he stresses saying that over 960% percent businesses fall in the category of cottage industry and small businesses but this sector has been neglected against the national economic interests.

He asked how Pakistan can become a successful economic model when cottage industry, small traders and women feel side-lined. He urged that government should revisit some policies governing these sectors.

He said that there are 1.5 billion poor in Asia of which 660 million are very poor while the majority of world’s poor lives in Saarc region that can be lifted out of poverty by policy intervention which has been awaited since long.

“Reasons behind rampant poverty among women is unfriendly attitude of policymakers, gender inequality, lack of education, absence of required skills and credit facilities, cultural constraints and apathy towards the critically important SMEs sector,” he said.

PBIF president asked the government to focus on health, education, technical skills, infrastructure development, and facilitate cross-border trade to ensure additional benefits worth billions of dollars that can ensure economic progress and peace.

http://epaper.brecorder.com/2017/07/18/8-page/889806-news.html

CPEC SHOULD BE ‘SMUGGLING-FREE CORRIDOR’
Dawn, July 21st, 2017

RAWALPINDI: The China-Pakistan Economic Corridor must be made a ‘smuggling-free corridor’ and must not fall to illegal imports and under-invoicing as observed under the Afghan Transit Trade route, Rawalpindi Chamber of Commerce and Industry (RCCI) President Raja Amer Iqbal said on Thursday.

He was speaking at a conference on the CPEC project organised by the RCCI. The event had representation from chambers of commerce from all over the country as well as traders community.

“We demand a strong security system to monitor exchange of goods via the CPEC route. We want CPEC to be smuggling free,” he emphasised.

“We urge the government to focus on the fourth part of the CPEC plan which is the Industrial Zones Development,” he said.

However, the agreements must follow the law of the land and benefit Pakistani traders, investors, and industrialists, he stressed.

https://www.dawn.com/news/1346553

CPEC: MINISTER SEES CRUCIAL FBR ROLE
Business Recorder, 22 July 2017

ISLAMABAD: Federal Minister for Planning, Development and Reforms Ahsan Iqbal has asked the Federal Board of Revenue (FBR) to finalize a detailed plan to ensure its crucial role in China-Pakistan Economic Corridor (CPEC) by setting up business-friendly and state-of-the-art documentation system, monitoring and implementation as well as evaluation and assessment mechanism.

He issued these instructions addressing a Business and Research Seminar on CPEC under the aegis of Directorate of Training and Research (Customs), FBR, here on Friday. Secretary Planning, Development & Reform, Shoaib Ahmad Siddiqui, was also present on the occasion while Project Director CPEC Hassan Daud Butt briefed the participants on the CPEC projects.

The minister noted that the Customs would have to play a crucial role in CPEC facilitating effective channels for engaging Pakistan in global supply chain and assist in developing Pakistan’s market-oriented economy and industries.

“Pakistan needs to synergize with fast industrialization process and innovations in technologies to ensure rapid growth and inclusive development in the country,” he said, adding that the CPEC had provided an opportunity to promote new markets and connectivity across the region and there was need for further cooperation.

Ahsan Iqbal said that historically, all countries progressed by virtue of partnerships. He said that Japan and South Korea had developed due to USA and India progressed due to alliance first with USSR and now with the USA. Days of non-alignment are over. He said that Pakistan is lucky to have a time-tested relationship with China.

“Our Vision 2025 and China’s Annual Plan complement each other,” the minister said, adding that CPEC has transformed this bilateral relation from strategic to economic nature. He said that currently, CPEC is the fastest developing corridor in entire Belt and Road Initiative and a number of its early harvest projects are attaining completion.

He said Pakistan has completed Sahiwal coal-fired critical technology plant in a record time, setting a precedent that together, Pakistan and China can do wonders.

Ahsan Iqbal said today is the age of discovery, innovation and speed wherein old concepts and paradigms have become redundant.

“In past, the big used to eat the small but now the fast eat the slow. Every nation-state has to adapt to new ways and technology,” he said, adding that four “I”s are crucial for development of any country and they are investment, industries, information and individuals and they are now beyond control of nation-states.

He said that every country has to attract global investment to make itself attractive investment destination. He said that security, stability of policies and sustainable growth pave way for ensuring an attractive investment destination.

He said that engaging country in global supply chain is crucial for industrial development. He said that today, manufacturing has taken shape of global supply chain as industries are going global. Toyota Japanese automobile industries are producing more vehicles in USA than in Japan.

”Information can’t be confined to geography due to age of internet while individuals have to go with tide of time and make valuable contributions by spotting opportunities and hitting at right spots without waiting for any help, he said.

The minister said: “We are at the tip of the 4th industrial revolution; an age of big data, cloud computing and robotics where basic economics have to redefine their ways. We might be victims if we don’t embrace change.” He said that there can be three responses to such changes; embrace change proactively by developing capacity and becoming competitive, wake up when the change happens and make compromise with the change, or ignore the change and get wiped off the scene forever.

He said that in 2013, Pakistan was facing 18 to 20 hours of power outages and the country had a serious threat of civil war, whereas, industries were packing up and multi-nationals were leaving Pakistan.

He said that the present government has developed Vision 2025 to build a long-term development plan which has put Pakistan back to center stage of economic growth. “We aim to enlist Pakistan in top 25 economies of the world,” he said.

Ahsan Iqbal said that today, deficit is down to 5% of overall GDP and foreign reserves have risen to US $22 billion while Pakistan Stock Exchange index has gone to 50,000 points until recent political instability and negativity that has done huge harm to the development and progress.

“We need to ensure stability, social solidarity, internal harmony and reforms to improve and align ourselves with international happening. Otherwise our ship will sink,” he alerted.

He further said, “We have seize the moment when 85 million labour intensive jobs in China are to be relocated. Otherwise the opportunities will go to Laos, Cambodia and other parts of world.” He said that our industrialization should be robust and competitive in order to completely capitalize on this geo-economic mega regional initiative.

The minister informed that 4 auto mobile companies have evinced interest in investment in Pakistan, while there will be more interest in investment from around the world provided that internal harmony is developed and political stability is ensured.

“Prime Minister Nawaz Sharif and Premier Li Keqiang together began this initiative and we have to take it to heights of development,” he remarked.

Referring to an article, the minister said that CPEC is not stealth but a transparent and open project. “CPEC is Airbus A380 that is flying around the world, spreading positive vibes, bringing investment into Pakistan and restoring our energy,” he said.

http://epaper.brecorder.com/2017/07/22/1-page/890881-news.html

PAKISTAN TO HIGHLIGHT CPEC BENEFITS AT SAARC MEETING
The Express Tribune, July 23rd, 2017.

LAHORE: A high-level delegation comprising private sector representatives left for Thimpu (Bhutan) on Saturday to represent Pakistan in the forthcoming 70th executive committee meeting of the Saarc Chamber of Commerce and Industry.

Talking to media prior to departure, leader of the delegation and Saarc Chamber Vice President Iftikhar Ali Malik said distinctive features of the China-Pakistan Economic Corridor (CPEC) would be highlighted during the deliberations apart from other issues confronting the region.

He said CPEC would act as a trading hub between South Asia, Middle East and Europe, thereby enhancing trade potential of the entire region.

CPEC is a geo-economic project which will benefit the entire region both directly and indirectly,” he said, adding the economic corridor would promote regional cooperation in South Asia, driven by trade and energy, through the building of ports, pipelines, road and rail infrastructure.

Answering a question, Malik said goods from landlocked Bhutan and Nepal could not access Pakistan markets via land route through India.

“These countries cannot send their goods through Pakistan to Central Asia and China. Similarly, Bangladesh cannot access the shorter land route through India to Pakistan and onward to China or West Asia, North Africa and Gulf states,” he said, adding in contrast goods from island nations – the Maldives and Sri Lanka – could reach China through Gwadar.

Bhutan and Nepal can directly connect with China while Bangladesh lies on the southwestern route of the Silk Road linking it with Kinmin in Yunan province of China.

Shaharyar Ali Malik, deputy leader of the delegation, said global trade statistics revealed that while the volume of trade between Saarc states and the rest of the world was increasing, intra-regional trade remained far below its true potential.

“We should, therefore, evolve a mechanism to incentivise formal trade among Saarc member states,” Malik said, while emphasising the need for a gradual reduction and eventual elimination of tariffs, duties and non-tariff barriers among Saarc members.

https://tribune.com.pk/story/1464468/pakistan-highlight-cpec-benefits-saarc-meeting/

NEWS COVERAGE PERIOD FROM JULY 10TH TO JULY 16TH 2017
CHINESE DELEGATION ARRIVES TO REVIEW CPEC PROGRESS
The Express Tribune, July 12th, 2017.

ISLAMABAD: A high level Chinese delegation arrived on a four-day visit to Pakistan to discuss industrial cooperation, implementation of Gwadar projects and Pakistan Railways' up-gradation of Main Line-1 under the China-Pakistan Economic Corridor (CPEC).

The delegation consisted of senior officials from National Development and Reform Commission, National Railway Administration, Chinese investors and representatives of China EXIM Bank and China Development Bank.

It met Minister for Planning, Development and Reform Ahsan Iqbal to discuss latest progress on sanctioned projects. Members of the delegation reiterated their commitment to making CPEC a success by ensuring speedy completion of projects under CPEC.

Iqbal also had some respite, after continuously defending the ruling family over the JIT report, when members of the delegation appreciated the active role played by him in supervising and coordinating CPEC projects. The planning minister, in turn, said that the bilateral megaproject has entered a crucial phase due to inflow of Chinese investments in local businesses.

"Due to CPEC, various hurdles in the way of industrial progress and cooperation such as weak infrastructure and energy shortages are being removed," he said, categorising CPEC as a milestone in promotion of local industries.

Industrial cooperation, he said, would help in boosting employment opportunities and imparting necessary skills among the educated youth of the country.

"The speedy completion of Sahiwal coal-fired power project under CPEC is a great example of active role of the government," he said while praising his own administration. He assured of speedy completion of projects in Gwadar inlcuding Gwadar Hospital, technical institute, Eastbay Expressway and New Gwadar Airport. The master plan for the westerly port city will also be prepared soon, according to the minister.

Highlighting educational aspects of the project, Iqbal said over 50 universities in the two countries would be interconnected to promote people to people contact and spur higher learning.

"A journey which started with a mere memorandum of understanding (MoU) in 2013 has become one of the most important projects globally," he claimed, hoping that the delegation's visit would serve to spur commencement of mega projects under CPEC thereby "transforming this multi-billion dollars initiative into a true economic corridor."

https://tribune.com.pk/story/1455867/chinese-delegation-arrives-review-cpec-progress/

SETTING UP OF SEZS MOST IMPORTANT PHASE OF CPEC: AHSAN
Business Recorder, 12 July 2017

ISLAMABAD: Federal Minister for Planning, Development & Reform, Ahsan Iqbal has said that development of special economic zones is the most important phase of China-Pakistan Economic Corridor (CPEC), which would prove as a milestone in relocation of Chinese industries and flourishing our local enterprises.

He expressed these view while speaking to a high level 60-member Chinese delegation at Planning Commission, says a press release issued here on Tuesday. The delegation led by Li Xuedong, Deputy Director General, Department of International Affairs, National Development and Reform Commission (NDRC) of the People's Republic of China, comprises of senior officials from NDRC, National Railway Administration, Chinese investors, and representatives of China EXIM Bank and China Development Bank.

Speaking on the occasion, Federal Minister Ahsan Iqbal said that One Belt One Road Vision has connected Europe, Asia and Africa. "The CPEC, the flagship project of Belt and Road Initiative is helping to improve infrastructure and overcome power outages in the country, thus removing the main two bottlenecks, faced by Pakistan's economy" Minister added. He said that the industrial cooperation between the all-weather friends, China and Pakistan, would help relocate Chinese industries, creating thousands of job opportunities, transfer of knowledge and expertise.

Federal Minister said completion of CPEC first mega coal power plant at Sahiwal has set a new world record in fastest implementation of power project. "Experts from the whole world are surprised by the pace of work on CPEC projects," he added.

He said the development of Gwadar is top priority of the government. "Construction of New Gwadar Airport and East Bay Expressway, the two significant projects, would ensure development of this port city". The minister further vowed to fast track implementation of hospital, technical institute and water supply project at Gwadar.

Ahsan Iqbal highlighted the need of speedy completion of Gwadar city master plan for planned development of this international town, besides establishing linkages of Gwadar University with any reputed institute of China to impart knowledge in marine and maritime sectors.

The minister for Planning further informed that steps are underway to include Higher Education Commission's initiative of linking 50 top local universities with Chinese universities. "This project would help in transfer of knowledge and experiences in different sectors, helping Pakistan to develop its academic curriculum on modern line to meet international standards" he added.

Minister further told Pakistan's Railway Main Line-1 from Karachi to Peshawar up gradation project is likely to commence this year. "This mega project would support to build and upgrade this backbone of transport infrastructure in Pakistan" he added.

Minister further appreciated Chinese government steps for signing CPEC long term. He said that long term plan of the CPEC would identify areas of cooperation between the two countries till 2030.

Ahsan Iqbal said that the project started from MoU in 2013, turns as a biggest and flagship project of the world, wherein Pakistan has succeeded in implementation of infrastructure, energy and Gwadar related projects with the support of Chinese side.

Li Xuedong Chinese told that basic aim of the visit is to discuss industrial cooperation, implementation of Gwadar projects and Pakistan Railway's Up- gradation of Main Line-1 under China Pakistan Economic Corridor (CPEC). He said that every possible effort will be made to ensure timely completion of all the CPEC projects.

He appreciated Pakistani government particularly role and special interest of Federal Minister Ahsan Iqbal for speedy execution of CPEC projects.

Later on, Pakistan side led by Federal Secretary of Planning, Shoaib Ahmed Siddiqui and Chinese side hold a meeting at Ministry of Planning to review progress on CPEC projects and preparations for 7th Joint Cooperation Committee.

Siddiqui said that both governments have made a conscious effort to focus on expanding the economic dimension of the relationship and bring it up at par with the excellent cooperation the two countries enjoy at the strategic and political level. He further said that CPEC entails greater connectivity and trade linkages between Pakistan and China through a network of road, rail, fiber optic cable, energy pipelines, industrial clusters and SEZs.

He further informed that all the political parties and provincial governments have openly expressed its support to this mega project which would surely help a lot to CPEC. He proposed to review decision of 6th Joint Cooperation Committee and ensure joint working groups meeting to finalize agenda for 7th JCC. Project Director CPEC Hassan Daud Butt has also briefed the participants about progress on CPEC projects.

During their four day visit, the Chinese delegation will hold meetings with Pakistani leaders, business community and review the economic zones. The provincial governments will also brief the delegates about their SEZs and their investment plans.—PR

http://epaper.brecorder.com/2017/07/12/5-page/888241-news.html

CHINESE DELEGATION DISCUSSES INDUSTRIAL COOPERATION, CPEC PROJECTS
Business Recorder, 12 July 2017

ISLAMABAD: A high-level Chinese delegation is on a three-day official visit to Pakistan to discuss industrial cooperation, implementation of Gwadar projects and Pakistan Railway's up-gradation of Main Line-1 under China-Pakistan Economic Corridor (CPEC).

The delegation had meetings with Pakistan's officials and experts from different fields and discussed progress on CPEC projects and other matters of mutual interest on their first day of the visit.

The Board of Investment (BOI) was entrusted to organise meetings with Chinese experts on industrial cooperation. As per programme devised by BOI in consultation with Chinese side, the focus of industrial cooperation group is on the nine prioritised special economic zones agreed upon in the last JCC held in Beijing in December 2016.

In this context, two sessions were held on Tuesday here at a local hotel. The meeting was attended by acting Chinese ambassador, Pakistan Special envoy on CPEC, DDG, NDRC and representatives of CIECC, Tianjin, DRCI, CDB, CADZ, CCCC and Power China. From Pakistani side, the meeting was attended by senior officials from BOI, Planning Commission, Ministry of Industries, governments of Balochistan, Sindh, Punjab, KP, FATA and Gilgit-Baltistan.

In his opening remarks, Secretary BOI Azher Ali Chaudhry said that for Pakistan, the development in trade and industry is the main gain from CPEC as a driving force for economic growth and taking the fruits of CPEC to the lesser developed regions of Pakistan. Chaudhry also added that Pakistan is committed to facilitating Chinese investors in their endeavors and purpose of SEZ initiative is to promote industrial clusters in the country.

The priority SEZs can be used as a tool to spur rapid industrialisation in the country and promote Pakistan's export through value addition. The Chinese head of delegation Du Zhenli, Director General, Department of Global Cooperation, China International Engineering Consulting Corporation, thanked Pakistan for hosting their visit and meetings with the concerned stakeholders and emphasised that industrial cooperation is the heart and soul of the whole CPEC project.

He said, "We need to do the work step by step. Chinese companies are willing to develop SEZs in Pakistan. For that purpose we must have a long-term cooperation mechanism for industrial cooperation."

The inclusion of relevant experts from each side in the joint working group is mandatory for policy, planning and devising a road map for industrial cooperation, he added.

China has already developed 77 industrial parks in 36 countries so Chinese development model and other best practices of the world can help Pakistan develop special economic zones. The government of China always focuses on industrial development having win-win situation for each and every stakeholder. The special economic zones being developed by Pakistan can attract high tech industry, manufacturing and processing industry based on local and regional comparative advantages/ natural endowment.

Pakistan side should align its industrial framework with their medium and long-term development plans. The Chinese side reiterated its commitment to investing in Pakistan and cooperating with the government of Pakistan to take forward this initiative.

In today's proceedings, five presentations were made which include presentation from Federal BOI, governments of Sindh, government of Balochistan, National Industrial Park and FATA Development Authority.

The BOI presented brief snapshots of actions taken by federal & provincial governments to move forward the agenda of developing priority SEZs. It was highlighted that the government of Pakistan has recently devised an incentive package for these priority special economic zones to attract relocations from abroad, particularly from China.

Chairperson Sindh Board of Investment, Naheed Memon gave a detailed presentation and stated that Sindh province is pioneer in establishing SEZs in the country. Pakistan's first three SEZs are located in Sindh having more than 25 enterprises. With regard to proposed Dhabaji SEZ, she informed that the land has already been allocated and feasibility is being carried out by a consortium of international reputed firms. Chinese private sector and state enterprises can get maximum benefit from this opportunity.

Chief Executive officers of National Industrial Park highlighted the steps taken to develop special economic zones by the federal government at Karachi and Islamabad. While stressing strategic and economic advantages of both the cities, he highlighted that Karachi is situated on the Arabian Sea and is a home of two largest sea ports and 90% of multinational companies operating in Pakistan are having their headquarters in Karachi. Similarly Islamabad being existing capital city of Pakistan is having potential of high tech and manufacturing industry.

While presenting their cases to the Chinese side, the representatives of government of Balochistan and FATA also spoke about the natural endowment of their regions. Representatives of the government of Balochistan stated that Balochistan is rich in exhaustible and renewable resources in minerals while representative of FATA highlighted the scope of marble and minerals based industry in the proposed Mohmand Marble City.

While speaking on the occasion, Deputy Director General NDRC Li Xuedong stated that industrial cooperation has entered into a very critical stage and it is on the top of CPEC project. The establishment of energy plants and development of infrastructure were the prerequisite for industrial parks. He pointed out that industrial parks play very important role in the sustainable development of any country.

Now there is a time to translate the words into actions. “We need to have expert group to initiate planning of the parks keeping in view comparative advantages and other allied attractions for investors,” he said. China has huge experience in developing such parks and Chinese companies are ready to share their technologies as well as productive capabilities with Pakistan.

The Chinese delegates will visit sites of Rashaki SEZ as well as industrial park in Lahore / Faisalabad on Wednesday. On coming Thursday, the representatives of AJK and Gilgit-Baltistan will give their presentations highlighting the potential of their proposed zones.

http://epaper.brecorder.com/2017/07/12/9-page/888297-news.html

ARMY CHIEF CALLS FOR OPEN DEBATE ON CPEC
Dawn, 13 July 2017

ISLAMABAD: Army Chief Gen Qamar Bajwa wants civilian institutions to step up to the plate and fully benefit from the opportunities coming the country’s way because of the China-Pakistan Economic Corridor (CPEC) and called for an open debate on various aspects of the project.

In his keynote speech at a seminar organised by the National Logistics Cell on CPEC Logistics on Wednesday, Gen Bajwa said people must benefit from the CPEC for which “leadership, collaborative spirit and capacity building at a much higher pace and level” would be required.

The army chief then said that while the Army provided security to the project, “other national institutions will have to come forward and play their respective roles”.

He twice underscored the need for the “national institutions” to play their role for optimally benefiting from the opportunity provided by the CPEC. “We as a nation can only benefit from this historic opportunity if we prepare ourselves to embrace it. All national institutions will have to make a deliberate effort to ensure success of the CPEC," he noted in his speech.

The CPEC projects, both Chinese and Pakistani officials say, are progressing well, but on several occasions officials in private discussions point to problems in the execution of the multi-billion dollar infrastructure and connectivity project, which is seen here as a game-changer.

Gen Bajwa, listing some of the areas that required the government's attention, said greater focus was needed on education, training and skill development of the youth; improvement in existing laws and regulations for facilitating trade and investment and infrastructure development. Emphasising the need for a "unified development framework", he said, industrial and urban development was needed for transforming "the trade corridors into economic corridors".

Analysts believe the project is being weighed down by coordination between federal and provincial governments, lack of clarity about projects and transparency issues.

The army chief called for a fuller and open debate on "all aspects of CPEC" so that policies best suited for the country could be framed.

Such a call for open debate on the CPEC is unprecedented, analysts say.

Noting that the military was up to the job of providing security, Gen Bajwa said: "We are making steady but sure-footed progress in making Pakistan a terrorism and extremism-free country".

He maintained "Pakistan is much safer than before. Peace has been restored in Fata and adjoining areas. Normalcy is returning to Pakistan's economic hub of Karachi… Similarly, the law and order situation in Balochistan has improved."

Reaffirming the commitment to the CPEC, he said, "Army and law enforcement agencies are vigilant and are determined to providing foolproof security to the CPEC. No one should have any doubt about our commitment to the project."

Besides talking about the needs for reforms within the country, the general used the occasion to take a jibe at India for pursuing a divisive agenda.

"CPEC is also affirmation of our efforts for a peaceful and prosperous region. Unlike some countries of South Asia, we believe in focusing our energies on peace and inclusiveness, rather than divisive competition."

India, whose relations with Pakistan most often remain tense, is now involved in tense standoff with China over the Sikkim border dispute. India has sent in reinforcements to the Sikkim border.

https://www.dawn.com/news/1345004

MINISTER WARNS AGAINST MAKING CPEC CONTROVERSIAL
Dawn, July 13, 2017

PESHAWAR: Khyber Pakhtunkhwa Minister for Information Shah Farman has said that China-Pakistan Economic Corridor should not be made controversial as the project is backbone of the country.

Addressing a hurriedly called news conference at Peshawar Press Club on Wednesday, he rejected the argument of JUI-F chief Maulana Fazlur Rehman that Panama Papers issue was a conspiracy against CPEC. He said that those, who were opposing probe into Panama issue, were supporting corruption in the country.

“We fought our case well at all platforms to get due share for the province in projects under CPEC,” said Mr Farman. He added that provincial government had taken practical steps for successful execution of CPEC related projects.

He said that they had exhibited more than 82 projects during road show in Beijing. He said that more than 1,111 police personnel would be recruited for protection of the CPEC projects.

The minister said that CPEC was not a Jati Umra-funded project as future of the entire country was attached with it. He added that the people, who were making CPEC controversial through their statements, were not sincere in development and economic prosperity of the country.

Mr Farman said that corruption was the biggest issue of the country. He said that for the first time in history of the country institutions initiated accountability. “It is a good precedent and the foundation laid by joint investigation team (JIT), constituted by Supreme Court of Pakistan to probe the Panama Papers issue, would ensure across the board accountability in the country,” he added.

The minister said that PTI chairman Imran Khan brought money from foreign countries to Pakistan but corrupt rulers looted public money and transferred the wealth into their foreign accounts.

He said that despite all odds, about 95 per cent Pakistanis belonging to poor families were working abroad and contributing to national economy by sending money in shape of foreign remittances.

He said that people paid various taxes but corrupt rulers spent lavishly on their luxuries and also evaded taxes.

“No one will be spared from accountability,” said the minister. He said that the process of accountability should reach its logical conclusion so that the nation could know as to who was responsible for the growing problems of poverty, power loadshedding, unemployment, price hike and lawlessness.

https://www.dawn.com/news/1345028

CPEC PRAISED FOR ENHANCING REGIONAL CONNECTIVITY
The Express Tribune, July 15th, 2017.

LAHORE: The China-Pakistan Economic Corridor (CPEC) is a unique opportunity to integrate regional economies, an analyst on contemporary politics and international relations Dr Saad S Khan said while talking to APP. He further said CPEC will open attractive avenues for investment through economic cooperation between ‘two rising powers of Asia’.

Veteran economist Dr Ashfaq Hassan said CPEC project was being perceived as a 'game-changer' and would prove to be a harbinger of economic development.

"People of all the four provinces including Gilgit-Baltistan and Azad Kashmir will benefit from CPEC projects", he added.

Sustainable Development Policy Institute (SDPI) Executive Director Dr Abid Qaiyum Suleri said that the historic project would also increase standards of living of people in Pakistan and neighboring countries.

"CPEC must not be politicised," he said, adding that it should remain open to all countries. Chairman National Parliamentary Committee on CPEC, Senator Mushahid Hussain Syed, said CPEC would interlink hearts, adding the implementation of this historic project will expand mutual collaboration.

Highlighting improvements to regional connectivity arising out of CPEC, Syed said the project will make Pakistan a hub of cross-regional trade and a channel through which such trade flows.

Chairman Evacuee Trust Property Board (ETPB) Siddiqul Farooq said that Pak-China relations were touching new heights after the CPEC, as the project had created tremendous opportunities of investment in Punjab and other areas of the country.

He said the PML-N government had given solid economic shape to Pak-China friendship at a large scale, adding that China Pakistan Economic Corridor (CPEC) had ushered in a new era of durable Pak-China relations.

"We will also give the legacy of a better future to our future generations in shape of CPEC", he said and added that officials of China and Pakistan were working as a team to move the project further.

Lahore Chamber of Commerce and Industries (LCCI) standing committee on Customs and Dry Ports Convener Aftab Ahmed Vohra said the mega project coupled with relative political stability and 42-year low interest rates was contributing towards creating an atmosphere ripe for international investment.

https://tribune.com.pk/story/1458276/cpec-praised-enhancing-regional-connectivity/

CJCSC IDENTIFIES FORCES INIMICAL TO CPEC
16 July 2017

KARACHI: The 107th Midshipmen and 16th Short Service Commission Course Commissioning Parade, comprising 72 Pakistani and 28 officers from friendly countries, was held at Pakistan Naval Academy PNS Rahbar. General Zubair Mahmood Hayat, Chairman Joint Chiefs of Staff Committee graced the occasion as Chief Guest.

Upon his arrival, the Chief Guest was received by Chief of the Naval Staff, Admiral Muhammad Zakaullah.

Chairman Joint Chiefs of Staff Committee, while addressing the passing out parade said that Pakistan seeks harmonious and peaceful co-existence with all countries, especially our neighbours. However, Pakistan's quest for peace and stability has to be in consonance with our national interest, sovereign rights and national pride. We desire to work with our allies, friends and partners to bring peace, security, stability and prosperity to the region and beyond, he added.

The chief guest further said that Pakistan is fully aware of threats from hostile Intelligence Agencies which are operating from Afghanistan and other locations to create unrest in Pakistan in general and Balochistan in particular and their designs to sabotage China Pakistan Economic Corridor (CPEC) are also well known. To deal with these challenges, we are committed to undertake synergetic efforts at the national level and Armed Forces have a pivotal role to play in this regard.

General Zubair said that rapid development of CPEC, Gwadar as its pivot, Maritime Security all along the coast has assumed added significance. The General also said that it is satisfying to note that Pakistan Navy has raised Task Forece-88 for maritime security of CPEC and Gwadar port to address conventional as well as sub conventional threats. He further added that in the current scenario a potent and modern Navy is indispensable to address the challenges in the maritime domain.

While congratulating and extending felicitations on achieving this milestone, the chief guest urged the graduating officers to hold fast to the qualities of honour, integrity and selfless devotion. He encouraged them to develop trust and confidence in their team and instill in them a true spirit of unity of purpose. He expressed his satisfaction to note that Pakistan Navy is extending support in training future officers of friendly nations. He hoped that they would prove worthy of their mettle in their respective Navies.

Earlier in his welcome address, Commandant Pakistan Naval Academy highlighted the salient features of the officers training. He apprised the audience that the commissioning term comprised 80 Midshipmen including 52 from Pakistan and 28 from allied countries. He added that 20 Cadets from Short Service Commission Officers batch are also being passed out. The Commandant highlighted that cadets from Bahrain, Jordan, Maldives, Qatar, Saudi Arabia, Sri Lanka and Turkmenistan are also undergoing training at Pakistan Naval Academy.

Later, the Chief Guest gave away prizes to the winners. Midshipman Ahmed Faraz was awarded the coveted Sword of Honour for his overall best performance. Whereas, Midshipman Sarmad Arif won the Academy's Dirk, Cadet Muhammad Fazal Kabeer clinched the Commandant Gold Medal and Cadet Syed Irtaza Haider Naqvi was given Chairman Joint Chiefs of Staff Committee Gold Medal. Cadet Akmadov Mamet from Turkmenistan was awarded Chief of the Naval Staff Gold Medal.

The ceremony was attended by a large number of senior military officers, Ambassadors, Defence Attaches of various countries, civil dignitaries and parents of passing out midshipmen and cadets.—PR

http://epaper.brecorder.com/2017/07/16/1-page/889171-news.html

NEWS COVERAGE PERIOD FROM JULY 2ND TO JULY 9TH 2017
SOME ELEMENTS BENT UPON CREATING ANARCHY TO FAIL CPEC: AHSAN
Business Recorder, 2 July 2017

ISLAMABAD: Minister for Planning Development and Reforms Ahsan Iqbal on Saturday said that some elements were trying to create political instability and anarchy with the designs to fail China Pakistan Economic Corridor (CPEC) project.

In a statement issued here, he said that these elements were also trying to alive the spirit of Justice Munir in the incumbent judiciary.

He said that Pakistan Muslim League (Nawaz) and Prime Minister Muhammad Nawaz Sharif were political realities and any conspiracy against them would never succeed.

The minister said that the masses did not vote for Pakistan Tehrik-e-Insaf and now he wanted the Supreme Court to do that for him.

Ahsan Iqbal said that the Joint Investigation Team had become controversial in the eyes of masses. He expressed the hope that the PML-N would achieve a landmark victory in 2018 general elections. He said that everyone knew the reality of the accountability game against Prime Minister Nawaz Sharif prior to that of Asif Zardari and Musharraf.

He said that it would have been understandable if the Supreme Court had given a verdict about Pervez Musharraf before the accountability of civil leaders.

The minister said that anybody could feel the difference between the Pakistan of 2013 and that of 2017, adding that no one would be allowed to play with the fate of Pakistan.

He said that his party would fight every conspiracy. He said some elements in establishment used Imran Khan to weaken the civilian system and leadership adding that this was his only role.—APP

http://epaper.brecorder.com/2017/07/02/3-page/886029-news.html

STEEL MILLS PREPARE TO MEET CPEC DEMAND
Dawn, The Business and Finance Weekly, July 3rd, 2017

Dilawar Hussain

Cement companies have invested in expanding operations in anticipation of burgeoning demand owing to construction activity under the China-Pakistan Economic Corridor and the growth in housing projects.

And the steel industry is catching up fast with the expected rise in demand.

As per international standards, every five tonnes of cement used in infrastructure projects require one tonne of steel. Around ten steel mills are listed on the Pakistan Stock Exchange (PSX), most of them having entered into the capital market between 2011 and 2017.

This represents the highest number of new listings during the six-year period in any one sector. The latest player seeking its way into the PSX is Iteefaq Iron Industries Limited. The company manufactures Re-bars and has the capacity to produce 120,000 tonnes per year, which is about 2pc share of the local market.

Steel companies expect to gain supply contracts related to the upcoming infrastructure projects under the CPEC umbrella. These include Orange Line, Karachi-Lahore Motorway and Neelum-Jehlum hydropower project among others.

Steel sector watchers say that the country's steel demand is expected to rise at a 3-year (FY17-19) combined annual growth rate (CAGR) of 15pc compared to the last 3-year's CAGR of 14pc.

"Considering that currently around 45pc of the country's steel requirement is met through imports, local steel players have significant room for organic growth", says a sector watcher.

According to the World Steel Association (WSA), steel use in 2015 was 7.1 million tonnes in Pakistan, translating to per capita use of 37.5kg. Going forward, Pakistan's steel requirement is expected to swell over 12m tonnes taking the country's per capita requirement to 62kg by 2019.

Analyst Adnan Sami Sheikh at Topline Securities affirms that the demand for steel has been fuelled by a wave of capital expenditure aimed at capturing the swelling demand of quality steel products that will come about as a result of infrastructure projects such as power plants, dams, airports and road networks along with public and private housing schemes.

The specific steel produced to meet those demands is produced by Amreli Steel Limited (ASTL), Mughal Steel Limited (MUGHAL) and soon to be commenced by Dost Steels Limited (DSL).

Manufacturing growth led by investments in the auto and appliance sector is expected to spike demand for flat steel rolled by International Steels Limited (ISL) and Aisha Steel Limited (ASL).

And finally, the rehabilitation and expansion cycle in oil, gas and other industries, along with planned pipelines projects, would require huge quantities of steel pipes welded by Crescent Steel and Allied Products (CSAP), International Industries Limited (INIL) and Huffaz Seamless Pipes (HSPI).

According to analyst Waqar Uddin Salim at Summit Capital, Aisha Steel Mill Limited (ASL) is enhancing its plant by increasing Cold Rolled Coil (CRC) capacity to 450,000MT per annum from 220,000MT per annum.

The company is also introducing a new Galvanised product line (GI) with a capacity of 250,000MT per annum. "CRC demand in the local market is expected to remain buoyant due to a surge in automobile and home appliances demand attributable to a boost in economic activity", he says.

Margins are important for steel companies. International steel prices have considerably retreated from March this year.

A June 15 report by Alfalah Securities observed that scrap currently trades at $250 per tonne, from $281 per tonne in March; HRC at $396 per tonne to $474 per tonne; Cold Rolled Coils (CRC) at $462 per tonne from $591 per tonne and Hot dipped galvanised coil (HDGC) at $548 per tonne to $640 per tonne.

As a result primary margins for CRC-HRC currently hover around $66 per tonne and HDGC-HRC margins are around $152 per tonne. Scrap prices in contrast have been comparatively stable and averaged at $242 per tonne.

It is noted that CRC-HRC and HDGC-HRC spreads are relevant for ASL and ISL whereas scrap prices are more pertinent to ASTL and Mughal.

Besides the escalating demand for steel in the local market, steel companies are banking on positive regulatory changes such as an increase in regulatory duty and imposition of anti-dumping duty.

The National Tariff Commission (NTC) has imposed anti-dumping duty in the range of 8-19pc on import of CRC, and 6-40pc on import of HDGC, to counter steel being dumped from China.

Topline Securities recalled that on January 19, the NTC imposed definitive anti-dumping duty in the range of 13.17pc-19.04pc on imports of Cold Rolled Coils/ Sheets importable from China and Ukraine for a period of five years.

Analysts at Intermarket Securities stated in their June 7 report that international steel prices have been plummeting sharply since Mar'17 owing to surging levels of iron ore inventories in China. Iron ore prices, which are down 36pc from March, will likely drag international CRC prices.

Key risks associated with the steel sector include withdrawal of anti-dumping duty by the government, adverse movement in HRC Cold Rolled Coil (CRC) spread in international market, power supply problems and slowdown in economic activity.

https://www.dawn.com/news/1342913

CPEC — I
Business Recorder, 3, July 2017

Anjum Ibrahim

While addressing the plenary session of the One Belt One Road (OBOR) forum held in China mid-May this year, with 30 world leaders in attendance, Nawaz Sharif stated that "China Pakistan Economic Corridor (CPEC) is an economic undertaking open to all countries in the region. It has no geographical boundaries. It must not be politicized." Sadly not only Nawaz Sharif but also former President Asif Ali Zardari continue to play politics with CPEC though given not only China's sustained close ties to Pakistan spanning several administrations but also its vision to re-construct the Silk Road, one may argue with a greater degree of credibility that CPEC happened in spite of our leadership.

Be that as it may, Sharif's statement at the forum is in synch with his administration's narrative for those opposed to CPEC both outside and inside the country: by accusing countries opposed to CPEC, as opposed to OBOR, as working against Pakistan's economic development enabled the government to dismiss India's opposition to CPEC based on its claim that the road's passage through Azad Jammu and Kashmir is unacceptable as it is disputed territory; and by accusing domestic opposition political parties of playing politics with Pakistan's development – parties that continue to express concerns over the lack of transparency in CPEC project selection.

OBOR envisages Chinese government-directed investments in roads, railways, pipelines, ports (which provide a cheaper alternative to roads on several trade routes), and information networks to deepen economic integration and connectivity across Asia and into Africa and Europe. In April 2017 Oxford economists He Tianjie and Louis Kuijs noted that while with respect to OBOR "it's hard to quantify the total number of projects and amount of financing, the China Development Bank alone has reserved US 890 billion dollars for over 900 projects, highlighting the magnitude of this undertaking." Asian Development Bank has estimated that around 1.7 trillion dollars would be spent on OBOR.

CPEC, as a component of OBOR, accounts for committed investments, through signed Memoranda of Understanding (MoUs) that are non-binding, of 57 billion dollars with another 500 million dollars worth of MoUs signed prior to the start of the forum, or in effect a mere 3.38 percent of the envisaged investment for OBOR.

OBOR is a Chinese-driven initiative with bilateral dimensions. And to understand these bilateral dimensions it is critical to understand the strength of the Chinese economy and its economic and geo-political thrust to sustain its growth momentum that has visibly slowed in recent years as well as to position itself into a more relevant position geopolitically.

This, China is poised to undertake, because of three factors in its economy: (i) a trade surplus of 38.5 billion dollars in April 2017; (ii) an investment rate of 50 percent of Gross Domestic Product; and (iii) declining factor productivity (ever greater investment is required to produce the same level of growth) coupled with low domestic consumption accounting for rising stockpiles of steel, cement (products that may be used for OBOR). It is little wonder that China has begun to look abroad to invest its surplus to achieve higher domestic growth rates.

China has emerged as the most attractive foreign direct investment (FDI) destination globally and its outbound FDIs have reached around 200 billion dollars globally. Pakistan's share last year was 615.6 million dollars or an infinitesimal percentage of China's total outbound FDI.

In the current year, unfortunately the Ishaq Dar-led Finance Ministry began borrowing from China for budget support – 600 million dollars of commercial loans from two Chinese banks as well as 700 million dollar non-project aid from China Development Bank. Recent data released by the Economic Affairs Division did not include CPEC project related loans by Pakistan though one would assume that the inflows under CPEC would begin shortly.

According to David Dollar of the Brookings Institute "there are weak governance countries—Cambodia and Pakistan, for instance. It may be more feasible for China to send some of its surplus production to these countries, but there is a reasonable prospect that in the long run, China will not be paid". Pakistan has not defaulted on its loans to date though our successive administrations have proactively negotiated loan rescheduling thus it is difficult to support Dollar's assessment with respect to Pakistan.

There are, however, some elements in Chinese project-related assistance that has caused considerable angst in recipient countries. Exeter University senior lecturer on Central Asia Lewis argues that "typically Chinese companies like to use their own people, bring in Chinese labour to get a job done. It's often very effective but it doesn't always give people local jobs and employ local specialists." He further contended that this approach "led to problems in the oil fields of western Kazakhstan where

Chinese employees work, in mining areas in Kyrgyzstan where Chinese employees work, and along various parts of the roads being constructed in Kyrgyzstan and Tajikistan where locals work alongside Chinese workers. Sometimes the problems are caused by rumours of the Chinese receiving better wages sometimes the lack of the locals' ability to communicate with the Chinese workers has led to fights". The reverse does not hold: China does not allow the same migration into China.

Chinese farmers are also tending agricultural land in Tajikistan vacated by local farmers who left to find work in Russia. A proposal to lease farmland in Kazakhstan earlier this year sparked the largest protests seen there in some 20 years, when rumours spread that Chinese farmers would lease portions of Kazakhstan's farmland.

China is also not known for taking account of environmental concerns notwithstanding its support for the Paris deal. Chinese companies do not have a good track record when it comes to ecological considerations. Lewis explained that "in Kyrgyzstan and in Tajikistan recently, new cement plants developed by China are notoriously polluting industries and can have a really negative effect on local people."

This is the first of a two-part series: next week the focus would be on the failure of the Sharif administration to appease domestic concerns that cannot be dismissed simply as the opposition being obstructionist due to concerns that it may lose the 2018 elections if development proceeds as planned.

http://epaper.brecorder.com/2017/07/03/16-page/886370-news.html

CRITERIA STIPULATED FOR SEZS UNDER CPEC
Naveed Butt

Business Recorder, Jul 7th, 2017

ISLAMABAD: The criteria for establishment of Special Economic Zones (SEZs) under China-Pakistan Economic Corridor (CPEC) stipulates a minimum area of 50-acres (with no maximum limit) and allows zone developers, private or in public-private partnership, to purchase land on ownership or lease from central/provincial/local governments.

Documents available with Business Recorder note other major conditions for establishing SEZ's are: (i) 10-year income tax holiday both for zone developers and zone enterprisers and one time exemption on import of capital goods for establishment of zones and projects in the zones; (ii) maximum land that each SEZ can allocate for commercial use and other non-productive activities such as setting up retail shops, recreational areas, hospitals etc would be limited to 10 per cent of total land area; (iii) investors must begin construction within six months and production within 24 months of project approval, the land title will not be transferred to the investors until after it has been in production for six months; (iv) the government is committed to providing infrastructure and utilities up to the gate level of the SEZ.

(v) Board of Investment (BOI) would provide one window facility within the zone for facilitation of the investors; (vi) Zone developers, once approved for SEZ status, shall have authority to develop their master plans, allot land and approve individual investors in compliance with the rules; (vii) the incentives protected by law cannot be withdrawn; and (viii) the policy allows existing Zones/Industrial Estates to apply for the status of SEZ.

Documents further reveal that the government would either establish SEZs on its own or in collaboration with private parties under various modes of collaboration including public-private partnership or accord recognition to the privately established economic activity zones as SEZ to be governed under the Act. The Provincial Investment Promotion Authority would be responsible for SEZs within its jurisdiction for supervision and operation of the SEZ Authorities and be the focal entity responsible for investment promotion.

The documents envisages the qualifications and approval criteria for SEZs as follows: (i) to generate economic activity in terms of exports, employment and other performance indicators at least equal to or more than the total overall capital cost incurred over a period of 15 years; (ii) provide import substitution and generate direct and indirect exports, (iii) not to target any industry material/input which is being protected by other countries in the larger national interest; (iv) respective federal and provincial governments have committed corresponding resource on the time line to materialize the SEZ under consideration; (v) zone Application shall be in conformity with the provisions of the Act, any applicable regulations issued under the Act and other applicable provisions of law.

(vi) 70 per cent of the SEZ land area will be used for purpose of operations of zone enterprises; (vii) developer will be obliged to undertake to comply with all the environmental, labour and other applicable legislation in force in Pakistan; (viii) developer will be obliged to take all necessary approvals to start construction activities within six months of signing of development agreement;

(ix) developer to be engaged for the particular SEZ shall be a body incorporated under the laws of Pakistan; (x) Articles of Association of the developer shall be approved by the Provincial/ Capital SEZ Authority; and (xi) developer shall ensure that the zone enterprises start construction of facilities within six months and assumes regular production within twenty four months after receipt of all required licenses and permits;

(xii) developer will be obliged to undertake that the title of land may only be registered in the name of zone enterprises after they have performed business operations in the SEZ concerned for at least six months; and (xiii) there shall be no real estate activities in the zone.

The documents that would be required with zone application a preliminary zone development plan which shall: (a) define the geographic boundaries of the proposed SEZ, (b) set out the basic infrastructure development requirements, both inside and outside the proposed SEZ necessary for the proper functioning of the proposed SEZ, (c) set out the land requirements of the proposed SEZ, (d) set out the details of the current ownership of the proposed land, (e) a detailed analysis of prices as per sale deeds executed & registered within last five years as per official record,

(f) set out the manner in which land required shall be procured, including specifically whether land will need to be acquired under the Land Acquisition Act 1984, (g) set out a geotechnical study and topographical survey of the proposed land, (h) SEZ plan encompassing Development Plan, Marketing Plan, Financing Plan and Management Plan, (i) cost of preparing the land based on technical estimates including but not limited to geotechnical and topographical survey etc, and (j) set out what criteria shall be applicable to the admission of zone enterprises into that SEZ.

Other documents that would be required with zone application a preliminary zone development plan are: (i) a basic business concept or model for the proposed SEZ; (ii) master plan; (iii) execution plan developed in Primavera; (v) industrial mix and authorized commercial activities; (vi) parameters for zone admission criteria; (vii) in case of zone application is being forwarded on the behest of non-recourse developer who already owns the land, proof of title/ownership land; (viii) infrastructure commitments for road, electricity, gas, water, sewerage/drainage, waste water treatment, communication, security, firefighting, hospital and school as provided in Rule 14 of Special Economic Zones Rules, 2013.

(ix) criteria and plan for selection of developer, (x) Draft Development Agreement and (xi) Feasibility Study containing the following minimum components (a) a market assessment of demands of targeted industries, (b) assessment of the market price for industrial land and analysis for land pricing strategy, (c) assessment of the suitability of the local area to support the targeted industries and the required infrastructure and amenities, (d) financial model of the costs and revenue streams of the SEZ, along with sensitivity analysis and (e) economic impact analysis including estimates for job creation, export generation, and other benefits.

According to the sources, at present feasibility studies on SEZ's are ongoing and once completed would be discussed with China.

http://fp.brecorder.com/2017/07/20170707195517/

August 2017

NEWS COVERAGE PERIOD FROM AUGUST 28TH TO AUGUST 31 ST 2017

US ANTI-PAKISTAN RHETORIC AMID REALITIES OF CPEC

The Express Tribune, August 28, 2017

Faran Mahmood

ISLAMABAD: The forces of US President Donald Trump have been unleashed. He is the guy who is convinced that Pakistan's establishment is chock-full of double-agents, Marxists and socialists of every colour – except for the fact that he has zero evidence.

Even if he has failed to support any conspiracy theory, his comments have always implied more validity to existing rumours. Every time you listen to Trump, it seems like the whole system is spinning out of control and Afghan people are feeling disenfranchised right now solely because of Pakistan.

POTUS Trump is a disgruntled rock star who is upset by an adverse press attitude towards him but he himself is responsible for a scarred global image of the United States – not to mention an Afghan government systematically stripped of its ability to enforce any law and order.

He is the Kim Kardashian of the White House who wants to break the internet but instead has been injecting cynicism into the media by making our body politic think that everything is not nice in Pakistan's garden of foreign affairs.

This is a politics of self-projection and the man now sees himself as a saviour of a lost Afghan war and as a knight who alone understands the complicated dynamics of US-Pakistan relationship. What he fails to comprehend is that Pakistan's foreign policy is now more tilted towards 'geo-economics' than conventional 'geo-politics' – thanks to Chinese billion dollar investments.

Geo-economics is now the currency of the 21st century and this is where the United States' future truly hangs in the balance. Its military is dangerously overstretched and it is no longer considered as a world economic leader due to its anti-free trade and anti-globalisation policies.

The US perceives the One Belt-One Road (OBOR) initiative to be a direct manifestation of Beijing's foreign policy to assert regional leadership and the fact that Pakistan has chosen to become an archetype for its OBOR model has alarmed Washington about these new geopolitical realities.

Though India built the "Route 606" to bypass Pakistan for commercial trade – with a project to connect it with Afghanistan in the pipeline; the fact remains that India's greater plans to conceptualise the International North-South Transport Corridor (INSTC) have not succeeded.

So when it comes to the Afghan policy, Trump's vision is pinched as he is encouraging Indians' worst impulses on CPEC-related issues and has no strategy when it comes to Afghanistan's dangerous unravelling that may get out of control.

On the other hand, while 9/11 has given Pakistan a bad image, our own political parties have done a good job of tarnishing themselves. Some noisy sections of government and opposition machinery have openly supported radical elements.

Given this kind of situation, it is hard to imagine a serious conversation as long as our politicians as well as reps of white-house choose to misrepresent facts. The hear-nothing crowd didn't budge when CIA drone attacks destroyed field hospitals in FATA and when TTP was slaughtering our security forces in the name of revenge.

The problem is not that people don't know facts – it is that they are fed with a twisted version of reality 24/7 in order to achieve special political agendas.

The US is mad that Pakistan's foreign relations are improving with many countries despite a propaganda war launched by India and Afghanistan. Trump is irked that CPEC is becoming a hallmark project of our nation and that our economy is finally improving.

It is worried that it is quickly losing relevance in the region. There is something daft about the way Trump constantly drops hints that our establishment has been double-dealing with terrorists.

Trump is a dark horse that insists on some ill-defined 'victory' in Afghan war. There is an adage for hard-core Trump supporters who want to make a case out of his anti-Pakistan speeches: "Don't clap so hard: you will bring your house down!"

https://tribune.com.pk/story/1492703/us-anti-pakistan-rhetoric-amid-realities-cpec/

HEC MOOT MARKS LAUNCH OF ‘CPEC CONSORTIUM OF BUSINESS SCHOOLS’
Business Recorder, August 31, 2017

ISLAMABAD: The Higher Education Commission (HEC) organised here a two-day conference in connection with the launch of “CPEC Consortium of Business Schools” at the National University of Sciences and Technology (NUST), Islamabad.

The Conference aimed at setting the course of academic collaboration between Pakistan and China, a news release said on Wednesday. Federal Minister for Interior Prof Ahsan Iqbal was chief guest in the closing ceremony while, President of China Association of Higher Education (CAHE) Du Yubo, Executive Director HEC Dr Arshad Ali, and Consultant (CPEC) Lieutenant General Muhammad Asghar (R) were also present.

The Conference was attended by representatives of nine top-ranking Chinese universities, including seven members of the C9 League, an alliance of nine elite universities in mainland China, besides leadership of partner universities from Pakistan. Speaking on the occasion, Ahsan Iqbal termed the CPEC Consortium of Business Schools another step forward towards successful execution of CPEC.

“China Pakistan Economic Corridor is start of a new era in the region,” he said, adding that almost $36 billion of the CPEC investment has been allocated for energy projects in Pakistan. He said CPEC also encompasses mega infrastructure projects like Gwadar Port, and will help in structural transformation of Pakistan’s economy.

Linking development of any country to political stability, social security, and integrated policies, the Minister said China is a role model for Pakistan to make economic progress.”Economic miracle is no rocket science, it is a common sense that we need to learn from China,” he underlined. He stressed the need for developing new capabilities to become competitive in the world.

The Minister elaborated that business schools will have a very vital role in promoting business-to-business relations between Pakistan and China. He said the platform of this Consortium will be very useful for this purpose. He reiterated Government’s resolve to make Pakistan an Asian Tiger by 2025.

Describing the significance of Consortium, DU Yubo said scholars from nine leading Chinese universities jointly with representatives of 10 Pakistani institutions will pave the way for extensive collaboration between Pakistan and China.

He said that owning the masses is the best way of functioning a society, adding Pakistan and China need to devise a strong mechanism of communication. He assured that CAHE will take all possible steps for effective coordination. “The two sides have to gather all their resources and mobilise professors and students to work for success of CPEC,” he emphasised. In his remarks, Dr Arshad Ali said incorporating human resource development in CPEC is a big initiative for ensuring success of all the development projects. He hoped that the Consortium will set a ground for enhanced academic collaboration.

http://fp.brecorder.com/2017/08/20170831214089/

NEWS COVERAGE PERIOD FROM AUGUST 20TH TO AUGUST 27 2017
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The Express Tribune, August 28, 2017

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http://fp.brecorder.com/2017/08/20170831214089/

NEWS COVERAGE PERIOD FROM AUGUST 21ST TO AUGUST 27 Th 2017
CPEC: WHOSE PROJECT IS THIS?
Business Recorder, August 23, 2017

Dr Ashfaque H Khan

The current regime which took charge of the state of affairs in June 2013, has been claiming to have launched the China-Pakistan Economic Corridor (CPEC). The then Prime Minister has even called the CPEC as a gift from China to his government. The CPEC has been regarded as a flagship project and one of the greatest success of this regime in strengthening Pakistan's economy.

How far is this true? What is the reality? Whose project is this? This is the subject matter of this article. Before I delve into the detail, it is pertinent to note that the CPEC is one of the six corridors of the greatest Chinese initiative-the One Belt one Road (OBOR). Over 65 countries accounting for 60 percent of the world's population and 40 percent of GDP are connected through infrastructure development under the OBOR. A project like OBOR or CPEC requires decades of preparation, planning and hard work. Such gigantic project is not launched in a week or a month's preparation.

Pakistan tested its nuclear device in May 1998 but its preparation started in the 1970s, that is, after the first nuclear test of India in 1974. Decades of hard work, planning and preparation enabled Pakistan to successfully test its nuclear device in May 1998. One government alone, therefore, can not take credit of making Pakistan a nuclear power. All the governments that ruled the country during 1974 to 1998 have contributed to the success of making Pakistan a nuclear power.

As it is said, "Rome was not built in a day", a project of OBOR or CPEC's scale could not be launched in a week or a month. This article presents the factual position in a chronological order of the journey towards the launch of the gigantic project-the CPEC-based on official documents of both the countries as well as the published articles of the scholars from within and outside Pakistan. The basic idea is to straighten the facts.

Pakistan-China strategic alliance has been one of the defining features of the relations between the two countries since the early 1960s. The relationship has been tested for decades and now blossomed into an "all-weather strategic partnership" and more recently to "Tie Ge Men", which means "Real Iron Brothers". On the other hand, the economic relationship between the two countries has not been consistent at all with otherwise deep and strategic nature of relationship between them.

It has long been felt by the leadership of both the countries that economic relations must be made consistent with the type of strategic relationship that the two countries have maintained for decades. It is in this perspective that a development was made during the visit of President Pervez Musharraf to China on January 17, 2000-right after his assumption of power (see AP Archive, January 17, 2000). During Musharraf's meeting with Chinese Premier Zhu Rongji, he emphasized on stronger economic ties between the two countries.

The two sides signed an agreement on economic cooperation and sowed the seed for expanded economic relations between the two countries. During the visit of Chinese Prime Minister Zhu Rongji to Pakistan in May 2001, six agreements and one MoU were signed in the areas of railways, tourism, telecommunication, petroleum and mining. President Musharraf took up the matter with the visiting Chinese Premier and requested his support for the construction of Gwadar Port. The Chinese Prime Minister reiterated his support for the Gwadar deep sea port construction and gave assurances towards the continued strengthening of economic relationship between the two countries.

Following Zhu Rongji's reiteration of support for the Gwadar deep sea port, the Chinese Vice Premier Wu Bang Guo visited Pakistan and on March 22, 2002, along with President Musharraf, attended the ground breaking ceremony of the Gwadar Port. This ceremony was held under the banner of "Pak-China Friendship Journey from Karakoram to Gwadar" (DAWN, March 23, 2002).

At the invitation of the Chinese President Hu Jintao, President Musharraf visited China in November 2003. During his visit, both the Presidents signed a Joint Declaration on the Directions of BilateralCooperation on November 4, 2003 which spelt out the new focus on economic cooperation.

The Joint Declaration included several aspects of economic and trade relations including the Preferential Trading Agreement with ultimate goal of establishing Free Trade Agreement; agriculture, industry, tourism, transport to expand trade through Karakoram, strengthening of China-Pakistan Business Council etc. (see Joint Communiqués, Beijing, November 4, 2003).

During Prime Minister Shaukat Aziz's visit to China in December 2004, seven agreements pertaining to trade, communication and energy cooperation were signed.

This visit was in line with ongoing efforts to further strengthening economic ties, including cooperation in the field of energy. After the signing of Joint Declaration in November 2003, the year 2006 will be remembered as the defining year for the ultimate launch of the CPEC in 2013 for two reasons: Firstly, at the invitation of President Hu Jintao, President Musharraf visited China during February 19-23, 2006. During the visit, a Framework Agreement on Energy Cooperation was signed.

Chinese side agreed to assist in the development of oil and gas sector in Pakistan. The two sides emphasized that overland trade through the Karakorum Highway should be promoted and that they were ready to adopt measures to facilitate such trade. In this context, both sides agreed in principle to upgrade the Karakoram Highway (Joint Statement, February 23, 2006, Beijing).

Secondly and most importantly, at the invitation of President Musharraf, Chinese President Hu Jintao visited Pakistan during November 23-26, 2006. Most important developments pertaining to the ultimate launch of the CPEC took place during this visit. These included: i) the signing of an FTA between the two countries; five year Development Programmed on Trade and Economic Cooperation was signed; and iii) financial support for the up gradation of the Karakorum Highway among others (See Joint Statement, November 26, 2006, Islamabad).

The Five year Development Program was the integral component of Pakistan-China Strategic Economic Partnership/Cooperation program. The Pakistani side proposed Pakistan-China Trade, Transport, Energy and Industrial Corridor, commonly referred to as NTC. The NTC was an essential component of the Strategic Economic Partnership/Cooperation. China keenly supported Pakistan's National Trade Corridor (NTC) project. Both sides agreed to intensify joint study in the various aspects of the NTC (See DrAkram Sheikh, Blue Chip, April – June 2016)

In summing up, the scope of the corridor/strategic economic cooperation discussed between the two countries during 2004-2007 included: i) the development of Gwadar as a Deep Sea Commercial Port, Oil city with world class refining and petro-chemical facilities; ii) development of Gwadar (by enhancing its port handling capacity) keeping in view that it serves as an alternative port for China

;iii) it was envisaged that in twenty years, Gwadar could be developed like 'Shenzhen' port city of China; iv) development of Special Economic Zones throughout Pakistan; v) development of appropriate road and rail links from Gwadar and Karachi to Khunjrab and Kashgar (German pre-feasibility study for railway link from Havelian to Khunjrab was presented to President Hu Jintao in April 2008); vi) widening and up-gradation of KKH to accommodate oil and gas pipelines and optical fiber link;vii) development of all aspects of the energy; and viii) strategic oil reserves and oil and gas pipelines from Gwadar to Kashgar (See DrAkram Sheikh).

The above listed items were part of the discussion between the two countries during 2004-08 under the China-Pakistan Economic Partnership/Cooperation, which also included the concept of corridor. DrAkram Sheikh, the then Deputy Chairman of the Planning Commission had remained involved in this discussion during 2005-2008. Anyone who has doubt about what I have stated in this article can confirm with Dr Sheikh.

The work on NTC remained dormant with the change in government in April 2008. The momentum that was generated during 2004-2008 was slowed. China, on the other hand, continued to work quietly on their side. Besides other work, they continued to develop their human capital which were to be needed for OBOR initiative.

Yet another momentous development took place towards the ultimate launch of the CPEC in January/February 2013. Pakistani cabinet of the previous regime (PPP) approved the transfer of Gwadar Port Operation to China from Singapore on January 30, 2013. The formal ceremony of the transfer took place on February 17, 2013 in Islamabad (See Express Tribune, February 18, 2013). Pakistan described the deal as an energy and trade corridor which would not only benefit Pakistan but would also connect China to the Arabian Sea and Strait of Hormoz via the expanded KKH.

The current Chinese President Xi Jinping took charge of the state of affairs on March 14, 2013 and formally announced the launch of the historic One Belt One Road Initiative in September 2013, CPEC being an integral part of it.

In the meantime, Chinese Premier Li Keqiang visited Pakistan during May 22-23, 2013. The Chinese Premier and his Pakistani counterpart (the caretaker Prime Minister Mir Hazar Khan Khoso) reached an important consensus on building the China-Pakistan Economic Corridor and decided to jointly prepare a long-term plan on CPEC. The central role of the CPEC was clearly defined in April 2015, when President Xi Jinping visited Pakistan during which 51 MoUs/agreements worth $46 billion were signed.

This is the brief journey of the CPEC stretched over 13 years (2000-2013). During 2000-2008, the seed of strong and extended economic cooperation were sowed and nurtured; the CPEC was virtually formalized in the shape of Pakistan-China Trade, Transport, Energy and Industrial Corridor, known as NTC in 2006; the journey towards CPEC continued, albeit,ataslower pace during 2008-13, yet a major development took place with the transfer of Gwadar Port operation to China. During the transition to the next government (May 2013), consensus on building the CPEC was reached. The formal launch of the CPEC took place in April 2015 with signing of several MoUs/agreements during the visit of President Xi Jinping.

It is clear that no single government can take credit for launching CPEC. Several governments contributed to the preparation, development and finally launching of the project. This is a project for the people of Pakistan, for the future of Pakistan and does not belong to a single individual or party.

How much Pakistan will benefit from the project will depend on its preparedness. Bureaucratic hurdles in terms of lethargic and non-serious attitude, lack of understanding of the complexities of the project, little flow of information from Pakistani side and petty politics have all served as headwinds thus far towards the completion of the project in time.

Simply making noises like “game changer” or “fate changer” and claiming the ownership of the Project will not serve the objectives. We need to prepare ourselves by developing relevant skills, strengthening bureaucracy, and training manpower, particularly in Baluchistan. Thus far we have been talkers only. We need to join the league of doers.

http://fp.brecorder.com/2017/08/20170823211718/

NO OTHER COUNTRY MAY BE ABLE TO JOIN CPEC BEFORE 2020
The Express Tribune, August 23, 2017

Zafar Bhutta

ISLAMABAD: Islamabad and Beijing are unlikely to welcome other countries to become part of the China-Pakistan Economic Corridor (CPEC) before 2020 as they will wait until energy and industrial projects are completed, say officials.

Pakistan and China are developing energy projects of $35 billion under CPEC and want to complete them first before opening the door to Middle Eastern states, Iran and Central Asian countries for joining the gigantic economic corridor.

Some of the power projects like Sahiwal coal power plant have been completed and some others are expected to be ready next year.

According to officials, Pakistan has not officially invited these countries in writing to join CPEC as Islamabad and Beijing have agreed, in principle, that they will not make other countries part of CPEC till 2020.

Apart from energy projects, China is also working on communications and industrial schemes. It is also interested in investing in duty-free zones along the economic corridor in Pakistan.

Under CPEC, 37 duty-free zones will be built, of which Pakistan has prioritised nine zones that will be offered to China.

During the visit of a Chinese delegation, a meeting was held in this regard with officials of Pakistan's Board of Investment (BOI), Petroleum and Water and Power Divisions.

In the meeting with BOI, the Chinese delegates sought some more incentives from Pakistan. They also demanded pieces of land on a 99-year lease, which surprised many Pakistani officials.

They cited the example of Cambodia and Belarus that had given land on lease for 99 years, saying Pakistan should follow that model. However, Pakistani officials did not respond, saying only that it would trigger a wave of criticism in the country.

Following the discussions, expert groups were formed to assess China's demand and work on the duty-free zones.

Officials disclosed that China could take control of one out of nine prioritised zones on an experimental basis where it would work either independently or enter into joint ventures with the private sector.

They said China wanted complete control over these projects and did not want other countries to join CPEC.

China desires to develop the industry itself in Pakistan and will give CPEC access to other countries when industrial units start working. This will help China to export its projects to other countries like Central Asian states and Russia.

In the meeting with officials of the Petroleum Division, the Chinese side was informed that not a single project of the oil and gas sector had been made part of CPEC.

The Petroleum Division officials said the oil and gas industry had been ignored in CPEC as the entire focus of China was on electricity, road and railway schemes. Some oil and gas projects should be included in the economic corridor, they emphasised.

https://tribune.com.pk/story/1488593/no-country-may-able-join-cpec-2020/

ALL INVESTORS ARE WELCOME TO CPEC, SAYS BOI

Dawn, August 24, 2017

ISLAMABAD: The Board of Investment (BoI) has emphasised that the government has a very liberal investment policy in place and denied any agreement between Pakistan and China for keeping other interested countries away from the China-Pakistan Economic Corridor (CPEC).

In a statement, the BoI pointed out that the government had initiated a broad and multi-dimensional reform process in a bid to improve the investment climate in Pakistan. “Business opportunities will be equally available to all Pakistani businessmen, Chinese businessmen, enterprises and foreign investors from other countries, either separately or in joint ventures depending on the nature of investment,” it said.

In this regard, the federal cabinet has given the go-ahead to a comprehensive incentive package, which offers broad-based incentives to all investors.

Industrial cooperation under CPEC was aimed at developing Special Economic Zones (SEZs) in each province and region of Pakistan, the BoI said. In this regard, sixth meeting of the Joint Cooperation Committee of CPEC has approved nine SEZs which will be established in Pakistan’s four provinces, Azad Jammu and Kashmir, Gilgit-Baltistan, Fata and Islamabad Capital Territory. Appropriate sites for these zones have also been identified by the provincial governments and authorities concerned.

The BoI recalled that an expert-level delegation of the National Development and Reform Commission (NDRC) of China visited Pakistan in the first half of July. It toured SEZ sites and held meetings with government officials and the business community to provide guidelines for the development of economic zones.

During the consultative sessions and meetings, the BoI claimed, the NDRC team praised efforts of Pakistan government for providing attractive incentives and no demand for a 99-year lease of land and providing blanket tax exemptions were made.

“The expert team did not demand any exclusive control over any of the nine SEZs. China has never shown any desire for complete control over SEZs/industrial parks under CPEC,” the BoI said.

https://tribune.com.pk/story/1489488/investors-welcome-cpec-says-boi/

PRESIDENT URGES GB YOUTH TO TAKE MAXIMUM BENEFIT FROM CPEC

Dawn, 26 August , 2017

GILGIT: President Mamnoon Hussain on Friday asked youth of GilgitBaltistan to convert their cultural heritage into educational opportunities which came from the great Silk Route in the past and now offered by the ChinaPakistan Economic Corridor (CPEC).
Addressing the 8th convocation of the Karakoram International University in his capacity as its chancellor in Gilgit on Friday, he said CPEC would put the entire region on path of development. He added that GB and Balochistan would get maximum benefit from CPEC.

Mr Hussain said development budget of GB had been enhanced from Rs8 billion to Rs18 billion, which would help alleviate poverty in the area He appreciated the establishment of CPEC Cell in the university for conducting research on CPEC and to take full advantage of the mega project. He stated that early and timely implementation of the projects under CPEC was the top priority of the government.

He termed the establishment of cell as a positive development that wouldhelp explore the different dimensions of the remarkable project and reap the maximum benefits from the opportunities offered by related projects keeping in view the local conditions.

The president emphasised that CPEC would not only bring economic prosperity in the region but would also open up new academic avenues for the youth.

He urged the university, especially its CPEC Cell, to build international contacts so that effective strategy could be made to take maximum advantage from the emerging opportunities.Mamnoon Hussain hoped that KIU would perform valuable services in this sector, saying that if the said cell introduced some new courses to make CPEC studies more effective and comprehensive then its utilisation would not remain confined to this university only.

He also directed the administration to keep him updated about the activities of the cell so that he could provide his continuous feedback.

He later gave away degrees and gold medals to the graduates who secured prominent positions.-Correspondent

http://epaper.dawn.com/DetailImage.php?StoryImage=26_08_2017_007_004

NEWS COVERAGE PERIOD FROM AUGUST 14TH TO AUGUST 20 Th 2017
PM WILL HIMSELF OVERSEE ALL CPEC PROJECTS

Business Recorder, 17 August 2017

Naveed butt

Prime Minister Shahid Khaqan Abbasi would oversee the all China-Pakistan Economic Corridor (CPEC) projects and related matters. Informed sources told Business Recorder the Prime Minister has appointed Sartaj Aziz as Deputy Chairman Planning with the status of a federal minister, however the Prime Minister has kept the portfolio of Ministry of Planning, Development and Reforms as well as the Chairmanship of the Planning Commission with himself.

Soon after the Prime Minister stated he took oath, he stated that, “CPEC projects are our government’s highest priority and I am personally supervising progress of hallmark projects be it infrastructure, energy, railway or other sectors." Ahsan Iqbal was the Minister of Planning, Development and Reforms as well as Deputy Chairman Planning Commission during the Sharif administration.

According to sources, the objective of Prime Minister Khaqan Abbasi in retaining the portfolio of the Planning Commission is to ensure timely completion of the CPEC projects. They added that Secretary to the Prime Minister, Fawwad Hassan Fawwad, is behind this move as he wants the Prime Minister to control CPEC projects. When this newspaper contacted Deputy Chairman Planning Sartaj Aziz by phone for his views on the matter he said that "it is not an appropriate question to ask about developments or change in CPEC projects".

According to informed sources Interior Minister Ahsan Iqbal, on the instructions of the Prime Minister, chaired a high level meeting of Planning Commission in the Ministry of Interior on August 11, 2017, which was attended by Secretary Planning and other senior officials during which preparations for 'Pakistan Development Summit & Expo' scheduled for Thursday (today) at Pak-China Center Islamabad was discussed. A photograph of the meeting is available with Business Recorder.

Special Assistant to the Minister for Planning, Development and Reforms, Asim Khan Niazi confirmed the meeting, saying it continued for 20 minutes. According to him, that Ahsan Iqbal has said that he will no more look after the affairs of Planning Commission as he is now the minister for interior. However, he said that Pakistan Development Summit & Expo will be held in accordance with its previous schedule.

When contacted Asif Sheikh, Advisor for Federal Budget Development Planning, said the Planning Commission is continuing the same policy on CPEC projects as adopted by former prime minister Nawaz Sharif and former minister of Planning Development and Reforms Ahsan Iqbal. He said that the Planning Commission is aggressively involved in the implementation of CPEC projects. Ahsan Iqbal had two designations during the Sharif administration as well: Minister for Planning, Development and Reforms as well as Deputy Chairman Planning

http://fp.brecorder.com/2017/08/20170817209623/

MINISTER BRIEFED ABOUT CPEC, OTHER MOTORWAY PROJECTS
Business Recorder, 17 August 2017

ISLAMABAD: The Federal Minister for Communications Hafiz Abdul Karim visited the National Highway Authority head office today where Chairman NHA Shahid Ashraf Tarar gave a detailed briefing to the Minister about China-Pakistan Economic Corridor (CPEC) and other motorway projects.

The Chairman informed the Minister that 13 Motorway projects worth Rs. 1300 billion were under execution in different parts of the country.

These projects, he said, would be completed during the next two years, taking the overall length of motorway network in the country to around 2400 km. He informed that Hazara Motorway (E-35), Lyari Expressway (32 km), Karachi-Hyderabad Motorway (136 km) and Rathodero-Khuzdar Motorway (M-8) will be completed this year. Similarly, a number of other important projects including Gojra-Shorkot (62 km), Shorkot-Khanewal (65 km), Lahore-Abdul Hakim Motorway (230 km) and Dera Ismail Khan-Hakla section of Western Corridor (285 km), Lahore Eastern Bypass (16 km) and Chakdara-Kalam highway will be completed in 2018. Similarly, Havelian-Mansera (39 km) and two sections of Multan-Sukkur Motorway would be completed before June 2018.

He said three more projects namely Naukundi-Mushkel-Panjgur (90 km), Gilgit-Shindor-Chitral (364 km) and Mirpur-Muzaffarabad-Mansehra (228 km) would be added to CPEC in coming JCC meeting.

He informed the Minister that for the first time in country's history, highway projects around Rs. 350 billion were awarded on Built-Operate-Transfer (BOT) basis through active participation of the private sector. This included Sukkur-Hyderabad Motorway (M-6), Karachi-Hyderabad Motorway and up gradation of Islamabad-Lahore Motorway. He said earnings from these projects were expected to cross over Rs.300 billion.—PR

http://epaper.brecorder.com/2017/08/17/13-page/899556-news.html

CPEC AFTER NAWAZ'S OUSTER
Business Recorder, 17 August 2017

Huzaima Bukhari And Dr Ikramul Haq

The Chinese government has made it clear that disqualification of Nawaz Sharif is an "internal affair of Pakistan" and "it will not impact China-Pakistan strategic cooperative partnership involving 'One Belt, One Road (OBOR)' initiative, that includes China-Pakistan Economic Corridor (CPEC) as its "flagship" project.

In a statement issued in the wake of judgement of Supreme Court on July 28, 2017, Chinese Foreign Ministry spokesperson, Lu Kang, said that "the Pakistani Supreme Court verdict on the Panama Papers case is not going to affect bilateral ties between the two countries".

He added: "We believe that the China-Pakistan strategic cooperative partnership will not be affected by the change of the situation inside Pakistan. China stands ready to work with Pakistan to continue jointly building the One Belt and One Road". "As a friendly neighbour, China hopes that all parties and sections in Pakistan can prioritise state and national interests, properly deal with their domestic affairs, maintain unity, stability, and keep focusing on the economic and social development," the Chinese Foreign Ministry spokesperson said.

The all-weather friendship between China and Pakistan has withstood the test of times, Lu added. The CPEC is a flagship project of China's OBOR. Beijing also calls the Bangladesh-China-India-Myanmar corridor as part of the ambitious design. The 3,000 km, over $50 billion CPEC corridor stretches from Kashgar in western China to Gwadar port in Pakistan on the Arabian Sea. Along the way, China is funding and building several mega infrastructure projects, including road and railway networks, and power plants.

According to estimates, over 30,000 Pakistanis are working on the corridor project. It should be remembered that two-day [May 14-15, 2017] 'Belt and Road Forum for International Cooperation', held in Beijing, was attended by the then Prime Minister, Nawaz Sharif, and all the four chief ministers. It extended great opportunities of economic progress for Pakistan.

During his stay in Beijing, our Prime Minister had meetings with Chinese President Xi Jinping and Prime Minister Li Keqiang, and many agreements were reached, especially one for international airport for Gwadar. The events after the verdict proved that CPEC is not confined to Zardari, Nawaz or Shahbaz or any other political figure.

It is bilateral accord that is not only beneficial for both the countries but the entire region. Nawaz Sharif in his speech in Beijing on May 14, 2017 also noted that “the multi-billion dollar China Pakistan Economic Corridor was an economic project open to all nations in the region and it “must not be politicised”.

While taking potshots at India for boycotting China’s high-profile Belt and Road Forum, he rightly pointed out: “Let me make it very clear that CPEC is an economic undertaking open to all countries in the region. It has no geographical boundaries”. “As OBOR unfolds across continents we see it fostering inclusion, creating tolerance and promoting acceptance of cultural diversity,” he said.

He rightly observed that the most significant impact of OBOR would be on the lives of poor and marginalised people who would get better incomes, education and health facilities.

Since 1947, Pakistan has been struggling to become a self-reliant economy that can end its dependence on foreign donors that entails with its political subjugation. The challenges on the economic front include huge fiscal and current account deficits, burgeoning debts, perpetuation of elitist economy, growing gulf between the rich and poor, economic disparities, uneven development model, oppressive tax system, sluggish economic growth, lack of investment to accelerate growth and create new jobs, dearth of skilled labour, dwindling exports, rising imports, inadequate infrastructure development-just to mention the major ones. Hopes are now pinned upon the CPEC to turn Pakistan into one of the largest economy in the coming years.

After taking into account the size of CPEC-related projects, all credit rating agencies made positive remarks that energy projects throughout the country would ultimately reduce the cost of power generation, lowering the need for electricity subsidies-a key burden on the federal budget-and “improving economic growth, which would in turn increase tax revenues for the government.” Obviously these two factors can substantially reduce the budget deficit and resultantly ever-increasing debt servicing. It is true that much of the key benefits of energies projects under the CPEC would not materialise until 2018 but some have started accruing during 2017.

CPEC envisages 21 agreements for energy (gas, coal and solar energy) and 14 out of these will be providing up to 10,400 megawatts (MW) of energy by March 2018, to make up for the 2015 energy shortfall of 4,500MW. According to China Daily, these projects should generate up to 16,400MW of energy altogether. Execution of all projects related to the CPEC and those yet not conceived, but bound to come after infrastructure is completed, can bring prosperity for Pakistan-making it one of the largest economies of the world. The challenge of removing inefficiencies from our administrative structures that are change-resistant is formidable but not impossible.

There is realization with fast growing need that we should move towards modern and efficient delivery systems. The CPEC being a multi-faceted project will essentially pull public and private sector onto a fast track development mode proving a blessing for Pakistanis who are otherwise suffering on account of lethargy and indifferent attitudes. The fruits of CPEC connectivity would be enormous for the entire region without which, the huge potential of trade within South Asia cannot be achieved.

Imagine hundreds of service stations along the roads giving employment to our youth, acceleration of trade between different parts of Pakistan, boost to tourism, peace and prosperity as Afghanistan, India and Iran transit trade through the CPEC.

There is no doubt that this would bring prosperity to the millions inhabiting South Asia. It is thus imperative for the government of Pakistan and all stakeholders to highlight the advantages of the CPEC and create an atmosphere of love and fraternity among all the beneficiaries. The new dawn of economic well-being for Pakistanis is still a dream but it can be turned into a reality-the only thing we need is to ensure that all citizens get adequate opportunities to prosper and benefit equally from economic growth.

We must move fast to end economic apartheid that is presently inbuilt in our elitist structure. Without removing these distortions, the real benefits of even mega project like the CPEC could be concentrated just in a few hands-the rich and mighty having control over resources. Equitable growth can come through great initiative like the CPEC if we implement Chinese model suggested by former General Secretary of the Communist Party of China, Hu Jintao: "A harmonious society should feature democracy, the rule of law, equity, justice, sincerity, amity and vitality."

It is time we should come out of "economic despair" and political shenanigans. If we really want to utilise the CPEC as an opportunity, we must reform our out-dated elitist structures that are the main impediments for robust economic growth. A new era of economic development is at our doorstep. We need to upgrade all our delivery systems to make this historic opportunity a success. Much-needed foreign investment and development of infrastructure is coming from China-this is a reality and not an illusion as many skeptics portray. We need to make best use of it. It hardly makes any difference for the CPEC as to who is Prime Minister of Pakistan. Political system has continuity even after disqualification of Nawaz Sharif and it is a good omen for Pakistan.

http://fp.brecorder.com/2017/08/20170818210307/

CPEC PROVIDES AVENUES TO TARGET $100B CHINESE AGRI-MARKET
The Express Tribune, August 18, 2017

Imran Rana

The China-Pakistan Economic Corridor (CPEC) is a golden opportunity for overall development of this region and Pakistan should reorganise its agriculture sector to get a major slice of the $100 billion worth of agriculture produce imports by China, suggested Muhammad Mehmood, Punjab Agriculture Secretary.

Speaking at the launch of a study on "CPEC – Prospects & Challenges for Agriculture", Mehmood pointed out that nearly one-fourth of the world's population was living in China and most of its exports would be routed through Pakistan after the completion of CPEC. "Containers full of exportable surplus will be sent to various international markets, but on their return, these containers will be empty and we must capitalise on the opportunity to export our surplus agriculture produce to China," he said.

Mehmood revealed that per capita income of China was increasing substantially, bringing a visible change in people's lifestyle and food habits there. "Like other affluent societies, they also prefer rich and costly food and fruits," he said, adding Pakistan could get maximum benefit of the emerging change.

"We are concentrating on high-value crops and a 10-year programme has been evolved to develop one lakh acres of land in the Potohar region for planting grape and other high-value crops."

Major Chinese importers will also be invited to utilise this land for growing high-value fruits in addition to developing the agriculture processing industry on modern scientific lines.

"Its trickle-down effect will provide an opportunity to our farmers to upgrade their technologies and develop agriculture as a profitable business by shunning centuries-old practices," Mehmood said.

He told the audience that foreign consultants had been engaged to analyse why Pakistan had not been able to get its due share in Chinese imports despite its friendly relations and close proximity.

He suggested that Pakistan should renegotiate the bilateral trade agreement and a meeting was expected in the current or next month. After that, "we would be in a position to decide which strategy is suitable for Pakistan to enhance its share in Chinese imports."

Responding to a question about a research project on the China-Pakistan agricultural technical cooperation, the agriculture secretary insisted that the Punjab Agriculture Research Board was extending liberal grants to the viable projects planned by the public and private sectors.

"Initially, Rs259 million had been allocated for this purpose. The funding was immediately increased to Rs750 million and it would be further enhanced to Rs3 billion in the next three years," he said.

He asked the Faisalabad Chamber of Commerce and Industry president to send the project to the research board where a group of experts would review its viability and approve the requisite grant.

https://tribune.com.pk/story/1484291/cpec-provides-avenues-target-100b-chinese-agri-market/

'MULTAN WILL BE A MAJOR TRADE CENTRE WITH THE ARRIVAL OF CPEC'
The Express Tribune, August 20, 2017

Owais Qarni

MULTAN: Commissioner Multan Bilal Ahmed Butt said that the significance of Multan has increased with the arrival of CPEC projects as it produced 70 to 80 per cent of total cotton and our 65 per cent exports depended on the agricultural produce.

He was delivering his speech at a function organised by Multan Chamber to highlight unity among diversity under the title of "Is Parcham kay sai talay ham sab aik hain". It was attended by the Sikhs, Hindus, Christians, Parsis and Muslims of the area.

Commissioner said that China-Pak Economic Corridor (CPEC) was a golden opportunity for the overall development of the region thus we should reorganise the agriculture sector to get a major share from $100 billion imports of agriculture produce by China. He said that cotton production would have to increase to 25 million bales which was stagnant to 12.6 bales to meet the demand of local textile industry

He stressed the need to encourage the small and medium enterprises (SMEs). He was optimistic that Multan would be the biggest trade centre in future. Foreign entrepreneurs were exploring markets and joint venture projects in this area. Foreign ambassadors were visiting southern Punjab frequently for investment in different fields. He said that significance and importance of Multan Chamber had also increased with the rapidly changing business scenario.

Multan Chamber of Commerce and Industry President Khawaja Jalaluddin Roomi said that our programme had focussed on the freedom movement, heroes of the Pakistan Movement and the rich culture and traditions of Pakistan through performing arts. Besides depicting the culture and traditions of the country, such shows educated the youth regarding the struggle of freedom fighters through soft expressions of art, he added.

He threw light on the achievements of Multan chamber regarding promotion of culture, literature and art in this zone and provision of a platform to skilled people.

https://tribune.com.pk/story/1486155/multan-will-major-trade-centre-arrival-cpec/

NEWS COVERAGE PERIOD FROM AUGUST 7TH TO AUGUST 13Th 2017
CPEC SECURITY COSTS
Dawn, August 7th, 2017

THE inevitable is now slowly coming to pass. Costs that were not originally part of the tariffs granted to CPEC power projects are being passed to consumers, starting with the added cost of security. When Nepra, the power regulator, first took suo motu notice of a summary approved by the Economic Coordination Committee, which approved the “issuance of a policy directive to Nepra to allow 1pc of the capital cost” of all CPEC projects to pay for security expenses, it appeared that the idea was to examine the legality of such a “policy directive”, as well as the merits of bundling security costs into the tariff.

But in the decision released on Thursday, it turns out Nepra was only going through the motions with the intention of bowing to the demands of the ECC. Not only was notice of the matter taken under peculiar circumstances, but the reasoning employed in the determination also shows that something fundamental has changed in the relationship between the regulator and the government.

First of all, deciding such an important matter under a suo motu hearing without requiring the government to submit a proper petition calls for some explanation. Second, when it was suggested during the hearing that the provision of security was the government’s responsibility and should not be charged from the consumers, Nepra responded by saying such costs would be met from public funds in any case, so why not bundle them into the tariffs granted to the respective projects.

This is truly extraordinary reasoning on the regulator’s part, and implies that the protection of consumer interest, which ought to be Nepra’s priority, has now been sacrificed at the altar of bureaucratic self-interest. Third, the determination argues that the measure does not entail special treatment for IPPs coming under the CPEC umbrella since the implementation agreements of the others also allow for security costs to be part of the tariff.

This is disingenuous, because the determination twice makes reference to the CPEC security force, and the mechanism for the payment clearly shows the costs in question relate to it, and this force is not there for the protection of all IPPs. This determination has opened the door to new large-scale escalations in the cost of CPEC power projects in the years to come, something for which the public should now brace itself.

https://www.dawn.com/news/1350089

CAN CPEC WEATHER PAKISTAN'S POLITICAL STORM?
Dawn, The Business and Finance Weekly, August 7th, 2017

Afshan Subohi

In a highly partisan political environment, China reiterated its neutrality towards the internal affairs of the country by stating its resolve to abide by 'a strategic cooperative partnership with Pakistan'.

Despite this stance the momentum of the CPEC initiative seems to have been compromised over the last two months.

Senior officials in Islamabad, who coordinate with the Chinese side for the CPEC, informed Dawn that the political crisis did hamper the pace of progress, particularly on projects in the pipeline.

"Yes, the divide blurs the line between civil and military leaders as Generals vow to secure and support CPEC related project as much, if not more, than civil political leaders.

"This unity of opinion is not enough. For CPEC to stay on course a conducive investment environment is absolutely necessary", commented a business leader who wished anonymity.

A statement on the subject mailed to Dawn by the Chinese Embassy reads, "It hopes that all parties and sections in Pakistan can prioritise state and national interests, properly deal with their domestic affairs, maintain unity and stability and keep focusing on economic and social development.

"The all-weather friendship between China and Pakistan has withstood the test of time. We believe that the China-Pakistan strategic cooperative partnership will not be affected by the change in the situation inside Pakistan.

"China stands ready to work with Pakistan to continue jointly building the Belt and the Road and build a community of a shared future, which serves the fundamental interests of the two countries and peoples and promotes peace and development in the region and beyond".

Prime Minister Khaqan Abbasi, in his very first speech on the floor of the house after his election, mentioned his intent to fasten the pace of progress on CPEC related projects.

Dr Nadeem Javed, Chief Economist, Planning Commission, admitted the comparative slow down but insisted that the fortnightly coordination committee on the CPEC meets regularly.

The said body is attended by related departments and ministries. It tracks and monitors progress and provides a forum to unwind bureaucratic knots.

“How can anyone deny that happenings of the past two months distracted the government’s attention from the economy and compromised its effectiveness? Yes we could have covered more ground had we been able to handle the situation better.

“There were exchanges and two-way travelling by relevant ministers and officials over the past two months but the private sector, particularly in Pakistan, withdrew into its shell, citing uncertainty” he said.

He saw harmony and enthusiasm in state level interaction but was not happy with the level of interest in the private sector. “The reluctance of local investors is hard to digest. Their attitude might change as plans of nine special economic zones start materialising”, he said.

“The CPEC is a large package of Chinese investment projects with the potential to transform Pakistan’s economy by relieving supply-side constraints to growth through investment in power generation and transport infrastructure.

“If implemented as planned, the CPEC would lift Pakistan’s potential GDP growth significantly and catalyse higher private-sector investments and exports.

“However, security-related issues and Pakistan’s weak track record of public project implementation suggests that the pace of execution will be relatively slow.

“Moving forward, continued support for the CPEC project across all branches of government will be critical to its success and full implementation,” said Moody’s in a current report on the country.

Some business leaders contacted blamed the tilt in policies that suit Chinese investors better.

“The policy framework is unfair towards locals. In their enthusiasm policymakers go the extra mile and roll out the red carpets for foreign investors. However, if we ask for what is our due they play deaf”, a business leader retorted.

“PM Abbasi may claim what he wants but hollow words will not in-still confidence in the private sector.

“The government will need to move decisively towards confidence building measures to motivate local investors”, he added.

https://www.dawn.com/news/1350124

CPEC ENSURES BRIGHT FUTURE OF BALOCHISTAN, SAYS MAMNOON
Saleem Shahid

Dawn, August 10, 2017

QUETTA: President Mamnoon Hussain has said that the future of Balochistan is very bright as the government has launched several development projects under the China-Pakistan Economic Corridor (CPEC) to develop the province and remove the sense of deprivation prevalent among its people.

Speaking at the convocation of Balochistan University here on Wednesday, he said that future development and prosperity of the country was linked with the development of Balochistan.

Balochistan Governor Muhammad Khan Achakzai, Vice Chancellor of Balochistan University Dr Javed Iqbal, senior professors and top government officials attended the ceremony.

The president and the governor awarded degrees to more than 300 male and female students.

The president said the CPEC would bring about a revolutionary change for Balochistan and improve the living standard of the people of the province.

“The entire world today is looking at Balochistan in the context of the economic corridor,” Mr Hussain said, adding that the entire region would utilise facilities of the CPEC.

He claimed that after the inauguration of the CPEC project, Balochistan would get connected to the entire world through air, land and sea.

The president said that several steps were being taken to promote education in the province and one such step was the establishment of a campus of the NUML University in Gwadar.

The president advised students to concentrate on their study and make research their top priority while keeping themselves away from politics.

He urged new graduates to use their knowledge, research and leadership capabilities for the development of the province and the country.

Speaking on the occasion, Balochistan Governor Muhammad Khan Achakzai thanked the president for attending the convocation of the university.

He lauded services of the management, professors and lecturers for bringing improvement in the university over the last four years.

Vice Chancellor of Balochistan University Dr Javed Iqbal said that he had introduced the semester system in all faculties besides launching a training programme for the teaching staff of the university.

He said the university would launch its own TV channel later this month.

https://www.dawn.com/news/1350715

CHEMICAL INDUSTRY WANTS TO BECOME PART OF CPEC
The Express Tribune, August 10th, 2017.

LAHORE: The Pakistan Chemical Manufacturers Association (PCMA) has called for forming joint ventures with China to make the local chemical sector a self-reliant industry.

The suggestion was made by PCMA General Secretary Iqbal Kidwai in a meeting with Pak-China Joint Chamber of Commerce and Industry (PCJCCI) President Wang Zihai on Wednesday.

Kidwai proposed inviting Chinese investors to consider joint ventures in chemical manufacturing and also suggested that the sector be made part of the China-Pakistan Economic Corridor (CPEC).

He said the chemical industry formed the fabric of the modern world, converting basic raw material into more than 70,000 different products, not only for the industry, but also for all the consumer goods.

He highlighted the vast potential of Pakistan in chemical manufacturing and processing. PCMA's vision was to transform the chemical industry of Pakistan from an import-oriented to an export-oriented Industry, he added.

"Due to absence of a naphtha petro-chemical cracker complex, the downstream industry is dependent on imports. Pakistan's chemical imports constitute around 17% of the total import bill," said Kidwai, adding Pakistan was spending over $5-6 billion every year on the import of chemicals with an average increase of 5-8% in coming years.

"Despite the enormous potential, the sector could not be tapped to its maximum due to some major constraints that include dependence on expensive imports, lack of industrial infrastructure and technology, lack of financial resources, energy shortages and weak trade policies."

The general secretary was of the view that these constraints could be addressed if Chinese chemical manufacturers joined hands with Pakistani counterparts in terms of providing technology, knowledge and investment.

He also urged the government to facilitate local investors by providing soft loans and facilitating foreign investors in obtaining land and machinery.

Moreover, he pointed that Pakistani and Chinese experts should collaborate to bring more innovation in the chemical manufacturing process, we should invest in research and development aimed at chemical manufacturing through a more cost effective and eco-friendly processes, added Kidwai.

Speaking on the occasion, Zihai agreed that joint projects between Pakistan and China could explore the potential for the larger interest of both nations.

He said the chemical industry was the third largest in China, which accounted for nearly 13% of the nation's GDP, but despite massive chemical manufacturing, there was increased demand in China.

"Almost all economic sectors in China rely on chemical goods, particularly in the areas of construction and car manufacturing," said the PCJCCI president.

https://tribune.com.pk/story/1477835/chemical-industry-wants-become-part-cpec/

NATURAL DISASTERS, SECURITY THREATS IMPEDIMENTS TO CPEC: CHINESE ENTREPRENEUR
Dawn, August 13th, 2017

Kalbe Ali

ISLAMABAD: Despite security threats and natural disasters, (work on) the China-Pakistan Economic Corridor (CPEC) will continue to link Pakistan with China and allow smooth exchange of goods between the two countries, said a Chinese entrepreneur on Saturday.

Talking to reporters here, Exim's managing director Tianru Tang cited two major concerns in the construction and maintenance of the Karakorum Highway (KKH) and Khunjerab Pass — geological disasters and adverse security conditions.

Since the highway was located in Gilgit-Baltistan, which was a frequent target of sectarian and terrorist attacks, the construction process was hampered, said Mr Tianru, adding that security situation also risked safety of Chinese personnel.

He lauded the police and security forces for playing their role in maintaining peace in the region.

The key impediment in development, however, was natural disasters, said Mr Tianru.

The KKH is the world's highest cross-boundary road, with bridges over Khunjerab Hunza, Gilgit and Indus rivers, which stretches through the Karakorum, Hindukush and Pamir mountains and the western end of Himalayas.

"This [KKH] area is known as the geological disaster museum owing to frequent natural disasters," Mr Tianru said.

While the CPEC is a new project, he pointed out, the Chinese commenced infrastructure development in Pakistan in 1966, and since then numerous projects have been initiated by the China Road and Bridge Corporation (CRBC) — the builder of the CPEC. The CRBC is involved in various infrastructure development projects in Pakistan, including the KKH Phase II (Havelian-Thakot) project, which is a key initiative of the One Belt, One Road strategy.

The completion of the project is expected to enhance traffic flow in the northern region and promote economic development in remote areas of the country.

Mr Tianru said that the CRBC employed up to 7,815 locals and purchased main construction materials worth $416 million from local firms.

https://www.dawn.com/news/1351336

NEWS COVERAGE PERIOD FROM AUGUST 1ST TO AUGUST 6TH 2017
RESEARCHERS ASKED TO STUDY CPEC PROJECTS IN-DEPTH
Business Recorder, 1 August 2017

KARACHI: President, Mohammad Ali Jinnah University, (MAJU) Karachi Prof. Dr. Zubair Shaikh asked the teachers and students involved in research activities to study China-Pakistan Economic Corridor (CPEC) in depth so that the basic objective to launch this project may be realized.

He said that it is our responsibility to see that as a Pakistan, how we can expand our industrial base, overcome power shortage problem, construction of roads to improve transportation system, infra structure development, better irrigation facilities to increase agricultural products and to boost up our exports in order to achieve economic prosperity.

These views he expressed while he was addressing to the closing session of two day long Pakistan Business Research Conference (PBRC) at university auditorium last evening. The others who also addressed to the closing session of the conference were head of Management Sciences, ZABIST Prof. Dr. Zaki Rashdi, Chairman, Pakistan and Russia Business Council Muhammad Farooq Afzal, Associate Dean, Business Administration & Social Sciences Dr. Shujaat Mubarak and Conference Secretary Ghulam Mohammad.

Dr. Zubair Shaikh said that better environment for carrying out research activities in universities is available presently in comparison to the past. He said that although we have a larger number of PhD's teachers in our faculties to carry out research work but recognition problem of research reports still exist.

He said that it is our responsibility to foresee the impact of research work upon our society. He asked the researchers to come up with solutions of making people belonging to working class more useful for society. Chairman, Pakistan Russia Business Council, M. Farooq Afzal said that we should take full advantage of 64 billion dollars investment made by China under CPEC.

He said that Gwader port should be taken as a gift of God for Pakistan to establish trade links with, Middle East, Europe, Africa, USA, Central Asian countries and Russia. He said Russian investors are very much interested for investment in Pakistan.

To avail this opportunity, effective marketing tactics are required to take advantage of 3.7 trillion dollars volume of trade budget of Russia and central Asian countries, he added. He told that we cannot improve our economy by taking loans from IMF and other agencies, for this purpose we have to increase our investment in industrial sector to boost up exports.

Prof. Dr. Zaki Rashdi was of the view that one should not carry out research work in pressure except to continue it for pleasure. He said most of the countries are taking advantages of research work through improved knowledge. He advised that research should also be done in respect of value added goods in the larger interest of country's economy. At the end of conference shield were presented to Dr. Ikhtiar Ghumro, Dr. Tariq Jalees, Dr. Dilshad Zafar, Prof. Dr. Gobind M. Herani, Dr. Zkai Rashdi, Prof. Dr. Anwar Irshad Burney, Dr. Muhammad Kashif, Dr. Bilal Ahmed, M.Sajid, Waqar Akbar and Jamil Ahmed.—NNI

http://epaper.brecorder.com/2017/08/01/9-page/893992-news.html

September 2017

NEWS COVERAGE PERIOD FROM SEPTEMBER 25 TH TO SEPTEMBER 30 Th 2017

INVESTMENT IN CPEC NO DEBT: ASIF

Dawn, September, 29, 2017

BEIJING: Foreign Minister Khawaja Muhammad Asif on Thursday said that China-Pakistan Economic Corridor (CPEC) is a game-changer for not only Pakistan but for the whole region as it will usher in a new era of economic relationship between different countries of the region and help reduce political tensions.

“At present there is hardly any trade between the countries in the region but once the CPEC, a pilot project of the Belt and Road Initiative is completed, it will provide economic and trade connectivity to all the countries in the region,” he said while speaking in a programme “Heat” telecast by China Global Television Network (CGTN).

He opined that economic relationship between different countries of this region will have political effects and will help lessen political tensions because of their increased inter-dependence.

“Trade, tourism and people-to-people contacts will soften the tense situation in the region,” he maintained.

The foreign minister said a lot of investment is coming to Pakistan under the CPEC framework.

To a question, he explained that investment being made under the CPEC is not a debt rather it is an income-based or tariff-based arrangement, adding, “Our economy is picking up and the country has enough inflows of cash to make the payments.”

Asked about his recent meeting with Chinese Foreign Minister Wang Yi, he said there was complete convergence of views between the two sides.

“We are hoping for a meeting between foreign ministers of China, Pakistan and Afghanistan in China in December and we are also hoping to revive other platforms to find out a political solution to the Afghan problem,” he added.

He said both the countries have a unanimous view that a military solution to Afghan issue will create more problems as it did not pay off over the years.

To yet another question, he said the US is part of different mechanisms or platforms available to deal with the Afghan problem, adding, “The US is part and parcel of the arrangements for a solution to Afghan problem. The US role will be there.”

Khawaja Asif said the prime minister on the sidelines of UN General Assembly met the US President and the Vice President and both the meetings were good.

Describing the "safe havens" as an exaggeration, he explained that more than 40 percent area of Afghanistan is under physical control of the Afghan Taliban, "then why, they will need our area? It is not logical."

To a question about military reimbursement from the USA, he said the US authorities have been making payments to Pakistan for the logistic support, adding, "We have done a lot for free also as our space and infrastructure was used free of cost."

"We have very serious commitments to peace in Afghanistan as it hurts Pakistan, our economy and our common life," he added.

Asked as to why Pakistan urges the UN to appoint a special envoy over Kashmir, he said, it is a legitimate demand having a lot of precedents in the past. It will help find out what is really going on in occupied Kashmir.

He said that brutal repression of Kashmiri youth is going on for the last many years particularly during last 14 months which is unbearable for the people of Kashmir.

This brutal treatment has been raised in media and international forums by different human rights organizations, he added.

He said there are 66 terrorist organizations operating and more than a dozen separatist movements going on in India but they always blame us at international forums just to divert world's attention from the situation in occupied Kashmir.

About chances of a diplomatic solution, he said both Pakistan and India are nuclear powers and only way forward is that we should approach each other with sincerity.

To a question about any mediation from a third party, he said that Shanghai Cooperation Organization (SCO) being a regional organization can play a role as both the countries are its members.

He said that China is neighbour of Pakistan and India and there are substantial trade relations between China and India. We will welcome if China plays any role to reduce tension between India and Pakistan.

"Once we start talking, other things will fall in place automatically," he commented.

About Pak-China economic and strategic relationship, he said, both the countries have also great military and defense cooperation, adding this relationship is spanned over six decades.

Responding to a question as to how President Xi Jinping's leadership has further fortified Sino-Pak relationship, he said the relationship between the two countries has attained new heights under his leadership.

"President Xi has added a new dimension to relationship between the two countries. Our relationship is embedded in the history and it is a reliable and all-weather relationship," he concluded.—APP

http://epaper.brecorder.com/2017/09/29/1-page/673468-news.html

CPEC AND CHINA'S FOOD MARKET

The Express Tribune, September 29th, 2017.

In an earlier article, I highlighted the enormous opportunity of China's $160 billion agricultural imports and $1 trillion-plus food market, with Pakistan's negligible share. Can the China-Pakistan Economic Corridor (CPEC) change this?

While CPEC is expected to lead to a reduction in logistics costs, this will not automatically translate into greater exports. Market access requires an examination of tariff and non-tariff barriers to trade too. The second phase of negotiations of the Pak-China Free Trade Agreement (PCFTA) are now under way. These negotiations were long overdue and considering our inability to make use of the first phase signed in 2006, our domestic industry has a number of concerns.

Nevertheless, the question remains: what we should negotiate for and how we can benefit from this huge opportunity. Recently, I was involved in conducting some research on the subject, as part of a team sponsored by International Growth Centre. Our research attempted to provide some of the answers in Punjab's context.

Let's look at Pakistan's agriculture exports. Textile and clothing make for more than half of our exports, followed by vegetables, accounting for 14%. Food products are the fourth important item in Pakistan's exports, constituting almost 4%. As we can see, that not only bulk of our exports is reliant on agriculture but the top two food categories account for almost one-fifth of our exports.

Digging a bit deeper on our agricultural and agro-processed exports, we found a well-diversified basket of $4.06 billion, excluding cotton and livestock. Now out of this $4 billion+, how much do we export to China? Only a third of a billion dollars, with rice taking more than half, followed by the 'beverage, spirits and vinegar' category, which takes another one-third. Although Pakistan's agricultural exports to China spread over 14 broad product categories, most of them are very small or negligible.

What is even more interesting is that China imports $76 billion worth of goods in these categories, with Pakistan claiming merely half a per cent share. Since we are exporting these products elsewhere, we must be somewhat competitive and since China is importing them, we know that there is an established market next door. So, what exactly is happening here?

Let's look at the example of rice. Pakistan is one of the top five world exporters of rice. Our rice exports of $1.9 billion in 2016 represented 5% of global rice exports. Rice exports to China, however, accounted for only 8% of this. On the other hand, China imported $1.4 billion worth of rice, with Pakistan getting only 11% share. From where did China get the rest? Mostly Vietnam and Thailand with 3-5 times more rice exports than Pakistan.

Despite the fact that the bulk of China's imports is in non-basmati rice, there is still significant room to increase our exports. But the major impediment is non-favourable tariffs. China maintains a special low tariff of 1% on import of a quota of 5.3 million tonnes of rice, however, beyond this quota, rice imports are subject to a tariff of 65%. The Asean countries, which are the top exporters of rice to China, enjoy preferential tariffs as a part of Asean-China FTA — 20% on non-basmati and broken rice and 50% on tariff in basmati rice. In case of Pakistan, no preferential tariff is applicable on any rice category, making us non-competitive.

The story of rice is not the only one. Similar stories are there in other product categories such as citrus, fruit juices, vegetables, etc, where either tariff or non-tariff barriers are hindering our exports to China that would otherwise be made.

Such insights should drive the ongoing PCFTA negotiations with China. Fortunately, Punjab has taken up many of these issues with the federal government but other provinces need to do the same. And this exercise should go beyond agricultural products. The state can pave the way by negotiating better terms of trade for Pakistani exporters, while businessmen should explore why they aren't exporting more.

Once we tap these opportunities, we could look for other high demand areas in China, where we can potentially develop production capabilities from the scratch. But that remains a story for another day.

https://tribune.com.pk/story/1518708/cpec-chinas-food-market/

'CHINESE KEEN TO EXPLORE CPEC-RELATED PARTNERSHIPS'
Dawn, September 26, 2017

ISLAMABAD: Chinese businessmen are keen to explore investment oppurtunities, joint ventures and partnerships, with particular focus on the China-Pakistan Economic Corridor (CPEC) projects, said Kashgar Chamber of Commerce and Industry Vice-President Zhang Shu Zhi on Monday.

Speaking at the Islamabad Chamber of Commerce and Industry (ICCI), Mr Zhi, who is leading a Chinese business delegation to Pakistan, said the two sides have agreed to work in the fields of roads construction, building materials, cement manufacturing, travelling and logistics, electricity generation, decoration material, food products.

Quoting the delegation members, Mr Zhi said, "We have travelled to Pakistan by road. We feel Pakistan is like a second home for us".

He said the private sectors of Pakistan and China should develop close cooperation to draw maximum benefits from CPEC-related projects and explore untapped areas for mutual collaboration.

President ICCI Khalid Iqbal Malik in his welcome address said that CPEC had opened new avenues for long-term cooperation between China and Pakistan.

Mr Malik, agreeing on the need for increased mutual cooperation between the private sectors of both countries, said that they should interact on a regular basis to explore viable business matchmaking as well as to actively participate in CPEC projects.

He said that many sectors of Pakistan's economy including construction, building materials, cement production, energy, infrastructure development and logistics offer lucrative investment opportunities.

He added that Chinese investors should bring technology and machinery to Pakistan to set up industrial units here.

He hoped that the delegation's visit would lead to materialisation of good business deals between entrepreneurs of the two countries.

https://www.dawn.com/news/1360055

PHC ASKS CENTRE IF WESTERN, TRADE ROUTES PART OF CPEC
Dawn, September 27, 2017

PESHAWAR: A Peshawar High Court bench on Tuesday directed the federal government to verify the Khyber Pakhtunkhwa chief minister's claim about the inclusion of certain developmental projects in the China-Pakistan Economic Corridor (CPEC), including trade and western routes related to the province.

Chief Justice Yahya Afridi and Justice Roohul Amin Khan Chamkani issued the directions during the hearing into a petition filed by Khyber Pakhtunkhwa Assembly Speaker Asad Qaisar to seek the court's multiple directions for the federal government to develop the western route of the CPEC along with the execution of several other development projects in the province.

After the filing of the petition last year, Chief Minister Pervez Khattak had claimed in Dec 2016 and Jan 2017 that several projects, which they had demanded, were part of the CPEC project.

In light of the CM's statements, the petitioner filed two applications wherein he had referred to two news items which had appeared on Dec 30, 2016, and Jan 1, 2017, carrying statements of the chief minister.

He requested the court to ask the federal government to verify whether the projects mentioned by the chief minister, including the development of the western route of CPEC were included in the CPEC.

Qazi Mohammad Anwar, lawyer for the petitioner, said while the chief minister had expressed satisfaction with the prevalent situation regarding inclusion of different projects in the CPEC project, it would be appropriate to get it verified by the federal government.

He added that the chief minister was a political figure and it had to be ascertained whether his claim was merely a political statement or a reality.

Deputy attorney general Asghar Khan Kundi and CPEC deputy director (media) Shaukat Khattak appeared for the government and assured the court that they would submit the response of the planning division on the matter.

The chief minister had claimed that on completion the CPEC project would expand the number of trade routes to other countries which will directly benefit Khyber Pakhtunkhwa. The government, he had said, was working on different socio-economic sector projects related to CPEC including private hydropower projects, Havalian dry port, Hazara Motorway, Havelian to Khunjerab Rail Track, Khunjerab Railway and Up-gradation of Karachi Peshawar main railway line.

He had also insisted that an alternate route would also be included connecting China town Kashghar via Khunjarab-Bisham- Swat-Chakdara and Gilgit-Chitral and Chakdara.

Asad Qaisar said he was the custodian of the assembly, which represented the collective will of the people of Khyber Pakhtunkhwa, and therefore, he was duty bound to follow unanimous resolutions passed by the assembly regarding CPEC.

He claimed that there were five unanimous resolutions passed by the KP Assembly requesting the federal government to develop the western route of CPEC along with all other development components.

The petitioner has prayed the court to issue directions /appropriate orders to the respondents to honour the commitments of the prime minister made on May 28, 2015, in the APC meeting on CPEC and allocate funds and commence the development projects on the Western Route of CPEC.

He also requested the court to direct the respondents to make an unqualified commitment that the western route would receive the same quantum of funds which are being spent on the eastern route and that the share and development of western route shall in no way be allowed to be usurped by western route.

Earlier in April, the federal planning ministry had requested the court to dismiss the petition as both the eastern and western routes would be developed in the short term planned period.

In his comments filed in the case in the high court, the federal secretary planning, reforms and development, had stated that the resolutions passed by the KP Assembly regarding the CPEC were not binding on the government, however, concerns of KP Government were duly considered.

https://www.dawn.com/news/1360342/phc-asks-centre-if-western-trade-routes-part-of-cpec

KCR ONE STEP CLOSER TO COMPLETION UNDER CPEC

KARACHI: The Karachi Circular Railway (KCR) being granted approval by the China-Pakistan Economic Corridor (CPEC) joint working group is a great victory for the people of the city, said Chief Minister Murad Ali Shah.

"This is the result of constant and sincere efforts of the provincial government," he said. He said this while addressing a reception he hosted for CPEC's joint working group on transport infrastructure at CM House on Saturday evening.

Shah said an important meeting of the joint working group was held on Saturday morning during which the three projects the Sindh government had proposed be included in CPEC were discussed. These are the KCR, Keti Bunder and special economic zone at Dhabeji. The meeting approved the projects and recommended them to CPEC's joint coordination committee for implementation under the CPEC framework.

The chief minister said CPEC would help build a robust and stable economy in Sindh, as well as generate sound prospects for the province to revive and expand its road connectivity. “This will augment a new era of connectivity through which better fruits of economic benefits will be reaped by employment generation and a decent mode of transportation,” he said.

Shah said that a joint cooperation committee meeting was held in Beijing, China on December 29, 2016 in which he, along with a senior level delegation, participated. “We [the Sindh government] proposed the Karachi Circular Railway, Keti Bunder and special economic zone in Dhabeji be undertaken for implementation in CPEC, which were graciously included,” he told participants of the event.

The chief minister said that the Sindh government has approved the KCR’s feasibility and framework agreement and shared it with the federal government in order to meet the timeline to execute this mega project as soon as possible. “The KCR is an integral part of the comprehensive mass transit system envisaged for this megacity,” he said, adding that there was public demand for the KCR with ample ridership of 700,000 per day.

“Karachi is one of the most populated cities in the world and there will be ample returns on any investment made in the city in wider economic terms. These economic benefits include reduced vehicle operation costs and travel time costs,” he said.

“We understand that a comprehensive mass transit system is the only solution to address the bourgeoning population of this megacity,” said Shah, adding that the Sindh government has therefore started working on various bus rapid transit projects, which complement the KCR and aim to reduce the misery of commuters in Karachi. He went on to say that investors were therefore invited to invest in the KCR and other mass transit systems being developed in Sindh.

Shah said that Sindh’s coastline is more than 300 kilometres-long. It has two ports in Karachi and Bin Qasimn, he said, adding that a new jetty in Keti Bunder would enhance the county’s capability to export coal with a potential to develop it as a full port. “Five million people living in the surrounding areas would also directly benefit from the project,” he said.

Talking about the special economic zone, the chief minister said Sindh has already established a few special economic zones, like those in Bin Qasim Industrial Park, Korangi Creek Industrial Park and Khairpur Special Economic Zone. He added that Dhabeji stretches over 1,000 acres of land and is about 55km from Karachi. “It has commercial viability and development potential in immediate terms,” he said, adding that with the advent of the manufacturing agro-based industry, it was believed that this economic zone would usher in prosperity for the growers of the province, coupled with a substantial increase in the production sector.

Shah said CPEC would prove to be a milestone in the history of Pakistan-China relations, which would not only bring extensive development opportunities to the country, but also bring development in underdeveloped areas of the country.

https://tribune.com.pk/story/1514659/kcr-one-step-closer-completion-cpec/

NEWS COVERAGE PERIOD FROM SEPTEMBER 18 TH TO SEPTEMBER 24 Th 2017
KCR ONE STEP CLOSER TO COMPLETION UNDER CPEC

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https://tribune.com.pk/story/1514659/kcr-one-step-closer-completion-cpec/

FOUR ROAD PROJECTS COSTING RS350B ADDED TO CPEC
Dawn, September 24, 2017

Sehrish Wasif

The Chinese government will include four new road projects, costing over Rs350 billion, to the original plans of China-Pakistan Economic Corridor (CPEC).

Talking to The Express Tribune, an official close to the matter revealed that the decision was taken at the fifth meeting of the CPEC Joint Working Group of Transport Infrastructure held in Karachi on Saturday.

The meeting was attended by Communication Minister Dr Hafiz Abdul Kareem, Communication Secretary Muhammad Siddique, National Highway Authority (NHA) Chairperson Shahid Ashraf Tarar. The Chinese delegation was headed by Ministry of Transport Vice Minister HE Dai Dongchang.

The Chinese government had agreed to include the four projects in the CPEC portfolio during a meeting held on December 29, 2016 in Beijing, but only gave the final approval during the meeting, said the official, who spoke on condition of anonymity.

“Pakistan will be able to complete these roads because China is financing them, otherwise we will never have sufficient funds to complete them,” he added.

The four road projects that will be connected to the CPEC include Mirpur-Muzaffarabad-Mansehra (MMM), the Chitral CPEC Link Road (Gilgit-Shindor-Chitral), the Naukundi-Mashkel-Panjgur Road that will connect National highway N-40 with CPEC Route N-85 and Zhob-Kuchlak which is part of the Western Corridor CPEC Phase-II project.

The MMM road project will stretch across 200 km and cost an estimated Rs264 billion. A detailed feasibility of the project has been completed and it will be the shortest route from Central Punjab to CPEC, through AJK. It will shorten the route by 50 km and save around four to six hours of travelling. It is planned that the route will have six interchanges, four service areas, three weighing stations and four tunnels.

The Gilgit-Shindor-Chitral Road will cost an estimated Rs45 billion to build and will stretch across 354 km.

The construction of Naukundi-Mashkel-Panjgur Road will cost an estimated Rs20 billion and span across 290km. It will shorten the existing route by 722 km and save approximately 10 hours of travel time.

The Zhob-Kuchlak (Western Corridor CPEC Phase-II project) will span across 305 km.

The China-Pakistan Transport Joint Working Group agreed to upgrade a section as a short-term project. A detailed design of the projects will be completed by November 2017 while land acquisition for the same along the existing route has already begun.

https://tribune.com.pk/story/1514843/four-road-projects-costing-rs350b-added-cpec/

CPEC FOLLOWS NEW TYPE OF GLOBAL RELATIONS: SUN
Business Rcorder,20 September, 2017
FAZAL SHER

ISLAMABAD: Chinese Ambassador Sun Weidong on Tuesday said that the China Pakistan Economic Corridor as part of the One Belt One Road Initiative provides an important network and platform to achieve win-win cooperation in Asia and beyond. It is the best reflection of the Silk Road spirit, featuring peace, cooperation, openness, inclusiveness, mutual learning and prosperity.

Addressing a national conference on ‘Changing Security in South Asia and Development of China-Pakistan Economic Corridor (CEPC),’ organized by Islamabad Policy Research Institute (IPRI), he said that CPEC is crucial pilot project of One Belt One Road Initiative since it has become a leading demonstration in the promotion of The Belt and Road (B&R), as it now enters full implementation stage, making smooth and satisfactory progress. The ambassador shared that CPEC has cross-border consensus from people of both sides because it follows principles of mutual partnership and peaceful development.

He explained that CPEC follows a new type of international relations based on win-win cooperation by forging partnerships of dialogue with no confrontation, on the basis of friendship rather than alliances. China wants to actively promote policy synergies rather than Cold War doctrinal divisions, he stressed.

Providing data on China’s future contributions to the world in the next five years, he said that his country is expected to import goods worth USD 8 trillion, attract foreign investment worth USD 600 billion, and at the same time will be investing USD 750 billion in other countries.

“China and South Asia with their collective population of 3 billion people will be the largest emerging market in the world and with the blueprint of CPEC finally becoming a reality with unprecedented development in four years, the Early Harvest projects are now reaching fruition and growing like bamboo shoots across the land of Pakistan,” he concluded.

“We need to put our own house in order as without doing this, nobody would be ready to invest in Pakistan or talk with us,” said Interior Minister Ahsan Iqbal.

The minister agreed to the statements of Prime Minister Shahid Khaqan Abbasi and Defence Minister Khawaja Asif that collaborative efforts must be made to bring our own house in order before asking other countries to invest in Pakistan.

“The prime minister, defence minister and I say we have to put our own house in order before we go to the world and ask it to listen to us. If our own house is not in order, nobody will listen to us,” he said.

However, he added, “We are close to put our own house in order as we have made significant successes on economic front, achieved the growth rate of 5.3 percent last year, which is the highest during the last 10 years, turned the tide of extremism and terrorism by eliminating terror elements through operations Zarb-e-Azb and Radd-ul-Fasaad as well as taking other measures.”

The minister further said, “Now we are going to the position where Pakistan can sit with other countries and talk to them honorably.”

The minister said that China Pakistan Economic Corridor (CPEC) is a collaborative project between two most reliable partners in the world – Pakistan and China. It has drawn a lot of attention from all over the world. “I have seen reports of different think tanks of the USA, Australia, Japan, India and the Middle East. There is no region in the work where think tanks have not debated the CEPC,” he said.

He said this actually shows the potential and opportunities that lie in the CPEC. This has become more interesting as it is happening at a time when the world is evolving a new order, he said.

He said that the CPEC is not only the flagship of One Belt One Road Initiative of China but it also comprises half of Pakistan Vision 2025. The CPEC will make a big contribution to this region, he added.

Iqbal said, “We need to focus on economic development as when we are an economic power then every one will respect and listen to us. If we are not an economic power then nobody would give us dignity and respect.”

He said that there is a clear strong link between peace and development because without peace and stability, there can be no development, adding, “This is what we are missing in this region.” If there is no enabling environment in the country, no policy can bring development, he further said.

Stressing on political stability, the minister said, “In the past we continued playing political games in this country. We are not willing to learn the lesson of development from China.” He further said that Pakistan can become the hub of trade and commerce of Asia by creating a conducive environment.

The minister said that the present government has ensured generation of 10,000MW of electricity as compared to 16,000MW which was generated during 66 years. The energy security would ensure economic security for the country, he said.

President of IPRI, Ambassador Abdul Basit (retd) said that peace is a sine qua non for sustainable development, and Pakistan has always strived for and continues to strive for normal relations with all its neighbors. “Our First Neighbor Policy is driven by the national desire to move from conflict management to conflict resolution. History tells us that we cannot build a sustainable and balanced regional cooperative framework on unpredictable and tenuous bilateral relations,” he said. He hoped that the deliberations would lead to improved understanding of the changing security situation in South Asia and help create synergies for a peaceful region.

http://epaper.brecorder.com/2017/09/20/1-page/671771-news.html

CPEC TO BRING ABUNDANT BENEFITS FOR MUSLIM WORLD: ENVOY
Business Recorder, 20 September, 2017

ISLAMABAD: Ambass-ador of Saudi Arabia in Pakistan Nawaf Saeed al Maliki called on Interior Minister Ahsan Iqbal in Islamabad.

In the meeting, the Interior Minister said Pakistan and Saudi Arabia enjoy cordial relations based upon the deep rooted religious and cultural grounds.

He stressed that it is the need of the hour to further cement the cooperation between the two countries in the economic sector, said a press release issued here on Tuesday.

On regional situation, the Interior Minister stated that Pakistan and Saudi Arabia were committed to play a crucial role in the establishment of peace in the region, adding that “radicalization has posed a dire challenge to the whole Muslim world and we have to defeat it by our collective efforts.”

The Ambassador commended the sacrifices rendered by Pakistan in war against terrorism and extremism.

He also remarked that CPEC will bring abundant benefits for the whole Muslim world.—PR

http://epaper.brecorder.com/2017/09/20/3-page/671786-news.html

TO LURE EU MEMBERS, CPEC CONFERENCE PLANNED IN PORTUGAL
The Express Tribune, September 17th, 2017.

ISLAMABAD: In order to promote foreign investment in the China-Pakistan Economic Corridor (CPEC), an International Investment Conference is scheduled to be held in Porto, Portugal in mid-October 2017, chief organiser of the event and business leader Wasim Khokhar told APP.

The conference will be organised by the Bridging Trade International (BTI) from October 12 to 15, aimed at promoting and bringing foreign investment especially from European Union (EU) countries.

The conference titled “Bridging Trade and Investment Conference 2017” is being organised in collaboration with the Business Association of Portugal and other global partners including Board of Investment (BOI).

“We are committed to bringing foreign investment for CPEC by exploring new markets in EU countries,” he said, adding that the main objective of the conference is to enhance the level of foreign investment especially in infrastructure, software development, electronics, engineering, agro-food, value-added textile, tourism and construction industries.

Khokhar said that in the first phase, BTI will organise a conference in Portugal and the second phase will consist of a series of conferences in different EU countries for promoting and attracting foreign investment in Pakistan.

This event will bring together business leaders from a diverse group of companies and help them select locations for investment and market development and link businesses, researchers and investments for enabling communities.

He said that the main objective of the conference is to introduce foreign investors to the opportunities offered by CPEC along with special faciltiies being provided by the Pakistani government for investors.

Replying to a question, he said the event was also aimed at reviewing activities related to stakeholders within the region to assess the possibilities for future businesses. The motto of this conference is to bring stakeholders together which will undoubtedly lead to greater benefits for Pakistan, he said.

He elaborated that BTI is an investment forum which was established to promote Pakistan and its products and industry around the globe.

BTI has its head Office in Poland's Capital Warsaw which helps in covering European markets, he said, adding that it has presence in China and Brazil as well.

He said that Pakistan's geographical location makes it one of the most important trade routes of the world and the area has traditionally been a centre for exchange of cultures and commerce between South, South East, West and Central Asia.

https://tribune.com.pk/story/1508651/lure-eu-members-cpec-conference-planned-portugal/

CPEC RAILWAY LINE, ECONOMIC ZONE PROJECTS FACE DELAY
Shahbaz Rana

The Express Tribune, September 22nd, 2017.

ISLAMABAD: The inability of federal and provincial governments to do away with their inefficiencies has held back benefits of some of the critical China-Pakistan Economic Corridor (CPEC) projects as an $8.2-billion project for upgrading main railway lines and a scheme for setting up special economic zones face delay.

The project for improvement of Pakistan Railways' existing Main Line (ML-I) was planned to be completed in two phases between 2016 and 2020. However, its preliminary design has not been completed yet, creating hurdles in the way of coming up with the final cost and financing arrangements.

"The project cost can go up or down as the preliminary design will still take time," said an official of the Planning Commission.

The matter came up for discussion in a meeting of the CPEC Coordination Review Committee, chaired by newly appointed Planning Minister Ahsan Iqbal. Chinese Ambassador to Pakistan Sun Weidong was present in the meeting.

“Pakistan Railways told the meeting that the project’s technical study will be done by the end of this year,” said Iqbal after the meeting.

He revealed that he would take up the issue of financing the rail line with Chinese authorities during his upcoming visit to Beijing.

The Planning Commission official said in order to overcome the challenges, it had been decided to split the project into two parts.

Preliminary design of the first phase was almost ready and a new PC-I would be submitted soon for approval of the Central Development Working Party (CDWP), he said.

In June last year, the CDWP approved, in principle, the $8.2-billion PC-I of the project, but it called for first working out its firm cost and financing arrangements before seeking final go-ahead from the Executive Committee of National Economic Council. Planning Commission documents showed that the first part cost would be roughly $3.2 billion.

The ML-I project comes under the CPEC framework. According to an understanding, 15% of the cost will be borne by Pakistan and 85% will be financed by relevant Chinese financial institutions. At present, Pakistan Railways handles less than 4% of the country’s traffic volume, which the government intends to increase to at least 20% by 2025.

The project involves upgrading of the railways existing main line from Karachi to Peshawar having total length of 1,872 km including the 91km Lodhran-Khanewal section and the 55km Taxila-Havelian section.

Major scope of work will involve upgrading of the existing double and single tracks over 1,598 km and overhauling of the existing 930km double line.

Another important feature of CPEC is the setting up of Prioritised Special Economic Zones, which will serve as a hub of industrial activities and are critical for job creation.

“A Chinese expert team is coming next month and it is unfortunate that provincial governments have sought two more months to finalise feasibility studies for their respective economic zones,” said the planning minister. For the past one year, he said, he had been pushing the provinces to complete work on the feasibility studies.

Iqbal said the performance of the Board of Investment (BoI), which takes centre stage in the planning and execution of economic zones, was also not up to the mark.

“BoI’s administrative infrastructure is incomplete and I have directed the authorities to submit a plan within one week,” said the minister. “We need a modern BoI to work on CPEC industrial zones.”

The minister noted with satisfaction that Gwadar projects had started moving forward. According to him, the Gwadar Eastbay Expressway project's groundbreaking will be performed by the prime minister on his return from the United States. The design of the Gwadar New International Airport has been sent to China for review and it is expected to be finalised by the end of this year.

Iqbal said during his upcoming visit, dates for a meeting of the 7th CPEC Joint Cooperation Committee would be finalised in consultation with the Chinese authorities.

https://tribune.com.pk/story/1512814/cpec-railway-line-economic-zone-projects-face-delay/

NEWS COVERAGE PERIOD FROM SEPTEMBER 11 TH TO SEPTEMBER 17 Th 2017
CHINESE PERCEPTIONS OF CPEC
Dawn, September 12, 2017

Ishrat Husain

MOST discussions and analyses with regard to the China-Pakistan Economic Corridor (CPEC) have a Pakistan-driven perspective, and rightly so. After all, we have to safeguard our national interests and ensure maximum benefits for the country. These discussions and writings have evoked a lot of interest in China. This article attempts to present a limited cross section of the views articulated by Chinese scholars, academics, companies engaged in CPEC, retired officials and other friends of Pakistan.

My past association with China as the region's chief economist for the World Bank as well as visits to China practically every year since then has allowed me to gather these points of view. This year I also had the privilege of attending two international conferences on CPEC, one in Beijing in March and the second in Shanghai in August and listening to the candid views of the Chinese participants from various sections of the society. The goodwill that Pakistan enjoys among the Chinese is perhaps unparalleled and therefore we have to pay heed to their concerns and suggestions. The gist presented here is a composite sketch of diverse views.

Under its One Belt One Road Initiative announced in 2013, China is planning to invest more than $1 trillion in 60 countries all over the world to establish six different corridors. The receptivity in other countries to this proposal has been anything but enthusiastic; however, some Chinese friends are puzzled by the sceptical and negative reactions from certain quarters in Pakistan expressed in the media, particularly on social media.

This comes to them as a surprise because of the long uninterrupted record of strong bilateral relations between the two countries that were not even affected by changes in political leadership in either country. CPEC is the first project of its kind to foster economic cooperation on a massive scale for building large infrastructural projects in Pakistan.

Although realising that there are some external forces hostile to this initiative, Chinese analysts and participants are concerned about what they see as the misrepresentation of facts by many Pakistanis. It is not obvious to them as to what purpose is served by raising doubts and fears about CPEC in the minds of the Pakistani population. The aspersions being cast on the motives of the Chinese, such as the analogy with the East India Company or Pakistan becoming a satellite of China, are very unnerving: external detractors of CPEC pick up these reports and after bundling them as 'risks' of CPEC to Pakistan, disseminate them widely.

The Chinese argue that the IPPs have been a policy instrument for investment in Pakistan's energy sector for a very long time. When the country was facing serious energy shortages no one else came to Pakistan's rescue and invested in the sector. Now that China has come forward with a planned investment of $35 billion or 70 per cent of the total CPEC allocation under the same policy, questions are being raised.

Had it involved extraction of natural resources from Pakistan for the benefit of the Chinese, this criticism would have been justifiable. On the contrary, the benefits of this investment would be exclusively appropriated by Pakistan's industries and households that would no longer face load-shedding while the country would record a 2pc annual rise in GDP growth.

Chinese state-owned companies, designated by the Chinese government based on their expertise and experience, are executing the projects with loans provided by government-owned banks on concessional terms both in tenor and pricing. In several projects, Chinese and Pakistani companies have entered into joint ventures. The repatriation of profits and debt-servicing in foreign exchange arising out of these obligations would become possible after an increase in the volume of exports as a result of the Chinese-Pakistani joint ventures relocating their industries to the Gwadar Free Economic Zone and the nine industrial zones to be established under CPEC.

In the opinion of some, the negative feelings can have unintended adverse consequences for the personal security of Chinese nationals working on these projects, particularly in some sensitive areas of Balochistan. Some elements unhappy with the Pakistani state and government and possibly acting at the behest of foreign powers hostile to CPEC appear to have created conditions in which the murders and kidnappings of Chinese nationals that were almost non-existent have begun to take place. Our interlocutors were grateful for the new division being raised by the Pakistan Army for protection of the Chinese; but the security risk is raising premiums for relocation to some of the vulnerable areas.

The other area which bothered CPEC's project managers was the red tape and cumbersome decision-making within the Pakistani government. Too many agencies are involved in the clearance and approval process, each one taking its own time. These delays cost them money and disrupt the schedule of activities and completion time table. Power tariffs, according to them, should be reasonable, predictable, sustainable, valid for a multi-year period and not subject to frequent changes. They request that a focal point in the government be established and empowered to secure all approvals and decisions.

The next point raised was to have a high-level joint coordination committee to redress the grievances and complaints of the Chinese companies. The existing joint working groups operate at the government-to-government level but there is no platform available for the Chinese companies or their Pakistani joint venture partners to approach. Continuous federal-provincial-local government coordination is essential to move the projects along till completion. Land acquisition is a provincial local subject and the process takes too much time.

When questioned about the Pakistani private-sector companies partnering with them, the Chinese executives told us that the dearth of qualified and experienced Pakistani entities was an acute problem. Their own cost of production would be lowered if they were able to deploy Pakistani managers, skilled workers, equipment operators and labour as part of their deal with the local companies.

These perceptions may be right or misplaced but we have to investigate and take measures to resolve some of the genuine problems faced by our Chinese partners.

https://www.dawn.com/news/1357043

NEWS COVERAGE PERIOD FROM SEPTEMBER 8 TH TO SEPTEMBER 10 Th 2017
BALOCHISTAN’S PROSPERITY IS LINKED WITH CPEC: MINISTER
Dawn, September 8, 2017

Abdul Wahid Shahwani

KHUZDAR: Balochistanw Finance Minister SardarAslamBizenjo said on Thursday that the China-Pakistan Economic Corridor (CPEC) project would bring development and prosperity to the province.

Talking to reporters here, he said an important route of the CPEC would pass through Khuzdar which would open the door of development for the people of the district because it would create a number of employment opportunities.

MrBizenjo claimed that the National Party (NP) had fulfilled its promises of bringing improvement in the education and agriculture sectors of the province. He said with improvement in the law and order situation in the province the government would be able to solve people’s problems.

He said the NP had never made false promises during its election campaigns and always tried to understand ground realities of different areas. The party had never tried to keep people in the dark about its plans, he said, adding that it would always give people’s interests top priority.

https://www.dawn.com/news/1356306

CPEC: DEBUNKING THE NAYSAYERS
The Express Tribune, September 8, 2017

DrHaroon Rasheed

Recently, a WhatsApp message based on a write-up that created ambiguities about CPEC and its impacts on Pakistan went viral. Rather than a game changer, it claimed that it was game over for CPEC. It is hardly the first time that such ambiguities have been spread. We have seen similar tactics being employed for the completion of a hidden agenda. For a better understanding of the project, here are my counter-arguments to the concerns raised.

1) Ninety-one per cent of the income from Gwadar port will go to China and only 9% will come to Pakistan: Developing and running a port is not like building a house or running a shop, it needs a huge investment along with a number of liabilities. Hence, if from the net income Pakistan gets around 10% without having spent a single penny, it’s great indeed.

A strategic resource would be developed with someone else’s money but will ultimately remain Pakistan’s. Development of Gwadar will result in great economic activities not only for Pakistan but also for this deprived area that lacks even the basic necessities. Do you think Pakistan would have been able to develop this port without any external help in the next three to four decades? If no then rest assured, it is the best possible proposition with minimum risk.

2) Chinese companies will get preferential treatment and tax exemptions, making it impossible for local companies to compete and open the market for commercial invasion: This statement itself is misleading as no long-term CPEC plans have been disclosed yet.

Only the projects including power and infrastructure were given tax rebates and only because we are suffering from chronic power shortages. Does anyone remember when was the last power project installed in Pakistan before CPEC? There is another aspect of this tax rebate. It will result in reducing the cost of construction of these projects, which will result in lower tariffs on electricity.

3) Money for the road network comes from Pakistan and hence, we are paying for the roads which will be used by China to export their products: This statement has two major concerns. Firstly, the roads built under CPEC will remain Pakistan's property through the National Highway Authority and will generate revenue from toll tax and other commercial activities that will take place across these roads. Let's leave out the social impacts and other benefits for now. Secondly, Chinese companies will build these roads with money pouring in from China on a concessionary rate that is in Pakistan's favour. Pakistani companies are free to use this infrastructure for their exports or other logistic needs.

4) We will have to repay the loans taken for the energy project: This is a completely false and misleading statement, as out of initial $46 billion $30 billion is for energy projects that will be installed on BOOT basis (Build-Operate-Own-Transfer). Respective Chinese companies of each and every power project will be responsible for financing and repayment issues. Pakistan will buy the electricity that will be supplied for both commercial and domestic use. No loan has been taken by the government for any energy or power project so far. On the other hand, Chinese companies investing in power projects will receive repayment for their investment and there is nothing wrong in that.

5) There is no guaranteed profit: Considering that the circular debt in Pakistan is huge, will you install a 1kw power generator for the government at your own expenses? The answer is no. In that case, if China is going to resolve one of Pakistan's mega problems, so why does one want to ruin it by making false arguments?

6) India is buying solar electricity for four cents/kWh, while we will buy coal-based electricity for eight cents/kWh: First of all, one can't compare coal prices with solar prices. Also consider the exchange rate of Pakistani and Indian currencies and then try to understand the energy mix of both the countries. India is already producing 59% coal-based electricity and before CPEC, share of coal in our energy mix is only 2%. Another problem is that solar-based electricity can only be used till noon and industries can't stop functioning after that. Any country in the world shifting to renewable energy has already produced enough electricity through reliable sources such as coal that can bear the burden of a major demand.

7) Pakistan's 'East India Company': When the East India Company invaded the Asian subcontinent its main motive was money. India's GDP was more than 25% of the world's GDP at that time and Britain's was less than 5%. Now China's GDP is the second best in the world and where do we stand in terms of GDP, nowhere. So why would they colonise Pakistan?

Lastly, CPEC will not bring automatic prosperity for Pakistan. God helps those who help themselves; if we want economic prosperity and development, we will have to devise our path ourselves. CPEC will provide an opportunity for everyone. I met an industrialist last month who wants to start a mega project next year for which he will need 5,000 qualified engineers. But this will only happen if we have the infrastructure and electricity for it. You can blame the government for many things but not CPEC for any. Our industrialists are well aware of the opportunities and I receive multiple queries every week from different businessmen regarding these opportunities and possibilities of increasing exports once the project is complete. Believing in Pakistan is the only way forward.

https://tribune.com.pk/story/1500404/cpec-debunking-naysayers/

October 2017

NEWS COVERAGE PERIOD FROM OCTOBER 23rd TO OCTOBER 29th 2017

CPEC BRINGING COUNTRY TOWARDS PROSPERITY: MINISTER

Dawn, October 28th, 2017

KARACHI: Minister for Planning and Development and Interior Ahsan Iqbal said on Friday that the country had achieved many milestones under the China-Pakistan Economic Corridor (CPEC) projects, and removed many impediments to development projects.

Speaking at a press conference organised at the Pakistan International Trade Fair (PITF 2017), the minister said the country was progressing, and assured the world that the CPEC would facilitate the whole region.

He further said that under the CPEC, a large number of infrastructure projects had been initiated with many already existing on ground.

Mr Iqbal spoke on energy projects in detail and said within a short period of four years around, 10,000mw energy projects had either been completed or were near completion. As a result of this, the industrial sector today was being provided uninterrupted electricity and gas supply.

Under the CPEC, the energy sector alone had been earmarked $35 billion and all this was being carried out under strategies, wherein, other sectors like infrastructure development and transport were also being simultaneously worked out.

Giving other details of CPEC, the minister said the whole country was being connected through motorways and road networks. In a short period of time Karachi and Hyderabad would be called twin cities as CPEC had shortened the distance between the two cities.

Similarly, the road networks between Quetta and Gwadar had been improved, he said, adding the travelling time between the two cities had now been reduced to only eight hours.

He further said that under the CPEC, many other benefits were being materialised and industrialists were happy. He said this would open up new job opportunities for people of all classes. The only way to progress for any country was to develop infrastructure, transport and energy and the rest would automatically fall in with the time.

As soon as these development projects were completed there would be relocation of labour-intensive industries from China which will open up opportunities for bolstering the local industry and creating employment opportunities.

Earlier, Mohammad Hanif Gohar chairman National Fairs & Exhibitions — FPCCI said that the international CPEC conference and PITF would open up opportunities for economic development.

He further said CPEC was vital for the growth and development of the country and appreciated the government for completing major projects within specified timeframe.

Pakistan International Trade Fair (PITF 2017) had been organised from Oct 26-29 at the Karachi Expo Centre by the Federation of Pakistan Chambers of Commerce and Industry (FPCCI) and Badar Expo Solutions.

https://www.dawn.com/news/1366750/cpec-bringing-country-towards-prosperity-minister

NEWS COVERAGE PERIOD FROM OCTOBER 9 Th TO OCTOBER 15 Th 2017

CHINA REJECTS US REMARKS ABOUT CPEC

Dawn, October 09, 2017

KARACHI: The Chinese foreign ministry has dismissed United States (US) criticism that the China-Pakistan Economic Corridor (CPEC) passes through disputed territory.

The $56 billion project passes through Pakistan's northern areas, which India claims is part of the disputed Jammu and Kashmir territory, reports Dawn.com quoting Economic Times.

Defence Secretary James Mattis told a US Senate Armed Services Committee hearing last week that the One Belt, One Road "goes through disputed territory, and I think that in itself shows the vulnerability of trying to establish that sort of a dictate".

The Chinese foreign ministry on Friday told the Press Trust of India: "We have repeatedly reiterated that the CPEC is an economic cooperation initiative that is not directed against third parties and has nothing to do with territorial sovereignty disputes and does not affect China's principled stance on the Kashmir issue."

It added that over 70 countries and international organisations, including the United Nations (UN) General Assembly and UN Security Council, have signed cooperation agreements with Beijing on the OBOR initiative and incorporated it into important resolutions.

Pakistan has also dismissed the US reservations over CPEC, asserting that it is a "development and connectivity project for the betterment of the people in the region and beyond".

"The international community should [instead] focus on human rights violations and heinous crimes committed by Indian occupation forces in Indian occupied Kashmir," read a statement issued by the Foreign Office on Saturday.

The new US position on CPEC has put further strain on already tense relations between the US and Pakistan, which also opposed the greater role Washington has assigned to India in Afghanistan in a strategy President Trump announced on Aug 21.

https://www.dawn.com/news/1362611/china-rejects-us-remarks-about-cpec

MOTION SUBMITTED IN SENATE TO SEEK GOVT VIEWS ON INDIA-US NEXUS AGAINST CPEC
Syed Irfan Raza

Dawn, October 11, 2017

ISLAMABAD: Senator Mushahid Hussain Sayed, who is head of the parliamentary committee on the China-Pakistan Economic Corridor (CPEC), has submitted an adjournment motion in the Senate Secretariat seeking the government's point of view on what he called the emerging Indo-American nexus against the economic corridor.

In the motion the senator has termed the recent statement of US Defence Secretary Gen James Mattis that the corridor is passing through disputed territory a clear "U-turn in Pak-US policy".

According to the senator, the motion is submitted so that the house could immediately discuss the US defence secretary's statement in which he has opposed the 'One Belt One Road' (OBOR) initiative of China and claimed that the CPEC, which is the flagship and pilot project of the OBOR, is passing through a disputed territory.

The $56 billion CPEC passes through Pakistan's northern areas, which India claims is part of the disputed Jammu and Kashmir territory.

Defence Secretary Mattis told the US Senate Armed Services Committee recently that: "The One Belt, One Road also goes through disputed territory."

Senator Sayed said in the motion that: "Since this is the new pressure on Pakistan by the US and 'U-turn' in Pak-US relations, the government through the Foreign Office should explain emerging Indo-American nexus."

He questioned what step Pakistan was contemplating to counter these moves detrimental to the national interest.

It is believed that the new US position on CPEC will further strain its already tense relations with Pakistan which also opposes the greater role Washington has assigned to India in Afghanistan in a strategy President Trump announced on Aug 21.

A recent statement of Prime Minister Shahid Khaqan Abbasi is also evident of the fact that US-Pakistan relations are tense these days as he has said that the days of Pakistan's dependence on the US to meet its military requirements have ended.

He has said that the new US policy to include India for peace-building in Afghanistan will be detrimental to the region. "We don't believe that injecting India into the Pakistan-US relationship will help resolve anything, especially in Afghanistan, where we don't see any role for India. India has a relationship with the US, and that is between them and the US," Mr Abbasi added.

https://www.dawn.com/news/1363052/motion-submitted-in-senate-to-seek-govt-views-on-india-us-nexus-against-cpec

GB LAWMAKERS CONDEMN US OFFICIAL'S REMARKS ON CPEC
Dawn, October 12th, 2017

GILGIT: Both the treasury and opposition legislators in the Gilgit-Baltistan Legislative Assembly (GBLA) on Wednesday condemned the comments of the US Defence Secretary James Mattis that the China-Pakistan Economic Corridor (CPEC) passed through a 'disputed' territory, an obvious reference to the mega project's route through GB.

They urged the federal government to decide the GB's long-awaited constitutional status and declare it constitutional part of Pakistan to stop the enemies of the country from propagating against the multibillion dollar project.

They said that the comments of the US defence secretary were incendiary and that he spoke the language of India, the arch-rival of Pakistan.

Speaking on a calling-attention notice during the ongoing session of the GBLA, opposition Islami Tehreek Pakistan lawmaker Mohammad Shafi said the international powers were hatching conspiracies against Pakistan to foil the CPEC.

"All GB people regardless of their political affiliations consider the statement as an attack on Pakistan's sovereignty as people consider themselves as part of Pakistan," he remarked.

Mr Shafi said such remarks were because the federal government had so far failed to declare GB as part of Pakistan. He lamented that two unanimously passed resolutions in the GBLA, demanding that the federal government declare GB constitutional part of Pakistan, went unheeded.

"Taxes have been imposed on GB people without providing them representation in parliament of Pakistan which is unacceptable, he told the assembly.

Taking part in the debate, GBLA deputy speaker Jaffarullah Khan said India was arch enemy of Pakistan and would never want such projects completed.

The statement of US defence secretary is uttered to appease New Delhi, he claimed.

"GB is not a disputed territory as the people after getting independence from Dogra Raj had annexed to Pakistan unconditionally seven decades ago. GB was part of Pakistan, is part of Pakistan and will be part of Pakistan," he declared.

Jaffarullah Khan said about 500-kilometre CPEC route would pass through GB, but the central governments had deprived the people of their constitutional rights.

https://www.dawn.com/news/1363278

DON'T LOOK AT CPEC FROM INDIAN PERSPECTIVE, PAKISTAN ASKS US
Dawn, October 12th, 2017

Anwar Iqbal

WASHINGTON: Interior Minister Ahsan Iqbal urged the United States on Wednesday not to look at CPEC from the Indian perspective as it was an economic plan for bringing peace and stability to South Asia and adjacent regions and not a security strategy.

At a separate meeting on Tuesday evening, Pakistan's ambassador Aizaz Ahmad Chaudhary said that recent meetings between US and Pakistani officials have paved the way for the process to normalise relations between the two countries.

Mr Iqbal urged the United States to deal with Pakistan on its own merit, instead of tagging it to other states and issues in the region.

"CPEC is not a conspiracy against anyone. It is not a security plan. It's a plan for economic prosperity, which is bringing investment in the energy, infrastructure and other key sectors," said Mr Iqbal when reminded of US objections to the plan to build a corridor.

Defence Secretary James Mattis last week said the CPEC passes through disputed territory and the United States could not ignore this fact. This was seen in Islamabad as a direct endorsement of India's position on the project, which passes through Pakistan's northern areas. India insists that since the northern part of Pakistan was once associated with the former Kashmir state, it's a disputed territory. Pakistan rejects the Indian claim.

However, Mr Iqbal, who was the keynote speaker at Johns Hopkins School of Advanced International Studies, Washington, said US concerns about CPEC were unfounded. "It will benefit all and will provide a platform for bringing together South and Central Asian, Middle Eastern and African countries by physically joining them through an economic corridor," he said.

"So, I think, the US should not look at CPEC from the Indian perspective, but as a source for peace, stability and prosperity in the region. CPEC can bring the much-needed stability to a region that has suffered from war for the last several decades."

Mr Iqbal said Pakistan wanted peace in Afghanistan because it would be the first beneficiary of peace and stability in the neighbouring state. He reminded the international community that so far Pakistan was the only country that had the valuable experience of defeating terrorism in its backyard and it could share this experience with others.

The minister said Pakistan had serious concerns about the presence and steady growth of the militant Islamic State group in its neighbourhood and wanted to defeat them too with the cooperation of other nations.

“But Pakistan is also a sovereign nation. We have our own dignity and want others to respect that,” he said. “If the US looks at the region from India’s perspective, it will harm the region and US interests too. So, it’s necessary that the US should view the situation from an independent perspective, not from someone else’s point of view.”

Viewing Pakistan from someone else’s perspective would create complications and only terrorists would benefit from it, he added.

Asked to comment on media reports that the World Bank group might not support Pakistan if it sought another economic package from the IMF, Mr Iqbal said: “I think all such talks are speculative. Pakistan has a particular role to play. Pakistan is an important country and it cannot be ignored.”

https://www.dawn.com/news/1363178/dont-look-at-cpec-from-indian-perspective-pakistan-asks-us

CPEC SHIFTING GEARS TO INDUSTRIAL PARKS
Dawn, October 13, 2017

KARACHI: The China-Pakistan Economic Corridor (CPEC) is about to shift gears and enter its next phase as the industrial working group on Special Economic Zones (SEZs) is going to finalise its recommendations on Tuesday and decide which SEZ will begin first.

Towards that end, a team from China International Engineering Consulting Corporation (CIECC) arrived in Karachi and began a round of consultations with provincial authorities as preparation for the final round to be held in Islamabad early next week.

The CIECC is a state-owned consulting firm that will carry the final recommendations from its meetings in Pakistan back to the National Development Reform Commission (NDRC) in Beijing.

The first round of consultations with provincial authorities began in Karachi on Thursday at an event organised by the Sindh Board of Investment at Avari Towers. “The only missing piece is the right policy to encourage the transfer of industries” from China to the SEZs being built in Pakistan, said Naheed Memon, chair of the board.

Details of the package of incentives that is being finalised with the team from CIECC were not made available during the event. “The sixth meeting of the Joint Coordination Committee of the CPEC had identified steel, pharmaceuticals and chemicals as the first round of industries to be transferred to Pakistan,” Ms Memon said.

Du Zhenli, director at CIECC and leader of the team visiting Pakistan, said he had come to “share the experience of development of industrial parks” with his counterparts in Pakistan. CIECC has extensive experience in building industrial parks in China and other countries.

"It is very important to know the vision and situation of Pakistan, and their requirements," he said in a short interaction with Dawn. "The investment environment is very important, including soft and hard environment," he added. He emphasised that different industries have different requirements, and each zone "must follow its own path".

The soft environment includes policies as well as a "good environment for working and living", he said, and underlined that this is particularly important where international cooperation is concerned. The hard environment includes transport, water, energy and other infrastructure.

The event was addressed by Mr Wang Yu, Chinese consul general in Karachi, and the commercial consular from the Chinese consulate, who gave a brief overview of the One Belt One Road vision of China.

Nine SEZs are listed on the CPEC website, which will be built once the recommendations are finalised during this round of consultations.

https://www.dawn.com/news/1363408

NEWS COVERAGE PERIOD FROM OCTOBER 1ST TO OCTOBER 8 Th 2017
EXCLUSIVE: THE CPEC PLAN FOR PAKISTAN'S DIGITAL FUTURE

Dawn, October 1st, 2017

Qurat Ul Ain Siddiqui | Jahanzaib Haque

KARACHI: A radical overhaul of Pakistan's communications framework appears to be on the cards — or at least that is what Beijing and Islamabad have envisioned under their Long Term Plan (LTP) for the China-Pakistan Economic Corridor.

A closer examination of the LTP document obtained in June by Dawn reveals intentions for a revamped communications framework, which includes components such as a fibre optic cable connecting Pakistan and China, a new submarine landing station for internet traffic flow, and digital TV for all.

The roadmap, which was developed from November 2013 to December 2015 by officials and experts from both countries, contains a detailed 21-page outline specific to communications – a plan envisioned to span up to 15 years, starting in 2016 and concluding in 2030.

The most critical component is a new, upgraded fibre optic cable network which spans Pakistan and crosses the border to connect directly with China.

As outlined in the master plan, the cross-border fibre optic cable will address multiple challenges faced by China and Pakistan.

Firstly, it says it will handle the anticipated increase in communication between the two countries. With "deepening comprehensive strategic cooperation" comes the need to establish fast, reliable connectivity – and perhaps most critically – communication that is not routed through Europe, the United States or India.

China also has in mind its own increasing international telecommunications service demands which, if not addressed, may end up exposing “a huge gap” in China’s international bandwidth.

If actualised according to the LTP, the new network will be beneficial to Pakistan by improving internet penetration and increasing speed, especially in Balochistan and Gilgit-Baltistan, regions where internet connectivity has ranged from poor to non-existent. It should also reduce the cost of internet connections.

Additionally, linking with the rest of the world through China will help reduce Pakistan’s dependence on undersea cables that carry the country’s internet traffic. In cases where the undersea cables develop a fault — as has occurred in the past — the document says another route would be in place.

More broadly, the new network would provide landlocked central Asian states a new, shorter and more cost-effective route for connectivity.

The existing fibre optic network through which Pakistan connects to the world has been developed by a consortium that has Indian companies either as partners or shareholders.

This is viewed as a security concern e.g. when it comes to surveillance of communication. As recently as January this year, Director General Special Communications Organisation (SCO) Maj Gen Amir Azeem Bajwa informed the National Assembly Standing Committee on Information Technology that some incoming and outbound internet traffic landed in India before being routed to its destinations, posing a security risk for Pakistan.

It appears that by routing through China, the state is planning to reduce such security risks related to India. This would however increase the same risks from China itself. The Chinese model of internet regulation could potentially also impact freedom of speech and access to information for Pakistani users.

Through Khunjerab

The LTP states that the cross-border optical cable will start from China’s Tashkurgan Tajik Autonomous County and travel 135km to connect to Pakistan. It will then pass through Khunjerab and travels 125km to the town of Sust in Gilgit-Baltistan. The cable then further travels 650km to link to Islamabad. From here, the new cable could link to Pakistan’s existing network.

The project was inaugurated in May 2016 by then prime minister Nawaz Sharif. According to the official CPEC site, the cost of the ongoing construction is an estimated $44 million. As of September 2017, the progress update states that 450km of the total 820km has been laid down and the remaining stretch will be completed by December 2017.

Connecting to Gwadar

It also appears that connectivity till the capital isn’t the end goal in the LTP. The plan also includes carrying out improvements on the 804km long backbone transmission network from Sukkur to Gwadar.

In the long term, a second route of the cable network is scheduled to be constructed anew from Sukkur to Gwadar. This second route spanning 370km is critical to "forming a loop with the existing optical cables to enhance network security".

From Gwadar to the world

The LTP also envisions a plan to remedy the danger of internet disruption due to any accident at Pakistan's only submarine cable landing station. Currently, the undersea fibre optic cables that carry all internet traffic connect to one landing station located at Karachi. A major accident at the station can result in disruption of the internet across the entire country.

To address this, a new submarine cable landing station at Gwadar Port is planned to be built to "enhance security of the international communications network in Pakistan". According to the plan, the Gwadar station would cover an area of about 10,000 square metres.

A feasibility study in the short-term will be followed up by construction from 2021-2030. Chairman of the National Telecommunication Corporation (NTC) Viqar Rashid Khan said in September last year that work has already started on the project.

Switch to digital TV

The introduction of terrestrial Digital TV with a network "covering over 90%" of Pakistan's population is another key project of the LTP, set to be complete by 2020. To this end, Chinese enterprises will provide Pakistan with Digital Terrestrial Multimedia Broadcast (DTMB) technology to enable the switch to digital TV.

This is an indication of Beijing and Islamabad's enthusiasm to bring an advanced technology like China's DTMB that allows broadcasting in standard definition and high definition to deliver a larger quantity of TV channels at higher quality.

If the plan is implemented, it will be a major upgrade from terrestrial TV broadcasting in Pakistan. It will also likely have great impact on the media industry, changing revenue models and programming. Cable operators who offer only cheap, low quality connections will also be affected.

According to the LTP, the project is divided into four phases; phase one covering Islamabad and surrounding areas; phase two covering other major cities, such as Karachi and Lahore; phase three entails coverage of other densely populated areas, while the final phase aims to cover all of Pakistan, including remote areas.

In the LTP, Digital TV is noted to be "a cultural transmission carrier" that will introduce Chinese culture to Pakistan. It is stated that eight sets of "programmes" have been determined and more will be added as required. The programmes have not been named.

To this end, the Ministry of Information and Broadcasting and China's National Development and Reform Commission had signed an MoU on implementing China's DTMB network in Pakistan. PTV and ZTE, a multinational telecommunications equipment and systems company headquartered in China, also signed an agreement to carry out pilot projects to implement DTMB in Islamabad and other areas.

According to the CPEC website, a pilot project of DTMB has been completed at a cost of $2 million. The demonstration project is currently “with Chinese side” and is being processed.

E-government expansion

Connectivity is paired with governance in the master plan, which envisions the construction of a large-scale national data centre for “centralised management of e-government data and safe network operation”. The facility is slated to be built in northern Pakistan between 2016 and 2020. It will occupy a total area of 8,000 square metres.

The centre could provide many services and solutions to the government and other key organisations in terms of hosting important data, managing communications, providing internet access, assisting in surveillance, implementing IT applications and delivering online services to citizens. In the long term, the project entails the construction of backup data centres to be built in other cities.

Additionally, the LTP says a network for e-government will be built to establish channels from Islamabad to the provincial governments. Public access to government departments and agencies, including metropolitan departments of different towns and cities will be increased.

Last year, the National Telecommunication Corporation (NTC) inaugurated the ‘first ever’ National Data Centre of Pakistan in Islamabad at an event organised by Huawei. In March this year, the China-Pakistan Economic Corridor (CPEC) Centre of Excellence was inaugurated in Islamabad by Minister for Planning, Development and Reforms Ahsan Iqbal and Ambassador of China to Pakistan, Sun Weidong.

Safe living in ‘safe cities’

The communications plan also focuses on urban security, as network infrastructure will be used to prevent criminal and terrorist activities, “through sophisticated monitoring, smart alert systems and visual command and dispatch”.

This will involve the installation of surveillance cameras, explosive detectors and scanners covering major roads, sensitive areas and crowded localities. The information from these devices will be transmitted in real-time to a control centre where staff will monitor, record and take action when necessary.

The plan does not identify who will staff the centre, a key concern related to possible misuse of such technology, and the extent to which China will be involved in internal security.

Listing Peshawar as a starting point, the project will extend to the major cities based on its success. The LTP also identifies an added advantage of the project i.e. assisting in the establishment of a platform to manage public services in safe cities such as digital city management, road transportation management and other systems.

In February this year, Khyber Pakhtunkhwa Chief Minister Pervez Khattak had called on the home, planning and development, police officials and representatives of the Chinese company tasked with executing the Peshawar Safe City project to speed up work on the project. The CM was talking to the vice president of the Chinese company. In March, the Khyber Pakhtunkhwa government signed multiple agreements with Chinese investment companies in which Smart and Safe City projects worth $2bn were included.

Aside from Peshawar, other Safe City projects are at various stage of completion.

Islamabad's Safe City project was completed and inaugurated in June last year, although it was approved in 2009 by the PPP government after an agreement with China that included a $124 million soft loan under the condition that equipment would be bought from Chinese companies.

In October last year, Chief Minister Shahbaz Sharif said the first phase of Lahore's Safe City Project had been completed. He said this had been accomplished in collaboration with Chinese company Huawei that was paid Rs12 billion to execute the project.

In May this year, Punjab Chief Minister Shahbaz Sharif said that Safe City projects were being launched in six big cities of Punjab, aside from the ongoing Lahore project. He said the projects would be complete by 2018.

In August, the Sindh government announced the launch of a "video surveillance project" that would become part of Karachi's Safe City project. Costing Rs10 billion, a total of 10,000 high-definition cameras will be installed at 2,000 spots in Karachi.

A plan has also been drawn up to make Quetta and Gwadar safe cities at a cost of Rs10 billion.

Transformation through training

The LTP states that capacity building and talent cultivation in information and communication technologies will include training 2,000 professionals, of whom 200 will go to China, while the rest will be trained at Chinese training centres in Pakistan.

It is envisioned that the construction of a China-Pakistan Technical Training Centre will form the training base for the telecommunication/technology industry. In the long term, the local training centre may be built into a college or university. In case a training centre cannot be built, the fall-back plan is to have Chinese communication enterprises and Pakistani universities jointly provide technical training.

A mechanism will also be established to train Pakistani technicians with China's resources, such as training at Chinese institutions of higher learning and institutions of communication equipment enterprises. Exchanges will also extend to top management of Pakistan's Ministry of Information Technology and China's Ministry of Industry and Information Technology to share experience and achieve common development across multiple fields.

CMPakoperating under the brand name Zong, is owned by China Mobile. It has grown to be the third largest mobile communication operator in Pakistan.
Huaweiholds the largest share of the communications equipment market (45%) and cooperates with five major domestic operators. It also has three training centers in Pakistan.
ZTE Corporationhas nine branch offices in Pakistan with more than 220 Chinese staff and over 620 local employees. It has cooperative relations with 85 local subcontractors.

https://www.dawn.com/news/1361176

CPEC SPECIAL PROTECTION UNIT APPROVED FOR GB

Dawn, October 06, 2017

Jamil Nagri

GILGIT: The federal government has approved the establishment of a special protection unit in Gilgit-Baltistan for providing security to foreigners working on the China-Pakistan Economic Corridor project, said GB home secretary Bilal Ahmad Memon on Thursday.

The home secretary told reporters here that the appointment of 700 security personnel and release of Rs2.66 billion had been approved for the CPEC special protection unit.

He said the country's enemies were hatching conspiracies against the CPEC project but those conspiracies would be foiled through excellent security measures.

Mr Memon said the prime minister had also approved the purchase of bulletproof vehicles for GB Chief Minister Hafeezur Rehman and Governor Mir Gazanfar Ali Khan for their security.

He said the National Action Plan on security was being strictly implemented in the region.

The home secretary said registration and regulation of seminaries in the region was underway.

He said unregistered seminaries would be registered until the end of the current month.

Mr Memon said all deputy commissioners in the region had been directed to collect the data of seminaries in their respective areas and send it to the interior ministry by the end of the current month.

He said nonprofit organisations and international nongovernmental organisations in the region were being monitored.

"The registration of many fake NGOs has been cancelled for violation of the relevant laws. The INGOs have to secure NOC from the interior ministry to operate in GB," he said.

The home secretary said investigation into the operations of NGOs and INGOs in the region was underway and final report about it would be submitted to the Apex Committee in the next meeting.

He said security of jails in the region had been enhanced to foil possible terrorism activity, while work on the new jail would be completed by June next.

https://www.dawn.com/news/1362042

CPEC PASSES THROUGH DISPUTED TERRITORY: US
Anwar Iqbal

Dawn, October 7th, 2017

WASHINGTON: The Trump administration has informed Congress that it too believes the China-Pakistan Economic Corridor (CPEC) passes through a disputed territory — originally an India claim aimed at thwarting the development plan.

The $56 billion CPEC passes through Pakistan's northern areas, which India claims is part of the disputed Jammu and Kashmir territory.

"The One Belt, One Road also goes through disputed territory, and I think that in itself shows the vulnerability of trying to establish that sort of a dictate," US Defence Secretary James Mattis told the Senate Armed Services Committee.

Secretary Mattis and Chairman Joint Chiefs of Staff Gen Joseph Dunford appeared before the Senate and House armed services panel earlier this week to brief US lawmakers on the current situation in the Pak-Afghan region.

Secretary Mattis said the US opposed the One Belt, One Road policy in principle because in a globalised world, there were many belts and many roads, and no one nation should put itself into a position of dictating One Belt, One Road. And it opposed the one going through Pakistan also because it passed through a disputed territory.

The new US position on CPEC will further strain already tense relations between the US and Pakistan, which also opposed the greater role Washington has assigned to India in Afghanistan in a strategy President Trump announced on Aug 21.

"As far as Afghanistan goes, as we try to separate out variables where, in some areas, we work with China, for example, terrorism — I think there are areas where we can work — find common ground with China when it comes to counterterrorism, and we should exercise those areas pretty fully," said the US defence chief.

"But we should be under no illusions," he warned. "There are areas where, also, strategically, we need to confront China where we think it's unproductive — the direction they're going in."

https://www.dawn.com/news/1362283/cpec-passes-through-disputed-territory-us

CHINESE ENVOY BRIEFS PARLIAMENTARY PANEL ON CPEC PROJECTS
Dawn, October 7th, 2017

ISLAMABAD: Outgoing Chinese Ambassador Sun Weidong gave on Friday a detailed briefing to members of the Parliamentary Committee on China-Pakistan Economic Corridor (CPEC) and presented Beijing's perspective and objectives behind the $56 billion project.

The briefing was held at Parliament House where the ambassador was invited to pay tribute to his services to promote China-Pakistan relations during his four-year stay in the country.

In reply to a question from the committee member Mehmood Khan Achakzai, the ambassador said that peace was like oxygen for development and that was why China believed in partnership, dialogue and cooperation in promoting connectivity among countries.

He said all issues left over by history, like Kashmir, should be resolved through dialogue and negotiations.

He described terrorism as the common enemy of humanity and said this menace must be confronted collectively.

The committee presented a special plaque to the ambassador in recognition of his services to the CPEC and strengthening of Pakistan-China ‘all weather friendship’.

Mr Sun said that Pakistan-China people-to-people exchanges and contacts were being broadened and more than 200,000 visitors from both countries visited each other’s country last year while there were 22,000 Pakistani students studying in China at present, including 5,000 on official scholarships.

He also referred to 19 CPEC-related early harvest projects, particularly those in the energy sector, which had contributed to production of 1,820MW of electricity, thereby reducing loadshedding duration across the country.

“A fruit of CPEC is already evident that it helped resolved Pakistan’s chronic power shortage,” he said.

The Chinese ambassador said that plans were afoot for convening the 7th meeting of the Joint Cooperation Committee (JCC) — the apex decision-making body on the CPEC. Among the projects to be discussed by the committee were metro bus projects in all provincial capitals, construction of Gwadar international airport, upgrade of Pakistan Railways line between Karachi and Peshawar and building of nine industrial parks.

The chairman of the committee, Senator Mushahid Hussain Sayed, eulogised services and contribution of Ambassador Sun Weidong.

He claimed that there was a national consensus on the CPEC among all political forces and provinces of Pakistan because the project benefited the country and its people.

https://www.dawn.com/news/1362282

SOCIO-LEGAL IMPERATIVES FOR CPEC
The Express Tribune, October 7th, 2017.

Most of the discussions about the China-Pakistan Economic Corridor (CPEC) to date have revolved around its socio-economic considerations. The government in power has seldom stated, and hardly ever discussed, the socio-legal challenges attached to the projects.

Pakistan is a major developing country in the region, and perhaps one of the ideal places for investment in the world due to its strategic location. Yet it is notoriously difficult to set up and operate businesses in Pakistan. Reason being, the Foreign Direct Investment (FDI) regime of the country appears complex since it lacks unified codification, systematic organisation of legal and regulatory framework and is diffused in the complex structure of economic and policy directives. Hence, if an investor lacks clarity about the legal regime of the host country, it would upset his entire business plan.

Therefore, one of the immediate steps of the government should be: to assemble all the legal and regulatory laws concerning FDI in one source, which should then be explained and illustrated in simple and clear language. Such a compendium should be translated into languages of countries we hope to attract the most investment from. This would provide a comprehensive guide to all the stakeholders, particularly foreign investors regarding the FDI regime.

Secondly, it is the time to revise Pakistan’s overall approach towards Bilateral Investment Treaties (BITs). It has been seen in a number of studies that there has never been a consistent procedure behind formulating a BIT in Pakistan; successive governments have introduced their own set of policies, which have resulted in an unstable investment climate with adverse effects on FDI. In a number of international arbitration cases filed against the government of Pakistan, it has been witnessed that far too many protections were given away to investors at the expense of national sovereignty.

An especially egregious giveaway was not requiring these investors to exhaust domestic remedies before opting for international arbitration. Hence, putting a liability on the host state to incur the economic burden of international arbitration. The reasons behind these discrepancies in executing BITs, if simply put, were lack of meaningful negotiations before signing BITs and little knowledge of the technical terms such as investment, expropriation, most-favoured-nation treatment, fair and equitable treatment, and, importantly, full protection and security, among others.

Therefore, it is important to have a sound understanding of the technicalities involved in negotiating an international investment treaty and a masterly competence over the jurisprudence of international investment law. This could be achieved if substantive law matters relating to investment protection are examined in the light of arbitral decisions. For this, a case-by-case analysis of important arbitral cases should be adopted along with factual circumstances behind those cases in which the particular issue was raised and that provided an arbitral dictum about investment protection clauses, through which the customary law was drawn. This methodology would pave the way towards Pakistan’s own model BIT template and let investors know how Pakistan perceive investment protection.

Thirdly, policymakers should bear in mind that with large-scale foreign investment comes wide-ranging litigation as well. It would be hard for the judiciary in the current scenario to successfully tackle investment dispute matters concerning CPEC.

The government needs to realise that due to severe overload the litigants’ cases are already languishing in the courts. Hence, it’s time to start focusing on the alternatives. Currently, ‘arbitration’ is considered a powerful dispute resolution alternative. Therefore, the importance of arbitration in commercial dispute matters should be highlighted and steps should be taken to revise domestic legislation to accommodate the proceedings of investment disputes at the arbitration centres.

For this purpose, the government should establish an Alternative Dispute Resolution Authority at the Gwadar free zone, for its geo-economical location; it can provide a spectacular venue for arbitration to both, local and international investors. Furthermore, this initiative can be a source of economic activity, with conference centres, hotels and local lawyers all set to benefit. For any country, a recognised arbitral centre is also a great show of 'soft power', helping to underline a broader message about political and legal stability and give comfort to foreign investors.

The authority should be fully autonomous under the Constitution, empowered to enact rules for its commercial matters, and has its separate and distinct arbitration court system that should be specialised to deal with domestic and foreign investment disputes. It is not advisable to rely on our existing judicial system for the amicable solution of investment matters where the backlog of cases has reached to almost three million.

Further, the centre may draft arbitration rules under the Arbitration Act of 1940, but coming to grips with the international best practices, the parties should be given a choice to any other set of arbitration rules, which they may prefer such as UNICITRAL Model Law.

Fortunately, Pakistan has now transposed the United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards, 1958 (New York Convention) into the domestic law — the Foreign Awards Act of 2011, hence the international awards will now be recognised and enforced in the state of Pakistan without any impediment; otherwise, it could have been a serious problem in enforcing arbitral awards in the absence of domestic legislation.

Lastly, the government should ensure financial transparency in foreign invested projects. A number of international initiatives have been taken to fight corruption and promote transparency. These range from the Organisation for Economic Cooperation and Development's (OECD) convention on bribery, to the recent EU Directives on Accounting and Transparency. The international community has come to realise that the epidemic of corruption and bribery cannot be tackled on the national level alone, but that rather international arrangement must be made to curb it. In this debate, the role of international NGOs and civil society has gained immense importance.

The multi-stakeholder initiatives (MSI) are also introduced at the global level, which tend to bring civil society, government officials and the private sector under one roof to address complex development challenges and improve the management of public resources without usurping state's authority. One such MSI is, Global Initiative for Fiscal Transparency (GIFT) that is a network working to improve "fiscal transparency, citizen engagement, and accountability for the use of public funds," and establish legal frameworks that support public access to information.

Recently, the United Kingdom (UK) and Canada have introduced new laws that obligate large foreign enterprises incorporated in their jurisdictions to publicly disclose their financial reports at the end of the fiscal year. Similarly, Pakistan should also make sure that the companies listed on the Pakistan Stock Exchange should become part of 'Publish What You Pay' campaign to diminish the likelihood of dodgy transactions and ensure the civil society's oversight on the terms of agreement involving billions of dollars.

It is recommended that Pakistan should join such MSIs to improve its standing at the global level. Moreover, strict anti-corruption measures should immediately be adopted before implementing foreign invested projects in the country. If aspects mentioned above are not catered, the benefits from CPEC will remain limited and increase in the foreign investment will rest in an unfulfilled dream.

https://tribune.com.pk/story/1524638/socio-legal-imperatives-cpec/

November2017

NEWS COVERAGE PERIOD FROM NOVEMBER 27 Th TO DECEMBER 3RD 2017

GOVT ASKED TO REVIEW ACCORD WITH CHINA ON GWADAR

Dawn, November 27th, 2017

QUETTA: A former speaker of the Balochistan Assembly has expressed dismay over terms of the federal government's agreement on Gwadar Port with China and called for a review of the accord.

According to a statement made in the Senate, China is set to get 91 per cent of the revenue generated from the port while the remaining 9pc will go to the port — a federally controlled authority — for the next 40 years.

Former speaker Mohammad Aslam Bhootani said that people had been told that China-Pakistan Economic Corridor (CPEC) would usher in an era of prosperity and a better life.

Gwadar was the jewel of CPEC, he said and added that "its land, deep sea and everything else belong to the people of Balochistan, who in return will be getting nothing out of the billion-dollar project".

"The disclosure of [terms of] this agreement has reinforced our apprehensions and shows this will add to the suffering of the people of the province and the injustices they have faced," he said.

The former speaker of the provincial legislature urged the federal government to revisit the CPEC agreement and protect the legitimate rights of the provinces.

"The international powers who have already expressed their reservations on CPEC may not be given the opportunity to make Balochistan a battlefield to settle their score and the only way forward is to make the people of Balochistan the real stockholders of the project…," he said.

Mr Bhootani added that the Chinese companies should review their agreement and incorporate Balochistan's share in the project as "the people of Balochistan love and respect the country's friendship with its neighbour".

https://www.dawn.com/news/1373106

FIVE MORE CPEC POWER PROJECTS TO GET SPECIAL TREATMENT
Shahbaz Rana

The Express Tribune, November 29, 2017

The government on Tuesday approved the second supplemental treaty to the China-Pakistan Economic Corridor (CPEC) framework agreement aimed at extending preferential treatment in making power purchase payments to another five projects having a capacity to generate 1,300 megawatts electricity.

Quaid-Azam Solar Power Plant (1,000 MW, Punjab), 50MW wind power plant of Hyrdo China Dawood Power Limited being set up in Thatta, Sindh; 50MW Sachal Energy Development Limited wind project, Jhimpir, Thatta; 100MW Three Gorges Wind power project and 99MW UEP Wind Power Private Limited would be entitled for special treatment.

Headed by Prime Minister Shahid Khaqan Abbasi, the Economic Coordination Committee (ECC) of the cabinet approved the second Supplemental Agreement to Implementation Agreement of the CPEC projects.

The ECC also allowed export of 1.5 million metric tons of sugar at subsidised rates. The federal and provincial governments will pay Rs10.70 per kilogram subsidy on export of sugar.

“The freight subsidy will not be available to sugar mills that do not start the crushing season by this Thursday,” said the commerce ministry, adding, “The subsidy will also be withdrawn from the millers who fail to make timely payments to growers.”

The ECC also imposed Rs4,669 per ton regulatory duty on the import of liquefied petroleum gas aimed at giving benefits to local producers.

“The ECC accorded its approval to making necessary amendments to the ECC approved Supplemental Agreement to Implementation Agreement (SAIA) for the CPEC projects,” according to an official handout of the Prime Minister’s Office.

In February last year, the ECC had approved the supplemental agreement aimed at binding the power purchaser to make timely payments to Chinese and their local partners of the electricity they would produce as part of the CPEC megaproject.

“In case, the power purchaser fails, the Ministry of Finance will make these payments.”

Under Article 2 of the 2016 Supplemental Agreement, a revolving account is being set up to cover 22% of monthly electricity invoices issued by power producers.

The 22% is the difference between the billed amount at the time of generation and actual recovery from consumers.

The projects being set up under the CPEC umbrella are immune from adverse effects of the circular debt. The second supplemental agreement will now protect the Chinese and their local partners of five projects from the adverse impact of the chronic circular debt.

The Power Division informed the ECC that three wind power projects achieved their financial close prior to the approval of the first Supplemental Agreement in February 2016.

They included M/s UEP Wind Power Project, M/s Three Gorges Second Wind Farm Pakistan, and M/s Three Gorges Third Wind Farm Pakistan and have now requested to sign Supplemental Agreement with the Alternate Energy Development Board.

It said since all of those projects have already achieved financial close and some have achieved commercial operation date, certain amendments would be required in order to execute the agreements with them.

The Power Division circulated the summary just a day before the ECC meeting, giving no time to other stakeholders to comment on that.

The ECC decision heightens the issue of discriminatory treatment being meted out to the independent power producers (IPPs), which are generating roughly 6,000MW of electricity under the 2002 power generation policy but are not being paid on time.

Interestingly, some of the partners in energy projects being set up under CPEC also operate plants under the 2002 policy. The supplemental agreements' local beneficiaries include Arif Habib Group, Nishat Group and Engro Group among others.

China had refused to set up power plants until the government agreed to an arrangement where Chinese investors or projects funded by Chinese financial institutions were protected against the circular debt.

There is a unique clause in the Supplemental Agreement that says that in case of any conflict between the terms of the Supplemental Agreement and the Implementation Agreement, the Supplemental Agreement shall prevail.

In order to discourage fuel adulteration and tax evasion, the ECC allowed addition of Fuel Marker in Superior Kerosene Oil (SKO).

The ECC also approved determination and notification of UCH-II Gas Price, as agreed under Gas Pricing Agreement (GPA) by Oil & Gas Regulatory Authority under the OGRA Ordinance, 2002.

The ECC also allowed disposal of 500,000 tons of surplus wheat of PASSCO through local sale.

https://tribune.com.pk/story/1571127/1-five-power-projects-get-special-treatment/

CPEC FIRST PHASE INVESTMENT VALUE EXCEEDS $30BN: SARTAJ
Business Recorder, 29 November 2017
ISLAMABAD: Deputy Chairman Planning Comm-ission, Sartaj Aziz Tuesday said that the investment value of first phase of China-Pakistan Economic Corridor (CPEC) projects has reached over $30 billion while overall it has exceeded $60 billion.

"I hope that trade balance between both the countries would improve in favour of Pakistan after finalization of revised Free Trade Agreement (FTA) between Pakistan and China," he said while talking to a delegation of Chinese journalists who called on him here at Planning Commission.

Sartaj said that the Joint Coordination Committee (JCC) on CPEC last week approved long-term Plan of CPEC which would provide new foundations to Pak-China relations. He said the long-term plan is an important element of Pakistan's proposed 12th five-year plan.

He said that under the CPEC, China is establishing industries in Pakistan which would help boost business activities in Pakistan. He said that the establishment of nine industrial zones under the CPEC would bring industrial revolution in the country. He said that this step is not only in favor of the two countries but other countries would also be able to establish their industries in the zones.

Sartaj Aziz said that as a result of cooperation in agriculture sector, Pakistan would get an opportunity to export agricultural products, including grains, cotton, sugar, fresh vegetables and fruits, to China.

He said the Chinese vision of One Belt One Road (OBOR) has increased global connectivity. He said the CPEC is the flagship project of OBOR and is being actively pursued due to commitment of leadership of both countries.

He said that the less-developed areas of the country would enter a new era of development due to construction of CPEC route.

He said that the government has formulated a very liberal investment policy to attract foreign direct investment in the country. He said that there is a plan to upgrade the packages that have been operational with fast speed. Sartaj Aziz said that Chinese leadership has changed the thinking of globalization into a development trip.

https://epaper.brecorder.com/2017/11/29/1-page/684832-news.html

NEWS COVERAGE PERIOD FROM NOVEMBER 20Th TO NOVEMBER 26Th 2017
CPEC COMMITTEE TO FINALISE LONG-TERM PLAN TOMORROW
Dawn, November 20th, 2017

Khaleeq Kiani

ISLAMABAD: The Joint Cooperation Committee (JCC) on China-Pakistan Economic Corridor (CPEC) will meet here on Tuesday (Nov 21) to review and finalise a long-term plan (LTP) 2017-30 envisaging key areas of bilateral cooperation over the next 13 years amid Islamabad's policy adjustments to facilitate Chinese investment and financing.

A senior government official told Dawn that both senior officials meeting (SOM) and formal JCC meeting headed by ministers from the two countries would begin with discussions on the LTP in an attempt to sign a final agreement. He said the LTP draft, finalised after the 6th JCC meeting held in Beijing in December last year and shared with the provincial governments, had remained unchanged.

The official said a cabinet committee on CPEC headed by Prime Minister Shahid Khaqan Abbasi had already agreed in principle to offer a special incentive package under which all investments in the first phase of nine special industrial/economic zones to be made by end-2020 would enjoy complete tax holiday.

The 40-member SOM to be presided over by the planning and development secretary and his Chinese counterpart on Nov 20 will begin the day with discussions on the LTP and industrial and economic cooperation flowing out of it. All the six joint working groups on the LTP – industrial cooperation, Gwadar, transport infrastructure, energy and security – are led by federal secretaries and their Chinese counterparts.

Any outstanding matter relating to taxes and exemptions based on the special package cleared by the prime minister would come up for discussion in the last session of the SOM for submission to the JCC the following day.

On the next day, the formal JCC session would also begin with the LTP and would be co-chaired by Planning and Development Minister Ahsan Iqbal and Vice Chairman of China's National Development and Reforms Commission Wang Xiaotao.

China Development Bank (CDB), the main financier of the CPEC, will make a presentation on the LTP on behalf of the Chinese side based on the outcome of the SOM and will be responded to by the Pakistani side. The JCC will conclude with the signing of documents, including the LTP, subject to resolution of all outstanding issues on taxation and policy direction.

The draft LTP, seen by Dawn, finds geopolitical and security risks as possible challenges to the CPEC in view of inherent unstable geopolitical environment in South Asia and adjustment of policy towards the region by world powers, besides a mix of international, regional, national and extremist factors that could cause disruptive activities, challenging the CPEC building.

Besides the ongoing cooperation on road and rail networks, the LTP seeks to boost information connectivity through operation of local communication networks and broadcast and TV networks and "expedite Pakistan to adopt China's Digital Terrestrial Multimedia Broadcasting (DTMB) standard" and border electronic monitoring and safe city constructions.

The two sides will strengthen cooperation in trade and industrial areas, expand bilateral economic and trade relations and enhance the level of bilateral trade liberalisation. They will promote the quality and efficiency improvement of the textile and clothing industry, expand the size of the textile industry and increase the supply of high value-added products and promote the Kashgar Economic and Technological Development Zone and Caohu Industrial Park to adopt the means like export processing to establish a regional cooperation and development model based on complementary advantages and mutual benefits.

The two sides will also expand cooperation in the appliance industry, promote Pakistan's industries from assembling imported parts and components to localised production of parts and encourage various forms of Chinese enterprises to enter the Pakistani market to improve the development of energy efficient appliance industry in Pakistan, besides chemicals, engineering, agro, iron & steel and construction materials to meet the local demand and expand to export market.

They will cooperate in key construction areas such as biological breeding, production, processing, storage and transportation, disease prevention and control, water resources development and utilisation, land development and remediation, besides ICT-enabled agriculture and marketing of agricultural products so as to transition from traditional agriculture to modern agriculture in the regions along the CPEC to effectively boost the local agricultural economy.

The two sides will exploit the potential advantages of tourism resources in the regions along the CPEC, especially the China-Pakistan border areas, and "actively help Pakistan's coastal areas become more livable, business-friendly and tourist-friendly".

The LTP envisages construction of the “2+1+5” tourism spatial structure, which includes two centres, one axis and five zones: Karachi Port and Gwadar Port as the two centers, and the coastal tourism belt as the development axis, and five tourist zones of Jiwani & Gwadar, Jiedijiao, Olmara, Songminiya and Keti Bander.

Pakistan will apply international and China’s new urbanisation concepts to the municipal construction of node cities along the CPEC, such as the construction of the public transport system and water supply and drainage systems and “give full play to China’s advantages in technology, equipment and capital, and solve some prominent livelihood issues via pilot projects”.

The two sides agree to strengthen cooperation in financial regulation. They will continue to sign currency swap agreements and expand swaps size, enrich the scope of foreign currency from currency swap, assign the foreign currency to domestic banks through credit-based bids to support the financing for projects along the CPEC, besides creating bilateral payment and settlement system to reduce the demand for third-party currency and move to a bilateral foreign exchange reserve pool to form an effective mechanism for stabilising the exchange rate through cooperation of central banks and other financial sector regulators.

In the process, they plan to create a settlement platform for RMB cross-border trade and investment and a monitoring and early warning platform for cross-border cash flow and promote free flow of capital and facilitate cross-border transfer of legitimate funds, including those in financial markets.

Gwadar Port free zone will be developed on the pattern of Shanghai free trade zone and allow RMB offshore financial business. Both countries will encourage Chinese enterprises, private sectors and private sector funds of other economic entities to make various forms of direct investment, welcome Pakistan’s private capital in participating in the projects along the CPEC and establish various types of private financial institutions or infrastructure funds.

An assessment mechanism will be established to evaluate the implementation of major projects, assess the progress of the long-term plan in every aspect every five years, and then update and adapt the plan accordingly.

https://www.dawn.com/news/1371597

CPEC ENTERS THE NEXT PHASE
Dawn, The Business and Finance Weekly, November 20th, 2017

Khaleeq Kiani

THE two-day Joint Cooperation Committee (JCC) meeting of the China-Pakistan Economic Corridor (CPEC) sets the stage for the second phase of the multibillion-dollar cooperation between the two nations.

It attempts to formalise the future roadmap for industrial and economic collaboration involving special economic zones along the CPEC stretch in Pakistan and adopt a Long Term Plan (LTP) 2030.

The main focus of the seventh JCC will remain special economic/industrial zones even though all the five joint working groups (JWGs) — Gwadar, energy, transport infrastructure, special economic zones and planning — would meet on the first day (today) to remove any irritant and suggest the way forward.

The JWGs comprise secretary-level officials of the two countries. The new projects, mostly small to medium size, will be finalised by these groups for inclusion in the overall portfolio.

Even though Pakistan had originally lobbied for its financing, it has already been settled in recent interactions that the $14 billion Diamer-Bhasha Dam would not be made part of the CPEC because of unacceptable demands from Beijing for the transfer of its ownership.

The key projects expected to formally become part of the CPEC are $8bn Main Line-I (the 1,875km railway line from Karachi to Lahore to Peshawar) and $3.5bn Karachi Circular Railway. The financial appraisal of these new projects has been completed and their future course of action will be approved.

On the second day, the JCC — led from the Chinese side by vice-chairman of the National Development and Reforms Commission (NDRC) and from the Pakistani by Minister for Planning Development and Reform Ahsan Iqbal — will meet all the four chief ministers, heads of regional governments and the Federation of Pakistan Chambers of Commerce and Industry.

The JCC will take recommendations finalised by the JWGs, and formal agreements would be signed for most of the projects cleared by the sixth JCC meeting held in Beijing last year.

A cabinet committee on the CPEC presided over by Prime Minister Shahid Khaqan Abbasi has already cleared the proposals for the fresh projects and nine SEZs that would be offered 15- to 20-year tax holidays in case investment is made before 2020.

The Board of Investment would sign an overarching agreement with its Chinese counterpart for all the nine SEZs on behalf of the provinces and regional governments, ie Azad Jammu and Kashmir (AJK), Federally Administered Tribal Areas (Fata) and Gilgit-Baltistan (GB).

Under the road map, the Chinese side would start investing in the SEZs immediately after JCC’s clearance to avail benefits of tax exemption.

There is a strong possibility that Chinese institutions and the private sector will pick a dedicated SEZ or industrial park, most probably Rashakai near Nowshera owing to its compact feasibility and 100 per cent 1,000-acre land acquisition, and another at Maqpoondas in GB for its close proximity with Kashgar in Xinjiang.

There are indications that because of its feasibility study, the availability of relevant raw material and infrastructure access, the Chinese would offer to develop the Rashakai SEZ on their own for industrial units relating to fruit, textile and packaging.

Almost all the provincial and regional governments have submitted their feasibility studies, except Balochistan which has yet to complete the task.

The initial plan is flexible and is aimed at starting work immediately in those SEZs and projects which are ready and to chip in others as they get ready.

The special economic or industrial zones also include the Dhabeji economic zone in Sindh, for which 1,000 acres have been earmarked, whereas the development of an industrial park on 1,500 acres of Pakistan Steel Mills' land at Port Qasim is awaiting land transfer.

Moreover, the 200-acre Bostan industrial zone in Balochistan, Allama Iqbal industrial city near Faisalabad, Mohmand marble city in Fata, ICT model industrial zone in Islamabad and a mix-industry special zone in Mirpur, AJK, are under process but have yet to take off.

One challenging aspect of the CPEC is the availability of portable water for Gwadar Port City, for which authorities are running from pillar to post. Against the requirement of 12 million gallons per day (MGD) for the port city, the authorities have been able to ensure around 1MGD for now. The supply would be increased to 5MGD with the installation of a desalination plant in six to 10 months.

As for the Long Term Plan, the draft has already been finalised by the two sides under which CPEC should take an initial shape by 2020, addressing major bottlenecks to Pakistan's economic and social development, and for the CPEC to start boosting economic growth for both countries.

"By 2025, the CPEC building shall be basically done, the industrial system approximately complete, major economic functions brought into play in a holistic way, the people's livelihood along the CPEC significantly improved, regional development more balanced and all the goals of Vision 2025 achieved," says the LTP.

The LTP envisions the two countries striving for synchronisation and reciprocity of economic development.

China's key objective is to gain the quality and efficiency improvement of the textile and clothing industry, expand its size and increase the supply of high value-added products, and in the process promote the Kashgar Economic and Technological Development Zone, and Caohu Industrial Park to adopt means like export processing.

On the Pakistani side, the key objective is to expand cooperation in the appliance industry, promote Pakistan's industries from assembling imported parts and components to localised production of parts, and encourage various forms of Chinese enterprises to enter the Pakistani market to improve the development of energy efficient appliance industry.

It also envisages industrial capacity cooperation in sectors such as chemicals, engineering, agro, iron and steel and construction materials, and the of use efficient, energy-saving and environmental friendly processes and equipment to meet the demands of Pakistan's local markets while further expanding into the international market.

https://www.dawn.com/news/1371702

RAISING $2-3BN: GOVT LAYS OUT PLANS
Business Recorder, 22 November 2017

KARACHI: Faced with large current account deficit and prospects of drawdown in foreign exchange reserves, Pakistan government has laid out plans to raise $2-3 billion in Eurobond and Sukuk (Islamic bonds).

The government plans to hold investor road shows for the purpose this week and the next week. The actual issuance of the bond may take place in the next few weeks.

Both Sukuk and Eurobond are expected to be offered with tenors ranging from 5 to 30 years. The government last raised $1.0 billion through issuance of 5-year Sukuk in October 2016 at historic low rate of 5.5 percent (S&P rating was B-). Going further back, Pakistan floated a 10-year Eurobond of $500 million size at 8.25 percent in 2015 (S&P rating was B-).

The new issue comes at a time when Pakistan's external account has deteriorated as of late. During FY17, Pakistan posted current account deficit (CAD) of $12.2 billion (4 percent of GDP) as compared to $2.6 billion (0.9 percent of GDP) in FY16. For the period July-October 2017, CAD increased to $5.0 billion (1.6 percent of GDP) compared to $2.2 billion (0.7 percent of GDP) last year. Resultantly, foreign exchange reserves with State Bank of Pakistan declined by $2.0 billion in FY17 and $2.5 billion during FY18 to date to $13.7 billion, 3.1 times import cover against an average of 4.0 times import cover during previous 3 years.

Other than economic concerns, the country remains embroiled in political uncertainty.

It should be noted that Pakistan's credit rating has remained stable or improved during the last few years. International credit rating agencies, Moody's, Fitch and Standard & Poor's rate Pakistan as B3 (stable), B (stable) and B (stable) respectively. The recent most update from S&P's dated October 30, 2017 stated that S&P does not expect Pakistan's external and fiscal situation to deteriorate materially from current levels and that Pakistan's economic prospects remain favorable. S&P has assigned preliminary B rating to Pakistan's proposed dollar bond issue.

Comparable bonds of other countries have been recently floated as follows: Iraq (S&P: B-) raised 6-year bond of $1.0 billion at 6.75 percent; Ukraine (S&P: B-) issued 15-year bond of $3.0 billion at 7.375 percent; Ghana (S&P: B-) raised 15-year bond of $750 million at 9.25 percent and Turkey (S&P: BB) raised 10-year bond of $2.0 billion at 6.15 percent.

"Given the recent Eurobond issues of different countries and S&P assessment that Pakistan economic prospects remain favorable, we are of the view that the government will likely be able to raise $2-3 billion with pricing in the range of 5.5 percent-7.0 percent for 5 to 10 years," an analyst at Topline Securities said. This will provide the much needed support to Pakistan's foreign exchange reserves, he added.

Current yields of Pak Eurobonds range from 4.5 percent to 7.5 percent for maturities from 2019 to 2036. Average calendar year to date average yield for 2019 bond is 4.3 percent while that of 2036 bond is 7.6 percent.

https://epaper.brecorder.com/2017/11/22/1-page/683488-news.html

RAILWAY PROJECTS FAIL TO WIN GREEN LIGHT
Pakistan and China on Wednesday agreed on 15-year policy document that will translate the China-Pakistan Economic Corridor into a reality but both the countries could not end differences over two critical infrastructure projects amounting to $10 billion.

Unlike the past, this time Pakistan had to struggle hard to push its agenda amid domestic political uncertainty and China's reluctance to commit for new projects. Progress on most of the items could not be achieved.

The framework agreement of $2 billion Karachi Circular Railways project and the financing agreement of $8.2 billion Main-Line-I of Pakistan Railways could not be signed during the 7th meeting of the Joint Cooperation Committee (JCC).

The design of $260 million New Gwadar International Airport could also not be finalised.

There was also a dispute over the site of setting up a Special Economic Zone in Khyber-Pakhtunkhwa, as Beijing was reluctant to accept the provincial government recommended Rashakai site in Mardan.

Planning Minister Ahsan Iqbal and Vice Chairman of the National Development and Reform Commission of China co-chaired the meeting of the JCC – the highest decision making body of the CPEC.

The only major outcome of the JCC was the agreement over the Long Term Plan (2014-2030) that is expected to translate the national economic plans of both the countries into one policy document covering all common grounds for the socioeconomic cooperation.

"The final agreement on the 2030 long-term plan has been achieved," said the minister for planning and development after the JCC meeting.

Pakistan did not accept China's demand to introduce Yuan in the country.

But Iqbal said Pakistan would explore the possibility of using the Chinese currency for making payments for capital imports for CPEC.

The LTP is the most critical element of the China-Pakistan economic relationship, as it lays the foundation of cooperation in all economic and financial areas for decades to come.

The planning minister assured that the LTP final document will be made public, as the government did not have any intention to hide it. "The LTP is for Pakistan's development and its full text will be released."

He said that the LTP will help boost Pakistan's productive sector through setting up Special Economic Zones. The minister said, "The agriculture sector has been specially focused in the LTP" and added, "Pakistan will also take advantage of advanced Chinese technology."

He said that the information technology has also been made part of the LTP.

However, K-P Chief Minister Pervaiz Khattak expressed serious reservations over the LTP and the selection of the SEZ site in his province.

"K-P has been ignored in the plan and many important nodes like Hazara, Malakand, Peshawar and Dera Ismail Khan have not been included in the LTP," said Khattak while talking to the media.

He also showed surprise over the Chinese proposal to set up a SEZ at Hattar.

“This is my province and I want the special economic zone to be set up in Rashakai,” said the chief minister.

He said the feasibility study of the Rashaki zone was done and the provincial government bought 20,000 kanal land for setting up the zone.

“It is surprising for me that no feasibility study of Hattar was forwarded to China and yet it is pressing the case of Hattar SEZ,” said Khattak.

Khattak said that China was not setting up the SEZ for free in Hattar; therefore, it did not have a right to impose its will on the provincial government.

The Hattar site was on the eastern route of CPEC, which would not give any main benefit to the province, said the CM.

The planning minister supported the provincial government’s stance and said the special economic zones will be set up according to the priorities determined by the provincial governments.

Due to some issues, the Framework Agreement of the $2 billion Karachi Circular Railways (KCR) project could not be signed.

Responding to a question, the planning minister said a team of experts has been constituted to finalise the feasibility study of the KCR. He said the 7th JCC has cleared the KCR project.

But two-day before the JCC meeting, CPEC project coordinator Hassan Daud Butt had said that the key deliverable for the 7th JCC was to sign the framework agreement of the KCR.

The financing agreement of the $8.2 billion Main Line-I (ML-I) project of Pakistan Railways also could not be signed.

The planning minister said the cost estimates of the ML-I were not final yet and both the countries would try to complete all formalities during the next three months.

For the New Gwadar International Airport, the main deliverable point for the JCC was to sign the project design.

“China is reviewing the design of the project and it is expected that work on the airport would begin by the mid of next year,” said the planning minister.

He said it was also agreed that work on other Gwadar projects would be expedited.

Responding to a question over inclusion of some new projects in CPEC, the minister said there was a need to expedite work on those projects that had been agreed upon in the 6th JCC.

https://tribune.com.pk/story/1564990/1-railway-projects-fail-win-green-light/

PM ABBASI WANTS TIMELY COMPLETION OF CPEC PROJECTS FOR GWADAR
Dawn, November 23rd, 2017

GWADAR / QUETTA: Prime Minister Shahid Khaqan Abbasi has directed the authorities concerned to complete all development projects initiated under the China-Pakistan Economic Corridor (CPEC) for Gwadar in time to ensure that a fully functional Gwadar port emerges as a major trade hub on the world map.

Speaking after performing the groundbreaking of the Rs17 billion East Bay Expressway in Gwadar on Wednesday, he said the completion of these development projects would change the small fishing town into a global shipping port very soon.

The prime minister said there was no opposition to the CPEC and parties were on one page for completion of this mega project. He said that as far as difference of opinion was concerned it was part of democracy. “No party was opposing the CPEC,” he said.

He said the 19.5km six-lane East Bay Expressway would help in cargo handling through roads and increase connectivity with the rest of the country. The project would link the Gwadar port with the Makran Coastal Highway and improve logistic transportation of import and export, he said and expressed the hope that the completion of expressway would also reduce travel time between Gwadar and major cities of Pakistan. He said the expressway was symbolic of the lofty Pakistan-China friendship and the CPEC would further strengthen and deepen their strategic partnership.

He said the free economic zone in Gwadar would be completed this year, while the work on the port project, Pakistan-China Friendship Hospital, a power plant, Gwadar airport, etc, under the Rs170bn plans for uplift of Gwadar would also be completed on time.

Mr Abbasi said the infrastructure projects would go a long way in generating economic activity and ensuring Pakistan’s progress. He said a number of power projects under the CPEC had been inaugurated and were playing a significant role in the nation-building activities.

Referring to the two main issues raised by Chief Minister Sanaullah Zehri, he said the work was going on to provide electricity and clean drinking water to local residents and added that it was the responsibility of the government to address these issues. He said the people would feel the difference in a few weeks.

Regarding the issues related to border access with Iran, the prime minister directed Interior Minister Ahsan Iqbal to take measures to facilitate the people.

The prime minister said the people of Gwadar needed to be accommodated at all levels. They should be imparted training and provided capacity building and education so that they were seamlessly integrated into new jobs being offered to them, he added.

He appreciated the local boat-building industry and said it was part of local heritage which needed to be encouraged. He asked the provincial government to submit its suggestions in this regard and said the federal government would fully support the traditional trade and encourage it.

Mr Abbasi said work on road to Khuzdar was being completed and it would transform the entire landscape. He said that today Gwadar was at a distance of hours and not days anymore.

https://www.dawn.com/news/1372338/pm-abbasi-wants-timely-completion-of-cpec-projects-for-gwadar

CHINA'S ROAD THROUGH PAKISTAN
Dawn, November 23rd, 2017

Khurram Husain

MINISTER Planning Mr Ahsan Iqbal has been busy of late. He has had to deal with those nuisance protesters blocking the road, then play host to the Chinese delegation that flew in for the seventh Joint Cooperation Committee (JCC) meeting to finalise the Long Term Plan (LTP) for CPEC. Since it has been difficult to get through to him in the midst of these pressing engagements, I thought I'd share some questions I have about that meeting right here in hopes of an answer.

Why are the Chinese interested in making the yuan legal tender in Gwadar? What purpose does such a step serve, and how are Pakistan's interests advanced by it? If this is about helping make the yuan an international currency, which is a major policy priority for China, then why only ask for it to be legal tender in Gwadar? Why not all of Pakistan? Most other efforts to make the yuan a global currency are focusing on making it into a reserve asset through yuan-denominated bonds and currency swap arrangements between the central banks of China and other countries. Pakistan too has such a swap arrangement for many years now. But reserve asset is one thing, legal tender is a different ball game altogether.

When did the government of Pakistan first receive this proposal which was raised and discussed at the JCC meeting concluded on Tuesday? According to details trickling out from that meeting, it was first raised in the Senior Officials Meeting held on Monday which was intended to prepare the ground for the higher-level talks on Tuesday where the important policy decisions were made. Is this true? Another report, quoting unnamed officials, says that "Pakistan conveyed its opposition to the demand a few months ago, but the Chinese side pressed it again". So if they were told 'no' a few months ago, and returned to press the demand again, might they return a few months later and press harder still? Or is the 'no' they have been given this time final? Has this been raised in any of the previous JCC meetings?

How hard did the Chinese press the case for this proposal? Again, according to details trickling out, it appears there was extended debate around the idea. Is this true? What arguments did they advance for the proposal? Following the meeting, the secretary planning told reporters that the idea had been turned down, but the minister planning simply said it was being considered and "it is only a proposal at this point". So which is it? Turned down or under consideration? Or perhaps 'turned down for now but to be considered later'?

By itself the proposal doesn't tell us much, except that whatever plans the Chinese have for Gwadar are a lot bigger than what we have been told. Thus far, there are two countries that have officially allowed the yuan to be legal tender: Angola and Zimbabwe. In the case of Zimbabwe, the decision was aided by the fact that its own currency had collapsed in 2009, with an inflation rate of 500 billion per cent (yes, five hundred billion). They shifted to the US dollar and the South African rand as legal tender, then in 2015 allowed the yuan in.

By itself there is nothing inherently wrong with countries discussing and possibly mulling monetary arrangements whereby their currencies can acquire the status of legal tender in other countries. But in this case, a few sources of concern arise. First, it appears the demand is for one city only, which is odd, unless there is a plan to extend the coverage to the rest of Pakistan soon, in which case it is still odd to begin with one city, especially one so remote from the centres of economic activity in the country, for now anyway.

The LTP that was finalised on Tuesday (pending a few issues we are told) needs to be made public to prevent questions such as these from clouding the overall positive prospects that CPEC has for Pakistan. What is an important source of concern is how many other such surprises await us in the future as we go down this road. Recall that we are only at the very beginning, and the discussions taking place around the LTP — which is a detailed road map extending to 2030 that significantly increases the role of Chinese capital and enterprises in Pakistan’s economy — are precisely where the future shape of the project is being decided.

Nobody outside a small circle had heard of this proposal to bring the Chinese currency as legal tender in Pakistan. It is not mentioned in any public pronouncement, not on the CPEC website, not in any of the minutes of the JCC meetings held thus far, not in the LTP finalised in December 2016 at the sixth JCC and not in the shorter summary of that document circulated to the provinces in March of 2017. So the question is, what else is being discussed that would take the whole cooperative framework of CPEC far beyond the roads and power plants that we are encouraged to imagine when thinking about the project?

There is one fact that is becoming increasingly clear: CPEC involves a fundamental and profound reshaping of our economy and policy landscape in order to create the space for Chinese capital and enterprises to acquire stakes and participate in the economic life of the country. When this newspaper ran details from the LTP back in May, the minister planning referred to that document as a “live document”, meaning it was up for changes. Then, before the JCC meetings got going, he told us that the LTP under consideration is the same document. The time to come clean on all this has arrived. Let’s see the plan, as you promised, Mr Minister!

ABBASI RUBBISHES DIFFERENCES OVER CPEC
The Express Tribune, 23 November 2017

QUETTA: Prime Minister Shahid Khaqan Abbasi has directed that all development projects initiated under the flagship China-Pakistan Economic Corridor (CPEC) project for Gwadar should be completed on time “to ensure the port emerges as a major trade hub”.

“All political parties are on the same page as far as CPEC is concerned – that the project will change the destiny of the nation,” the prime minister said while addressing at the groundbreaking of East Bay Expressway in Gwadar.

Federal Minister for Planning and Development Dr Ahsan Iqbal, Balochistan Governor Muhammad Khan Achakzai, Chief Minister Nawab Sanaullah Zehri, provincial ministers, local elders and senior civil and military officials attended the ceremony.

The six-lane 19.5km-long Eastbay Expressway in Gwadar would cost Rs17 billion to be developed by China Communication Construction Company (CCCC), which will give Rs15 billion interest-free loan.

Abbasi, however, said there was difference of opinion and added this could not be termed as opposition to the project and should be viewed as part of democracy. “No party is opposing CPEC.”

The prime minister hoped the completion of development projects in Gwadar would change the small fishing town into a global shipping port very soon.

Abbasi said the expressway would help in cargo handling through the road and increase connectivity of the port with the rest of the country.

“The project will link the Gwadar Port with the Makran Coastal Highway thereby improving logistic transportation of imports and exports.”

He said the expressway was symbolic of the lofty Pakistan-China friendship and added CPEC would further strengthen and deepen their strategic partnership.

The prime minister said work on the economic free zone in Gwadar was underway and added it would be completed in the current year.

He also assured that the port project, Pakistan-China Friendship Hospital, Power Plant, Gwadar Airport, etc., under the Rs170 billion plans for uplift of Gwadar would also be completed in time.

“These infrastructure-related projects will go a long way in generating economic activity in the country and ensure its progress.”

He said a number of power projects under CPEC have been inaugurated and playing a significant role in nation building.

Referring to the two main issues – the provision of electricity and clean drinking water – raised by the Balochistan chief minister, Abbasi said: “Give us a few weeks and the people will feel the difference.”

He said work was going on to provide electricity and clean drinking water to the local population and added that it was the responsibility of the government to address the issues.

Regarding issues related to border access with Iran, the prime minister directed Interior Minister Ahsan Iqbal to take cognisance of the matter and take action to facilitate the people.

The prime minister said the people of Gwadar needed to be accommodated at all levels and should be provided training, capacity building, education “so that they are seamlessly integrated into new jobs being offered”.

He said he was appreciative of the local boat-building industry and said it was part of the local heritage and needs to be encouraged.

The prime minister asked the provincial government to submit its suggestions in this regard and said the federal government would fully support traditional trade and encourage it. He said work on the road to Khuzdar was being completed. “The project will transform the entire landscape.”

https://tribune.com.pk/story/1565959/1-abbasi-rubbishes-differences-cpec/

GOVT TOLD TO VERIFY CPEC SCHEMES FOR KP UNCHANGED
Dawn, November 24th, 2017

PESHAWAR: A Peshawar High Court bench on Thursday asked the federal planning and development secretary to verify in writing that in a recent meeting of the China-Pakistan Economic Corridor project’s Joint Cooperation Committee, no changes had been made to the developmental projects earlier envisaged in the multibillion dollars project for Khyber Pakhtunkhwa.

Deputy director (media) of the CPEC project Shaukat Khattak told Chief Justice Yahya Afridi and Justice Syed Afsar Shah that the government adhered to its commitments on the CPEC project made in the JCC meeting held in China on Dec 29, 2016.

He said in the recent JCC meeting held on Nov 21 in Islamabad, no changes had been made to the earlier commitments made related to different schemes in Khyber Pakhtunkhwa.

The bench directed the official to submit a written assurance on behalf of the planning and development division that the projects earlier mentioned in the CPEC project for KP continued to be there.

The bench was hearing a petition filed by Khyber Pakhtunkhwa Assembly Speaker Asad Qaisar seeking multiple directions from the court for the development of the CPEC’s western route along with several other development projects in the province.

It later fixed the next hearing into the petition for Dec 5.

During the previous hearing, written comments were submitted on behalf of the secretary of the planning, development and reforms ministry, wherein several projects were mentioned saying those were approved in the JCC meeting held in Dec 2016.

Following the filing of the petition last year, KP Chief Minister Pervez Khattak had claimed in Dec 2016 and Jan 2017 that several of the projects, which they had demanded, had been included in the CPEC.

Lawyer for the petitioner, Qazi Mohammad Anwar, told the court on Thursday that he had gone through the reply of the planning secretary and were satisfied with the commitments made regarding different project.

Shaukat Khattak and additional advocate general Manzoor Khalil represented the federal government.

Mr Shaukat told the court that no changes had been made in the earlier projects envisaged for KP in the CPEC project.

He added that in the recent meeting, there was a proposal of first setting up an economic zone at Hattar Industrial Estate instead of the Rashakai Economic Zone as industries had already been set up at the former's site.

The CPEC project official however said the proposal was not adopted and that the JCC stuck to its earlier decision of first developing the Rashakai Economic Zone.

He said the assertion in question was mentioned in the minutes of the recent JCC meeting.

The written statement of the planning secretary mentioned that the JCC had agreed to the development of hydropower projects along the north Indus and that homework was underway to implement the 1700 megawatts projects in Gilgit-Baltistan and KP.

It added that the JCC had agreed to include the Greater Peshawar Mass Transit System in CPEC besides Chitral CPEC link road from Gilgit, Shandor and Chitral to Chakdara.

The statement also said railway track from Khunjrab to Havelian was also part of the long-term CPEC projects.

Assembly Speaker Asad Qaiser prayed the court to ask the respondents to honour the premier's commitments on the CPEC project, allocate funds and execute development projects on the corridor's western route.

https://www.dawn.com/news/1372568

PHC JOGS CENTRE'S MEMORY OVER CPEC PLEDGES TO K-P
The Express Tribune, 24 November 2017

PESHAWAR: The Peshawar High Court (PHC) on Thursday directed the federal government to submit a reply on whether or not it was still committed to the projects it had earlier pledged to construct under the China-Pakistan Economic Corridor (CPEC) in Khyber-Pakhtunkhwa (K-P).

"Is there any change in the stance of the federal government regarding the commitments made with the K-P government?"

The court posed the above question to Shaukat Khattak, a representative of the Ministry of Planning and Development, and directed him to go back, inquire and submit a reply by December 5.

The PHC's two-member bench, headed by Chief Justice Yahya Afridi and comprising Justice Syed Afsar Shah, was hearing a writ petition filed by K-P Assembly Speaker Asad Qaiser through his lawyer Qazi Muhammad Anwar.

In his writ petition, Qaiser complained that during the CPEC's 7th Joint Coordination Committee (JCC) meeting on November 21, the federal government had backtracked from its earlier commitments and ignored the projects promised to be financed under the CPEC.

The petition had been filed in November 2016, replying which the federal government had said that it was committed to the construction of projects in K-P on a priority basis. However, the recent JCC meeting appears to have raised K-P Assembly speaker's concerns once again.

"The federal government has now backtracked from [its] earlier commitments made with the K-P [government] and ignored all the projects that were promised to be financed under the CPEC," the speaker's counsel told the court. "We have repeatedly asked for the minutes of the recent JCC meeting but were not provided any."

Declining the counsel's demand for the minutes of the meeting, the chief justice said, "The court is not interested in what happened in that meeting… we are only interested in whether they will stick to their earlier stance or not."

The speaker's counsel said that the federal government's pledge included the construction of a 1,700 megawatts hydel project, and a circular railways track connecting Charsadda, Mardan, Nowshera, Peshawar, Swabi as well as the Rashakai economic zone 1, a state-of-the-art economic zone along the motorway.

"They've changed their earlier stance provided to the court and now these projects are no more on their priority list," the counsel said.

On his part, the planning ministry's representative replied that the federal government would stick to its earlier stance. "We are committed to our stance, and there is no need to revise or file any fresh comments in the case," he told the court.

The government representative also said that the Chinese side preferred the Hattar industrial estate to Rashakai during the November 21 JCC meeting due to the availability of infrastructure at Hattar.

"Hatter is also on the K-P government's alternate zone while Rashakai is its priority," he told the court.

The PHC adjourned hearing of the case till December 5 and directed the federal government to file a response.

https://tribune.com.pk/story/1566857/1-phc-jogs-centres-memory-cpec-pledges-k-p/

TEVTA MAY PROVIDE SKILLED LABOURS FOR CPEC PROJECTS: SHEIKH
Business Recorder, 25 November 2017

LAHORE: Chairman Technical Education and Vocational Training Authority (Tevta) Irfan Qaiser Sheikh has said that Tevta is fully ready to fulfil needs of the skilled labour force for China Pakistan Economic Corridor (CPEC) as it has already started several related courses. Graduates of these courses are already working in CPEC related projects and other industries.

While addressing a meeting at Tevta secretariat here on Thursday, Irfan Qaiser said that nobody could deny the importance of the CPEC as that was a game changer for the whole region besides that it would put the country on the path of progress. He said CPEC would not only make Pakistan's economy strong but that strong economy would also provide employment opportunities to thousands of Pakistanis specially youth.

He further said the meeting that in order to understand the exact needs of the CPEC industry, Tevta set up a stall in the road show held in China few months ago. “Besides, it has also established strong linkage and relationships with the Chinese industries which is also going to set up in our country,” he observed.

Irfan went on saying that keeping in view the need of the CPEC industry, TEVTA has started offering latest and updated courses for the students and will continue to add more courses. These courses included Chinese Language Learning, Hospitality Management, Construction, Industry, Automobile, Driving, Security, Financial Market, Agriculture, Livestock, Communication, Electrical and Electronics, Garments, Health, Leather, Chemical, Information Technology, Mechanical, Pottery and Ceramics, Services, Textiles, Sports Goods.

He said those courses were getting marvellous response from the general public specially the Chinese Language course which was gaining much popularity, he said, adding not only youth but people from all ages were getting admission in that course.

Chairman Tevta said, “Since the works started on the projects of CPEC, major change is being observed in the education sector as the students now prefer the technical education on the conventional education”. The establishment of country’s first ever technical and vocational training university in Punjab in collaboration with Tianjin University of Technical Education (TUTE) is also part of Tevta’s earlier preparation for CPEC.

The students of this university when graduated will be hired by leading Chinese industries which will be working as per CPEC, Irfan said, adding that reason behind that hiring would be their training and education as per the international standards because those students would be taught by Chinese professors.

https://epaper.brecorder.com/2017/11/25/9-page/684140-news.html

NEWS COVERAGE PERIOD FROM NOVEMBER 13Th TO NOVEMBER 19Th 2017
AHSAN IQBAL WARNS SIT-IN ORGANISERS OF EXTREME ACTION
Khaleeq Kiani

Dawn, November 16, 2017

ISLAMABAD: Reaffirming that governments of the four provinces, three regions and the Centre are united to push forward the China-Pakistan Economic Corridor (CPEC) for development and industrialisation, Minister for Interior and Planning Ahsan Iqbal on Wednesday said that there were a few people who wanted ‘bodies’ to create chaos in the country.

He was speaking to journalists after a preparatory session with provincial and regional governments for a meeting of the CPEC Joint Cooperation Council (JCC) to be held on Nov 20-21.

Khyber Pakhtunkhwa Chief Minister Pervez Khattak, AJK Prime Minister Raja Farooq Haider Khan, Deputy Speaker of Gilgit-Baltistan Assembly Jafferulla Khan and KP Governor Iqbal Zafar Jhagra endorsed his views in their brief talk.

Mr Iqbal said it was ironic that an exceptional situation had been created three years ago when the CPEC was being launched and the precedent set by a political party by holding a prolonged sit-in was being followed by others to exploit religious sentiments, even though no political government could compromise on the finality of the Prophethood of Muhammad (peace be upon him).

Mr Iqbal said the love for the Prophet (PBUH) did not demand creating problems for patients, students and public at large by holding a sit-in on the road between Rawalpindi and Islamabad and nobody had the power to issue certificates of belief in Allah and His Prophet (PBUH).

He alleged that there were a couple of people among those participating in the sit-in who were inciting violence and carrying weapons so that there could be violence and an emergency-like situation.

Responding to a question, he said people were now demanding action against the sit-in as it was creating problems for the general public, but because of those few armed men the government did not want a repeat of the Model Town tragedy.

“Action can have a cost and hence we request the protesters not to test our patience. But this cannot go on forever,” he warned, adding that the government wanted to exhaust all options before taking an extreme step. “There has to be an end. If the current situation continues, the government will have to take an extreme step.”

Mr Iqbal said that senior officials from China and Pakistan would meet on Nov 20, followed by leadership-level huddle led from the Chinese side by the vice chairman of the National Development and Reforms Commission and represented from Pakistan by all the chief ministers and representatives of the Federation of Pakistan Chambers of Commerce and Industry.

He said the first phase of CPEC involving energy and infrastructure was in advanced stages and the project was entering the next level of industrial cooperation with involvement of all stakeholders. He said all the participants would attend the 7th JCC meeting with expressed commitment to completing the historic initiative as early as possible.

Mr Iqbal said the government had taken on board all political forces, the private sector and other stakeholders in the CPEC framework to ensure absolute inclusiveness reaching across the country, tribal region, AJK and Gilgit-Baltistan.

He said details of the Karachi Circular Railway and Main Railway Line (ML-I) were final and a few issues for their crossings would be settled before the JCC.

He said that 85 million jobs were expected to be relocated from China to other countries and the CPEC offered Pakistan an opportunity to grab maximum share out of it.

He said that establishment of nine economic zones would bring maximum employment for local youth and the ownership of industrial zones had been given to the provinces to ensure inclusive development.

CM Khattak said the CPEC was a project of entire Pakistan and it would benefit all the provinces. He said the meeting was informed that not only the western route but a number of other projects in the road network were in progress in KP.

Mr Jhagra said the sphere of economic zones was being expanded to the tribal region that would be helpful in mainstreaming of the Federally Administered Tribal Areas.

AJK PM Farooq Khan thanked the federal government for including in CPEC the 280km Mansehra-Muzaffarabad-Mirpur highway project and an economic zone which would bring economic revolution to the region.

Jaferrullah Khan said four projects proposed by the GB government, including Chitral-Chakdara road, two hydropower projects and a special economic zone, had been made part of the next phase of CPEC.

https://www.dawn.com/news/1370766

CENTRE HIDES LONG-TERM CPEC PLAN FROM PROVINCES
The Express Tribune, November 16, 2017

The federal government has once again avoided sharing the revised Long-Term Plan (LTP) of the China-Pakistan Economic Corridor (CPEC) with provinces. The plan is expected to be adopted by Islamabad and Beijing during an upcoming meeting of the highest decision-making body on the corridor-related projects.

On Wednesday, the federal government arranged a meeting of the representatives of the federal and provincial governments as well as special regions of the country ahead of the 7th Joint Cooperation Committee – the highest decision-making body on CPEC.

Planning Minister Ahsan Iqbal chaired the meeting which was attended by Khyber-Pakhtunkhwa Chief Minister Pervaiz Khattak and representatives of all four provinces and the special areas of the country.

The pre-JCC meeting discussed progress on the implementation of all issues related to the $55 billion CPEC, except the LTP – the plan that will lay the foundation of cooperation between China and Pakistan till 2030.

Pakistan had shared the draft of the LTP with China early this year. Beijing has proposed some changes in the plan that the federal authorities have not accepted yet. In case the two sides say yes to the revised plan, the agreement will be signed during the 7th JCC meeting scheduled to take place on November 21 in Islamabad.

Minister for Planning and Development Ahsan Iqbal and Vice-Chairman NDRC Wang Xiatao will chair the meeting.

"The federal government neither shared the China's feedback nor the revised LTP plan with the provinces in the pre-JCC meeting," said an official of the provincial government on the condition of anonymity.

However, the planning ministry said the draft of the original LTP had already been shared with the provinces and there was no material change in the revised draft.

The LTP will cover all areas of cooperation – including connectivity, energy, trade and industrial parks, agriculture development and poverty alleviation, tourism, people to people contacts and financial cooperation.

The 7th JCC will review the reports of the LTP Working Group, Industrial Cooperation Working Group, Gwadar Working Group, Transport Infrastructure Working Group and Energy Working Group.

"It has been decided that all the federal and provincial governments would take a unanimous position in the upcoming JCC meeting," said Iqbal after the meeting.

He added that Pakistan's priority was that all the agreed projects should be completed on the given deadlines aimed at exploiting full benefits of CPEC.

The K-P chief minister called CPEC a project of whole of Pakistan, stressing that work on projects in K-P should be accelerated. He praised the National Highway Authority for building provincial road networks.

The planning minister said the Karachi Circular Railways and Main Line-I project of Pakistan Railways were the agreed projects of CPEC. He hoped that the Sindh government and the Pakistan Railways would resolve the outstanding issues in the next two days.

"The 7th JCC will give final approval of the $2-billion Karachi Circular Railway, provided the Sindh government and the Pakistan Railways are able to resolve a dispute over the rail corridor of the mass transit scheme," said an official of the planning ministry.

In its last meeting held in Beijing in December 2016, the JCC agreed in principle to include the mass transit railway schemes of provincial headquarters in the CPEC framework, including the KCR project.

But there was a dispute over the KCR alignment that was overlapping the route of another critical CPEC project – upgrading of the railways existing main line from Karachi to Peshawar known as MLI.

According to the planning minister, where the KCR overlaps the MLI, a flyover will be built to resolve the issue.

The $8.2 billion MLI project was also facing some delays. It was planned to be completed in two phases between 2016 and 2020. The PC-I of the phase one of the project has not yet been submitted to the planning ministry for approval and hardly one week is left in the JCC meeting.

The initial estimated cost of phase one of the project is roughly $3.2 billion.

The planning minister said that the Cross-border Fiber Optic Project (Khunjerab-Rawalpindi) would change the destiny of Gilgit-Baltistan. Work on the optical fibre had begun in October 2015 and would be completed in August 2018, he added.

During the meeting, the planning ministry showed his unhappiness over delay in the completion of a water desalination plant in Gwadar. The delay was on the part of the provincial government.

Some other projects like Iron Ore Mining, Processing and Steel Mills complex at Chiniot (Punjab) and Keti Bunder Sea Port Development Project (Sindh) were also not picking up pace.

https://tribune.com.pk/story/1559683/1-centre-hides-long-term-cpec-plan-provinces/

STAKEHOLDERS CALL FOR TRANSPARENCY IN CPEC AFFAIRS
Dawn, November 17th, 2017

Faiza Ilyas

KARACHI: Most speakers at a seminar held on Thursday expressed serious concern over the way the government was handling affairs of the China-Pakistan Economic Corridor (CPEC), contending that it neither properly negotiated the CPEC projects in the country's interests, nor did it take relevant stakeholders on board before or after striking deals.

They also complained that details of the CEPC project, which apparently lacked an overall feasibility report, were being kept secret whereas the government was yet to allay fears of local businessmen and manufacturers — particularly those of small and medium-sized enterprises — facing threat due to the project.

Titled 'CPEC — Prospects, Challenges and Way Forward', the programme was held at the National Institute of Management, Karachi.

The four-hour long programme provided the audience with ample evidence that the federal government has so far completely ignored the business communities as well as locals in Gwadar in relation to the project and there is a dire need for winning their trust and getting them on the CPEC bandwagon.

This was indicated by completely divergent views presented during the seminar by those who are either involved in the project's execution, monitoring it or who have a big stake in it.

"I fully support CPEC provided we do it right. Undoubtedly, the project has the potential to change the geography of Pakistan's economy but there are important questions on the project that need to be answered," observed senior economist Dr Kaiser Bengali.

He shared a few instances when he tried to get the project's overall feasibility report from the Planning Commission but couldn't.

"I was told that it's confidential. I think such a report doesn't exist, though studies of individual projects have been carried out."

He also asked whether a cumulative environmental impact assessment report of the project had been prepared.

"What is Pakistan's share in Gwadar port revenue? What will be the impact of transit trade on Pakistan's manufacturing sector? What will be the impact of tax exemptions to CPEC-related foreign imports on Pakistan's manufacturing sector?" he asked.

The Pakistan share in Gwadar port revenue, according to him, was nine per cent, though the government hadn't announced it.

"What kind of business is this in which revenues are less than the expenditure?" he questioned.

He also raised concerns over the impact of balance of payments linked to CPEC-related foreign exchange inflows (loans) and outflows (debt repayment, profit remittance).

Highlighting concerns relating to Balochistan, he said that non-availability of water was a major issue in Gwadar and there should be a desalination plant in the district [playing a central role in CPEC].

Sharing similar concerns, Babu Gulab, the chairman of district council, Gwadar, urged the government to adopt an inclusive approach and take local stakeholders on board.

"The important thing is to give space to local people, or else we will allow the other narrative to establish itself," he said.

Describing CPEC as a ray of hope, Zahidullah Shinwari heading the Peshawar Chamber of Commerce and Industries said that the underdeveloped regions like Khyber Pakhtunkhwa and Fata could benefit a lot from the project.

"Right now, there is no strategy in front of us. We don't know how local industry (barely surviving amidst many challenges) would compete with Chinese products," he noted, adding the government should only allow import of value-added products.

He criticised the government for entering into agreements that envisaged generation of costly electricity.

"The CPEC could be a game changer but are we ready to benefit from it? We have to end the 'seth' culture if we want that our labour force is employed by Chinese investors."

Mehmood Nawaz Shah of Sindh Abadgar Board talked about the issues the agriculture sector was facing in Pakistan and said that 30 to 40 per cent of vegetable and fruit produce go wasted because the country lacked processing units.

Shamsul Islam of Karachi Chamber of Commerce and Industry expressed disappointment over government policies that had rendered local products uncompetitive in the regional and international markets.

“The domestic markets are flooded with imported goods [forcing manufacturers to explore other investment options]. People are investing their money in the real estate business,” he said, adding that Pakistan was the only country where a foreign investor didn’t need a local partner to start off business.

Senator Mushahid Hussain Sayed, chairman of the parliamentary committee on CPEC, spoke about the need to see CPEC from the regional and global perspective and said Pakistan was at the centre stage of new developments.

“China is rising as a global power. It has seen remarkable transformation over the decades and [is] now leading the world in science and innovation. Moreover, there is an emergence of greater South Asia,” he explained, adding that CPEC was a strategic partnership above government and political interests.

The parliamentary committee, he said, was acting like a bridge and all the four provincial governments as well Gilgit-Baltistan were on board.

He, however, agreed that CPEC affairs should be made transparent and the culture of secrecy was not the answer.

Syed Nasir Hussain Shah, having multiple portfolios and representing Sindh in relation to CPEC at the federal level, rejected what he described as ‘misconceptions’ surrounding CPEC and said if critics bring data, the government of Sindh would take their case forward.

Roshan Ali Shaikh, the director general, NIM, Karachi, retired Major General Zahir Shah, advisor infrastructure development and CPEC in Punjab, Planning and Development Board and Chinese Consul General Wang Yu also spoke.

https://www.dawn.com/news/1370969

PAKISTANIS TO GET EQUAL OPPORTUNITY TO INVEST IN CPEC ECONOMIC ZONES
Dawn, November 18th, 2017

ISLAMABAD: The government has decided to start construction work at Gwadar Port by March 2018, and contrary to earlier reports in the media, has agreed that Chinese and Pakistani investors will get an equal opportunity to invest in economic zones that will be established along the China-Pakistan Economic Corridor (CPEC).

The decision was taken at a cabinet meeting on the CPEC, chaired by Prime Minister Shahid Khaqan Abbasi, on Friday.

The media reports had suggested that only Chinese investors would be accommodated in the economic zones and Pakistanis will be barred from investing there. This assumption was laid to rest at the meeting, where the lawmakers were told that Pakistani investors would have an equal opportunity for investment.

A spokesperson for the prime minister said that Minister for Planning and Development Ahsan Iqbal, who is also Interior Minister, gave the participants of the meeting a detailed briefing on the CEPC.

The participants were informed that a feasibility study of the construction of Gwadar Port was complete, and the construction could begin as early as March 2018. The project will be completed in three years.

Previously, the government had claimed that the project would be complete by Dec 2018.

The participants were told that the 19km-long East Bay Expressway of Gwadar had been constructed — 14km along the shore and 5km offshore. The Southern Bay Expressway will be completed by Jan 2017 and the Northern Bay Expressway by Dec 2018.

Regarding water facilities at the Gwadar Port and free economic zone, the meeting was informed that water was being provided through various sources and means as the main reservoir of drinking water had dried up. The projected water requirement in the free economic zone would rise to 20 million gallons per day (MGD) by 2018 and up to 243MGD by 2028. The present requirement of water in Gwadar is 19MGD and it is expected to rise up to 300MGD by 2030.

The prime minister was informed hat the seventh meeting of the Joint Working Group of CPEC would be held in Islamabad on Monday.

https://www.dawn.com/news/1371287/pakistanis-to-get-equal-opportunity-to-invest-in-cpec-economic-zones

CPEC: ABCS OF COMMERCIAL INVESTMENT DISPUTE RESOLUTION
The Express Tribune, November 18th, 2017

President Xi Jinping has called China’s One Belt, One Road (OBOR) initiative the project of the century. The China-Pakistan Economic Corridor (CPEC) framework is one component of this massive initiative that involves around 60 countries and affects almost half of the world’s population. This underscores the importance of CPEC, especially because according to one view, CPEC is the flagship project that China wants to see come to fruition and then hold it up high as the shining example that symbolises another step towards the successful completion of this ambitious and far-reaching undertaking. Pakistani government officials often use the word “game changer” to describe its implications.

There are, however, skeptics also who reckon that CPEC may not be that panacea for Pakistan that it is being peddled to be and that, among other issues, it would eventually saddle Pakistan with heavy debts if the projects do not turn out to be financially viable.

From a legal standpoint though, one of the main concerns is how commercial and investment disputes will be resolved under the CPEC framework in the future. Would these disputes be decided by Pakistani or Chinese courts or would alternative methods such as mediation and arbitration be used? Or would disputes be resolved in an adhoc and arbitrary manner through the intervention of Pakistani or Chinese government officials?

This was the underlying theme of discussions at a conference jointly organised by the Lahore-based Centre for International Investment and Commercial Arbitration (CIICA) and the School of Law and Policy (SLP) in Lahore last month. In addition to Pakistani lawyers, the conference brought together lawyers from Singapore and the UK, engineers, economists, policymakers, government officials and representatives of the Chinese and Pakistani business communities. The wide-ranging discussion focused on the economic, legal, regulatory and technical aspects of the CPEC framework with a focus on dispute resolution.

There were no fundamental disagreements over the potential economic benefits of the CPEC framework but it was acknowledged that failure to resolve disputes efficiently had the potential of turning this assessment on its head. This concern partly stems from the possibility that disputes could in certain cases be resolved by government officials' intervention. As a general rule, third-party intervention without mutual consent of the parties to the dispute has a whiff of unfairness about it and is essentially a breach of the contract as the dispute-resolution method is not in line with what parties have mutually agreed to in the contract. Therefore, such interventions can undermine the parties' mutual trust as it violates the entire spirit of mutual agreement to settle disputes fully, finally and most importantly in a fair manner by methods mutually agreed to by the parties, not imposed on them by one of the parties or a third party.

Based on the limited information available on the choice of dispute-resolution methods, one mechanism being stipulated in the contracts between Chinese and Pakistani parties is ad hoc domestic arbitration in Pakistan that does not involve an institution. This comes across as odd since foreign investors are generally wary of arbitration if the seat of arbitration is located in the host country, Pakistan in this case.

This would mean that Pakistani mandatory law provisions would apply to the arbitral proceedings and Pakistani courts would have the powers and jurisdiction to decide certain procedural matters, including whether or not arbitral proceedings should be stayed and if the final arbitral award should be set aside. This is not a viable option as the Chinese party would view any intervention by Pakistani courts as unwelcome and even biased in favour of the Pakistani party.

It seems that such clauses have been stipulated without thinking through the distinct possibility of disputes arising during the course of the projects being undertaken. They could just be boilerplate clauses to which both parties did not pay much attention and not take into consideration and their implications of not specifying a more neutral and effective method for dispute resolution.

Multi-tier dispute resolution clauses that include references to both collaborative methods such as amicable resolution and mediation as well as adjudicative and binding methods such as arbitration would be more effective. Furthermore, instead of adhoc mediation and arbitration, a better option is designating a credible institution for administering mediation and arbitration proceedings. The primary advantages of institutional mediation and arbitration is that it would provide clearly established rules and procedures for the proceedings, administrative assistance from the institution and a list of qualified mediators and arbitrators to choose from.

It is indisputable that neither ad hoc mechanisms nor mechanisms that favour one party over the other can be considered fair or sustainable in the long term. Furthermore, failure to either avoid the dispute by nipping it in the bud or by effectively resolving it after it has escalated could also result in considerable delays in completion of the CPEC projects. Such delays could potentially sour the business relationship between the Chinese entities and Pakistani businesses and government bodies which would not bode well for the ongoing and future projects. A sound and effective strategy is especially important for mid-to long- terms projects such as infrastructure projects involving roads, bridges and dams, which require clearly defined mechanisms as the potential costs of delays are even more substantial.

Certainty, uniformity, fairness and efficiency of the mechanism(s) are all critical for ensuring that all CPEC projects are completed without unnecessary delays and any disagreements over the efficiency and fairness of the dispute-resolution methods. This would mitigate the risks associated with the projects and enable both Pakistan and China to leverage the CPEC framework in a mutually beneficial manner.

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https://tribune.com.pk/story/1561445/6-cpec-abcs-commercial-investment-dispute-resolution/

‘NO MERCY’ FOR CPEC ENEMIES, WARNS PAKISTAN
The Express Tribune, 18 November, 2017

ISLAMABAD: Two days after Balochistan was rocked by terrorist incidents, the Prime Minister Office on Friday reiterated its commitment to “foil the nefarious designs of enemies” and exhaust all its options in pursuing the China-Pakistan Economic Corridor (CPEC) till its completion.

“The enemies of Pakistan who are out to destabilise the country and dent our economic prospects will not be spared,” said PM spokesperson Musadik Malik while addressing a press conference at the PM Office.

“We know who wants to see us fail, who wants to sabotage CPEC – the lifeline of this region. [There will be] no mercy for such elements.”

The spokesperson’s comments came as PM Shahid Kaqan Abbasi chaired a high-level meeting on CPEC on Friday. The meeting reiterated to continue the project till its completion regardless of any grave challenges.

“The CPEC not only entails bright prospects for China and Pakistan, it will also be a game changer for the entire region. Those who are working against this project actually do not want to see stability in this entire region,” Malik said in an obvious reference to India and its intelligence agency, Research and Analysis Wing.

In the recent days, terrorism gripped Balochistan with the officers up to the rank of DIG being targeted. In a terrorist activity, SP Muhammad Ilyas, his wife, son and grandson were martyred. In Turbat, 15 people, hailing from Punjab, were brutally killed while the terrorist outfit Baloch Liberation Front (BLF) claimed responsibility for the attack.

Security forces on Friday killed Younas Tawakkali, a top commander of the BLF involved in the killings of 15 labourers in Turbat.

According to the Inter-Services Public Relations, Tawakkali was killed in an intelligence-based operation carried out by Frontier Crops in Alandur, Abdul Rehman village of Turbat.

Malik said the government was committed to ensuring protection of CPEC and a special force had been established for the security of the project.

“The enemies of development are trying to create unrest and anarchy in the country, but the government, with the assistance of law enforcement agencies, will foil the nefarious designs of such enemies,” he said.

He said the law and order situation in the country had been discussed at the National Security Committee meeting and both civil and military leaderships once again reiterated commitment for providing safety and safeguarding the country as well as its general public.

The spokesperson claimed the country was witnessing “zero loadshedding and it will able to generate surplus electricity in the future”. He added that the gas crisis would also be resolved soon.

“China will provide a grant of Rs22.25b for the construction of Gwadar airport,” he said. “Work will start in November next year and will be completed within three years.”

https://tribune.com.pk/story/1561555/1-no-mercy-cpec-enemies-warns-pakistan/

CPEC PROJECTS SET TO ENTER NEXT STAGE OF EXECUTION
The Express Tribune, 19 November 2017

The seventh Joint Cooperation Committee (JCC) of the China-Pakistan Economic Corridor (CPEC) will take decisive actions on Tuesday on about a dozen projects that will help take these schemes to the next stage of implementation.

However, no major breakthrough is expected on deepening industrial cooperation between Pakistan and China.

A summary containing actionable points on about one dozen schemes related to energy, roads, uplifting Gwadar and developing Special Economic Zones (SZEs) has been moved to the prime minister for approval, said CPEC Project Coordinator Hassan Daud Butt on Saturday.

Approval is sought for the design of $260 million New Gwadar International Airport and final endorsement of $2 billion Karachi Circular Railways project, among other projects.

The current prioritised list of energy projects comprising 15 schemes of 11,110MW is also expected to be expanded. “The seventh JCC that will meet on coming Tuesday in Islamabad will pave the way for making 2018 a year of implementation of the corridor projects,” he claimed.

The JCC is the highest decision making body of the $55 billion umbrella CPEC projects that has the mandate to review progress on ongoing schemes and take decisions on inclusion of new projects.

Minister for Planning and Development Ahsan Iqbal and China's National Development and Reforms Commission Vice-Chairman Wang Xiatao will chair the JCC meeting.

Butt said Pakistan's focus would now shift on industrial cooperation "which is necessary for the revival of industries in the country".

However, no major breakthrough is expected in the 7th JCC, thanks to slow pace of work by the provinces on prioritised Special Economic Zones.

https://tribune.com.pk/story/1562529/1-cpec-projects-set-enter-next-stage-execution/

NEWS COVERAGE PERIOD FROM NOVEMBER 6 Th TO NOVEMBER 12 Th 2017
GLOBAL DYNAMICS OF CPEC
Business Recorder, November 11, 2017

Farhat Ali

Of all the countries, India has the singular distinction of voicing concerns about the China Pakistan Economic Corridor and has been vocal since CPEC's very inception. The reason cited by India is that CPEC passes through disputed territory, Gilgit-Baltistan (GB).

China and Pakistan have rejected this assumption of India while the rest of the countries as well as the United Nations have ignored this plea of India as superfluous.

Lately, the US raised some objections on CPEC on the assumption that some part of the project runs through the internationally disputed territory of Kashmir.

The fact remains that no part of CPEC runs through Indian-occupied Kashmir or Pakistan-administered Kashmir. How far is the US concerned about it is questionable. Realistically, it is more of a diplomatic move as the US had never raised any objections since CPEC's inception. The US truly recognizes that prosperity in the region will wipe out terrorism. The US has itself been providing funds to Pakistan for the purpose.

This distortion, bracketing GB with Kashmir, is unacceptable because Kashmir is internationally recognized as disputed territory and the UN itself recognizes it as a dispute to be resolved by allowing the population to exercise their right of self-determination through a plebiscite – which has been denied to-date. GB has none of these strings attached to it.

It sounds out of place that while the global community and the UN have failed to provide relief to the miseries and suffering of the people of Kashmir for seven decades, there are some voices against the people of GB the right to prosperity, better education, healthcare and well-being. This attitude is against humanity. Those who want to block the well-being of the people are incapable of finding solution to a recognized dispute. These voices would do well if, instead, they concentrated on resolving the dispute and help bring these unfortunate people into the mainstream of social integration, rather than attempting to block them.

The CPEC has come to stay and has progressed too far to be derailed. The stakes of China and Pakistan are high and too much has been invested in time and money.

It is understandable that CPEC, going from one end of Pakistan to another, much of it in the proximity of India's long border with Pakistan, is unnerving India. This is perceived by India as a blockade to their land entry into Afghanistan and Iran. Further, Gwadar port's existence on the Persian Gulf, with a clear view of the Indian Ocean, limits the supremacy of India in that area of growing importance.

The CPEC is of strategic importance to China and Pakistan, and above that it is of economic value to Pakistan in particular and South-East Asia in general. The CPEC comes under China's One Belt One Road vision for the prosperity, connectivity and globalization of trade, culture and social integration of the people of the world.

At the One Belt One Road mega opening in May 2017 in Beijing, participated by global political and business leaders from all corners of the world, President Xi of China invited all countries to be part of this mission. Numerous countries from west to east and south to north have pledged their support to the vision and be part of this global initiative of integration and globalization of trade and businesses.

For Pakistan, on the economic front, the CPEC means better connectivity through road networks and better accessibility to markets and people who so far are denied economic and social progress, healthcare, education and civic amenities and facilities. For Pakistan, it means enhancement of its power generation and transmission capacity, oil and gas production, the capacity to meet its growing energy needs through new power plants. It means enhancement of its water storage resources and capacity through construction of dams and water reservoirs to support the agricultural growth of Pakistan.

Over 20 Special Economic Zones being established under CPEC, and they are meant to spur the growth of industry to provide employment and skills to the people. The upgrading of rail and rapid urban transportation are meant to provide decent and time effective mobility to the people.

The CPEC is largely perceived to be China-centric and Pakistan-centric. It is true to the extent that a large part of development is under this regime for the reason that the Eximp Bank of China has pledged over $45 billion under project financing to kick-start the economic activities in Pakistan.

But all the infrastructure being developed in Pakistan under the CPEC is paid for by the government of Pakistan and is the asset of Pakistan and is available to all local and foreign investors to benefit from.

The CPEC is a catalyst for all investors. After an initial limbo and apprehensions, many of the foreign investors have recognized its potential and are once again looking at Pakistan with interest as a market.

The CPEC is an opportunity for Pakistan and the countries in its proximity and all must look at it with an open mind and welcome it with a warm heart.

(The writer is former President of Overseas Investors Chamber of Commerce and Industry) https://epaper.brecorder.com/2017/11/11/18-page/681547-news.html

THREE ECONOMIC ZONES SET TO TAKE OFF UNDER CPEC
The Express Tribune, November 11th, 2017.

ISLAMABAD: Three prioritised Special Economic Zones of the China-Pakistan Economic Corridor (CPEC) are set to take off, as Beijing has agreed to cooperate in the development of Faisalabad, Hattar and Dhabeji industrial areas.

China conveyed its willingness to promote these zones during the second meeting of the Joint Working Group (JWG) on Industrial Cooperation, announced the Board of Investment on Friday. The meeting was co-chaired by Li Xuedong, Deputy Director General of Department of International Cooperation, NDRC and Azher Ali Choudhry, the BOI secretary.

The joint working group met ahead of the planned 7th meeting of the Joint Cooperation Committee – the highest decision making body of the CPEC. The working group discussed in details the deliverables that will now be presented to the JCC for its formal approval.

Chinese side, on the basis of their own assessment, agreed to initially cooperate in the development and promotion of three prioritized SEZs; M3 Industrial City in Faisalabad, Punjab, Chinese SEZ Dhabeji, Sindh and Hattar SEZ in KP province, said the BOI.

Both sides agreed to promote SEZs by using the available mechanism of parent and sister cities cooperation arrangements, it added.

The three SEZs were among nine zones that had been approved in principle by the 6th JCC held in December last year in Beijing. However, the progress on other six sites was not satisfactory and in some cases the provincial governments have not yet submitted the feasibility studies, according to BOI officials.

Development of the SEZs is the most critical part of the Long Term Plan (LTP) of CPEC that promises industrialisation of Pakistan, creation of new jobs and sustainable bilateral cooperation.

The BOI said that the Chinese side showed satisfaction over the SEZ Law and favorable incentives for investors. A number of Chinese investors have shown great interest in investing in M3 Industrial City in Faisalabad, Chinese SEZ Dhabeji, Sindh and Hattar SEZ in KP province, said the BOI.

It was suggested that based on the willingness of the companies, Pakistan side should develop mechanisms to encourage investment in the three SEZs. Chinese side will cooperate, facilitate and encourage Chinese companies for establishing iconic projects to strengthen the Pak-China bilateral relations.

The issue of the ownership structure and the financing models of these SEZs will be discussed during Senior Officials meeting that will be held a day before the JCC meeting.

The land issue has been a key challenge in the further development of existing foreign-funded enterprises in Pakistan, according to a study of China Development Bank that has been carried out to develop the long term plan of the CPEC.

The study noted that as land is a private property in Pakistan, it is relatively difficult for enterprises to expropriate land independently. As the enterprises in the industrial parks promote the development of surrounding cities, the purchasing and leasing price of land also goes up correspondingly, which has restricted the development scale of enterprises in the production parks.

The China Development Bank suggested that Pakistan should adopt the government-led mode of development. This means that the government makes an investment in building the industrial parks and attempts to integrate all governmental functions, i.e. planning, land, taxation and public utilities in some industry cluster areas, and establishes unified but relatively independent government regulatory agencies.

The Chinese study further proposed that the guiding mode of major enterprises is recommended for the development of relevant industries in the Kashgar Economic Development Zone. To be specific, the industrial land is independently provided to enterprises with powerful comprehensive strength. On the premise that such enterprises settle down in the industrial parks and hold a leading position, the government can introduce other similar enterprises to form clusters and realize the creation and improvement in the whole industry chain by means of land transfer and rent/sale of projects.

https://tribune.com.pk/story/1555254/2-faisalabad-hattar-dhabeji-three-economic-zones-set-take-off-cpec/

NEWS COVERAGE PERIOD FROM OCTOBER 30TH TO NOVEMBER 5 Th 2017

LOCAL BUSINESSES LOSE BIG UNDER CPEC
Dawn, The Business and Finance Weekly, October 30th, 2017

Nasir Jamal

For 30 years, Kamal Amjad Mian's family resisted the temptation to invest heavily in their electricity cable manufacturing business to avoid creating surplus capacity. Instead, they chose to make regular but smaller investments to keep up with growing market demand.

But then Nawaz Sharif returned to power in 2013 with a promise to tackle the nationwide blackouts through massive investments in new power generation and by upgrading the country's rundown transmission network. On top of that, China also agreed to pour in billions in Pakistan's power infrastructure under the multibillion-dollar China Pakistan Economic Corridor (CPEC) initiative.

Both developments offered electricity cable manufacturers an unprecedented opportunity to grow big fast. It was at that time Mr Amjad's family decided to set up their second plant in Sundar near Lahore. They thought that the new state-of-the-art plant would help their company win business as new power projects under the CPEC initiative got under way.

But the dream of growing bigger remains unrealised as Mr Amjad's Fast Cables, like other manufacturers, has yet to reap any benefit from the CPEC-related power projects. The Chinese firms working on power projects prefer to import equipment from China rather than source from Pakistan.

“We could utilise only 40 per cent of our capacity last financial year because of lack of demand,” Mr Amjad said. “The government has also given the Chinese a big advantage instead of giving us a level playing field.

“On the one hand, it has given them relaxation on their imports, but on the other, it has raised the cost of our raw materials by increasing taxes and placing regulatory duty on raw materials used by local producers. The total federal and provincial tax burden on our products has increased to 45pc in the last three years.”

The government says the Chinese investors were allowed tax relief on their imports for power projects in order to ensure their timely completion. “Moreover, our local industry does not have enough capacity to meet the needs of these projects,” a Pepco official argued.

But a senior executive of another cable manufacturing company rejected this claim as frivolous. “If they had any doubt about local suppliers’ ability to meet demand the government could have talked to us. The manufacturers could also invest and increase their capacity if they had enough orders.

“In the worst-case scenario, the government could allow Chinese investors to meet the shortfall with imports. But keeping us out of the competition is not going to help the local industry and jobs,” he contended, requesting anonymity because of restrictions from his employer.

Mr Amjad, whose company became the first Pakistani cable manufacturing facility to have obtained KEMA gold certification from Holland earlier this year for mid- to low-voltage electricity cables because of their international quality, says his company could create another 300 jobs at its second plant if 100pc capacity was used.

“Because of the underutilisation of capacity, our payback period on new investment has increased to seven years from four and a half years earlier. Who would want to invest in these conditions?” he asked. “If the government cannot withdraw tax exemptions for Chinese companies, it should refund us all taxes it charges from us to give us an even playing field.”

Recently, there’s talk of some Chinese investors venturing into electricity cable manufacturing in Pakistan. “That’ll be a good development. But the government should ensure that local investors also receive the same treatment as the Chinese companies. And it should also ensure that they employ local labour and don’t import labour as well.

“We certainly require foreign private investment in the industry. But it is the job of the government that foreign investors don’t get any advantage over local investors or new jobs don’t go to (Chinese) workers. It is time we realised that exemptions to foreign investors and contractors are hurting domestic industry and jobs. At present there is no incentive for local businesses to expand or set up new projects,” insisted Mr Amjad.

However, not everyone is unhappy. The steel factories are in an expanding mode because they are getting orders for CPEC projects. Construction chemical manufacturers are also glad because the Chinese are using their materials instead of importing them.

"Our chemicals are widely being used for CPEC power and other projects. A major reason is that we are cheaper than imported Chinese chemicals and we also have a network of backup services," said Ahmed Naveed Chaudhry, chief executive of Sika Pakistan.

But he acknowledged that not every industry is reaping the benefits of the investments around the China-Pakistan trade route initiative. "I think the government should put in place a framework to ensure 100pc utilisation of local industry. If we want to benefit from the corridor initiative we have to give our companies their share in the projects."

https://www.dawn.com/news/1367136

CPEC TO HELP PAKISTAN COMBAT POVERTY, SAYS CHINESE OFFICIAL
Business Recorder, 31 October, 2017

ISLAMABAD: The China-Pakistan Economic Corridor (CPEC) will prove a vital element in Pakistan's efforts towards combating poverty as the projects such as power generation and construction of roads and highways will create significant new economic opportunities for the people of Pakistan.

Speaking at an event organized by Sustainable Development Policy Institute (SDPI) here on Monday, Lijian Zhao, Deputy Chief of Mission, People's Republic of China in Pakistan, said that China's successful poverty alleviation efforts over the past few years could be attributed to a number of factors that were offered at community level aiming to improve their live through new income generation activities.

He said that no single remedy is available for the poverty alleviation and keeping this in view, the Chinese government helped communities through multiple approaches involving measures like offering subsidies, financing income generating activities at local level and providing enabling policy environment and support for area specific economic activities.

Lijian Zhao, while quoting various examples of the Chinese government's success in poverty reduction, informed that China is all set to become a poverty-free country by the year 2020. He said that a financing arrangement for projects at local level by federal, provincial and county governments has been introduced so that the broader ownership for such developmental activities could be achieved.

Besides, he said, the banks in Chine are ensuring micro-financing projects at local level that range from industrial to farming related activities. Besides, educational subsidies were offered to students so that they could avail educational facilities and hence improve their ability to have access for better economic opportunities.

He said that CPEC is providing huge cushion for Pakistan's efforts on combating poverty as the projects like power generation and the constructions of roads and highways are offering huge new economic opportunities to the people of Pakistan. He said that although China and Pakistan are having different political systems and environments and hence, the poverty reduction solutions that China had applied cannot be exactly replicated in Pakistan, yet there are various areas where lessons could be learned and adapted according to local needs.

Executive Director SDPI Abid Qayyum Suleri lauded the Chinese success in poverty reduction, especially by cultivating huge success under MDGs on poverty reduction. He said that China has achieved the goals through targeted interventions and is creating strong ownership of the people with the developmental process.

He added further that Pakistan could apply at least multi-tiers coordination at different levels of governance and provinces with the help of the federal government and can take the financing for local projects at district level.

Shakeel Ahmad Ramay of SDPI earlier informed the audience about the Chinese government's commitment with regard to poverty reduction and said, "We need to explore the areas where these lessons could be beneficial for poverty reduction in Pakistan as well."

https://epaper.brecorder.com/2017/10/31/32-page/679528-news.html

CPEC LONG TERM PLAN
Dawn, November 2nd, 2017

Khurram Husain

Planning minister Mr Ahsan Iqbal has finally confirmed that the CPEC Long Term Plan (LTP) is about to be finalised on Nov 21 at the seventh Joint Cooperation Committee to be held in Islamabad. Some might recall that details from the LTP in question were published by Dawn in a long detailed report in May, and the same minister had reacted sharply at the time, saying that the details are "factually incorrect" and the real plan will be made public once it has been finalised.

It looks like that moment is at last arriving, if the minister lives up to his promise of releasing the full document. If they do what they did earlier in the year, and produce a shortened, sanitised and general summary of the main LTP, and release that claiming that it is the original document, we will know that an effort is being made to conceal the real details of CPEC from the public.

To recap the conversations that took place around the time when the Dawn story revealed the details of the plan, there were four main areas of focus identified by the Chinese side and a few from the Pakistanis. The Chinese appeared primarily interested in agriculture, industrial zones and tourism, along with a digital strategy to expand fibre optic connectivity and build a submarine cable landing station in Gwadar to carry some of their digital traffic from the western provinces out via Pakistan rather than routing it through servers in Europe.

In addition, there was a detailed financial strategy, which called upon the government of Pakistan to expand the role of the yuan in its economy, turn more to raising debt from the markets in Hong Kong, and dedicate increasing resources from its own budget, as well as provincial and local bodies' budgets, towards CPEC-related priorities.

Since then, we have seen something odd happening. Many of the priorities identified in the LTP have indeed been pursued since, but without any of the fanfare associated with the inauguration of roads and power plants. For example, the national food security policy announced in July contained an entire section dedicated to the creation of CPEC-related agriculture development zones as one solution to the country's future food security issues. Many of the details in that policy document sound almost identical to the priorities highlighted by the Chinese in their LTP document, produced by the China Development Bank under the auspices of the National Development Reform Commission.

In other examples, a recent news item highlighted the fact that a Chinese company has entered into an MoU with the city of Karachi to build an elevated road, almost four kilometres long, from Clifton Beach to Hawkesbay. A closer read of the actual MoU shows that the road is in fact being built to carry traffic to a Chinese resort to be built in Hawkesbay beach, possibly one of the first of the many tourist resorts to be built along the coastal strip from Badin to Gwadar identified in the Dawn report.

There are innumerable examples now. Land acquisition is under way in various areas around KP to build housing for Chinese personnel who will reside in the province in the years when CPEC-related investment begins pouring into the country.

The basic point here is simple: we have all been led to believe that CPEC is about connectivity, roads and power plants. In reality, it is about much more than that. It is about preparing the country to receive massive amounts of Chinese investments, personnel and culture. None of this implies that CPEC is a bad thing, as some people are ready to conclude without reflection. It is only to imply that the real details of what is being negotiated under the CPEC umbrella need to be publicly known, and efforts to hide these details from the public in a democratic country like Pakistan, where transparency and debate around issues of national importance are the norm, are bound to fuel adverse commentary and conspiracy theorising.

When the minister issued his sharp response to the Dawn story about the LTP, he was given a clear stage upon which to air his grievances with the story. When has asked for more time to be allowed to make the details of the LTP, he was given the time he said he required. But now that he has confirmed that the LTP is about to be finalised, it must be insisted that the time to deliver on his commitment has also arrived.

It is worth bearing in mind a couple of tricks that the government could resort to in order to try and wiggle out of this commitment without appearing to do so. Early in the year, when it needed provincial government assent for the plan, it generated a shorter, edited draft of the original LTP and circulated that to the provincial governments. Later, the government tried to argue that the edited version is the real one, and the longer, detailed draft was only a “working document”. A few people fell for this gimmick, thinking that somehow there are multiple drafts of the plan in play. In reality there was only one, and the shorter one was only a summary meant for public consumption with all vital details removed. Such gimmickry must not be resorted to this time.

The LTP is one of the most important documents in the arena these days, far more than the LNG contract that members of the opposition parties are clamouring for access to. It is bewildering to see the same members of the opposition parties holding their silence regarding the disclosure of the LTP. How has the silence of the opposition parties been obtained? Have they seen the LTP to be satisfied that no further discussion is required? The demands for CPEC transparency are more consequential for Pakistan’s long-term prospects, especially for its economy, and silence does not serve that interest well.

https://www.dawn.com/news/1367767/cpec-long-term-plan

NLC PLANS DRIVERS' REST AREAS ALONG CPEC ROUTE
Dawn, November 3rd, 2017

ISLAMABAD: As most of the traffic accidents, on long routes, are attributed to the fatigue, the National Logistics Cell (NLC) has planned to establish rest areas of international standard astride national highways and China Pakistan Economic Corridor (CPEC).

According to a statement, issued on Thursday, in view of anticipated rise in volume of heavy vehicular traffic in the wake of the CPEC, NLC has planned to establish rest areas of international standards with integrated facilities for commuters, in general, and, truckers, in particular.

The initiative has been undertaken by NLC in line with recommendations of National Trucking Policy which provides for setting up multipurpose parking and resting facilities for drivers at major locations astride National Highways.

The project has been named as NLC Drivers Emergency and Rest Areas (DERA). Under phase one of the DERA project, eight rest areas will be set up at various locations on N-5 from Gujranwala to Karachi which will be subsequently increased and extended to other highways including CPEC routes.

NLC along with reputed oil marketing companies, food chains and other service providers will develop best possible facilities for local and international commuters.

The facilities include fuel stations, eateries, warehouses, mart, workshops, ambulance and first aid facility, round the clock repair and recovery of both light and heavy vehicles, mosque, vehicle wash/service area, hotel/guest rooms, telephone and internet, video surveillance etc.

The concept of DERA is a major step towards ensuring high standard of safety by attending to the drivers' fatigue caused by long haul journey, help regulate traffic's density in major cities and reduce accidents caused by disorganised parking on main Highways.

It is worth mentioning that haphazard trucks queuing at workshops and hotels is a common sight on major highways that not only hampers flow of general traffic but also poses hazard to other commuters.

Likewise, in the event of a breakdown, there is no proper system of timely repair and recovery. DERA will serve as one stop shop for small and large fleet operators alike.

Under the proposed plan, the rest areas will be established at Gakhar, Lahore, Sahiwal, Pirowal, Khan Bela, Chowk Mari, Bhirya and Karachi Northern Bypass. The number of stations will be gradually increased with operationalisation of CPEC.

https://www.dawn.com/news/1367950

REGARDLESS OF RULING PARTY: CHINA VOWS TO COMPLETE MULTI-BILLION DOLLAR CPEC
The Express Tribune, 3 November 2017

BEIJING: China wants Pakistan to seize the opportunity provided by CPEC and will complete the project irrespective of which party runs the government in Islamabad, a Chinese foreign ministry official said on Thursday.

"The China-Pakistan Economic Corridor (CPEC) is a showcase project of China's One Belt One Road (OBOR) initiative and very critical for economic development of Pakistan. Being a sincere friend of Pakistan, China wants Pakistan to seize this opportunity," Chinese Foreign Ministry's Deputy Division Director on Asian Affairs Liu Pengfei said during a briefing held here for a Pakistani media delegation.

He underscored that China was closely monitoring all developments in and outside Pakistan and knew that some elements were raising voice against its flagship project, CPEC. It was a natural process and China was not afraid of any such development, but was determined to complete this project because it was beneficial for both Pakistan and China, besides other partnering countries, he said.

The diplomat said Pakistan and China had very friendly relations so it did not matter which political party formed the government in Pakistan. China would complete CPEC, which was the first project of its long-term strategic initiative OBOR, he said.

He highlighted that 19 projects (out of total 50) of $18 billion had already been initiated. Though China was satisfied with the pace of the CPEC projects, it wanted to expedite the development to ensure early benefits, he said.

However, he said the infrastructure in Pakistan was not adequate to support the CPEC projects. Once the infrastructure situation in Pakistan would improve, China would extend more cooperation and initiate other projects under CPEC.

Liu praised speedy construction of the Sahiwal Coal Power Plant and said the pace of the project had even surpassed China. He disclosed that China was planning to begin construction of the Gwadar International Airport and Expressway this year as all hiccups had been removed and paperwork completed for the purpose.

He underlined that CPEC was a shared endeavour of Pakistani and Chinese governments. It was the result of joint efforts of the leaderships of both countries that this mega project was being executed at such a fast pace, he said. He said Punjab would benefit the most from this project, besides other provinces of Pakistan.

Replying to a question, he said China had a clear stance that Kashmir was a complex issue which could only be resolved through dialogue. However, China would stand by Pakistan in all circumstances, he stressed. Speaking on the occasion, the Pakistani media delegation's leader said people-to -people interaction would strengthen cultural ties between the two countries.

https://tribune.com.pk/story/1548392/1-regardless-ruling-party-china-vows-complete-multi-billion-dollar-cpec/

'CPEC PROMISES PROSPERITY, PEACE FOR GB PEOPLE'
Dawn, November 4th, 2017

GILGIT: Speakers at a conference on Friday called for creating awareness among the people of Gilgit-Baltistan about the opportunities promised by the multibillion dollar China-Pakistan Economic Corridor (CPEC) project for them.

They, however, expressed fear that smoke from traffic of CPEC passing through GB would destroy the natural environment of the region, and demanded redressal of the environmental degradation issues before operationalisation of the project.

The conference titled 'China-Pakistan Economic Corridor – Prospects and Opportunities for Gilgit-Baltistan, was held at the Karakoram International University's (KIU) main campus in Gilgit.

It was organised by the Centre for Research on CPEC at the KIU, the Centre of Excellence on CPEC Islamabad, Pakistan Customs and Higher Education Commission.

Speaking on the occasion, Hasan Dawood, Project Director CPEC Cell, said nine economic zones were being established under CPEC in the country, adding Maqpoondas had been identified for establishing a CPEC economic zone in GB.

"At Maqpoondas fruit processing, minerals cutting and polishing centres, iron and steel industries would be established, he said.

Mr Dawood said KKH expansion, building of Gilgit-Chitral road, establishment of Phandar hydropower project in Ghizer, KIU hydropower project in Gilgit, Diamer-Bhasha Dam and China-Pakistan optical fiber project were being executed under the CPEC.

Executive Director CPEC Dr Shahid Rasheed said the purpose of the conference was to create awareness about the project among the participants and discuss the prospects, opportunities and way forward for GB.

He said the One Belt One Road project had been divided into six corridors and the CPEC was one of the pilot corridors.

GB minister for education Ibrahim Sanai said CPEC also connected civilisations and created harmony in the world. He said India was hatching conspiracies to foil the project.

Sadia Niazi, an expert, said CPEC constructions posed threat for ecological degradation in the region, and called for steps to avoid the phenomenon.

GB customs collector Ali Raza said time limit for clearing containers at Sust dry port should be decreased. He also demanded to keep the Khunjerab border open throughout the year.

Rani Atiqa Ghazanfar, member of Gilgit-Baltistan Legislative Assembly, said confusion and ambiguity prevailed among GB people, based on a narrative created by pessimists who were unable to see direct and indirect benefits of CPEC.

"We hope GB people would get fair share in the mega project," she said, adding she believed tourism industry alone had the potential to revive the local economy.

Ms Ghazanfar said in the prevailing situation they were expecting influx of foreign tourists, including the Chinese in the years to come due to the CPEC and asked the locals to brace for the challenge.

https://www.dawn.com/news/1368327/cpec-promises-prosperity-peace-for-gb-people

December 2017

NEWS COVERAGE PERIOD FROM DECEMBER 25th TO DECEMBER 31st 2017

CPEC ENTERS MOST CRUCIAL PHASE

Dawn, The Business and Finance Weekly, December 25th, 2017

THE China-Pakistan Economic Corridor (CPEC) is apparently entering a new phase, touching more critical and sensitive areas of trade, industrialisation and financial settlement systems than did the first phase, which focused on developing power projects and road infrastructure.

The broad power policy was already in place when the two countries agreed to expand around 10,000 megawatts of generation capacity to remove energy bottlenecks.

The Chinese made abundant funds available for investments and Pakistan offered generous tax concessions and exemptions along with guaranteed revenue stream for repayments.

While the quantum of investments in the power sector and loans for road projects currently under implementation is put at $27 billion by the Planning Commission and $23bn by the Ministry of Finance for varying reasons, rough estimates suggest that these would add to foreign repayment obligations by $3bn to 3.5bn per annum over the next few years.

Going forward, the two governments have now formally shaped up the Long Term Plan (LTP) 2017-30, which sets the general direction for the next 13 years of engagement.

The private sector would be playing a greater role in bilateral trade and industrialisation, hence the need for financial mechanisms and arrangements including the treatment of the yuan — or renminbi (RMB) — as an alternative to the US dollar.

This could be the most important phase of the CPEC that would determine its sustainability and depend on the actual planning, clarity and transparency of the arrangements to avoid mid-course challenges.

Pakistan has to draw wisdom from the experience of its free trade agreement with China, and preparedness of the private sector and the human resources to benefit from the special economic zones (SEZs).

That is where the two governments have set up the joint expert group, in addition to existing sectoral joint working groups, to meet on a monthly basis and process feasibility studies and address issues that may crop up.

The main task for the expert group is to complete the planning phase of these SEZs and make sure it enters the implementation phase during 2018 that would, in the meanwhile, expected to complete the political transition in Pakistan. Therefore, the upcoming year would generally be a dull year for actual progress on ground.

The Board of Investment and the Planning Commission are engaging with prominent chambers of commerce and industry in Khyber Pakhtunkhwa, Punjab, Islamabad, Sindh, Gilgit-Baltistan (GB), Azad Jammu and Kashmir (AJK), and the Federation of Pakistan Chambers of Commerce and Industry, among others, for briefings about upcoming SEZs.

The repeated questions coming from the business community in these sessions pertained to concerns that the incentive package would be restricted to Chinese investors.

The government has tried to dispel such impressions. Local businessmen have also been told that all the nine SEZs — identified so far in all the four provinces and special areas including AJK, GB and Federally Administered Tribal Areas — would be initially developed by provincial governments for building infrastructure in various forms of public-private partnerships.

This would be followed by setting up industrial units for which the federal government would offer equal incentives to all. Provincial governments would also be free to give additional tax incentives to attract local and foreign investors.

The LTP generally covers seven broad areas of cooperation in three phases, first ending by 2020, second by 2025 and third in 2030.

The areas of cooperation include energy and connectivity (already in the completion phase except for railway lines), trade and industrial parks, financial cooperation (the next stage), agricultural development and poverty alleviation, tourism, peoples livelihood and exchange programmes.

The long-term plan would remain a moving document providing macroeconomic guidance for implementing the CPEC in the next phase. “The plan would be adjusted based on real situation as well as the consensus between the parties during the course of implementation… New routes, nodes and aspects may be considered for inclusion in future by mutual agreement,” reads the document.

The plan promises to explore the establishment of multi-level cooperation mechanisms and strengthen policy coordination, including their own financial reform and opening up besides innovating financial products and financial services to control financial risks.

This also includes the understanding to establish and improve a cross-border credit system and financial services, strengthen currency-swap arrangements and establish a bilateral payment and settlement system.

Pakistan and China have also agreed to set up a bilateral foreign exchange reserve pool, increase cooperation between central banks and financial regulatory agencies, and establish a settlement platform for yuan-based cross-border trade.

The countries would also consider expanding the amount of currency swap and assign the foreign currency to domestic banks through credit-based bids to support the financing for projects along the

CPEC and promote the settlement in domestic currencies (yuan and rupees) to reduce the demand for a third-party currency.

The two countries would also promote the free flow of capital in an orderly manner, and enhance the facilitation in cross-border transfer of legitimate funds and open up their financial sector to each other.

They agreed to encourage financial institutions of the two countries to support the financing, including the loans from international consortium of banks, for the projects along the CPEC and establish and improve a cross-border credit system.

https://www.dawn.com/news/1378743

SINDH POLICE AWAIT FUNDS FROM FEDERAL GOVT FOR PROTECTION OF CHINESE NATIONALS
Dawn, December 27th, 2017

Imran Ayub

KARACHI: As China warns its citizens in Pakistan to be on the alert after receiving intelligence reports of possible attacks on their lives, the Sindh police are still waiting to receive promised funds from the federal government to complete its security plan for the nationals of the neighbouring country who are working on China-Pakistan Economic Corridor (CPEC) projects in the province, sources and officials said on Tuesday.

An official confirmed that the Sindh police had set up a unit for the Chinese nationals but its plan to establish two more units had not been initiated yet.

Among several other reasons, he cited, non-release of funds by the federal government.

“The Sindh police have set up a security unit with 1,358 personnel who are mostly retired army men to provide security to the Chinese nationals.

“They have also planned to establish two more units, one comprising 1,300 men and the other 1,000.

“But availability of funds is the key factor behind their establishment. Currently, the Sindh police are maintaining expenses of the only unit through its regular budget. It cannot last for long if proper funds are not given to the province,” he said.

According to the modalities of the CPEC, the official said, one per cent of the total cost of any project had to be earmarked for security.

With billions of rupee projects being launched in the province, the Sindh government has not received one per cent of each project for security from Islamabad.

“The Planning Commission is looking after this subject. The Sindh police have approached the provincial government with the request which the latter will take up with the authorities in Islamabad.

“It’s a special task or you may say special policing with particular objective and target. One cannot afford any casual and callous approach on the subject,” he added.

The fresh claims came days after China warned its citizens in Pakistan to be on the alert after receiving intelligence reports of possible attacks on their lives.

The Chinese Embassy in Islamabad earlier this month said on its website that it had information about a “series of terror attacks” planned against Chinese organisations and personnel, without giving details.

It urged its citizens to stay inside and avoid crowded places.

“Special police units for security of Chinese nationals, associated with the CPEC, are part of the plan which is being followed by all the four provinces,” said another official.

“In Sindh, the unit which was set up has been deployed for the security of Chinese nationals in Karachi alone.

“The Sindh police have planned more units for Hyderabad and Sukkur with the same objective. The new units will be led by SP-rank officers,” he added.

Called as Special Protection Units, he said, these units would be operating under the Sindh police’s Rapid Response Force.

The special units were organised in line with the government of Pakistan’s promise to China that it would make special security arrangements for the CPEC and the Chinese nationals in the country, he concluded.

https://www.dawn.com/news/1379006

CPEC COULD BE EXTENDED TO AFGHANISTAN
Business Recorder, December, 27th, 2017

China and Pakistan will look at extending their $57 billion China-Pakistan Economic Corridor to Afghanistan, Chinese Foreign Minister Wang Yi said on Tuesday, part of China’s ambitious Belt and Road plan linking China with Asia, Europe and beyond. China has tried to position itself as a helpful party to promote talks between Pakistan and Afghanistan, both uneasy neighbours ever since Pakistan’s independence in 1947.

Their ties have been poisoned in recent years by Afghan accusations that Pakistan is supporting Taliban insurgents fighting the US-backed Kabul in order to limit the influence of its old rival, India, in Afghanistan. Pakistan denies that and says it wants to see a peaceful, stable Afghanistan.

Speaking after the first trilateral meeting between the foreign ministers of China, Pakistan and Afghanistan, Wang said China hoped the economic corridor could benefit the whole region and act as an impetus for development. Afghanistan has urgent need to develop and improve people’s lives and hopes it can join inter-connectivity initiatives, Wang told reporters, as he announced that Pakistan and Afghanistan had agreed to mend their strained relations.

“So China and Pakistan are willing to look at with Afghanistan, on the basis of win-win, mutually beneficial principles, using an appropriate means to extend the China-Pakistan Economic Corridor to Afghanistan,” he added. How that could happen needs the three countries to reach a gradual consensus, tackling easier, smaller projects first, Wang said, without giving details.

Pakistani Foreign Minister Khawaja Asif said his country and China were “iron brothers”, but did not directly mention the prospect of Afghanistan joining the corridor. “The successful implementation of CPEC (China-Pakistan Economic Corridor) projects will serve as a model for enhancing connectivity and cooperation through similar projects with neighbouring countries, including Afghanistan, Iran and with central and west Asia,” he said.

China has sought to bring Kabul and Islamabad together partly due to Chinese fears about the spread of Islamist militancy from Pakistan and Afghanistan to the unrest-prone far western Chinese region of Xinjiang. As such, China has pushed for Pakistan and Afghanistan to improve their own ties so they can better tackle the violence in their respective countries, and has also tried to broker peace talks with Afghan Taliban militants, to limited effect.

A tentative talks process collapsed in 2015. Wang said China fully supported peace talks between the Afghan government and Taliban and would continue to provide “necessary facilitation”. The Belt and Road infrastructure drive aims to build a modern-day “Silk Road” connecting China to economies in Southeast and Central Asia by land and the Middle East and Europe by sea.

https://fp.brecorder.com/2017/12/20171227330441/

INDIAN DESIGN TO HAMPER CPEC PROJECT TO BE FOILED, ASSERTS AHSAN IQBAL
Dawn, December 29, 2017

Saleem Shahid

QUETTA: Interior Minister Ahsan Iqbal has said that conspiracies being hatched by India against the China-Pakistan Economic Corridor (CPEC) will be foiled with the support of the people of Pakistan.

Talking to journalists after inaugurating an executive passport office here on Thursday, he said that India was using the soil of Afghanistan for such conspiracies, but expressed the hope that the CPEC project would be made successful.

He said that Pakistan allowed the mother and wife of Indian spy Kulbhushan Jadhav to meet him purely on humanitarian grounds, but the same day the Indian army violated the ceasefire agreement and opened unprovoked fire from across the Line of Control, resulting in the martyrdom of three Pakistani soldiers.

The minister said that under the one-window operation at the executive passport office, 160 passports would be issued daily. Male and female applicants would be entertained separately, he added.

He said that earlier the people had faced difficulties in acquiring passports and CNICs, but now they would get the same facilities being enjoyed in developed countries.

"The PML-N government would fulfil all promises it made with the people," the minister said.

Mr Iqbal said that the federal government was making all-out efforts to take Balochistan forward in the process of development so as to bring it on a par with other provinces of the country.

He said that the federal government had already started construction of roads to connect far-flung areas of Balochistan with main highways to provide batter travelling facilities to the people.

He said that the enemies of Pakistan were using different tactics and propaganda to fail it economically.

Mr Iqbal said that it was the PML-N government which ended loadshedding and energy shortfall in the country. He said that the PML-N would never go for a National Reconciliation Ordinance (NRO).

He said that the policy of sit-ins must end as it would damage the country economically and politically and asked Allama Tahirul Qadri to abandon his sit-in plan and save the country from further damage.

The minister said that the United States should stop hurling threats at Pakistan and recognise the sacrifices it had rendered in the war against terrorism.

He said the PML-N government would complete its five-year term and elections would be held in 2018 on time.

https://www.dawn.com/news/1379522

QUALITY EDUCATION MUST TO HARVEST FULL BENEFITS OF CPEC, SAYS MAMNOON
Dawn, December 31st, 2017

GWADAR: President Mamnoon Hussain on Saturday asked the cadets to vehemently continue pursuing quality education along with character grooming, adding that the government was committed to strengthening educational infrastructure in Balochistan.

Addressing a Parents' Day function in Cadet College Ormara (CCO) as the chief guest, the president said that no nation could progress without education.

Chief of the Naval Staff Admiral Zafar Mehmood Abbasi welcomed the president on his arrival.

Mr Hussain congratulated the Pakistan Navy for establishing the cadet college at Ormara and lauded its efforts being made towards socio-economic and educational uplift of the population living along the Makran coast.

He also cited Pakistan Navy's efforts for remaining proactive in welfare-oriented projects in the coastal belt. He said that establishment of such a premier institute at Ormara was a clear manifestation of the navy's resolve towards improving educational standards in coastal areas.

President Hussain expressed the hope that various development projects in the province, including the Gwadar port and China-Pakistan Economic Corridor, would help reduce unemployment and poverty from the province. However, he added, benefits of these projects could only be harvested by promoting education.

Earlier, presenting the welcome address, college principal Cdre Masoodul Hasan highlighted salient achievements of the college. The event was colourfully depicted by the PT, gymnastic, martial arts, rifle drill and science and arts exhibition by the cadets.

The president gave away prizes to the students for their brilliant performance in the previous academic year.

A large number of parents, local elders and senior civil and naval officials attended the function.

https://www.dawn.com/news/1379898/quality-education-must-to-harvest-full-benefits-of-cpec-says-mamnoon

CPEC AND LABOUR
Dawn, December 31st, 2017

Zeenat Hisam

WORK on the high-profile China-Pakistan Economic Corridor appears to be in full swing since implementation began in October 2015. While a lot has been disseminated on the quantum of investments, loans and repayments, and potential contribution to the country's GDP, there is lack of information on a key player — labour: the workforce that is building, and will be building and running the projects under CPEC.

Human labour is mentioned but mostly as 'employment generation' or 'creation of jobs', and hence pushed out of sight in the CPEC narrative. Even the muted and cautious debate on CPEC as a manifestation of Chinese economic imperialism focuses on socio-cultural impacts and remains silent on labour. Questions raised by several scribes in the media have yet to be addressed by CPEC officials.

According to various estimates, CPEC projects would generate between 400,000 to 700,000 jobs during 2015-2030. Apart from numbers and general assumptions, there is hardly anything on labour in the discourse on CPEC. One can view the categories and number of jobs (mostly professional, technical, administrative, skilled) in advertisements on a local website, and also learn about efforts towards skilling of the labour force by the Technical Education and Vocational Training Authority, Punjab.

Missing is the analysis of the impact of CPEC on prevalent practices and conditions vis-à-vis labour. How would CPEC, the biggest development assistance ever received by Pakistan, affect labour? Would such large-scale employment in a mammoth enterprise dent the aspect of informality of labour? Will trends in employment laws be affected by the incoming investment? How would labour respond to CPEC's need for higher productivity? Will its projects offer an opportunity to our unorganised labour to reinvent itself?

On the face of it, the labour that is employed to work on the infrastructure and energy projects is being regulated under domestic labour laws which suffer from weak implementation. Several special economic zones coming up under CPEC are to be regulated under the Special Economic Zones Act, 2012 whose Article 30 makes all labour laws of Pakistan applicable to SEZs. The construction phase of the infrastructure and energy projects requires a large number of contract and subcontracted workers. CPEC's official website lists eight infrastructure and 15 energy projects in various phases of completion/implementation. Project-specific details on the website do not include any information on the workforce.

Four energy projects (three wind farms in Sindh and one coal-based power plant in Punjab) became operational in 2017. Of the four rail-based mass transit projects, Lahore's Orange Line Train Project is in the construction phase. Since construction began two years ago, there have been reports of about 100 on-site deaths and injuries. Causes of fatal accidents include falling from a height, electrocution, collapsing structures and fire at the makeshift residences of low-tiered workers. In early 2016, Chinese and Pakistani consultants met to discuss the higher rate of accidents. It was noted that the contractors were not implementing the health, safety and environment plan. Despite the concern of officials, nothing changed.

Similar to construction, energy transmission and distribution sector is also fraught with danger and strong safety measures are required. There has been no news of work-related accidents for CPEC energy projects because there is no mechanism for reporting and documenting accidents. In addition, energy projects are installed at some distance from settlements, hence away from the public eye, while the Orange Line is in the city, visible and within the media's reach.

The majority of our workforce is poorly educated and unskilled. Employers and contractors do not ensure safety standards or provide safety training to workers. There seem to be no plans to improve and extend education. The literacy rate was stagnant at 58 per cent in 2017 as in the preceding year while gross enrolment rate declined by 3pc.

CPEC projects are in their early phase of implementation and the SEZs are in the planning stage. Though trade unions are fewer and weaker, trade union federations are aplenty, affiliated with international federations and with representation in many tripartite bodies. It is time they came together to discuss opportunities and challenges posed by CPEC.

Civil society groups and labour organisations should facilitate workers (as they did in the case of GSP Plus) to advocate for compliance in CPEC projects, demand transparency, raise awareness and campaign for universal education and skill training. CPEC officials should add a labour advisory group in the institutional framework currently comprising five working groups, and provide regular briefings on its policies on labour and healthy, safety and environment to allay public concerns.

https://www.dawn.com/news/1379822

NEWS COVERAGE PERIOD FROM DECEMBER 18th TO DECEMBER 24th 2017
SUCCESS OF CPEC DEPENDS ON REGIONAL STABILITY: ACHAKZAI
Dawn, December 18th, 2017

Fazal Khaliq

MINGORA: Pakhtunkhwa Milli Awami Party chairman Mahmood Khan Achakzai said on Sunday that Pakistan was facing serious internal and external problems and the establishment alone could not take the country out of the current crisis without taking the people and parliament on board.

He was addressing a public meeting here at Khwazakhela, Swat. He said that the Constitution was a social contract between the federation and federating units and citizens and the state.

“Under the Constitution, an elected parliament should have monopoly over formulating policies of the federation,” he said.

Mr Achakzai said that every institution in the country should function in its constitutionally-specified ambit as deviation by any institution from the constitutional path could further push the country into the quagmire.

“Countless political workers have died or suffered just for violation of Section 144, but no dictator has been taken to task yet for violation of the Constitution,” he lamented.

The PkMAP leader said that without peace and stability in Afghanistan and cordial relations with India, any hope of peace and prosperity in the region, particularly in Pakistan, would be a pipe dream. “The success of CPEC or any other development and investment plan depend on the peace and stability in the region,” he maintained.

He condemned the terrorist attack on a church in Quetta and offered condolences for the victims and expressed solidarity with them. He emphasised that terrorism could not be defeated without the support of people.

“It is misleading and ironical to associate terrorism and extremism with Pakhtuns,” he said and proposed international conference on the issue to determine the causes and factors of terrorism and extremism with historical references.

Mr Achakzai while emphasising interfaith harmony said that apart from religious, cultural and ethnic relations, humanity was a common bond among human beings and therefore no creed, culture and language should be discriminated against, but respected equally.

“Inequality is the outcome of exploitation by the usurpers and powerful. PkMAP believes in struggle for the due political, economic and cultural rights of Pakhtuns as well as respecting the same rights of other nationalities in the federation of Pakistan,” he maintained.

About Fata, the PkMAP chief reiterated his stance that any decision regarding the future of tribal areas should be taken with the consent of the people.

He said that Fata reforms should be focused on the welfare of the people without changing its geographical status. The gathering was also addressed by Senator Usman Kakar.

https://www.dawn.com/news/1377329/success-of-cpec-depends-on-regional-stability-achakzai

CPEC PLAN LOST IN FRIVOLOUS CHATTER?
Dawn, December 20th, 2017

The government has released a summary of the Long Term Plan of CPEC, and although many of the details are not contained in the document, some disclosure is still better than none.

The thing to note in the document is the breadth and scope of the corridor enterprise, which, it is now clear, goes far beyond roads, power plants and transit trade.

The document provides pointers which say that Pakistan's investment landscape is going to be reshaped to "encourage Chinese enterprises, private sectors and private sector funds of other economic entities to make various forms of direct investment".

Aside from investment, the document points towards the creation of large tourist resorts along the Makran coast, implying a growing number of Chinese personnel living in Pakistan in the years to come, as well as elaborate financial interlinkages between China and Pakistan to facilitate investment flow and expand the role of the yuan in Pakistan's external trade — for starters.

The sheer scope of what the document points towards is breathtaking, and even if a small portion of what is mentioned actually materialises, the project will indeed be a 'game changer' as the government repeatedly says.

Considering all this, it is imperative that the document be given a close read by all parties concerned, particularly in business and politics.

It is dismaying to the extreme that as an engagement of this magnitude gets under way, the entire national conversation is dominated by squabbling amongst politicians and the heads of various institutions. This is no way to begin a journey down a 'game changer' of a road.

It is also worth noting that the objections of Ahsan Iqbal, in his previous post as planning minister, to the Dawn story on the LTP published in May, stand nullified. The document released on Monday is only a summarised version of the same, more detailed document that the Dawn story was based on.

Given the magnitude of what is about to begin, the pressures that Pakistani rulers will face over the years until 2030 — the period that is covered by the plan — will be enormous, as the presence of Chinese capital and personnel increases.

For the benefits of the enterprise to truly be unlocked for Pakistan, political sobriety and stability will be essential. If our traditional slash-and-burn style of politics remains the norm in the years ahead, with political and institutional rivalry dominating the national discourse as well as the policy environment, it will put Pakistan at a catastrophic disadvantage throughout the process.

It is unclear how strongly Pakistan's interests are represented on the CPEC negotiating table, but our current way of doing politics needs to end if we wish to extract maximum benefit from this enterprise for our country.

https://www.dawn.com/news/1377656/cpec-plan-lost-in-frivolous-chatter

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https://www.dawn.com/news/1377656/cpec-plan-lost-in-frivolous-chatter

CPEC — THE INNER VISION
The Express Tribune, December 20th, 2017.

It has taken far too long for the details of the China-Pakistan Economic corridor to come into the public domain, and now that it has it is very much a mixture of good-ish news and news that is potentially uncomfortable for all manner of groups and entities associated with it. The Long-Term Plan (LTP) is that Chinese currency renminbi is to have a status at par with the US dollar, a goal very close to the Chinese heart as it seeks to internationalise its currency.

The LTP also details the vulnerabilities and threats that have to be overcome by Pakistan, not the least of these being realignments in foreign policy by regional and global powers, particularly America. Also highlighted are deficiencies of governance and uneven regional development, both issues that are well-enough known and which the Chinese would like to see if not completely resolved then seriously addressed.

New terminology was introduced. CPEC is made up of core and radiation zones that make up ‘one belt, three axes and several passages’. How that will translate into the fractious provinces of Pakistan is yet unknown, lacking as they do the capacity to think and act beyond the purely local. Assuming that the known unknowns are resolved CPEC is going to be transformative, speeding up industrialisation and the urbanisation processes across the country.

Aside from Pakistan being told to sharpen up its act it is the decision regarding the renminbi that is going to be the long-term game changer as it reduces reliance on the almighty dollar. A range of financial instruments and processes are going to emerge over the next three years.

The renminbi is to have a role at every level with investment banking and a Cross-Border Inter-Payment System that will facilitate the free flow of funds to name a few. All this will go largely unnoticed by many millions, but Pakistan has entered into a pact that is potentially Faustian if it is unable to make the reforms that the Chinese are saying have to happen for CPEC to reach its potential. We live in interesting times.

https://tribune.com.pk/story/1588050/6-cpec-inner-vision/

‘CPEC CONDUCIVE TO SHARED PROSPERITY OF WHOLE REGION’
The Express Tribune, December 20th, 2017.

China said on Tuesday that the China-Pakistan Economic Corridor (CPEC) is not only of positive and great significance to the common development of both countries but also conducive to promoting connectivity and shared prosperity of the whole region.

“CPEC is a new cooperation framework jointly built by China and Pakistan with the long-term development of their cooperation across the board in mind,” Chinese Foreign Ministry’s Spokesperson Hua Chunying said during her press briefing.

“We hope that the advancement of this corridor can receive more widespread recognition and support from regional countries and the international community,” she added. Hua expressed confidence that China can work with the Pakistani side in advancing and upholding CPEC.

Responding to a question regarding the 20th Special Representatives’ Meeting on the China-India Boundary Questions to be held in New Delhi, she said, the Special Representatives’ Meeting is not only a high-level channel for the two countries to hold talks on boundary questions but also an important platform for them to conduct strategic communication.

"It is held regularly every year by the two countries in turn," she said and added, during the meeting, that the two sides will exchange views on China-India relations and the major international and regional issues of common concern.

https://tribune.com.pk/story/1588225/2-cpec-conducive-shared-prosperity-whole-region/

AF-PAK RELATIONS AND CPEC
The Express Tribune, December 21st, 2017.

As the traditional proponents of globalisation are slowly and gradually receding, and with the visible shift of power from the West to the East, the role of China in Asia and globally is rapidly becoming prominent. Countries in the region and beyond are increasingly looking to China for guidance and support. As far as South Asia is concerned, peace and stability is a pre-requisite for China to realise its development and leadership roles in the region.

In that context, relations between two key states of South Asia, Afghanistan and Pakistan, is of strategic importance to China. The vision of President Xi for a well-connected world, via sea, road and railway networks, of which the China-Pakistan Economic Corridor (CPEC) is an important component, cannot be fully realised without fixing the bilateral relationship. In October this year, Afghan President Ashraf Ghani was reported to have stated in New Delhi that his country will not allow Pakistan access to Central Asia unless the latter provides it land access to India through the CPEC projects.

As we speak, relations between the two countries continue to be characterised by chronic mutual suspicions, with both sides blaming each other for the existing fragile security situation in the two countries, where terrorist groups continue to be active. Both sides blame each other for providing safe havens to these groups.

The recent terrorist attack on a university dormitory in Peshawar in which nine students were killed and many others injured, and the subsequent statements issued by the government of Pakistan which said that the attack was handled from Afghanistan, is the latest example of the deplorable state of relations between the two.

CPEC provides a significant ray of hope to the people of Pakistan, which will offer them better job opportunities and an environment more conducive to economic development. These hopes are not unrealistic.

However, without an improved security situation, fears exist that their hopes may be shattered if investors continue to be scared for the safety of their investment. And as Afghanistan and Pakistan have been termed conjoined brothers, security situation in one country has a direct bearing on security situation in the other.

However, not only Afghanistan and Pakistan, but China, Iran and India constitute an essential part in this brotherhood. This is so because without all these actors being in cordial relationship or at least in working relationship, their respective dreams of economic development may remain just dreams for a long time to come. Relations between Afghanistan and Pakistan are intimately connected with their respective relationships with India.

Pakistan has legitimate concerns with regard to the massive diplomatic and development presence of India in Afghanistan, with the explicit support of the US. Add to that Afghanistan's reliance on Pakistan for access to the sea and to India by land, and its reluctance to allow a free flow of people and goods between Afghanistan and India, given the fraught nature of Indo-Pak relations.

This is a complex mix of relationships, in which China has to navigate for its own national interests with taking into account the interests of other regional actors. China has in fact an uphill task to fulfill, that is, to help evolve a solution in this twisted environment in which all the aforementioned actors win.

It is time that China provided its leadership for a grand and candid regional dialogue in which the concerns of all regional states, including Afghanistan, India, Pakistan and Iran, are put on the table. Such a dialogue process under the Chinese leadership can go in parallel with the existing quadrilateral process of which China is already a part, with Afghanistan, Pakistan and the US.

This is needed because without a dialogue process under the Chinese leadership, every actor in the region will try to undermine regional projects, such as CPEC. The failure of the South Asian Association for Regional Cooperation to integrate the region offers a lot of lessons for all of us who seek regional connectivity.

China is in an advantageous position as far as facilitation of a dialogue process between Afghanistan and Pakistan is concerned. It has cordial relations with both countries. Both look towards China for meeting their objectives of economic development. Beijing has secured several key projects in the mining sector in Afghanistan, which remain dormant due to the bad security environment and the consequent bad economic situation in Afghanistan.

These raw materials have a significant value for industries based in China as well as the ones planned along the CPEC routes. Moreover, the ambitious goals as set out for CPEC projects will entail the necessity of peace in Afghanistan and access to its market. All these aims are at risk without an improved security situation in the Af-Pak region.

The cooperation which existed in the territories now controlled by Afghanistan, China and Pakistan in ancient times, when the Silk Road connected this region and peoples of the region interacted economically, culturally and socially, needs to be revived. President Xi's vision for One Belt One Road, of which CPEC is an important component, seeks exactly that. But in order for that to truly materialise, a cordial trilateral relationship is a pre-requisite.

https://tribune.com.pk/story/1588950/6-af-pak-relations-cpec/

CPEC A NEW ECONOMIC MIRACLE: CHINA ENVOY
The Express Tribune, December 23, 2017

Chinese Ambassador to Pakistan Yao Jing has said Pakistan and China have always been together through thick and thin, with their friendship 'growing day by day' and that now the relations between the two countries are 'facing new important opportunities'.

In a statement issued on Friday, Yao Jing – who has recently been appointed as the 17th ambassador of China to Pakistan – said the relations between the friendly neighbours always stand at the forefront of the times as a model for state-to-state relationships.

"In 2015, President Xi Jinping paid a historic state visit to Pakistan. This visit further enriched our traditional friendship, made new breakthroughs in our practical cooperation, and lifted our relations to a new height," he said.

He said on the road to development, China and Pakistan are always firm partners. "Our engineers and technicians joined hands on high mountains and cliffs to build the Karakorum Highway. Our friendship created a miracle across the top of the cloud."

The ambassador said today the two countries by following the principle of achieving shared growth through discussion and collaboration are unswervingly cooperating on the Belt and Road Initiative. The China-Pakistan Economic Corridor has achieved tangible results and created a new economic miracle.

"In the new era, China will continue to put Pakistan at its priority of neighbouring diplomacy. China's development will bring more benefit to friendly countries like Pakistan.
"We are willing to work with Pakistan to step up policy synergy and conduct all-round pragmatic cooperation to strengthen our people-to-people ties, and to enable this region to better benefit from China-Pakistan relations," he added.

Jing said the two countries would continue to work together to build a China-Pakistan community of shared future, leading the trend of the new type of international relations in the new era.

"At this historical starting point, as China's Ambassador to Pakistan, I have deeply felt the heavy responsibility on my shoulders. I look forward to working closely with friends from all circles in Pakistan, to bring more fruits in our relations in the new era," he noted.

https://tribune.com.pk/story/1590915/1-cpec-new-economic-miracle-china-envoy/

FO BRINGS ROLE OF PKR UNDER CPEC SPOTLIGHT
Business Recorder, 22 December 2017

Ali Hussain

ISLAMABAD: Pakistan and China will actively use bilateral currencies [rupee and RMB] for the settlement of bilateral trade and investment under the China-Pakistan Economic Corridor (CPEC), the Foreign Office said.

The Foreign Office Spokesp-erson Dr Mohammad Faisal, in his weekly media briefing, said that as per details of financial cooperation in the Long Term Plan, one of the areas of focus is to strengthen cooperation in financial regulation.

He said that the two countries aim to promote monetary cooperation between the central banks, implement existing bilateral currency swap arrangements, research to expand the amount of currency swap and explore to enrich the use and scope of bilateral currency swap, assign the foreign currency to domestic banks through credit-based bids to support the financing for projects along the CPEC for third-party currency, and strengthen the cooperation (RMB and rupee) to reduce the demand for financial regulatory agencies of the two countries.

"The two sides will actively use bilateral currencies [rupee and RMB] for the settlement of bilateral trade and investment under the relevant arrangements," he said, adding the two countries will encourage clearing and settlement of the financial institutions from both sides through Cross-Border Inter-Bank Payment System (CIPS), promote the free flow of capital in an orderly manner, and enhance the facilitation in cross-border transfer of legitimate funds. Details will be worked out through mutual consultations, he added.

He said that CPEC projects are progressing well, adding that Pakistan and China interact regularly through several established mechanisms including review meetings, etc, to monitor the progress of the projects.

He expressed his optimism that completion of these projects would benefit Pakistan by fulfilling its energy needs, up-gradation of infrastructure and introduction of modern technology. "These projects will help Pakistan's economy move forward on sustainable grounds," he added.

The Long Term Plan for CPEC which was finalized during the 7th JCC meeting held in Islamabad on November 21, 2017, provides the conceptual framework for CPEC, he said, adding that it is a national plan approved by both the Chinese and Pakistan governments.

He further said that the plan envisions to harness fully the demographic and natural endowment of Pakistan by enhancing its industrial capacity through creation of new industrial clusters, while balancing the regional socioeconomic development, enhancing people's wellbeing, and promoting domestic peace and stability.

The major areas of cooperation include connectivity, energy, trade and industrial parks, agricultural development and poverty alleviation, tourism, people's livelihood and exchange programs and financial cooperation, he added.

He said that the CPEC will be completed in three phases; by 2020, the first phase will be completed and it aims to address major bottlenecks to Pakistan's economy and social development.

The mid-term will be completed by 2025. It strives to achieve all goals of the Vision 2025, he said, adding that it will take final shape by 2030 and aims to accomplish endogenous mechanism for sustainable economic growth and envisions accomplishing regional connectivity.

He said that the plan will provide macro guidance for implementation of the CPEC in the next phase and would be adjusted based on the real situation as well as the consensus between the two parties during its implementation in future. Furthermore, he added that new routes, nodes and aspects may be considered for inclusion in future by mutual agreement of both sides.

When asked to comment on US President Donald Trump's threatening statement to countries wanting to vote against the US decision on Jerusalem in the UN General Assembly, the spokesperson, while rejecting Trump's threatening statement, stated in categorical terms, "Freedom has no price and our vote on UNGA will be consistent with our position."

He asserted that Jerusalem has a special status called "Corpus Separatum" [separate body] under the UN General Assembly's Partition Plan for Palestine (Resolution 181, dated November 1947). There are a number of UNSC resolutions recognizing the special, legal and political status of Jerusalem, in particular Resolution 476 and 478, piloted by Pakistan as Chair of OIC, he added.

"Pakistan views the decision of US administration to recognize Jerusalem as the capital of Israel and to shift the US Embassy from Tel Aviv to Jerusalem as violation of relevant UN Security Council resolutions," he said, adding that Pakistan firmly believes that the establishment of a viable, independent and contiguous State of Palestine, on the basis of internationally agreed parameters, the pre-1967 borders and with Al-Quds Al-Sharif as its capital is the only lasting solution to the Middle East crisis.

He stated that Pakistan fully endorses the OIC position reflected in the final Communique of Extraordinary Islamic Summit in Istanbul on December 13, 2017.

To another question regarding water disputes with India, he lamented that Indian designs have made the dispute resolution mechanism of the Indus Waters Treaty (IWT) dysfunctional.

"This is a very damaging step as the treaty continued to function even during wars between Pakistan and India," he said, adding the international community needs to take immediate notice of Indian intransigence and stubbornness and its reluctance to uphold the international obligations that its earlier governments have undertaken.

To another query, the spokesperson dispelled the impression that the December 25 meeting of the Indian spy Kulbhushan Jadhav with his mother and wife to be the last meeting and that he could be executed anytime soon, saying, "Let me assure you that the Commander [Jadhav] is under no threat of immediate execution and his mercy petitions are still pending."

He said that the mother and wife of Commander Jadhav are being provided with a meeting with him in the light of Islamic traditions and based on purely humanitarian grounds. He also confirmed that the meeting of Jadhav with his family and an official from the Indian High Commission in Islamabad will be held at the Ministry of Foreign Affairs.

Asked if media would be allowed to interact with Jadhav's family, he said that Pakistan is ready to permit media interaction with the wife and mother of Commander Jadhav. "We await Indian decision in this regard," he added.

He further stated that Pakistan has decided to release and repatriate 291 Indian fishermen in two phases on December 29, 2017 and January 08, 2018 via Wagah Border as a goodwill gesture on humanitarian grounds. Pakistan had also released 68 Indian fishermen on October 27, 2017, he said, adding Pakistan has always maintained that humanitarian issues should be facilitated and not politicized.

On India's recent inclusion into the Wassenaar Arrangement, he said that Pakistan is of the view that the existing multilateral export control regimes should be more inclusive. Participation of all states, with capacities and export capabilities relevant to the scope of the different export control regimes, will further the non-proliferation objectives of such regimes, he added.

He asserted that Pakistan has consistently maintained that the objectives of global and regional security and stability can be better achieved through responsible arms supply policies by the major exporters, many of which happen to be members of Wassenaar Arrangement. “There is a need to take into account the imperative for avoiding destabilizing arms buildups and regional asymmetries while deciding on major arms supply agreements,” he added.

https://epaper.brecorder.com/2017/12/22/1-page/689097-news.html

NEWS COVERAGE PERIOD FROM DECEMBER 11th TO DECEMBER 17th 2017
CPEC DELAY A SETBACK OR ‘OPERATIONAL HICCUP’?
Dawn December 11, 2017

Nasir Jamal

The lack of adequate information on the outcome of the crucial 7th Joint Cooperation Committee (JCC) on China Pakistan Economic Corridor (CPEC) held in Islamabad last month has triggered speculations about the future of a number of proposed large transport and infrastructure projects.

The way details of the negotiations between the two countries on the future shape of bilateral cooperation around the Corridor initiative has trickled out has led many to conclude that China is probably backing out of its earlier commitments to finance and implement schemes direly needed by Pakistan.

The delays, for example, in the finalisation of the plan to upgrade Peshawar-Karachi railway line (ML1 or Main Line 1) and (Chinese) financing for three road development projects have widely been construed as ‘major setbacks’ for bilateral economic and financial collaboration around the trade route that will connect Western China with the Middle East, Africa and Europe via Gwadar port.

Pakistan’s rejection of the Chinese conditions for constructing the Diamer-Bhasha hydropower project and Beijing’s request to use yuan as ‘official currency’ in Gwadar further ‘strengthened’ this perception.

But does the ‘development’ on these projects — or lack of it — signify a setback for the future of economic cooperation between Beijing and Islamabad? Or does it merely represent operational hiccups as the Corridor project moves into a new phase?

With little information flowing out of the JCC meeting, according to Hasaan Khawar, a researcher who has done extensive work on the Corridor initiative, the interpretation of its ‘outcomes revealed so far’ can be very subjective in nature.

He is of the view that the agreement on framework for future bilateral cooperation under the Long Term Plan (2014-2030) in the spheres of industry, agriculture, tourism and finance is a major breakthrough. “Now the cooperation between the two countries is going to move beyond connectivity and energy projects.”

He also does not agree with suggestions that the delays in road development and railway line up-gradation projects meant a reduction in China's interests in them. "I don't think that China is backing out (as some commentators have since suggested)."

Beijing is just trying to be a little cautious because of (volatile) political conditions here, pausing for a moment as CPEC enters its next phase. Moreover, it does not have unlimited funds and would want to invest in projects and places where it can get better results.

China is probably focusing on implementation of the projects that are already in the pipeline rather than adding more to the wish list.

The total size of CPEC-related investments is said to have crossed $30bn with the overall commitments exceeding $60bn. Apart from some road projects, all other projects are being financed by commercial and concessional Chinese loans. But the government is yet to come clean on the break-up of the Chinese investment pledges in terms of financial arrangements — debt, investment, grants, etc.

Last week the IMF was reported to have conveyed to Islamabad that repayments on account of CPEC-related investments will peak after seven years and reach $3.5bn to $4.5bn a year. The IMF estimates the CPEC-related outflow's impact on Pakistan to grow from 0.1pc in 2019 to 1.6pc of GDP (gross domestic product) a year by 2024.

Background telephonic interviews with two senior officials at the Planning Commission of Pakistan show that the government is not worried about the delays in the rail and road projects.

"Let me clarify one thing. It wasn't China that backed out of $14bn Diamer-Bhasha hydropower project. Islamabad pulled out of the deal because of the conditions involved. That is not a setback at all. We are still negotiating the dam outside CPEC but personally I don't think any Chinese firm will take it unless we agree to their conditions," one of the two officials explains.

"As far as railway projects are concerned we need to work more on their feasibility. It is incorrect to assume that China has lost its interest in those projects. We just need to work more on different technical and financial aspects before we take these up with the Chinese authorities on balanced terms. You must remember that large projects like $8.2bn ML1 take years before these enter the execution stage."

The other official argues that the 'setbacks' to CPEC as referred by some commentators are no more than operational hiccups and manifestation of an "evolving relationship between the two countries around the Corridor project".

"Instead of letting early harvest projects set a time benchmark for future investments, we should now focus on commercial sustainability of the projects in the pipeline. We don't want to go for a commercially unviable project only because it looks good."

In his opinion, it is time for both the countries to "get out of the project mode and implement the long-term plan to deepen economic partnership. If Pakistan wants to benefit from this new trade route, we should use this connectivity for enhanced bilateral cooperation in industrial and agriculture sectors for transfer of technology and knowledge."

https://www.dawn.com/news/1375839/cpec-delay-a-setback-or-operational-hiccup

CPEC'S LTP LAYS GREATER FOCUS ON AGRICULTURE
Business Recorder, 12 December 2017

Abdul Rasheed Azad

ISLAMABAD: Briefing a parliamentary committee about China-Pakistan Econ-omic Corridor, Minister for Planning, Development and Reform Ahsan Iqbal has said that as per Long-Term Plan, the CPEC's focus will be on agriculture, poverty alleviation, tourism and culture. The committee on CPEC met under the chairmanship of Senator Mushahid Hussain Sayed to have a briefing about Long-Term Plan of CPEC which has been agreed by both Pakistan and China during the last meeting of the Joint Cooperation Committee (JCC) held on November 21, 2017 in Islamabad.

Iqbal said the plan was approved after a 18-month-long consultation process and it was shared with all the provinces and was endorsed before it was sent to China, adding now it is an official document of the CPEC.

The minister said that in January 2018, a delegation of Pakistani exporters would visit China to enhance Pakistan's export potential and this delegation is being facilitated by the government of Pakistan. During the current JCC meeting, the minister briefed the panel that all the chief ministers were present and for the first time, representatives of chambers of commerce and industry were also present.

He also informed that the groundbreaking of Gwadar International Airport will be done in March 2018. The meeting was informed that contrary to the speculation in media, the reports of shelving three infrastructure projects are not correct, rather, the Chinese side is reviewing the financial mechanism of these projects and these would be started upon receipt of approval from the Chinese side. The Karachi Circular Railway (KCR) project has been approved as a CPEC project, while similar projects for Quetta and Peshawar will be reviewed upon receiving technical feasibility reports of the project.

The minister said that agriculture, poverty alleviation, tourism & culture and improvement in people's livelihood had been added in the CPEC profile for the future to ensure well being of local communities.

The agricultural research would be undertaken so that agricultural products can be value-added with modern technology from China. Since Chinese tourists are increasing in large number, it was decided to promote tourism projects with the building of tourist resorts on the Makran coast and people-to-people exchanges between Pakistan and China within the framework of culture and education will also be encouraged.

The parliamentary body was also briefed by the Ministry of Power about the early harvest energy projects which are on track. The Thar Coal Project would be operational by June 2019 based on mining of indigenous coal from Thar. The Port Qasim Power Project would be completed by February 2018, while the other projects including the Hubco 1320MW project and two hydropower projects in Sukki Kinari (870MW) and Karot (720MW) are proceeding ahead for completion as scheduled.

The committee expressed satisfaction over the progress of the early harvest projects as well as the development of the Gwadar Port. Senator Mushahid Hussain welcomed the inclusion of the agriculture sector in the CPEC. He said this will give a boost to the economy and also provide the farmers of the country with the latest technology in collaboration with China. He also welcomed the inclusion of tourism and culture, adding that the portfolio has been broadened to include these key elements for promoting people-to-people understanding.

The meeting was attended by Senator Lt-Gen Salahuddin Tirmizi (retd), MNA Rana Muhammad Afzal, MNA Isphanyar M Bhandara, MNA Aijaz Hussain Jakhrani, MNA Asad Umar, MNA Sheikh Salahuddin, MNA Alhaj Shahji Gul Afridi, Minister In-charge for Planning, Development and Reform Ahsan Iqbal and senior officers of the different ministries and departments.

https://epaper.brecorder.com/2017/12/12/1-page/687097-news.html

WORK ON THREE CPEC PROJECTS HALTED TILL CHINA'S APPROVAL, SAYS PLANNING MINISTER
Dawn, December 12, 2017

Syed Irfan Raza

ISLAMABAD: China has halted the release of funds for three projects under the China-Pakistan Economic Corridor (CPEC) till the revision of its 'financial mechanism' by Beijing, Minister for Planning and Development Ahsan Iqbal confirmed on Monday.

According to an official press release issued by National Assembly Secretariat, the minister informed the 25th parliamentary committee meeting on CPEC that the Chinese side was reviewing the financial mechanism of these projects and work on them would restart after receiving approval from Beijing.

Mr Iqbal could not convince the committee members as to why the Chinese government had opted for a new financial mechanism and scrapped the previous one which was agreed upon by both countries.

It was reported that China had temporarily stopped funding some projects, particularly those related to the road network under CPEC, till a further decision on 'new guidelines' by Beijing.

When contacted, Pakistan Tehreek-i-Insaf (PTI) leader Asad Umar, who is also a member of the parliamentary committee, said he had raised the issue of suspension of Chinese funds at the meeting, which was chaired by Senator Mushahid Hussain Syed.

The members, he said, were informed that China was revising the infrastructure projects under its "financial review".

Another member of the committee, Al-Haj Gul Khan Afridi, said they were told that China had not stopped financing the CPEC projects but raised some 'technical objections' to three NHA road projects. A team of Chinese experts would arrive in the country soon to inspect the three NHA projects, he added.

However, a senior NHA official rejected the government claim that work on the three road projects of the authority had been halted on technical grounds. “It is not true that China raised objections to the projects because these had already been approved at the 6th Joint Cooperation Committee (JCC) meeting held last year,” he said.

Ahsan Iqbal informed the committee that the Karachi Circular Railway project had been approved for CPEC, while similar projects for Quetta and Peshawar would be reviewed in accordance with the technical feasibility reports.

https://www.dawn.com/news/1376071

CHALLENGES FOR CPEC IN G-B
Masud Ahmed Khan

Dawn, December 12, 2017

Gilgit-Baltistan is bounded in the north by the Wakhan strip in Afghanistan and the Xinjiang province of China and on the south and southeast by the India-Occupied Kashmir and on the west by Chitral in K-P. The location makes G-B strategically important for Pakistan, China, the US and India. G-B is as important as it was in 1880s when the Russians occupied Central Asian states and a Russian officer, Colonel Gromechevsky, visited Hunza and his presence there was taken as the start of the great game.

Historically, the Silk Route connected China with Central Asian states and the Mediterranean Sea and there were several routes used from the second century to the fifth century AD.

The southern route passed through Hunza then to Hindukush mountains to Afghanistan. In the south, it crossed the Muztag River and after passing through Shimshal connected Hunza. Another route originated from Yarkand, followed a tributary of the Tashkurgan River to the town then either to Wakhan or Khunjrab. It was the Wakhan route that was reached directly from Gilgit, Chilas or Chitral over high passes.

The famous Chinese traveller Fa-Hien visited this region in 400AD and passed through Darel Valley (Chilas) into Swat. The state of Hunza also had diplomatic relations with China. Rashkan which is now part of China was earlier part of the state of Hunza and so was Sarikol in Pamir on the borders of China and Tajikistan. The rulers of Hunza whenever in trouble took refuge in China.

The Silk Route is now replaced by the Karakoram highway. It is a dual carriage all-weather road where border trade with China started in 1967. Since then, people of G-B are in continuous touch with the Chinese region of Xinjiang for business activities and today G-B markets are flooded with Chinese goods.

The importance of G-B increased initially with the construction of Karakoram Highway and now with the start of CPEC would be manifold. CPEC passes through the highway and covers 600kms in G-B. The project is likely to bring a lot of changes in G-B in the areas of infrastructure development, construction of roads and hydropower projects. It would open business development opportunities for the people of G-B and certainly will be a game changer for the whole country.

But there are several threats and challenges to CPEC in G-B which cannot be ignored. Firstly, India will not miss an opportunity to damage CPEC as the country has a so-called claim on G-B and opposes the project terming it to be passing through a disputed territory. Recently, a member of Indian Lok Sabha moved a bill for allotting reserved seats for G-B in the Lok Sabha and the Rajya Sabha.

The IOK assembly already has 24 reserved seats for G-B. The chairman of the Joint Chiefs of Staff Committee of Pakistan, General Zubair Mahmood, also recently confirmed that India has established a special cell at a cost of $500 million to sabotage CPEC. India is trying its level best to exploit the vulnerabilities of G-B to damage CPEC, as it also wants to keep hegemony in South Asia and hence, does not want to see a stable and developed Pakistan.

Secondly, G-B’s geographical proximity with Afghanistan through Wakhan signifies the importance of CPEC. But this strip can be used as a launching pad for terrorist activities by hostile elements by using the passes of Hindukush and Pamir. The possibility of terrorist activities in G-B cannot be ruled out.

Thirdly, the US too has serious concerns on the growing economy of China and therefore they want to contain China. Recently, the US secretary of defence termed CPEC disputed as it passes through disputed territory thereby supporting the so-called Indian claim on G-B. The US is afraid of China controlling Central Asian, the Middle Eastern, Eurasian states and exploiting their resources. Thus, it wants to contain China from becoming the world’s largest economy and its influence in the region. In fact, at the US National Defence University, CPEC has been included as a full-fledged subject for studies.

Fourthly, the hostile elements in the region can exploit the sectarian issue in G-B as it has a known history of sectarian turbulence and this remains a major threat, and any odd incident can trigger sectarian clashes.

Fifthly, there are also small sub-nationalist groups in G-B with different demands though they do not enjoy any significance in the area. Some dissident groups from abroad are running a campaign to instigate locals against CPEC and Pakistan. The ambiguous status of G-B is the major issue which is being exploited.

The so-called nationalists are also using the issue of constitutional status of G-B to pollute the minds of the people. It is very unique that the people of G-B liberated their land from the Indian Army without any external help and volunteered to join Pakistan on November 1st 1947. But the people do not have any representation in Parliament and are demanding to be declared constitutional citizens of Pakistan with G-B being made the fifth province of the country.

Sixthly, because of CPEC with the passage of time G-B is likely to face serious environmental issues like air pollution, glacier melting, soil erosion and waste disposal. This issue needs to be studied in time and plan must be made to protect the environment. Seventhly, there are rumours that the government is shifting the Sost dry port to Havelian in K-P. Sost has been a historical centre of trade activities because of its close proximity to Kilik Mintaka Pass, Misgar and Chuparsan valley.

This move will adversely affect already established local businesses as thousands of jobs will be lost along with many business activities in the area. Already the people of G-B consider that they are getting very little from the project and such measures will add to their grievances.

Considering that CPEC will transform Pakistan's economy and enhance socioeconomic integration of G-B with the rest of the country, it is important to address these challenges and concerns.

https://tribune.com.pk/story/1581816/6-challenges-cpec-g-b/

CPEC LONG-TERM PLAN TO BE MADE PUBLIC ON DEC 18: AHSAN IQBAL
Dawn, December 13th, 2017

ARACHI: Minister for Planning and Development Ahsan Iqbal has announced that the long-term plan (LTP) for the China-Pakistan Economic Corridor (CPEC) that was signed on Nov 21 will be made public on Dec 18. Making the LTP public was a commitment given by the minister back in June.

In his address before hundreds of delegates gathered for the CPEC Business Opportunities Conference hosted by the Dawn Media Group here on Tuesday, he emphasised how the CPEC is a "game-changer" for Pakistan, pointing out that the pace of its implementation is accelerating and there is no room for complacency given the rapid pace of change in the world economy. "We cannot remain idle, if the world slows, we need to create new demand. There are around three billion people living in this region and 25 per cent GDP, which the CPEC will be in a position to connect."

Highlighting the investments coming into Pakistan under the CPEC framework, the minister chose to castigate the western governments, saying that "the Chinese are doing what the Americans and the Europeans should have done after the end of the Afghan war" that evicted the Soviets from Afghanistan. "That war helped bring down the Berlin Wall, and made Europe safe. But we here in Pakistan are still paying the price for it."

He pointed out that 85 million jobs are going to be relocated out of China to developing countries due to rising labour costs there, and Pakistan must make every effort to capture as large a share of these as possible.

The Deputy Chief of Mission at the Chinese embassy, Lijian Zhao, underlined the importance of removing bottlenecks in order to promote economic growth. He described China's four-decade-long experience of sustained growth as unique in the history of the world, and said it was made possible only after infrastructure and energy bottlenecks were removed in the early 1980s. "Today we are doing the same thing for Pakistan through CPEC," he went on, to applause from the auditorium.

To promote cooperation in fields of thermal power, hydropower and new energy, he said, Chinese enterprises had been engaged to invest in Pakistani energy projects and make optimal utilisation of local resources, such as Thar coal. "Investments have been made to remove the power bottleneck, reinforce the main grid structure and power transmission and distribution network, and improve power supply reliability."

He said China energy infrastructure development projects, which are mega power plants, will help Pakistan overcome loadshedding. There are so many benefits for Pakistan through infrastructure development. Pakistan will be linked with Central Asian states, through building SEZs. Foreign investment will come that will ensure better markets, job creation, better salaries for employees, strong foreign reserves and creation of industrial parks, he said.

Shoaib Ahmed Siddiqui, Secretary, Ministry of Planning, Development and Reforms, shed light on the CPEC and said “we have to counter the notions against the project which are designed to malign this breakthrough achievement”.

Dr Ishrat Husain, former governor of the State Bank of Pakistan, in his keynote address spoke of those advancing “negative propaganda” against the CPEC, and emphasised that the best way to counter this is for the government to “release as much information as possible about CPEC.”

He said that the CPEC could add up to two percentage points to Pakistan’s GDP growth rate, but emphasised that strengthening of institutions would be crucial to realising this benefit. “SEZs will create enormous employment opportunities for our human resource. Right now, the most important thing for us is to complete these projects on time without cost overruns,” he added.

Naheed Memon, Chairperson of the Sindh Board of Investment, talked about the opportunities and said “we are here to facilitate Chinese companies and welcome their investments in infrastructure, energy and development”. She said the Chinese companies could also explore sectors as logistics, services, transport, food processing and assured full cooperation.

She said government to government projects would meet the demand of Pakistan while industrial partnership would have greater impact on people’s lives. Chinese companies could also find venues in sectors of customer care and “we have raw material for their businesses as well”, she said.

Syed Nasir Hussain Shah, Information Minister of Sindh, said “we support the CPEC projects and Sindh will facilitate Chinese investors as well as local companies to invest in the province”. He welcomed and appreciated the efforts of companies which are working in materialising the CPEC projects.

Hameed Haroon, CEO of Dawn, opened with warm remarks welcoming the delegates delivered in fluent Chinese and underscored the crucial importance of long-term cooperation between China and Pakistan.

https://www.dawn.com/news/1376344

IN CPEC TALKS, CHINESE DRIVE A HARD BARGAIN WITH PAKISTAN
Dawn, December 13, 2017

Khaleeq Kiani

ISLAMABAD: Pakistan appeared to have been pushed hard by the Chinese side to give in more than it secured in return during the recently held 7th joint cooperation committee (JCC) meeting of the China-Pakistan Economic Corridor (CPEC).

Upgrading the main line rail link from Karachi to Peshawar is the single largest project in CPEC. Known as the ML1 project, it is estimated to cost up to $8.2bn.

This is evident from the minutes of the 7th meeting on a series of issues including revision in the completion deadlines of the energy projects, the Main Line-1 project and early activation of revolving fund in 30 days for payments to Chinese sponsors.

The JCC agreed that Pakistan's agencies in power sector and Chinese project sponsors should sign the supplemental agreements at the earliest and decided that "Pakistani side will address timely payment of electricity charge in power projects under CPEC as soon as possible".

In accordance with the governmental agreement on energy cooperation between the two sides, a revolving bank account should be created within 30 days after commercial operation date of the CPEC energy projects.

The two sides noted that some energy projects under CPEC had very tight construction schedules and agreed to urge the financial close and construction of relevant projects as soon as possible. It was also agreed to "make reasonable arrangement of the extension in financial close and construction through friendly negotiations" within the Power Generation Policy 2015 framework.

The joint working group on energy was asked to carry out joint studies on the current power status, future load forecast as well as the potential power market in Pakistan.

The Pakistani side also recognized the importance for assurance of water supply for SSRL Thar Coal Block-I Mine Mouth Power Plant during its construction and operation period by Government of Sindh (GOS).

China also demanded Pakistan not to adopt differential electricity charge policies towards CPEC power projects designed and constructed to Chinese standards, technologies and equipment. Pakistan will respond later.

On the railway side, the speed on the ML-1 has now been reduced to 160 kilomtres per hours from originally conceived speed of 260km per hour. It was reported that both sides have reached agreements on making fast track arrangements for completing all related task for ML-I implementation in a timely manner. The Chinese side did not immediately accept Pakistan's demand for easing financial terms for the ML-1 project.

Given the strategic importance of ML-I project, both sides jointly decided that financing arrangement would be made proactively and work on ground could be started early. "Pakistan side proposed that financing arrangement for the project may have favorable terms and condition which Chinese side agreed to consider in financial negotiations".

It was agreed that work on Phase-I of ML1 Project would be started early 2018, and all requisite arrangement including preliminary design review, signing commercial contract, etc. would be completed through proactive approach in a timely manner.

Pakistan also proposed extension of ML-1 to Torkhum and the Chinese agreed to discuss the extension to at technical level after completion of the feasibility study being carried out.

JCC expressed satisfaction with the progress of the "Two Big Projects" and Chinese appreciated efforts for making safety and security arrangement of Chinese working on these project. Pakistan assured that the issues relating to tax on machinery/equipment and construction material as per commercial contract will be resolved by the end of 2017.

The JCC agreed to accelerate the preparatory work including technical and commercial feasibility study of the projects like EastBay Expressway Phase-II; Gwadar Port Breakwater and Gwadar Port Dredging.

The 7th JCC approved Mirpur-Muzaffarabad-Mansehra (MMM of 200km) for implementation and deferred for next joint working group meeting the projects including Gilgit-Shandoor-Chitral (359km), Nokundi-Mashkel-Panjgur Road (290km) and Keti Bandar Sea Port Development Project

On the Gwadar port side, China Overseas Ports Holding Company (COPHC) has submitted the Feasibility Report of Gwadar Port (Phase II) Expansion and the Feasibility Report of Gwadar Free Zone (Phase II) to Gwadar Port Authority (GPA), and both sides supported to carry out relevant construction work as soon as possible.

The JCC expressed satisfaction on the progress of 300mw coal fired project at Gwadar. The Chinese proposed to replace its company for the coal power project and Pakistan agreed to make amendments but demanded that Chinese should deposit funds for the land acquisition while promising to ensure seamless security arrangements.

Pakistan side proposed to build fruit and vegetable base at command area around Mirani Dam, to build Gwadar Fish harbor & fishermen boat making industry on Gwadar West Bay, to build Beltway Municipal roads, and Solid Waste Treatment Plant for the Gwadar city. Both sides agreed to have an overall study on three new projects according to the actual conditions in the future development of Gwadar.

The Chinese conveyed that Dhabeji Industrial park at Thatta, Hattar Industrial Estate II of Khyber Pakhtunkhwa and M-3 Faislabad, Punjab currently have more advantages than other proposed sites for provincial SEZs. However, Pakistan side expressed that Rashakai SEZ was its preference in Khyber Pakhtunkhwa, and an additional SEZ (M-2 / Quaid-a-Azam Park-Sheikhupura) in Punjab. The Chinese Expert Group noted that Khyber Pakhtunkhwa paid high attention to the development of SEZs especially has done abundant work in Rashakai SEZ. Therefore, it "suggested to make full use of the positivity of Khyber Pakhtunkhwa to promote the construction of Rashakai SEZ at the earliest".

https://www.dawn.com/news/1376231

NEED TO EXPLOIT FULL POTENTIAL OF SINDH: BIJRANI
The Express Tribune, December 15th, 2017.

Even though it has a massive coastline apart from the abundance of energy resources — fossil and renewable — it seems as if the province is not being fully utilised under the multibillion-dollar China-Pakistan Economic Corridor (CPEC).

This was stated by Sindh Minister for Planning and Development Mir Hazar Khan Bijrani, who was delivering a talk on "Progress of the CPEC Projects in Sindh" organised by the China-Pakistan Study Centre (CPSC) at the Institute of Strategic Studies Islamabad (ISSI).

"Endowed with coastal access and energy resources, Sindh is a major centre of economic and commercial activity and has a highly diversified economy. Therefore, it offers a great deal with regards to the CPEC," Bijrani said.

It is not that Sindh is being neglected in the CPEC but certainly, it needs to be accommodated much more in terms of the CPEC projects."

He pointed towards the Thar coal project — which is at the core of all CPEC projects in the province. The Sindh government, he said, had ensured that the people of Thar are the beneficiaries of the projects, not its victims.

Referring to as an example, the Sindh Engro Coal Mining Company (SEMC) had employed 1,500 locals in a workforce of 2,000 people.

While talking about the Dhabeji Special Economic Zone (SEZ), he said that it has attracted overwhelming response from domestic and foreign investors and is primed to change the commercial landscape of Karachi.

It will help facilitate the cooperation between Chinese and Pakistani companies in the field of agriculture, industry, and energy, Bijrani said.

He also briefed the audience about wind power projects and said that at the moment there were five wind tribune generators which were producing 250 megawatts of electricity in several cities. Another 22 wind power projects are in the pipeline.

The minister said that these projects are expected to be completed by 2020.

Noting that the Keti Bandar Project was included in the CPEC on the recommendation of the federal government, it envisages setting-up of coal-handling berths, liquid-handling berths, power parks and industrial zones.

Earlier, ISSI Chairman Ambassador Khalid Mahmood was optimistic about the positive impacts of the CPEC on Pakistan's economy.

https://tribune.com.pk/story/1584307/1-need-exploit-full-potential-sindh-bijrani/

NEWS COVERAGE PERIOD FROM DECEMBER 4th TO DECEMBER 10th 2017
RCCI HOSTING CPEC CONFERENCE IN BEIJING
Dawn, December 4th, 2017

RAWALPINDI: The Rawalpindi Chamber of Commerce and Industry (RCCI) is organising a five-day CPEC business opportunities conference in Beijing from Jan 29.

The event will be attended by 200 businessmen from both the countries.

This was stated by RCCI President Zahid Latif Khan after meeting Overseas Chinese Association of Pakistan (OCAP) President Chen Zong Dong on Sunday.

Mr Khan said the conference would provide an ideal platform for Pakistani businesses to identify and engage in joint ventures, technology transfer, mergers and acquisition etc., with the Chinese companies.

"A dialogue of leaders of the business communities with representatives of governments will also be held at the conference to know their perspectives on CPEC."

The RCCI chief said the conference would pave the way in bridging the gap between the business communities of Pakistan and China besides creating new business opportunities. The RCCI will also facilitate the signing of memorandums of understanding between different companies at the conference, he added.

Mr Dong lauded RCCI's efforts in facilitating traders and promoting trade activities in the country. He said the conference would serve as a platform to strengthen linkages between the traders of both the countries.

https://www.dawn.com/news/1374460

CPEC: A TALE OF SUCCESS THAT STILL LEAVES A LOT TO BE DESIRED
The Express Tribune, December 4th, 2017.

Over time, over budget and no oversight – well, not when it comes to the delivery of China-Pakistan Economic Corridor (CPEC) projects. The era of our megaprojects going a dollar short and a day late seems to be over.

In the 7th meeting of the Joint Cooperation Committee (JCC) on CPEC, it was noted that the corridor's early harvest projects have finally started to bear fruits. But while architects of the One Belt One Road initiative hailed it as one of the greatest success stories in South Asian development, there is still room for improvement when it comes to applying known best practices related to transparency and financial engineering.

here is still a dire need on part of the government to show a strong commitment to transparency of the project's data and details. It should legislate on a transparency policy that clearly defines how the Ministry of Communications will regularly publish performance data of undergoing megaprojects against benchmarks such as budget and schedule variance as well as sustainability measures.

Exemptions may be made where necessary to safeguard national interests on a case-by-case basis but hiding contractual arrangements for an indefinite time period should not become a norm. Non-disclosure of contractual agreements with other governments and development finance institutions such as Asian Development Bank will shatter the confidence of the private sector – giving an impression that they need to do international lobbying in order to win project bids.

In fact, transparency of energy contracts could be the single most important factor in attracting foreign direct investment (FD) regardless of the actual state of our economy. It is interesting to note that while Pakistani and Chinese government institutions do not apprise the public about project arrangements, all international development finance institutions including World Bank and ADB publish reports about them, including copies of project financing contracts, in the public domain.

On the contrary, Pakistani media hears partial stories from the government when there is a meeting of ECC or JCC; although some government institutions such as the National Highway Authority (NHA) do publish complete minutes of its executive board meetings regularly.

As the government aims to engage more foreign companies in various investment projects, there is an urgent need to ensure a level-playing field.

For example, as most of the CPEC projects are based on imported coal, there is an urgent need to establish a process of benchmarking for periodic fuel price adjustments by the National Electric Power Regulatory Authority (Nepra) while keeping in view an array of factors such as quality of imported coal and freight rates etcetera.

If this process of tariff determination for imported coal-based power plants is not defined immediately, it may give undue advantages to other stakeholders. Similarly, the government discussed in the 7th JCC and later approved in a meeting of ECC to give preferential treatment in making power purchase payments to five CPEC power projects – making them immune from the menace of the circular debt problem. In contrast, power plants established by our private sector under the 2002 power generation policy are still not being paid and the government owes them billions of rupees in account payables.

The government needs to leverage CPEC's goodwill by issuing long-term infrastructure bonds for financing of motorway projects such that any individual or institution could invest in these bonds and contribute to infrastructure development.

The coupon rate of bonds may be linked to actual revenues from tolls and kiosks. For non-lucrative transport projects such as up gradation of railway tracks, income from bonds may be made tax free and bonds may be allowed to trade in the stock exchange. Development of this infrastructure bond market will help the government raise cheap capital to solve its problems of circular debt and keep growth figures on track.

Is CPEC an exercise in negotiation and diplomacy? Or is it the greatest development agenda Pakistan has ever opted for? Yes. Government has to be blue in the face when it comes to tariff determination of all power projects without any exceptions. The 'soft' blueprint for CPEC in the form of policies related to transparency, accountability and a level-playing field is still not there. CPEC is no longer on shaky grounds but there is a need to make pragmatic moves in order to ensure a win-win for all stakeholders especially small investors.

Coupled with the right policy blueprint and a creative financial engineering approach, the CPEC brand can lead to a 'snowball' effect with more and more FDI pouring in. Lessons from British history also tell us that a strong judicial system based on principles of common law and equal opportunities for all are pre-requisites of any development agenda.

For Pakistan, this is not an easy task – albeit not an impossible one.

https://tribune.com.pk/story/1575168/2-cpec-tale-success-still-leaves-lot-desired/

CENTRE COMMITTED TO EXECUTING CPEC PROJECTS IN KP, COURT TOLD
Dawn, December 6th, 2017

PESHAWAR: Following assurance given by the federal secretary planning to carry out different China-Pakistan Economic Corridor-related development projects in Khyber Pakhtunkhwa, a Peshawar

High Court bench on Tuesday disposed of a petition filed by KP Assembly Speaker Asad Qaisar seeking multiple court directions for the development of western route of the multibillion dollars project and other schemes.

Chief Justice Yahya Afridi and Justice Mohammad Younas Taheem observed that the petitioner's counsel, Qazi Mohammad Anwar, had shown satisfaction with the reply submitted by the federal planning and development secretary wherein commitment was made about several development projects to be carried out in the province in the CPEC project.

Additional attorney general Manzoor Khalil and deputy director of planning and development division Shaukat Khattak contended that in the reply submitted on behalf of the federal planning secretary, it was clearly mentioned that the government stood by its commitments regarding different development schemes in KP.

They said in a recent meeting of the CPEC project's Joint Cooperation Committee (JCC), held in Islamabad on Nov 21, no changes had been made to the development projects earlier envisaged in the multibillion dollars project for KP.

They said the federal government adhered to its commitments on the CPEC project made in the earlier JCC meeting held in China on Dec 29, 2016.

The petitioner's counsel, Qazi Mohammad Anwar, contended that his client was satisfied with the reply of the federal government and that the apprehensions expressed by them regarding proposed projects in KP had been addressed by the government.

Following the filing of the petition last year, KP Chief Minister Pervez Khattak had claimed in Dec 2016 and Jan 2017 that several of the projects, which they had demanded, had been included in the CPEC.

The written statement of the planning secretary mentioned that the JCC had agreed to the development of hydropower projects along the north Indus and that homework was underway to implement the 1700 megawatts projects in Gilgit-Baltistan and KP.

It added that the JCC had agreed to include the Greater Peshawar Mass Transit System in CPEC besides Chitral CPEC link road from Gilgit, Shandor and Chitral to Chakdara.

The statement also said railway track from Khunjrab to Havelian was also part of the long-term CPEC projects.

The petitioner had prayed the court to ask the respondents to honour the premier's commitments made on May 28, 2015, in the APC meeting on the CPEC project and to allocate funds and execute development projects on the corridor's western route.

The speaker claimed that he was custodian of the Assembly, which represented the collective will of the people of the province of Khyber Pakhtunkhwa and is therefore duty bound to follow unanimous resolutions passed by the assembly regarding CPEC.

He added that the Assembly had unanimously passed five resolutions requesting the federal government to develop the western route of the CPEC along with all other development components in the province.

Earlier in April, the federal planning ministry had requested the court to dismiss the petition saying both the eastern and western routes of the economic corridor would be developed in the short-term phase.

https://www.dawn.com/news/1374894

THREE CPEC PROJECTS HIT SNAGS AS CHINA MULLS NEW FINANCING RULES
Dawn, December 5th, 2017

Syed Irfan Raza

ISLAMABAD: China has temporarily stopped funding of some projects particularly those related to the road network under the China-Pakistan Economic Corridor (CPEC) till further decision regarding ‘new guidelines’ to be issued from Beijing, a senior government official told Dawn on Monday.

The decision could affect over Rs1 trillion road projects of the National Highway Authority (NHA). It was not clear how wide the impact of the delay will be, but initial reports confirm that at least three road projects are going to experience a delay.

The projects to be affected include the 210-km Dera Ismail Khan-Zhob Road, at an estimated cost of Rs81 billion. Of this, Rs66bn will be spent on construction of road and Rs15bn on land acquisition. Also the Rs19.76bn 110-km Khuzdar-Basima Road has also been affected.

The Rs8.5bn 136-km remaining portion of Karakarom Highway (KKH) from Raikot to Thakot is also impacted.

All three projects were originally part of the government’s own development programme, but in December 2016, the spokesman of the NHA announced that they are to be included under the CPEC umbrella to become eligible for concessionary finance from China.

The official told Dawn that funds for the three road projects were approved in the 6th JCC meeting held last year, pending necessary procedural formalities. It was expected that the funding of the three projects would be finalized during the Joint Working Group (JWG) meeting held on Nov 20, but Pakistan was informed in the meeting that ‘new guidelines’ will be issued from Beijing under which new modus operandi for release of the funds will be described.

The decision of Chinese government was conveyed to Pakistan in the JWG meeting and the existing procedure for release of funds had been abolished. Under the previous procedure, the projects were to be approved by six different forums after which the funds were released.

“In fact the Chinese authorities informed us that the previous procedure of release of funds was meant for early harvest projects only and new guidelines will be issued for future projects of the CPEC,” the official said.

This suggests that the impact of the new procedures could be much wider than just the three roads mentioned by the official.

The official said the Pakistani side was left “stunned” when told of this development since it was the first time they were hearing it.

He, however, claimed that Chinese side was quite disturbed with increasing news reports being published in Pakistan regarding corruption in CPEC projects and that was the reason China has temporarily halted release of funds for the corridor.

https://www.dawn.com/news/1374532

‘CPEC OPENS NEW HORIZON OF DEVELOPMENT TO THE WORLD’
The Express Tribune, December 6th, 2017.

LAHORE: Federal Interior Minister Ahsan Iqbal said on Tuesday that challenges on the economic front are one of the most prevailing global problems, adding that Pakistan is also passing through a crucial moment in its economic history.

“However, China-Pakistan Economic Corridor (CPEC) is opening up a new horizon of development to the world and it is a matter of great pleasure that massive investments under CPEC are further strengthening Pak-China friendship,” Iqbal said while talking with media at a dinner of the 3rd CAC Pakistan Summit and Expo.

Iqbal said the world is going through an age of innovation and disruption where changes took place frequently, adding that Pakistan needs to develop itself as per requirements of the world because the nature of today’s challenges is global and challenges have no boundaries.

“Today, we need to promote trade with the international community instead of relying on loans for economic development,” he stated. “The country’s economy had collapsed in 2013 when no one was ready to invest in Pakistan, but now it is making progress.”

Highlighting progress on the energy front, Iqbal said power generation had been enhanced by 7,000MW with another 3,000MW to be incorporated into the system soon. “Consistency in economic policies is indispensable for the progress of the country,” Punjab Governor Raqfiq Rajwana said, while predicting that Asia would make up 50% of the global economy by 2025.

Iqbal, who is also Minister for Planning and Development, urged the business community to capitalise on business opportunities under CPEC, adding that infrastructural improvement will encourage greenfield industrial set-ups, with a focus on value-additive industries that will provide an effective platform for competitive trade in the global economy.

He said Pakistan of today is different from that of 2013 when economy was badly deteriorated, local industries were almost non-existent and 18-20 hour load-shedding was the order of the day.

He said that CPEC has enabled Pakistan to overcome critical bottlenecks to energy and transport infrastructure, while highlighting China as the best example and success story of Special Economic Zones (SEZs).

The minister said that enemies of Pakistan could not digest development in the country so they were targeting its economy, peace and stability to stop its progress. He was of the view that a growth target of over 6.2% could have been easily achieved given that a peaceful and conducive environment prevailed in the country.

Iqbal said that renowned rating agencies including WBC said that if Pakistan continued its current pace of growth, it would be included in the top economies of the world. “If we want to secure the youth’s future we have to promote our growth rate,” he said. Iqbal said that so far as many as 7000MW electricity has been added.

https://tribune.com.pk/story/1576966/2-cpec-opens-new-horizon-development-world/

IRAN SEES CPEC AS PROJECT WITH GREAT POTENTIAL: ENVOY
Dawn, December 9th, 2017

KARACHI: Iran reiterated its interest in the China-Pakistan Economic Corridor (CPEC) when its Ambassador to Pakistan Mehdi Honardoost on Friday called the corridor “a project with great potential” and urged other countries in the region to join it and bolster regional cooperation.

“You see, such kinds of project always bring great opportunities,” he told reporters at the Karachi Press Club. “In order to capitalise on those opportunities and strengthen cooperation in the region, other countries should participate in it [CPEC] as well. We strongly hope that this project would bring peace and prosperity to the region.”

However, the Iranian envoy did not miss the opportunity to highlight the significance of the newly-inaugurated Chabahar port in his country and invited the Pakistani businessmen to “utilise” the facility which would open new venues of Pakistani investment in the neighbouring country.

Iran, earlier this month, opened its port of Chabahar as one of the major post-nuclear deal projects in its Sistan-Baluchestan province at a ceremony which was attended by officials from 17 countries, including Pakistan.

The Chabahar port’s development was accelerated after Iran signed the nuclear pact with the US and five other major powers in 2015 to put curbs on its nuclear programme in exchange for relief from economic sanctions.

Earlier, Mr Honardoost visited the Governor House where he met Sindh Governor Mohammed Zubair along with Iranian consul general Ahmad Muhammadi.

During the meeting, the two dignitaries exchanged views on Pakistan-Iran trade, investment opportunities in Sindh, Iran’s cooperation in the social sector, Pakistan’s key role in war against terrorism and other issues of mutual interest.

"Governor Zubair invited Iranian entrepreneurs to make investment in CPEC, particularly in Karachi, for which the government will provide assistance," a statement issued by the Governor House said.

"Iranian ambassador Mr Honardoost was of the view that not only the rulers of the two countries but their people are also keen for further promotion of Iran-Pak relations," the statement added.

Meanwhile, the Iranian envoy also addressed industrialists and the business community over a luncheon meeting at the Karachi Chamber of Commerce and Industry.

On the occasion, he said that lack of information about the capabilities of Iran and Pakistan in the business communities of the two neighbouring countries was hindering the promotion of bilateral trade.

"But the situation has been improving as Pakistan-Iran trade volume rose by 31 per cent last year," he said, adding that the two countries have to focus on exchange of information and trade delegations and other promotional activities.

Mr Honardoost said that Iran was keen to develop its ties with Pakistan by focusing on enhancing trade which continued to grow each year.

Exporting electricity to Pakistan, implementing Iran-Pakistan Gas Pipeline, signing of free-trade agreement and commencement of banking transactions between the two brotherly countries reflected this approach, he added.

https://www.dawn.com/news/1375465/iran-sees-cpec-as-project-with-great-potential-envoy

PAKISTAN'S ECONOMIC PROMISE
Dawn, December 10th, 2017

Munir Akram

THE recent oversubscription of the foreign loans sought by the Pakistan government, and the relatively favourable rates on which these were obtained, indicates that lenders seem to have shrugged off this year's sharp (20 per cent) fall in the Pakistan Stock Exchange and concerns about widening trade and budget deficits, domestic political turmoil and threats of US sanctions.

The market's optimism about Pakistan's economy is well placed. Despite bad or indifferent management, the country's GDP has grown, in nominal terms, from $80 billion in 2002 to $300bn in 2017. In Purchasing Power Parity terms, the Pakistani economy's size is $1 trillion. And, these statistics do not count the estimated 36pc of the economy which remains undocumented.

The planning minister asserted a few days ago that economic growth this year would have reached the 6.5pc target (instead of 5.3pc) were it not for the domestic political turbulence. But the government's economic decisions appear to be clearer and quicker under the stand-in prime minister. And, the blockade of the capital by religious zealots was too recent to affect the growth statistic. It is investment which largely determines the rate of growth.

Until two years ago, growth in Pakistan's economy hovered around 4pc or less. It rose to 5pc last year and 5.3pc this year mainly due to the investment in energy and infrastructure under the CPEC project.

It is estimated that to eliminate extreme poverty and double per capita income (from $1600 to $3200) in a decade, Pakistan's economy should grow at 7pc annually. To achieve this level of growth, investment in the economy (external and internal) should be around 20pc of GDP ie around $60bn annually, equal to the entire amount committed so far under CPEC.

Most of this $60bn in annual investment will have to be mobilised by Pakistan itself, from its domestic revenues, national capital markets, the private sector and external earnings.

Although tax collection has increased recently, Pakistan's tax-to-GDP ratio is still much lower than the global norm of 16-18pc. Well managed, tax revenue can be doubled.

Apart from enlarging the tax net, the government can effect enormous savings by selling off or shutting down the dozen or so state-owned corporations (white elephants) which are costing the exchequer around 2pc of GDP each year.

Similarly, subsidies (for electricity, water, fertiliser production, textile and other exports), unless efficiently provided for specific development goals, encourage 'rent-seeking' and corruption, distort the economy and waste precious state resources. They must be progressively eliminated.

Third, once fully developed, Pakistan's capital markets can be a significant source of investment.

Fourth, a well-conceived and energetic effort is required to mobilise domestic and foreign private investment.

While money can be mobilised, investment must be deployed strategically to create sustained growth, employment and development. There are five areas which deserve to be accorded priority: physical infrastructure, social development, agriculture, manufacturing and technology.

Under CPEC, Pakistan's energy and transport infrastructure requirements are being addressed with China's cooperation. Hopefully, this vital enterprise will not be derailed by malign internal or external intervention. CPEC should be enlarged, as envisaged, to encompass cooperation in the industrial and other sectors of the economy.

However, building Pakistan's 'social infrastructure' — education and medical facilities; water and sanitation; urban and rural transport systems — is equally if not more important than physical infrastructure. This is essential to create the human foundation for modernisation of the economy and should have first call on the national development budget. Some progress in these sectors has been made in Punjab and KP; not so in Sindh and Balochistan.

Agriculture contributes 25pc of Pakistan's GDP and absorbs 40pc of its labour force. Pakistan possesses the largest integrated irrigation system in the world. Yet its per unit agricultural output is one of the world's lowest. It wastes over 30pc of its water and food production. Unless agricultural production grows at more than the present 2-3pc, Pakistan will be unable to feed its growing population. What is required is clear: more equitable land distribution (to smaller, more productive farmers, 50pc of whom do not own any land); upgradation of the irrigation system; focused financing of advanced techniques for efficient water use, improved seeds, cultivation and harvesting, storage, transport, marketing and processing of agricultural products.

Likewise, unless it industrialises, Pakistan will be unable to grow rapidly or provide employment for its ‘youth bulge’. Since Pakistan’s growth is driven mainly by domestic demand, it is well placed to develop its textiles, steel, heavy machinery, engineering goods, automotive, electronics, petrochemical, consumer goods, and food-processing industries, without relying on exports.

As every industrialised country has done historically, Pakistan will need to ‘protect’ its nascent industries from external competition for a time. The WTO rules permit developing countries to do so. If a foreign company can sell a product in Pakistan, it is unlikely to invest in producing it there. Premature trade ‘liberalisation’ is a recipe for deindustrialisation. Pakistan’s access to foreign markets in any sector will be meaningful only once it is competitive in that sector. Islamabad should renegotiate all so-called FTAs and review its trade regime to build in the protections required by its industries.

Technology is key to economic dynamism. Every industrial process, every business model, is being transformed by the application of digital and other technological innovations. Pakistan must absorb these developments like a sponge, mobilising public and private entities, at home and abroad, to find the most efficient and productive ways to promote growth and development in targeted areas, often leapfrogging the existing techniques applied in advanced countries. In the final analysis, this will be one of the two decisive factors in Pakistan’s economic success or failure.

The second is the quality of Pakistan’s governance. A modern state requires a functionally competent, honest system of governance which can set the rules, create capacity, ensure fair competition and equitable distribution of the fruits of growth and development. After decades of misrule, the people must accord first priority to evolving an answer to the question: how to secure a leadership that is dedicated to Pakistan’s national interest, not its own; one that is enlightened, honest and accountable; one that can respond to the enormous challenges and opportunities that face Pakistan today?
https://www.dawn.com/news/1375641